



ALPHA BANK

# ANNUAL REPORT

For the period from 1 January to 31 December 2019

(In accordance with Law 3556/2007)



Athens, 27 March 2020



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## Statement by the Members of Board of Directors (in accordance with article 4 paragraph 2 of Law 3556/2007)

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

Athens, 27 March 2020

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OF THE BOARD OF DIRECTORS

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THE GENERAL MANAGER  
OF NON-PERFORMING LOANS AND  
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# Board of directors' annual management report as at 31.12.2019

## GREEK ECONOMY

An environment of high confidence regarding the country's potential, was formed in 2019, which is reflected, on the one hand, in the remarkable improvement of the domestic business and consumer expectations' indices and on the other hand, in the substantial reduction of the risk premium, imposed on the debt securities issued by the Hellenic Republic. In parallel, the country's growth dynamics have been strengthened further, amid the slowdown of the European economy and the maintenance of fiscal discipline. The recovery of the domestic economic activity maintained its pace in 2019, with real GDP growing by 1.9%, the same as in 2018. The output expansion in 2019 was primarily supported by net exports, as in 2018, making the largest contribution to growth (0.8 pps), albeit it has taken place amid an increasingly deteriorating international environment, dominated by trade tensions, Brexit uncertainty, geopolitical risks and a slowdown in European economy, Greece's main trading partner. The annual growth of exports of goods and services (4.8%) outpaced import growth (2.5%), on the back of the solid performance of tourism, as exports of services increased by 8.0% y-o-y. Private consumption increased by 0.8% in 2019 from 1.1% in 2018, contributing to annual GDP growth by 0.5 pps, underpinned by the rise in household disposable income, significant employment gains and expansive fiscal measures implemented before and after the national elections in July. Public consumption increased by 2.1%, in 2019, after three years of negative growth, contributing to annual GDP growth by 0.4 pps. Investment increased by 4.7% in 2019, contributing to annual GDP growth by 0.5 pps, mainly driven by the marked rise in investment in transport equipment (+37.1%). It is worth noting that the revival in residential investment continued for the second consecutive year, rising by 12.1%.

Following the positive evaluation of the European Commission (EC), included in the fourth updated Enhanced Surveillance Report, which was published in November

2019, the Eurogroup concluded in early December 2019, that Greece has implemented all necessary actions, in order to comply with the specific reform commitments until mid-2019. Therefore, the second tranche of policy contingent debt measures, amounting to Euro 767 million, was released at the end of December, concerning: (i) the abolition of the interest rate margin related to the debt buy-back of the second economic adjustment programme and (ii) the return of the profits and the income equivalent amounts stemming from central banks' holdings of Greek bonds, under the Securities Markets Programme and the Agreement on Net Financial Assets (SMP and ANFA revenue).

The downward trend of the spread between the 10-year Greek government bond (GGB) yield and the German 10-year government bond, which dropped to 165 basis points at the end of the year, against 416 basis points at the beginning of 2019, reflects the strengthening of investors' sentiment towards the Greek economy. Greece's sovereign credit rating was upgraded in March 2019 (Moody's: B1), October 2019 (S&P: BB-) and January 2020 (Fitch: BB), but still remains below the investment grade threshold. The Greek State tapped the debt capital markets three times in 2019, with the issuance of a five-year GGB in February, a ten-year GGB in March and a seven-year GGB in July, raising Euro 2.5 billion each. In addition the Hellenic Republic priced a €1.5 billion tap on their outstanding March 2029 GGB in October 2019, while after the country's upgrading by Fitch, a new 15-year GGB was issued in January 2020, with which a total of Euro 2.5 billion was raised. The downward trend of the GGB yields was also signaled by the issuance, within the last quarter of 2019, of 13- and 26-weeks Greek Treasury Bills, with negative rates. In parallel, the Athens Stock Exchange (ASE) General Index embarked on a strong upward trajectory (+49%), closing at 917 units at the end of 2019, compared to 613 units in the beginning of the year.

The primary surplus under the enhanced surveillance definition stood at 4.16% of GDP in 2018, significantly above the target of 3.5%, mainly due to the under-execution of



public expenditure for intermediate consumption and the Public Investment Budget. The 2019 EC Autumn Forecast, published in November 2019, indicated that the primary surplus is expected to reach 3.8% of GDP in 2019, whereas the fiscal targets are likely to be met for both 2020 and 2021. The forecast for 2020, has incorporated the impact of the growth enhancing fiscal measures and policy interventions included in the 2020 State Budget, as well as the Court ruling on the 2016 pension cuts.

The average Overall Industrial Production Index for the period of January - November 2019 increased marginally by 0.1% on an annual basis, with manufacturing production rising by 1.7%. The good performance of the manufacturing sector is also confirmed by the Purchasing Managers' Index (PMI), which stood at 54.4 units in January 2020, remaining consistently above 50 units for 32 consecutive months, suggesting that the manufacturing sector has entered an expansionary phase.

The Economic Sentiment Indicator (ESI) recorded the highest performances of the last twelve years in the second half of 2019, whereas it remained, throughout this period, above the respective Euro area indicator. In particular, in December 2019 the ESI stood at 109.5 points, up by 8.6 points compared to December 2018. The consumer confidence indicator, also marked a significant improvement in 2019, standing at -6.2 points in December 2019, corresponding to the highest level since September 2000.

The revival of the real estate market continued in the first nine months of 2019, as house prices rose by 7.4% on an annual basis, retaining the positive momentum of 2018, whereas commercial real estate prices, i.e. shops and offices also increased, on an annual basis, in the first half of 2019, by 7.3% and 5.4% respectively.

Inflation, based on the Harmonised Index of Consumer Prices (HICP), reached 1.1% in December 2019. According to the 2019 EC Autumn Economic Forecasts, HICP inflation is expected to increase to 0.6% in 2020 and further to 0.9% in 2021, in line with the ongoing recovery of the Greek economy and the inflationary pressures that are expected to prevail on the back of the tax reforms.

The unemployment rate continued to decline in the first ten months of 2019, standing at 16.6% in October 2019 (according to seasonally adjusted data), lower by 1.9 percentage points compared to October 2018 and by 11.2 points compared to its peak in September 2013. According to the 2019 EC Autumn Economic Forecast, the unemployment rate is expected to de-escalate further within 2020-2021

(15.4% and 14%, respectively), remaining however the highest among European Union countries. Employment continued to increase in January-October 2019 (by 2.2% on an annual basis, according to seasonally adjusted data), while job creation corresponded to employees, as the number of the self-employed decreased. The tertiary sector had the largest contribution to job creation.

The current account balance recorded a deficit of Euro 2 billion in January – November 2019, reduced by Euro 1.7 billion compared to same period of 2018. This development was due to the improvement of, mainly the services balance and to a lesser extent, the primary and secondary income balances, which was partially offset by the deterioration of the trade balance.

The profits of the Greek banks (before taxes), in the first nine months of 2019 exceeded the respective profits registered in the same period of the previous year. According to the Interim Monetary Policy Report of the Bank of Greece (November 2019), the profits' increase compared to last year, can be attributed to the cost containment, as well as to the increase in revenues from financial transactions, which however, are considered non-recurring revenues. The Capital Adequacy ratio for the Greek banking groups, on a consolidated basis, stood at 16.9% in September 2019, whereas the Common Equity Tier 1 (CET1) ratio reached 15.9%<sup>1</sup>.

The liquidity conditions in the banking system continued to improve, due to the positive deposit flows from the private sector of the economy, as well as the funding received from the Eurosystem and the interbank market. The dependency of the Greek Banks on the Emergency Liquidity Assistance (ELA) mechanism has been eliminated since March 2019. Funding received by the Greek Banks from the Eurosystem (excluding ELA) was equal to Euro 7.8 billion in November 2019, against Euro 10.1 billion in December 2018.

Private sector deposits amounted to Euro 143.1 billion in December 2019, of which household deposits stood at Euro 116.7 billion and business deposits were equal to Euro 26.4 billion. The total deposits in the banking system (private sector and General Government deposits) amounted to Euro 159.1 billion in December 2019, recording an annual increase of 4.6%. The strengthening confidence in the outlook for the Greek economy and the stability of the banking system, as well as the economic recovery contributed to the expansion of the deposit base.

<sup>1</sup> Bank of Greece, Interim Monetary Policy Report, November 2019



The outstanding amount of total credit granted to the private sector amounted to Euro 154.3 billion at the end of December 2019, while the annual rate of change stood at -0.5. More specifically, the annual rate of credit to non-financial corporations remained in positive territory in 2019, standing at 1.9% in December 2019. With regard to household credit, the annual rate of change of consumer and mortgage credit remained negative, showing however, signs of stabilization.

The management of non-performing loans (NPLs) further progressed in the first nine months of 2019. NPLs were reduced to Euro 71.2 billion at the end of September 2019, decreasing by Euro 10.6 billion compared to December 2018 and by Euro 36 billion compared to March 2016, when the highest level of NPLs was recorded. The ratio of NPLs to total loans remains high not only overall (42.1% in September 2019), but also per loan category (43% for mortgages, 49.7% for consumer loans and 40.4% for the business loans portfolio). The decrease of NPLs stock in the first nine months of 2019, was mostly due to write-offs and loans sales (Euro 3.1 billion and Euro 7.1 billion, respectively). It should be noted that, according to the NPL targets submitted to the Single Supervisory Mechanism (SSM) at the end of March 2019, Greek credit institutions aim to reduce the total NPLs ratio, to below 20% by the end of 2021.

## INTERNATIONAL ECONOMY

In 2019, the global economy slowed down, largely caused by concerns that the US economy could shrink because of the sharpening trade dispute between the United States and China. However, the easing of trade tension between the two partners during the year, coupled with the decision of the US Federal Reserve to cut its key interest rates, have been supportive of global economic activity. Although there were no significant signs at the beginning of 2020 that the global GDP growth rate would decline significantly during the year, the emergence and rapid spread of Covid-19 intensified the uncertainty of economic developments. Labor market conditions continue to support household income and consumer spending, fueled by low inflation, helping to mitigate the impact of diminishing business investment. The redistribution of trade amongst countries in the new conditions caused by the spread of Covid-19 and the trade disputes, have a negative impact on demand, weakening economic growth as investment incentives are reduced. The decline in business investment is related to uncertainty about future demand, largely stemming from concerns about world

trade. Companies are preparing to manage the slowdown, with no overcapacity (as evidenced by the declining but still high rate of capacity utilization), with a wait-and-see attitude. At the same time, in many countries flexibility in fiscal policy remains limited, even though adopting an expansionary monetary policy is the appropriate move in order lower interest rates to support growth.

The most important causes of uncertainty weighing on the global economy are:

- The emergence of Covid-19, as its spread and evolution into a pandemic, has a significant negative impact on China's economic growth, causing a chain reaction on the global economy.
- The oil price war. The confrontation between Saudi Arabia and Russia over cuts in daily oil production in order to stabilize market prices due to the low demand caused by the outbreak of Covid-19, may have a negative impact on oil companies' market valuations in the US, as well as their profitability.
- The trade war between the United States and China. The "first phase" of the bilateral trade agreement announced in December 2019 and signed in mid-January, could prevent further tariffs being imposed on each other's exports. However, despite the progress achieved, we are still far from a final agreement. It is pointed out that there are serious reasons why the US President would like to reach an agreement immediately. The US president, seeks re-election in November 2020, which means he should boost economic activity in his country. Having already used the tax-cuts ammunition in 2018, he does not have many options. The most important option left to do is to boost trade in agricultural products, and this can be achieved by seeking China to increase its purchases from the US at the same time China is demanding lower tariffs on its products.
- The US presidential election and the effect of the outcome on the economy.
- Geopolitical tensions, digitalization, climate change and social unrest (Lebanon, Chile, Colombia, France, Hong Kong) are issues that will affect the global economy in 2020.
- Brexit will be a test of how international economic relations work. The United Kingdom withdrew from the European Union (EU) on 31 January 2020, while entering a transition period of 11 months within which it would seek to negotiate the details of its future trade partnership



with EU. The timetable of these negotiations is considered quite ambitious given the difficulties of the past. However, it should be emphasized that the possibility of no commercial agreement at the end of January 2021 has not been ruled out.

Global GDP growth is projected to slow to 2.4% in 2020, from 2.9% in 2019 and 3.6% in 2018 (OECD, Interim Economic Assessment, March 2020). Employment growth in 2019 will be maintained at a slower pace in 2020, supporting consumption. The latter is also expected to be boosted by the slight rise in wages and purchasing power caused by moderate inflation, which is not predicted to be much higher than current levels (2019: 3.4%, 2020: 3.6% - IMF, World Economic Outlook, October 2019), unless there is a significant rise in oil price.

The major central banks are targeting to maintain the loose monetary policy they adopted in 2019. In early March, the US Federal Reserve (Fed) cut its key interest rates in a coordinated move with the rest of the G7 central banks. The extremely loose monetary policy, operating in a weakened international environment stemming mainly from low economic activity and various economic and geopolitical risks, can help alleviate production weaknesses.

The US economy has been resilient to the challenges it faced in 2019 (trade war, slowing global economic growth). Annual US GDP growth was maintained at more than 2.0% per quarter, in 2019. GDP growth was driven by consumption expenditures, supported by a healthy labor market as unemployment plummeted levels of the last 50 years, while wages have been gradually increasing. Regarding the outlook for the US economy, it is noted that labor market resilience, coupled with Fed's recent cut of key interest rates, are expected to contribute to the stabilization of economic activity. The latter is expected to slow down relatively moderately, thus avoiding an economic downturn.

## EUROZONE

In 2019, GDP growth in the euro area decelerated amid intense uncertainty about the European Union's future relationship with the United Kingdom, global economic growth weakness, global trade stagnation and structural changes affecting mainly manufacturing, such as different consumer preferences in the auto industry. Domestic demand and in particular private consumption, is supporting growth, driven by the increase in disposable income, as a result of the sharp rise in wages causing from falling unemployment rates below the pre-crisis level, although part of the increase

of disposable income is directed to savings. At the same time, some Member States have adopted growth-enhancing fiscal measures. According to the latest Eurostat data, GDP increased 1.0% year-on-year, in the fourth quarter of 2019, from 1.3% in the third quarter of 2019, although lower than 1.2% in the fourth quarter of 2018. Significant slowdown in GDP growth recorded for whole of 2019 to 1.2%, from 1.9% in 2018, while in 2020 GDP will further slow to 0.8% (OECD, Interim Economic Assessment, March 2020). The Eurozone economy is likely to be negatively affected the first half of the year by the Covid-19 spread, by possible geopolitical tensions and a resurgence of the refugee crisis, as well as, by the downturn in the manufacturing sector. Growth is still constrained by the increasing weakness of business investment and the zero contribution of net exports due to falling external demand.

## COUNTRIES WHERE THE BANK OPERATES

### Cyprus

The growth of economic activity in Cyprus, according to the available data from the Cyprus Statistical Service (CYSTAT), decelerated to 3.2% in 2019, from 4.1% in 2018. Economic activity in 2019 relied mainly on construction, professional services, trade and manufacturing.

The European Commission (Winter 2019 Economic Forecast) estimates GDP growth to slow further to 2.8% in 2020 and to 2.5% in 2021, due to a slowdown in external demand for residential and tourism services.

Annual inflation stood at 0.3% in 2019, while the annual harmonized inflation stood at 0.5%, from 0.8% in 2018.

According to the European Commission (Winter 2019 Economic Forecast), harmonized inflation is expected to rise marginally to 0.8% in 2020 and to 1.2% in 2021.

Although public debt increased in 2018 to 100.6% of GDP, from 93.9% in 2017, due to state aid related to the liquidation of the Cyprus Cooperative Bank, it is projected to decline to 93.8% in 2019 and to 87.8% in 2020 (European Commission, Autumn 2019 Economic Forecast), mainly due to projected primary surpluses.

The current account deficit in Cyprus, according to the Central Bank of Cyprus, fell to Euro 11.9 million in the third quarter of 2019, from Euro 37.6 million in the same period last year, due to the increase surplus in the balance of services. On the contrary, the trade deficit increased to Euro 1,274.4 million, from Euro 1,216.4 million.



According to the European Commission (Autumn 2019 Economic Forecast), the current account deficit is expected to increase from 4.4% of GDP in 2018 to 8.1% in 2019 and to 10.6% in 2020. It is estimated that imports will increase due to strong domestic demand. At the same time, exports are expected to be adversely affected by slowing global demand, strong competition with other tourist destinations and uncertainty arising from Brexit, as one third of tourists to Cyprus arrive from the United Kingdom.

### Romania

Romania's GDP, according to the latest available data from the Statistical Authority (INSEE), rose 4.1% in 2019, against a 4.4% increase in 2018. GDP growth was based on private consumption, which was boosted by increases in minimum wage and public sector wages, as well as investment, due to a sharp rise in construction activities.

According to the European Commission (Winter 2019 Economic Forecast), GDP is expected to grow by 3.8% in 2020 and 3.5% in 2021. GDP growth will continue to be driven by private consumption, due to the rise in disposable income as a result of expansionary fiscal policy and because of the increase in investment, as construction will continue to increase.

Annual inflation, according to INSEE, stood at 3.8% in 2019 and annual harmonized inflation declined at 3.9%, from 4.1% in 2018. The European Commission (Winter 2019 Economic Forecast) estimates that harmonized inflation will fall further to 3.4% in 2020 and to 3.3% in 2021.

According to the European Commission (Autumn 2019 Economic Forecast), the ratio of public debt to GDP is expected to increase marginally from 35.0% in 2018 to 35.5% in 2019 and to 37.2% in 2020.

Additionally, Romania's current account deficit widened by 20.9% year-on-year to Euro 9.9 billion in January-November 2019, according to the Central Bank of Romania (BNR).

The trade balance continued to be the main reason of the worsening of the current account, as its deficit widened by 18.9% in January-November 2019 compared to the same period last year. The European Commission (Autumn 2019 Economic Forecast) forecasts that the current account deficit will increase from 4.4% of GDP in 2018 to 5.1% in 2019 and to 5.3% in 2020.

### Albania

Albania's GDP growth rate, according to the available data

from the National Statistical Authority (INSTAT), accelerated to 3.8% on an annual basis in the third quarter of 2019, from 2.5% in the second quarter. GDP growth relied mainly on private consumption and exports. However, GDP decelerated compared to the third quarter of 2018 (4.7%), as a result of the decline in investment due to the completion of projects related to the construction of the Trans-Adriatic gas pipeline, as well as, the base effect due to high hydroelectric power production last year.

The European Commission (Autumn 2019 Economic Forecast) expects GDP growth in Albania to slow to 3.1% in 2019 from 4.1% in 2018 and to accelerate to 3.7% in 2020. The acceleration of GDP growth will come from boosting private consumption as a result of rising wages and employment, as well as banking lending.

According to INSTAT, annual harmonized inflation in 2019 slow to 1.7%, from 2.0% in 2018. The European Commission (Autumn 2019 Economic Forecast) estimates that annual harmonized inflation will rise to 2.1% in 2020.

Concerning public debt, the European Commission (Autumn 2019 Economic Forecast) predicts to decline from 67.3% of GDP in 2018 to 66.0% in 2019 and to 64.1% in 2020. Also, the current account balance deficit is projected to decelerate from 6.8% of GDP in 2018 to 6.5% in 2019 and 5.6% in 2020.

### United Kingdom

GDP in the UK rose 1.1% year-on-year in the fourth quarter of 2019, against 1.2% in the third quarter, driven by increased exports, as a result of the weakening of the pound, as well as by domestic demand boosted by wage growth and expansionary fiscal policy. However, growth in business investment has been weak, as uncertainty about the details of the agreement and timing of the UK's withdrawal from the European Union weighs. In 2019, GDP stood at 1.4%, similar to 2018, while according to the OECD (Interim Economic Assessment, March 2020), GDP is expected to slow to 0.8% in 2020. The forecasts are the result of the negative effects of the outbreak of Covid-19. GDP growth will continue to be driven by domestic demand, as a result of the strengthening of private consumption arising from wage growth and expansionary fiscal policy. However, business investment is expected to remain sluggish due to uncertainty about the future evolution of Covid-19, as well as, trade relationship of the United Kingdom with the European Union.



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

2019 has been a milestone year regarding the overall performance of the banking system in Greece, as the management of non-performing exposures was the major challenge which had to be faced. More specifically for Alpha Bank, 2019 marked the beginning of the remediation of its Balance Sheet as well as the Bank's return to long-term profitability. In this context, from the beginning of the current year the reliance of Bank on Emergency Liquidity Assistance funding was fully eliminated, retaining in the meanwhile the enrichment of the deposit base, while the Strategy Plan for the years 2020-2022 was put in place.

Total Assets of Group, as at 31.12.2019, increased by Euro 2.5 billion, or by 4% compared to 31.12.2018 and amounted to Euro 63.5 from Euro 61.0 billion. This change was mainly due to the increase of the Investment securities. The balance of Investment securities for the Group amounted to € 8.7 billion as at 31.12.2019, increased by Euro 1.7 billion compared to 31.12.2018, as a result of increase of investment in Greek Government Bonds. In addition, Due from banks increased by Euro 0.8 billion compared to 31.12.2018 mainly due to the increase of Reverse Repos balances, through which the Bank has obtained government and corporate securities of Eurozone countries which were re-pledged for funding transactions with European Central Bank (ECB) as well as in repos transactions.

Loans and advances to customers amounted to Euro 39.3 billion compared to Euro 40.2 billion as at 31.12.2018. The balance of Loans and advances to customers, before Allowance for impairment losses, amounted to Euro 48.0 billion as at 31.12.2019, presenting a decrease of Euro 3.2 billion from Euro 51.2 billion as at 31.12.2018, mainly affected by the reclassification of specific portfolios of non-performing consumer, shipping, mortgage and corporate loans of Euro 1.7 billion to the Assets held-for-sale.

The Allowance for impairment losses amounted to Euro 8.7 billion as at 31.12.2019, reduced by Euro 2.3 billion compared to 31.12.2018, mainly affected by Euro 1.1 billion from the aforementioned reclassification and by Euro 2.0 billion from write offs in the year which were driven by management actions.

On the Liabilities side, at year end the balance of Due to

customers amounted to Euro 40.4 billion, increased by Euro 1.6 bn or 4.2% compared to 31.12.2018, mainly due to the increase of Due to customers in Greece where the inflows of deposits from individuals and corporates exceeded the reduction of deposits of the Public sector, resulting to a loan-to-deposit ratio of 118.9%. The aforementioned ratio is decreased compared to the ratio of 132.3% as at 31.12.2018.

Due to banks amounted to Euro 10.3 billion as at 31.12.2019, reduced by Euro 0.2 billion or by 1.9% compared to the end of the previous year, noting as significant event the elimination of the use of the Emergency Liquidity Assistance (ELA) which was replaced by increased term deposits of other credit institutions. Additionally, during the year the Group's subsidiary Alpha Bank Romania issued Covered Bond of Euro 0.2 billion in the context of the Direct Issuance Global Covered Bond Programme, while the Bank securitized consumer loans, through the transfer of the loans portfolio to a fully consolidated Special Purpose Entity, which in turn drew funding through the issuance of bonds of Euro 0.2 billion. The aforementioned issues counterbalanced the maturities and the repayments of covered bonds, senior debt securities and debt securities of securitization transactions and, as a result, the balance of Debt securities in issue and other borrowing funds is increased by Euro 0.1 billion or 15.4% compared to the end of the previous year.

Total equity of the Group amounted to Euro 8.5 billion as at 31.12.2019 increased by Euro 0.3 billion compared to 31.12.2018. Total equity also includes the impact from the initial application of IFRS 16, as at 1.1.2019, amounting to Euro 27.9 million net of tax. A key factor in the increase of Total equity was the increase in the reserves of Bonds measured at fair value through other comprehensive income by Euro 0.4 billion, which is mainly attributable to the improved valuations of Greek Government bonds. The capital adequacy ratio for the Group increased by 50 bps and stood at 17.9% on 31.12.2019.

Regarding the results for the year, the Profit after income tax for the Group amounted to Euro 97.1 million, increased by Euro 44.2 million compared to Euro 53 million in 2018, despite of the decline of the Operating results by Euro 305.8 million, from Euro 1,441.3 million as at 31.12.2018 to 1,135.5 million as at 31.12.2019.

In detail, Total income for the Group stood at Euro 2,322.8 million as at 31.12.2019 against Euro 2,600.8 million as at 31.12. 2018. Net interest income amounted to € 1,547.3 million against € 1,756.0 million on 31.12.2018,

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



negatively affected by the reduction of the balances and the interest rates of loans, which was partially offset by the positive impact of the decrease of interest expense for due to customers and due to banks. Net fee and commission income increased by 2.7% and amounted to Euro 340.1 million as at 31.12.2019, against Euro 331.1 million in the previous year. Net fee and commission income has been positively affected by the increase of mutual fund and other commission. Other commissions increased by the commission received by the Bank for the sale of partners' portfolio to American Express Payments Europe S.L., while the termination of the cooperation with American Express is also reflected in the decreased commission income from credit cards. In addition, the change of the pricing and the decrease in the volume of transactions contributed to the decrease of commission income from letters of guarantee. Gains less losses on financial transactions amounted to Euro 414.6 million as at 31.12.2019 were mainly affected, albeit less than the previous year, by the gains from the sale of Greek Government bonds.

Total expenses before impairment losses and provisions to cover credit risk increased by 1.4% or Euro 16.4 million from Euro 1,158.2 million as at 31.12.2018 to Euro 1,174.7 million as at 31.12.2019. This is mainly attributed to the effect of the expense for separation schemes amounting to Euro 49.6 million, recognized during the current year, which was partially offset by the decrease in Staff costs and Other expenses. More specifically, Staff costs decreased from Euro 475.3 million at 31.12.2018 to Euro 459.9 million at 31.12.2019, mainly affected by the Group's staff reduction. In addition, Other expenses for the Group decreased by Euro 52.7 million compared to 31.12.2018 to Euro 37.4 million as at 31.12.2019, mainly due to limited, compared to the previous year, impairment of assets (Euro 47.4 million at 2018 and Euro 17.2 million at 2019) which was partially offset by the provision for the dismissal of appeals regarding payment of contributions to insurance fund. It is further noted that the implementation of IFRS 16 has not significantly affected total expenses for the year, since the decrease in General administrative expenses was offset by the depreciation of the recognized rights-of-use.

As a result of the above, the cost-to-income ratio (including Share of profit/loss of associates and joint ventures and excluding Gains less losses on financial transactions and other non-recurring expenses) increased by 6.4% compared to 2018 (31.12.2019: 57.0%, 31.12.2018: 50.6%).

Impairment losses and provisions to cover credit risk

amounted to Euro 990.4 million as at 31.12.2019 compared to Euro 1,730.6 million as at 31.12.2018, reflecting cost of risk of 158 bps (31.12.2018: 296 bps). As a result of the above, Profit/(Loss) before income tax for the Group amounted to a profit of Euro 145.2 million as at 31.12.2019, compared to losses of Euro 289.4 million as at 31.12.2018, while Income tax amounted to an expense of Euro 48.0 million compared to the credit amount of Euro 342.3 million as at 31.12.2018, when based on the applicable legislative framework (Law 4465/2017 and the interpretative bulletin issued on 28.3.2018) the Bank reassessed the temporary differences between the accounting and the tax base and recognized an additional deferred tax asset of Euro 290 million.

## OTHER INFORMATION

Since in 2018 there were no distributable profits, the Bank's Ordinary General Meeting of Shareholders decided on 28.6.2019 the non-distribution of dividend to ordinary shareholders of the Bank, in accordance with article 159 of Law 4548/2018.

The Bank's branches as at 31.12.2019 were 383, out of which 382 were established in Greece and 1 was established in United Kingdom (London).

## RISK MANAGEMENT

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

The main objective of the Group during the first semester of 2019 was to maintain the high quality internal corporate governance and compliance, within the regulatory and supervisory provisions on risk management, in order to ensure confidence in the conduct of its business activities through sound provision of financial services.

Since November 2014, the Group falls within the Single Supervisory Mechanism (SSM) - the financial supervision system which involves the European Central Bank and the Bank of Greece - and as a major banking institution is directly supervised by the European Central Bank. The Single



Supervisory Mechanism is working with the European Banking Authority (EBA), the European Parliament, the Eurogroup, the European Commission and the European Systemic Risk Board (ESRB) within their respective competences.

Moreover, since January 1st, 2014, the EU Directive 2013/36/EU of the European Parliament and of the Council dated June 26, 2013 along with the EU Regulation 575/2013/EU dated June 26, 2013 ("CRD IV"), are effective. The Directive and the Regulation gradually introduce the new capital adequacy framework (Basel III) of credit institutions, as recently amended with the Directive 2019/878 and the Regulation 2019/876.

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

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

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

- Business Units of retail, wholesale and wealth banking, constitute the first line of defense and risk 'ownership' which identifies and manages the risks that arise when conducting banking business.
- Risk management, monitoring and control and regulatory compliance Units, which are independent from each other as well as from the first line of defense.

They constitute the second line of defense and their function is complementary in conducting banking business

of the first line of defense in order to ensure the objectivity in decision-making process, to measure the effectiveness of these decisions in terms of risk conditions and to comply with the existing legislative and institutional framework, by monitoring the internal regulations and ethical standards as well as the total view and evaluation of the total exposure of the Bank and the Group to risk, based on established guidelines.

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

## CREDIT RISK

Credit risk arises from the potential weakness of debtors' or counterparties' to meet all or part of their payment obligations to the Group.

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

The framework of the Group's credit risk management is developed based on a series of credit policy procedures, systems and models for measuring, monitoring and validating credit risk. These models are subject to an ongoing review process in order to ensure full compliance with the current institutional and regulatory framework as well as the international best practices and their adaptation to the respective economic conditions and to the nature and extent of the Group's business.

Under this perspective and with main objective to further strengthen and improve the credit risk management framework in the first semester of 2019, the following actions have been implemented:

- Update of Credit Policy Manuals for Wholesale Banking and Retail Banking in Greece and abroad, taking into account the supervisory guidelines for credit risk management issues as well as the Group's business strategy.
- Continuous strengthening of the second line of defense control mechanisms in order to ensure compliance with Credit Risk Policies at Bank and Group level.





- Update of the Group credit risk models development Framework to align with the current regulatory expectations and international practices.
  - Ongoing validation of the risk models in order to ensure their accuracy, reliability, stability and predictive capacity.
  - Update of the Group credit risk models validation Framework to align with the current regulatory expectations and international practices.
  - Implementation of the Credit Risk Model Management Policy that includes the framework of the basic principles, rules, criteria and specifications governing the management and monitoring of risks arising from the development and use of Credit Risk Models. This Policy has been developed in accordance with the current European Regulatory and Supervisory Framework.
  - Adoption of a new methodology for classifying Business Sectors in risk zones, based on a predictive index that focuses on future perspectives and reflects the risks and prospects of each Business Sector. The new methodology aims to measure and monitor the concentration risk by Business Sector and to define the Credit Risk Appetite level per Business Sector.
  - Establishment of a four-year (2019-2022) business plan of the Group, based on the Credit Risk Appetite level set by the Business Sector, taking into account the ranking of Business Sectors relative to their credit risk according to the methodology described above, as well as the risk profile and the impact on expected credit loss of the new funding.
  - Update of the Credit Risk Early Warning Policy, in terms of its scope and implementation perimeter enhancement, aiming at monitoring evolution and performance of the lending portfolio and ensuring that it is in accordance with the Bank's and Group's Credit Risk Appetite.
  - Development of the Significant Risk Transfer Policy, in accordance to the relevant regulatory guidelines, describing the procedures adopted by the Group in order to assess whether significant risk is being transferred in case of securitisation transactions for which are intended to apply the Significant Risk Transfer principle.
  - Updating of the process applicable under the framework of the Environmental and Social Risk Policy. During the credit approval process, supplementary to the credit risk assessment, the strict compliance of the principles of an environmentally and socially responsible credit facility is also examined.
  - Systematic estimation and assessment of credit risk per counterparty.
  - Design and implement initiatives in order to enhance the level of automation, accuracy, comprehensiveness, quality, reconciliation and validation of data, as part of the Bank's strategic objective of a holistic approach for the development of an effective data aggregation and reporting framework, in line with the Basel Committee on Banking Supervision (BCBS) 239 requirements.
  - Enhancement of the mechanism for the submission of analytical credit data, credit risk data, and counterparties' data for legal entities financing in order to meet the requirements for the monthly submission of analytical credit risk data according to the European Union regulation 2016/867 and the Bank of Greece Governor's Act 2677/19.5.2017 (AnaCredit).
  - Update of the EBA classification mechanism according to EBA Guidelines on management of non-performing and forborne exposures and technical standards amending Commission Implementing Regulation (EU) 680/2014.
  - Development of the State Guaranteed Loans Forbearance Policy Manual, which includes the framework of basic principles, rules and criteria governing the assessment of forbearance requests of loans guaranteed by the Greek State for Retail Banking or Wholesale Banking exposures, in accordance with the current legislative framework.
  - Periodic stress test exercises as a tool for assessing the impact of various macroeconomic scenarios on business strategy formulation, business decisions and the Group's capital position. Crisis simulation exercises are conducted in accordance with the requirements of the supervisory framework and constitute a key component of the Group's credit risk management strategy.
  - Design and implementation of a Programme of projects to ensure Bank's compliance with the regulatory requirements deriving from the Guidelines on the application of the definition of default under Article of Regulation (EU) No 575/2013 (EBA GL/2016/07).
- Additionally, the following actions are in progress in order to enhance and develop the internal system of credit risk management:
- Continuous upgrade of databases for performing statistical tests in the Group's credit risk rating models.
  - Upgrade and automation of the aforementioned process in relation to the Wholesale and Retail banking by using specialized statistical software.



- Reinforcing the completeness and quality control mechanism of critical fields of Wholesale and Retail Credit for monitoring, measuring and controlling of the credit risk.

Furthermore, the Group continued to enhance its risk management framework for the management of overdue and non-performing loans, through the update of policies for the management of overdue and non-performing loans, in addition to the existing obligations, which arise from the Commission Implementing Regulation 2015/227 of January 9, 2015 of the European Committee for amending Executive Committee Act (EU) No. 680/2014 of the Committee for establishing executive technical standards regarding the submission of supervisory reports by institutions. The framework of supervisory commitments for the management of overdue and non-performing loans from credit institutions is determined from the regulation (EU) No. 575/2013 of the European Parliament and the Council, as amended with the Regulation 2019/876 and Executive Committee Act of Bank of Greece 42/30.5.2014 and the amendment of this with the Executive Committee Acts 47/9.2.2015, 102/30.8.2016, 134/5.3.2018 and 136/2.4.2018 which they define.

For the management of overdue and non-performing loans the following pillars have been developed:

- a. the independent operation management for the "Troubled assets" through the Troubled Asset Committee and the representation of the Administrative Bodies in the Wholesale Banking Announcement Review Committee as well as in the Arrears Committees,
- b. the specific management strategy for the non-performing and forborne exposures, and
- c. the continuous improvement of IT systems and processes in order to comply with the required periodic reporting to management and supervisory mechanisms.

## LIQUIDITY AND INTEREST RATE RISK OF BANKING PORTFOLIO

Liquidity Risk comprises both funding liquidity risk and asset liquidity risk though these two dimensions of liquidity risk are closely related. Funding Liquidity risk refers to the inability of a financial institution to raise the cash necessary to roll over its debt, fulfill the cash, margin, or collateral requirements of counterparties; or to meet capital withdrawals. Asset – market liquidity risk, results from the Bank's failure to recognize or address changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

On 1.9.2019 capital controls in the Greek banking system, which were imposed for the first time in June 29th, 2015, were abolished. Already, since October 1, 2018, cash withdrawals from institutions in Greece are permitted without limitation. The Bank's deposit gathering campaigns during the year has led to an increase of customer deposits at the end of the year of € 2.1 billion, a growth of almost 6.52% compared to 31.12.2018, whereas compared to 2018, customer deposits in the Greek banking system increased by 6.42%. The above amount does not include Greek Government deposits, which decreased from € 1.3 billion as of 31.12.2018 to € 0.9 billion at 31.12.2019.

In June 2019, two of the Alpha Bank's Covered Bonds issuances (issued in 2017 and 2018) amounting to a total of € 2 billion, were upgraded and consequently became eligible for funding through the ECB at improved pricing terms.

In May 2019, the Alpha Bank's subsidiary in Romania successfully completed a € 0.2 billion Covered Bond Issuance. This is the first ever Covered Bond Issue from a Romanian bank, which enhances the liquidity position of the subsidiary and contributes to its business goal of funding diversification.

During 2019, there was an increase of both repurchase agreements (repos transactions) and reverse repurchase agreements (reverse repo transactions) of € 0,13 billion and € 0.62 billion respectively.

However, there was an increase of intragroup funding, resulting mainly from Alpha Bank Cyprus and Alpha Bank Romania, subsidiaries with increased liquidity. The improvement of the economic climate during 2019 is evident in the improved pricing terms of the repos transactions and their prolonged average maturity profile. In addition, in 2019 there was an increase in the investment securities portfolio due to the purchase of securities amounting to almost € 1.6 billion.

The Bank's financing from the Eurosystem, which as of 31.12.2019 stood at € 3.1. billion, decreased by 9% compared to 31.12.2018. The funding of € 0.3 billion from the emergency funding mechanism of the Bank of Greece (ELA) as of 31.12.2018 was fully eliminated since February 2019. Consequently, the funding from the Eurosystems derives exclusively from the European Central Bank.

During the first semester of 2019, the Bank successfully participated in the ECB Sensitivity analysis of Liquidity risk – stress test 2019 (LiST 2019), within the context of SSM Supervisory Priorities for 2019. The exercise was launched in February 2019 and lasted for six weeks, while the Data



Quality Assurance period lasted up to the end of May. The results of the exercise along with the ILAAP results were discussed as part of the SREP Supervisory Dialogue of 2019. In the context of the above mentioned exercises, the Bank reviewed the policies and procedures of the liquidity stress test scenarios.

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

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

With respect to the impact of COVID-19, the liquidity position of Alpha Bank has not deteriorated in the last three weeks. Within this period there was no outflow of customer deposits. At the same time, the majority of interbank repos was renewed. As a result the liquidity buffer of the Bank remained stable.

During 2019, the interest rate risk of the banking portfolio remained at low levels without any limits being exceeded in terms of Net Interest Income and Economic Value of Equity. Furthermore, the limited use of the Economic Value Limit Bank of each Subsidiary did not realize any limit breach.

In addition, Interest Rate Risk in the Banking Book (IRRBB) stress scenarios have been presented and validated by the Treasury and Balance Sheet Management Committee (TBSMCo). Furthermore, Interest Rate Risk in the Banking Book policy & methodology was developed and approved by TBSMCo. It is noted that the analysis of the Balance Sheet in the Assets and Liabilities risk monitoring application (namely Sendero Asset & Liability module) has been updated with regards to the loan differentiation by distinguishing those that are measured at amortised cost and those that are measured at fair value through profit and loss, according to IFRS 9 and the respective risk parameters (perimeter, yield curves, discount spread). Banking portfolio net interest income & fair value are estimated based on EBA "Guidelines on the management of interest rate risk arising from non-trading activities" (July 2018) with the aim of monitoring the short and medium to long term interest rate risk in terms of Earning at Risk (EaR) and Economic Value of Equity (EVE).

IRRBB Stress scenarios results are implemented, monitored and presented on a monthly basis to the Treasury and Balance Sheet Management Committee & Risk Management Committee and the Asset Liability Management Committee on quarterly basis.

Finally, the project of inclusion of Subsidiaries abroad in the Sendero system is in progress with the support of the IT department, in order for the monitoring of the Group's data to be improved, by the automated incorporation of their data into the aforementioned system.

## MARKET, FOREIGN CURRENCY AND COUNTERPARTY RISK

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

Market risk is the risk of losses arising from unfavorable changes in the price or volatility of products with underlying interest rates, foreign exchange rates, stock exchange indices, equity prices and commodities. The valuation of bonds and derivative positions are monitored on an ongoing basis. Stress tests are conducted on a regular basis using extreme scenarios in order to assess the impact for each scenario on profit and loss and capital adequacy, in the markets where the Group operates.

A detailed structure for trading limits, investment limits and counterparty limits has been adopted and implemented. This structure involves regularly monitoring trigger events that could signal increased volatility in certain markets. This increased volatility means that a limit decrease is applied in these markets. The limits above are monitored on an ongoing basis and any limit breaches identified are reported officially. For the mitigation of interest rate and foreign currency risk of the banking portfolio, hedging strategies are applied using derivatives and hedge effectiveness is tested on a regular basis.

During 2019, the market risk of the prudential trading book increased due to the increase in hedging that the Bank conducts for subsidiaries' FX risk exposure and due



to a transaction with Alphalife, a Group subsidiary that is not consolidated for prudential purposes and executes transactions for hedging purposes. Furthermore, the risk appetite for the trading and the banking books were reviewed, their governance was enhanced and the Amortized Cost portfolio was activated. The risk of the banking book portfolio increased during the year, mainly due to the increase in bond positions, remaining, however, below the limits approved within the risk appetite framework. It should also be noted that the implementation of the new market risk system was completed and was put into function.

## OPERATIONAL RISK

Operational Risk is defined as the risk of financial or qualitative negative effects resulting from inadequate or failed internal processes, IT systems, people (intentionally or unintentionally) and external events. Operational Risk includes legal risk.

In the context of its capital calculation process for Operational Risk, the Group implements the Standardized Approach, and meets all qualitative criteria required by this Approach.

During year 2019, the Group concluded the First Phase of the implementation of Enterprise Fraud Detection and Prevention System project, initiated in the previous year. Additionally, further progress has been made towards the upgrading of Information and Communication Technology (ICT) and Model Risk measurement and assessment methodologies in response to the increased regulatory focus on these Operational Risk categories. Furthermore, the Group continued with the implementation of the new operational risk system. Additionally, the update of the Operational Risk Management Procedures is in progress.

The development of Key Risk Indicators (KRIs) as a control monitoring mechanism has been continued during 2019 at Group level. Concurrently, the operational risk events management processes have been further strengthened.

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

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

## MANAGEMENT OF NON PERFORMING EXPOSURES (NPES)

In a challenging economic environment, the Bank has set as paramount objective the effective management of NPES, as this will lead not only to the improvement of the Bank's financial strength but also to the restoration of liquidity in the real economy, households and productive business sectors, contributing to the development of the Greek economy in general.

Following its submission on 30th of September 2018, the Bank submitted a revised NPE Business Plan on 29th of March of 2019, including targets per asset class for the period 2018-2021. The updated NPE Business Plan illustrates a mix of organic and inorganic solutions to achieve the plan. The Bank's objective for the management of troubled assets is to reach NPE ratio from 44% in Q 3 2019 to less than 10% by the end of 2022.

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

- Governance, policies and operating models through increased oversight and active involvement of the Management and the BoD with clear roles and accountabilities through the relevant Committees.
- Launch in July 2018 of the "Retail NPE Transformation Plan" establishing a new end-to-end platform for the management of the Retail Troubled Assets. In 2019, the Retail NPL Unit of the Bank has achieved a € 1.1 bn of organic NPE reduction.
- Portfolio segmentation and analysis based on detailed execution roadmaps within a strict and defined segmentation framework under continuous review, update and improvement.
- Refinement of restructuring products with additional functionalities, which are based on debtors' repayment ability and outlook aiming at long-term viable restructurings.
- Re-engineering of Retail NPL Legal Actions landscape



in order to reduce legal workout lifecycle time and improve process efficiency.

- Effective human resources management focusing on know-how and training, which is further improved through attracting specialized executives.
- Strategic joint venture initiative with doBank Hellas – in cooperation with the other Greek systemic banks – an assignment agreement has been signed for the management of Non Performing SMEs exposures of approximately € 400 million over total SME's exposures of the Greek systemic banks of € 1.5 billion approximately. The aim of this common initiative of the Greek systemic banks is to tackle NPEs of Small and Medium Enterprises (SMEs), in cases where the banks have common clients, in coordination and with a uniform credit policy in order to provide common solutions.
- The ongoing implementation of a uniform management strategy for repossessed real estate properties, through the set-up and roll out of AREMI (Alpha Real Estate Management And Investments S.A.), aiming at:
  - Monitoring the repossession procedure (asset on-boarding) and its assignment to the Group's subsidiary Alpha Astika Akinita A.E. or to other appropriate asset management agencies.
  - Supervising and coordinating asset management and development.
  - Supervising and coordinating asset commercialization.
  - Setting and monitoring appropriate Key Performance Indicators (KPIs) for the asset management agencies (internal units and external collaborators).

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

- Realization of a continuously improving economic environment.
- Intensification of electronic auctions to support liquidations and serve as a credible enforcement tool for non-cooperative borrowers; albeit the positive expected impact of the E-Auctions platform, there are certain impediments of legal nature (e.g. ability of borrower's petition in L.3869 shortly before auction) that are adversely affecting the flow of E-Auctions.
- Acceleration of Household Insolvency Law (L.3869) court decisions – further legislative changes that facilitate interbank cooperation in managing cases within L. 3869 framework.

- New debtor protection scheme (L.4605) on primary residences of vulnerable households. Following State's electronic platform's launch, the perimeter applying for the new law and any potential impact will be reassessed, while the Bank has achieved operational and systemic readiness required.
- Improvements in management and transfer of NPLs framework (L.4354); which will support the realization of significant transactions and the improvement of the conditions for a series of portfolios to be transferred within the upcoming period. The abovementioned deals will be further supported by the fact that the domestic servicing industry is finally gaining traction with the establishment and licensing of several servicers.
- Enhancement of legal framework of Corporate Bankruptcy (L.3588) is expected to speed up recoveries and efficiency of corporate cases resolution, while preserving assets' value.
- Realization of four Greek Banks interbank cooperation's (NPL Forum) deliberations for the resolution of common large corporate cases and the cooperation of the banks aiming at a joint management of SMEs respectively.

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

In addition to the established initiatives to accelerate the reduction of its distressed portfolio, the Bank has presented its Strategy update, for the period 2020-2022, with one of the three major transformation pillars introducing a large scale initiative regarding its current NPE landscape, namely "Project Galaxy". More specifically, "Project Galaxy" consists of an NPE acceleration plan which is expected to take place in 2020 and aims to decisively reduce NPEs through a large scale transaction within a comfortable capital envelope. The main parts of the abovementioned initiative are the following:

- i. Front-loaded, substantial NPE reduction through a large securitization transaction: the Bank plans to proceed to the Securitization of up to EUR 12 billion Retail and Wholesale NPEs by making use of the Hercules Asset Protection Scheme (HAPS), resulting to immediate de-risking of the balance sheet
- ii. Carve-out of current NPE platform and outsourcing of servicing to independent entity in order to support Galaxy and business model efficiency. Cepal Hellas, to serve as



the carve-out vehicle, to become a subsidiary by Alpha Bank prior to its sale to a 3rd party investor.

The Bank aims in creating a market-leading servicer by combining the capabilities of Alpha Bank's and CEPAL's servicing platforms. The servicer (hereinafter "New Cepal") will benefit from an appropriate execution capacity and a management team with significant experience in NPE management.

Following the creation of the "New Cepal", investors to acquire a controlling stake and Alpha Bank to enter into long-term SLA with "New Cepal" for the servicing of its Core NPEs. "New Cepal" will continue to service existing and newly acquired portfolios for investors.

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

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

## CAPITAL ADEQUACY

The Group's Capital Strategy commits to maintain sound capital adequacy both from economic and regulatory perspective. It aims at monitoring and adjusting Group's capital levels, taking into consideration capital markets' demand and supply, in an effort to achieve the optimal balance between the economic and regulatory considerations.

The overall Group's Risk and Capital Strategy sets specific risk limits, based on management's risk appetite, as well as thresholds to monitor whether actual risk exposure deviates from the limits set.

The objectives of the Group's capital management policy are to ensure that the Group has sufficient capital to cover the risks of its business, to support its strategy and to comply with regulatory capital requirements, at all times.

On 8 February 2019, the ECB informed Alpha Bank that according to its Supervisory Review and Evaluation Process (SREP) since 1st March 2019 the minimum limit for the Overall Capital Requirement (OCR) is 13.75%,

increased by 0.875%, due to the fully phased-in capital conservation buffer and the gradual increase of the O-SII buffer. The OCR also includes the Pillar 2 requirement (P2R) of 3.0%. For 2020, the minimum limit for the Overall Capital Requirement (OCR) was set to 14%, increased by 0.25%, due to the gradual increase of the O-SII buffer in accordance with a decision that was notified to the Bank on 10 December 2019. As per the recently announced regulatory measures by EBA and ECB, in view of the COVID-19 outbreak, capital regulatory thresholds for European banking institutions have been relaxed. Specifically, on 12 March, the European Central Bank (ECB) and the European Banking Authority (EBA) announced the following relaxation measures for the minimum capital and liquidity requirements for Banks in the Eurozone:

- Banks are temporarily allowed to operate below the level of capital defined by the Pillar 2 Guidance, the Capital Conservation Buffer and the Countercyclical Buffer,
- Furthermore, the upcoming change under CRD5 regarding the P2R buffer was brought forward allowing the Pillar 2 Requirement (P2R) to be covered by Additional Tier 1 (AT1) capital and Tier 2 (T2) capital and not only by CET 1.

Taking into consideration the recent announcements that allow the Bank to operate temporarily at levels below the abovementioned ones, the minimum limit for the Overall Capital Requirement (OCR) is set at 11.5%. It is noted that the Countercyclical Buffer is 0% for Greek Banks. The above measures increase the Bank's capital base available to absorb potential losses due to the crisis by €1.5 billion to reach €3.5 billion. In parallel, the early adoption of the change under CRD5 regarding the P2R buffer allowing the Pillar 2 Requirement (P2R) to be covered by Additional Tier 1 (AT1) capital and Tier 2 (T2) capital offers the Bank additional flexibility regarding its compliance with the minimum limits of the total capital ratio of Pillar 2.

The capital adequacy requirements set by the SSM / ECB and economic capital are used by the Group as the basis for its capital management. The Group seeks to maintain sufficient capital to ensure that these requirements are met.

Regarding the International Financial Reporting Standard 9 (IFRS 9), Alpha Bank makes use of Article 473a of the Regulation No 2395/2017 of the European Parliament



and of the Council amending EU Regulation 575/2013, and applies the transitional provisions for the calculation of Capital Adequacy on both a standalone and consolidated basis. The Bank is adequately capitalized to meet the needs arising from the application of the Standard, which will be fully implemented at 2023. The impact from the full implementation is estimated at approximately 3.0% and the CET1 ratio would stand at 14,9% as of 31.12.2019, for the Group.

At the end of 2019, Alpha Bank's Common Equity Tier I capital (CET I) stood at Euro €8.5 billion; RWAs amounted to Euro €47.5 billion, resulting in a CET1 ratio of 17.9%, up by 52 bps y-o-y, positively affected mainly by the increase in FVOCI revaluation reserve.

Deferred Tax Assets (DTAs) at the end of December 2019 stood at Euro 5.2 billion. According to article 5 of Law 4303/17.10.2014 as amended by article 4 of Law 4340/1.11.2015 "Recapitalization of financial institutions and other provisions of the Ministry of Finance" deferred tax assets that have been recognized and are due to the debit difference arising from the PSI and the accumulated provisions and other general losses due to credit risk, which were accounted until 30.6.2015, are converted into final and settled claims against the Greek State. The above mentioned are set into force in case the accounting result for the period after taxes is a loss, according to the audited and approved by the Ordinary Shareholders' General Meeting financial statements.

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

On 31.12.2019, the amount of deferred tax assets which is eligible to the scope of the aforementioned Law for the Bank and the Group and is included in Common Equity Tier I amounts to € 3.2 million and constitutes 37.3% of the Group's Common Equity Tier I and 6.7% of the respective weighted assets.

Any change in the above framework that will result in the non-recognition of deferred tax assets as a tax credit will have an adverse effect on the Bank's and Group's capital adequacy.

The approaches adopted for the calculation of the capital requirements under Pillar I are determined by the policy of the Group in conjunction with factors such as the nature and type of risks the Group undertakes, the level and complexity of the Group's business and other factors such

as the degree of readiness of the information and software systems.

Capital Requirements for Credit Risk are calculated using the Standardized Approach (STA). The advanced method is used for the valuation of financial collaterals. For the Operational Risk capital requirements the Group follows the Standardized Approach (STA). For the Market Risk the Bank uses a Value at Risk (VaR) model developed at a bank level for the significant exposures and approved by the Bank of Greece.

Additionally, the Bank uses the Standardized approach to calculate Market Risk for the remaining, non-significant exposures.

EU-wide stress test is primarily focused on the assessment of the impact of risk drivers on the solvency of banks. Banks are required to stress a common set of risks (credit risk – including securitisations – market risk and counterparty credit risk, operational risk – including conduct risk). The EU – Stress Test is a biannual exercise.

However due to the outbreak of COVID – 19 (Coronavirus) and its global spread, EBA decided to postpone until 2021 the EU-wide Stress Test Exercise of 2020 to allow banks to focus on and ensure continuity of their core operations. For 2020, the EBA will carry out an additional EU-wide transparency exercise in order to provide updated information on banks' exposures and asset quality to market participants.

Finally, it is noted that on February 6th 2020, Alpha Bank successfully placed a Euro 500 million, Tier 2 bond with 10-year maturity callable after 5 years at a yield of 4.25%, listed on the Luxembourg Stock Exchange. The transaction is an integral part of Alpha Bank's strategy which optimizes the Bank's capital structure and diversifies its capital sources while further strengthens the Total Capital Ratio by circa 104bps.

The issuance provides Alpha Bank an alternative funding source beyond its existing customer deposits, European Central Bank funding and interbank repos. In addition, it allows reduced reliance on secured funding that requires pledged assets, improving its overall funding and liquidity profile.

#### **INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP) AND INTERNAL LIQUIDITY ADEQUACY ASSESSMENT PROCESS (ILAAP)**

The ICAAP and ILAAP processes are an integral part of the Internal Control System (ICS) of the Group. They are aligned



with the best practices and the general principles and requirements set by the regulatory Framework, including the guidelines provided by SSM and/ or EBA. These guidelines allow for:

- The identification, analysis, monitoring and the overall assessment of risks to capital and liquidity.
- The improvement of various systems/ procedures/ policies related to the assessment and management of risks.
- The estimation of the necessary level of Internal Capital required for the coverage of all risks and the determination, management and monitoring of the liquidity buffer.
- Capital and liquidity planning taking also into consideration the Group's Risk appetite and business plan in a forward looking assessment.

ICAAP and ILAAP are integrated into the business, decision-making and risk management processes of the Group, contributing to its continuity by ensuring its capital and liquidity adequacy from different but complementary perspectives (e.g. the economic perspective and the normative perspective), while both perspectives mutually inform each other and are integrated into all material business activities and decisions.

The Board of Directors has the overall responsibility of the ICAAP/ILAAP implementation with a clear and transparent assignment of responsibilities to the Risk Management Committee and Senior Management members. The Board, following the Risk Management Committee endorsement, approves the results of the ICAAP and the ILAAP and signs the Group's Capital Adequacy Statement (CAS) and the Liquidity Adequacy Statement (LAS).

The related reports are updated at least annually, or on a more frequent basis if material changes occur and are submitted to the Single Supervisory Mechanism (SSM) of the European Central Bank. ICAAP and ILAAP are assessed yearly by the ECB as part of the Supervisory Review and Examination Process (SREP).

## DIGITAL TRANSFORMATION AND INNOVATION ACTIVITIES

Alpha Bank identified early on the opportunities and challenges posed by the new digital era and consequently began elaborating its digital transformation program since 2017. The implementation of the program includes both operational levers and innovation focused initiatives and has been a key activity in 2019.

The digital transformation program, which ultimately focuses on the Customer Experience enhancement, entails the further strengthening of the Bank's digital channels, the reinforcement of the necessary digital infrastructure as well as the redesign of the key customer journeys.

Indeed, active mobile-banking users rose in 2019 by more than 50% and the respective increase for web-banking was 25%. This was also a result of the transaction migration program that is coming to an end, having accomplished a migration of more than 55% of teller transaction to digital channels.

As far as digital infrastructure is concerned, WiFi has been installed in all branches, whilst a platform enabling the use of qualified digital signatures (eIDAS) was offered to corporate clients.

With regards to customer journeys redesign, the focus in 2019 was the on-boarding process for both retail and business customers. Our retail customers can open a bank account, issue a debit card and get e-banking, in any branch, in less than 15 minutes. Similarly, corporate clients can upload legalization documents through e-banking and have them processed in less than 3 days.

Alpha Bank actively continues to pursue the development of an open innovation ecosystem. Its first digital innovation competition (i3), open exclusively to Bank staff, was very well received and highlighted the great potential for inspiration and innovation within the Bank. At the same time, FinQuest by Alpha Bank, an international innovation competition was introduced in 2019, aiming to identify innovative solutions in selected areas of interest. The quest attracted more than 70 applications, coming from 12 countries, from the global fintech and start-up communities.

In addition, Alpha Bank organized Digitalized 2019, its annual digital transformation event, which focused on the strong ties between digital transformation and corporate culture, attracting more than 500 Bank executives as well as executives from other top tier institutions.

Concerning open banking, Alpha Bank launched in September 2019 the PSD2 APIs, while at the same time implementing the Strong Customer Authentication framework mandated by the same Directive.

Taking advantage of open banking, Alpha Bank was the first Greek Bank to offer to its customers, through myAlpha web banking, access to the balances and transactions of accounts held at any other Greek bank.





By implementing modern automation technologies in standard procedures, Alpha Bank has installed and operates 4 RPA (Robotic Process Automation) in central departments. The number of them are expected to increase, ensuring an excellent quality level and freeing up staff time for contact with customers and other quality upgrades.

## PROSPECTS FOR THE FUTURE

According to the forecasts of the EC published in February 2020 (European Economic Forecast, Winter 2020), real GDP growth in Greece is projected to reach 2.4% in 2020 and 2% in 2021, supported primarily by investment, rather than private consumption and public spending. Furthermore, it is crucial that the contribution of services' exports and particularly tourism, is maintained at the positive levels of 2019.

Investment growth is expected to be supported by the effective management of NPLs, which is anticipated to eventually restore liquidity in the real economy, the uninterrupted implementation of the structural reforms programme, the attraction of Foreign Direct Investment and the active support of domestic investment plans, the acceleration of the implementation of large investment projects and of privatizations and finally the increase in public expenditure.

The Greek Government recently launched an Asset Protection Scheme under the code-name "Project Hercules". Project Hercules has been assessed by the European Commission under the Treaty on the Functioning of the European Union ("TFEU") on State-aid. In its decision "State Aid SA. 53519 – Greece – Hellenic Asset Protection Scheme", the Commission concluded that "...the measure notified by Greece, including the commitments made by that Member State, does not constitute aid within the meaning of Article 107 (1) of TFEU". Project Hercules is based on the "GACS" Italian securitization precedent.

Further to the above said the European Commission's Decision, Greek law 4649/2019 (Greek Gov. Gazette A 206/16.12.2019), was enacted introducing the framework for Project Hercules (the "HAPS Law"). Under the HAPS Law, a Greek Bank may apply for a State guarantee, which, subject to the satisfaction of certain conditions laid down in the HAPS Law, is granted for the benefit of the holders of senior notes in securitization transactions of non-performing loans, originated by the applying Bank. The aggregate principal amount of senior notes

that may be subjected to the scope of HAPS Law is Euro 11 billion. Subject to the enactment of the relevant secondary legislation, which will regulate the submission of applications under the HAPS Law and other relevant issues, the Bank intends to apply for a State Guarantee under the HAPS Law for the senior notes of Project Galaxy.

In this context, on 19 November 2019, Alpha Bank announced a new strategic plan for the Group for the period up to the end of 2022, with the aim of returning the Group to sustainable profitability. The Strategic Plan sets out a number of initiatives that are intended to help the Bank to achieve this ambition.

The following are noted:

- The Bank intends to undertake a large-scale securitisation and sale of up to €12 billion of retail and wholesale non-core NPEs (known as "Project Galaxy"). Project Galaxy is expected to take place in 2020. This project securitisation would result in an immediate de-risking of the Group's balance sheet and have a positive effect on the Group's cost of risk.

The Group's existing NPE management platform will be carved out from the Bank and a new servicing entity (the "NPE Servicer") will be created comprising the existing NPE management platform and Bank's current licensed affiliated servicer, Cepal Hellas. The NPE Servicer will service and manage both Alpha Bank's core NPEs (i.e. those that will be hived down to New Alpha Bank as part of the Hive-Down, which is described below) as well as the non-core NPEs to be securitised and sold as part of Project Galaxy. Outsourcing the servicing and management of the Group's NPEs to the NPE Servicer is intended to provide greater flexibility to the Group in terms of NPE cost management.

The CET1 ratio of 18.3 per cent. as of 30 September 2019, pro forma adjusted for the deconsolidation of the selected portfolio of non-performing exposures the sale of which is expected to be completed in 2020 (Project Neptune), is expected to be 14.8 per cent, impacted by 350 bps by Project Galaxy, without taking into account any effects from other factors. The Project Galaxy impact refers to the loss from the sale of the mezzanine and equity tranches of the NPE transaction, the gain from the sale of the servicer and the reduction of the risk weighted assets resulting from the sale of the aforementioned securitisation tranches and the risk weighting of the retained (mainly) senior tranches. A risk weight of 0 per cent. is assumed for the retained senior tranches in the context of the credit



enhancement (guarantee) under the abovementioned Hellenic Asset Protection Scheme (HAPS).

- The Bank intends to proceed with a spin-off (the “Hive-Down”) of its core banking assets and liabilities to a new banking entity (“New Alpha Bank”) that would be a wholly-owned subsidiary of Alpha Bank. Alpha Bank would continue to exist as a listed entity but would become a holding company whose main asset is 100 per cent. of the shares of New Alpha Bank. The Bank’s Board of Directors has approved the Hive-Down in principle but further approvals (including, without limitation, all applicable regulatory approvals) will be required in due course to effect the Hive-Down. Subject, amongst other things, to obtaining such approvals, it is currently expected that the Hive-Down will be completed in the third quarter of 2020.
- The Strategic Plan also envisages a streamlining and optimization of the Group’s operating expenses. These measures include, streamlining central functions and general and administrative (G&A) costs, and a reduction in the number of the Group’s branches of around 18 per cent.
- In addition, the Strategic Plan sets out Bank’s intention to appoint new members to its top management team. A new governance framework will also be implemented, including: (i) clear delegation of authority from the Board of Directors to the Chief Executive Officer and from the Chief Executive Officer to the management team, (ii) empowerment and clear re-definition of the areas of responsibility of each member of Bank’s senior management team, and (iii) a redefined structure and role for Bank’s governance committees. These changes are intended to bring personnel with proven experience into Bank’s management team and to enable faster decision-making at executive level.

However, at the end of February 2020, additional uncertainties could be the escalation of geopolitical tensions, as well as the resurgence of the refugee crisis, the domestic potential reform fatigue and delays in the implementation of structural reforms and especially the Covid-19 epidemic spread rapidly in the northern hemisphere, affecting economies worldwide. The OECD<sup>3</sup> released revised projections regarding the global growth prospects, incorporating the impact of the new

epidemic, according to which world GDP growth was revised downwards by around 0.5 pps in 2020, (2.4% from 2.9% compared to the previous baseline projections in November 2019) and the Euro area GDP growth was forecast to slip below the already weak 1.2%, to 0.8% in 2020.

The Greek economy is also expected to be negatively impacted by the Covid-19 epidemic. The output shock is projected to stem mainly from the external demand slowdown, as well as from domestically-driven uncertainty, affecting negatively private consumption. Additionally, a lower investment growth forecast, related to the Covid-19 epidemic, is expected to add to the slowdown of the economic activity in 2020, however to a lesser extent, given that its current share in GDP is relatively low. On the other hand, the decline in GDP will be moderated, as imports are also expected to decline, due to lower internal demand. The reduction in oil prices that took place in parallel, is expected to have a favorable impact on the Greek economy, as it will hold down inflation, despite the increase in unit labor cost (minimum wages increased, whereas productivity is expected to slow down).

The impact of Covid-19 on real GDP growth will in any case depend on the intensity and duration of the phenomenon, while it will likely be of limited duration and is expected to run out by 2020. Finally, the spread of the epidemic may cause a financial disruption to the Greek economy as it significantly burdens the costs of hospital care, diagnostics and the implementation of administrative measures.

The Greek government has announced a set of exceptional measures to address the financial effects of the coronavirus (COVID-19) and the support of the economy and entrepreneurship. The legislative acts of 11.3.2020 and 20.3.2020 have set relief measures of € 3,8 bn (€ 2 bn funded by the State budget and € 1,8 bn by EU funds) and further measures of at least € 6 bn.

The measures, amongst others, include tax relief, extension of period and suspension of tax payments, as well as acceleration of income tax return and VAT for businesses for which exceptional measures of suspension or temporary prohibition of operations apply.

Respective measures were announced for the protection of labor relationships for businesses that have suspended their operations following order of Public authority, including the prohibition of redundancies for as long the exceptional measures apply, as well as the provision of special purpose compensation amounting to EUR 800 for

<sup>3</sup> OECD Interim Economic Assessment, Coronavirus: The world economy at risk, 2 March 2020



employees, self-employed and single-person enterprises affected by the crisis. Beneficiaries of the special purpose compensation are also granted full coverage of their social insurance and deferral of loan payments up to three months.

In addition, the measures include the provision of favorable funding (in the form of a repayable advance) with extended payment terms and period of grace, for all business belonging to the affected from coronavirus sector business, provided that the aforementioned business will maintain the current job positions. The funding amount for every business will depend amongst others on the decrease of sales and on the staff and non-staff cost of their employees.

Finally, the Hellenic Banking Federation together with the Greek government have announced the suspension until September of capital payments for performing companies. This relief applies to legal entities belonging to sector business directly affected by the coronavirus.

It is noted that the Cypriot economy, like all Eurozone economies, is affected by the outbreak of coronavirus and in order to ensure favorable conditions for businesses and households, announced a financial support package amounting to € 700 million, equivalent to 3% of the GDP to counteract coronavirus repercussions. The measures that have been taken by the Cypriot government include, inter alia, inserting to the market € 2 billion worth government guaranteed loans, the temporary suspension of two months of VAT tax payments, reduced VAT rate per 2 percentage points, financial support of amount € 110 mil for businesses that have suspended their operations or have undergone a decrease of their sales greater than 25%, financial support of amount € 10 mil to small businesses, salary substitution for employees of companies that are suspended from their operations, as well as employees in special leave for care of children. In addition, in the context of new measures, the Cypriot financial institutions will be able to derive liquidity from the Eurosystem on substantially favorable terms.

Meanwhile, the European Central Bank, on 12.3.2020 announced supervisory and operational relief measures and in particular provided the possibility to banks to operate below the Pillar 2 Guidance, as described in the section "Capital Adequacy" of this report.

In addition, The Governing Council of the European Central Bank on 12.3.2020, decided the implementation of a package of monetary policy measures in order

to secure favorable conditions of financing for the economy. In particular, it was decided to carry out additional Longer Term Refinancing Operations (LTROs) through a full-spread fixed-rate auction equal to the average deposit facility interest rate, applying more favorable terms for the period June 2020-June 2021 to all Targeted longer-term refinancing operations (TLTRO III) in the same period and launching a temporary asset purchase programme with an overall envelope of € 120 billion. It was also decided that the interest rate on the deposit facility would remain unchanged at -0.5%.

Moreover, the Governing Council of the European Central Bank on 18.3.2020 decided to launch a new Pandemic Emergency Purchase Programme (PEPP) with an overall envelope of € 750 billion. A waiver of the eligibility requirements for securities issued by the Greek government will be granted for purchases under PEPP.

The activation of the above facilities has resulted in the normalization of the conditions in the markets and especially in the Greek market.

Alpha Bank monitors recent progress in this area and considers the initiatives of the authorities.

On 20.3.2020 ECB has announced new supervisory measures to provide further flexibility in the supervisory handling of government guaranteed loans.

On 25.3.2020, the European Banking Authority (EBA) issued statements to explain a number of additional interpretative aspects on the functioning of the prudential framework in relation to the classification of loans in default, the identification of forbore exposures, and their accounting treatment. In particular, the EBA clarified that generalized payment delays due to legislative initiatives and addressed to all borrowers do not lead to any automatic classification in default, forbore or unlikeness to pay. Individual assessments of the likeliness to pay should be prioritized.

The European Securities and Markets Authority (ESMA) in cooperation with European Banking Authority (EBA) also issued statements on 25.3.2020. Both authorities consider that the implementation of public or private decisions aimed at addressing the adverse systemic effects of the COVID-19, should not be regarded as an automatic indication that a significant increase has occurred of credit risk. In assessing the significant increase in credit risk, credit institutions are expected to use a certain degree of judgement and distinguish between borrowers whose credit standing would not be



significantly affected by the current situation in the long term, and those who would be unlikely to restore their creditworthiness.

Finally, in the context of measures to provide guarantees for issuer exposures, ESMA points out that the existence of such credit enhancements may affect the precise calculation of expected credit losses, depending on whether they are considered part of the contractual terms or not and with whether they are recognized separately by the issuer.

Alpha Bank monitors recent developments about the rapid transmission of Coronavirus Disease (COVID-19) and considers any potential impact on its asset quality, the sensitivity of risk models to macro-parameters, and the implementation of the commercial plan.

Given the uncertainties and recent developments, the Bank cannot accurately and reliably estimate the qualitative and quantitative impact on business activities, financial situation and economic results.

However, the Bank activated early on its Business Continuity Plan, adapted for the case of a Pandemic, to ensure a coordinated response to events that could potentially disrupt our business. In order to address an extraordinary situation as the current COVID-19 outbreak, a series of predefined actions were activated but standard BCP procedures had to be exceeded.

In order to mitigate risk, staff for critical functions were immediately split between physical location and BCP sites. Moreover, to ensure continuity of business and to prevent staff with the same skillset from being fully impacted, the majority of our employees in the central units are working from home, while this will be increased gradually to the maximum ratio possible without endangering critical functions or lowering appreciably the service standards of the Bank. Branch staff were divided into teams, with one team working while the other stays at home, alternating at set periods of time.

Existing Remote access capability has been significantly upgraded and additional hardware was provided to Bank's staff, allowing the successful and timely implementation of remote work, and ensuring that all operations can be performed from alternate locations without interruption. At the same time, the Bank confirmed that BCP capabilities of a similar nature are in place with our suppliers / vendors covering people, process and technology, to ensure the continued flow of services and goods to the Bank.

Additional steps have been taken to protect the health and safety of our employees and clients. The Bank established a set of precautionary measures including: domestic and international travel ban, suspension of training, replacement of in-person meetings with tele- or video-conference, adoption of cleaning and sanitization standards for our office and branch premises complying to the official medical rulebook, and running multiple communication channels to promote all necessary preventive actions. Additional measures for high risk staff as per the guidelines of the World Health Association and Greek local authorities were also implemented.

## TRANSACTIONS WITH RELATED PARTIES

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

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

(Amounts in thousand of Euro)

|  |       |
|--|-------|
| Loans and advances to customers                              | 1,759 |
| Due to customers   | 3,176 |
| Employee defined benefit obligations                         | 277   |
| Provisions   | 1,253 |
| Letters of guarantee and approved limits                     | 2,059 |
| Interest and similar income                                  | 41    |
| Fee and commission income                                    | 5     |
| Other income   | 1     |
| Interest expense and similar charges                         | 19    |
| Commission expense   | 1     |
| General administrative expenses                              | 1     |
| Remuneration paid to key management and close family members | 5,846 |

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

**i. Subsidiaries**

(Amounts in thousand of Euro)

| Name  | Assets  | Liabilities | Income | Expenses | Letters of guarantee and other guarantees |
|---|---------|-------------|--------|----------|---|
| <b>Banks</b>  |         |             |        |          |   |
| 1. Alpha Bank London Ltd                              | 18,281  | 3,608       | 3,156  | 246      | 352                                       |
| 2. Alpha Bank Cyprus Ltd                              | 30,256  | 319,619     | 3,130  | 680      | 48,562                                    |
| 3. Alpha Bank Romania S.A.                            | 387,766 | 190,050     | 2,415  | 1,906    | 294,507                                   |
| 4. Alpha Bank Albania SH.A.                           | 28,152  | 73,565      | 919    |          | 13,278                                    |
| <b>Leasing</b>  |         |             |        |          |   |
| 1. Alpha Leasing A.E.                                 | 176,576 | 3,290       | 5,472  | (252)    |   |
| 2. ABC Factors A.E.                                   | 383,336 | 205         | 10,511 | (847)    | 62,000                                    |
| <b>Investment Banking</b>                             |         |             |        |          |   |
| 1. Alpha Finance A.E.P.E.Y.                           | 306     | 14,376      | 972    | 350      |   |
| 2. SSIF Alpha Finance Romania S.A.                    |         | 2           |        |          |   |
| 3. Alpha Ventures A.E.                                |         | 3,609       | 16     | 24       |   |
| 4. Alpha Ventures Capital Management - AKES           |         | 432         | 37     | 2        |   |
| 5. Emporiki Ventures Capital Developed Markets Ltd    |         | 10,560      |        |          |   |
| 6. Emporiki Ventures Capital Emerging Markets Ltd     |         | 9,639       |        |          |   |
| <b>Asset Management</b>                               |         |             |        |          |   |
| 1. Alpha Asset Management A.E.D.A.K                   | 2,881   | 35,446      | 14,491 | 242      | 3   |
| <b>Insurance</b>                                      |         |             |        |          |   |
| 1. Alpha Insurance Agents A.E.                        |         | 1,655       | 1,000  | 3        |   |
| 2. Alphalife A.A.E.Z.                                 | 11,300  | 1,196       | 10,018 | 18,641   |   |
| <b>Real estate and hotel</b>                          |         |             |        |          |   |
| 1. Alpha Astika Akinita A.E.                          | 7,013   | 86,392      | 457    | 8,293    |   |
| 2. Emporiki Development & Real Estate Management A.E. |         | 783         |        | 1        |   |
| 3. Alpha Real Estates Management And Investments S.A. | 86      | 339,658     | 214    | 4,292    |   |
| 4. Alpha Real Estate Bulgaria E.O.O.D                 |         |             |        | 90       |   |
| 5. Chardash Trading E.O.O.D.                          |         | 426         |        |          |   |
| 6. Alpha Investment Property Attikis A.E.             |         | 216         |        |          |   |
| 7. Alpha Investment Property Attikis II A.E.          | 1,857   | 254         | 1      |          |   |
| 8. AGI-RRE Participations 1 S.R.L.                    |         | 153         |        |          |   |
| 9. Stockfort Ltd                                      |         | 17,218      |        | 1        |   |
| 10. S.C. Romfelt Real Estate S.A.                     |         | 4,103       |        | 2        |   |
| 11. AGI-RRE Zeus S.R.L.                               |         | 1,151       |        |          |   |
| 12. AGI-RRE Poseidon S.R.L.                           |         | 4,703       |        | 2        |   |
| 13. AGI-RRE Hera S.R.L.                               |         | 939         |        |          |   |
| 14. AGI-BRE Participations 2BG E.O.O.D.               | 8,892   |             | 202    | 69       |   |
| 15. APE Fixed Assets A.E.                             | 100     | 18          |        |          |   |
| 16. SC Cordia Residence S.R.L.                        |         | 51          |        |          |   |
| 17. AGI-RRE Cleopatra S.R.L.                          |         | 227         |        |          |   |
| 18. SC Carmel Residential S.R.L.                      |         | 1,016       |        |          |   |
| 19. Alpha Investment Property Neas Kifissias S.A.     | 600     | 19          | 5      |          |   |
| 20. Alpha Investment Property Kallirois S.A.          |         | 11          |        |          |   |
| 21. AGI-Cypre Tochni Ltd                              |         | 9           |        |          |   |
| 22. Alpha Investment Property Levadias S.A.           |         | 895         |        |          |   |



| Name   | Assets  | Liabilities | Income | Expenses | Letters of guarantee and other guarantees |
|--|---------|-------------|--------|----------|---|
| 23. Asmita Gardens S.R.L.                          |         | 6,617       |        |          |   |
| 24. Alpha Investment Property Kefalariou A.E.      |         | 362         | 1      |          |   |
| 25. Cubic Center Development S.A.                  |         | 176         |        |          |   |
| 26. Alpha Investment Property Neas Erythraias S.A. | 3,064   | 8           | 94     |          |   |
| 27. AGI-SRE Participations 1 D.O.O.                | 18,045  |             | 419    | 6        |   |
| 28. Alpha Investment Property Spaton S.A.          |         | 792         |        |          |   |
| 29. Alpha Investment Property Kallitheas S.A.      | 1,349   | 5,335       | 98     | (45)     |   |
| 30. Alpha Investment Property Gi I S.A.            | 25,056  | 3           | 4      | 840      |   |
| 31. AEP Industrial Property M. AE                  |         | 19,979      |        |          |   |
| 32. Alpha Group Real Estate Ltd                    |         | 20,996      |        |          |   |
| 33. Fierton Ltd                                    | 4,900   | 9           | 44     |          |   |
| 34. AIP Industrial Assets ROG S.M.S.A.             |         | 19,893      |        |          |   |
| 35. AIP Attica Residential Assets I S.M.S.A.       |         | 4,487       |        |          |   |
| 36. AIP Thessaloniki Residential Assets S.M.S.A.   |         | 4,751       |        |          |   |
| 37. AIP Cretan Residential Assets S.M.S.A.         |         | 2,940       |        |          |   |
| 38. AIP Aegean Residential S.M.S.A.                |         | 2,996       |        |          |   |
| 39. AIP Ionian Residential Assets S.M.S.A.         |         | 2,996       |        |          |   |
| 40. AIP Attica Commercial Assets S.M.S.A.          |         | 9,989       |        |          |   |
| 41. AIP Thessaloniki Commercial Assets S.M.S.A.    |         | 9,989       |        |          |   |
| 42. AIP Commercial Assets ROG S.M.S.A.             |         | 9,989       |        |          |   |
| 43. AIP Attica Retail Assets I S.M.S.A.            |         | 9,915       |        |          |   |
| 44. AIP Attica Retail Assets II S.M.S.A.           |         | 4,994       |        |          |   |
| 45. AIP Attica Residential Assets II S.M.S.A.      |         | 4,994       |        |          |   |
| 46. AIP Retail Assets ROG S.M.S.A.                 |         | 4,994       |        |          |   |
| 47. AIP Land II S.M.S.A.                           |         | 4,656       |        |          |   |
| 48. Alpha Credit Acquisition Company Ltd           |         | 594         |        |          |   |
| <b>Special purpose and holding entities</b>        |         |             |        |          |   |
| 1. Alpha Credit Group Plc                          |         | 628         |        |          |   |
| 2. Alpha Group Jersey Ltd                          | 54      | 15,300      |        |          | 15,542                                    |
| 3. Alpha Group Investments Ltd                     |         | 49,331      |        | 11       |   |
| 4. Ionian Equity Participations Ltd                |         | 5,075       |        | 15       |   |
| 5. AGI-RRE Participations 1 Ltd                    |         | 2,001       |        |          |   |
| 6. Alpha Group Ltd                                 |         | 2,700       |        |          |   |
| 7. Epihiro Plc                                     |         | 1,257       |        |          |   |
| 8. Irida Plc                                       | 435,899 | 225,674     | 29     |          |   |
| 9. Pisti 2010-1 Plc                                |         | 167         |        |          |   |
| 10. Alpha Shipping Finance Ltd                     | 3       | 133,132     | 6,427  | 16,610   |   |
| 11. Alpha Proodos DAC                              | 77,941  |             | 60     | 1,175    |   |
| 12. Alpha Quantum DAC                              |         | 51          |        |          |   |
| 13. AGI-RRE Poseidon Ltd                           |         | 5,591       |        |          |   |
| 14. Umera Ltd                                      | 414,441 | 27,621      | 6,818  | (65)     | 730                                       |
| 15. AGI-BRE Participations 4 Ltd                   |         | 2,275       |        |          |   |
| 16. AGI-RRE Artemis Ltd                            |         | 3,618       |        | 1        |   |
| 17. Zerelda Ltd                                    |         | 999         |        |          |   |
| 18. AGI-Cypr Evagoras Ltd                          |         | 10          |        |          |   |
| 19. AGI-Cypr Ermis Ltd                             | 910,242 | 58,856      | 19,139 | 57,570   | 458                                       |



| Name  | Assets | Liabilities | Income | Expenses | Letters of guarantee and other guarantees |
|---|--------|-------------|--------|----------|---|
| <b>Other companies</b>                        |        |             |        |          |   |
| 1. Kafe Alpha A.E.                            |        | 328         | 16     | 342      | 7   |
| 2. Alpha Supporting Services A.E.             | 695    | 25,048      | 1,106  | 2,910    |   |
| 3. Real Car Rental A.E.                       |        | 300         |        | 2        |   |
| 4. Emporiki Management A.E.                   | 22     | 2,088       | 64     | 10       |   |
| 5. Alpha Bank Debt Notification Services S.A. | 204    | 2,488       | 502    | 6,333    |   |

## ii. Joint ventures

(Amounts in thousand of Euro)

| Name  | Assets | Liabilities | Income | Expenses | Letters of guarantee and other guarantees |
|---|--------|-------------|--------|----------|---|
| 1. APE Commercial Property A.E.                     |        | 165         |        |          |   |
| 2. APE Investment Property A.E.                     |        | 7,970       | 3      | 17       |   |
| 3. Alpha Taneo A.K.E.S.                             |        | 179         |        |          |   |
| 4. Alpha Investment Property Commercial Stores S.A. |        | 6,408       |        |          |   |
| 5. Rosequeens Properties SRL                        | 8,451  |             | 1,618  |          |   |

## iii. Associates

(Amounts in thousand of Euro)

| Name                                     | Assets | Liabilities | Income | Expenses | Letters of guarantee and other guarantees |
|--|--------|-------------|--------|----------|---|
| 1. AEDEP Thessalias and Stereas Ellados  |        | 243         |        |          |   |
| 2. Banking information Systems A.E.      | 404    | 1,227       | 10     |          |   |
| 3. Olganos A.E.                          |        |             | 9      | 757      |   |
| 4. Alpha Investment Property Eleona A.E. | 52,349 | 43          | 1,551  |          |   |
| 5. Cepal Hellas Holdings S.A.            | 905    | 4,616       | 4      | 16,067   |   |
| 6. Alpha Investment Property I A.E.      |        |             | 3,579  |          |   |

|              |                  |                  |               |                |                |
|--------------|------------------|------------------|---------------|----------------|----------------|
| <b>Total</b> | <b>3,011,426</b> | <b>1,863,337</b> | <b>94,611</b> | <b>136,301</b> | <b>435,439</b> |
|--------------|------------------|------------------|---------------|----------------|----------------|

## C. Other related party transactions

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

(Amounts in thousand of Euro)

|  | Assets | Liabilities | Income | Expenses |
|--|--------|-------------|--------|----------|
| Hellenic Financial Stability Fund – HFSF |        |             | 8      |          |



## NON FINANCIAL REPORT

The Non-financial Report has been prepared in accordance with Law 4548/2018 and the General Electronic Commercial Registry's (GEMI) Circular 62784/2017. In addition, best international practices in the issuance of non-financial information have been applied, using recognized guidelines and frameworks (such as the Global Reporting Initiative (GRI) Standards).

### Corporate Responsibility

Alpha Bank's Management oversees the Bank's corporate responsibility performance. In 2019, Bank Executives met with members of the Senior Management, the Board of Directors (BoD) and the Audit Committee for the presentation and discussion of the Bank's actions on corporate responsibility (e.g. materiality analysis, publication of Alpha Bank's non-financial information in line with the Greek legislation etc.). In addition, Senior Management Executives, some of whom also serve as members of the Board of Directors, assessed the risks of non-financial issues for the responsible operation of the Bank, as part of the annual materiality analysis conducted by the Bank.

### Alpha Bank Corporate Responsibility Policy

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

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

Alpha Bank's **organization and operation** follow the best banking and business practices. They are governed by principles such as integrity and honesty, impartiality

and independence, confidentiality and discretion, in line with the Bank's Code of Ethics and the principles of Corporate Governance. Particular significance is attached to the identification, measurement and management of the undertaken risk, to the compliance with the applicable legal and regulatory frameworks, to the transparency and to the provision of full, accurate and truthful information to the Bank's Stakeholders.

The Bank's primary goals are credibility, reliability and efficiency in banking services. Its key concerns are to continuously improve the products and services it offers and to ensure that its **Customers'** banking needs are addressed in a modern and responsible manner. It examines and incorporates non-financial criteria (on issues related to the environment, society and corporate governance) in its financing procedures, as well as in developing and placing new products and services on the market.

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

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

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





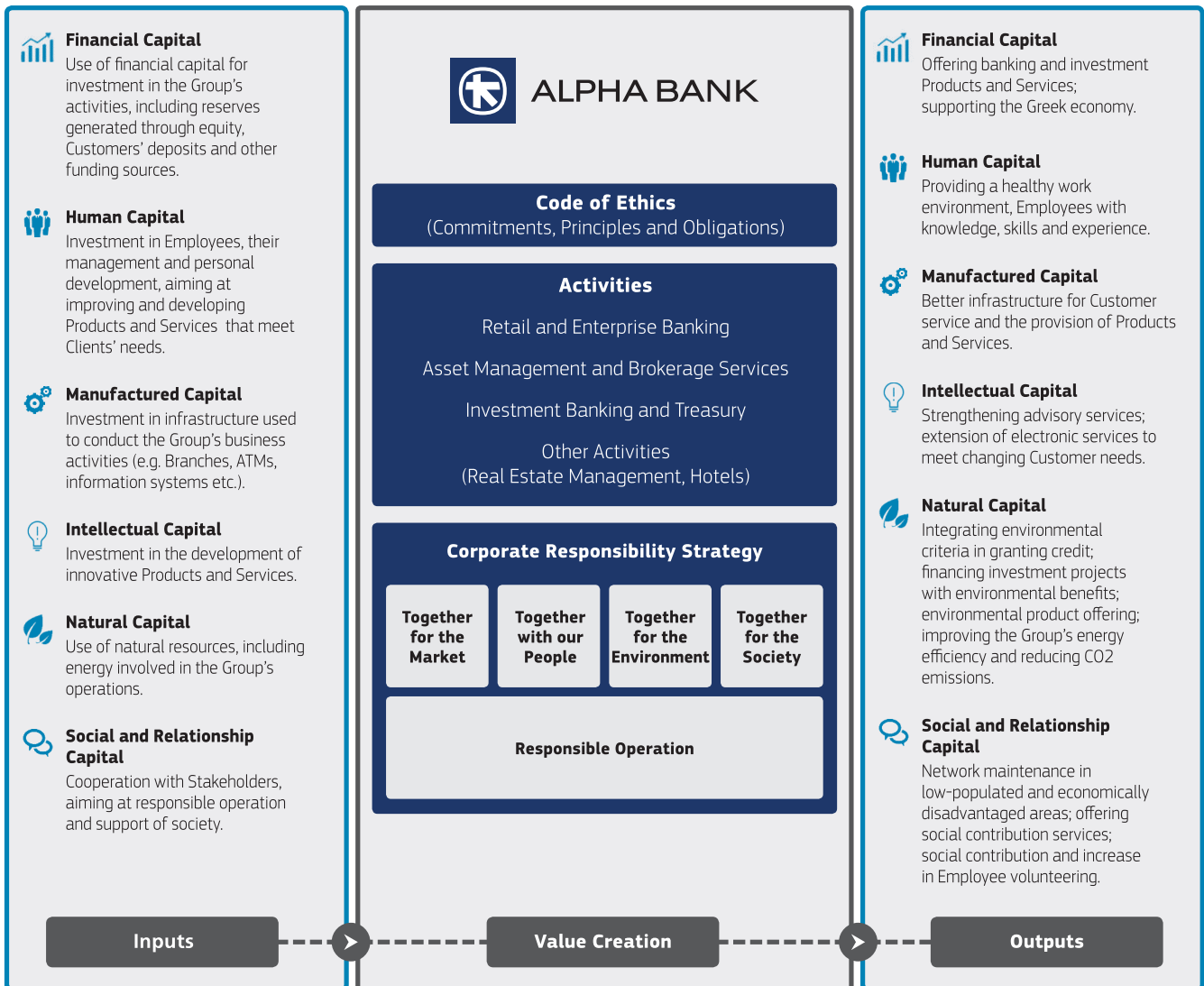
The Bank's activities are directly linked to the society and the citizens. Therefore, Alpha Bank seeks to contribute to the efforts to support the **society** and the citizens, giving priority to culture, education, health and the protection of the environment.

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

**Business Model**

The Business Model of Alpha Bank aims to create value for its Stakeholders. Alpha Bank invests in its Employees,

in its network and infrastructures in order to develop and place on the market high quality services and products. It also works together with its Stakeholders in order to identify their requirements in a timely manner, to ensure its responsible operation and to support the society. Alpha Bank provides a healthy work environment, in which its Employees broaden their knowledge and skills and contribute to the development of new products and services. Alpha Bank supports the Greek economy, enhances its electronic services, offers products and services with specific social and environmental characteristics, and actively contributes to the society.



**Business Model Alpha Bank**



## Corporate Responsibility Strategy

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

### 1. Responsible Operation

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

The Bank's Corporate Governance, Risk Management and Compliance functions are significant, since their purpose is to assure the implementation of best practices in the Bank's business activities, its management and the rules of conduct that apply to its Executives and Employees, not only in their interactions with each other, but also with Customers, Shareholders and third parties. At the same time, they also serve the same purpose within the Group, which the Bank has created through its business growth in Greece and abroad. Alpha Bank complies with the applicable legal and regulatory frameworks at national as well as at European level. As part of its continuous efforts to consistently meet the expectations of its Customers and the State, Alpha Bank has introduced procedures to ensure the strict application of the regulations and decisions of the Authorities responsible for the financial sector, while regularly monitors and manages operational and market risk.

Alpha Bank has adopted a Corporate Governance Code and a Code of Ethics. The Corporate Governance Code outlines the framework and the guidelines for the Bank's governance. It also defines the duties and the allocation of responsibilities between the Board of Directors, the Board Committees, the Executive Committee and the other Committees of the Bank. The Code of Ethics describes the Bank's commitments and practices regarding its activities, its management and the rules of conduct that apply to its Executives and Employees not only in their interactions with

each other but also with business parties and with the Shareholders. The application of the Code of Ethics and of the principles of Corporate Governance, together with the operation of the Board Committees, has allowed Alpha Bank to effectively enhance the principles of integrity and transparency in its operation and to ensure the optimal risk management. More information on Alpha Bank's Corporate Governance is presented in the Corporate Governance Statement.

In 2019, Alpha Bank, established a Remuneration Policy as per the provisions of Law 4548/2018. The objective of the Policy is to promote the sustainability and long-term prospects of the Bank's operations, enhance transparency and create value for the benefit of all stakeholders. The Policy currently applies to Members of the BoD, General Managers and Deputy General Managers. Executives' variable remuneration reflects the annual sustainable and risk-adjusted performance as well as performance in excess of that required to fulfil the duties assigned. Variable remuneration is linked to Key Performance Indicators. It is set to provide a balance, so as to ensure there is focus on the business plan objectives as well as on long-term goals determined by the Bank's strategy as at times in force, whilst discouraging excessive risk-taking. Remuneration policy for the remaining employees is covered by the collective bargaining agreement and the respective policy. In order to calculate the exact remuneration of each Employee, his/her written performance evaluation is taken into account, as it derives from the performance evaluation system applied by the Bank and the Group Companies.

Alpha Bank's fundamental policies in relation to environmental, social and governance issues are presented in the following table. Policies that were recently applied or amended by Alpha Bank, are further elaborated in the report. Further details regarding Alpha Bank policies are included in the Annual Corporate Responsibility Report. It should be noted that the policies are available in a dedicated section at the Intranet (Internal websites existing for the Bank and each of the subsidiaries), while only relevant divisions have access to specific policies. Once a new policy or an updated policy is published, a corresponding circular is also uploaded in the Bank's intranet.



### **Fundamental Codes, Policies and Compliance Regulations applied by Alpha Bank**

- Code of Ethics
- Corporate Governance Code
- Remuneration Policy for Alpha Bank and the Group Companies
- Compliance Policy
- Operational Risk Management Policy
- Fraud Risk Management Policy
- Credit Risk Early Warning Policy
- Group Credit Risk Management Policy
- Group Market Risk Management Policy
- Group Environmental and Social Risk Management Policy on Legal Entities Lending
- Group Loan Impairment Policy
- Policy on the Prevention of Conflict of Interests
- Policy on Related Parties Transaction
- Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Policy Manual
- Business Continuity Management Policy
- Outsourcing Policy
- Group Personal Data Protection Policy
- Corporate Responsibility Policy
- Policy and Procedure for the Provision of Financial Assistance (sponsorships)
- Group Environmental Management Policy
- Whistleblowing Policy and Procedures

Since 2016, the Group has incorporated the "Environmental and Social Risk Management Policy on Legal Entities Lending" in the Group's existing Credit Risk Management Framework and the Group's Credit Policy, thereby enhancing the effective management of the environmental and social dimension of financing. The Policy presents the responsibilities and the approach followed in managing environmental and social risk at every stage of the lending process – from identifying the origin of credit risk to its assessment, granting final approval and monitoring the Group's Wholesale Banking Customers. It also provides an industry-specific Exclusion

List (i.e. a list of sectors that the Group does not finance), as well as a list of crucial industry sectors/activities associated with environmental and social risk.

The Group's "Environmental and Social Risk Management Policy on Legal Entities Lending" has different application levels based on a) the environmental and social responsibility risk category in which each Customer has been classified and b) the type of financing. In all cases, specialized questionnaires are used to retrieve a brief history of the Customer. In specific cases, as identified by certain criteria, an on-site inspection is conducted by a special adviser so as to identify, assess, mitigate and / or eliminate potential environmental and social responsibility risks. In cases of new financing arrangements for Project Finance investments, the environmental and social responsibility risks are assessed thoroughly by means of an on-site inspection and comprehensive due diligence as per the applicable internal Environmental and Social Risk Management Policy.

Throughout Alpha Bank's operation, the protection of the Customer's personal data is significant, given that corporate information is a critical asset of the Bank, which attaches particular importance to taking the appropriate measures to protect this information during its entire life cycle (creation, use, processing, storage and destruction). Similarly, the Bank is aware of the importance for its Employees to be able to retain control of their personal data, and it reaffirms its commitment to processing these data responsibly. In this digital era, Alpha Bank is committed to protect and maintain the security of its Employees and Customers personal data and strengthen their trust. Finally, it should be noted that Alpha Bank's Group Cyber Risk Insurance contract provides coverage in the event of a cyber-attack and/or data breach. Coverage includes management of the event itself, data protection issues that may occur, as well as any liabilities to the company that may follow.

Alpha Bank Group's organization and operation follow the best banking and business practices, which are accompanied by certifications in accordance with the most widely recognized International Standards (ISO 9001 Quality Management System, ISO 20000 Service Management System, ISO 22301 Business Continuity Management System, ISO 27001 Information Security Management System, ISO 14001 Environmental Management System etc.) in critical areas of operations.



The certified management systems which the Group has in place are designed to enable it to better respond to the ever-changing needs of Customers, in full alignment with the applicable legislative and regulatory requirements. At the same time, the certification of critical operations in accordance with international standards seeks to establish a resilient Organization, which successfully addresses issues such as the early identification, measurement and management of the undertaken risks, compliance with the applicable legislative and regulatory framework, the continuous improvement of products and services offered, the modern and more effective monitoring and the centralized management of all of the Group's management systems, in order to ensure that the Customers' banking needs are addressed in a responsible manner and safeguard its approach to matters of administrative and organizational structure, sustainability and social responsibility.

The "Group International Standards Certification Management" Functional Area, which operates in the Organization Division, proposes, at Group level, the certification strategy, policy and methodology per International Standard (ISO, British Standard etc.), and evaluates and oversees the application of International Standards at Group level.

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

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

Alpha Bank has established an Outsourcing Policy, which

sets specific criteria for third party service providers aiming to minimize potential risks for the Bank and its Customers. According to the Policy, every third party and service provider is periodically evaluated by Alpha Bank's Outsourcing Functional Area, in collaboration with different Divisions of the Bank. This evaluation includes at least a review of the providers' financial stability, performance against qualitative and quantitative key performance indicators, business continuity plan, disaster recovery plan, information security systems, and customer data protection procedures.

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

## **2. Together for the Market**

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

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

Responsible reporting to Customers and Customer satisfaction constitute the Bank's primary goals, while addressing all Customers' banking needs in a modern and responsible manner is the daily responsibility of its Employees. The Bank has adopted specialized methodologies and Key Performance Indicators (KPIs) in relation to the business targets that have been set for the Bank's digital transformation. In this context, Alpha Bank carries out annual customer satisfaction surveys, aiming to provide Customers with more options in assessing the Bank's performance and



improve Customers overall experience. In 2019, the Alpha Bank Customer Satisfaction Index (TRI\*M Index) registered an increase compared to the previous year (77 against 62 in 2018).

Alpha Bank is actively involved in the global effort to create a sustainable future for the economy and the planet, by endorsing the six Principles of Responsible Banking established by the United Nations Environment Program Finance Initiative (UNEP FI). In this direction, the Bank strived to increase its positive footprint in society and the environment, leveraging new business opportunities and creating value for all stakeholders.

In this direction, Alpha Asset Management A.E.D.A.K. is committed to the implementation of the six Principles of the UN-supported international Principles for Responsible Investment (PRI) Initiative. Specifically, it is committed to incorporating environmental, social and corporate governance (ESG) criteria into investment analysis and decision-making processes as well as in active ownership policies and practices. Alpha Asset Management is committed to seeking appropriate disclosure on ESG issues, to promoting the Principles within the investment industry, to monitoring investments in terms of ESG criteria and promoting the said criteria within the investment industry, to collaborating with the PRI and other organizations and networks for the effective implementation of the Principles and to producing annual reports on the activities and progress towards implementing the Principles. Alpha Asset Management ESG methodology is developed to cover every asset class it manages, to capture long-term investment opportunities, to better manage risk, to collect, measure and report on ESG metrics and to enhance engagement practices.

### **3. Together with our People**

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

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

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

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

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

### **4. Together for the Environment**

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



procedures for the assessment of environmental risk in its Credit Risk Management Framework.

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

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

Recognizing its responsibility to actively contribute to prevent climate change, Alpha Bank reviewed its Environmental Policy, to better capture its commitment towards an environmentally responsible operation and developed environmental management procedures. In 2019, Alpha Bank was externally certified according to ISO 14001:2015 Environmental Management System for its operations.

## 5. Together for the Society

To ensure the transparency of its social investments, the Bank applies an internal evaluation system, according to which all proposals are assessed using objective performance evaluation criteria (economic, social and environmental) and are approved or rejected depending on the evaluation result. To assist the evaluation procedure of the sponsorship requests received, a relevant Sponsoring Manual has been drawn up, which is currently available on the Alpha Bank Intranet as the Bank’s “Policy and Procedure for the Provision of Financial Assistance (Sponsorships)”.

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

In addition, the Bank’s Personnel continues to take active part in blood donation and social solidarity and environmental events organized in cities where the Bank is present. Employees are informed about the opportunities to participate in various social and environmental events by means of relevant

announcements published on the Alpha Bank Intranet, which includes a special section on matters related to the Bank’s corporate responsibility.

## Non-Financial Risk Analysis

In 2019, Alpha Bank performed a new process for the identification and mapping of the most material issues for its responsible operation (materiality analysis). Stakeholders and Senior Management Executives were involved in the process, in accordance with best practices (i.e. the GRI Standards).

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

### **The Senior Management took into account the policies, actions and results of the Bank’s current practices.**

The Bank has recognized as its Stakeholders the natural and/or legal persons who/which, either directly or indirectly, are connected to, and affect or are affected by, the Bank’s decisions and its operation. Following a series of internal meetings and based on the relevant laws and international guidelines, its daily operations, the existing policies and procedures and the Group’s corporate responsibility strategy, Alpha Bank has identified four different Stakeholder groups (i.e. Analysts and Investors, Customers, Employees and Society). The Bank seeks to engage in an ongoing dialogue through surveys, meetings, conferences and seminars with its Stakeholders, in order to understand and, as far as possible, respond to their expectations, needs, concerns and requests.

At the end of 2019, the Bank’s Stakeholders were invited to participate in the materiality analysis process. 5,180 representatives of all Stakeholder groups provided their opinion by means of an online questionnaire submitted anonymously.



The issues that were assessed and emerged as most material are presented in the following table.

#### Issues assessed

1. **Customer service and satisfaction**
2. **Innovation and digitalization**
3. Responsible communication with customers
4. Responsible investment and financing
5. Financial inclusion
6. **Attraction, development, and retention of employees**
7. Human rights and equal opportunities
8. Support of society
9. Direct environmental impact
10. Corporate governance
11. **Risk management**
12. **Data protection**
13. **Business ethics and compliance**
14. **Financial performance**
15. Responsible procurement and outsourcing

*Note: The **issues in bold** have been identified as most material both from the Bank's Senior Management and its Stakeholders*

Issues such as responsible communication with customers, human rights and equal opportunities, financial inclusion and responsible procurement and outsourcing have received a low score by the Senior Management, since the Bank believes that existing measures and practices have minimized potential risks associated with these topics. Alpha Bank acknowledges the significance of these issues and has therefore taken several measures (e.g. providing Customers with comprehensive information regarding financial management matters, assessing all advertising communication plans before their launch, implementing policies regarding human rights issues and equal opportunities, respecting collective bargaining and union memberships rights, communicating with employee unions, operating Branches or ATMs in low-populated or remote areas, providing access to financial services for people with disabilities, applying an Outsourcing Policy, evaluating suppliers' performance etc.).

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

Based on the analysis, there are seven issues that have been recognized as most material both from the Bank's Senior Management and its Stakeholders. Alpha Bank assessed impacts through a risk management approach (likelihood x severity), taking into account existing risk-mitigating practices. The issues which emerge as most significant have been recognized as having higher potential impact, while the risk mitigating practices / internal controls in place have reduced the probability of risk occurrence to acceptable levels.



## ENVIRONMENT

| Potential Risks  | Alpha Bank's Management  |
|--|--|
| <ul style="list-style-type: none"> <li>• Inability to integrate environmental criteria into the design of new products and services (e.g. products with positive environmental impacts), offer of environmentally responsible investments, participate in the financing of projects with positive effects on the environment.</li> <li>• Failure to assess environmental risks in customer and project finance, including inadequate monitoring of risk management during the implementation of the financed projects. Refraining to address risks presented by climate change to businesses, such as the impact of more extreme weather events. Increased costs from additional due diligence required, when applying minimum ESG standards.</li> <li>• Failure to meet new requirements (e.g. TCFD, MiFID II, guidelines on non-financial reporting, EBA guidelines on green lending, UNEP FI Principles for Responsible Banking, UN PRI Principles for Responsible Investment etc.).</li> <li>• Increased risk of damage to the Bank's infrastructure due to increased frequency and intensity of extreme weather events.</li> <li>• Increased energy use (e.g. from bank branches, buildings and data centers and consumption during transport and distribution of mail, information material, employee transportation etc.).</li> <li>• Increased environmental footprint (e.g. paper consumption, water consumption, insufficient management of hazardous waste, failure to adopt circular economy principles).</li> </ul> | <p>Alpha Bank develops and provides banking products with positive environmental impacts. It offers thematic investments with a positive direct or indirect impact on humanity and the environment (Socially Responsible Investing - SRI) as well as on mutual fund choices that also take into account social responsibility and corporate governance with regards to the underlying assets under management (Environmental, Social and Governance - ESG criteria).</p> <p>Alpha Bank, by endorsing the UNEP FI Principles for Responsible Banking, is committed to create a sustainable banking system, by increasing its positive footprint in the environment. Similarly, Alpha Asset Management A.E.D.A.K. is committed to the implementation of the six PRI Principles. Alpha Asset Management's framework for responsible investments aims to better allocate capital by considering material environmental and social issues, as well as governance factors in the investment process.</p> <p>The Bank's specialized Project Finance Unit works on securing financing for investments in renewable energy sources and waste management projects. In order to assess these investments, project teams collaborate with specialized technical advisors on the projects' environmental licensing and environmental due diligence. Following the disbursement of credit, adherence to environmental terms and commitments is obligatory, throughout the long duration of the said financings.</p> <p>Alpha Bank has insured its infrastructure and buildings, including offices, branches and warehouses in order to mitigate the physical risks associated with the effects of extreme weather events. In addition, such incidents are addressed within the Bank's Business Continuity Management System to ensure the uninterrupted provision of services to Customers and other Stakeholders.</p> <p>Additionally, Alpha Bank manages the environmental dimension of financing through its "Environmental and Social Risk Management Policy on Legal Entities Lending". The Policy serves as a brief declaration of the Bank's commitment to sustainable finance, including the effective management of the environmental and social dimension of its financing activities. All obligors-legal entities are evaluated, assessed and reviewed against the possible environmental risks in each stage of the Group's corporate credit procedure.</p> <p>The Bank evaluates upcoming climate related policies, legal requirements, guidelines and frameworks to effectively identify and manage transition risks.</p> <p>Alpha Bank monitors its environmental impacts related to its operation and takes actions to reduce energy and water consumption. The Bank's Environmental Policy and procedures according to the requirement of ISO 14001 improve the management of these issues. It should be noted that, through these procedures, the Bank identifies and assesses known and potential environmental risks and opportunities in a more formal and detailed manner. More information on risks and opportunities associated with climate change are reported on the CDP platform, which has been aligned with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).</p> <p>The Bank actively supports circular economy principles and designs actions and procedures to minimize waste, while increasing efficiency. Indicatively, the Bank recycles paper, batteries, light bulbs, printer consumables, electric and electronic equipment, and donates old office equipment.</p> |





## SOCIAL AND EMPLOYEE MATTERS

| Potential Risks  | Alpha Bank's Management   |
|--|---|
| <ul style="list-style-type: none"> <li>• Insufficient human resources management (e.g. resulting in high Employee turnover, insufficient incentives for new Employees, unsatisfied and insecure Employees / trade unions, Employees without a common vision / culture, limited cooperation between Employees etc.).</li> <li>• Implementation of unfair labor practices (e.g. resulting in incidents of racial, religious and political racism in the workplace, unequal treatment of men and women, lack of job opportunities for people with disabilities, inefficient complaint handling mechanisms for labor practices etc.).</li> <li>• Insufficient health and safety management at the workplace (e.g. resulting in injuries of Employees / contractors at work, lost days of work, breaches of regulations governing workplace health and safety, lack of Emergency Plans in the Bank's buildings and branches etc.).</li> <li>• Failure to manage impacts on society and local communities (e.g. failure to support local economy, reduce awareness of local communities' needs and dynamics, failure to monitor and reporting Bank's indirect impacts to society etc.).</li> <li>• Unable to provide social contribution, promote and support Employee efforts to improve environmental and social practices.</li> <li>• Inability to integrate social criteria into the design of new products and services, to offer socially responsible investments, to participate in the financing of projects with positive impacts on society.</li> <li>• Failure to assess social risks in customer and project finance.</li> </ul> | <p>As stated in its Corporate Responsibility Policy, Alpha Bank respects and defends the diversity of its Employees and treats all Employees with respect. The Bank promotes a culture that fosters diversity and inclusion for its workforce and implements appropriate metrics to monitor diversity at all levels. It ensures top-quality work conditions and opportunities for advancement that are based on merit and equitable treatment, offers fair remuneration, reward schemes and provides Employees with continuous education and training. All regular Bank Employees are covered by the Sector Collective Bargaining Agreements and the Collective Agreements at Bank level and about 88% are members of trade unions. In 2019, an Employee survey took place for the Bank in order to ensure and improve Employee Satisfaction.</p> <p>Alpha Bank has established a weekly "Communication Day". On this day, any Employee who wishes to do so, can meet the Manager of the Human Resources Division to discuss any work-related or personal matter, while similar meetings are also held all over Greece between Officers of the Human Resources Division and Employees. Officers of Employee Relations Sector of Human Resources Division perform, on a monthly basis, meetings with employees (at Bank Branches or Units all over Greece) to discuss and manage work-related issues, complaints, or any personal matters that may affect work performance. Employees may report through the Bank's whistleblowing mechanism any irregularities, omissions or offences that came to their attention, such as serious violation of policies and procedures, acts that arguably offend the code of ethical practice of the Bank and the Group Companies, acts that endanger the safety of an Employee etc. Disputes of a labor relations nature are addressed in accordance with the provisions of the Personnel Regulation of the Bank.</p> <p>With regards to the health and safety of its Employees, the Bank complies with the laws in force and ensures the provision of additional benefits and programs such as training programs related to robbery incidents, hostage-taking, fire safety, earthquake and building evacuation etc. Alpha Bank is in the process of reviewing its procedures for the development of an Occupational Health and Safety Management System in accordance with ISO 45001:2018. In addition, there is a permanent presence of Occupational Physicians within work premises with large number of Personnel. Furthermore, the Bank engages with experts (i.e. psychologists) and offers Employees the opportunity for consultation and support services.</p> <p>Alpha Bank continually supports society and local communities through activities and initiatives that support education, culture, healthcare and the environment.</p> <p>The Bank promotes corporate social responsibility and the concept of voluntarism by raising the awareness of Employees and by increasing the number of the relevant programs and initiatives. Furthermore, the Bank provides humanitarian assistance to people affected by floods, earthquakes or other natural disasters, offering clothes and long-life food supplies.</p> <p>Alpha Bank provides banking and investment products and services with positive social impacts, along with the coordination of internal and external (Customer) events focused on the merits of ESG investing. The Bank's Project Finance Unit works on securing financing for investments in projects aiming at benefiting society.</p> <p>The Bank manages the social dimension of financing through its "Environmental and Social Risk Management Policy on Legal Entities Lending".</p> |

**HUMAN RIGHTS**

| Potential Risks  | Alpha Bank's Management   |
|--|---|
| <ul style="list-style-type: none"> <li>• Violations of human rights (e.g. freedom of association, collective bargaining, forced or compulsory labor, child labor etc.).</li> <li>• Inefficient complaint handling mechanisms for human rights issues.</li> <li>• Incidents of discrimination against Customers.</li> </ul> | <p>Alpha Bank through its Corporate Responsibility Policy outlines its approach and commitment on human rights management. The Bank ensures its full alignment with the applicable laws and takes into account the fundamental principles of the Universal Declaration of Human Rights and the Conventions of the International Labor Organization.</p> <p>The Bank respects human rights, recognizes the right to union membership and collective bargaining and opposes all forms of child, forced or compulsory labor. Collective bargaining and union membership rights are protected by national and international legislation. It should be noted that all regular Employees of the Bank are covered by the Sector Collective Bargaining Agreements and the Collective Agreements at Bank level.</p> <p>Human rights issues are addressed through the weekly "Communication Day" and the monthly meetings with the Employee Relations Officers, as explained above.</p> <p>Similarly, employees, customers and suppliers may report any concerns through the Bank's whistleblowing.</p> <p>The Group grants priority to the satisfaction of their individual and business needs by providing quality services for all its Customers without any discriminations, protecting the Customers' legitimate interests and human rights.</p> |

**ANTI-CORRUPTION AND BRIBERY**

| Potential Risks   | Alpha Bank's Management  |
|---|--|
| <ul style="list-style-type: none"> <li>• Corruption / bribery / fraud incidents within the Bank or involving other entities (e.g. suppliers, customers, distributors etc.) that are doing business with the Bank.</li> <li>• Legal actions / fines against the Bank.</li> <li>• Lack of or ineffective operation of anonymous reporting mechanisms (whistleblowing).</li> <li>• Lack of or ineffective operation of grievance mechanisms regarding incidents of bribery, corruption and fraud etc.</li> </ul> | <p>Alpha Bank conducts internal audits for compliance with the regulatory framework, aiming at combating money laundering, financial crime, using the specialized control and reporting systems it has put in place and working closely with the competent Regulatory Authorities. In line with its firm and unwavering position against corruption, bribery and fraud, the Bank has established a system of relevant policies (on the Prevention of Conflict of Interests, Related Parties Transactions, Whistleblowing etc.) and control mechanisms in order to mitigate the relevant risks.</p> <p>Training programs on anti-money laundering and anti-corruption policies and procedures are carried out by Bank Employees. In 2019, a specialized awareness program was conducted for the Bank's Branch network, covering 749 employees (mainly managers or deputy managers), in order to raise awareness regarding compliance issues such as bribery, corruption, whistleblowing etc.</p> <p>Additionally, the Bank has established the position of Anti-Money Laundering (AML) Officer in each one of its Branches. These Branch AML Officers are provided with adequate training on AML and anti-corruption policies and procedures as well as with daily telephone support to ensure that they are able to identify and handle such incidents.</p> <p>Employees, Customers and suppliers who become aware of serious irregularities, omissions or offences, may report them in accordance with the Bank's Whistleblowing Policy and Procedures. During 2019, eight (8) reports were submitted via the whistleblowing channels. Following the examination of the relevant Committee, there were no major findings.</p> |

**SUPPLY CHAIN**

| <b>Potential Risks</b>   | <b>Alpha Bank's Management</b>   |
|--|--|
| <ul style="list-style-type: none"><li>• Doing business with suppliers that fail to respect labor practices criteria, human and labor rights, with negative impact on society and/or the environment.</li><li>• Not supporting the local economy.</li><li>• Outsourcing agreements with companies that do not comply with regulations, Alpha Bank's values and business principles or the current market practices (e.g. business continuity plans etc.).</li></ul> | <p>Alpha Bank has identified the Corporate Social Responsibility principles that should be applied by the Bank, its suppliers and partners in its Corporate Responsibility Policy. All suppliers are expected to comply with this Policy and operate responsibly.</p> <p>When evaluating suppliers' performance, the Bank assesses whether they have had their management systems certified according to international standards such as ISO 9001, OHSAS 18001 and ISO 14001.</p> <p>Alpha Bank seeks to support local communities. In this direction, the Bank cooperates primarily with local suppliers, whenever possible.</p> <p>As for the outsourcing agreements, Alpha Bank has established an Outsourcing Policy, which includes the periodic evaluation of providers.</p> |



## Performance in 2019

The table below presents sample indicators on Alpha Bank's performance in 2019. The indicators have been selected taking into consideration the requirements of the Law 4548/2018, best practices for non-financial reporting, the internationally recognized Global Reporting Initiative (GRI) Standards and available Group data at the time of the report. The relevant data have been collected by either the Bank's and subsidiaries' systems or relevant

external files prepared by them. Detailed information and additional performance indicators for the Bank, together with information on the corporate responsibility activities of the Group's subsidiaries, are presented in the Alpha Bank Corporate Responsibility Report 2019. Such indicators include customer satisfaction rates, complaints resolution time, energy consumption, greenhouse gas emissions, environmental projects financed etc.

| Indicators   | Alpha Bank A.E. | Alpha Bank Group |
|--|-----------------|------------------|
| Employees as of 31.12.2019 (number of Employees)   | 6,969           | 10,530           |
| Employees with disabilities <sup>7</sup> as of 31.12.2019 (number of Employees)  | 122             | 136              |
| Women Employees as of 31.12.2019 (%)   | 55%             | 60%              |
| Recruitment of women Employees throughout the year (%)   | 40%             | 66%              |
| Percentage of women in managerial positions <sup>1</sup> as of 31.12.2019 (%)  | 37%             | 42%              |
| Percentage of Employees covered by Collective Labor Agreements as of 31.12.2019 (%)  | 100%            | 76%              |
| Employee Training (hours of training throughout the year per Employee)   | 19              | 23               |
| Number of fatalities <sup>2</sup> throughout the year (number of Employees)  | -               | -                |
| Number of injuries <sup>2</sup> throughout the year (number of Employees)  | 1               | 4                |
| Social contribution <sup>3</sup> throughout the year (Euro)  | 2,278,328.80    | 2,428,223.68     |
| Percentage of branches accessible (ramp or easily accessible) by people with disabilities (PwD) as of 31.12.2019 (%)**   | 60%             | 71%              |
| Percentage of monetary transactions made through digital networks <sup>4</sup> throughout the year (%)**   | 88%             | 85%              |
| Percentage of debit and credit cards for which an electronic monthly bill is sent (e-statements) as of 31.12.2019 (%)**  | 88%             | 80%              |
| Convictions against the Senior Management <sup>5</sup> for any corruption offences throughout the year (number of incidents)   | -               | -                |
| Convictions against the Senior Management <sup>5</sup> for any incidents of human rights violations throughout the year (numbers of incidents)   | -               | -                |
| Amount of paper recycled <sup>6</sup> throughout the year (total amount in tons)   | 52              | 84               |
| <p>* Any KPIs related to Employees apply to all the regular Employees.<br/> ** These KPIs are applicable only to the Bank and AB Romania, AB Cyprus, AB Albania and AB London<br/> <sup>1</sup> Managerial positions include Branch Managers, Managers and Assistant Managers of Head Office Divisions and Members of the Senior Management (General Managers, Executive General Managers, CEO).<br/> <sup>2</sup> Excludes incidents caused by pathological causes and relates to incidents during working hours.<br/> <sup>3</sup> Includes the amounts (in Euros) allocated as financial contributions to support society, culture, education, sports and environment.<br/> <sup>4</sup> Alpha Bank's digital networks: ATMs, APSs, Alpha Web Banking, Alpha Phone Banking, Alpha Mobile Banking, My Alpha Wallet, standing orders and payrolls.<br/> <sup>5</sup> As Senior Management are defined the members of the Board of Directors and the General Managers.<br/> <sup>6</sup> Amount of paper recycled (total amount in tons) as verified by the logistic partner.<br/> <sup>7</sup> This KPI relates to all employees with any degree of disability.</p> |                 |                  |

In 2019, Alpha Bank, after its successful assessment by the FTSE International Organization, remained a constituent of the Financial Times Stock Exchange 4Good (FTSE4Good) Emerging Index, which assesses listed companies in emerging markets with a positive financial, environmental and social performance. Its inclusion in the FTSE4Good

international index proves that, in parallel with its business activity, the Bank is also highly aware of environmental and social issues by investing effectively in sustainable development. At the same time, it also strongly motivates it to strengthen its presence in the Corporate Responsibility domain, both in Greece and internationally.



Moreover, the Bank, after its MSCI ESG Ratings assessment in 2019, obtained a score of A (in an evaluation scale of AAA - CCC), showcasing a constant improvement in its ESG scores in recent years.

As of July 2019, Alpha Bank has been included in the 100 best performers of the Vigeo Eiris Best Emerging Markets Performers ranking. The companies in the ranking are the best performing companies in ESG issues from 31 different Emerging markets.

Since January 2020, Alpha Bank has been included, for second consecutive year, in the 2020 Bloomberg Gender-Equality Index (GEI). The Bloomberg GEI is the world's only comprehensive investment-quality data source on gender equality. The index is global and sector neutral, representing companies across all sectors and geographies and is comprised of companies that have scored above a globally-established threshold.

In 2019, Alpha Bank reported to the CDP platform the required information for the climate change questionnaire, achieving a C rating, which confirms that the Bank acknowledges the impacts on, and of, climate change.

Alpha Bank received three awards for Corporate Responsibility at the "Hellenic Responsible Business Awards 2019", including a Gold Award in the Business-NGO Collaboration category, for the program "Together, for better health". In addition, the Bank received an award at the

"Corporate Social Responsibility Awards 2019", organized by the Hellenic Advertisers Association, in the "Society, Culture and Sport" category for the educational program "Nomos-Nomizo-Nomisma". In 2019, Alpha Bank, was recognized among the most admired companies in Greece according to an annual research held by Fortune Greece.

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

- the 2019 Sustainability Forum, which took place in Greece,
- the 17th Corporate Social Responsibility Conference organized by the Hellenic-American Chamber of Greece on "We are the Change Generation",
- the Hellenic Responsible Business Awards 2019, organized for the 4th consecutive year, Marketing Week magazine and Boussias Communications,
- the 8th Corporate Social Responsibility Awards, organized by the Hellenic Advertisers Association,
- the 9th Annual Capital Link CSR Forum on "Investments, Extroversion & Social Responsibility. Pillars for Sustainable Development", and
- the 12th Corporate Social Responsibility Conference held in Cyprus.

Athens, 27 March 2020

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

VASILEIOS T. RAPANOS  
ID. No AI 666242

THE CHIEF EXECUTIVE  
OFFICER

VASSILIOS E. PSALTIS  
ID. No AI 666591



# Explanatory Report of the Board of Directors of Alpha Bank for the Year 2019

The present Explanatory Report of the Board of Directors of Alpha Bank (hereinafter the “Bank”) to the Ordinary General Meeting of Shareholders of the Bank for the year 2019 contains detailed information, pursuant to the provision of article 4 par. 7 of Law 3556/2007, the reference date being 31.12.2019, in accordance with the order in which they are written in the provision in question.

In particular:

- a. On 1.1.2019 the share capital of the Bank stood at the total amount of Euro 463,109,814.30 divided into 1,543,699,381 common, nominal, paperless shares with voting rights, of a nominal value of Euro 0.30 each. Out of the said common, nominal, paperless shares with voting rights, 1,374,525,214 have been subscribed by Private Investors and 169,174,167 have been issued by the Bank and have been subscribed by the Hellenic Financial Stability Fund, pursuant to Law 3864/2010, governed by virtue of the terms thereof.

It is noted that until the end of the year 2019 (31.12.2019) no change occurred in the share capital of the Bank.

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

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

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

- became a shareholder of the Bank within 2013, in the context of the recapitalisation of Greek credit

institutions, on the basis of Law 3864/2010, having, however, restricted voting rights at the General Meeting;

- may vote at the General Meeting only on resolutions pertaining to the amendment of the Articles of Incorporation, including the increase or reduction of the share capital or the grant of a relevant authorisation to the Board of Directors, the merger, split-up, conversion, revival, extension of the term of operation or winding-up of the Bank, the transfer of assets, including the sale of Group Companies or on any other item for which an enhanced majority is required in accordance with the stipulations of the law as in force;
  - also possesses all the other rights stipulated by Law 3864/2010, as each time in force.
- b. The Articles of Incorporation contain no restrictions on the transfer of Bank shares, save as otherwise provided for in the law.
  - c. According to the Bank’s records, on 31.12.2019, “EOC EQUITY LIMITED” held common shares representing 7.20% of the total paid-in share capital of the Bank and the Hellenic Financial Stability Fund held common shares representing 11% of the total paid-in share capital of the Bank.
  - d. There are no shares issued by the Bank possessing special rights of control, with the exception of the common shares held by the Hellenic Financial Stability Fund in reference to the rights that the Hellenic Financial Stability Fund enjoys by virtue of Law 3864/2010.
  - e. The Articles of Incorporation contain no restrictions on voting rights and on the deadlines for exercising the same on shares issued by the Bank, save the restrictions foreseen in Law 3864/2010 with regard to the shares held by the Hellenic Financial Stability Fund.
  - f. To the knowledge of the Bank, there are no shareholder agreements providing for restrictions on share transfers



or restrictions on the exercise of voting rights on shares issued by the Bank, save as otherwise provided for in the provisions of the laws stipulating the rights of the Hellenic Financial Stability Fund.

- g. There are no rules in the Articles of Incorporation for the appointment and replacement of Members of the Board of Directors as well as for the amendment of the Articles of Incorporation of the Bank, which are at variance with the stipulations of the law as in force.
- h. The Bank may increase its share capital by virtue of a resolution of the General Meeting of Shareholders or of the Board of Directors, in accordance with the law and the Articles of Incorporation.

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

The Bank does not hold any of its own shares.

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



# Corporate Governance Statement for the year 2019

## A. GENERAL PROVISIONS

Pursuant to the provision of article 152 par. 1 of Law 4548/2018, the Annual Management Report of the Board of Directors of Alpha Bank (hereinafter the “Bank”) includes the Corporate Governance Statement for the year 2019. The reference date of the Corporate Governance Statement is 31.12.2019.

Items c), d), f), h), i) of article 10 of Directive 2004/25/EC of the European Parliament and of the Council, as they are incorporated in items c), d), e), g), h) of article 4 par. 7 of Law 3556/2007, are analyzed in the Explanatory Report of the Board of Directors to the General Meeting of Shareholders, which is included in the Annual Management Report of the Board of Directors.

## B. CORPORATE GOVERNANCE CODE AND PRACTICES

### 1. The Corporate Governance Code

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

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

(ESMA) and the European Central Bank (ECB) on this thematic area.

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

The Board of Directors, with the assistance of the Corporate Governance and Nominations Committee, is responsible for the revision of the Corporate Governance Code.

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

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

The Corporate Governance Code of the Bank stipulates expressly the distinguished responsibilities of the Chair of the Board of Directors, the Vice Chair (if such a position has been filled) and the Chief Executive Officer (the “CEO”). The Bank complies with the Corporate Governance Code and provides explanations in case it deviates from the relevant provisions. The Bank did not deviate from the Corporate Governance Code in 2019.





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

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

Furthermore, the Board of Directors regularly examines corporate governance issues. During 2019 it revised the Charters of all Board of Directors' Committees in order for them to be fully aligned with the relevant regulatory framework and with the most recent best practices of corporate governance. Each Committee has been assigned with explicitly defined and distinct responsibilities.

## 2. Code of Ethics

Additionally, the Bank has adopted a Code of Ethics for the performance of duties with the purpose to implement the standards required by modern corporate governance and effective Internal Audit.

All the activities of the Bank ultimately aim to its growth and prosperity and are governed by principles enforced by ethics and laws such as:

- Integrity and honesty
- Objectivity and independence
- Discretion and confidentiality
- Disciplined and reasonable risk taking
- Transparency

Specifically, the Code describes the commitments and the practices of the Bank regarding its activities, the management, the rules of conduct of Executives and Employees towards

each other, but also towards those transacting with the Bank and towards the Shareholders. The said Code, as in force, is posted on the Bank's website (<https://www.alpha.gr/en/group/corporate-governance/code-of-ethics>).

## 3. Group Companies' Corporate Governance

The Bank, in accordance with the best practices of corporate governance and aiming to further enhance the collaboration within the Group, has launched a series of meetings between the Members of the Board of Directors of the Bank and Board Members and representatives of the Group Companies. In these meetings important issues of mutual interest are discussed and the necessary guidance is provided. In particular, a visit to Cyprus took place on 19.4.2019 on the subject of the NPL and NPE portfolios of Cyprus, with the participation of the Member of the Risk Management Committee, Mr. R.R. Gildea, of Executives of the Bank as well as of Executives of Alpha Bank Cyprus Ltd.

During 2019, the Bank conducted a review of Policies relevant to the Corporate Governance practices implemented by Group Companies. Following a thorough gap analysis, the Group Companies' Policies relevant to the Corporate Governance practices were fully aligned with legal and regulatory requirements, EBA guidelines as well as with Alpha Bank's corporate governance practices.

## 4. 2019 Highlights

During 2019 the Bank updated the Articles of Incorporation, established a Remuneration Policy as per the provisions of articles 110 and 111 of Law 4548/2018 which incorporated into Greek law the relevant provisions of the Shareholders Rights Directive and updated the Senior Executives Severance Payment Policy which applies to the Senior Executives and Managers of Alpha Bank. The aforementioned documents were approved by the Extraordinary General Meeting of Shareholders held on 20.11.2019 and are posted on the Bank's website (<https://www.alpha.gr/en/group/corporate-governance>).

Furthermore, the positions of General Manager of International Network and of General Manager - Chief Legal and Governance Officer were established early in the year.

- The General Manager of International Network is assigned with the supervision of the Group's Banks and Branch abroad as well as of the Functional Area "International Activities Support". Mr. Sergiu Oprescu, the Executive



President of Alpha Bank Romania S.A., was appointed General Manager of International Network on 11.2.2019.

- The General Manager - Chief Legal and Governance Officer is assigned with the supervision of the Legal Services Units, the Compliance Division, the Secretariat of the Board of Directors and the Group Data Protection Officer. Mr. Nikolaos Salakas was hired and appointed General Manager - Chief Legal and Governance Officer on 1.3.2019.

Additionally, at the Board of Directors meeting held on 19.11.2019 it was resolved that as of 2.12.2019 the Board of Directors' powers and authorities, other than for matters requiring, according to applicable law, a collective decision, are delegated exclusively to the CEO with the power to further sub-delegate such powers and authorities. Moreover, the position of the Deputy CEO was abolished and any power previously granted to the Deputy CEOs was hereby revoked. Finally, Mr. Demetrios Mantzounis resigned from the position of Non-Executive Member of the Board of Directors on 31.12.2019.

## 5. 2020 Goals

The main Corporate Governance goals for 2020 include but are not limited to those presented below:

- Further enhancement of the Board of Directors' independence through the appointment of two additional Non-Executive Independent Members.
- Enhancement of gender diversification at the Board of Directors.
- Provision of further specialized training for the Members of the Board of Directors.
- Review of the Bank's Corporate Governance documents.

## C. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

### 1. Internal Control System

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

The Internal Control System is designed to ensure:

- the consistent implementation of the business strategy with an effective utilization of the available resources,

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

The internal control system is structured along three lines of defense: the business and operational or support units (first line); the risk management and compliance functions (second line) and the internal audit function (third line).

The Bank has established an Audit Committee, which is responsible for the monitoring of financial reporting processes, the effective operation of the internal control and risk management systems as well as for the supervision and monitoring of the statutory audit and of the issues pertaining to the objectivity and independency of the Statutory Certified Auditors. The Audit Committee cooperates with the Risk Management Committee regarding the oversight of certain key areas of risk and capital management and their repercussions on the Internal Control System.

The specific duties and responsibilities of the Audit Committee are determined in its Charter which was amended in December 2019 and is posted on the Bank's website (<https://www.alpha.gr/en/group/corporate-governance/committees>).

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

- a. On a continuous basis through the review of audits conducted by the Internal Audit Division at a Group level and the activity performed by the Compliance Division.

The audit plan of the Internal Audit Division is based on the prioritization of the audited areas by appropriate risk assessment techniques. In addition, any requests or decisions of the Audit Committee or Bank Management, along with regulatory framework requirements and significant developments in the internal and external context are taken into account.

The Audit Committee of the Board of Directors reviews



the audit plan and recommends its approval by the Board of Directors and is updated at least every quarter on the implementation thereof, the main conclusions of the audits and the implementation of the audit recommendations as well as on the compliance with the regulatory framework.

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

In 2019, the Audit Committee evaluated the Internal Control System (ICS) of the Bank for 2018, in accordance with the Bank of Greece Governor's Act 2577/2006, as in force and submitted to the Bank of Greece its assessment report on the adequacy and effectiveness of the ICS of the Alpha Bank Group.

The Audit Committee reviews annually the organization, independence and capacity of the Internal Audit Division and the Compliance Division and acquires a full understanding of the Risk Management Division through the participation of some of its Members in the Risk Management Committee. The Audit Committee supervises the selection process of the Head of Internal Audit and assists the Remuneration Committee regarding his/her remuneration.

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

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

This supports the specific policies and procedures adopted by the Board of Directors in order to formulate a recommendation for the General Meeting of Shareholders with regard to the election of the statutory auditor, intended to ensure the independence and quality of the statutory auditor of the financial statements of the Group. Furthermore, the Audit Committee monitors the activity and performance of the statutory auditor responsible for

the audit of the annual consolidated financial statements, taking into account any findings and conclusions of the competent authority, in accordance with article 26 par. 6 of Regulation (EU) No 537/2014.

The Bank has in place Policies and Procedures for the preparation of the financial statements and the recognition of financial events, in accordance with the current legislation and the accounting standards in force, as defined in the International Financial Reporting Standards (IFRS), that have been adopted by the European Union, pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002. One of the prime procedures of the Bank in order to ensure control effectiveness and prevent errors and fraud is the segregation of duties and the four-eye principle, based on shared responsibilities of key processes to more than one persons or Divisions and approval of certain activities by at least two people.

The accounting system of the Bank and the Group is supported by appropriate IT systems which have been adapted to the business requirements of the Bank and the requirements of the accounting standards. In order to minimize IT risks, the Bank has designed and implemented strong IT Security Controls for avoiding unauthorized access, for omissions of errors during access management and for compliance with regulatory requirements and standards.

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

The Audit Committee of the Board of Directors provides oversight over the financial reporting processes and procedures resulting in the drafting of the interim and the annual financial statements of the Bank, in accordance with the current audit standards, and reviews the reports of the statutory auditor as regards results and findings, informing accordingly the Board of Directors about the statutory auditor report conclusions and the additional report foreseen by the current legislation as well as the Audit Committee's activity in relation to the said process.

The Audit Committee meets jointly with the Risk Management Committee in order to review the quarterly financial statements of the Bank and the Group and endorse the approval thereof by the Board of Directors. Finally, the Audit Committee monitors the independence



of statutory auditors, in accordance with the laws in force, and, in particular, as regards the provision of non-audit services to the Bank and the Group.

## 2. Risk Management

The Bank places great emphasis on the identification, measurement and monitoring of all types of risks. Under the leadership of the Group Chief Risk Officer (CRO), who is a General Manager, an Executive Committee Member and a rapporteur to the Risk Management Committee, the Risk Management Unit (RMU) has developed an adequate structure to facilitate the implementation of the Risk Management Framework across the Group. The RMU exercises effective, functional oversight of risk management across the Group legal entities.

Alpha Bank's Risk Management Framework is based on an extensive set of risk policies.

The most important policy underpinning this framework is the Risk and Capital Strategy.

This policy outlines the Risk Appetite Framework and creates linkages to strategy and the capital allocation processes.

The Bank has an array of executive-level risk management committees addressing the various key risk types.

Focusing on credit risk, at the highest level, there is the Credit Risk Committee (CRC), responsible for reviewing policies, manuals and models relating to credit risk. It also reviews presentations regarding the evolution of credit risk portfolio trends.

On the market and liquidity risk side, the highest-level committee is the Assets-Liabilities Management Committee (ALCo), which is actively supported by a sub-committee called the Treasury and Balance Sheet Management Committee (TBSCo). The TBSCo examines and submits recommendations to the ALCo on capital structure, interest rate policy, market risk limits, interest rate limits, liquidity risk limits, internal pricing rules, investment portfolios and the financing policy for the Bank/Group. The TBSCo effectively implements the decisions that the ALCo validates.

The Operational Risk Committee is responsible for the maintenance and the ongoing development of the operational risk framework, including the operational risk measurement and reporting processes. The Committee monitors the risk appetite for operational risk that articulates the nature, types and levels of operational risks that the Bank is willing to assume.

The Troubled Assets Committee (TAC) reviews issues related to troubled assets managed by the Non-Performing Loans Divisions under the supervision of the General Manager of Non-Performing Loans and Treasury Management, in order to achieve the operational targets for the reduction of the NPE stock.

The TAC dashboard is also reviewed and monitored by the CRC.

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

The Audit Committee and the Risk Management Committee review the financial statements of the Bank and the Group in a joint session every quarter and propose to the Board of Directors the approval thereof. Moreover, they review operational risk issues.

## D. SHAREHOLDERS

### 1. General Meeting of Shareholders

The General Meeting of Shareholders is the supreme governing body of the Bank and resolves on all corporate affairs, in accordance with the applicable legislation. The resolutions of the General Meeting, which are in accordance with the applicable law, shall be binding upon absent and dissenting Shareholders as well.

During 2019 two General Meetings of Shareholders were held.

On 28.6.2019 the annual Ordinary General Meeting of Shareholders of Alpha Bank was held and was attended (in person or by proxy) by Shareholders representing 59.26% of the voting share capital of the Bank, excluding the shares issued in favor of the HFSF (article 7a par. 3 of Law 3864/2010, as in force).

All the items of the agenda were approved by the Ordinary General Meeting of Shareholders. The said items were the following:

1. Approval of the Annual and Consolidated Financial Statements of the financial year 2018 (1.1.2018 - 31.12.2018), together with the relevant reports of the Board of Directors and the Statutory Certified Auditors.
2. Approval, as per article 108 of Law 4548/2018, of the overall management for the financial year 2018 (1.1.2018 - 31.12.2018) and discharge of the Statutory



Certified Auditors for the financial year 2018, in accordance with article 117 of Law 4548/2018.

3. Approval of the Members of the Board of Directors' remuneration for the financial year 2018 (1.1.2018 - 31.12.2018).
4. Approval, in accordance with article 109 of Law 4548/2018, of the advance payment of remuneration to the Members of the Board of Directors for the financial year 2019 (1.1.2019 - 31.12.2019).
5. Election of Statutory Certified Auditors for the financial year 2019 (1.1.2019 - 31.12.2019) and approval of their remuneration.
6. Announcement on the election of a new Member of the Board of Directors.
7. Granting of authority, in accordance with article 98 of Law 4548/2018, to Members of the Board of Directors and the General Management as well as to Managers to participate in the boards of directors or in the management of companies having purposes similar to those of the Bank.

On 20.11.2019 the Extraordinary General Meeting of Shareholders of Alpha Bank was held. With regard to item 1 of the agenda, the Meeting was attended (in person or by proxy) by Shareholders representing 61.94% of the voting share capital of the Bank, including the shares issued in favor of the HFSF, while with regard to items 2 and 3 of the agenda, it was attended, (in person or by proxy), by Shareholders representing 57.25% of the voting share capital of the Bank, excluding the shares issued in favor of the HFSF.

All the items of the agenda were approved by the Extraordinary General Meeting of Shareholders. The said items were the following:

1. Adjustment of the Bank's Articles of Incorporation to the provisions of Law 4548/2018, pursuant to article 183 par. 1 of the said Law.
2. Approval of the Remuneration Policy as per the provisions of Law 4548/2018.
3. Amendment of the Senior Executives Severance Payment Policy.

The Resolutions adopted at the Ordinary General Meeting of Shareholders and at the Extraordinary General Meeting of Shareholders of 2019 are posted on the Bank's website (<https://www.alpha.gr/en/group/investor-relations/general-meetings>).

## 2. Communication with Shareholders, Investor Roadshows and Corporate Governance Meetings

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

The Bank enhances its relations with proxy advisors and institutional investors who focus on corporate governance, providing them, where necessary, with further information so as to facilitate their decision-making process on corporate governance matters of the Bank in view of the General Meetings of Shareholders.

In particular, given the increasing interest of institutional investors and proxy advisors on corporate governance issues, bilateral meetings were held throughout the year with representatives from proxy advisors, analysts and investors.

Through this initiative, the Bank enhanced relations with stakeholders who focus on corporate governance, providing them, where necessary, with further information so as to assist their decision-making process, leading to further improving the Bank's corporate governance scores, while also facilitating their voting recommendations on governance matters in view of the upcoming General Meetings of Shareholders.

Following these meetings, the Bank enhanced the information provided in the ISS database. As a result, the Bank's ISS rating during 2019 regarding governance has improved from 9 to 6 (1 being the best score).

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

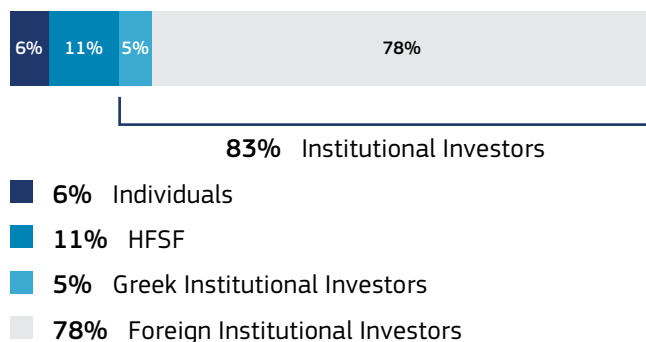


and meets the national and European range requirements of the law.

### 3. Shareholder Structure

Alpha Bank's shareholder base, on 31.12.2019, includes approximately **112,000** investors.

The breakdown of Alpha Bank shareholders on 31.12.2019 was, for descriptive (non-regulatory) purposes, as follows:



Alpha Bank shareholders, excluding the Hellenic Financial Stability Fund ("HFSF"), hold 1,374,525,214 voting shares of the Bank. On top of the above, the HFSF holds 169,174,167 common, registered, voting, dematerialized shares. The exercise of the voting rights of the HFSF shares is subject to restrictions, according to article 7a of Law 3864/2010.

## E. BOARD OF DIRECTORS AND COMMITTEES

### 1. Board of Directors

#### CHAIR

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

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

of Greece and the Hellenic Bank Association (2009-2012). He has been the Chair of the Board of Directors of the Bank since May 2014.

## EXECUTIVE MEMBERS

### CEO

##### Vassilios E. Psaltis (CEO as of 2.1.2019)

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

### GENERAL MANAGERS

##### Spyros N. Filaretos

He was born in Athens in 1958. He studied Economics at the University of Manchester and at the University of Sussex. He joined the Bank in 1985. He was appointed Executive General Manager in 1997 and General Manager in 2005. In October 2009 he was appointed Chief Operating Officer (COO). He has been a Member of the Board of Directors of the Bank since 2005.

##### Artemios Ch. Theodoridis

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



## SENIOR ADVISOR TO THE CEO

### George C. Aronis (Executive Member until 31.1.2020)

He was born in Athens in 1957. He studied Finance and holds an MBA from the Athens Laboratory of Business Administration. He has worked in ABN AMRO BANK both in Greece and abroad and he served for five years as General Manager Consumer Banking. In 1999 he joined the National Bank of Greece Group and served in managerial positions and in 2002 he was appointed General Manager Retail Banking. He joined Alpha Bank in 2004 as Retail Banking Manager. In 2006 he was appointed Executive General Manager and in 2008 General Manager, supervising the Retail and Wholesale Banking Business Units. He was a Member of the Board of Directors of the Bank from 2011 to January 2020.

## NON-EXECUTIVE MEMBERS

### Efthimios O. Vidalis

He was born in 1954. He holds a BA in Government from Harvard University and an MBA from the Harvard Graduate School of Business Administration. He held several leadership positions for almost 20 years at Owens Corning, where he served as President of the Global Composites and Insulation Business Units. He joined S&B Industrial Minerals S.A. in 1998 as Chief Operating Officer (1998-2001), became the first non-family Chief Executive Officer (2001-2011) and served on the Board of Directors for 15 years. He was a member of the Board of Directors of Future Pipe Industries (Dubai, U.A.E.) from 2008 to 2019, Chairman of the Board of Directors of the Greek Mining Enterprises Association (2005-2009) and member of the Board of Directors of the Hellenic Federation of Enterprises (SEV) from 2006 to 2016, where he served as Vice Chairman (2010-2014) and as Secretary General (2014-2016). Furthermore, he is the founder of the SEV Business Council for Sustainable Development and was the Chairman thereof from 2008 to 2016. He is a non-executive member of the Board of Directors of TITAN CEMENT COMPANY S.A. and Fairfield-Maxwell Ltd (U.S.A.). He has been a Member of the Board of Directors of the Bank since May 2014.

### Demetrios P. Mantzounis (CEO until 2.1.2019 and Non-Executive Member until 31.12.2019)

He was born in Athens in 1947. He studied Political Sciences at the University of Aix-Marseille. He joined the Bank in 1973. In 2002 he was appointed General Manager and from 2005 to 2018 he served as Managing Director. Based on the annual

international survey conducted by Extel, he was voted among the 20 best CEOs of European banks at a Pan-European level in 2014, 2016 and 2018. Moreover, based on the same survey, he was voted Best CEO in Greece in 2014 and in 2016 and Second Best CEO in Greece in 2018. He was a Member of the Board of Directors of the Bank from 1995 to 2019.

## NON-EXECUTIVE INDEPENDENT MEMBERS

### Jean L. Cheval

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

### Carolyn G. Dittmeier

She was born in 1956. She holds a BSc in Economics from the Wharton School of the University of Pennsylvania. She is a statutory auditor, a certified public accountant, a certified internal auditor and a certified risk management assurance professional focusing on the audit and risk management sectors. She commenced her career at the auditing and consulting firm KPMG and subsequently assumed managerial responsibilities in the Montedison Group as Financial Controller and later as Head of Internal Audit. Subsequently, she took on the role of Chief Internal Audit Executive of the Poste Italiane Group. She has carried out various professional and academic activities focusing on risk and control governance and has written two books. She was Vice Chair and Director of the Institute of Internal Auditors (IIA), Chair of the European Confederation of Institutes of Internal Auditing (ECIIA) and Chair of the Italian Association of Internal Auditors. Furthermore, she served as Independent Director and Chair of the Risk and Control Committee of Autogrill SpA as well as of Italmobiliare SpA. She is currently President of the Statutory



Audit Committee of Assicurazioni Generali SpA and a member of the Boards and/or the Audit Committees of some non-financial privately held companies. She has been a Member of the Board of Directors of the Bank since January 2017.

### **Richard R. Gildea**

He was born in 1952. He holds a BA in History from the University of Massachusetts (1974) and an MA in International Economics, European Affairs from the Johns Hopkins University School of Advanced International Studies (1984). He served in JP Morgan Chase from 1986 to 2015, wherein he held various senior management positions throughout his career. He was Emerging Markets Regional Manager for the Central and Eastern Europe Corporate Finance Group, London (1993-1997) and Head of Europe, Middle East and Africa (EMEA) Restructuring, London (1997-2003), as well as Senior Credit Officer in EMEA Emerging Markets, London (2003-2007). From 2007 to 2015 he was Senior Credit Officer for JP Morgan's Investment Bank Corporate Credit in EMEA Developed Markets, London and was appointed Senior Risk Representative to senior committees within the Investment Bank. He is currently a member of the Board of Advisors at the Johns Hopkins University School of Advanced International Studies, Washington D.C., where he chairs the Finance Committee as well as a member of Chatham House (the Royal Institute of International Affairs), London and of the International Institute of Strategic Studies, London. He has been a Member of the Board of Directors of the Bank since July 2016.

### **Shahzad A. Shahbaz**

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

### **Jan A. Vanhevel**

He was born in 1948. He studied Law at the University of Leuven (1971), Financial Management at Vlekho (Flemish

School of Higher Education in Economics), Brussels (1978) and Advanced Management at INSEAD (The Business School for the World), Fontainebleau. He joined Kredietbank in 1971, which became KBC Bank and Insurance Holding Company in 1998. He acquired a Senior Management position in 1991 and joined the Executive Committee in 1996. In 2003 he was in charge of the non-Central European branches and subsidiaries, while in 2005 he became responsible for the KBC subsidiaries in Central Europe and Russia. In 2009 he was appointed CEO and implemented the Restructuring Plan of the group until 2012, when he retired. From 2008 to 2011 he was President of the Fédération belge du secteur financier (Belgian Financial Sector Federation) and a member of the Verbond van Belgische Ondernemingen (Federation of Enterprises in Belgium), while he has been the Secretary General of the Institut International d'Études Bancaires (International Institute of Banking Studies) since May 2013. He was also a member of the Liikanen Group on reforming the structure of the EU banking sector. Currently, he is a Board member of two private industrial multinational companies and of a private equity company. He has been a Member of the Board of Directors of the Bank since April 2016.

### **NON-EXECUTIVE MEMBER**

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

### **Johannes Herman Frederik G. Umbgrove**

He was born in Vught, the Netherlands in 1961. He holds an LL.M. in Trade Law (1985) from Leiden University and an MBA from INSEAD (The Business School for the World), Fontainebleau (1991). He worked at ABN AMRO Bank N.V. (1986-2008), wherein he held various senior management positions throughout his career. He served as Chief Credit Officer Central and Eastern Europe, Middle East and Africa (CEEMEA) of the Global Markets Division at The Royal Bank of Scotland Group (2008-2010) and as Chief Risk Officer and member of the Management Board at Amsterdam Trade Bank N.V. (2010-2013). From 2011 until 2013 he was Group Risk Officer at Alfa Bank Group Holding and as of 2014 he has been a Risk Advisor at Sparrenwoude B.V. He has been a member of the Supervisory Board of Demir Halk Bank (Nederland) N.V. since 2016 and in 2018 he became the Chairman thereof. Furthermore, he has been a Member of the Supervisory Board of Lloyds Bank GmbH since December 2019. He has been a Member of the Board of Directors of the Bank, representing the Hellenic Financial Stability Fund, since April 2018.



**SECRETARY****George P. Triantafyllides**

He was born in Athens in 1963. He holds a BSc from Oregon State University. He has served as a Naval Officer in the United States Navy. He joined the Bank in 1994 and has worked

in various areas of responsibility, while in 2001 he was assigned to the Secretariat of the Board of Directors. He has been the Manager of the Secretariat of the Board of Directors and the Secretary of the Board of Directors of the Bank since 2014.

**2. Profile of the Board of Directors and Committee Membership for the year 2019**

| Board of Directors  | Gender | Age | Tenure | Term ends | Committees |                 |              |                                      |
|---|--------|-----|--------|-----------|------------|-----------------|--------------|--------------------------------------|
|   |        |     |        |           | Audit      | Risk Management | Remuneration | Corporate Governance and Nominations |
| <b>Chair (Non-Executive Member)</b>                                       |        |     |        |           |            |                 |              |                                      |
| Vasileios T. Rapanos  | M      | 72  | 5      | 2022      | -          | -               | -            | -                                    |
| <b>Executive Members</b>  |        |     |        |           |            |                 |              |                                      |
| Vassilios E. Psaltis <sup>1</sup>   | M      | 51  | 1      | 2022      | -          | -               | -            | -                                    |
| Spyros N. Filaretos   | M      | 61  | 14     | 2022      | -          | -               | -            | -                                    |
| Artemios Ch. Theodoridis  | M      | 60  | 14     | 2022      | -          | -               | -            | -                                    |
| George C. Aronis <sup>2</sup>   | M      | 62  | 8      | 2022      | -          | -               | -            | -                                    |
| <b>Non-Executive Members</b>  |        |     |        |           |            |                 |              |                                      |
| Efthimios O. Vidalis  | M      | 65  | 5      | 2022      | M          | -               | M            | M                                    |
| Demetrios P. Mantzounis <sup>3</sup>                                      | M      | 72  | 24     | 2022      | -          | -               | -            | -                                    |
| <b>Non-Executive Independent Members</b>                                  |        |     |        |           |            |                 |              |                                      |
| Jean L. Cheval  | M      | 70  | 1      | 2022      | M          | -               | M            | M                                    |
| Carolyn G. Dittmeier  | F      | 63  | 2      | 2022      | C          | M               | -            | -                                    |
| Richard R. Gildea   | M      | 67  | 3      | 2022      | -          | M               | C            | -                                    |
| Shahzad A. Shahbaz  | M      | 59  | 5      | 2022      | -          | -               | -            | C                                    |
| Jan A. Vanhevel   | M      | 71  | 3      | 2022      | M          | C               | -            | -                                    |
| <b>Non-Executive Member (pursuant to the provisions of Law 3864/2010)</b> |        |     |        |           |            |                 |              |                                      |
| Johannes Herman Frederik G. Umbgrove                                      | M      | 58  | 1      | 2022      | M          | M               | M            | M                                    |

C: Chair / M: Member / -: The Member does not participate in this Committee

<sup>1</sup> CEO as of 2.1.2019  
<sup>2</sup> Member of the Board of Directors until 31.1.2020  
<sup>3</sup> CEO until 2.1.2019 and Non-Executive Member until 31.12.2019

**3. Composition and Functioning of the Board of Directors**

The Board of Directors represents the Bank and is qualified to resolve on every action concerning the Bank's management, the administration of its property and the promotion of its scope of business in general. Indicatively, the Board of Directors is qualified to resolve on the issuance of all kinds of

bond loans, with the exception of those which belong to the exclusive competence of the General Meeting.

The primary concern of the Board of Directors, while exercising its powers, is to promote the interests of the Bank, the Shareholders and its Employees as well as of other interested parties, as the case may be. The Board of Directors monitors the compliance and adherence to the provisions of the law



within the framework of the corporate interest as well as the compliance to procedures of reliable and timely information and communication.

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

Article 3 of Law 3016/2002 stipulates, inter alia, that the number of Non-Executive Members of the Board of Directors cannot be less than 1/3 of the total number of Members. Out of a total of thirteen Members of the Board of Directors of the Bank, the number of Non-Executive Members amounts to nine, i.e. 69% of the total, thus exceeding by far the minimum number for such Members set by Law 3016/2002 (based on the composition of the Board of Directors for the year 2019).

In accordance with the above-mentioned article of Law 3016/2002, at least two Non-Executive Members should also be Independent. In the Board of Directors of the Bank, the respective number exceeds, as in the case mentioned above, the minimum requirement set by Law and amounts to five, i.e. 38% of the total.

#### Board of Directors Composition 2019



- **31%** Executive Members
- **38%** Non-Executive Independent Members
- **31%** Non-Executive Members

Following the resignation of Mr. D.P. Mantzounis from the position of Chief Executive Officer and the election of Mr. V.E. Psaltis to the said position, with effective date 2.1.2019, which took place during the Board of Directors meeting held on 29.11.2018, the Board of Directors was constituted anew into a body in accordance with the Articles of Incorporation at its meeting of 2.1.2019.

At the Ordinary General Meeting of Shareholders held on 28.6.2019, the General Meeting was informed about the election of a new Member of the Board of Directors and in particular that:

- at the meeting of the Board of Directors held on

30.8.2018 Mr. I.S. Dabdoub submitted his resignation from the position of Member of the Board of Directors and of its Committees,

- at the meeting of the Board of Directors held on 29.11.2018 Mr. V.E. Psaltis was elected as Member of the Board of Directors of the Bank,
- at the meeting of the Board of Directors held on 29.11.2018 Mr. D.P. Mantzounis submitted his resignation from the position of Managing Director - CEO with effective date 2.1.2019,
- through a unanimous resolution of the Board of Directors, Mr. V.E. Psaltis was appointed new CEO on 2.1.2019.

The tenure of the Members of the Board of Directors is four years, even though Law 4548/2018, in force as of January 1, 2019, stipulates that the tenure can be up to six years. The Board's tenure ends at the Ordinary General Meeting of Shareholders which will take place in 2022.

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

The Minutes of the meetings of the Board of Directors and its Committees are signed at the next regular meeting of the Board of Directors or of the relevant Committee. The signatures of the Members of the Board of Directors may be replaced by an exchange of e-mail messages, pursuant to the applicable legislation.

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

The Secretariat of the Board of Directors supports the functionality of the Board of Directors, its Committees and its Members and, among others, coordinates communications between the Members of the Board of Directors and the Management of the Bank and the Group Companies in order to achieve the effective flow of information to and from the Board.



#### 4. Board and Committees attendance

In 2019, the Board of Directors convened eighteen times. The average participation rate of the Members of the Board of Directors in the meetings stood at 94% (based on the composition of the Board of Directors on 31.12.2019).

##### Board Meetings Average Attendance

94%

Two strategy offsite meetings took place during 2019 with the participation of all the Members of the Board of Directors (100% attendance).

The Board has established an attendance objective which stipulates that the Members should attend more than 85% of the Board of Directors meetings. The Corporate Governance and Nominations Committee deemed that there were no Member absences from Board meetings without a valid reason. The Members of the Board of Directors who were absent had informed the Bank in time of the relevant reasons. The table of the attendance rates of the Members of the Board of Directors is posted on the Bank's website (<https://www.alpha.gr/en/group/corporate-governance/administrative-structure/board-of-directors>).

#### 2019 Board Members' Individual Attendance Rates at Meetings

| Board of Directors  |           | Audit Committee | Risk Management Committee | Remuneration Committee | Corporate Governance and Nominations Committee |
|---|-----------|-----------------|---------------------------|------------------------|--|
| <b>Number of meetings</b>   | <b>18</b> | <b>13</b>       | <b>13</b>                 | <b>10</b>              | <b>10</b>                                      |
| <b>Chair (Non-Executive Member)</b>                                       |           |                 |                           |                        |  |
| Vasileios T. Rapanos  | 100%      | -               | -                         | -                      | -  |
| <b>Executive Members</b>  |           |                 |                           |                        |  |
| Vassilios E. Psaltis <sup>1</sup><br>CEO                                  | 94%       | -               | -                         | -                      | -  |
| Spyros N. Filaretos<br>General Manager                                    | 100%      | -               | -                         | -                      | -  |
| Artemios Ch. Theodoridis<br>General Manager                               | 94%       | -               | -                         | -                      | -  |
| George C. Aronis <sup>2</sup>   | 100%      | -               | -                         | -                      | -  |
| <b>Non-Executive Members</b>  |           |                 |                           |                        |  |
| Efthimios O. Vidalis  | 100%      | 100%            | -                         | 90%                    | 100%   |
| Demetrios P. Mantzounis <sup>3</sup>                                      | 83%       | -               | -                         | -                      | -  |
| <b>Non-Executive Independent Members</b>                                  |           |                 |                           |                        |  |
| Jean L. Cheval  | 100%      | 100%            | -                         | 100%                   | 100%   |
| Carolyn G. Dittmeier  | 89%       | 100%<br>C       | 92%                       | -                      | -  |
| Richard R. Gildea   | 89%       | -               | 100%                      | 100%<br>C              | -  |
| Shahzad A. Shahbaz  | 78%       | -               | -                         | -                      | 100%<br>C                                      |
| Jan A. Vanhevel   | 94%       | 92%             | 100%<br>C                 | -                      | -  |
| <b>Non-Executive Member (pursuant to the provisions of Law 3864/2010)</b> |           |                 |                           |                        |  |
| Johannes Herman<br>Frederik G. Umbgrove                                   | 100%      | 100%            | 100%                      | 100%                   | 100%   |
| C: Chair / - : The Member does not participate in this Committee          |           |                 |                           |                        |  |
| <sup>1</sup> CEO as of 2.1.2019   |           |                 |                           |                        |  |
| <sup>2</sup> Member of the Board of Directors until 31.1.2020             |           |                 |                           |                        |  |
| <sup>3</sup> CEO until 2.1.2019 and Non-Executive Member until 31.12.2019 |           |                 |                           |                        |  |



## 5. Evaluation of the Board of Directors

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

The overall evaluation of the Board of Directors and its Committees, for the year 2018, was conducted by Nestor Advisors, a London-based corporate governance consulting firm, with the assistance of the Corporate Governance and Nominations Committee. The Individual Evaluation of the Members of the Board of Directors was conducted by the Chair of the Board of Directors.

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

The composition of the Board of Directors reflects the knowledge, skills and experience necessary to fulfill its responsibilities. This entails that the Board of Directors collectively has an appropriate understanding of those areas for which the Members are collectively accountable and the skills to effectively manage and oversee the Bank.

While the Executive Members have a high level of managerial skills, the Non-Executive Members have sufficient management skills to organize the Board of Directors' tasks effectively and to be able to understand and challenge the management practices applied and the decisions taken by the Executive Members.

The Corporate Governance and Nominations Committee also ascertained that the Members of the Board of Directors represent different business sectors as well as different geographical areas and are acknowledged for their character, integrity, ability of leadership,

management, thought and constructive collective operation in a team environment as well as for their financial knowledge and other professional and business experience. The level of experience and knowledge of all the Members of the Board of Directors and its Committees was evaluated by the Board of Directors as very high, while their work was evaluated as extremely effective.

### **Reassessment of the Board Members' collective suitability based on ESMA/EBA Guidelines**

Further to the aforementioned evaluation of the Board of Directors, a reassessment of the Board Members' collective suitability in terms of knowledge, skills and experience based on the Joint ESMA/EBA Guidelines on the Assessment of the Suitability of Members of the Management Body and Key Function Holders (the "Joint ESMA/EBA Guidelines") was conducted in November with the support of the Corporate Governance and Nominations Committee.

In this context and for the purposes of preparing the assessment of the collective suitability, each Member of the Board of Directors conducted an Individual Self-Assessment based on the criteria listed in the Joint ESMA/EBA Guidelines. The Chair of the Board of Directors collected all such Individual Self-Assessments and after using selected information from these, completed the Collective Suitability Matrix of the Joint ESMA/EBA Guidelines, examining, among others, the areas of governance, risk management, compliance, audit, management, strategy, decision-making and past experience, as suggested by the said Guidelines.

Based on the approved Collective Suitability Matrix, the Board of Directors resolved that in order to enhance the collective suitability of the Board, emphasis should be given on continuous training and informative sessions and new Non-Executive Independent Members should be appointed in order to further enhance collective knowledge in certain areas. Both measures are to be implemented during 2020.



**Experience of the Members of the Board of Directors based  
on the Collective Suitability Matrix of the Joint ESMA/EBA Guidelines**

| Experience of the Members of the Board of Directors (in years) |  |  |  |                          |  |
|--|--|--|--|--------------------------|--|
| Members  | Banking or Financial<br>experience in large<br>institutions other<br>than Alpha Bank | Banking or Financial<br>experience in<br>medium-sized<br>institutions other<br>than Alpha Bank | Banking or Financial<br>experience in small<br>institutions other<br>than Alpha Bank | Management<br>experience | Experience other<br>than Management<br>or Financial sector<br>(e.g. academic,<br>legal practice) |
| Vasileios T. Rapanos   | 15   | -  | 3  | 13                       | 28   |
| Vassilios E. Psaltis   | 8  | 4  | -  | 16                       | -  |
| Spyros N. Filaretos  | -  | -  | -  | 32                       | -  |
| Artemios Ch. Theodoridis                                       | 2  | 11   | 3  | 33                       | -  |
| George C. Aronis   | 22   | -  | -  | 31                       | -  |
| Efthimios O. Vidalis   | -  | -  | 5  | 32                       | -  |
| Demetrios P. Mantzounis  | -  | -  | -  | 42                       | -  |
| Jean L. Cheval   | 19   | 17   | -  | 36                       | 20   |
| Carolyn G. Dittmeier   | 14   | -  | -  | 35                       | 10   |
| Richard R. Gildea  | 30   | -  | -  | 15                       | 8  |
| Shahzad A. Shahbaz   | 25   | 13   | -  | 33                       | -  |
| Jan A. Vanhevel  | 42   | -  | -  | 32                       | -  |
| Johannes Herman Frederik<br>G. Umbgrove                        | 27   | 3.5  | -  | 8                        | -  |

### Board evaluation by the Non-Executive Members

The Non-Executive Members of the Board of Directors verified at their Meeting that the Board and its Committees have developed effective procedures regarding their operation.

The Non-Executive Members also evaluated the performance of the Executive Members and highlighted the contribution of each and every one of them to the accomplishment of satisfactory results during these highly volatile economic circumstances which the country is experiencing as well as their excellent cooperation with their Non-Executive peers.

It was confirmed that the Members of the Board of Directors have diverse skills and knowledge and thus represent a variety of opinions. It was also ascertained that the Members engage fully and constructively in the Board of Directors and its Committees' operations and therefore contribute to the smooth and effective management of the Bank. It has been established that the Members of the Board of Directors perform their duties effectively and that the Board's meetings as well as the Committees' meetings are deemed productive.

During the meetings, the Members trust each other and feel free to share their views. They are also active and do not hesitate to pose challenging questions.

The Non-Executive Members confirmed that the Board of Directors had set the proper moral and compliance criteria in accordance with the regulatory framework applicable for the entire Group.

### 6. Induction and Training Programs for the Members of the Board of Directors

The Bank offers to the new Members of the Board of Directors an induction program on Legal and Regulatory requirements, Corporate Governance principles, Risk Management, Internal Audit, Compliance, Capital Adequacy, Financial and Accounting Services, Information Technology and Security, and Strategic Planning as well as the possibility for relevant information seminars and information meetings.

Moreover, the Bank provides continuous informative sessions to the Members of the Board of Directors in order to update them on current issues of the banking market and on the regulatory developments in the financial sector.

In particular, for the year 2019, all the Members of the Board of Directors were offered informative sessions on the following subjects:



- NPL Reduction Schemes:
  - A Systemic Approach for NPE and DTC Reduction of Greek Banks, Bank of Greece.
  - Proposal for the Introduction of a Greek Asset Protection Scheme, Hellenic Financial Stability Fund.
- Directors, Officers and Company Reimbursement Insurance:
  - Bankers Blanket Bond and Civil Insurance Policy (AXA and AON).
- Digital transformation/Cyber Security/Fintech:
  - The Cyber Security Landscape in the Financial Industry.
- The Evolving Role of the HFSF.
- Human Resources/Labor Laws.

The Bank also provides its Board Members with the opportunity to participate in training and education sessions offered by external institutions. Upon request by any Member, the Bank may offer tailor-made programs to further enhance the Members' knowledge and competences.

## 7. Committees of the Board of Directors

The Board of Directors may establish permanent or ad hoc Committees to assist it in the discharge of its responsibilities, facilitate its operations and effectively support its decision-making. The Committees have an advisory role but may also assume delegated authorities, as determined by the Board. Each Committee has its dedicated Charter prescribing its composition, tenure, functioning and responsibilities.

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

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

### Audit Committee

|  |  |
|--|--|
| Chair:                                     | Carolyn G. Dittmeier                                     |
| Number of Members:                         | 5  |
| Frequency:                                 | At least once every month                                |
| Number of meetings in 2019:                | 13   |
| Average participation rate of the Members: | 98% (based on the Committee's composition on 31.12.2019) |

### Audit Committee Composition



■ **60%** Non-Executive Independent Members

■ **40%** Non-Executive Members

*(Based on the composition of the Audit Committee on 31.12.2019)*

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

The Audit Committee:

- Performs the oversight of the financial reporting processes and procedures for drawing up the Annual and the Interim financial statements of the Bank and the Group.
- Reviews the quarterly financial statements of the Bank and of the Group, together with the annual Statutory Auditors' Report and the Board of Directors' Annual Management Report prior to their submission to the Board of Directors for approval.
- Monitors and assesses, on an annual basis, the adequacy, effectiveness and efficiency of the Internal Control System of the Bank and the Group.
- Assists the Board of Directors in ensuring the independent, objective and effective conduct of internal and external audits of the Bank.
- Assists the Board of Directors in overseeing the effectiveness and performance of the Internal Audit Division and the Compliance Division of the Bank.
- Reviews the activity and performance of the Statutory Certified Auditors of the Bank and the Group on a regular basis.



- Is responsible for the procedure pertaining to the selection of the Statutory Certified Auditor of the Bank and the Group and makes recommendations to the Board of Directors on the appointment or dismissal, rotation, tenure and remuneration of the Statutory Certified Auditors, according to the relevant regulatory and legal provisions.
- Monitors the independence of the Statutory Certified Auditors in accordance with the applicable laws, which includes reviewing, inter alia, the provision by them of Non-Audit Services to the Bank and the Group. In relation to this, the Committee examines or approves all proposals regarding the provision by the Statutory Certified Auditor of Non-Audit Services to the Bank and the Group, based on the relevant Bank policy that the Audit Committee oversees and recommends to the Board of Directors for approval.

At least one Member should either be a suspended or a retired statutory certified auditor or have accounting/auditing knowledge and experience.

The specific duties and responsibilities of the Audit Committee are determined in its Charter, which was amended in December 2019 and is posted on the Bank's website (<https://www.alpha.gr/en/group/corporate-governance/committees>).

### Risk Management Committee

|  |  |
|--|--|
| Chair:                                     | Jan A. Vanhevel  |
| Number of Members:                         | 4  |
| Frequency:                                 | At least once every month                                |
| Number of meetings in 2019:                | 13   |
| Average participation rate of the Members: | 98% (based on the Committee's composition on 31.12.2019) |

### Risk Management Committee Composition



■ **75%** Non-Executive Independent Members

■ **25%** Non-Executive Members

*(Based on the composition of the Risk Management Committee on 31.12.2019)*

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

The Risk Management Committee:

- Assists the Board of Directors in promoting a sound risk culture at all levels throughout the Bank and the Group, fostering risk awareness and encouraging open communication and challenge across the Organization.
- Assists the Board of Directors in monitoring the achievement of objectives in risk management, especially in the areas of NPEs and capital ratio.
- Reviews and recommends to the Board of Directors for approval the risk and capital management strategy.
- Reviews and recommends annually to the Board of Directors for approval the Group's risk appetite framework and statement.
- Determines the principles which govern risk management across the Bank and the Group in terms of the identification, measurement, monitoring, control, and mitigation of risks.
- Evaluates on an annual basis or more frequently, if necessary, the appropriateness of risk identification and measurement systems, methodologies and models, including the capacity of the Bank's IT infrastructure to record, report, aggregate and process risk-related information.
- Reviews regularly, at least annually, the Group's ICAAP/ILAAP and related target ratios and recommends their approval to the Board of Directors.
- Assesses the overall effectiveness of capital planning, allocation processes and systems, and the allocation of capital requirements to risk types.

At least one Member should be familiar with the NPE/NPL management framework, policies, practices and procedures. At least one Member (the NPL Expert) should have solid risk and capital management experience as well as familiarity with the local and the international regulatory framework.

The specific duties and responsibilities of the Risk Management Committee are determined in its Charter, which was amended in December 2019 and is posted on the Bank's website (<https://www.alpha.gr/en/group/corporate-governance/committees>).



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

|  |                    |
|--|--------------------|
| Frequency:                                 | Once every quarter |
| Number of meetings in 2019:                | 6                  |
| Average participation rate of the Members: | 100%               |

#### Responsibilities:

- Review of quarterly financial results
- Review of Operational Risk issues

### Remuneration Committee

|  |  |
|--|--|
| Chair:                                     | Richard R. Gildea  |
| Number of Members:                         | 4  |
| Frequency:                                 | At least quarterly per year                              |
| Number of meetings in 2019:                | 10   |
| Average participation rate of the Members: | 98% (based on the Committee's composition on 31.12.2019) |

### Remuneration Committee



■ **50%** Non-Executive Independent Members

■ **50%** Non-Executive Members

*(Based on the composition of the Remuneration Committee on 31.12.2019)*

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

#### The Remuneration Committee:

- Assists the Board of Directors in ensuring that the Remuneration Policies are consistent with the values, culture, business strategy, risk appetite and strategic objectives of the Bank and the Group.
- Provides its support and advice to the Non-Executive Members of the Board of Directors on the design of the Remuneration Policies for the Bank and the Group Companies according to the relevant legislative and regulatory provisions.

- Is responsible for the preparation of decisions on the remuneration of the Members of the Board of Directors to be taken by the Non-Executive Members.
- Reviews the variable remuneration framework. Advises on variable remuneration schemes, where these are permitted, for Personnel and Executives across the Bank and the Group, and proposes the total envelope for variable remuneration across the Bank and the Group.
- On an annual basis, reviews and reports findings on remuneration data from the Bank and the Group to the Board of Directors, with a view to monitoring the consistent application of the Remuneration Policies, assessing alignment with corporate goals and ensuring that the remuneration program is completely aligned with the risk profile and ambition.
- Assesses the mechanisms and programs adopted to ensure that the remuneration system properly takes into account all types of risks, liquidity and capital levels and that the overall Remuneration Policies are consistent with and promote sound and effective risk management and are in line with the business strategy, objectives, corporate culture, values and long-term interests of the Bank.
- Oversees the evaluation process for Senior Executives and Key Function Holders, ensuring that it is implemented adequately and in accordance with the provisions of the Bank's respective Policy.

At least one Member should have sufficient professional experience in risk management.

The specific duties and responsibilities of the Remuneration Committee are determined in its Charter, which was amended in December 2019 and is posted on the Bank's website (<https://www.alpha.gr/en/group/corporate-governance/committees>).

### Corporate Governance and Nominations Committee

|  |   |
|--|---|
| Chair:                                     | Shahzad A. Shahbaz  |
| Number of Members:                         | 4   |
| Frequency:                                 | At least quarterly per year                               |
| Number of meetings in 2019:                | 10  |
| Average participation rate of the Members: | 100% (based on the Committee's composition on 31.12.2019) |





### Corporate Governance and Nominations Committee Composition



- 50% Non-Executive Independent Members
- 50% Non-Executive Members

*(Based on the composition of the Corporate Governance and Nominations Committee on 31.12.2019)*

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

The Corporate Governance and Nominations Committee:

- Assists the Board of Directors in establishing the conditions required for effective succession and continuity in the Board of Directors.
- Ensures that the corporate governance principles of the Bank and the Group, as embedded in the Corporate Governance Code of the Bank, as well as the implementation of these principles reflect the legislation in force, regulatory expectations and international corporate governance best practices.
- Regularly reviews the Corporate Governance Code of the Bank and makes appropriate recommendations to the Board of Directors on its update.
- Facilitates the regular review of the Charters of Board Committees, in consultation with the relevant Committees, by providing input to each Committee in order to ensure that the Charters remain fit-for-purpose and align with the Bank's Corporate Governance Code as well as with corporate governance best practices.
- Develops and regularly reviews the selection criteria and the appointment process for the Members of the Board of Directors.
- Identifies and recommends for the approval of the Board of Directors candidates to fill vacancies, evaluates the balance of knowledge, skills, diversity and experience of the Board of Directors and prepares a description of the roles and capabilities for a particular appointment and assesses the time commitment expected.
- Assesses periodically, and at least annually, the structure, size, composition and performance of the Board of Directors and makes recommendations to the Board of Directors with regard to any changes.

- Assesses periodically, and at least annually, the knowledge, skills and experience of each Member of the Board of Directors and of the Board of Directors collectively and reports to the Board of Directors accordingly.
- Oversees the design and implementation of the induction program for the new Members of the Board of Directors as well as the ongoing knowledge and skills development for Members that support the effective discharge of their responsibilities.

The specific duties and responsibilities of the Corporate Governance and Nominations Committee are determined in its Charter, which was amended in December 2019 and is posted on the Bank's website (<https://www.alpha.gr/en/group/corporate-governance/committees>).

#### Non-Executive Members Meeting

|  |                      |
|--|----------------------|
| Number of Members:                         | 9                    |
| Frequency:                                 | At least once a year |
| Number of meetings in 2019:                | 1                    |
| Average participation rate of the Members: | 100%                 |

#### Non-Executive Members Meeting



- 56% Non-Executive Independent Members
- 44% Non-Executive Members

The main responsibilities of the Non-Executive Members include but are not limited to those presented below:

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



## E. MANAGEMENT COMMITTEES

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

### 1. Executive Committee

In accordance with Law 4548/2018, the Board of Directors establishes as of 2.12.2019 an Executive Committee.

The Executive Committee acts as a collective corporate body of the Bank. The Committee's powers and authorities are determined by way of a CEO act, delegating powers and authorities to the Committee.

The indicative main responsibilities of the Committee include but are not limited to the following:

The Executive Committee prepares the strategy, business plan and annual budget of the Bank and the Group for submission to and approval by the Board of Directors as well as the annual and quarterly financial statements, decides on and manages the capital allocation to the Business Units, prepares the Internal Capital Adequacy Assessment Process (ICAAP) Report and the Internal Liquidity Adequacy Assessment Process (ILAAP) Report, reviews and approves the policies of the Bank, approves and manages any collective program proposed by the Human Resources Division for the Personnel and ensures the adequacy of Resolution Planning governance, process and systems. Further to the above, the Committee is responsible for the implementation of: the overall risk strategy, including the institution's risk appetite and its risk management framework, an adequate and effective internal governance and internal control framework, the selection and suitability assessment process for Key Function Holders, the amounts, types and distribution of both internal capital and regulatory capital and the targets for the liquidity management of the Bank.

### 2. Assets-Liabilities Management Committee (ALCo)

The **Assets-Liabilities Management Committee (ALCo)** examines and decides on issues related to Treasury and Balance Sheet Management and monitors the course of the results, the budget, the funding plan, the capital adequacy and the overall financial volumes of the Bank and the

Group, approving the respective actions and policies. In addition, the Committee approves the interest rate policy, the structure of the investment portfolios and the total market, interest rate and liquidity risk limits.

### 3. Credit Committees (Performing and Non-Performing Loans)

The **Credit Committees** approve new credit or restructuring proposals for performing and non-performing loans.

### 4. Troubled Assets Committee

The **Troubled Assets Committee** designs, proposes and implements the strategy for managing troubled assets by Business Unit (Wholesale Banking, Retail Banking), geographical region, product, activity, sector, etc.

## F. DESCRIPTION OF THE DIVERSITY POLICY APPLIED TO THE MEMBERS OF THE BOARD OF DIRECTORS AND PERSONNEL

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

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

### 1. Board of Directors

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



and backgrounds. It reduces the phenomena of “group think” and “herd behavior”.

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

#### Age Range



- 31% 50 - 60
- 46% 61 - 70
- 23% over 70

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



- 62% Business Administration/Economics
- 15% Law
- 8% Mathematics, Physics, Engineering, other quantitative field of study
- 15% Degree in another field of study (Political Science)/Other professional qualification

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



- 8% Belgian
- 15% British
- 8% Dutch
- 8% French
- 53% Hellenic
- 8% US

#### Gender Diversity



- 92% Male
- 8% Female

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

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

#### 2. Personnel

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

Seeking to implement gender equality in action and to address the issue of the low percentage of women in positions of responsibility, issues which are typical of the Greek labor market, the Bank takes a number of measures which help its Employees balance their professional and family life, while also promoting equitable treatment and merit-based Personnel advancement, with equal advancement opportunities for female Employees.



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

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

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

#### Employees in Management positions\* as of 31.12.2019

| Gender         | Age Breakdown as of 31.12.2019 |           |            |            |            | Percentage (%) |
|----------------|--------------------------------|-----------|------------|------------|------------|----------------|
|                | 18-25                          | 26-40     | 41-50      | 51+        | Total      |                |
| Male           | 0                              | 32        | 229        | 182        | 443        | 62.93          |
| Female         | 0                              | 18        | 171        | 72         | 261        | 37.07          |
| <b>Total</b>   | <b>0</b>                       | <b>50</b> | <b>400</b> | <b>254</b> | <b>704</b> | <b>100.00</b>  |
| Percentage (%) | 0.00                           | 7.10      | 56.82      | 36.08      | 100.00     |                |

| Educational level  | Breakdown as of 31.12.2019 | Percentage (%) |
|--|----------------------------|----------------|
| Postgraduate Studies (Master's, PhD)   | 312                        | 44.32          |
| Tertiary Education (graduates of Universities or Technological Education Institutes) | 206                        | 29.26          |
| High School (Lyceum) graduates   | 186                        | 26.42          |
| <b>Total</b>   | <b>704</b>                 | <b>100.00</b>  |

\* Management positions are defined as the positions from Branch Manager and above.

The percentage and number of Employees in managerial positions per educational level point out that Employees in managerial positions holding postgraduate degrees represent in 2019 the highest percentage, i.e. 44%.

## G. REMUNERATION

### 1. Remuneration Policy for Alpha Bank and the Group Companies

The Remuneration Policy is consistent with the values, business strategy, objectives and, in general, the long-term interests of the Bank and the Group Companies and complies, inter alia, with the dictates of Law 4261/2014, Law 4548/2018, BoG Executive Committee's Act 158/10.5.2019 and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013.

In particular, in the context of effective risk management, the Policy discourages excessive risk taking and prevents or minimizes the emergence of conflicts of interest which are to the detriment of the proper, wise and moral management of risks. In addition to fixed remuneration, the Bank's variable remuneration framework, which is linked to Key Performance Indicators, has been created (i) to reward performance that meets and exceeds the business plan, (ii) to discourage excess risk taking across all lines of business and (iii) to diminish the risk of conflicts of interest emerging when the pursuit of short-term goals at the individual or divisional level is at variance with the long-term business objectives and financial sustainability of the Bank as a whole.

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



## 2. Remuneration of the Members of the Board of Directors for the year 2019

Remuneration of the Members of the Board of Directors for the year 2019 (1.1.2019-31.12.2019), in application of Regulation (EU) No 575/2013, article 450.

|   | Members of the Board of Directors |              |
|---|-----------------------------------|--------------|
|   | Non-Executive                     | Executive    |
| <b>Number of beneficiaries</b>  | 9                                 | 4            |
| <b>Fixed remuneration total (amounts in Euro)</b>   | 1,101,083.33                      | 1,515,642.59 |
| <b>Variable remuneration total split into:</b>  |                                   |              |
| Cash  | -                                 | -            |
| Shares  | -                                 | -            |
| Share-linked instruments  | -                                 | -            |
| Other types   | -                                 | -            |
| <b>Amounts of outstanding deferred remuneration split into:</b>   |                                   |              |
| Vested  | -                                 | -            |
| Unvested  | -                                 | -            |
| <b>Amounts of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments</b> | -                                 | -            |
| <b>Number of beneficiaries of new sign-on payments</b>  | -                                 | -            |
| <b>Total amount of new sign-on payments</b>   | -                                 | -            |
| <b>Number of beneficiaries of severance payments</b>  | -                                 | 1            |
| <b>Total amount of severance payments</b>   | -                                 | 337,950.00   |
| <b>Highest severance amount awarded to a single person</b>  | -                                 | 337,950.00   |

**Remuneration of the Non-Executive Members of the Board of Directors for the year 2019**

(Amounts in Euro)

| Members of the Board of Directors   | Total Members' remuneration | Committees |                 |              |                                      |
|---|-----------------------------|------------|-----------------|--------------|--------------------------------------|
|   |                             | Audit      | Risk Management | Remuneration | Corporate Governance and Nominations |
| <b>Chair (Non-Executive Member)</b>   |                             |            |                 |              |                                      |
| Vasileios T. Rapanos  | 259,000.00                  | -          | -               | -            | -                                    |
| <b>Non-Executive Members</b>  |                             |            |                 |              |                                      |
| Efthimios O. Vidalis  | 109,000.00                  | M          | -               | M            | M                                    |
| Demetrios P. Mantzounis <sup>1</sup>  | 54,083.33                   | -          | -               | -            | -                                    |
| <b>Non-Executive Independent Members</b>                                    |                             |            |                 |              |                                      |
| Jean L. Cheval  | 109,000.00                  | M          | -               | M            | M                                    |
| Carolyn G. Dittmeier  | 134,000.00                  | C          | M               | -            | -                                    |
| Richard R. Gildea   | 109,000.00                  | -          | M               | C            | -                                    |
| Shahzad A. Shahbaz  | 84,000.00                   | -          | -               | -            | C                                    |
| Jan A. Vanhevel   | 134,000.00                  | M          | C               | -            | -                                    |
| <b>Non-Executive Member (pursuant to the provisions of Law 3864/2010)</b>   |                             |            |                 |              |                                      |
| Johannes Herman Frederik G. Umbgrove  | 109,000.00                  | M          | M               | M            | M                                    |
| <b>Total</b>  | <b>1,101,083.33</b>         |            |                 |              |                                      |
| C: Chair / M: Member / -: The Member does not participate in this Committee |                             |            |                 |              |                                      |
| <sup>1</sup> CEO until 2.1.2019 and Non-Executive Member until 31.12.2019   |                             |            |                 |              |                                      |

In particular, as regards the remuneration amounts, as of 1.1.2019, the following apply:

- A. The remuneration of the Non-Executive Chair of the Board of Directors amounts to Euro 259,000 annually.
- B. The minimum lump sum remuneration, per beneficiary, for the Non-Executive Members of the Board of Directors, in their capacity as Members of the Board of Directors of the Bank, amounts to Euro 59,000 annually.
- C. The minimum lump sum remuneration, per beneficiary, for the Non-Executive Members of the Audit Committee of the Board of Directors of the Bank amounts to Euro 25,000 annually. The minimum lump sum remuneration for the Chair of the Audit Committee of the Board of Directors of the Bank amounts to Euro 50,000 annually.
- D. The minimum lump sum remuneration, per beneficiary, for the Non-Executive Members of the Risk Management Committee of the Board of Directors of the Bank amounts to Euro 25,000 annually. The minimum lump sum remuneration for the Chair of the Risk Management Committee of the Board of Directors of the Bank amounts to Euro 50,000 annually.
- E. The minimum lump sum remuneration, per beneficiary, for the Non-Executive Members of the Corporate Governance and Nominations Committee of the Board of Directors of the Bank amounts to Euro 12,500 annually. The minimum lump sum remuneration for the Chair of the Corporate Governance and Nominations Committee of the Board of Directors of the Bank amounts to Euro 25,000 annually.
- F. The minimum lump sum remuneration, per beneficiary, for the Non-Executive Members of the Remuneration Committee of the Board of Directors of the Bank amounts to Euro 12,500 annually. The minimum lump sum remuneration for the Chair of the Remuneration Committee of the Board of Directors of the Bank amounts to Euro 25,000 annually.
- G. No Member is paid for participation in more than three Committees of the Board of Directors.
- H. A Member of the Board of Directors who is at the same time a Member of the Audit Committee and of the Risk Management Committee is paid for participation in only one of these Committees. Only if the Member of



the Board of Directors is the Chair in one of the above-mentioned Committees, he/she is paid for participation in both.

- I. The Chair of the Corporate Governance and Nominations Committee and the Chair of the Remuneration Committee receive an amount equal to double of that paid to a Member of the respective Committee.
- J. The Executive Members of the Board of Directors do not receive any remuneration in their capacity as Members of the Board of Directors, as per the standard practice of the Bank.

Athens, 27 March 2020

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

THE CHIEF  
EXECUTIVE OFFICER

VASILEIOS T. RAPANOS  
ID No AI 666242

VASSILIOS E. PSALTIS  
ID No AI 666591





## **INDEPENDENT AUDITOR'S REPORT**

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

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

#### **Opinion**

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

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

#### **Basis for opinion**

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

#### **Key audit matters**

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

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**Key audit matters**
**How our audit addressed the Key audit matters**


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**Allowance for loans and advances to customers at amortized cost**


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Loans and advances to customers at amortized cost of the Bank and the Group amounted to € 34,539 million for the Bank and € 38,959 million for the Group at 31 December 2019 (€35,311 million for the Bank and € 39,910 million for the Group at 31 December 2018) and impairment losses on loans (charge for the period) amounted to € 746 million for the Bank and € 822 million for the Group for the year ended 31 December 2019 (€ 1,425 million for the Bank and € 1,641 million for the Group for the year ended 31 December 2018).

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

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

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

- The criteria used for the staging assessment of loans and advances to customers.
- Accounting interpretations, modeling assumptions and data used to build and run the models that calculate the ECL including the estimation of Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) parameters.
- Assumptions of future cash flows of individually assessed credit impaired exposures, including assessment approach and valuation of collaterals.
- The inputs and assumptions used to estimate the impact of multiple economic scenarios.
- Post model adjustments made to reflect model and data limitations.

Management has provided further information about principles and accounting policies for determining the allowance for impairment on loans and advances to customers at amortized cost and management of credit risk in Notes 1.2.12, 11, 19 and 40 to the separate and Notes 1.2.13, 11, 19 and 43 to the consolidated financial statements.

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

- We assessed the design and implementation of internal controls relevant to ECL, including controls around methodologies applied, judgement and estimates employed by Management, model monitoring including the need for post model adjustments, model validation, data accuracy and completeness, credit monitoring and multiple economic scenarios. Where appropriate, we involved our credit specialists to assist us in performing our procedures.
  - We assessed the design and implementation of controls around the measurement of ECL for lending exposures assessed on an individual basis, including controls related to the determination of the appropriate approach, the valuation of collateral and the estimation of future cash flows for individually assessed exposures.
  - We used our modeling specialists to assess model methodology, key assumptions inputs used in the probability of default, loss given default and exposure at default models. This included assessing the appropriateness of model design, formulae used, re-performing the calculation for certain components of the ECL model calculation, and for a sample of models assessing the reasonableness of the model predictions by comparing them against actual results.
  - To evaluate the quality of the data we sample tested critical inputs used for the calculation of probability of default, loss given default and exposure at default assumptions used in the year end ECL calculation.
  - With the support of our credit risk and modeling specialists, we assessed the reasonableness of the base case and alternative economic scenarios and the probability weights assigned to them by comparing them to other scenarios from a variety of external sources. We assessed whether forecasted macroeconomic variables were appropriate such as GDP, unemployment rate, Residential Real Estate Price Index, Commercial Real Estate Price Index.
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- We obtained and substantively tested evidence of timely identification of exposures with significant increase in credit risk and timely identification of credit impaired exposures.
  - On a sample basis assessed the reasonableness of significant assumptions used in the measurement of impairment of individually assessed credit impaired exposures, including valuation of collaterals (where we also made use of our real estate specialists) as well as assumptions used for estimating future discounted cash flows.
  - Assessed the completeness and appropriateness of post model adjustments with particular focus on the methodology applied and evidence of assumptions-setting process by challenging key assumptions, assessing the calculation methodology, comparing against actual data and other supporting evidence, and considering key developments since last year, market circumstances, our industry knowledge and experience.
  - Given the complexity and granularity of the related disclosures, we assessed the completeness and accuracy of disclosures in accordance with the provisions of the relevant accounting standards.
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### Deferred Tax Asset Recoverability

The Bank and the Group have recognized a deferred tax asset of € 5,233 million and € 5,174 million respectively as at 31 December 2019 compared to € 5,340 million and € 5,291 million respectively as at 31 December 2018.

The recognition and carrying value of the deferred tax asset is considered a key audit matter as it involves high degree of judgment and significant accounting estimates to be made by Management regarding the ability to generate sufficient future taxable profits.

The most significant judgements and estimates relate to the assumptions included in the Group's business plan regarding revenue and cost forecasts.

Management has provided further information about the deferred tax asset in Notes 1.2.15, 13 and 25 to the separate and Notes 1.2.16, 13 and 25 to the consolidated financial statements.

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

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

- Assessed the design and implementation of the internal controls relevant to the audit, around the preparation and approval of budgets and forecasts, including the internal controls over the significant assumptions, inputs, calculation and methodologies used.
- We assessed the reasonableness of revenue forecasts by challenging the underlying business strategies and comparing to peers and market trends and tested how previous management forecasts, including forecasts on cost reduction compared to actual results to evaluate the accuracy of the forecasting process.
- We assessed the appropriateness of the adjustments made by Management to convert accounting profits into taxable ones and the projections made regarding the timing that the deferred tax asset can be recovered.

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

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

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

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

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

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

## **Other Information**

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

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

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

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

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

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

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

## **Auditor's Responsibilities for the audit of the separate and consolidated financial statements**

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

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

We also:

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

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

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

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

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

### **1) Board of Directors' Annual Management Report**

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

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

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

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

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

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

The allowable non-audit services provided to the Bank and the Group by Deloitte Certified Public Accountants S.A., which is a member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), during the year ended 31 December 2019 are disclosed in Note 43 and 46 to the separate and consolidated financial statements respectively. In addition, allowable non-audit services amounting to € 0.057 million and € 0.196 million have been provided to the Bank and the Group respectively by other member firms of DTTL and their respective affiliates.

### **4) Appointment**

We were first appointed as statutory auditors by the general assembly of the shareholders of Alpha Bank S.A. on 30 June 2017. The year ended 31 December 2019 is the third year we serve as statutory auditors.

Athens, 27 March 2020

The Certified Public Accountant

### **Alexandra V. Kostara**

Reg. No. SOEL: 19981

Deloitte Certified Public Accountants S.A.

3a Fragoklissias & Granikou Str.

151 25 Maroussi

Reg. No. SOEL: E120





# Group Financial Statements as at 31.12.2019

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ALPHA BANK





## Consolidated Income Statement

(Amounts in thousands of Euro)

|  | Note     | From 1 January to<br>31.12.2019 | 31.12.2018*        |
|--|----------|---------------------------------|--------------------|
| Interest and similar income  |          | 2,022,356                       | 2,278,188          |
| Interest expense and similar charges   |          | (475,088)                       | (522,143)          |
| Net interest income  | 2        | 1,547,268                       | 1,756,045          |
| Fee and commission income  |          | 432,022                         | 410,448            |
| Commission expense   |          | (91,893)                        | (79,396)           |
| Net fee and commission income  | 3        | 340,129                         | 331,052            |
| Dividend income  | 4        | 1,072                           | 1,344              |
| Gain less losses on derecognition of financial assets measured at amortised cost   | 6        | (16,054)                        | (117)              |
| Gains less losses on financial transactions  | 5        | 414,580                         | 462,789            |
| Other income   | 7        | 35,851                          | 49,690             |
| <b>Total other income</b>  |          | <b>435,449</b>                  | <b>513,706</b>     |
| <b>Total income</b>  |          | <b>2,322,846</b>                | <b>2,600,803</b>   |
| Staff costs  | 8        | (459,938)                       | (475,325)          |
| Expenses for separation schemes  | 8        | (49,615)                        |                    |
| General administrative expenses  | 9        | (483,204)                       | (528,236)          |
| Depreciation and amortization  | 22,23,24 | (144,532)                       | (102,027)          |
| Other expenses   | 10       | (37,387)                        | (52,656)           |
| <b>Total expenses before impairment losses and provisions to cover credit risk</b> |          | <b>(1,174,676)</b>              | <b>(1,158,244)</b> |
| Impairment losses and provisions to cover credit risk                              | 11,12    | (990,415)                       | (1,730,647)        |
| Share of profit/(loss) of associates and joint ventures                            | 21       | (12,603)                        | (1,265)            |
| <b>Profit/(loss) before income tax</b>   |          | <b>145,152</b>                  | <b>(289,353)</b>   |
| Income tax   | 13       | (48,027)                        | 342,312            |
| <b>Net Profit for the year after income tax</b>                                    |          | <b>97,125</b>                   | <b>52,959</b>      |
| Profit/(loss) attributable to:   |          |                                 |                    |
| <b>Equity holders of the Bank</b>  |          | <b>97,010</b>                   | <b>52,961</b>      |
| <b>Non-controlling interests</b>   |          | 115                             | (2)                |
| <b>Earnings/(losses) per share</b>   |          |                                 |                    |
| Basic and diluted (€ per share)  | 14       | 0.06                            | 0.03               |

The Group, from 1.1.2019 applied IFRS 16 retrospectively, without restating the comparative information in accordance with the transitional requirements of the Standard, with the cumulative effect of the initial application of the standard, to be recognized directly in Equity as at 1.1.2019 and therefore the information of the comparative year is not comparable.

\* The Consolidated Income Statement of the comparative period has year restated, as described in detail in note 50.

The attached notes (pages 87-324) form an integral part of these consolidated financial statements.



## Consolidated Statement of Comprehensive Income

(Amounts in thousands of Euro)

|  | Note | From 1 January to<br>31.12.2019 | 31.12.2018       |
|--|------|---------------------------------|------------------|
| <b>Profit/(loss), after income tax, recognized in the Income Statement</b>                       |      | <b>97,125</b>                   | <b>52,959</b>    |
| <b>Other comprehensive income</b>  |      |                                 |                  |
| <b>Items that may be reclassified subsequently to the Income Statement</b>                       |      |                                 |                  |
| Net change in investment in securities measured at fair value through other comprehensive income |      | 523,929                         | (556,366)        |
| Net change in cash flow hedge reserve  |      | (130,463)                       | (2,719)          |
| Foreign currency translation net of investment hedges of foreign operations                      |      | (1,486)                         | 11,002           |
| Share of other comprehensive income of associates and joint ventures                             |      |                                 | (149)            |
| Income tax   | 13   | (114,779)                       | 159,240          |
| <b>Items that may be reclassified subsequently to the Income Statement</b>                       |      | <b>277,201</b>                  | <b>(388,992)</b> |
| <b>Items that will not be reclassified subsequently to the Income Statement</b>                  |      |                                 |                  |
| Net change in actuarial gains/(losses) of defined benefit obligations                            | 31   | (11,325)                        | 1,171            |
| Gains/(losses) from equity instruments measured at fair value through other comprehensive income |      | (9,282)                         | (7,314)          |
| Income tax   | 13   | 6,650                           | 493              |
| <b>Items that will not be reclassified subsequently to the Income Statement</b>                  |      | <b>(13,957)</b>                 | <b>(5,650)</b>   |
| <b>Other comprehensive income for the year, net of tax</b>                                       |      | <b>263,244</b>                  | <b>(394,642)</b> |
| <b>Total comprehensive income for the year, net of tax</b>                                       |      | <b>360,369</b>                  | <b>(341,683)</b> |
| <b>Total comprehensive income for the year attributable to:</b>                                  |      |                                 |                  |
| <b>Equity holders of the Bank</b>  |      | <b>360,261</b>                  | <b>(341,681)</b> |
| Non controlling interests  |      | 108                             | (2)              |

The attached notes (pages 87-324) form an integral part of these consolidated financial statements.



## Consolidated Balance Sheet

(Amounts in thousands of Euro)

|  | Note | 31.12.2019        | 31.12.2018        |
|--|------|-------------------|-------------------|
| <b>Assets</b>  |      |                   |                   |
| Cash and balances with central banks   | 15   | 2,028,335         | 1,928,205         |
| Due from banks   | 16   | 3,332,690         | 2,500,492         |
| Trading securities   | 17   | 18,751            | 8,339             |
| Derivative financial assets  | 18   | 1,009,193         | 725,173           |
| Loans and advances to customers  | 19   | 39,266,269        | 40,228,319        |
| Investment securities  | 20   |                   |                   |
| - Measured at fair value through other comprehensive income                                      | 20a  | 7,557,499         | 6,961,822         |
| - Measured at amortized cost   | 20c  | 1,070,730         |                   |
| - Measured at fair value through profit or loss  | 20b  | 55,541            | 42,794            |
| Investments in associates and joint ventures   | 21   | 13,385            | 23,194            |
| Investment property  | 22   | 485,836           | 493,161           |
| Property, plant and equipment  | 23   | 852,332           | 734,663           |
| Goodwill and other intangible assets   | 24   | 492,346           | 434,093           |
| Deferred tax assets  | 25   | 5,174,297         | 5,290,763         |
| Other assets   | 26   | 1,536,898         | 1,363,685         |
|  |      | <b>62,894,102</b> | <b>60,734,703</b> |
| Assets classified as held for sale   | 48   | 563,519           | 272,037           |
| <b>Total Assets</b>  |      | <b>63,457,621</b> | <b>61,006,740</b> |
| <b>Liabilities</b>   |      |                   |                   |
| Due to banks   | 27   | 10,261,283        | 10,456,359        |
| Derivative financial liabilities   | 18   | 1,446,915         | 1,147,895         |
| Due to customers   | 28   | 40,364,284        | 38,731,835        |
| Debt securities in issue and other borrowed funds  | 29   | 1,088,693         | 943,334           |
| Liabilities for current income tax and other taxes   | 30   | 39,873            | 41,272            |
| Deferred tax liabilities   | 25   | 31,865            | 18,681            |
| Employee defined benefit obligations   | 31   | 90,932            | 86,744            |
| Other liabilities  | 32   | 1,057,844         | 908,515           |
| Provisions   | 33   | 599,541           | 527,386           |
|  |      | <b>54,981,230</b> | <b>52,862,021</b> |
| Liabilities related to assets classified as held for sale  | 48   | 801               | 1,603             |
| <b>Total Liabilities</b>   |      | <b>54,982,031</b> | <b>52,863,624</b> |
| <b>EQUITY</b>  |      |                   |                   |
| <b>Equity attributable to holders of the Bank</b>  |      |                   |                   |
| Share capital  | 34   | 463,110           | 463,110           |
| Share premium  | 35   | 10,801,029        | 10,801,029        |
| Reserves   | 36   | 739,676           | 460,025           |
| Amounts directly recognized in equity and are associated with assets classified as held for sale | 36   | (122)             | (122)             |
| Retained earnings  | 37   | (3,572,126)       | (3,624,847)       |
|  |      | <b>8,431,567</b>  | <b>8,099,195</b>  |
| <b>Non-controlling interests</b>   |      | <b>28,951</b>     | <b>28,814</b>     |
| <b>Hybrid securities</b>   | 38   | <b>15,072</b>     | <b>15,107</b>     |
| <b>Total Equity</b>  |      | <b>8,475,590</b>  | <b>8,143,116</b>  |
| <b>Total Liabilities and Equity</b>  |      | <b>63,457,621</b> | <b>61,006,740</b> |

The Group, from 1.1.2019 applied IFRS 16 retrospectively, without restating the comparative information in accordance with the transitional requirements of the Standard, with the cumulative effect of the initial application of the standard, to be recognized directly in Equity as at 1.1.2019 and therefore the information of the comparative year is not comparable.

The attached notes (pages 87-324) form an integral part of these consolidated financial statements.



## Consolidated Statement of Changes in Equity

(Amounts in thousands of Euro)

|   | Note | Share capital  | Share premium     | Reserves         | Retained earnings  | Total            | Non-controlling interests | Hybrid securities | Total            |
|---|------|----------------|-------------------|------------------|--------------------|------------------|---------------------------|-------------------|------------------|
| <b>Balance 1.1.2018</b>   |      | <b>463,110</b> | <b>10,801,029</b> | <b>846,010</b>   | <b>(3,669,376)</b> | <b>8,440,773</b> | <b>28,534</b>             | <b>15,107</b>     | <b>8,484,414</b> |
| <b>Changes for the year 1.1 – 31.12.2018</b>                                      |      |                |                   |                  |                    |                  |                           |                   |                  |
| Profit / (Loss) for the year, after income tax                                    |      |                |                   |                  | 52,961             | 52,961           | (2)                       |                   | 52,959           |
| Other comprehensive income for the year, net of tax                               |      |                |                   | (388,992)        | (5,650)            | (394,642)        | -                         |                   | (394,642)        |
| <b>Total comprehensive income for the year, net of tax</b>                        |      | <b>-</b>       | <b>-</b>          | <b>(388,992)</b> | <b>47,311</b>      | <b>(341,681)</b> | <b>(2)</b>                | <b>-</b>          | <b>(341,683)</b> |
| Acquisitions, disposals, and other changes of ownership interests in subsidiaries |      |                |                   |                  | (198)              | (198)            | 282                       |                   | 84               |
| Appropriation of reserves   |      |                |                   | 2,885            | (2,885)            | -                |                           |                   | -                |
| Other   |      |                |                   |                  | 301                | 301              |                           |                   | 301              |
| <b>Balance 31.12.2018</b>   |      | <b>463,110</b> | <b>10,801,029</b> | <b>459,903</b>   | <b>(3,624,847)</b> | <b>8,099,195</b> | <b>28,814</b>             | <b>15,107</b>     | <b>8,143,116</b> |

The attached notes (pages 87-324) form an integral part of these consolidated financial statements.



(Amounts in thousands of Euro)

|  | Note | Share capital  | Share premium     | Reserves       | Retained earnings  | Total            | Non-controlling interests | Hybrid securities | Total            |
|--|------|----------------|-------------------|----------------|--------------------|------------------|---------------------------|-------------------|------------------|
| <b>Balance 31.12.2018</b>  |      | <b>463,110</b> | <b>10,801,029</b> | <b>459,903</b> | <b>(3,624,847)</b> | <b>8,099,195</b> | <b>28,814</b>             | <b>15,107</b>     | <b>8,143,116</b> |
| Impact of initial application of IFRS 16 at 1.1.2019   | 1.1  |                |                   |                | (27,930)           | (27,930)         |                           |                   | (27,930)         |
| <b>Balance 1.1.2019</b>  |      | <b>463,110</b> | <b>10,801,029</b> | <b>459,903</b> | <b>(3,652,777)</b> | <b>8,071,265</b> | <b>28,814</b>             | <b>15,107</b>     | <b>8,115,186</b> |
| <b>Changes for the year 1.1 - 31.12.2019</b>   |      |                |                   |                |                    |                  |                           |                   |                  |
| Profit / (Loss) for the year, after income tax   |      |                |                   |                | 97,010             | 97,010           | 115                       |                   | 97,125           |
| Other comprehensive income for the year, net of income tax   |      |                |                   | 277,208        | (13,957)           | 263,251          | (7)                       |                   | 263,244          |
| <b>Total comprehensive income for the year, after income tax</b>   |      | <b>-</b>       | <b>-</b>          | <b>277,208</b> | <b>83,053</b>      | <b>360,261</b>   | <b>108</b>                | <b>-</b>          | <b>360,369</b>   |
| Acquisitions, disposals, share capital increase and other changes of ownership interests in subsidiaries |      |                |                   |                |                    | -                | 29                        |                   | 29               |
| Appropriation of reserves  |      |                |                   | 2,443          | (2,443)            | -                |                           |                   | -                |
| (Purchases), (redemption)/Sales of hybrid securities, after income tax                                   |      |                |                   |                |                    |                  |                           | (35)              | (35)             |
| Other  |      |                |                   |                | 41                 | 41               |                           |                   | 41               |
| <b>Balance 31.12.2019</b>  |      | <b>463,110</b> | <b>10,801,029</b> | <b>739,554</b> | <b>(3,572,126)</b> | <b>8,431,567</b> | <b>28,951</b>             | <b>15,072</b>     | <b>8,475,590</b> |

The Group, from 1.1.2019 applied IFRS 16 retrospectively, without restating the comparative information in accordance with the transitional requirements of the Standard, with the cumulative effect of the first time adoption of the standard, to be recognized directly in Equity as at 1.1.2019 and therefore the figures of the comparative year are not comparable.

The attached notes (pages 87-324) form an integral part of these consolidated financial statements.



## Consolidated Statement of Cash Flows

(Amounts in thousands of Euro)

|   | Note       | From 1 January to<br>31.12.2019 | 31.12.2018         |
|---|------------|---------------------------------|--------------------|
| <b>Cash flows from operating activities</b>   |            |                                 |                    |
| Profit/(Loss) before income tax   |            | 145,152                         | (289,353)          |
| <b>Adjustments of profit /(loss) before income tax for:</b>                               |            |                                 |                    |
| Depreciation, impairment and net result from disposal of plant, property and equipment    |            | 98,646                          | 89,557             |
| Amortization and impairment of intangible assets  |            | 63,068                          | 59,910             |
| Impairment losses on financial assets and other provisions                                |            | 1,106,872                       | 1,766,576          |
| Gains less losses on derecognition of financial assets measured at amortised cost         |            | 16,054                          | (2,606)            |
| Fair value (gains)/loss on financial assets measured at fair value through profit or loss |            | 25,247                          | 68,272             |
| Net (gain) / loss from investing activities   |            | (551,987)                       | (635,858)          |
| Net (gain) / loss from financing activities   |            | 39,860                          | 51,007             |
| Share of (profit)/loss of associates and joint ventures                                   |            | 12,603                          | 1,265              |
|   |            | <b>955,515</b>                  | <b>1,108,770</b>   |
| <b>Net (increase)/decrease in assets relating to operating activities:</b>                |            |                                 |                    |
| Due from banks  |            | 182,394                         | (142,653)          |
| Trading securities and derivative financial instruments                                   |            | (91,485)                        | (13,529)           |
| Loans and advances to customers   |            | (459,334)                       | (558,712)          |
| Other assets  |            | (115,621)                       | 337,225            |
| <b>Net increase/(decrease) in liabilities relating to operating activities:</b>           |            |                                 |                    |
| Due to banks  |            | (195,077)                       | (2,685,172)        |
| Due to customers  |            | 1,627,638                       | 3,884,920          |
| Other liabilities   |            | (123,486)                       | (42,607)           |
| <b>Net cash flows from operating activities before income tax</b>                         |            | <b>1,780,544</b>                | <b>1,888,242</b>   |
| Income tax paid   |            | (27,743)                        | (30,789)           |
| <b>Net cash flows from operating activities</b>   |            | <b>1,752,801</b>                | <b>1,857,453</b>   |
| <b>Cash flows from investing activities</b>   |            |                                 |                    |
| Investments in associates and joint ventures  |            | (2,794)                         | (5,722)            |
| Proceeds from disposals of subsidiaries   |            | 118,186                         | 2,100              |
| Dividends received  |            | 1,072                           | 1,344              |
| Acquisitions of investment property, plant, property and equipment and intangible assets  | 22, 23, 24 | (244,770)                       | (174,114)          |
| Disposals of investment property, plant, property and equipment and intangible assets     |            | 54,029                          | 38,827             |
| Interest received from investment securities  |            | 169,076                         | 59,032             |
| Purchases of Greek Government Treasury Bills  |            | (464,596)                       | (2,164,218)        |
| Proceeds from disposal and redemption of Greek Government Treasury Bills                  |            | 1,061,524                       | 2,594,944          |
| Purchases of investment securities (excluding Greek Government Treasury Bills)            |            | (6,436,552)                     | (4,822,335)        |
| Disposals / Maturity of investment securities (excluding Greek Government Treasury Bills) |            | 5,064,161                       | 3,394,118          |
| <b>Net cash flows from investing activities</b>   |            | <b>(680,664)</b>                | <b>(1,076,024)</b> |
| <b>Cash flows from financing activities</b>   |            |                                 |                    |
| Issuance of debt securities and other borrowed funds                                      |            | 416,906                         | 512,279            |
| Repayments of debt securities and other borrowed funds                                    |            | (281,492)                       | (300,877)          |
| Interests paid on debt securities in issue and other borrowed funds                       |            | (24,620)                        | (18,163)           |
| Lease payments of assets  |            | (39,746)                        |                    |
| <b>Net cash flows from financing activities</b>   |            | <b>71,048</b>                   | <b>193,239</b>     |
| Effect of exchange rates on cash and cash equivalents                                     |            | 11,999                          | 11,643             |
| <b>Net increase / (decrease) in cash flows</b>  |            | <b>1,155,184</b>                | <b>986,311</b>     |
| <b>Cash and cash equivalents at the beginning of the year</b>                             |            | <b>2,247,144</b>                | <b>1,260,833</b>   |
| <b>Cash and cash equivalents at the end of the year</b>                                   |            | <b>3,402,328</b>                | <b>2,247,144</b>   |

The attached notes (pages 87-324) form an integral part of these consolidated financial statements.





## Notes to the Financial Statements

### GENERAL INFORMATION

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

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

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

The Bank is managed by the Board of Directors, which represents the Bank and has the authority to take actions relating to the Bank’s management, the management of its assets and the pursuit of its purpose. The tenure of the Board of Directors which was elected by the Ordinary General Meeting of Shareholders on 29.6.2018 expires with the Ordinary General Meeting of Shareholders that will take place in 2022.

The Board of Directors as at December 31, 2019, consisted of:

#### CHAIRMAN (Non Executive Member)

Vasileios T. Rapanos

#### EXECUTIVE MEMBERS

Vassilios E. Psaltis, Chief Executive Officer (CEO)

Spyros N.Filaretos, General Manager - Chief Operating Officer (COO)

Artemios Ch.Theodoridis, General Manager of Non Performing Loans and Treasury Management

George C. Aronis

#### NON-EXECUTIVE MEMBER

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

#### NON-EXECUTIVE INDEPENDENT MEMBERS

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

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

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

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

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

#### NON-EXECUTIVE MEMBER

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

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

#### SECRETARY

George P. Triantafyllides

Mr. George C. Aronis resigned from the Board of Directors on 31.1.2020.

\* Member of the Audit Committee

\*\* Member of the Remuneration Committee

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

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



The Board of Directors may set up the Executive Committee in order to delegate certain powers and responsibilities. The Executive Committee (the “Committee”) acts as the collective corporate body of the Bank. The powers and responsibilities of the Committee are set out in an Act of the Chief Executive Officer, which delegates powers and responsibilities to the Committee. Indicatively, the Committee’s main responsibilities include, but are not limited to, the involvement in the preparation of the strategy, business plan and annual budget of the Bank and the Group in order to be submitted to the Board of Directors for approval, as well as the preparation of the annual and interim financial statements, management of the funding allocation to the Business Units including decision making, the preparation of the Reports for the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP), the review and approval of the Bank’s policies, approval and management of any employee schemes proposed by the Human Resources Department and ensuring the effectiveness of corporate governance, processes and systems related to Recovery Plan. Furthermore, the Committee is responsible for the implementation of the overall risk strategy – including risk appetite and the Bank’s risk management framework- of a robust and effective corporate governance and internal control framework, for the selection process and for the evaluation of the key management personnel, for the distribution of both internal and regulatory funds, as well as for the determination of the amount and type and for the achievement of the Bank’s liquidity management objectives.

The Executive Committee as of 31.12.2019 consists of the following members:

#### CHAIRMAN

Vassilios E. Psaltis, Chief Executive Officer

#### EXECUTIVE MEMBERS

Spyridon A. Andronikakis, General Manager - Chief Risk Officer (CRO)

Ioannis M. Emiris, General Manager Wholesale Banking

Artemios Ch. Theodoridis, General Manager, Non-Performing Loans and Treasury Management

Lazaros A. Papagaryfallou, General Manager - Chief Financial Officer (CFO)

Isidoros S. Passas, General Manager Retail Banking

Nikolaos V. Salakas, General Manager - Chief Legal and Governance Officer

Spyros N. Filaretos, General Manager - Chief Operating Officer (COO)

Sergiu-Bogdan A. Opreescu, General Manager International Network

The Bank’s shares are listed on the Athens Stock Exchange since 1925.

Apart from the Greek listing, the shares of the Bank are traded over at the counter market (OTC) in the United States, as American Depository Receipts (ADRs).

Total ordinary shares in issue as at 31 December 2019 were 1,543,699,381. On the Athens Stock Exchange 1,374,525,214 ordinary shares of the Bank are traded, while the Hellenic Financial Stability Fund (“HFSF”) possesses the remaining 169,174,167 ordinary voting shares or a percentage equals to 10.96% of the total ordinary shares issued by the Bank. The exercise of the voting rights for the shares of HFSF is subject to restrictions according to the article 7a of Law 3864/2010.

During the year of 2019, the average daily volume per session for shares was € 7,686.

The credit rating of the Bank has been assessed by three international credit rating agencies as follows:

- Moody’s: Caa1 (5.3.2019)
- Fitch Ratings: CCC+ (8.10.2018)
- Standard & Poor’s: B (8.11.2019)

**These annual consolidated financial statements have been approved by the Board of Directors on 27 March, 2020.**



## ACCOUNTING POLICIES APPLIED

### 1.1 Basis of presentation

These financial statements relate to the fiscal year 1.1-31.12.2019 and they have been prepared:

- a) in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, in accordance with Regulation 1606/2002 of the European Parliament and the Council of the European Union on 19 July 2002 and
- b) on the historical cost convention. As an exception, certain assets and liabilities are measured at fair value. Those assets are the following:
  - Securities held for trading
  - Derivative financial instruments
  - Loans and advances to customers measured at fair value through profit or loss
  - Investment securities measured at fair value through other comprehensive income
  - Investment securities measured at fair value through profit or loss

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

### Going concern principle

The Group applied the going concern principle for the preparation of the financial statements as at 31.12.2019. For the application of this principle, the Group takes into consideration current economic developments in order to make projections for future economic conditions of the environment in which it operates. The main factors that cause uncertainties regarding the application of this principle relate to the economic environment in Greece and abroad, to the liquidity levels of the Hellenic Republic and the banking system, as well as to the effects of the spread of coronavirus (Covid-19) in Europe in the first quarter of 2020.

The prolonged recession that the Greek economy has experienced in recent years led to the significant deterioration in the creditworthiness of corporate and individuals and, consequently, to the rapid increase in non performing loans, resulting in the recognition of significant impairment losses by the Group and by the Greek banking system in general. In addition, as a result of the Greek sovereign debt crisis and the measures taken to deal with it, there was a significant outflow of deposits and the imposition of capital controls and of a bank holiday which was announced on 28.6.2015 and lasted until 19.7.2015. On 1 September 2019 capital controls were fully removed. As at the date of the financial statements, the liquidity needs of Greek credit institutions continue to be partially met by the Eurosystem's mechanisms, and the total amount of borrowing is gradually being reduced.

Within the previous year, in particularly in August 2018, the third financial support program of the Hellenic Republic was successfully completed, while providing the possibility of forming a cash buffer aiming at reducing any potential financial risks after the completion of the program. It is also noted that the Hellenic Republic is taking steps to gradually recover its access to the financial markets to meet its financing needs, as specifically described in note 1.3.

The emergence of coronavirus in Europe in the first quarter of 2020, which soon received pandemic features, is adding a major uncertainty in terms of both macroeconomic developments and the ability of businesses to operate under the regime of the restrictive measures imposed. This development is expected to adversely affect the ability of borrowers to repay their liabilities and, consequently, the amount of expected credit risk losses. The financial implications depend to a large extent on how long this crisis will last and vary on a case-by-case basis as each sector of the economy is affected differently. In the context of efforts to relieve individuals and businesses most affected by the coronavirus and its associated restrictive measures, the Greek government has announced a package of tax and other relief measures. At the same time, the



supervisory authorities of the systemic banks are taking a number of measures to enhance the liquidity of the credit institutions and also facilitate the gradual absorption of the effects on the capital adequacy ratios, as specifically described in note 44.

In particular regarding the Group's liquidity levels, it has been noted that there has been no adverse change due to Covid-19 in the last three weeks. During this period there was no outflow of deposits and the majority of interbank repos were renewed. As a result, the liquidity buffer of the Group remained stable.

Based on the above and taking into account:

- the Group's high capital adequacy (note 44),
- the fact that there is an increase in deposits and financing from non-Eurosystem sources (indicatively it is noted that the Group has fully repaid its borrowing from the Emergency Liquidity Facility (ELA) while on 6.2.2020 it successfully completed the issuance of a ten-year Tier 2 bond, of an amount of € 500 million, at a yield of 4.25%, receiving exceptionally strong demand),
- the actions taken by the Group to address the issue of non-performing loans
- the amount of available eligible collaterals through which liquidity is ensured, to the extent required, through the mechanisms of the eurosystem or/and third sources,
- the measures taken by the Group to protect its employees from coronavirus, the implementation of actions under the Business Continuity Plan and the activation of the ability for teleworking at a large scale whilst ensuring that critical operations are performed,
- the decisions of the eurozone countries to adopt a series of fiscal and other measures to stimulate the economy, as well as the decisions of Group's supervisory authorities to provide liquidity and capital adequacy support to the extent that this is affected by the spread of the coronavirus.

the Group estimates that, at least for the next 12 months, the conditions for the application of the going concern principle for the preparation of its financial statements are met.

### Adoption of new and amended standards

The accounting policies for the preparation of the financial statements have been consistently applied by the Group to the years 2018 and 2019 after taking into account the following new standards and amendments to standards as well as IFRIC 23 which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2019:

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

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

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

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

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

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



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

At initial recognition, the right-of-use asset comprises the amount of the initial measurement of the lease liability, any initial direct costs, any lease payments made before the commencement date as well as an estimate of dismantling costs.

At initial recognition, the lease liability is equal to the present value of the lease payments that are not paid at that date.

### Impact from IFRS 16 Implementation

The Group applied the standard to all active, as at 1.1.2019, lease contracts, with the cumulative effect of initially applying the standard recognized directly in equity as at 1.1.2019 in accordance with the transitional requirements of the standard and did not restate comparative information. As a result, the figures of 2018 are not comparable.

The Group applied the practical expedient provided by IFRS 16 and did not reassess on initial application whether a contract is, or contains, a lease and applied the standard only to contracts that were identified as leases in accordance with IAS 17.

Additionally, the Group on transition has elected to make use of the following practical expedients provided by the standard:

- applied a single discount rate based on the lease term for all types of contracts,
- excluded initial direct costs from the measurement of the right-of-use asset,
- used hindsight to determine the lease term if the contract contained options to extend or terminate the lease and
- for the determination of the cost of the right-of-use asset it considered that right-of-use asset is equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

In addition, the Group elected to make use of the practical expedient and did not apply the requirements of the standard to leases for which the lease term is less than 12 months (short term), as well to leases for which the underlying asset is of low value (less than 5,000 euro when new). It is noted that the Group has made assumptions for extension for leases expiring within 2019 that, however, were expected to be renewed. More specifically for the Bank, in the case of leases of Branches, which were estimated that will be renewed, the lease term was set at three years on the basis of the relevant extension right, while for offsite ATMs leases, which are subject to contractual conversion upon renewal for an indefinite period, it was estimated that the lease term would be ten years.

The Group in order to discount remaining lease payments used incremental borrowing rate (IBR) which was determined using as reference rate the secured funding rate of the parent company Alpha Bank, adjusted for different currencies and taking into consideration government yield curves, where applicable.

As a result of the application of IFRS 16, the Group recognised on 1.1.2019 right-of-use assets of € 179.8 million (of which an amount of € 157.9 million was classified in property, plant and equipment, an amount of € 10.3 million was classified in investment property and an amount of € 11.6 million relates to investment property which as at 1.1.2019 was classified as held for sale), net investment in the lease of € 10.5 million and lease liabilities of € 245.17 million. Impact on equity amounted to loss € 39 million before tax (€ 27.9 million after tax). The impact on CET 1 (Common Equity Tier I) amounted to 13 basis points. The main types of lease contracts include leases of property and offsite ATM's (notes 22 and 23).

It is noted that the standard did not have any impact on leases where the Group is a lessor with the exception of certain subleases for which the lease was characterized as finance and resulted in the recognition of a net investment in the lease of € 10.5 million.

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



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

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

► **Amendment to International Accounting Standard 28** “Investments in Associates”: Long-term Interests in Associates and Joint Ventures (Regulation 2019/237/8.2.2019).

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

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

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

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

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

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

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

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

The adoption of IFRIC 23 had no impact on the financial statements of the Group.

Except for the standards mentioned above, the European Union has adopted the following amendments to standards which are effective for annual periods beginning after 1.1.2019 and have not been early adopted by the Group.

► **Amendment to International Financial Reporting Standard 9** “Financial Instruments”, to **International Accounting Standard 39** “Financial Instruments” and to **International Financial Reporting Standard 7** “Financial instruments: Disclosures”: Interest rate benchmark reform (Regulation 2020/34/15.1.2020)

Effective for annual periods beginning on or after 1.1.2020

On 26.9.2019 the International Accounting Standards Board issued amendments to IFRS 9, IAS 39 and IFRS 7, according to which temporary exceptions from the application of specific hedge accounting requirements are provided in the context of interest rate benchmark reform.

In accordance with the exceptions, entities applying those hedge accounting requirements may assume that the interest



rate benchmark is not altered as a result of the interest rate benchmark reform. Relief is provided regarding the following requirements:

- the highly probable requirement in cash flow hedge,
- prospective assessments,
- separately identifiable risk components.

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

► **Amendments to International Accounting Standard 1** “Presentation of Financial Statements” and **to International Accounting Standard 8** “Accounting Policies, Changes in Accounting Estimates and Errors: “Definition of material” (Regulation 2019/2104/29.11.2019)

Effective for annual periods beginning on or after 1.1.2020

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

The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments include examples of circumstances that may result in material information being obscured. The IASB has also amended the definition of material in the Conceptual Framework to align it with the revised definition of material in IAS 1 and IAS 8.

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

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

► **Amendment to International Financial Reporting Standard 3** “Business Combinations”: Definition of a Business

Effective for annual periods beginning on or after 1.1.2020

On 22.10.2018 the International Accounting Standards Board issued an amendment to IFRS 3 aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments:

- clarify the minimum requirements required in order a business to have been acquired,
- the assessment for the acquisition of either a business or a group of assets is simplified and it is based on current condition of acquired elements rather than on the market participant’s ability to integrate them into his own processes,
- the definition of outputs is amended so that apart from the revenue arising from ordinary activities falling within the scope of IFRS 15, it also includes other income from main activities such as income from investment services,
- guidance is added to assess whether a production process is substantive both in cases where a product is produced at the date of acquisition and in cases where there is no product produced,
- an optional exercise is introduced based on the fair value of the assets acquired to assess whether a business or group of assets has been acquired.

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

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

On 11.9.2014 the International Accounting Standards Board issued an amendment to IFRS 10 and IAS 28 in order to clarify the accounting treatment of a transaction of sale or contribution of assets between an investor and its associate or joint venture. In particular, IFRS 10 was amended in order to be clarified that in case that as a result of a transaction with an associate or joint venture, a parent loses control of a subsidiary, which does not constitute a business, as defined



in IFRS 3, it shall recognise to profit or loss only the part of the gain or loss which is related to the unrelated investor's interests in that associate or joint venture. The remaining part of the gain from the transaction shall be eliminated against the carrying amount of the investment in that associate or joint venture. In addition, in case the investor retains an investment in the former subsidiary and the former subsidiary is now an associate or joint venture, it recognises the part of the gain or loss resulting from the remeasurement at fair value of the investment retained in that former subsidiary in its profit or loss only to the extent of the unrelated investor's interests in the new associate or joint venture. The remaining part of the gain is eliminated against the carrying amount of the investment retained in the former subsidiary.

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

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

► **International Financial Reporting Standard 14** "Regulatory deferral accounts". Effective for annual periods beginning on or after 1.1.2016

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

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

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

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

Effective for annual periods beginning on or after 1.1.2021

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

An entity:

- identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder;
- separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- divides the contracts into groups that it will recognise and measure;
- recognises and measures groups of insurance contracts at:
  - i. a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset)
  - ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);
- recognises the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognises the loss immediately;





- presents separately insurance revenue, insurance service expenses and insurance finance income or expenses; and
- discloses information to enable users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity.

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

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

► **Amendment to the International Accounting Standard 1** “Presentation of Financial Statements”: Classification of liabilities as current or non-current

Effective for annual periods beginning on or after 1.1.2022

On 23.1.2020, the International Accounting Standards Board issued amendments to IAS 1 relating to the classification of liabilities as current or non-current. More specifically:

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if the liability must be classified as current or non-current.
- Management expectations about events after the balance sheet date must not be taken into account.
- The amendments clarify the situations that are considered settlement of a liability.

The above amendment will not have any impact on Group’s financial statements since in the Group balance-sheet liabilities are not distinguished between current and non-current.

## 1.2 Accounting policies

### 1.2.1 Basis of consolidation

The consolidated financial statements include the parent company Alpha Bank, its subsidiaries, associates and joint ventures. The financial statements used to prepare the consolidated financial statements have been prepared as at 31.12.2019 and the accounting policies applied in their preparation, when necessary, were adjusted to ensure consistency with the Group accounting policies.

#### a. Subsidiaries

Subsidiaries are entities controlled by the Group.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

Any difference between:

- a. the sum of the consideration transferred, the fair value of any previously held equity interest of the Group in the acquiree and the amount of any non – controlling interests, and



b. the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed, is recognised as goodwill if the above difference is positive or as a gain in profit or loss if the difference is negative.

During the measurement period, the provisional amounts recognized at the acquisition date are adjusted in order to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. These adjustments affect accordingly the amount of goodwill. The measurement period ends as soon as the information about facts and circumstances existed as of the acquisition date has been obtained. However, the measurement period shall not exceed one year from the acquisition date. When the Group's interest in a subsidiary increases as a result of an acquisition, the difference between the consideration paid and the share of net assets acquired is recognized directly in retained earnings.

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

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

### **b. Associates**

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

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

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

### **c. Joint ventures**

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

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

## **1.2.2 Operating Segments**

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

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

- Retail Banking
- Corporate Banking



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

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

- Greece
- Other Countries

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

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

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

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

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

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

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

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

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

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

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

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

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

### **1.2.4 Cash and cash equivalents**

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



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

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

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

## 1.2.5 Classification and measurement of financial instruments

### Initial recognition

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

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

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

### Subsequent measurement of financial assets

The Group classifies its financial assets as:

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

For each of the above categories the following apply:

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

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

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

The above category is measured at amortised cost using the effective interest method and is periodically assessed for expected credit losses, as it is further described in notes 1.2.13 and 1.2.14.

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

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

- are held within a business model whose objective is a both to collect contractual cash flows and selling financial assets,



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

The above category is periodically assessed for expected credit losses, as it is further described in notes 1.2.13 and 1.2.14.

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

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

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

Financial assets included in this category are:

- those acquired principally for the purpose of selling in the near term to obtain short term profit (held for trading). The Group has included in this category bonds, treasury bills and a limited number of shares.
- those that do not meet the criteria to be classified into one of the above categories
- those the Group designated, at initial recognition, as at fair value through profit or loss. This classification option, which is irrevocable, is used when the designation eliminates an accounting mismatch which would otherwise arise from measuring financial assets and liabilities on a different basis (i.e. amortised cost) in relation to another financial asset or liability (i.e. derivatives which are measured at fair value through profit or loss).

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

### **Business Model assessment**

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

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

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

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

- The way the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group key management personnel.



- The risks that affect the performance of the business model (and the financial assets held within that business model) and, specifically, the way those risks are managed.
- The way the managers are evaluated (e.g., whether the evaluation is based on the fair value of the assets managed or the contractual cash flows collected).
- Past and expected frequency and value of sales from the portfolio

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

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

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

For the purposes of applying the SPPI assessment:

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

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

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

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

Especially in the case of financing of a special purpose vehicle, in order for the loan to meet the criterion that its cash flows



are solely payments of principal and interest on the principal amount outstanding, among other, at least one of the following conditions should apply:

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

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

### Reclassification of financial assets

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

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

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

If the Group reclassifies a financial asset out of the fair value through profit or loss measurement category and into the fair value through other comprehensive income measurement category, the financial asset continues to be measured at





fair value. As in the above case, at this date, the effective interest rate of the asset is calculated while the date of the reclassification is treated as the date of initial recognition for impairment calculation purposes.

If a financial asset is reclassified out of the fair value through other comprehensive income measurement category and into the amortised cost measurement category, the asset is reclassified at its fair value at the measurement date. However, the cumulative gain or loss previously recognized in other comprehensive income is reversed and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortised cost. This reversal affects other comprehensive income but does not affect profit or loss and therefore is not a reclassification adjustment under IAS 1. The effective interest rate and the calculation of expected credit losses are not affected. However, the loss allowance is recognized as an adjustment to the gross carrying amount of the financial asset from the reclassification date.

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

### **Derecognition of financial assets**

The Group derecognizes financial assets when:

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

In the case of transactions where despite the transfer of the contractual right to receive the cash flows from financial assets both the risk and rewards remain with the Group, no derecognition of these financial assets occurs. The amount received by the transfer is recognized as a financial liability. The accounting practices followed by the Group in such transactions are discussed in notes 1.2.21 and 1.2.22.

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

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



In case of derecognition due to significant modification, the difference between the carrying amount of the original asset and the fair value of the new asset is directly recognized in the Income Statement, as specifically mentioned in notes 1.2.27 and 1.2.28. Additionally, in case the original asset was measured at fair value through other comprehensive income, the cumulative gains or losses recognized in other comprehensive income is transferred to profit or loss.

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

### **Subsequent measurement of financial liabilities**

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

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

- i. This category includes financial liabilities held for trading, that is:
  - financial liabilities acquired or incurred principally with the intention of selling or repurchasing in the near term for short term profit, or
  - derivatives not used for hedging purposes. Liabilities arising from either derivatives held for trading or derivatives used for hedging purposes are presented as "derivative financial liabilities" and are measured according to the principles set out in note 1.2.6.
- ii. this category also includes financial liabilities which are designated by the Group as at fair value through profit or loss upon initial recognition, when:
  - doing so results in more relevant information, because either:
    - it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
    - a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
  - the contract contains one or more embedded derivatives and the Group measures the compound financial instrument as a financial liability measured at fair value through profit or loss unless:
    - the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract or
    - it is clear with little or no analysis when a similar hybrid instrument is first considered that the separation of the embedded derivative(s) is prohibited.

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

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

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

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



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

In cases when financial liabilities included in this category are designated as the hedged item in a hedge relationship, the accounting principles applied are those set out in note 1.2.6.

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

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

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

- the amount of the provision determined during expected credit loss calculation (note 1.2.13),
- the amount initially recognised less cumulative amortization which is calculated based on the term of the instrument.

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

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

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

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

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

### **Derecognition of financial liabilities**

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

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

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

### **Offsetting financial assets and financial liabilities**

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



## 1.2.6 Derivative financial instruments and hedge accounting

### Derivative financial instruments

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

All derivatives are recognized as assets when their fair value is positive and as liabilities when their fair value is negative. Derivatives are entered into for either hedging or trading purposes and they are measured at fair value irrespective of the purpose for which they have been transacted.

The change in the fair value of the interest and currency derivatives, excluding options, is separated into interest, foreign exchange differences and other gains or losses from financial transactions.

In case a derivative is embedded in a financial asset, the embedded derivative is not separated and the hybrid contract is accounted for based on the classification requirements mentioned in note 1.2.5.

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

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

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

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

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

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

We emphasize the following:

#### a. Synthetic Swaps

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

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

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

#### b. FX Swaps

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

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

The result arising from these derivatives is recognized as interest and foreign exchange differences, in order to match



with the interest element and foreign exchange differences resulting from the deposits and loans, and as other gains less losses on financial transactions.

### Hedge accounting

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

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

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

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

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

#### a. Fair value hedges

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

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

When the hedging relationship no longer exists, the hedged items continue to be measured based on the classification and valuation principles set out in note 1.2.5. Specifically any adjustment, due to the fair value change of a hedged item for which the effective interest method is used, up to the point that the hedging relationship ceases to be effective, is amortised to interest income or expense based on a recalculated effective interest rate, over its remaining life.

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

#### b. Cash flow hedge

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

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

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

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

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



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

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

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

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

#### **1.2.7 Fair Value Measurement**

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

The Group measures the fair value of assets and liabilities traded in active markets based on available quoted market prices. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Especially, for the measurement of securities, the Group uses a particular range of prices, within the bid-ask spread, in order to characterize the prices as prices of an active market (the difference between bid and ask prices quoted should not exceed 1.5/100 nominal value). Furthermore, if quoted market prices are not available on the measurement date, but they are available during the three last working days of the reporting period and there are quoted prices for 15 working days during the last month of the reporting period and the criteria of the bid-ask spread is met, then the market is considered to be active.

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

Assets and liabilities which are measured at fair value or for which fair value is disclosed are categorized according to the inputs used to measure their fair value as follows:

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

In particular, the Group applies the following:

#### **Financial instruments**

For financial instruments the best evidence of fair value at initial recognition is the transaction price, unless the fair value can be derived by other observable market transactions relating to the same instrument, or by a valuation technique using mainly observable inputs. In these cases, if the fair value differs from the transaction price, the difference is recognized in



the statement of comprehensive income. In all other cases, fair value is adjusted to defer the difference with the transaction price. After initial recognition, the deferred difference is recognized as a gain or loss only to the extent that it arises from a change in a factor that market participants would take into account when pricing the instrument.

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

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

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

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

- Bond prices - quoted prices available for government bonds and certain corporate securities.
- Credit spreads - these are derived from active market prices, prices of credit default swaps or other credit based instruments, such as debt. Values between and beyond available data points are obtained by interpolation and extrapolation.
- Interest rates - these are principally benchmark interest rates such as the LIBOR, OIS and other quoted interest rates in the swap, bond and futures markets. Values between and beyond available data points are obtained by interpolation and extrapolation.
- Foreign currency exchange rates - observable markets both for spot and forward contracts and futures.
- Equity and equity index prices - quoted prices are generally readily available for equity shares listed on stock exchanges and for major indices on such shares.
- Price volatilities and correlations - Volatility and correlation values are obtained from pricing services or derived from option prices.
- Unlisted equities - financial information specific to the company or industry sector comparables.
- Mutual Funds- for open-ended investments funds listed on a stock exchange the published daily quotations of their net asset values (NAVs).
- Loans and Deposits- market data and Bank/customer specific parameters.

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

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

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

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

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

- Market approach (or sales comparison approach), which measures the fair value by comparing the property to other identical ones for which information on transactions is available.
- Income approach, which capitalizes future cash flows arising from the property using an appropriate discount rate.



- Cost approach, which reflects the amount that would be required currently to replace the asset with another asset with similar specifications, after taking into account the required adjustment for impairment.

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

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

It is noted that the fair value measurement of a property takes into account a market's participant ability to generate economic benefits by using the asset in it's highest and best use or by selling it to another market participant that would use the asset in it's highest and best use.

### 1.2.8 Property, Plant and Equipment

This caption includes: land, buildings used by branches or for administrative purposes, additions and improvements of leased property and equipment. It also includes right of use assets in case those assets are used by the Group (the accounting policies applicable to those assets are presented in note 1.2.11).

Property, plant and equipment are initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently, property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit for the Group and it can be measured reliably.

Expenditure on repairs and maintenance is recognized in profit or loss as an expense as incurred.

Depreciation is charged on a straight line basis over the estimated useful lives of property, plant and equipment and it is calculated on the asset's cost minus residual value.

The estimated useful lives are as follows:

- Buildings: up to 50 years
- Additions to leased fixed assets and improvements: duration of the lease
- Equipment and vehicles: up to 40 years

Land is not depreciated but is tested for impairment.

The residual value of property and equipment and their useful lives are periodically reviewed and adjusted if necessary at each reporting date.

Property, plant and equipment are reviewed on an annual basis to determine whether there is an indication of impairment and if they are impaired the carrying amount is adjusted to its recoverable amount with the difference recorded in profit or loss.

In case of sale of property, plant and equipment as well as when no economic benefits are expected for the Group, the fixed asset is derecognised. When selling the asset, the difference between the sale price and its carrying amount is recognized in profit or loss.

### 1.2.9 Investment property

The Group includes in this category buildings or portions of buildings together with their respective portion of land that





are held to earn rental income. The Group has also included in this category right of use assets when the Group is an intermediate lessor in an operating lease (the accounting policies applicable to those assets are presented in note 1.2.11). Investment property is initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently investment property is measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit and can be measured reliably. All costs for repairs and maintenance are recognized in profit or loss as incurred.

The estimated useful lives over which depreciation is calculated using the straight line method are the same as those applied to property, plant and equipment.

Transfers to and from the category of investment property are made when the property meets (or ceases to meet) the definition of investment property and there is evidence of change in its use. In particular, the property is reclassified in "Property, plant and equipment" if the Group decides to use it while it is reclassified in the category of property held for sale if a decision is taken to sell it and if the criteria referred to in paragraph 1.2.17 are met. Conversely, property not classified as "Investment Property" is transferred to this category in case a decision for its lease is made.

In case of sale of investment property as well as when no economic benefits are expected for the Group, the fixed asset is derecognised. When selling the asset, the difference between the sale price and its carrying amount is recognized in profit or loss.

### 1.2.10 Goodwill and other intangible assets

#### Goodwill

Goodwill represents the difference between the cost of an acquisition as well as the value of non-controlling interests and the fair value of the assets and liabilities of the entity acquired, as at the acquisition date.

Positive goodwill arising from acquisitions after 1/1/2004 is recorded to "Goodwill and other intangible assets", if it relates to the acquisition of a subsidiary, and it is tested for impairment at each balance sheet date. Goodwill on acquisitions of associates or joint ventures is included in "Investment in associates and joint ventures".

Negative goodwill is recognized in profit or loss.

#### Other intangible assets

The Group has included in this caption:

**a) Intangible assets** which are recognized from business combinations or which are individually acquired. These intangible assets include the value attributed to the acquired customer relationships and to deposit bases. Intangible assets arising from business combinations are initially measured at fair value while those individually acquired are initially measured at cost. Subsequently, they are depreciated, using the straight line method, during their useful life, which has been determined from 6 to 9 years, and are assessed for impairment when there are triggers for impairment.

**b) Software**, which is measured at cost less accumulated amortization and impairment losses. Expenditure incurred to maintain software programs is recognized in the income statement as incurred. Software that is considered to be an integral part of hardware (hardware cannot operate without the use of the specific software) is classified in property, plant and equipment.

More specifically, separately acquired software is initially measured at cost which comprises its purchase price and any directly attributable cost of preparing the software for its intended use, including employee benefits or professional fees. Software acquired as part of a business combination is initially measured at fair value. Both software separately acquired and acquired as part of a business combination is depreciated during its useful life which has been set from 1 to 15 years.



Regarding internally generated software, the Group recognizes an intangible asset when it can demonstrate all of the following at the development phase:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure incurred during the research phase is directly recognized in profit or loss.

Consequently, the cost of an internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the above criteria, including employee benefits arising from the generation of the software.

Internally generated software is depreciated, using the straight line method, during its useful life which has been set to 15 years.

All intangible assets are assessed for impairment when there are triggers for impairment (note 1.2.15).

No residual value is estimated for intangible assets.

In case of sale of an intangible asset as well as when no economic benefits are expected for the Group, the intangible asset is derecognised. When selling the asset, the difference between the sale price and its carrying amount is recognized in profit or loss.

### **1.2.11 Leases**

The Group enters into leases either as a lessee or as a lessor. At inception, the Group assesses whether a contract is or contains a lease. If the contract conveys the right to control the use of an identified asset for a period of time for consideration, then the contract is accounted as a lease.

The lease term is determined as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. After lease commencement, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee, the Group, as a lessee, reassesses the lease term. The Group, either as a lessee or lessor, revises the lease term if there is a change in the non-cancellable period of a lease.

#### **a) When the Group is the lessor**

When the risks and rewards incident to ownership of an asset are transferred to the lessee they are classified as finance leases.

All other lease agreements are classified as operating leases.

The accounting treatment followed depends on the classification of the lease, which is as follows:

##### **i. Finance leases:**

For finance leases where the Group is the lessor the aggregate amount of lease payments is recognized as loans and advances.

The difference between the present value (net investment) of lease payments and the aggregate amount of lease payments is recognized as unearned finance income and is deducted from loans and advances.



The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease receivables are subject to the same impairment testing as applied to customer loans and advances as described in note 1.2.13.

## **ii. Operating leases:**

When the Group is a lessor of assets under operating leases, the leased asset is recognized and depreciation is charged over its estimated useful life. Income arising from the leased asset is recognized as other income on an accrual basis.

### **b) When the Group is the lessee**

The Group, as a lessee, for all leases recognizes a right of use asset and a lease liability at the commencement of the lease. The right of use asset is initially measured at cost, comprising the initial lease liability amount, any initial direct costs and an estimate of the obligation for costs to refurbish the asset, less any lease incentives received.

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

Depreciation is charged on a straight line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Right-of-use assets are reviewed at each reporting date to determine whether there is an indication of impairment and if they are impaired the carrying amount is adjusted to its recoverable amount with the difference recorded in profit or loss (note 1.2.15).

For short-term leases (lease term of 12 months or less at the commencement date) and leases for which the underlying asset is of low value (less than 5.000 EUR when new) the Group does not recognize a right-of-use asset and a lease liability but instead recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of lease payments that are not paid at that date, net of cash lease incentives. Lease payments include fixed payments and variable payments that depend on an index (such as an inflation index) or a rate and are discounted using the lessee's incremental borrowing rate. Incremental borrowing rate is determined by using as reference rate Alpha Bank's secured funding rate, adjusted for different currencies and taking into consideration government yield curves, where applicable.

After the commencement date, the Group measures the lease liability by increasing the carrying amount to reflect interest, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

Right of use assets are included within Property, plant and equipment or Investment property and the lease liability is included in Other liabilities. In cases where the Group is an intermediate lessor in an operating lease, right of use assets recognized for the head lease are included within Investment property while in case the Group is an intermediate lessor in a finance lease right of use asset, or the part of it which is subleased, is derecognized and a finance lease receivable is recognized.

## **1.2.12 Insurance activities**

### **a) Insurance contracts**

An insurance contract is a contract with which significant insurance risk is transferred from the policyholder to the insurance company and the insurance company agrees to compensate the policyholder if a specified uncertain future event affects him adversely. Insurance risk is significant if, and only if an event could force the company to pay significant additional benefits. For the Group, insurance risk is significant when the amount paid in the event of insurance risk exceeds 5% of the total benefit arising from the contract.



## **b) Distinction of insurance products**

In accordance with IFRS 4 contracts that do not transfer significant insurance risk are characterized as investment and/or service contracts, and their accounting treatment is covered by IAS 32 and IFRS 9 for financial instruments and IFRS 15 for revenue.

All types of contracts offered by the Group are classified as insurance life contracts, as they represent individual, traditional insurance contracts that provide earnings participation based on surplus revenue from investment (in relation to the technical interest rate) on the mathematical reserves.

## **c) Insurance reserves**

The insurance reserves are the current estimates of future cash flows arising from insurance life contracts. The reserves consist of:

### **i. Mathematical reserves**

The insurance reserves for the term life contracts (e.g. term, comprehension, investment) are calculated on actuarial principles using the present value of future liabilities less the present value of premiums to be received.

The calculations are based on technical assumptions (mortality tables, interest rates) in accordance with the respective supervisory authorities on the date the contract was signed.

If the carrying amount of the insurance reserves is inadequate, the entire deficiency is provided for.

### **ii. Outstanding claims reserves**

They concern liabilities on claims occurred and reported but not yet paid at the balance sheet date. These claims are determined on a case-by-case basis based on existing information (loss adjustors' reports, court decisions etc) at the balance sheet date.

They include also provisions for claims incurred but not reported at the balance sheet date (IBNR). The calculation of these provisions is based on statistical experience and the estimated average cost of claim.

## **d) Revenue recognition**

Revenue from life insurance contracts is recognized when it becomes payable.

## **e) Reinsurance**

The Group currently does not use reinsurance contracts.

## **f) Liability adequacy test**

In accordance with IFRS 4 an insurer shall assess at each reporting date whether its recognized insurance reserves less deferred acquisition costs are adequate to cover the risk arising from the insurance contracts.

The methodology applied for life insurance products was based on current estimates of all future cash flows from insurance contracts and of related handling costs. These estimates were based on assumptions representing current market conditions and regarding parameters such as mortality, cancellations, future changes and allocation of administrative expenses as well as the discount rate. The guaranteed return included in certain insurance contracts has also been taken into account in estimating cash flows.

If that assessment shows that the carrying amount of its insurance reserves is inadequate, the entire deficiency is recognized against profit or loss.



### 1.2.13 Credit impairment losses on loans and advances to customers, undrawn loan commitments, letters of credit and letters of guarantee

The Group, at each reporting date, recognizes a loss allowance for expected credit losses on loans and advances to customers not measured at fair value through profit or loss as well as for off-balance sheet exposures (letters of guarantee, letters of credit, undrawn loan commitments).

The loss allowance for loans and off-balance sheet exposures is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the financial asset falls under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

#### a) Default definition

The Group has adopted as default definition non-performing exposures (NPE), as defined in the EBA Guidelines (GL/2016/07), thus harmonizing the definition of default used for financial reporting purposes with the one used for regulatory purposes.

#### b) Classification of exposures into stages based on credit risk (Staging)

For the purposes of calculating expected credit losses, the exposures are classified into stages as follows:

- Stage 1: Stage 1 includes performing exposures that do not have significant increase in credit risk since initial recognition. Stage 1 also includes exposures for which credit risk has been improved and the exposure has been reclassified from Stages 2 or 3. In this stage, expected credit losses are recognized based on the probability of default within the next twelve months.
- Stage 2: Stage 2 includes performing exposures for which there has been a significant increase in credit risk since initial recognition. Stage 2 also includes exposures for which credit risk has been improved and the exposure has been reclassified from Stage 3. In this stage, lifetime expected credit losses are recognized.
- Stage 3: Stage 3 includes non performing/impaired exposures. In this stage, lifetime expected credit losses are recognized.

As an exception to the above, for purchased or originated credit impaired (POCI) exposures, lifetime expected credit losses are always recognized. Purchased or originated credit impaired exposures include:

- Exposures that at the time of acquisition meet the criteria to be classified as non-performing exposures.
- Exposures for which there has been a change in repayment terms, either due to financial difficulty or not, which resulted in derecognition and recognition of a new impaired asset (POCI) except when derecognition is due to the change of debtor of a corporate loan in which case the creditworthiness of the new debtor is reassessed.

#### c) Significant increase in credit risk

In determining significant increase in credit risk of an exposure since initial recognition and the recognition of lifetime expected credit losses instead of 12 months expected credit losses, the Group assesses, at each reporting date, the risk of default compared to the risk of default at initial recognition for all its performing exposures including those with no delinquencies.

The assessment of the significant increase in credit risk is based on the following:

- Quantitative Indicators: refers to the quantitative information used and more specifically to the comparison of the probability of default (PD) between the reporting date and the date of initial recognition.
- Qualitative Indicators: refers to the qualitative information used which is not necessarily reflected in the probability of default, such as the classification of an exposure as forborne performing (FPL, according to EBA ITS). Additional qualitative



indicators, both for corporate and retail portfolios are also reflected through the Early Warning indicators where depending on the underlying assessment, an exposure can be considered to have a significant increase in credit risk or not. Especially for special lending portfolio, additional qualitative indicators are captured through slotting category.

- Backstop Indicators: in addition to the above, and in order to capture cases for which there are no triggers reflecting the increase in credit risk, based on qualitative and quantitative indicators, the 30 days past due indicator is used as a backstop.

#### d) Calculation of expected credit loss

The measurement of expected credit losses is made as follows:

- For financial assets, a credit loss is the present value of the difference between:
  - (a) the contractual cash flows and
  - (b) the cash flows that the Group expects to receive
- For undrawn loan commitments, a credit loss is the present value of the difference between:
  - (a) the contractual cash flows that are due if the holder of the loan commitment draws down the loan; and
  - (b) the cash flows that the Group expects to receive if the loan is drawn down.
- For letters of guarantee and letters of credit, the loss is equal to the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder.

For present value calculation, original effective interest rate is used as a discount rate. Especially for POCI assets credit-adjusted effective interest rate is used.

The Group calculates impairment losses either on a collective (collective assessment) or on an individual basis (individual assessment), taking into account the significance of an exposure or the borrower's limit. In addition, exposures that do not have common credit risk characteristics or for which there are no sufficient historical behavioral data are assessed on an individual basis. The Group calculates expected credit losses based on the weighted probability of three scenarios. More specifically, the Economic Research Division produces forecasts for the possible evolution of macroeconomic variables that affect the level of expected credit losses of loan portfolios under a baseline and under alternative macroeconomic scenarios and also generates the cumulative probabilities associated with these scenarios.

The mechanism for calculating expected credit loss is based on the following credit risk parameters:

- Probability of Default (PD): It is an estimate of the probability of a debtor to default over a specific time horizon.
- Exposure at default (EAD): Exposure at Default is an estimate of the amount of the exposure at the time of the default taking into account: (a) expected changes in the exposure after the reporting date, including principal and interest payments; (b) the expected use of credit limits and (c) accrued interest. The approved credit limits that have not been fully disbursed represent a potential credit exposure and are converted into a credit exposure equal to the approved undrawn loan commitment multiplied by a Credit Conversion Factor (CCF). The Credit Conversion factor of credit exposure is calculated based on statistical models.
- Loss given default (LGD): Loss given default is an estimate of the loss that will occur if the default occurs at a given time. It is based on the difference between the contractual cash flows due and those expected to be received, including the liquidation of collaterals and cure rate.

#### e) Measurement of expected credit losses on receivables from customers

Receivables from customers are derived from the Group's commercial, other than loan, activity. The loss allowance for receivables from customers is measured at an amount equal to the lifetime expected credit losses (there is no stage allocation) based on the simplified approach provided by IFRS 9.



## f) Presentation of expected credit losses in financial statements

Loss allowances for expected credit losses are presented in the Balance Sheet as follows:

- Financial assets measured at amortised cost and finance lease receivables: loss allowance is presented as a deduction from the gross carrying amount of the assets.
- Financial assets measured at fair value through other comprehensive income: for those assets no loss allowance is recognized in the Balance Sheet, however, its amount is disclosed in the notes to the financial statements.
- Letters of credit/letters of guarantee: loss allowance is recognized in line "Provisions" of liabilities in Balance Sheet.
- Undrawn loan commitments: When there is not also a loan, loss allowance is recognized in line "Provisions" of liabilities in Balance Sheet. If a financial asset includes both a loan and an undrawn loan commitment, the accumulated expected credit losses of the loan commitment are presented together with the accumulated expected credit losses of the loan, as a deduction from its gross carrying amount. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognized in line "Provisions" of liabilities in Balance Sheet.

The amount of expected credit losses for the period is presented in the caption "Impairment losses and provisions to cover credit risk". In the same caption the following are also recognized: recoveries from written-off loans measured at amortised cost or at fair value through other comprehensive income, modification gains or losses of loans measured at amortised cost or at fair value through other comprehensive income and the favourable changes in expected credit losses of POCL assets in case expected credit losses are less than the amount of expected credit losses included in the estimated cash flows on initial recognition.

## g) Write-offs

The Group proceeds with the write-off of loans and advances to customers when it has no reasonable expectations for their recovery. In this case, the loss allowance is used against the carrying amount of the financial asset. Write-off is an event of derecognition.

### 1.2.14 Credit impairment losses on due from banks and bonds

The Group, at each reporting date, recognizes a loss allowance for expected credit losses on due from banks and bonds not measured at fair value through profit or loss.

The loss allowance is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the financial asset falls under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

#### a) Default definition

Due from banks and bonds are considered impaired when the external rating of the issuer/counterparty is equivalent to default (D). In case there is no external rating, then the instrument is characterized as impaired based on internal rating. If there is also an exposure to the corporate issuer/counterparty to the loan portfolio which has been classified as impaired, the instrument is also characterized as impaired.

#### b) Classification of due from banks and bonds into stages based on credit risk (Staging)

For the purposes of calculating expected credit losses, the exposures are classified into stages as follows:

- Stage 1: Stage 1 includes non impaired instruments that do not have significant increase in credit risk since initial recognition. Stage 1 also includes instruments for which credit risk has been improved and the instrument has been



reclassified from Stages 2 or 3. In this stage, expected credit losses are recognized based on the probability of default within the next twelve months.

- Stage 2: Stage 2 includes non impaired instruments for which there has been a significant increase in credit risk since initial recognition. Stage 2 also includes instruments for which credit risk has been improved and the instrument has been reclassified from Stage 3. In this stage, lifetime expected credit losses are recognized.
- Stage 3: Stage 3 includes impaired instruments. In this stage, lifetime expected credit losses are recognized.

As an exception to the above, for purchased or originated credit impaired (POCI) instruments, lifetime expected credit losses are always recognized. An instrument is characterized as purchased or originated credit impaired when:

- The instrument (or the issuer) has an external rating that corresponds to default at the time of acquisition
- Corporate bonds resulting from debt restructuring are classified as purchased or originated credit impaired, based on the guidelines applicable to the loan portfolio.

When a debt security has been purchased at a large discount and does not fall into any of the categories mentioned above, the Group examines the transaction in detail (transaction price, recovery rate, issuer's financial condition at the time of purchase, etc.) in order to determine whether it should be recognised as purchased or originated credit-impaired (POCI). Classification in this category requires documentation and approval by the relevant committees of the Group.

### c) Significant increase in credit risk

The classification into stages for the purpose of expected credit loss measurement is based on the credit rating of rating agencies or, for corporate securities issued by Greek issuers for which there is also an exposure in loan portfolio, on the issuer's internal rating.

The Group defines as low credit risk all investment grade securities, which are classified in Stage 1.

The determination of significant increase in credit risk for non-investment grade securities is based on the following two conditions:

- Downgrade in the issuer / counterparty's credit rating on the reporting dates compared to the credit rating on the date of the initial recognition.
- Increase in the probability of default of the issuer / counterparty for the 12-month period compared to the corresponding probability of default at initial recognition.

Additionally, the Group monitors the change in the credit spread since initial recognition. A change in credit spread at the reporting date that exceeds a specific threshold compared to the credit margin prevailing at the date of initial recognition is a trigger for reviewing the securities classification stage.

### d) Calculation of expected credit loss

The expected credit loss is the present value of the difference between:

- (a) the contractual cash flows and
- (b) the cash flows that the Group expects to receive

For present value calculation, original effective interest rate is used as a discount rate. Especially for POCI assets credit—adjusted effective interest rate is used.

For the calculation of the expected credit loss, the following parameters are used:

- Probability of default (PD): the probability of default over the next 12 months is used to calculate the expected credit loss for 12 months, and the probability of default over the life of the instrument is used to calculate the lifetime expected credit losses.
- Exposure at default (EAD): In the case of securities, the Group estimates the future unamortised cost in order to calculate the





EAD. In particular, for each period, EAD is the maximum loss that would result from issuer / counterparty potential default.

- Loss given default (LGD) is the percentage of the total exposure that the Group estimates as unlikely to recover at the time of the default. The Group distinguishes sovereigns from non-sovereign issuers / counterparties as regards to the LGD estimation. In case the Group has also granted a loan to the issuer / counterparty of the security, the estimated LGD is aligned to corresponding estimate for the loan portfolio (taking into account any potential collaterals the loan portfolio is likely to have against the unsecured debt securities).

#### e) Presentation of expected credit losses in financial statements

Loss allowances for expected credit losses are presented in the Balance Sheet as follows:

- Financial assets measured at amortised cost: loss allowance is presented as a deduction from the gross carrying amount of the assets.
- Financial assets measured at fair value through other comprehensive income: for those assets no loss allowance is recognized in the Balance Sheet, however, its amount is disclosed in the notes to the financial statements.

The amount of expected credit losses for the period is presented in the caption "Impairment losses and provisions to cover credit risk". The caption includes also the favourable changes in expected credit losses of POCI assets in case expected credit losses are less than the amount of expected credit losses included in the estimated cash flows on initial recognition.

#### 1.2.15 Impairment losses on investments and non-financial assets

The Group assesses as at each balance sheet date its investments in associates and joint ventures as well as non-financial assets for impairment, particularly, right of use assets, goodwill and other intangible assets and at least annually property, plant and equipment and investment property.

In assessing whether there is an indication that an asset may be impaired both external and internal sources of information are considered, of which the following are indicatively mentioned:

- The asset's market value has declined significantly, more than would be expected as a result of the passage of time or normal use.
- Significant changes with an adverse effect have taken place during the period or will take place in the near future, in the technological, economic or legal environment in which the entity operates or in the market to which the asset is dedicated.
- Significant unfavorable changes in foreign exchange rates.
- Market interest rates or other rates of return of investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use.
- The carrying amount of the net assets of the entity is greater than its market capitalization.
- Evidence is available of obsolescence or physical damage of an asset.

Specifically for right of use assets, triggers for impairment include:

- The existence of leased properties that are neither used nor leased by the Group.
  - The fact that the present value of the leases received in the event of a sublease is lower than the value of the rents paid under the lease.

An impairment loss is recognized in profit or loss when the recoverable amount of an asset is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Fair value less costs to sell is the amount received from the sale of an asset (less the cost of disposal) in an orderly transaction between market participants.

Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit



through their use and not from their disposal. For the valuation of property, plant and equipment, value in use incorporates the value of the asset as well as all the improvements which render the asset perfectly suitable for its use by the Group.

### **1.2.16 Income tax**

Income tax consists of current and deferred tax.

Current tax for a period includes the expected amount of income tax payable in respect of the taxable profit for the current reporting period, based on the tax rates enacted at the balance sheet date.

Deferred tax is the tax that will be paid or for which relief will be obtained in future periods and it is calculated based on the temporary differences between the tax base of assets and liabilities and their respective carrying amounts in the financial statements.

Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply when the temporary difference reverses, based on the tax rates (and laws) enacted at the balance sheet date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

In addition, deferred tax assets are not recognized from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time it takes place affects neither accounting profit nor taxable profit.

Furthermore, regarding investments in associates and joint ventures, deferred tax assets are recognized only when it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Income tax, both current and deferred, is recognized in profit or loss except when it relates to items recognized directly in equity. In such cases, the respective income tax is also recognized in equity.

### **1.2.17 Non-current assets held for sale**

Non-current assets or disposal groups that are expected to be recovered principally through a sale transaction, along with the related liabilities, are classified as held-for-sale.

The above classification is used if the asset is available for immediate sale in its present condition and its sale is highly probable. The sale is considered highly probable when it has been decided by the competent bodies of the Management, an active programme to locate a buyer has been initiated, the asset is actively marketed for sale at a price which is reasonable in relation to its current fair value and the sale is expected to be completed within one year. Non-current assets that are acquired exclusively with a view to their subsequent disposal are classified as held for sale at the acquisition date when the one-year requirement is met and it is highly probable that the remaining criteria will be met within a short period following the acquisition (usually within three months).

Before their classification as held for sale, the assets are remeasured in accordance with the respective accounting standard.

Assets held for sale are initially recognised and subsequently remeasured at each balance sheet date at the lower of their carrying amount and fair value less cost to sell. Any loss arising from the above measurement is recorded in profit or loss and can be reversed in the future. In this case, the gain from any subsequent increase in fair value less costs to sell cannot exceed the cumulative impairment losses that have been recognized. When the loss relates to a disposal group it is allocated to assets within the disposal group with the exception of specific assets that are not within the scope of IFRS 5. The impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets and liabilities on a pro-rata basis.

Assets in this category are not depreciated.

Gains or losses from the sale of these assets are recognized in the income statement.

Non-current assets held for sale, that the Group subsequently decides either to use or to lease, are reclassified to the categories of property, plant and equipment or investment property respectively. During their reclassification, they are measured at the lower



of their recoverable amount and their carrying amount before they were classified as held for sale, adjusted for any depreciation, amortization or revaluation that would have been recognized had the assets not been classified as held for sale.

Non-current assets that the Group intends to sell but which are not available for immediate sale or are not expected to be sold within a year are included in Other Assets and are measured at the lower of cost (or carrying amount) and net realizable value in accordance with IAS 2. Net realizable value is considered equal to fair value less cost to sell.

### 1.2.18 Employee benefits

The Group has both defined benefit and defined contribution plans.

A defined contribution plan is where the Group pays fixed contributions into a separate entity and the Group has no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in current or prior years. The contributions are recognized as employee benefit expense on an accrual basis. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement which is dependent, among others, on years of service and salary on date of retirement and it is guaranteed by the entity of the Group.

The defined benefit obligation is calculated, separately for each plan, based on an actuarial valuation performed by independent actuaries using the projected unit credit method.

The net liability recognized in the consolidated financial statements is the present value of the defined benefit obligation (which is the expected future payments required to settle the obligation resulting from employee service in the current and prior periods) less the fair value of plan assets. The amount determined by the above comparison may be negative, an asset. The amount of the asset recognised in the financial statements cannot exceed the total of the present value of any economic benefits available to the Group in the form of refunds from the plan or reductions in future contributions to the plan.

The present value of the defined benefit obligation is calculated based on the return of high quality corporate bonds with a corresponding maturity to that of the obligation, or based on the return of government bonds in cases when there is no deep market in corporate bonds.

Interest on the net defined benefit liability (asset), which is recognised in profit or loss, is determined by multiplying the net defined benefit liability (asset) by the discount rate used to discount post-employment benefit obligation, as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset).

Service cost, which is also recognised in profit or loss, consists of:

- Current service cost, which is the increase in the present value of the defined benefit obligation resulting from employee service in the current period;
- Past service cost, which is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from the introduction or withdrawal of, or changes to, a defined benefit plan or a curtailment (a significant reduction by the entity in the number of employees covered by a plan) and
- Any gain or loss on settlement.

Before determining past service cost or a gain or loss on settlement, the Group remeasures the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan before its amendment, curtailment or settlement.

Past service cost, in particular, is directly recognized to profit or loss at the earliest of the following dates

- When the plan amendment or curtailment occurs and
- When the Group recognizes related restructuring costs (according to IAS 37) or termination benefits.



Likewise, the Group recognizes a gain or loss on the settlement when the settlement occurs.

Remeasurements of the net defined benefit liability (asset) which comprise:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- any change in the effect of the limitation in the asset recognition, excluding amounts included in net interest on the net defined benefit liability (asset),

are recognized directly in other comprehensive income and are not reclassified in profit or loss in a subsequent period.

Finally, when the Group decides to terminate the employment before retirement or the employee accepts the Group's offer of benefits in exchange for termination of employment, the liability and the relative expense for termination benefits are recognized at the earlier of the following dates:

- a. when the Group can no longer withdraw the offer of those benefits; and
- b. when the Group recognizes restructuring costs which involve the payment of termination benefits.

### **1.2.19 Share options granted to employees**

The granting of share options to the employees, their exact number, the price and the exercise date are decided by the Board of Directors in accordance with the Shareholders' Meeting approvals and after taking into account the current legal framework.

The fair value calculated at grant date is recognized over the period from the grant date to the exercise date and recorded as an expense in payroll and related costs with an increase of a reserve in equity respectively. The amount paid by the beneficiaries of share options on the exercise date increases the share capital of the Group and the reserve in equity from the previously recognized fair value of the exercised options is transferred to share premium.

### **1.2.20 Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are, also, recognized in cases of restructuring plans with which management attempts either to change the subject of a corporate activity or the manner in which it is conducted (e.g. close down business locations). The recognition of provision is accompanied with the relevant, authorized by the Management, program and with the suitable actions of disclosure. A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both necessarily entailed by the restructurings and not associated with the ongoing activity of the Group.

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision is equal to the present value of the expenditures expected to settle the obligation.

Amounts paid for the settlement of an obligation are set against the original provisions for these obligations. Provisions are reviewed at the end of each reporting period.

If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Additionally, provisions are not recognized for future operating losses.

Future events that may affect the amount required to settle the obligation, for which a provision has been recognized, are taken into account when sufficient objective evidence exists that they will occur.

Reimbursements from third parties relating to a portion of or all of the estimated cash outflow are recognized as assets, only when it is virtually certain that they will be received. The amount recognized for the reimbursement does exceed the amount of the provision. The expense recognized in profit or loss relating to the provision is presented net of the amount of the reimbursement.

The Group does not recognize in the statement of financial position contingent liabilities which relate to:



- possible obligations resulting from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or
- present obligations resulting from past events for which:
  - it is not probable that an outflow of resources will be required, or
  - the amount of liability cannot be measured reliably.

The Group provides disclosures for contingent liabilities taking into consideration their materiality.

### **1.2.21 Securities sale and repurchase agreements and securities lending**

The Group enters into purchases of securities under agreements to resell at a certain date in the future at a fixed price (reverse repos). Securities purchased subject to commitments to resell them at future dates are not recognized in the balance sheet.

The amounts paid, including interest accruals, are recognized in loans and advances to either banks or customers. The difference between the purchase price and the resale price is recognized as interest income using effective interest method.

Similarly, securities that are sold under agreements to repurchase (repos) are not derecognized but they continue to be measured in accordance with the accounting policy of the category that they have been classified.

The proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sales price and the repurchase price is recognized as interest expense using effective interest method.

Securities borrowed by the Group under securities lending agreements are not recognized in the consolidated balance sheet except when they have been sold to third parties whereby the liability to deliver the security is recognized and measured at fair value.

### **1.2.22 Securitization**

The Group securitises financial assets by transferring these assets to special purpose entities, which in turn issue bonds.

In each securitization of financial assets the assessment of control of the special purpose entity is considered, based on the circumstances mentioned in note 1.2.1, so as to examine whether it should be consolidated. In addition, the contractual terms and the economic substance of transactions are considered, in order to decide whether the Group should proceed with the derecognition of the securitised financial assets, as referred in note 1.2.5.

### **1.2.23 Equity**

#### **Distinction between debt and equity**

Financial instruments issued by Group companies to obtain funding are classified as equity when, based on the substance of the transaction, the Group does not undertake a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable to the issuer.

In cases when Group companies are required to issue equity instruments in exchange for the funding obtained, the number of equity instruments must be fixed and determined on the initial contract, in order for the obligation to be classified as equity.

In the context of the above assessment, hybrid securities issued by the Group entity Alpha Group Jersey Ltd were classified within the equity of the Group.

#### **Incremental costs of share capital increase**

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from retained earnings.

#### **Share premium**

Share premium includes the difference between the nominal value of the shares and the consideration received in the case of a share capital increase.



It also includes the difference between the nominal value of the shares issued and their market value, in cases of exchanges of shares as consideration for the acquisition of a business by the Group.

### Treasury shares

The cost of acquiring treasury shares is recognized as a reduction of equity. Subsequent gains or losses from the sale of treasury shares, after deducting all direct costs and taxes, are recognized directly in retained earnings.

### Dividends

Dividends are deducted from retained earnings and recorded as a liability in the period that the dividend is approved by the Shareholders in General Meeting.

### 1.2.24 Interest income and expense

Interest income and expense is recognized in the income statement for all interest bearing financial assets and liabilities.

Interest income and expense is recognised on an accrual basis and measured using the effective interest method, with the exception of derivatives as described in detail in note 1.2.6. Especially for POCI assets, interest income is calculated using credit-adjusted effective interest rate.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate.

For financial assets, in particular, the following apply:

- For those financial assets classified within Stage 1 or Stage 2 for the purpose of expected credit losses measurement, interest income is calculated by applying effective interest rate to the gross carrying amount of the asset.
- For those financial assets classified within Stage 3 for the purpose of expected credit losses measurement, interest income is calculated by applying the effective interest rate to the amortised cost of the asset.
- For purchased or originated credit impaired financial assets interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset.

In case of negative interest rates, interest is presented within interest income for interest bearing financial assets and within interest expense for interest bearing financial liabilities.

Borrowing costs that are directly attributable to assets that require a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of the asset. Capitalisation ceases when substantially all the activities necessary to prepare the asset for its intended use are complete.

### 1.2.25 Fee and commission income

Fees and commission income from contracts with customers are recognized based on the consideration specified in the contract when the Group satisfies the performance obligation by transferring the service to the customer. With the exception of specific portfolio management fees which are calculated on the basis of the size and performance of the portfolio, the services provided have a fixed price. Variable portfolio management fees are recognized when all related uncertainties are resolved.

For commissions on services provided over time, revenue is recognized as the service is being provided to the customer, such as commissions to provide account management services, fees for administration of syndicated loans, fees for portfolio management and investment services advice as well as management fees and fees for collection of receivables.

For transaction-based fees, the execution and completion of the transaction executed signals the point in time, in which



the service is transferred to the customer and the revenue is recognized, such as currency transactions, purchases / sales of securities as well as issue and disposal of syndicated loans and bonds.

Transaction revenues relating to the recognition of a financial instrument not measured at fair value through profit or loss are capitalized and amortised in the income statement using the effective interest method over the life of the financial instrument and included in interest income.

### **1.2.26 Dividend Income**

Dividend income from investments in shares is recognised in the income statement when the dividend distribution is approved by the appropriate body of the company that the Group has invested in.

### **1.2.27 Gains less losses on financial transactions**

Gains less losses on financial transactions include:

- fair value changes of financial assets and liabilities,
- gains and losses arising from the modification of the contractual terms of financial assets measured at fair value through profit or loss,
- gains and losses arising from the derecognition of financial assets and liabilities due to early repayment, including conversion of loans into shares, disposal or significant modification of the contractual terms, except for gains and losses arising from the derecognition of financial assets measured at amortised cost which are recognized in a separate line item of the Income Statement,
- gains and losses arising from the impairment or disposal of Group entities that have not been classified as discontinued operations,
- exchange differences arising from the translation of financial instruments denominated in foreign currencies.

### **1.2.28 Gains less losses on derecognition of financial assets measured at amortised cost**

Gains less losses on derecognition of financial assets measured at amortised cost include:

- Gains and losses from the derecognition of financial assets measured at amortised cost
- The difference, at initial recognition, between the nominal and the fair value of a financial asset measured at amortised cost that is the result of the derecognition of another financial asset due to significant modification of its contractual terms.

### **1.2.29 Discontinued operations**

A discontinued operation is a component of the Group that either has been disposed of, or has been classified as held for sale and represents:

- a major line of Group's business; or
- a geographical area of operations; or
- a subsidiary acquired exclusively with a view to resale.

The assets and liabilities of discontinued operations are presented separately from other assets and liabilities in the balance sheet and are not offset.

Any cumulative income or expense recognized directly in equity relating to a discontinued operation is presented separately (as a separate line in equity).

The profit or loss after tax from discontinued operations and any losses recognized on the measurement to fair value less costs to sell of the disposal group are presented in a separate line in the face of the income statement after net profit from continuing operations.

The comparative financial statements are restated only for the income statement and the cash flow statement.



### 1.2.30 Related parties definition

According to IAS 24, a related party is a person or entity that is related to the entity that is preparing its financial statements. For the Group, in particular, related parties are considered:

**a)** An entity that constitutes for the Group:

- i) a joint venture,
- ii) an associate and
- iii) a Post-Employment Benefit Plan, in this case the Supplementary Fund of former Alpha Credit Bank's employees,

**b)** A person or an entity that have control, or joint control, or significant influence over the Group.

This category includes Hellenic Financial Stability Fund and its subsidiaries because, in the context of the L.3864/2010, the HFSF participates in the Board of Directors and in significant committees of the Bank and as a result is considered to have significant influence over the Group.

**c)** A person and his close family members, if that person is a member of the key management personnel.

The Group considers as key management personnel all the members of the Bank's Board of Directors and of the Bank's Executive Committee while as their close family members it considers their children and spouses or domestic partners and their dependants and the dependants of their spouses or domestic partners.

Related parties are also considered the entities controlled or jointly controlled by the above mentioned persons and more specifically the entities in which the above persons participate with more than 20%.

### 1.2.31 Comparatives

To the extent considered necessary the comparatives have been adjusted to facilitate changes in presentation of the current year amounts.

## 1.3 Significant accounting judgments and key sources of estimation uncertainty

### Significant accounting judgments

The Group, in the context of applying accounting policies, makes judgments that may affect the amounts recognized in the financial statements. Those judgements relate to the following:

#### **Assessment of whether contractual cash flows of a debt financial instrument represent solely payments of principal and interest on the principal amount outstanding (SPPI) (note 1.2.5)**

The Group, at initial recognition of a debt financial asset, assesses whether cash flows are solely payments of principal and interest on the principal amount outstanding. The assessment requires judgement mainly on:

- Whether contractual terms that affect the performance of the instrument relate solely to credit risk, other basic lending risks and profit margin
- For loans in special purpose entities, whether there is a non-recourse feature. The assessment is based on specific index thresholds as well as on the evaluation of the adequacy of equity and of the collaterals that are not related to the asset being financed.
- Whether in case of prepayment or extension the compensation received is considered fair.

#### **Significant estimates relating to the selection of methodologies and models for expected credit losses calculation (note 43.1)**

The Group, in the context of the application of its accounting policies for the measurement of the expected credit losses makes judgments in order to identify:





- the criteria that indicate a significant increase in credit risk,
- the choice of appropriate methodologies for expected credit loss calculation (expected credit loss calculation on an individual or on a collective basis),
- the choice and development of appropriate models used to calculate the probability of default (PD), the estimated expected credit loss at the time of default (LGD) and the exposure at default (EAD), by financial instrument category, and the choice of appropriate parameters and economic forecasts used in them,
- the choice of the parameters of the macroeconomic forecasts used in the models to determine the expected life and the date of initial recognition of revolving exposures,
- the grouping of financial assets based on similar credit risk characteristics.

Applying different judgments could significantly affect the number of financial instruments classified in stage 2 or significantly differentiate expected credit loss.

### **Income Tax (notes 13 and 39)**

The recognition of assets and liabilities for current and deferred tax is affected by factors such as the practical implementation of the relevant legislation and the settlement of disputes that might exist with tax authorities etc. Future tax audits and changes in tax legislation may result in the adjustment of the amount of assets and liabilities for current and deferred tax and in tax payments other than those recognized in the financial statements of the Group.

### **Provisions and contingent liabilities (notes 33 and 39)**

The Group recognizes provisions when it estimates that there is a present legal or constructive obligation that is caused by events that have already occurred and it is almost certain that its settlement will create an outflow, the amount of which is reliably estimated. On the contrary, in cases where either the outflow is possible or cannot be reliably estimated, the Group does not recognize a provision but discloses a contingent liability, taking into account its significance. Estimates of the probability or not of the outflow as well as the amount of the outflow are affected by factors outside the control of the Group, such as judicial decisions and the practical application of laws.

### **Key sources of estimation uncertainty**

Key sources of estimation uncertainty used by the Group in the context of applying its accounting principles and which have a significant impact on the amounts recognized in the financial statements are presented below:

### **Fair value of assets and liabilities (notes 22, 26, 43.4)**

For assets and liabilities traded in active markets, the determination of their fair value is based on quoted, market prices. In all other cases the determination of fair value is based on valuation techniques that use observable market data to the greatest extent possible. In cases where there is no observable market data, the fair value is determined using data that are based on internal estimates and assumptions i.e. determination of expected cash flows, discount rates, prepayment probabilities or potential counterparty default.

### **Estimates included in the calculation of expected credit losses (note 43.1)**

The measurement of expected credit losses requires the use of complex models and significant estimates of future economic conditions and credit behavior, taking into account the events that have occurred until reporting date. The significant estimates relate to the determination of the alternative macroeconomic scenarios and the cumulative probabilities associated with these scenarios, the probability of default during a specific time period based on historical data, the assumptions and estimates for the future, the adjustments made by Management to calculate expected credit risk losses to incorporate new information and data that are not incorporated into the models and the determination of the expected cash flows and the flows from the liquidation of collaterals.



### **Impairment losses on investments in associates and joint ventures and on non – financial assets (notes 21, 22 and 23)**

The Group, at each reporting date, assesses for impairment non – financial assets, and in particular, right-of-use assets, goodwill and other intangible assets, as well as its investments in associates and joint ventures and at least on an annual basis property, plant and equipment and investment property. Internal estimates are used to a significant degree to determine the recoverable amount of the assets, i.e. the higher between the fair value less costs to sell and value in use.

### **Employee defined benefit obligations (note 31)**

Defined benefit obligations are estimated based on actuarial valuations, which are mainly conducted on an annual basis, that incorporate assumptions regarding discount rates, future changes in salaries and pensions, as well as the return on any plan assets. Any change in these assumptions will affect the amount of obligations recognized.

### **Provisions (note 33)**

The amounts recognized by the Group in its financial statements as provisions are derived from the best estimate of the outflow required to settle the present obligation. This estimate is determined by Management after taking into account experience from relevant transactions and in some cases expert reports. In case the amount recognized as a provision is affected by a variety of factors, its calculation is based on the weighting of all possible results. At each balance sheet date, provisions are revised to reflect current best estimated of the obligation.

### **Estimation of the Group's exposure to the Hellenic Republic (note 43.1)**

The Group's total exposure to Greek Government securities and loans related to the Hellenic Republic is presented in note 43.1. The main uncertainties regarding the estimations for the recoverability of the Group's total exposure relate to the debt service capacity of the Hellenic Republic, which, in turn, is affected by the development of the macroeconomic environment in Greece and the Eurozone as well as by the levels of liquidity of the Hellenic Republic.

As far as debt sustainability is concerned in the context of the enhanced surveillance and following the positive assessment of the European Commission in the second updated report, the Eurogroup in early April 2019 approved: (i) the abolition of the step-up interest rate margin related to the debt buy-back tranche of the second Greek program, (ii) the transfer of profits from Central Banks – (Agreement on Net Financial Assets- ANFA and Securities Market Programme) from Greek bond's markets realized in previous periods. In this context the Greek State is expected to collect a total amount of approximately € 970 million of which in May 2019 a total amount of € 747 million was disbursed.

Finally, it is noted that the Hellenic Republic is taking steps to gradually recover its access to the financial markets to cover its financing needs. It is noteworthy that the yields of the bonds that have been recently issued are substantially lower. With what regards credit rating, in March 2019, the credit rating agency Moody's raised Greece's sovereign credit rating to B1 from B3 while in 25.10.2019 the credit rating agency Standard and Poor's upgraded Greece's sovereign credit rating to BB- with a positive outlook. Finally, in January 2020, the credit rating agency Fitch proceeded with the upgrade of the credit rating of the Hellenic Republic, by one notch, from BB- to BB with a positive outlook.

Based on the above, the Group considers that there has been no significant increase in credit risk on the Greek Government securities that it held as at 31.12.2019 since initial recognition, however, it assesses the developments relating to the Greek Government debt in conjunction with the market conditions and it reviews its estimations for the recoverability of its total exposure at each reporting date.

### **Recoverability of deferred tax assets (notes 13 and 25)**

The Group recognizes deferred tax assets to the extent that it is probable that it will have sufficient future taxable profit available, against which, deductible temporary differences and tax losses carried forward can be utilized. The estimation of future taxable profits is based on forecasts for the development of the accounting results, as these are formulated



in accordance with the business plan of the Group. In particular, the business plan includes actions aimed at enhancing profitability through:

- the reduction of the amount of non-performing exposures, based on the plan submitted to the Single Supervisory Mechanism (SSM),
- further reduction of operating costs,
- interest income increase through targeted financing of business segments,
- increase in commission income from services and products offered to individuals and corporates and
- the active management of the sources and the financing costs of the Group.

The main categories of deferred tax assets which have been recognized by the Group relate to losses from the Greek government bonds exchange program (PSI) and the December 2012 Greek government bond buyback program and to deductible temporary differences arising from loans' impairment.

Deferred tax assets associated with tax losses incurred by the PSI and the participation of the Bank in the December 2012 Greek government bond buyback program were recognized as a "debit difference" according to Law 4046/14.2.2012, Law 4110/23.1.2013 and a respective legal opinion. According to Law 4110/23.1.2013 the "debit difference" is deductible for tax purposes, gradually in equal installments, within 30 years, a fact which, according to the Group's estimation, provides a sufficient time period for its gradual utilization against taxable profits.

Regarding the temporary differences arising from loans' impairment, there are no time constraints concerning their recovery, as is the case for the other deferred tax assets categories. The Group assessed their recoverability based on estimates for future taxable profits, as these are forecasted on the basis of the aforementioned business plan. In order to assess deferred tax asset recoverability, the Group's business plan was extended for a limited number of years while additionally the reorganization of the main Group entities, through their grouping based on their common activity, under three pillars controlled by Group entities, was taken into account. In addition, taking into account the fact that losses resulting from the write-down of debts and the sale of loans, as specifically mentioned in note 13, are recognized gradually and equally over a period of 20 years, it is estimated that there is sufficient time for offsetting against taxable profits.

The Group, based on the above, estimates that the total deferred tax assets recognized and that relate to temporary differences and to tax losses carried forward is recoverable.

In addition, and regardless of the assessment of the recoverability of deferred tax assets that is carried out based on what is mentioned above, Law 4303/2014 provides that in case that the after tax accounting result for the period is a loss, deferred tax assets arising from the PSI debit difference and from the accumulated provisions and other general losses due to credit risk are eligible to be converted into a final and settled claim against the Greek State, as described in detail in note 13.

The main uncertainties concerning the estimations for the recoverability of the deferred tax assets relate to the achievement of the goals set in the Group's business plan, which is affected by the general macroeconomic environment in Greece and internationally. At each balance sheet date, the Group reassesses its estimation regarding the recoverability of deferred tax assets in conjunction with the development of the factors that affect it.

The estimates and judgments applied by the Group in making decisions and in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate. The estimates and judgments are reviewed on an ongoing basis in order to take into account current conditions, and the effect of any changes is recognized in the period in which the estimates are revised.



## INCOME STATEMENT

### 2. Net interest income

|   | From 1 January to |                  |
|---|-------------------|------------------|
|   | 31.12.2019        | 31.12.2018       |
| <b>Interest and similar income</b>  |                   |                  |
| Due from banks  | 1,964             | (1,394)          |
| Loans and advances to customers measured at amortized cost                                | 1,676,580         | 1,934,701        |
| Loans and advances to customers measured at fair value through profit or loss             | 13,451            | 13,280           |
| Trading securities (note 17)  | 270               | 263              |
| Investment securities measured at fair value through other comprehensive income (note 20) | 161,994           | 164,650          |
| Investment securities measured at fair value through profit or loss (note 20)             | 967               | 932              |
| Investment securities measured at amortized cost (note 20)                                | 3,972             |                  |
| Derivative financial instruments  | 148,774           | 149,546          |
| Finance lease receivables (note 19)   | 13,085            | 13,847           |
| Other   | 1,299             | 2,363            |
| <b>Total</b>  | <b>2,022,356</b>  | <b>2,278,188</b> |
| <b>Interest expense and similar charges</b>   |                   |                  |
| Due to banks  | (38,334)          | (67,126)         |
| Due to customers  | (172,279)         | (197,459)        |
| Debt securities in issue and other borrowed funds   | (20,544)          | (24,232)         |
| Derivative financial instruments  | (161,978)         | (154,765)        |
| Lease liabilities (note 39c)  | (5,573)           |                  |
| Other   | (76,380)          | (78,561)         |
| <b>Total</b>  | <b>(475,088)</b>  | <b>(522,143)</b> |
| <b>Net interest income</b>  | <b>1,547,268</b>  | <b>1,756,045</b> |

During the year 2019, net interest income decreased compared to 2018, mainly due to the reduction in interest income on loan portfolios deriving from lower balances and interest rates. The aforementioned decrease was partially offset by the due to customers cost reduction as well as by the reduction of the borrowing cost from credit institutions due to the repayment of Emergency Liquidity Assistance (ELA) funding during the first quarter and the entering into lower interest rate repo transactions.

Interest income of year 2019 includes an amount of € 33,400 which relates to negative interest on interest bearing assets, while interest expense includes an amount of € 48,880 which relates to negative interest on interest bearing liabilities.

The following table presents interest income and interest expense calculated using the effective interest rate method, by financial asset or liability category:

|  | From 1 January to |                  |
|--|-------------------|------------------|
|  | 31.12.2019        | 31.12.2018       |
| Financial assets measured at amortised cost                                | 1,624,651         | 1,873,852        |
| Financial assets measured at fair value through other comprehensive income | 161,994           | 164,650          |
| Financial assets measured at fair value through profit or loss             | 14,688            | 14,475           |
| <b>Total</b>   | <b>1,801,333</b>  | <b>2,052,977</b> |
| Financial liabilities measured at amortised cost                           | (231,157)         | (288,817)        |



### 3. Net fee and commission income and other income

#### Net fee and commission income

|   | From 1 January to |                |
|---|-------------------|----------------|
|   | 31.12.2019        | 31.12.2018*    |
| Loans   | 50,670            | 48,302         |
| Letters of guarantee                          | 45,417            | 50,394         |
| Imports-exports                               | 8,757             | 9,428          |
| Credit cards                                  | 71,911            | 74,191         |
| From transactions                             | 45,632            | 45,581         |
| Mutual funds                                  | 37,932            | 34,625         |
| Advisory fees and securities transaction fees | 2,855             | 1,228          |
| Brokerage services                            | 6,593             | 5,955          |
| Foreign exchange trades                       | 18,346            | 18,491         |
| Other   | 52,016            | 42,857         |
| <b>Total</b>                                  | <b>340,129</b>    | <b>331,052</b> |

During 2019, the increase in net fee and commission income, is mainly attributed to (a) the increase of the balance of other commissions due to the commission received by the Bank upon the completion of the agreement on 1.11.2019 for the transfer of its affiliate portfolio to American Express Payments Europe SL ("AEPE") and the improved returns of the Mutual Funds, which increase their assets and, consequently, their management fees (b) to the increase of commissions from mutual funds as a result of the increase in the volume of the transactions.

The aforementioned increase was partially offset by (a) the decrease in commission income from letters of guarantee due to changes in pricing and a limited decrease of volume of transactions and (b) a decrease in commission income from credit cards which mainly attributed to the termination of the Bank's cooperation with AEPE and the replacement of the aforementioned cooperation with new, that resulted to changes in pricing.

Commission income from Loans for year 2019 includes an amount of € 50,652 which relates to loans and advances to customers that are measured at amortized cost.

#### Fee and commissions and other income

The table below presents, per operating segment, the income from contracts, that fall within the scope of IFRS 15:

|   | From 1 January to 31.12.2019 |                   |                             |                              |                      |                           |                |
|---|------------------------------|-------------------|-----------------------------|------------------------------|----------------------|---------------------------|----------------|
|   | Retail Banking               | Corporate Banking | Asset Management/ Insurance | Investment Banking/ Treasury | South-Eastern Europe | Other/ Elimination Center | Group          |
| <b>Fee and commission income</b>              |                              |                   |                             |                              |                      |                           |                |
| Loans   | 8,029                        | 34,559            | 278                         | 7,976                        | 871                  |                           | 51,713         |
| Letters of guarantee                          | 2,017                        | 40,443            | 2                           | 869                          | 2,086                |                           | 45,417         |
| Imports-exports                               | 1,831                        | 6,213             |                             | 8                            | 705                  |                           | 8,757          |
| Credit cards                                  | 99,381                       | 46,258            | 5                           | 141                          | 9,574                |                           | 155,359        |
| From transactions                             | 20,149                       | 10,862            | 412                         | 992                          | 13,217               |                           | 45,632         |
| Mutual funds                                  |                              |                   | 37,830                      | 91                           | 11                   |                           | 37,932         |
| Advisory fees and securities transaction fees |                              | 1,419             | 257                         | 1,028                        | 151                  |                           | 2,855          |
| Brokerage services                            |                              |                   |                             | 7,569                        | 175                  |                           | 7,744          |
| Foreign exchange trades                       | 11,864                       | 4,873             | 26                          | 1,041                        | 542                  |                           | 18,346         |
| Other   | 26,159                       | 8,869             | 9,965                       | 356                          | 12,918               |                           | 58,267         |
| <b>Total</b>                                  | <b>169,430</b>               | <b>153,496</b>    | <b>48,775</b>               | <b>20,071</b>                | <b>40,250</b>        | <b>-</b>                  | <b>432,022</b> |
| <b>Other income</b>                           |                              |                   |                             |                              |                      |                           |                |
| Hotel services                                |                              |                   |                             |                              | 2,145                |                           | 2,145          |
| Disposals of fixed assets                     |                              | 1,228             |                             |                              | 3,256                | 1,852                     | 6,336          |
| Other   | 2,783                        | 533               | 12                          | 2,846                        | 2,256                | 4,287                     | 12,717         |
| <b>Total</b>                                  | <b>2,783</b>                 | <b>1,761</b>      | <b>12</b>                   | <b>2,846</b>                 | <b>7,657</b>         | <b>6,139</b>              | <b>21,198</b>  |

\* Certain figures of the previous year have been restated, as described in detail in note 50.



| From 1 January to 31.12.2018*                 |                |                   |                             |                              |                      |                           |                |
|---|----------------|-------------------|-----------------------------|------------------------------|----------------------|---------------------------|----------------|
|   | Retail Banking | Corporate Banking | Asset Management/ Insurance | Investment Banking/ Treasury | South-Eastern Europe | Other/ Elimination Center | Group          |
| <b>Fee and commission income</b>              |                |                   |                             |                              |                      |                           |                |
| Loans   | 5,419          | 39,565            | 194                         | 3,391                        | 765                  |                           | 49,334         |
| Letters of guarantee                          | 2,113          | 45,756            | 5                           | 709                          | 1,811                |                           | 50,394         |
| Imports-exports                               | 2,473          | 6,316             |                             | 17                           | 622                  |                           | 9,428          |
| Credit cards                                  | 87,053         | 51,423            | 12                          | 157                          | 8,019                |                           | 146,664        |
| From transactions                             | 21,031         | 10,046            | 260                         | 2,132                        | 12,112               |                           | 45,581         |
| Mutual funds                                  |                |                   | 34,541                      | 84                           |                      |                           | 34,625         |
| Advisory fees and securities transaction fees |                |                   |                             | 996                          | 232                  |                           | 1,228          |
| Brokerage services                            | 135            |                   |                             | 6,253                        | 177                  |                           | 6,565          |
| Foreign exchange trades                       | 13,470         | 4,527             | 2                           |                              | 492                  |                           | 18,491         |
| Other   | 23,207         | 3,684             | 9,850                       | 118                          | 11,279               |                           | 48,138         |
| <b>Total</b>                                  | <b>154,901</b> | <b>161,317</b>    | <b>44,864</b>               | <b>13,857</b>                | <b>35,509</b>        | <b>-</b>                  | <b>410,448</b> |
| <b>Other income</b>                           |                |                   |                             |                              |                      |                           |                |
| Hotel services                                |                |                   |                             |                              | 2,173                |                           | 2,173          |
| Disposals of fixed assets                     |                | 10                |                             |                              | 2,385                | 1,304                     | 3,699          |
| Other   | 2,111          | 1,116             | 10                          | 2,572                        | 1,200                | 4,499                     | 11,508         |
| <b>Total</b>                                  | <b>2,111</b>   | <b>1,126</b>      | <b>10</b>                   | <b>2,572</b>                 | <b>5,758</b>         | <b>5,803</b>              | <b>17,380</b>  |

The balance of "Other income" of the Income Statement includes additionally income from insurance activities, insurance indemnities and operating lease contracts which are not presented in the above table since they do not fall within the scope of IFRS 15.

#### 4. Dividend income

|  | From 1 January to |              |
|--|-------------------|--------------|
|  | 31.12.2019        | 31.12.2018   |
| Equity securities of trading portfolio   | 9                 | 1            |
| Equity securities of investing portfolio measured at fair value through other Comprehensive Income (note 20) | 1,028             | 1,309        |
| Equity securities measured at fair value through profit or loss  | 35                | 34           |
| <b>Total</b>   | <b>1,072</b>      | <b>1,344</b> |

\* Certain figures of the previous year have been restated, as described in detail in note 50.



## 5. Gains less losses on financial transactions

|  | From 1 January to |                |
|--|-------------------|----------------|
|  | 31.12.2019        | 31.12.2018     |
| Foreign exchange differences   | 36,258            | 11,227         |
| Trading securities:  |                   |                |
| - Bonds  | 3,378             | 1,685          |
| - Equity securities  | 2,364             | (778)          |
| Financial assets measured at fair value through profit or loss             |                   |                |
| - Bonds  | 2,513             | 445            |
| - Other securities   | 4,296             | (1,605)        |
| - Loans and advances to customers  | (29,870)          | (34,036)       |
| Financial assets measured at fair value through other comprehensive income |                   |                |
| - Bonds and treasury bills   | 364,048           | 497,447        |
| - Other securities   | 11                | (390)          |
| Impairments / Sale of investments  | 12,809            | (5,376)        |
| Derivative financial instruments   | 12,902            | 7,404          |
| Other financial instruments  | 5,871             | (13,234)       |
| <b>Total</b>   | <b>414,580</b>    | <b>462,789</b> |

"Gains less losses on financial transactions" balance of the Group for the year 2019 has been mainly affected by:

- Gains amounting to € 364,048 reported in "Bonds and Treasury bills at fair value through other comprehensive income" relate to gains of sales of Greek Government Bonds and Greek Treasury bills of € 345,432 and other corporate bonds of € 18,616.
- Loss amounting to € 29,870 of Loans and advances to customers measured at fair value through profit or loss due to valuation adjustments of the year, and the effect of derecognition.
- Gains amounting to € 12,809 in Impairments/Sales of investments which include the gain of € 12,979 from the sale of the subsidiary Alpha Investment Property I SA, as described in detail in note 48.

"Gains less losses on financial transactions " balance for the year 2018 has been mainly affected by:

- Gains amounting to € 497,447 included Bonds and Treasury Bills at fair value through other comprehensive income that relate to gains of sales of Greek Government Bonds and Greek T-bills amounted to € 489,137 and other corporate and government bonds amounting to € 8,310.
- Losses amounting to € 34,036 of Loans and advances to customers measured at fair value through profit and loss due to valuation adjustments of the year 2018, and the effect of derecognition.
- Loss amounting to € 7,300 of Impairments/Sales of investments that relates to the impairment of the holding of the Group in the joint venture APE Investment Property A.E., which was classified as asset held for sale according to IFRS 5 (note 48).
- Loss amounting to € 5,000 included in Other financial instruments relates to the valuation of the contingent consideration for the sale of Cardlink shares (due to the modification of its Transfer Agreement) .



## 6. Gains less losses on derecognition of financial assets measured at amortised cost

The tables below present gains less losses from derecognition of financial assets measured at amortised cost for the years 2019 and 2018 as well as their carrying amount before derecognition.

| From 1 January to 31.12.2019     |                  |                             |                          |                                      |
|----------------------------------|------------------|-----------------------------|--------------------------|--------------------------------------|
|                                  | Carrying Amount  | (Losses) from derecognition | Gains from derecognition | Gains less losses from derecognition |
| <b>Early repayments</b>          |                  |                             |                          |                                      |
| Loans and advances to customers  | 2,623,935        | (4,192)                     | 4,249                    | 57                                   |
| <b>Sales</b>                     |                  |                             |                          |                                      |
| Loans and advances to customers  | 64,712           | (17,022)                    | 729                      | (16,293)                             |
| <b>Substantial modifications</b> |                  |                             |                          |                                      |
| Loans and advances to customers  | 335,932          | (8,129)                     | 8,311                    | 182                                  |
| <b>Total</b>                     | <b>3,024,579</b> | <b>(29,343)</b>             | <b>13,289</b>            | <b>(16,054)</b>                      |

| From 1 January to 31.12.2018     |                  |                             |                          |                                      |
|----------------------------------|------------------|-----------------------------|--------------------------|--------------------------------------|
|                                  | Carrying Amount  | (Losses) from derecognition | Gains from derecognition | Gains less losses from derecognition |
| <b>Early repayments</b>          |                  |                             |                          |                                      |
| Loans and advances to customers  | 712,400          | (1,400)                     | 1,733                    | 333                                  |
| <b>Sales</b>                     |                  |                             |                          |                                      |
| Loans and advances to customers  | 495,943          | (22,357)                    | 24,033                   | 1,676                                |
| <b>Substantial modifications</b> |                  |                             |                          |                                      |
| Loans and advances to customers  | 254,098          | (12,325)                    | 9,270                    | (3,055)                              |
| <b>Debt to equity</b>            |                  |                             |                          |                                      |
| Loans and advances to customers  | 87,128           | (1,170)                     | 2,099                    | 929                                  |
| <b>Total</b>                     | <b>1,549,569</b> | <b>(37,252)</b>             | <b>37,135</b>            | <b>(117)</b>                         |

“Early repayments” include gains and losses that arise from the recognition in the income statement of the unamortised amounts of capitalized commission and fees from loans and advances to customers that were early repaid.

“Sales” include loans and advances to customers that were sold during the years 2018 and 2019, part of which have been classified as Assets held for sale during previous periods (note 48).

“Substantial modifications” include the carrying amount of loans and advances to customers which were derecognized during the years 2018 and 2019 following the substantial modification of their contractual terms, as well as the related profit or loss from the derecognition and any valuation adjustment in the fair value of the newly recognized loans and advances to customers.

“Debt to equity” for the year 2018 includes loans and advances to customers for which the Group in the context of renegotiation of their terms, participated in debt to equity swap agreements.

## 7. Other income

|                        | From 1 January to |               |
|------------------------|-------------------|---------------|
|                        | 31.12.2019        | 31.12.2018    |
| Insurance activities   | (1,132)           | (984)         |
| Hotel activities       | 2,145             | 2,173         |
| Operating lease income | 15,336            | 19,981        |
| Sale of fixed assets   | 6,336             | 3,699         |
| Other                  | 13,166            | 24,821        |
| <b>Total</b>           | <b>35,851</b>     | <b>49,690</b> |





Operating lease income for 2019 has decreased compared to previous year, as a result of the disposal of the subsidiaries Stockfort Ltd and Alpha Investment Property I SA on 19.03.2019 and 11.6.2019 respectively (as described in note 48) who owned and managed investment properties.

In addition, the increase in Sale of fixed assets for the year 2019 is mainly attributable to the disposal of investment properties of the Bank's subsidiary Alpha Leasing SA, in the context of the sale of a portfolio of non-performing wholesale lending exposures in Greece (as described in note 48).

Other for the year 2018 includes an amount of € 13,000 that related to insurance claims for losses of previous years.

Income from insurance activities is analyzed as follows:

|  | From 1 January to |              |
|--|-------------------|--------------|
|  | 31.12.2019        | 31.12.2018   |
| <b>Life insurance</b>                  |                   |              |
| Premiums and other related income      | 98,581            | 55,586       |
| Less:                                  |                   |              |
| - Commissions                          | (578)             | (358)        |
| - Claims paid and technical provisions | (99,135)          | (56,212)     |
| <b>Total</b>                           | <b>(1,132)</b>    | <b>(984)</b> |

## 8. Staff costs

|  | From 1 January to |                |
|--|-------------------|----------------|
|  | 31.12.2019        | 31.12.2018     |
| Wages and salaries   | 330,844           | 340,665        |
| Social security contributions                                | 86,044            | 90,567         |
| Other employee defined benefit obligation of Group (note 31) | 5,222             | 5,701          |
| Other charges  | 37,828            | 38,392         |
| <b>Total</b>   | <b>459,938</b>    | <b>475,325</b> |

The total number of employees in the Group as at 31.12.2019 was 10,530 (31.12.2018: 11,314) out of which 7,354 (31.12.2018: 8,147) were employed in Greece and 3,176 (31.12.2018: 3,167) were employed abroad.

Staff costs have been positively affected by the decrease of headcount of the Bank, during mainly the last quarters of 2018 which was partially offset by salary adjustments in other companies of the Group.

“Wages and Salaries” and “Social security contribution” have been charged with costs relating to staff incentive schemes.

Specifically, in the last quarter of 2018, following the Board of Directors' approval, the Bank recorded a provision amounting to € 9,450 to cover the cost of the Sales Incentive Program and the Performance Incentive Program for the year 2018.

In 2019 the terms of the abovementioned programs were specified, and the incentive can take the form of cash, equity shares or other financial instruments whereas for a part of the staff, an amount of up to 60% can be paid within the year during which the allocation is set and at a minimum 40% of the payment will be deferred for three (3) years from the initial payment (and it will be payable on the relevant annual anniversaries subject to conditions). The recognition of the incentive is made over time depending on achievement of the conditions set or the fulfillment of the other conditions (i.e. stay in employment) that are required to qualify for the payments.

In 2019, part of the provision for the incentives for the year 2018 amounted to € 2,758 that relates to the Sales Incentive Program and an amount of € 4,922 that related to the Performance Incentive Program have been paid, while the remaining amount of the provision that has been accounted for in 2018 amounting to € 1,770 was reversed, as a result of specification of the terms of the Performance Incentive Program, as it relates to incentives that do not present a present obligation.



For year 2019, following the approval of the Remuneration Committee of the Board of Directors, the Bank recorded a provision amounting to € 8,928 for the Performance Incentive Program and to € 2,520 for the Sales Incentive Program.

### Defined contribution plans

All the employees of the Bank are insured for their main pension plans by the Social Insurance Fund (IKA-ETAM). The Social Insurance Fund (IKA-ETAM) as of 1.1.2017 consists part of the Single Social Security Body (E.F.K.A.), a public law entity established under the provisions of Law 4387/2016. In addition for the Bank's employees, the following also apply:

- a. Staff from the former Alpha Credit Bank and the former Emporiki Bank are insured for subsidiary insurance at the Hellenic Bank (Single Subsidiary Insurance Fund and One-off Benefits), as renamed on January 1, 2017 by E.T.E.A. with Law 4387/2016. Pre-retirement pensioners are insured as of 1.1.2017 with the Single Social Security Agency (EFKA) under the same Law.
- b. The supplementary pension plan for employees of the former Ionian and Laiki Bank of Greece is T.A.P.I.L.T.A.T., a multi-employer plan. The Bank has obtained legal opinions that indicate that it has no obligation if this fund does not have sufficient assets to pay employee benefits. Therefore, the Bank considers that the fund is a defined contribution plan and has accounted for it as such.
- c. Employees of former Ionian and Laiki Bank of Greece and former Emporiki Bank are insured for the lump sum benefit in the "Bank Employee and Companies Common Benefit Plan" (T.A.Y.T.E.K.O.) which is a defined contribution plan with contributions paid only by employees. In accordance with article 74 of Law 4387/2016, the Care Sectors of the "Bank Employee and Companies Common Benefit Plan" (T.A.Y.T.E.K.O.) consist part of the "Joint Supplementary Insurance Fund" (E.T.E.A.) which is renamed to "Joint Supplementary Insurance Fund and Lump Sum Benefits" (E.T.E.A.E.P.).
- d. All employees of the Bank receive medical benefits from the National Organization of Health Care (EOPYY) and either in the health care sector of former T.A.Y.T.E.K.O. or former E.T.A.A., both of which have been incorporated into Single Social Security Body (E.F.K.A.) since 1.1.2017
- e. Retirement/Savings Insurance Plans

- i) The Bank, in cooperation with an insurance company, has created a savings plan. The plan's effective date is January 1, 2011 and its aim is to provide a lump sum monetary benefit to retiring employees.

The plan assets consist of the investment of fixed monthly contributions of the Bank and its employees.

Initially the plan included Bank's personnel that were hired and insured for the first time on 1.1.1993 and onwards. After signing the Collective Labor Agreement for the 3-year period of 2016-2019, the permanent personnel of the Group may be included in the savings plan.

Except from those employees, that were hired by the Group and were members of the main pension scheme for the period from 1.1.1993 until 31.12.2004 for which a minimum payment guarantee is required(Law 2084/1992), for the remaining employees, the plan is considered to be a defined contribution plan, given that the benefit is paid out from a savings fund that was accumulated up to the date they leave.

- ii) Following the Board of Directors' and General Assembly's decision, the Bank provides to its senior management a group retirement and savings Insurance Plan with effect from 1.1.2018. The plan is a defined contribution plan and aims to provide a lump-sum benefit upon retirement. The savings fund sums up from the investment of defined monthly contributions paid by the senior management and the Bank.

The Bank's "Investment Committee for Group insurance employee plans of Alpha Bank" is responsible for determining the appropriate structure of the portfolio of the aforementioned saving plans.

### Employee defined benefit obligations

An analysis of liabilities arising from defined benefit plans is included in note 31.



## Expenses for separation schemes

In the context of improving the efficiency and reducing the operating costs provided by the 2017-2019 Business Plan, the voluntary exit program that was in force for the period 2016-2018 continued in 2019. From the provision of € 59,004 outstanding as at 31.12.2018, an amount of € 9,484 was used in 2019 for the departure of 135 employees and for the annual cost of 81 employees who departed in 2018 making use of the long term leave, while the remaining unused amount of € 42,916 was reversed.

A voluntary separation program was launched in September 2019, providing the 100% of the compensation defined by law, plus an incentive based on age and years of service and an increase for those employed in specific Head Office Divisions. The program alternatively provided long-term paid leave in the form of either a three or five year leave. The total provision for the voluntary separation scheme amounted to € 89,861 (note 33).

On 29.6.2018 the General Assembly of Shareholders approved the senior executives' compensation plan, a benefit which was further specified by a Regulation subsequently issued. It is noted that the payment of the benefit is voluntary, does not constitute a normal business and may be terminated in the future with the decision of the General Assembly of Shareholders. To cover the costs of this program, a provision was recognized, within 2019, amounting to € 2,670 (note 33).

## 9. General administrative expenses

|  | From 1 January to |                |
|--|-------------------|----------------|
|  | 31.12.2019        | 31.12.2018*    |
| Lease expenses   | 3,013             | 45,772         |
| Maintenance of EDP equipment   | 17,019            | 11,414         |
| EDP expenses   | 26,643            | 24,206         |
| Marketing and advertisement expenses   | 25,819            | 30,350         |
| Telecommunications and postage   | 17,551            | 16,877         |
| Third party fees   | 64,950            | 72,525         |
| Contribution to the Deposit Guarantee Fund - Investment fund and Resolution Scheme           | 56,647            | 54,798         |
| Services from collection agencies  | 9,620             | 16,417         |
| Consultants fees relating to financial information   | 9,536             | 8,884          |
| Insurance  | 9,635             | 8,890          |
| Electricity  | 9,460             | 9,145          |
| Building and equipment maintenance   | 7,942             | 8,461          |
| Security of buildings-money transfers  | 15,074            | 13,931         |
| Cleaning   | 5,425             | 5,381          |
| Consumables  | 4,490             | 5,784          |
| Commission for the amount of Deferred tax Asset guaranteed by the Greek Government (note 13) | 5,469             | 5,618          |
| Taxes and Duties (VAT, real estate tax etc)  | 98,132            | 92,036         |
| Other  | 96,779            | 97,747         |
| <b>Total</b>   | <b>483,204</b>    | <b>528,236</b> |

General administrative expenses have decreased in 2019 compared to 2018, mainly due to the decrease in lease expenses. Specifically, the implementation of IFRS 16, effective from 1.1.2019, differentiates the accounting of leases, since the classification of leases for lessees as either operating or finance lease is not valid. For all leases with term of more than 12 months, the lessee is required to recognize the right-of-use asset, with the corresponding depreciation charge included in the caption "Depreciation and amortization" of the Income Statement, as well as the related lease liability for which interest expense is calculated and depicted in the relevant caption of Income Statement.

\* Certain figures of the previous year have been restated, as described in detail in note 50.



The caption “Lease expenses” include short-term lease expenses, lease expenses of low cost assets and variable lease expenses not included in lease liabilities.

Third-party fees and services from collection agencies, decreased during 2019, mainly due to the implementation of the new “Retail Transformation Plan” from 1.7.2018 which aims to a more effective management with actions in order to reduce non-performing exposures.

The increase in the line “Taxes and Duties (VAT, real estate tax, etc.)” derives mainly from the calculation of a contribution amounting to € 4,783 on the assets of the subsidiary, Alpha Bank Romania, in accordance with the requirements of local legislation (note 13).

## 10. Other expenses

|  | From 1 January to |               |
|--|-------------------|---------------|
|  | 31.12.2019        | 31.12.2018    |
| Losses from disposals/write-off/impairment on plant, property and equipment, intangible assets and right-of-use assets | 17,181            | 47,441        |
| Other provisions (note 33)   | 20,439            | 4,751         |
| Other  | (233)             | 464           |
| <b>Total</b>   | <b>37,387</b>     | <b>52,656</b> |

The caption “Losses from disposals/write-off/impairment on plant, property and equipment, intangible assets and rights of use assets” as at 31.12.2019 includes an amount of € 15,227 from the recognition of impairment losses of Investment Property, Property, plant and equipment, assets obtained from auctions, other assets held for sale, and rights of use on Property, plant and equipment and investment property (notes 22, 23 and 48), (31.12.2018: € 46,717). The aforementioned impairment losses are included in the operating segment “Other / Elimination Center” in note 42 “Operating segments”.

“Other provisions” mainly include an amount of € 21,686 which relates to provision recorded based on the Bank’s assessment of the inadmissibility of a number of appeals filed in the past related to the payment of insurance contributions, as well as the reversal of € 188 related to legal cases issued against the Group (31.12.2018: € 4,751). The aforementioned provisions are included in “Other Provisions” in Note 33 “Provisions”.

## 11. Impairment losses and provisions to cover credit risk on loans and advances to customers

“Impairment losses and provisions to cover credit risk” for 2019 amounted to € 990,415 (31.12.2018: € 1,730,647) and includes the total of the balances presented in the table below, along with the impairment losses on other financial instruments, which are presented in note 12.

The following table presents the impairment losses and provisions to cover credit risk on loans and advances to customers:

|   | From 1 January to |                  |
|---|-------------------|------------------|
|   | 31.12.2019        | 31.12.2018       |
| Impairment losses on loans  | 821,671           | 1,640,997        |
| Impairment losses on advances to customers  | 15,447            | 17,150           |
| Provisions to cover credit risk on letters of guarantee, letters of credit and undrawn loan commitments (note 33) | 1,251             | (17,957)         |
| (Gains)/Losses from modifications of contractual terms of loans and advances to customers                         | 186,324           | 108,202          |
| Recoveries  | (29,888)          | (25,302)         |
| <b>Total</b>  | <b>994,805</b>    | <b>1,723,090</b> |



For the year 2019, Impairment losses and provisions to cover credit risk on loans and advances to customers amounted to € 994,805 (31.12.2018: € 1,723,090 ) include mainly the following:

- Impairment losses on loans and provision to cover credit risk relating to letters of guarantee, letters of credit and undrawn loan commitments which resulted from the impairment assessment exercises performed by the Group on a quarterly basis. The methodology for the calculation of the expected credit losses as well as the explanatory notes regarding any significant changes in the gross carrying amount that contributed to the change in the expected credit losses of the year, are described in note 43.1.
- Impairment losses for those receivables that the Group applies the simplified approach for the calculation of expected credit loss, in accordance with the provisions of IFRS 9.
- Finally, the losses from modification of the contractual terms of loans and advances to customers, which relate to cases for which the change in contractual cashflows is not significant and does not result in their derecognition, the carrying amount of the asset before impairment will be adjusted to reflect the present value of the modified cash flows discounted with the original effective interest rate. The net impact on the Income Statement from modifications of contractual terms of loans and advances to customers for the year 2019, after taking into consideration the impairment losses for the year for these loans amounted to a loss of € 129,608.

### Gains/(Losses) on modifications of contractual terms of loans and advances to customers

The Group, in the context of renegotiation with borrowers or of restructurings, proceeds with the modifications of the contractual cash flows of the loans and advances to customers in order to ensure their regular repayment.

The following table presents the carrying amount of those Loans and advances to customers for which there was gain or loss from the modification of the contractual terms and Expected credit losses were measured at an amount equal to lifetime expected credit losses i.e loans categorised Stages 2, or stage 3 or loans Purchased or originated credit-impaired (POCI).

|   | From 1 January to |            |
|---|-------------------|------------|
|   | 31.12.2019        | 31.12.2018 |
| Net carrying amount before the modification | 21,424,077        | 9,298,292  |
| Net gain or (loss) due to the modification  | (207,705)         | (100,323)  |

## 12. Impairment losses on other financial instruments

|   | From 1 January to |              |
|---|-------------------|--------------|
|   | 31.12.2019        | 31.12.2018   |
| Impairment losses of debt securities and other securities measured at amortized cost                                | 7,412             |              |
| Impairment losses of debt securities and other securities measured at fair value through other comprehensive income | (11,676)          | 7,575        |
| Impairment losses on due from banks   | (126)             | (18)         |
| <b>Total</b>  | <b>(4,390)</b>    | <b>7,557</b> |

The positive impact on the expected credit losses of debt securities within 2019 derives from the upgrading of the credit rating of the Greek Government by Moody's on 1.3.2019 to B1 from B3 and the positive impact on the expected credit losses on due from banks is mainly attributed due to the decrease in their respective balance.



### 13. Income tax

According to article 22 of Law 4646 / 12.12.2019 “Tax reform with a growth dimension for tomorrow’s Greece”, the tax rate on business profits acquired by legal entities is reduced to 24% on income of fiscal year 2019 onwards. By explicit reference to the law, this reduction does not apply to credit institutions for which the tax rate is still 29%.

Article 22 of the same law exempts income tax on income derived from the goodwill of the transfer of equity instruments to a legal entity resident in a Member State of the European Union, which a legal entity receives which is a tax resident of Greece if the legal entity whose titles are transferred fulfills the conditions prescribed by law. This income shall not be taxable on the distribution or capitalization of these profits. Any impairment losses recognized as at 31.12.2019 are deducted from gross income at the time of transfer. The provision applies to income derived from 1.7.2020 and onwards.

Article 10 of the same law, states that the business benefits arising from the creditor’s resignation from debt collection under a mutual agreement or judicial settlement, which takes place in the course of their professional cooperation, concern an income. The aforementioned article is effective from the date of publication of the law and does not cover the write-off of part or all of the debt to a credit or financial institution or company under Law 4354/2015 (A '176) in an out-of-court settlement or enforcement of a court order.

Furthermore, the withholding rate is reduced to 5% from 10% in dividends paid from 1.1.2020 and onwards.

For the Bank’ subsidiaries and branches operating in other countries, the applicable nominal tax rates for the year 2019 are as follows, with no changes compared to the tax rates of year 2018:

|          |      |                |      |
|----------|------|----------------|------|
| Cyprus   | 12.5 | Albania        | 15   |
| Bulgaria | 10   | Jersey         | 10   |
| Serbia   | 15   | United Kingdom | 19   |
| Romania  | 16   | Ireland        | 12.5 |

In accordance with article 65A of Law 4174/2013, from 2011, the statutory auditors and audit firms conducting statutory audits to a Societe Anonyme (SA), are obliged to issue an Annual Tax Certificate on the compliance on tax issues. This tax certificate is submitted to the entity being audited within the first ten days of the tenth month after the end of the audited financial year, as well as, electronically to the Ministry of Finance, no later than the end of the tenth month after the end of the audited financial year. In accordance with article 56 of Law 4410/03.08.2016 for the fiscal years from 1.1.2016 and onwards, the issuance of tax certificate is optional. However, the Group and its companies intended to continue to obtain the tax certificate.

For the fiscal years 2011 up to 2018, the tax audit based on article 65A of L. 4174/2013 has been completed for both the Bank and the Group companies in Greece, and they have received the relevant tax certificates without any qualifications on the tax issues covered. The tax audit for the fiscal year 2019 is in progress.

The income tax in the income statement is analysed in the table below:

|   | From 1 January to |                  |
|---|-------------------|------------------|
|   | 31.12.2019        | 31.12.2018       |
| Current tax   | 14,643            | 29,300           |
| Tax adjustments in respect of prior years and other provisions on tax |                   | 52,631           |
| Deferred tax  | 33,384            | (424,243)        |
| <b>Total</b>  | <b>48,027</b>     | <b>(342,312)</b> |



Deferred tax recognized in the income statement is attributable to temporary differences, the effect of which is analysed in the table below:

|  | From 1 January to |                  |
|--|-------------------|------------------|
|  | 31.12.2019        | 31.12.2018       |
| Debit difference of Law 4046/2012  | 44,555            | 44,554           |
| Debit difference of Law 4465/2017  | (14,082)          | (692,028)        |
| Write-offs and depreciation of plant, property and equipment and leases                          | 17,293            | 9,855            |
| Loans  | (221,750)         | 135,130          |
| Valuation of loans due to hedging  | (261)             | (80)             |
| Defined benefit obligation and insurance funds   | 2,072             | 1,344            |
| Valuation of derivative financial instruments  | 18,371            | 6,454            |
| Effective interest rate  | 1,188             | 799              |
| Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge | 345               | (3,842)          |
| Valuation/Impairment of investments  | 4,227             | (158,514)        |
| Valuation/Impairment of debt securities and other securities                                     | 10,964            | 87,948           |
| Tax losses carried forward   | 167,358           | 144,148          |
| Other temporary differences  | 3,104             | (11)             |
| <b>Total</b>   | <b>33,384</b>     | <b>(424,243)</b> |

“Debit difference of Law 4046/2012” relates to the deferred tax asset on tax losses, due to the Bank’s participation in the Greek government bonds exchange program (PSI) and the Greek government bond buyback program on December 2012, which have been recognized as a debit difference in accordance with Law 4046/14.2.2012 and Law 4110/23.1.2013. According to Law 4110/23.1.2013 the “debit difference” is deductible for tax purposes, gradually in equal installments, within 30 years.

Moreover, according to article 5 of Law 4303/17.10.2014 “Ratification of the Legislative Act Emergency legislation to replenish the General Secretary of Revenue due to early termination of his service (A’ 136) and other provisions”, which replaced article 27A of law 4172/2013, deferred tax assets of legal entities supervised by the Bank of Greece, under article 26 paragraphs 5, 6 and 7 of Law 4172/2013 that have been or will be recognized and are due to the debit difference arising from the PSI (L. 4046/2012) and the accumulated provisions and other general losses due to credit risk, with respect to amounts up to 31 December 2014, are considered final and settled claims against the State, if, the accounting result for the period, after taxes, is a loss, based on the audited and approved financial statements by the Ordinary Shareholders’ General Meeting.

The participation in the Law is achieved with the approval of the General Meeting of Shareholders and relates to tax assets arising from 2016 onwards, and refers to the fiscal year 2015 and onwards, while there is provision for the termination of participation with the same procedure and after obtaining relevant approval from the regulatory authority.

According to article 4 of Law 4340/1.11.2015 “Recapitalization of financial institutions and other provisions of the Ministry of Finance” the above were amended regarding the time of the application which is postponed for a year. In addition the amount of the relevant deferred tax asset which is included in the above provisions of article 5 of Law 4303/17.10.2014 and relates to accumulated provisions and other general losses due to credit risk, is limited to the amount related to the provisions for credit risk, which were accounted for 30.6.2015.

In connection with the amount included in caption “Debit difference of Law 4465/2017”, according to article 43 of Law 4465/4.4.2017 “Integration of Directive 2014/92/EU of the European Parliament and Council held on 23.7.2014 for the comparability of charges related to payment accounts, the change of payment account and the access to payment accounts with basic characteristics and other provisions”, the articles 27 and 27A of the Income Tax Code were amended (Law 4172/2013). According to the new legislation, the debit difference that relates to the loss, that will arise from the write-off of



debtors' debts and from the sale of loans of the legal entities supervised by the Bank of Greece, is recognised as a deduction from gross income and is amortised equally over a period of 20 years. The deferred tax asset which will be recognized for the abovementioned debit difference as well as of any accounting write-offs of loans or credits, not converted into debit difference until the end of the year when the accounting write-off took place, are converted into a definite and cleared claim against the State, based on the abovementioned terms and conditions.

Based on the above mentioned Law, the total amount of deferred tax asset from (a) the debit difference from the write-off of debtors' debts and the sale of loans, (b) the temporary differences from any accounting write-off of loans and credits and (c) the temporary differences from accumulated provisions and other losses due to credit risk, is limited to the total tax amount related to accumulated provisions and other losses due to credit risk, recognised until 30.6.2015.

This amendment ensures that the loan write-offs and disposals, aiming to decrease the non performing loans, will not result in the loss of regulatory capital.

The above apply from 1.1.2016.

On 31.12.2019, the amount of deferred tax assets which is estimated to be within the scope of the Law 4465/2017, as well as the unamortised balance of the debit difference of PSI amounts to € 3,166.7 million (31.12.2018: € 3,240.6 million.)

According to article 82 of Law 4472/19.5.2017 "Public Pension Provisions and amendment of provisions of Law 4387/2016, measures for the implementation of budgetary targets and reforms, social support measures and labor regulations, Medium-term Fiscal Strategy Framework 2018-2021 and other provisions" credit institutions and other entities that fall under the provisions of article 27A of Law 4172/2013, are required to pay an annual commission to the Greek State for the amount of the guaranteed deferred tax asset that results from the difference between the tax rate currently in force (29%) and the tax rate that was in force until 31.12.2014 (26%). The respective amount has been included in caption "General and administrative expenses".

As at 31.12.2019 the Group has not recognized deferred tax asset of € 172,911 (31.12.2018: € 170,217) originated mainly over tax losses carried forward from subsidiaries, which are reassessed at every reporting date, in the process of the recoverability of deferred tax assets.

The deferred tax assets that have not been recognized as of 31.12.2019 consist of an amount of € 171,610 arising from related tax losses( presented in the following table) and from deferred tax assets amounting to € 1,301 with no maturity.

| Year of maturity of tax losses | Deferred Tax Assets |
|--------------------------------|---------------------|
| 2020                           | 62,612              |
| 2021                           | 13,449              |
| 2022                           | 53,340              |
| 2023                           | 27,228              |
| 2024                           | 12,090              |
| 2025                           | 853                 |
| 2026                           | 2,038               |
| <b>Total</b>                   | <b>171,610</b>      |

As at 31.12.2019 the Group has not recognized deferred tax asset of € 76,370, on the temporary differences between the accounting and tax base of investments in subsidiaries, associates and joint ventures of the Bank, as they are not expected to be sold in the foreseeable future.





A reconciliation between the effective and nominal tax rate is provided below:

|   | From 1 January to |                |               |                  |
|---|-------------------|----------------|---------------|------------------|
|   |                   | 31.12.2019     |               | 31.12.2018       |
|   | %                 |                | %             |                  |
| <b>Profit/(loss) before income tax</b>  |                   | <b>145,152</b> |               | <b>(289,353)</b> |
| Income tax (nominal tax rate)   | 37.08             | 53,819         | 14.49         | (41,920)         |
| <b>Increase/(decrease) due to:</b>  |                   |                |               |                  |
| Non taxable income  | (9.38)            | (13,610)       | 2.09          | (6,059)          |
| Non deductible expenses   | 9.86              | 14,313         | (2.03)        | 5,875            |
| Impact from the reassessment of the tax base of loans portfolio               |                   |                | 100.22        | (290,000)        |
| Adjustment in tax rates for the estimation of deferred tax                    | 1.45              | 2,105          | (3.17)        | 9,169            |
| Non-recognition of deferred tax for temporary differences of the current year | 8.32              | 12,072         | (9.34)        | 27,024           |
| Other provisions  |                   |                | (18.19)       | 52,631           |
| Other temporary differences   | (14.24)           | (20,672)       | 34.23         | (99,032)         |
| <b>Income tax (effective tax rate)</b>  | <b>33.09</b>      | <b>48,027</b>  | <b>118.29</b> | <b>(342,312)</b> |

The nominal tax rate is the weighted average nominal tax rate which is calculated deviding the nominal income tax rate with the profit/loss before taxes, for the Bank and each of the Group's subsidiaries.

#### Income tax of other comprehensive income

|   | From 1 January to    |                  |                     |                      |                |                     |
|---|----------------------|------------------|---------------------|----------------------|----------------|---------------------|
|   | 31.12.2019           |                  |                     | 31.12.2018           |                |                     |
|   | Before<br>Income tax | Income<br>tax    | After<br>Income tax | Before<br>Income tax | Income<br>tax  | After<br>Income tax |
| <b>Amounts that may be reclassified to the<br/>Income Statement</b>   |                      |                  |                     |                      |                |                     |
| Net change in the reserve of debt securities<br>measured at fair value through other<br>comprehensive income      | 523,929              | (150,535)        | 373,394             | (556,366)            | 160,830        | (395,536)           |
| Net change in cash flow hedge reserve   | (130,463)            | 37,834           | (92,629)            | (2,719)              | 788            | (1,931)             |
| Currency translation differences from financial<br>statements and net investment hedging of<br>foreign operations | (1,486)              | (2,078)          | (3,564)             | 11,002               | (2,378)        | 8,624               |
| Changes in the share of other comprehensive<br>income of associates and joint ventures                            |                      |                  |                     | (149)                |                | (149)               |
|   | <b>391,980</b>       | <b>(114,779)</b> | <b>277,201</b>      | <b>(548,232)</b>     | <b>159,240</b> | <b>(388,992)</b>    |
| <b>Amounts that will not be reclassified to the<br/>Income Statement</b>  |                      |                  |                     |                      |                |                     |
| Net change in actuarial gains/(losses) of defined<br>benefit obligations  | (11,325)             | 3,258            | (8,067)             | 1,171                | (357)          | 814                 |
| Gains/(Losses) from equity securities measured at<br>fair value through other comprehensive income                | (9,282)              | 3,392            | (5,890)             | (7,314)              | 850            | (6,464)             |
|   | <b>(20,607)</b>      | <b>6,650</b>     | <b>(13,957)</b>     | <b>(6,143)</b>       | <b>493</b>     | <b>(5,650)</b>      |
| <b>Total</b>  | <b>371,373</b>       | <b>(108,129)</b> | <b>263,244</b>      | <b>(554,375)</b>     | <b>159,733</b> | <b>(394,642)</b>    |

On 1.1.2019, a credit amount of deferred tax of € 11,408 was recognized in "Retained earnings" as a result of the implementation of IFRS 16.

#### Receivables from withholding taxes

Further to the information provided in note 13 of Group Financial Statements as at 31.12.2018, it is noted that article 93 of Law 4605/1.4.2019 "Alignment of Greek legislation with the European Parliament and Council Directive (EU) 2016/943 of 8.6.2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (EEL 157, 15.6.2016) - Measures for accelerating the work of the Ministry of Economy and other provisions" provides that:



- The credit balances of fiscal years 2008 and 2010 up to 2012 that arose from withholding taxes on specially taxed income are transferred and will be offset at the time when income tax is incurred and in proportion to that tax. This set-off procedure also includes any amounts refunded by virtue of court decisions, for which there is an obligation to return them to the Greek State for the amount and the time there is an income tax. The Bank's receivables from the Greek State subject to the above mentioned legislation amount to € 85,156.
- The credit balances that arose under Law 4046/2012 and have not been offset after the end of the five-years period from their recognition, will be offset starting from 1.1.2020 in ten equal annual installments with any tax liability of the banks. The Bank's receivables from the Greek State subject to the above mentioned legislation amount to € 63,114.

Following the ratification of the Law, the amounts of withholding taxes affected by the decisions of the Hellenic Council of State were subject to the offset procedure, as described in the above Law provisions.

On 29 March 2019, the Ministry of Finance of Romania published through the GEO Act 19/2019, the modifications of GEO Emergency Act 114/2018 which was approved three months earlier. According to these provisions, a new tax of 0.2% (for Banks with market share of less than 1%) or 0.4% (for Banks with a share of more than 1% such as Alpha Bank Romania) is introduced, on the taxable amount of certain financial assets of credit institutions as defined in the Act. Within 2020, following the GEO 1/2020 decree, the tax was abolished for years 2020 onwards. Regarding the provisions of the relevant legislation as applicable to year 2019, it is noted that the tax base excludes cash, cash balances with central banks, debt securities issued by public administrations, loans granted to governments etc. The tax will be calculated annually and paid in two six-month installments. The tax payable may be reduced if and when financial institutions increase their borrowings in excess of a specific target and / or reduce the interest rate margin below a certain level. Banking institutions with accounting loss before tax on assets, are not subject to this tax, and if this tax exceeds the level of accounting profit then it is limited to the amount of accounting profit, with no effect on future tax payments. Expenses relating to these fees are tax deductible. According to the provisions of IFRIC 21 "Levies", the liability amounting to € 4,783 (note 9) was recognized on 31.12.2019, given that the binding event took place, namely the existence of taxable financial assets and profits before.

## 14. Earnings/(losses) per share

### a. Basic

Basic earnings/(losses) per share are calculated by dividing the net profit/(losses) for the year attributable to ordinary equity holders of the Bank, by the weighted average number of ordinary shares outstanding during the year, excluding own shares held, during the year.

### b. Diluted

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares outstanding during the year with the dilutive potential ordinary shares. The Bank does not have any dilutive potential ordinary shares and consequently the basic and dilutive earnings/(losses) per share do not differ.

|   | From 1 January to |               |
|---|-------------------|---------------|
|   | 31.12.2019        | 31.12.2018    |
| <b>Profit attributable to equity owners of the Bank</b> | <b>97,010</b>     | <b>52,961</b> |
| Weighted average number of outstanding ordinary shares  | 1,543,699,381     | 1,543,699,381 |
| Basic and diluted earnings/(losses) per share (in €)    | 0.06              | 0.03          |



## ASSETS

## 15. Cash and balances with Central Banks

|   | 31.12.2019       | 31.12.2018       |
|---|------------------|------------------|
| Cash  | 419,446          | 403,038          |
| Cheques receivables                         | 18,953           | 11,221           |
| Balances with Central Banks                 | 1,589,936        | 1,514,038        |
| Less: Allowance for impairment losses       |                  | (92)             |
| <b>Total</b>                                | <b>2,028,335</b> | <b>1,928,205</b> |
| Less: Mandatory reserves with Central Banks | (318,803)        | (722,351)        |
| <b>Balance</b>                              | <b>1,709,532</b> | <b>1,205,854</b> |

The Bank is required to maintain a current account with the Bank of Greece (Central Bank) in order to facilitate interbank transactions with the Central Bank and other financial institutions through the Trans European – Automated Real Time Gross Settlement Express Transfer System (TARGET).

The Bank of Greece also requires, that all financial institutions established in Greece to maintain reserve deposits with the Central Bank equal to 1% of customer deposits.

These deposits are interest bearing based on the refinancing interest rate set by the European Central Bank. On 31.12.2019, the abovementioned interest rate was 0% (31.12.2018: 0%).

The foreign banking subsidiaries, maintain reserve deposits in accordance with the requirements set by the respective Central Banks in their countries.

## Cash and cash equivalents (as presented in the Statement of Cash Flows)

|   | 31.12.2019       | 31.12.2018       |
|---|------------------|------------------|
| Cash and balances with central banks                            | 1,709,532        | 1,205,854        |
| Securities purchased under agreements to resell (Reverse Repos) | 1,164,950        | 547,180          |
| Short-term placements with other banks                          | 527,846          | 494,110          |
| <b>Total</b>  | <b>3,402,328</b> | <b>2,247,144</b> |

## 16. Due from banks

|   | 31.12.2019       | 31.12.2018       |
|---|------------------|------------------|
| Placements with other Banks   | 855,834          | 926,885          |
| Deposits on guarantees for coverage of derivative securities and repurchase agreement | 1,345,304        | 1,059,932        |
| Securities purchased under agreements to resell (Reverse Repos)                       | 1,164,950        | 547,180          |
| Loans to credit institutions  | 36,694           | 36,620           |
| Less:   |                  |                  |
| Allowance for impairment losses (note 43.1)   | (70,092)         | (70,125)         |
| <b>Total</b>  | <b>3,332,690</b> | <b>2,500,492</b> |

The increase in “Due from banks” is mainly attributed to the increase of Reverse Repos, through which, government and corporate securities of the Eurozone were transferred to the Bank, which were used as collaterals for refinancing operations from ECB, as well as for Repo transactions with other Banks.



## 17. Trading securities

The following table presents an analysis of the carrying amount of trading portfolio per type of security.

|                  | 31.12.2019    | 31.12.2018   |
|------------------|---------------|--------------|
| <b>Bonds:</b>    |               |              |
| Greek Government | 17,490        | 6,669        |
| Other issuers    | 371           | -            |
| <b>Shares:</b>   |               |              |
| Listed           | 890           | 1,670        |
| <b>Total</b>     | <b>18,751</b> | <b>8,339</b> |

## 18. Derivative financial instruments (assets and liabilities)

|  | 31.12.2019                 |                  |                  |
|--|----------------------------|------------------|------------------|
|  | Contractual Nominal amount | Fair value       |                  |
|  |                            | Assets           | Liabilities      |
| <b>Derivatives held for trading purposes</b>   |                            |                  |                  |
| <b>a. Foreign Exchange Derivatives</b>         |                            |                  |                  |
| Foreign exchange forwards                      | 198,501                    | 1,261            | 1,392            |
| Foreign exchange swaps                         | 945,023                    | 4,626            | 734              |
| Cross currency swaps                           | 966,945                    | 34,929           | 41,661           |
| Currency options                               | 55,939                     | 1,288            | 1,283            |
| Currency options embedded in customer products | 4,129                      | 17               | 64               |
| <b>Total non-listed</b>                        | <b>2,170,537</b>           | <b>42,121</b>    | <b>45,134</b>    |
| Futures  |                            |                  |                  |
| <b>Total-listed</b>                            | <b>-</b>                   | <b>-</b>         | <b>-</b>         |
| <b>b. Interest rate derivatives</b>            |                            |                  |                  |
| Interest rate swaps                            | 15,906,397                 | 956,971          | 1,071,977        |
| Interest rate options (caps and floors)        | 212,592                    | 2,767            | 1,125            |
| <b>Total non-listed</b>                        | <b>16,118,989</b>          | <b>959,738</b>   | <b>1,073,102</b> |
| Futures  |                            |                  |                  |
| <b>Total-listed</b>                            | <b>-</b>                   | <b>-</b>         | <b>-</b>         |
| <b>c. Commodity derivatives</b>                |                            |                  |                  |
| Commodity swaps                                | 54,139                     | 2,178            | 1,877            |
| <b>Total non-listed</b>                        | <b>54,139</b>              | <b>2,178</b>     | <b>1,877</b>     |
| <b>d. Index derivatives</b>                    |                            |                  |                  |
| OTC options                                    | 73,605                     | 1,950            | 21               |
| Index options embedded in customer products    | 182                        | 3                | 62               |
| <b>Total non-listed</b>                        | <b>73,787</b>              | <b>1,953</b>     | <b>83</b>        |
| Futures  | 34                         |                  |                  |
| <b>Total-listed</b>                            | <b>34</b>                  | <b>-</b>         | <b>-</b>         |
| <b>e. Other derivatives</b>                    |                            |                  |                  |
| GDP linked security                            | 762,748                    | 2,288            |                  |
| <b>Total-listed</b>                            | <b>762,748</b>             | <b>2,288</b>     | <b>-</b>         |
| <b>Derivatives for hedging fair value</b>      |                            |                  |                  |
| <b>a. Foreign exchange derivatives</b>         |                            |                  |                  |
| Fx swaps                                       | 57,506                     | 71               |                  |
| Cross currency swaps                           | 97,266                     |                  | 3,418            |
| <b>Total non-listed</b>                        | <b>154,772</b>             | <b>71</b>        | <b>3,418</b>     |
| <b>b. Interest rate derivatives</b>            |                            |                  |                  |
| Interest rate swaps                            | 871,800                    | 844              | 323,301          |
| <b>Total non-listed</b>                        | <b>871,800</b>             | <b>844</b>       | <b>323,301</b>   |
| <b>Grand Total</b>                             | <b>20,206,806</b>          | <b>1,009,193</b> | <b>1,446,915</b> |



In the context of the daily process for setting off and providing collateral for derivative transactions with credit institutions as counterparties the Group has pledged as collateral a net amount of € 1,328,704 on 31.12.2019 (31.12.2018: € 968,411). The respective net fair value of derivatives with credit institutions amounted to € 1,236,541 on 31.12.2019 (31.12.2018: € 919,329).

|   | 31.12.2018                 |                |                  |
|---|----------------------------|----------------|------------------|
|   | Contractual Nominal amount | Fair value     |                  |
|   |                            | Assets         | Liabilities      |
| <b>Derivatives held for trading purposes</b>    |                            |                |                  |
| <b>a. Foreign Exchange Derivatives</b>          |                            |                |                  |
| Foreign exchange forwards                       | 339,591                    | 5,610          | 4,082            |
| Foreign exchange swaps                          | 1,113,270                  | 6,254          | 7,859            |
| Cross currency swaps                            | 1,442,251                  | 67,171         | 55,018           |
| Currency options                                | 81,928                     | 1,573          | 1,568            |
| Currency options embedded in customer products  | 365                        | 1              | 135              |
| <b>Total non-listed</b>                         | <b>2,977,405</b>           | <b>80,609</b>  | <b>68,662</b>    |
| Futures   |                            |                |                  |
| <b>Total-listed</b>                             | <b>-</b>                   | <b>-</b>       | <b>-</b>         |
| <b>b. Interest rate derivatives</b>             |                            |                |                  |
| Interest rate swaps                             | 10,772,660                 | 580,644        | 687,386          |
| Interest rate options (caps and floors)         | 275,758                    | 10,987         | 3,601            |
| <b>Total non-listed</b>                         | <b>11,048,418</b>          | <b>591,631</b> | <b>690,987</b>   |
| Futures   |                            |                |                  |
| <b>Total-listed</b>                             | <b>-</b>                   | <b>-</b>       | <b>-</b>         |
| <b>c. Commodity derivatives</b>                 |                            |                |                  |
| Commodity swaps                                 | 55,633                     | 8,002          | 7,702            |
| Commodity forwards                              | 1,644                      | 68             | 67               |
| Commodity options                               | 639                        | 70             | 7                |
| Commodity options embedded in customer products | 204                        |                | 62               |
| <b>Total non-listed</b>                         | <b>58,120</b>              | <b>8,140</b>   | <b>7,838</b>     |
| <b>d. Index derivatives</b>                     |                            |                |                  |
| OTC options                                     | 177,000                    | 14,565         |                  |
| <b>Total non-listed</b>                         | <b>177,000</b>             | <b>14,565</b>  | <b>-</b>         |
| Futures   | 455                        | 19             | 5                |
| <b>Total-listed</b>                             | <b>455</b>                 | <b>19</b>      | <b>5</b>         |
| <b>e. Credit derivatives</b>                    |                            |                |                  |
| Total return swap                               |                            |                |                  |
| <b>Total non-listed</b>                         | <b>-</b>                   | <b>-</b>       | <b>-</b>         |
| <b>f. Other derivatives</b>                     |                            |                |                  |
| GDP linked security                             | 1,216,609                  | 3,528          |                  |
| <b>Total listed</b>                             | <b>1,216,609</b>           | <b>3,528</b>   | <b>-</b>         |
| <b>Derivatives for hedging fair value</b>       |                            |                |                  |
| <b>a. Foreign exchange derivatives</b>          |                            |                |                  |
| Fx swaps  | 103,432                    |                | 684              |
| Cross currency swaps                            | 410,603                    | 10,756         | 4,816            |
| <b>Total non-listed</b>                         | <b>514,035</b>             | <b>10,756</b>  | <b>5,500</b>     |
| <b>b. Interest rate derivatives</b>             |                            |                |                  |
| Interest rate swaps                             | 2,073,286                  | 15,925         | 374,903          |
| <b>Total non-listed</b>                         | <b>2,073,286</b>           | <b>15,925</b>  | <b>374,903</b>   |
| <b>Grand Total</b>                              | <b>18,065,328</b>          | <b>725,173</b> | <b>1,147,895</b> |



## Hedging accounting

### a. Fair value hedges

The Group uses interest rate swaps to hedge the volatility in the fair value due to changes in market rates for: a) Greek Government bonds, b) fixed rate retail loans and c) fixed rate corporate loan.

The Group determines the interest rate relating to the hedged risk (euro rate) at the inception of the hedging relationship and calculates the changes in the fair value of the hedging instrument with respect to the euro interest rate curve.

In order to measure hedge effectiveness, the changes in the fair value of the hedged item are compared to the changes in the fair value of the hedging instrument and in order for the hedge to qualify as effective, the ratio of the change in the fair value of the hedging instrument over the change in the fair value of the hedged item is required to be within 80% -125% (dollar offset method).

The Group has identified the following sources which may lead to hedging ineffectiveness:

- a) The credit risk (counterparty risk) of the hedging instruments used to hedge the interest rate risk which is minimized by entering into derivative transactions with high credit quality counterparties.
- b) The difference in the timing of settlement of hedging instruments and hedged items.

No other sources of ineffectiveness were identified.

Duration, nominal amount and interest rate of the hedging instruments as of 31.12.2019 are summarized as follows:

| Risk category  | Duration 1 - 5 years |
|--|----------------------|
| <b>Interest rate risk</b>                              |                      |
| <b>Fixed rate retail loans</b>                         |                      |
| Nominal amount of the derivative financial instruments | 450,000              |
| Average fixed interest                                 | (0.39)%              |
| <b>Corporate loan</b>                                  |                      |
| Nominal amount of the derivative financial instruments | 21,800               |
| Average fixed interest                                 | 0.02%                |

| Risk category  | Duration > 5 years |
|--|--------------------|
| <b>Interest rate risk</b>                              |                    |
| <b>Greek government bonds</b>                          |                    |
| Nominal amount of the derivative financial instruments | 400,000            |
| Average fixed interest                                 | 0.06%              |

Duration, nominal amount and interest rate of the hedging instruments of 31.12.2018 are summarized as follows:

| Risk category   | Duration 1 - 5 years |
|---|----------------------|
| <b>Interest rate risk</b>   |                      |
| <b>Covered bond issued by the Bank</b>                            |                      |
| Nominal amount of the derivative financial instruments            | 500,000              |
| Average fixed interest  | 0.41%                |
| <b>Targeted long-term refinancing operations from ECB (TLTRO)</b> |                      |
| Nominal amount of the derivative financial instruments            | 1,000,000            |
| Average fixed interest  | 0.02%                |
| <b>Corporate loan</b>   |                      |
| Nominal amount of the derivative financial instruments            | 23,286               |
| Average fixed interest  | 0.02%                |



The balance sheet and the income statement amounts relating to fair value hedging instruments and the hedge effectiveness are analyzed as follows:

| 2019  |                    |                                       |             |   |  |   |   |
|---|--------------------|---------------------------------------|-------------|---|--|---|---|
| Hedging relationship                                  | Derivative Type    | Carrying amount of hedging instrument |             | Line item in the balance sheet where the hedging instrument is included | Change in fair value of hedging instrument used for calculating the hedge effectiveness for 2019 | Ineffectiveness recognised in the income statement for 2019 | Line item in the Income statement that included hedge ineffectiveness |
|   |                    | Assets                                | Liabilities |   |  |   |   |
| <b>Interest rate risk</b>                             |                    |                                       |             |   |  |   |   |
| Covered bond issued by the Bank                       |                    |                                       |             |   | 2,727  | (15)  | Gains less losses on financial transactions                           |
| Targeted long-term refinancing operations ECB (TLTRO) |                    |                                       |             |   | 363  | 41  |   |
| Corporate loan  |                    |                                       | 74          | Derivatives   | 11   |   |   |
| Greek government bonds                                | Interest rate swap |                                       | 323,227     |   | 39,776   | 3,795   |   |
| Fixed rate retail loans                               |                    | 844                                   |             |   | 852  | (36)  |   |

| 2018  |                    |                                       |             |   |   |   |   |
|---|--------------------|---------------------------------------|-------------|---|---|---|---|
| Hedging relationship                                  | Derivative Type    | Carrying amount of hedging instrument |             | Line item in the balance sheet where the hedging instrument is included | Change in fair value of hedging instrument using for calculating the hedge effectiveness for 2018 | Ineffectiveness recognised in the income statement for 2018 | Line item in the Income statement that included hedge ineffectiveness |
|   |                    | Assets                                | Liabilities |   |   |   |   |
| <b>Interest rate risk</b>                             |                    |                                       |             |   |   |   |   |
| Covered bond issued by the Bank                       |                    | 10,447                                |             | Derivatives   | 8,331   | 23  | Gains less losses on financial transactions                           |
| Targeted long-term refinancing operations ECB (TLTRO) | Interest rate swap | 5,478                                 |             |   | 4,791   | 260   |   |
| Corporate loan  |                    |                                       | 85          |   | (68)  |   |   |

The amounts related to balance sheet items designated as hedged items are analyzed as follows:

| 2019                      |                 |             |   |             |   |  |
|---------------------------|-----------------|-------------|---|-------------|---|--|
| Hedging relationship      | Carrying Amount |             | Accumulated amount of fair value hedge adjustments on the hedged item |             | Line item in the balance where the hedged item is included                      | Change in fair value of hedged item used for calculating the hedge effectiveness |
|                           | Assets          | Liabilities | Assets  | Liabilities |   |  |
| <b>Interest rate risk</b> |                 |             |   |             |   |  |
| Greek government bonds    | 917,027         |             | (35,981)  |             | Investment securities measured at fair value through other comprehensive income | (35,981)   |
| Fixed rate retail loans   | 449,112         |             | (888)   |             | Loans and advances to customers   | (888)  |
| Corporate loan            | 21,572          |             | 74  |             |   | (11)   |



The amounts related to balance sheet items, whose hedging relationship has been terminated during the year are analyzed as follows:

| 2019  |   |             |   |             |   |  |
|---|---|-------------|---|-------------|---|--|
| Hedging relationship                                  | Carrying value of items for which hedging has been terminated |             | Accumulated amount of fair value of item for which the hedging relationship has been terminated |             | Line item in the balance where the item is included | Change in fair value of hedged item used for calculating the hedge effectiveness in 2019 |
|   | Assets  | Liabilities | Assets  | Liabilities |   |  |
| <b>Interest rate risk</b>                             |   |             |   |             |   |  |
| Covered bond issued by the Bank                       |   | 514,317     |   | 8,871       | Debt securities in issue and other borrowed funds   | (2,742)  |
| Targeted long-term refinancing operations ECB (TLTRO) |   | 996,198     |   | 3,210       | Due to banks  | (322)  |

| 2018  |   |             |   |             |   |  |
|---|---|-------------|---|-------------|---|--|
|   | Carrying value of items for which hedging has been terminated |             | Accumulated amount of fair value of item for which the hedging relationship has been terminated |             | Line item in the balance where the item is included | Change in fair value of hedged item used for calculating the hedge effectiveness in 2019 |
|   | Assets  | Liabilities | Assets  | Liabilities |   |  |
| <b>Interest rate risk</b>                             |   |             |   |             |   |  |
| Covered bond issued by the Bank                       |   | 511,843     |   | 8,308       | Debt securities in issue and other borrowed funds   | (8,308)  |
| Targeted long-term refinancing operations ECB (TLTRO) |   | 994,848     |   | 5,026       | Due to banks  | (4,531)  |
| Corporate loan  | 23,980  |             | 68  |             | Loans and advances to customers                     | 68   |

## b. Cash flow hedges

As at 31.12.2019 there are no valid cash flow hedging relationships, after the termination on 08.10.2019 of the cash flow hedging relationship of a euro-denominated time deposit pool using interest rate swaps. Furthermore, in March 2019, the hedging relationship used to hedge the foreign exchange risk from foreign currency loans (Swiss francs) with the use foreign exchange swaps contracts has been terminated.

In regards to cash flows hedging relationships, the Group determines the reference interest rate relating to the hedged risk (euro rate) at the inception of the hedging relationship and calculates the changes in the fair value of the hedging instrument and that of a hypothetical derivative relating to the euro interest rate curve changes. The floating leg of the hypothetical derivative simulates the cash flows of the hedged item, whereas the fixed leg cash flows are determined so that the hypothetical derivative has a value equal to zero at inception.

In regards to the hedging of the foreign currency risk of loans in foreign currency, the hypothetical derivative in the foreign currency, simulates the cash flows of the hedged item while the cash flows in euro are defined so as to set, at the inception of the hedging relationship, the valuation of the hypothetical derivative at zero.

In order for the hedge to qualify as effective the ratio of the change in the fair value of the hypothetical derivative over the change in the fair values of the hedged item should be between 80% - 125% (dollar offset method).





The Group recognizes the following sources which may lead to ineffective hedging:

- a) The credit risk (counterparty risk) of the hedging instruments used to hedge the interest rate and the foreign currency risk which is minimized by entering into derivatives with high credit quality counterparties.
- b) The difference in the timing of settlement of hedging instruments and hedged items.

No other sources of ineffectiveness were identified during the year.

Duration, nominal amount and interest rate of the hedging instruments as at 31.12.2018 are summarized as follows:

| <b>Risk classification</b>                                      | <b>Duration greater than 5 years</b> |
|---|--------------------------------------|
| <b>Interest rate risk</b>                                       |                                      |
| <b>Floating financing from term deposits and their renewals</b> |                                      |
| Nominal amount of the derivative                                | 550,000                              |
| Average fixed interest  | 2.32%                                |

| <b>Risk classification</b>             | <b>Duration &lt; 1 year</b> |
|--|-----------------------------|
| <b>Foreign currency risk</b>           |                             |
| <b>Loans in foreign currency (CHF)</b> |                             |
| Nominal amount of the derivative       | 360,603                     |
| Average Foreign Exchange rate EUR/CHF  | 1.1093                      |



The balance sheet and the income statement amounts relating to cash flow hedging instruments and the effectiveness of the hedging are analyzed as follows:

| 2019                         |                    |                                       |             |   |  |   |   |  |   |  |   |   |  |   |
|------------------------------|--------------------|---------------------------------------|-------------|---|--|---|---|--|---|--|---|---|--|---|
| Hedging relationship         | Type of derivative | Carrying amount of hedging instrument |             | Change in fair value of hedging instrument used for calculating hedge effectiveness for the year 2019 | Change in the fair value of the hedging instrument recognized in the cash flow hedge reserve for the year 2019 | Change in the fair value of the hedging instrument recognized in the income statement for the year 2019 | Line item in the income statement category affected by the reclassification | Ineffectiveness recognised in the income statement for the year 2019 | Line item in the income statement that includes hedge ineffectiveness | Amount reclassified from the cash flow hedge reserve to the income statement in 2019 from hedging relationship that have been terminated | Line item in the income statement affected by hedging relationships that have been terminated | 2018  |  |   |
|                              |                    | Assets                                | Liabilities |   |  |   |   |  |   |  |   | Change in the fair value of the hedging instrument used for calculating hedge effectiveness for the year 2018 | Change in the fair value of the hedging instrument recognized in the cash flow hedge reserve for the year 2018 | Change in the fair value of the hedging instrument recognized in the income statement for the year 2018 |
| <b>Interest risk</b>         |                    |                                       |             |   |  |   |   |  |   |  |   |   |  |   |
| Term deposits and renewals   | Interest rate swap |                                       |             | (153,806)   | (139,458)  | (14,220)  | Net interest income   | (128)  | Gains less losses on financial transactions                           | (9,004)  | Net interest income   |   |  |   |
| <b>Foreign currency risk</b> |                    |                                       |             |   |  |   |   |  |   |  |   |   |  |   |
| Loans in currency (CHF)      | FX swaps           |                                       |             | (5,362)   | (19)   | (5,647)   | Gains less losses on financial transactions<br>Net interest income          | 90   | Gains less losses on financial transactions                           | (10)   | Net interest income   |   |  |   |

| 2018                         |                    |                                       |             |   |  |   |  |  |   |  |   |   |  |   |
|------------------------------|--------------------|---------------------------------------|-------------|---|--|---|--|--|---|--|---|---|--|---|
| Hedging relationship         | Type of derivative | Carrying amount of hedging instrument |             | Change in fair value of hedging instrument used for calculating hedge effectiveness for the year 2018 | Change in the fair value of the hedging instrument recognized in the cash flow hedge reserve for the year 2018 | Change in the fair value of the hedging instrument recognized in the income statement for the year 2018 | Line item in the income statement affected by the reclassification | Ineffectiveness recognised in the income statement for the year 2018 | Line item in the income statement that includes hedge ineffectiveness | Amount reclassified from the cash flow hedge reserve to the income statement in 2018 from hedging relationship that have been terminated | Line item in the income statement affected by hedging relationships that have been terminated | 2017  |  |   |
|                              |                    | Assets                                | Liabilities |   |  |   |  |  |   |  |   | Change in the fair value of the hedging instrument used for calculating hedge effectiveness for the year 2017 | Change in the fair value of the hedging instrument recognized in the cash flow hedge reserve for the year 2017 | Change in the fair value of the hedging instrument recognized in the income statement for the year 2017 |
| <b>Interest risk</b>         |                    |                                       |             |   |  |   |  |  |   |  |   |   |  |   |
| Term deposits and renewals   | Interest rate swap |                                       |             | (26,482)  | (7,832)  | (18,505)  | Net interest income  | (144)  | Gains less losses on financial transactions                           | (5,482)  | Net interest income   |   |  |   |
| <b>Foreign currency risk</b> |                    |                                       |             |   |  |   |  |  |   |  |   |   |  |   |
| Loans in currency (CHF)      | FX swaps           |                                       |             | (11,823)  | (255)  | (13,134)  | Gains less losses on financial transactions<br>Net interest income | 404  | Gains less losses on financial transactions                           | 114  | Net interest income   |   |  |   |



Amounts recognized in the cash flow hedge reserve are analyzed as follows:

| 31.12.2019                   |   |  |  |                                      |
|------------------------------|---|--|--|--------------------------------------|
|                              | Line item in the balance sheet where the hedge item is included | Cash flow hedge reserve (before tax) from existing hedging relationships | Cash flow hedge reserve (before tax) from discontinued hedging relationships | Cash flow hedge reserve (before tax) |
| <b>Interest risk</b>         |   |  |  |                                      |
| Term deposits in Euro        | Due to customers  | -  | (335,871)  | (335,871)                            |
| <b>Foreign currency risk</b> |   |  |  |                                      |
| Loans in currency (CHF)      | Loans and advances to customers                                 | -  | -  | -                                    |

| 31.12.2018                   |   |  |  |                                      |
|------------------------------|---|--|--|--------------------------------------|
|                              | Line item in the balance sheet where the hedge item is included | Cash flow hedge reserve (before tax) from existing hedging relationships | Cash flow hedge reserve (before tax) from discontinued hedging relationships | Cash flow hedge reserve (before tax) |
| <b>Interest risk</b>         |   |  |  |                                      |
| Term deposits in Euro        | Due to customers  | (131,372)  | (74,045)   | (205,417)                            |
| <b>Foreign currency risk</b> |   |  |  |                                      |
| Loans in currency (CHF)      | Loans and advances to customers                                 | 19   | (10)   | 10                                   |

### c. Hedging of net investment in foreign subsidiaries

The Group hedges part of the net investment in RON through deposits in RON and foreign exchange swap derivatives. In addition, the Group hedges part of the net investment in GBP in the subsidiary Alpha Bank London through forward foreign exchange derivative transactions that are renewed. For the hedging of the foreign currency risk of the net investment in foreign operations, valuation of the net assets takes place using the spot exchange rate, while any foreign exchange differences arising from this valuation are compared to exchange rate differences from the derivative. In order to measure the effectiveness of the hedge, the changes in the hedged item are compared to the changes in the hedging instrument, and in order for the hedge to qualify as effective the ratio of the change in the fair value of the hedging instrument over the change in the fair value of the hedged item should be between 80% - 125% (dollar offset method).

The Group recognizes the following sources which may lead to ineffective hedging:

- The credit risk (counterparty risk) of the hedging instruments used to hedge the foreign currency risk which is minimized by entering into derivatives with high credit quality counterparties.
- The difference in the timing of settlement of hedging instruments and hedged items.

No other sources of ineffectiveness were identified during the year.

The hedging instruments as at 31.12.2019 are summarized as follows:

|   | Currency | Nominal amount in Euro      |
|---|----------|-----------------------------|
| <b>Investment in Alpha Bank London</b>  |          |                             |
|   |          | <b>Duration &lt; 1 year</b> |
| FX Swaps - EUR/GBP                      | GBP      | 57,506                      |
| Exchange rate GBP/EUR                   | 0.85     |                             |
| <b>Investment in subsidiaries (RON)</b> |          |                             |
|   |          | <b>Duration &lt; 1 year</b> |
| Deposit amount RON                      | RON      | 292,703                     |
| Exchange rate RON/EUR                   | 4.78     |                             |
| Forward transactions CCIRS -EUR/RON     | RON      | 96,848                      |
| Exchange rate RON/EUR                   | 4.78     |                             |



The hedging instruments as at 31.12.2018 are summarized as follows:

|   | Currency | Nominal amount in Euro      |
|---|----------|-----------------------------|
| <b>Investment in Alpha Bank London</b>          |          | <b>Duration &lt; 1 year</b> |
| FX Swaps - EUR/GBP                              | GBP      | 54,383                      |
| Exchange rate GBP/EUR                           | 0.90     |                             |
| <b>Investment in subsidiaries (RON)</b>         |          | <b>Duration &lt; 1 year</b> |
| Deposit amount RON                              | RON      | 300,204                     |
| Exchange rate RON/EUR                           | 4.66     |                             |
| Forward transactions CCIRS and FX Swaps-EUR/RON | RON      | 99,330                      |
| Exchange rate RON/EUR                           | 4.68     |                             |

The balance sheet and the income statement amounts relating to hedging of net investment in foreign subsidiaries and the effectiveness of the hedge are analyzed as follows:

| 31.12.2019                           |        |             |   |   |  |  |
|--------------------------------------|--------|-------------|---|---|--|--|
| Hedging instrument                   | Assets | Liabilities | Line item in the balance sheet where the hedge item is included | Change in fair value of hedging instrument for the measurement of the hedge effectiveness for the year 2019 | Change in the fair value of the hedging instrument recognized in the reserve for the year 2019 | Change in the fair value of the hedging instrument recognized in the income statement in the year 2019 |
| FX Swaps - EUR/GBP                   | 71     |             | Derivatives   | (2,815)   | (2,815)  |  |
| Deposit amount in RON                |        | 292,703     | Due to customers  | 7,500   | 7,500  |  |
| Forward transactions CCIRS - EUR/RON |        | 3,418       | Derivatives   | 2,482   | 2,482  |  |

| 31.12.2018                                      |        |             |   |   |  |  |
|---|--------|-------------|---|---|--|--|
| Hedging instrument                              | Assets | Liabilities | Line item in the balance sheet where the hedge item is included | Change in fair value of hedging instrument for the measurement of the hedge effectiveness for the year 2018 | Change in the fair value of the hedging instrument recognized in the reserve for the year 2018 | Change in the fair value of the hedging instrument recognized in the income statement in the year 2018 |
| FX Swaps - EUR/GBP                              |        | 243         | Derivatives   | 469   | 469  |  |
| Deposit amount in RON                           |        | 300,204     | Due to customers  | 322   | 322  |  |
| Forward transactions CCIRS and FX Swaps-EUR/RON | 273    | 441         | Derivatives   | (6)   |  | (6)  |

The amounts related to hedged items are analyzed as follows:

| 31.12.2019                       |   |                                      |   |
|----------------------------------|---|--------------------------------------|---|
|                                  | Change in fair value for the measurement of the hedge effectiveness | Foreign Exchange differences reserve | Balance of foreign exchange differences reserve due to discontinued hedging relationships |
| Investment in Alpha Bank London  | (4,491)   | 16,718                               |   |
| Investment in subsidiaries (RON) | 45,905  | (30,455)                             |   |

| 31.12.2018                       |   |                                      |   |
|----------------------------------|---|--------------------------------------|---|
|                                  | Change in fair value for the measurement of the hedge effectiveness | Foreign Exchange differences reserve | Balance of foreign exchange differences reserve due to discontinued hedging relationships |
| Investment in Alpha Bank London  | (1,677)   | 16,925                               |   |
| Investment in Alpha Bank Romania | 38,405  | 28,515                               |   |



## 19. Loans and advances to customers

|   | 31.12.2019        | 31.12.2018        |
|---|-------------------|-------------------|
| Loans measured at amortised cost                      | 46,880,841        | 50,021,398        |
| Leasing   | 589,173           | 676,673           |
| Less: Allowance for impairment losses                 | (8,682,370)       | (10,977,339)      |
| <b>Total</b>  | <b>38,787,644</b> | <b>39,720,732</b> |
| Receivables from customers measured at amortised cost | 171,489           | 189,127           |
| Loans measured at fair value through profit or loss   | 307,136           | 318,460           |
| <b>Loans and advances to customers</b>                | <b>39,266,269</b> | <b>40,228,319</b> |

As at 31.12.2019, "Receivables from customers" include allowance for impairment losses amounting to € 41,011 (31.12.2018: € 31,862). Finance lease receivables mainly relate to the activities of the Group's subsidiary Alpha Leasing A.E. The following tables, present an analysis of loans per type and category.

### Loans measured at amortised cost

|   | 31.12.2019        | 31.12.2018        |
|---|-------------------|-------------------|
| <b>Individuals</b>                            |                   |                   |
| Mortgages                                     | 17,319,572        | 18,329,092        |
| Consumer:                                     |                   |                   |
| - Non-securitized                             | 3,510,938         | 3,111,220         |
| - Securitized                                 | 645,948           | 1,205,259         |
| Credit cards:                                 |                   |                   |
| - Non-securitized                             | 721,165           | 738,038           |
| - Securitized                                 | 576,367           | 589,300           |
| Other   | 1,341             | 975               |
| <b>Total loans to individuals</b>             | <b>22,775,331</b> | <b>23,973,884</b> |
| <b>Corporate:</b>                             |                   |                   |
| Corporate loans:                              |                   |                   |
| - Non-securitized                             | 21,164,093        | 23,060,515        |
| - Securitized                                 | 2,416,455         | 2,441,014         |
| Leasing:                                      |                   |                   |
| - Non-securitized                             | 358,293           | 358,871           |
| - Securitized                                 | 230,880           | 317,802           |
| Factoring                                     | 524,962           | 545,985           |
| <b>Total corporate loans</b>                  | <b>24,694,683</b> | <b>26,724,187</b> |
| <b>Total</b>                                  | <b>47,470,014</b> | <b>50,698,071</b> |
| Less: Allowance for impairment losses         | (8,682,370)       | (10,977,339)      |
| <b>Total loans measured at amortised cost</b> | <b>38,787,644</b> | <b>39,720,732</b> |

The balance of Loans at amortised cost have been affected by the transfer of loans to the "Assets held for sale" as described in note 48 and from the sale of loan portfolios.

In the context of the reassessment of the hold to collect business model of loans and advances to customers, past sales are taken into account.

Considering that:

- the majority of the Group's sales are in accordance with the Bank's business model as they concern sales of non performing loans due to the credit rating deterioration of the debtor and
- individual sale are not considered material both individually and in aggregate,

the sales are considered consistent with the Bank's business model for loans and advances to customers.



It is noted that the Bank has proceeded with the securitization of consumer and corporate loans and credit cards, while Alpha Leasing S.A. has proceeded with the securitization of finance lease receivables through special purpose entities controlled by them. Based on the contractual terms and structure of the above transactions (e.g. guarantees or/and credit enhancement or due to the Bank owes the notes issued by the special purpose entities), the Bank and Alpha Leasing S.A. retained in all cases the risks and rewards deriving from securitized portfolios. These loans are presented separately in the above tables.

As at 31.12.2019 Mortgage loans include loans amounting to € 4,651,208 (31.12.2018: € 4,624,700) which have been used as collateral, in the following covered bonds programs: Covered Bond Programme I, Covered Bond Programme II, Secured Note Program, as well as the Direct Issuance Covered Bond Program of Alpha Bank Romania.

Based on the Business Plan for the management of Non Performing Exposures, that the Bank submitted on 29 March 2019 and has been prepared in accordance with the methodology and models of the supervisory authorities, the Group is obliged to monitor and report to the SSM the level of the achievement of the targets set in the Business Plan on a consolidated basis, until the end of 2021, through relevant supervisory reports. As at 31.12.2019, the balance of the NPE loans included in Total loans and advances to customers amounted to € 21.8 billion.

The movement of allowance for impairment losses of loans that are measured at amortised cost is as follows:

### Allowance for impairment losses

|  |                   |
|--|-------------------|
| <b>Balance 1.1.2018</b>  | <b>12,455,003</b> |
| <b>Changes for the year 1.1 - 31.12.2018</b>                               |                   |
| Impairment losses for the year   | 1,861,063         |
| Transfer of allowance for impairment losses to Assets held for sale        | (1,394,343)       |
| Derecognition due to substantial modifications in loans' contractual terms | (177,703)         |
| Change in present value of the impairment losses                           | 123,184           |
| Foreign exchange differences   | 42,191            |
| Disposal of impaired loans   | (15,907)          |
| Loans written-off during the year  | (1,853,194)       |
| Other movements  | (62,955)          |
| <b>Balance 31.12.2018</b>  | <b>10,977,339</b> |
| <b>Changes for the year 1.1 - 31.12.2019</b>                               |                   |
| Impairment losses for the year   | 901,807           |
| Transfer of allowance for impairment losses to Assets held for sale        | (1,092,194)       |
| Derecognition due to substantial modifications in loans' contractual terms | (53,978)          |
| Change in present value of the impairment losses                           | 66,101            |
| Foreign exchange differences   | 26,517            |
| Disposal of impaired loans   | (95,711)          |
| Loans written-off during the year  | (2,033,487)       |
| Other movements  | (14,024)          |
| <b>Balance 31.12.2019</b>  | <b>8,682,370</b>  |

“Impairment losses” for the year 2019, do not include impairment losses on loans amounting to € 77,479, as they refer to impairment losses of loans that have been transferred to “Assets held for Sale”.

“Other movements” for the year 2019, include an amount of € 11,988 (31.12.2018: € 62.955) which refers to impairment losses of loans for which the Group, in the context of renegotiation of their terms, participated in debt to equity swaps.



The finance lease receivables are analyzed as follows, based on their duration:

|                                  | 31.12.2019     | 31.12.2018     |
|----------------------------------|----------------|----------------|
| Up to 1 year                     | 279,066        | 337,604        |
| From 1 year to 5 years           | 251,398        | 247,468        |
| Over 5 years                     | 189,953        | 161,144        |
|                                  | <b>720,417</b> | <b>746,216</b> |
| Non accrued finance lease income | (131,244)      | (69,543)       |
| <b>Total</b>                     | <b>589,173</b> | <b>676,673</b> |

The net amount of finance lease receivables are analyzed as follows, based on their duration:

|                        | 31.12.2019     | 31.12.2018     |
|------------------------|----------------|----------------|
| Up to 1 year           | 266,807        | 325,490        |
| From 1 year to 5 years | 191,548        | 213,856        |
| Over 5 years           | 130,819        | 137,327        |
| <b>Total</b>           | <b>589,173</b> | <b>676,673</b> |

#### Loans measured at fair value through profit or loss

|  | 31.12.2019     | 31.12.2018     |
|--|----------------|----------------|
| <b>Individuals</b>   |                |                |
| Consumer:  |                |                |
| - Non-securitized  | 450            | 1,152          |
| <b>Total loans to individuals</b>  | <b>450</b>     | <b>1,152</b>   |
| <b>Corporate:</b>  |                |                |
| Corporate loans:   |                |                |
| - Non-securitized  | 290,725        | 301,076        |
| - Securitized  | 15,961         | 16,232         |
| <b>Total corporate loans</b>   | <b>306,686</b> | <b>317,308</b> |
| <b>Total of loans and advances to customers at fair value through profit or loss</b> | <b>307,136</b> | <b>318,460</b> |

## 20. Investment securities

|   | 31.12.2019       | 31.12.2018       |
|---|------------------|------------------|
| Investment Securities measured at fair value through other comprehensive income | 7,557,499        | 6,961,822        |
| Investment Securities measured at fair value through profit or loss             | 55,541           | 42,794           |
| Investment Securities measured at amortised cost                                | 1,070,730        |                  |
| <b>Total</b>  | <b>8,683,770</b> | <b>7,004,616</b> |

An analysis of investment securities is provided in the following tables per classification category and per type of security.

**a. Investment Securities measured at fair value through other comprehensive income**

|                    | 31.12.2019       | 31.12.2018       |
|--------------------|------------------|------------------|
| Greek Government:  |                  |                  |
| - Bonds            | 3,762,374        | 2,945,977        |
| - Treasury bills   | 217,965          | 814,650          |
| Other Governments: |                  |                  |
| - Bonds            | 1,925,647        | 1,129,524        |
| - Treasury bills   | 55,647           | 200,548          |
| Other issuers:     |                  |                  |
| - Listed           | 1,487,635        | 1,748,004        |
| - Non listed       | 17,896           | 17,351           |
| Shares:            |                  |                  |
| - Listed           | 14,699           | 16,091           |
| - Non listed       | 75,636           | 89,677           |
| <b>Total</b>       | <b>7,557,499</b> | <b>6,961,822</b> |

**Equity instruments measured at fair value through other comprehensive income**

The Group has made the irrevocable election on initial recognition to measure at fair value through other comprehensive income equity instruments that have the following characteristics:

- Shares in companies of the financial sector (credit institutions and interbank companies)
- Investments in private equity (shares of venture capital or private equity) and
- Share held in long term investment horizon

The following table presents the shares of investment portfolio measured at fair value through other comprehensive income as of 31.12.2019 and 31.12.2018.

|  | Fair value<br>31.12.2019 | Dividend income/<br>interim dividends<br>from 1.1.2019 to<br>31.12.2019 | Fair value<br>31.12.2018 | Dividend income/<br>interim dividends<br>from 1.1.2018 to<br>31.12.2018 |
|--|--------------------------|---|--------------------------|---|
| Investments in financial sector entities | 51,287                   | 769   | 42,240                   | 1,220   |
| Private equity investments               | 21,453                   |   | 25,250                   |   |
| Long-term investments                    | 17,595                   | 259   | 38,278                   | 89  |
| <b>Total</b>                             | <b>90,335</b>            | <b>1,028</b>  | <b>105,768</b>           | <b>1,309</b>  |

The Group during 2019, either for liquidity purposes or due to squeeze out, proceeded with the divestment of Piraeus Bank, Pillarstone Bidco SCA, Casa de Compensare Bucuresti and Intelliboxes Group Ltd., for a total fair value of € 63. The above sales resulted in a loss of € 0.1, compared to their initial cost of acquisition.

The Group during 2018, either for liquidity purposes or due to squeeze out, proceeded with the disinvestment of Piraeus Bank, Titan S.A. and Andreou and Paraskevaidis S.A., for a total fair value of € 30,108. The above sales resulted in a loss of € 40,889, compared to their initial cost of acquisition.



**b. Investment Securities measured at fair value through profit or loss**

Investment Securities measured at fair value through profit or loss include securities for which it was assessed that their contractual cash flows are not Solely payments of principal and interest (SPPI) in accordance with the provisions of IFRS 9.

|                                 | 31.12.2019    | 31.12.2018    |
|---------------------------------|---------------|---------------|
| Other Governments               |               |               |
| - Bonds                         | 9,025         | 9,084         |
| Other issuers                   |               |               |
| - Listed                        | 10,741        | 11,192        |
| - Non listed                    | 2,815         | 2,735         |
| Shares                          |               |               |
| - Listed                        | 2,133         |               |
| - Non listed                    | 493           | 468           |
| Other variable yield securities | 30,334        | 19,315        |
| <b>Total</b>                    | <b>55,541</b> | <b>42,794</b> |

**c. Investment Securities measured at amortized cost**

|                   | 31.12.2019       | 31.12.2018 |
|-------------------|------------------|------------|
| Greek Government: |                  |            |
| - Bonds           | 1,070,730        |            |
| <b>Total</b>      | <b>1,070,730</b> | -          |

The Bank classified Greek Government bonds in note line "Investment securities measured at amortized cost" within the fiscal year, as the business model foresees their holding until maturity given the satisfactory level of yields.

For the above investment securities, measured at amortized cost, accumulated expected credit loss of € 7,413 has been recognized. Their carrying amount before impairment is € 1,078,143.

**21. Investments in associates and joint ventures**

|   | 31.12.2019    | 31.12.2018    |
|---|---------------|---------------|
| <b>Opening balance</b>                                | 23,194        | 18,886        |
| New associates/joint ventures                         |               | 4,550         |
| Returns/Increases of share capital                    | 2,794         | 1,172         |
| Share of profit/(loss) and other comprehensive income | (12,603)      | (1,414)       |
| <b>Total</b>  | <b>13,385</b> | <b>23,194</b> |

In 2019 there are no new investments in associates and joint ventures, whereas in 2018, the balance of "New associates/joint ventures" includes the investment in the joint venture Alpha Investment Property Commercial Stores A.E. "Returns/increases of share capital" mainly depicts the increase of share capital amounting to € 122 of the associate Olganos A.E, the associate Alpha Investment Property Elaionas A.E amounting to € 2.500, and the joint venture Alpha TANE0 AKES amounting to € 137. The respective balance of the previous year, refers to the increase of share capital amounting to € 1,000 of the associate Alpha Investment Property Elaionas A.E and that of the joint venture Alpha TANE0 AKES amounting to € 172 (refund of capital of € 56 and share capital increase of € 228).



The associates and joint ventures of the Group are the following:

| Name   | Country    | Group's ownership interest % |            |
|--|------------|------------------------------|------------|
|  |            | 31.12.2019                   | 31.12.2018 |
| <b>a. Associates</b>                             |            |                              |            |
| AEDEP Thessalias and Stereas Ellados             | Greece     | 50.00                        | 50.00      |
| A.L.C. Novelle Investments Ltd                   | Cyprus     | 33.33                        | 33.33      |
| Olganos A.E.                                     | Greece     | 30.44                        | 30.44      |
| Bank Information Systems A.E.                    | Greece     | 23.77                        | 23.77      |
| Propindex A.E.D.A.                               | Greece     | 35.58                        | 35.58      |
| Cepal Holdings A.E.*                             | Greece     | 38.61                        | 38.61      |
| Selonda A.E.G.E.                                 | Greece     |                              | 21.97      |
| Nireus S.A.                                      | Greece     |                              | 20.65      |
| Famar S.A.                                       | Luxembourg | 47.04                        | 47.04      |
| Alpha Investment Property Elaionas A.E.          | Greece     | 50.00                        | 50.00      |
| <b>b. Joint ventures</b>                         |            |                              |            |
| APE Commercial Property A.E.                     | Greece     | 72.20                        | 72.20      |
| APE Investment Property A.E.*                    | Greece     | 71.08                        | 71.08      |
| Alpha TANE0 A.K.E.S.                             | Greece     | 51.00                        | 51.00      |
| Rosequeens Properties Ltd*                       | Cyprus     | 33.33                        | 33.33      |
| Panarae Saturn LP                                | Jersey     | 61.58                        | 61.58      |
| Alpha Investment Property Commercial Stores A.E. | Greece     | 70.00                        | 70.00      |

During 2019, the Bank completed the sales of share holdings in the companies "Selonda Aquaculture A.E.G.E." and "Nireus Aquaculture A.E.". The consideration was one euro for each of them.

The associate company Famar S.A., as it is referred in the respective note of 31.12.2018, became inactive as it ceased to hold a shareholding in the Famar Group of Companies.

The Group's share in equity and profit/(loss) of each associate and joint venture is set out below:

| Name   | Group's share on equity |               | Share of profit/(loss) |                | Share of other comprehensive income in equity |              |
|--|-------------------------|---------------|------------------------|----------------|---|--------------|
|  | From 1 January to       |               | From 1 January to      |                | From 1 January to                             |              |
|  | 31.12.2019              | 31.12.2018    | 31.12.2019             | 31.12.2018     | 31.12.2019                                    | 31.12.2018   |
| <b>a. Associates</b>                             |                         |               |                        |                |   |              |
| AEDEP Thessalias and Stereas Ellados             | 73                      | 73            |                        | (1)            |   |              |
| A.L.C. Novelle Investments Ltd                   | 415                     | 421           | (6)                    | (8)            |   | (149)        |
| Olganos A.E.                                     |                         |               | (122)                  |                |   |              |
| Bank Information Systems AE                      | 162                     | 162           |                        | (105)          |   |              |
| Propindex A.E.D.A.                               | 78                      | 78            |                        | (8)            |   |              |
| Alpha Investment Property Elaionas A.E.          | 2,002                   | 10,305        | (10,803)               | (1,046)        |   |              |
| Cepal Holdings A.E.                              | 2,175                   | 3,699         | (1,524)                | (150)          |   |              |
| <b>Total (a)</b>                                 | <b>4,908</b>            | <b>14,738</b> | <b>(12,455)</b>        | <b>(1,318)</b> | <b>-</b>                                      | <b>(149)</b> |
| <b>b. Joint ventures</b>                         |                         |               |                        |                |   |              |
| Alpha TANE0 A.K.E.S.                             | 2,848                   | 3,054         | (343)                  | 29             |   |              |
| Rosequeens Properties Ltd                        |                         | 1             | (1)                    | (5)            |   |              |
| Panarae Saturn LP                                | 1,168                   | 858           | 275                    | 36             |   |              |
| Alpha Investment Property Commercial Stores A.E. | 4,464                   | 4,543         | (79)                   | (7)            |   |              |
| <b>Total (b)</b>                                 | <b>8,480</b>            | <b>8,456</b>  | <b>(148)</b>           | <b>53</b>      | <b>-</b>                                      | <b>-</b>     |
| <b>Total (a) + (b)</b>                           | <b>13,385</b>           | <b>23,194</b> | <b>(12,603)</b>        | <b>(1,265)</b> | <b>-</b>                                      | <b>(149)</b> |

\* Companies are parent group entities as mentioned in note 40.



## Investments in significant associates and joint ventures

The Group considers as significant the associate companies and joint ventures that it participates in, by taking into account the activities that are considered to be of strategic importance, the book value of the Group's investments and the loans and receivables that consist part of the Group's net investment in the companies, if any.

On the basis of the above, the associate company AEP Elaionas A.E. and Cepal Holdings S.A., and the joint ventures APE Commercial Property A.E. and APE Investment Property A.E. are considered material.

AEP Elaionas mainly carries out activities relating to building construction and real estate exploitation in general.

Cepal Holdings S.A. is the parent company of a group of companies (note 40), the main operations of which relates to the management of claims from loans and advances to customers.

It is noted that in November of 2019, the Bank and Centerbridge (CP) signed an agreement based on which there are options over the equity shares of Cepal Holdings S.A. These options are classified in derivative financial instruments and measured at fair value through profit or loss. At 31.12.2019 their valuation equals to € 1.930 and is recognized in the Income Statement.

APE Commercial Property A.E. carries out activities mainly relating to the management and exploitation of real estate activities, as well as the acquisition and management of shareholding, while APE Investment Property A.E. activities relating to the acquisition of securities and any kind of assets in general. The last two companies are classified as joint ventures, given that based on a contractual agreement, the exercise of control requires a consensus decision of the shareholders.

All the above mentioned companies are established in Greece, are not listed on a regulated market and therefore there is not a reference value for their fair value.

It is noted that in 2019, the amount of goodwill equals € 9.701 that was derived through the Group's acquisition of 50% of the associate company AEP Elaionas A.E., has been fully impaired. The above mentioned amount is included in the Share of Profit / (loss) of affiliated companies and joint ventures" account of the Income Statement. Condensed financial information about AEP Elaionas A.E. and Cepal Holdings S.A., which are accounted for under the equity method, are presented below. For APE Commercial Property A.E. and APE Investment Property A.E. that have been classified as Held for Sale, the applicable disclosures required by IFRS 5 are provided in note 48.

### Alpha Investment Property Elaionas A.E.

#### Condensed Statement of Total Comprehensive Income

|  | 31.12.2019     | 31.12.2018     |
|--|----------------|----------------|
| Interest and similar expenses  | (1,726)        | (1,689)        |
| Other expenses   | (406)          | (403)          |
| <b>Profit/(losses) before income tax</b>   | <b>(2,132)</b> | <b>(2,092)</b> |
| Income tax   |                |                |
| <b>Profit/(losses) after income tax</b>  | <b>(2,132)</b> | <b>(2,092)</b> |
| <b>Other comprehensive income</b>  |                |                |
| <b>Other comprehensive income for the year after income tax</b>                          | <b>(2,132)</b> | <b>(2,092)</b> |
| Amount attributed to the participation of the Group to profits/(losses) of the associate | (10,803)       | (1,046)        |

No dividends have been received from the entity within the years 2019 and 2018.

**Condensed Balance Sheet**

|   | 31.12.2019     | 31.12.2018     |
|---|----------------|----------------|
| <b>ASSETS</b>                           |                |                |
| Other current assets                    | 44             | 31             |
| <b>Total current assets</b>             | <b>44</b>      | <b>31</b>      |
| <b>Non current assets</b>               | <b>111,433</b> | <b>106,881</b> |
| Short-term liabilities                  | 712            | 67             |
| <b>Total Short-term liabilities</b>     | <b>712</b>     | <b>67</b>      |
| Long-term financial liabilities         | 106,757        | 105,707        |
| <b>Total long-term liabilities</b>      | <b>106,757</b> | <b>105,707</b> |
| <b>Total equity</b>                     | <b>4,004</b>   | <b>1,138</b>   |
| Group participation (%)                 | 50%            | 50%            |
| Equity shareholding                     | 2,002          | 569            |
| Goodwill from the acquisition           |                | 9,701          |
| <b>Carrying amount of participation</b> | <b>2,002</b>   | <b>10,305</b>  |
| Loan that is part of the net investment | 53,988         | 53,066         |
| <b>Net investment</b>                   | <b>55,990</b>  | <b>63,371</b>  |

**Cepal Holdings A.E.****Condensed Statement of Total Comprehensive Income**

|  | 31.12.2019     | 31.12.2018   |
|--|----------------|--------------|
| Interest and similar expenses  | (62)           |              |
| Commission expense   | (5)            | (4)          |
| Gains less losses on financial transactions  | (63)           | 6            |
| Other income   | 22,988         | 19,235       |
| General Administrative Expenses  | (26,637)       | (19,130)     |
| Depreciation   | (964)          | (318)        |
| <b>Profit/(losses) before income tax</b>   | <b>(4,743)</b> | <b>(211)</b> |
| Income tax   | 798            | (142)        |
| <b>Profit/(losses) after income tax</b>  | <b>(3,945)</b> | <b>(353)</b> |
| <b>Other comprehensive income</b>  |                |              |
| <b>Total comprehensive income after income tax</b>                                       | <b>(3,945)</b> | <b>(353)</b> |
| Amount attributed to the participation of the Group to profits/(losses) of the associate | <b>(1,524)</b> | <b>(150)</b> |

No dividends have been received from the entity within the years 2019 and 2018.

**Condensed Balance Sheet**

| <b>ASSETS</b>                             | <b>31.12.2019</b> | <b>31.12.2018</b> |
|---|-------------------|-------------------|
| Cash and cash equivalents                 | 1                 | 1                 |
| Other current assets                      | 9,469             | 15,485            |
| <b>Total current assets</b>               | <b>9,470</b>      | <b>15,486</b>     |
| <b>Non current assets</b>                 | <b>9,260</b>      | <b>6,685</b>      |
| Short-term liabilities                    | 8,567             | 8,013             |
| <b>Total short-term liabilities</b>       | <b>8,567</b>      | <b>8,013</b>      |
| <b>Total Equity</b>                       | <b>10,163</b>     | <b>14,158</b>     |
| Less: Preference shares                   | (18,938)          | (18,938)          |
| <b>Equity excluding preference shares</b> | <b>(8,775)</b>    | <b>(4,780)</b>    |
| Group's share of results                  | (4,101)           | (2,577)           |
| Cost of acquisition                       | 6,276             | 6,276             |
| Book value of participation               | 2,175             | 3,699             |

The Group does not participate in joint operations schemes.

**Other information for associates and joint ventures and significant restrictions**

Apart from the associates and the joint ventures that have been classified as Assets Held for Sale and are accounted for in accordance with the provisions of IFRS 5, the rest of the associates and the joint ventures are accounted for using the equity method.

There are no cases where the Group has ceased recognizing its portion to losses of associates and joint ventures due to the full impairment of its participation to them.

The Group has no contingent liabilities regarding its participation in associates or joint ventures. The Bank has the obligation to contribute with additional funds in the share capital of the joint venture Alpha TANE0 AKES up to the amount of € 23. Further to this, there are no other unrecognized commitments of the Group relating with its participation in associates and joint ventures which could result in future cash or other outflows.

There are no significant restrictions for the associates or joint ventures to transfer capital in the Group or to repay the loans that have been granted by the Group apart from the restrictions imposed by Law 4548/2018 for Greek companies regarding the minimum amount of share capital and equity required, and the ability to distribute dividends.

Moreover, the restrictions that have been imposed by the adoption of Ministerial Legislative Act within 2015 and were referred to cash withdrawals and free capital flows, ceased to be effective during the fiscal year 2019, according to an amendment incorporated in Law 4624/2019, causing the complete elimination of the existing restrictions on capital flows.



## 22. Investment property

|  | Land – Buildings | Right-of-use on Land and Buildings | Total          |
|--|------------------|------------------------------------|----------------|
| <b>Balance 1.1.2018</b>                                      |                  |                                    |                |
| Acquisition Cost   | 737,609          |                                    | 737,609        |
| Accumulated depreciation and impairment losses               | (184,266)        |                                    | (184,266)      |
| <b>1.1.2018 - 31.12.2018</b>                                 |                  |                                    |                |
| Net book value 1.1.2018                                      | 553,343          |                                    | 553,343        |
| Additions  | 21,552           |                                    | 21,552         |
| Additions from companies consolidated for first time in year | 54,094           |                                    | 54,094         |
| Reclassification to "Property, Plant and Equipment"          | (797)            |                                    | (797)          |
| Reclassification to "Assets held for sale"                   | (127,575)        |                                    | (127,575)      |
| Reclassification to "Other Assets"                           | (268)            |                                    | (268)          |
| Reclassification from "Assets held for sale"                 | 54,354           |                                    | 54,354         |
| Disposals / Write-offs                                       | (35,963)         |                                    | (35,963)       |
| Foreign Exchange differences                                 | (121)            |                                    | (121)          |
| Depreciation charge for the year                             | (10,691)         |                                    | (10,691)       |
| Impairment losses for the year                               | (14,767)         |                                    | (14,767)       |
| Net book value 31.12.2018                                    | <b>493,161</b>   | -                                  | <b>493,161</b> |
| <b>Balance 31.12.2018</b>                                    |                  |                                    |                |
| Acquisition Cost   | 639,497          |                                    | 639,497        |
| Accumulated depreciation and impairment losses               | (146,336)        |                                    | (146,336)      |
| <b>1.1.2019 - 31.12.2019</b>                                 |                  |                                    |                |
| <b>Impact from the implementation of I.F.R.S. 16</b>         |                  | <b>10,319</b>                      | <b>10,319</b>  |
| Net book value 1.1.2019                                      | 493,161          | 10,319                             | 503,480        |
| Additions  | 80,444           |                                    | 80,444         |
| Additions from expenses, capitalization                      | 2,246            |                                    | 2,246          |
| Additions from companies consolidated for first time in year | 24,661           |                                    | 24,661         |
| Reclassification to "Property, Plant and Equipment"          | (729)            | (1,012)                            | (1,741)        |
| Reclassification to "Assets held for sale"                   | (62,821)         |                                    | (62,821)       |
| Foreign Exchange differences                                 | (704)            |                                    | (704)          |
| Disposals / Write-offs / Terminations                        | (40,708)         |                                    | (40,708)       |
| Depreciation charge for the year                             | (9,459)          | (917)                              | (10,376)       |
| (Impairment losses)/Reversal of Impairment for the year      | (9,700)          | 1,055                              | (8,645)        |
| Net book value 31.12.2019                                    | <b>476,391</b>   | <b>9,445</b>                       | <b>485,836</b> |
| <b>Balance 31.12.2019</b>                                    |                  |                                    |                |
| Acquisition Cost   | 562,086          | 10,765                             | 572,851        |
| Accumulated depreciation and impairment losses               | (85,695)         | (1,320)                            | (87,015)       |

Following the implementation of IFRS 16, effective from 1.1.2019, the Group recognized right-of-use on Land and Buildings amounting to € 10,319, related to property leases, recognized as investment property, since they are subleased by the Group through operating leases.

The fair value of investment property as at 31.12.2019 amounts to € 522,739 (31.12.2018: € 595,166).

In 2019 an impairment loss amounting to € 8,645 (31.12.2018: € 14,767) was recognized, in order for the carrying amount of investment property not to exceed the recoverable amount as at 31.12.2019, as the latter was estimated by certified valuers.

The impairment amount was recognized in 'Other Expenses' of the Income Statement. The recoverable amount of investment property, which was impaired during the current year, amounted to € 45,766 (31.12.2018: € 57,453). This amount includes the recoverable amount of € 27,873 of the property that was transferred on 31.12.2019 to "Assets held for sale" (note 48).



The fair value of the investment property is calculated in accordance with the methods mentioned in note 1.2.7 and are classified, in terms of fair value hierarchy, in Level 3 since data based on market research, assumptions and inputs relating to properties of relevant characteristics are used for the determination of fair value and therefore encompass a wide range of unobservable market inputs. The capitalization rate used ranges between 6.5% and 8%.

Regarding the right-of-use assets, in the year 2019, impairment losses of € 449 were recognized as well as a reversal of the impairment amounting to € 1,504 and recorded in "Other Expenses". The recoverable amount of right-of-use assets on buildings is equal to the discounted value of the receivables of subleases.

The additions performed in current and prior period, as well as the additions from companies consolidated for first time in 2018 and 2019 relate mainly to investment property which were received as collateral for loans and obtained by the Group in the context of credit risk management.

Finally, information about the "Reclassification to "Assets held for sale"" is presented in note 48.

## 23. Property, plant and equipment

|   | Land and Buildings | Leasehold improvements | Equipment     | Right-of-use on fixed assets | Total          |
|---|--------------------|------------------------|---------------|------------------------------|----------------|
| <b>Balance 1.1.2018</b>                                 |                    |                        |               |                              |                |
| Acquisition Cost  | 1,051,956          | 3,366                  | 444,650       |                              | 1,499,972      |
| Accumulated depreciation and impairment losses          | (382,076)          | (2,839)                | (381,224)     |                              | (766,139)      |
| <b>1.1.2018 - 31.12.2018</b>                            |                    |                        |               |                              |                |
| Net book value 1.1.2018                                 | 669,880            | 527                    | 63,426        |                              | 733,833        |
| Additions   | 10,473             | 87                     | 37,815        |                              | 48,375         |
| Disposals / Write-offs                                  | (812)              |                        | (817)         |                              | (1,629)        |
| Reclassification from "Investment Property"             | 797                |                        |               |                              | 797            |
| Reclassification within "Property, plant and equipment" | (2,638)            | (57)                   | 2,695         |                              | -              |
| Reclassification to "Other Assets"                      | (2,933)            |                        |               |                              | (2,933)        |
| Reclassification to "Assets held for sale"              | (4,956)            |                        | (69)          |                              | (5,025)        |
| Foreign exchange differences                            | 267                | 15                     |               |                              | 282            |
| Depreciation charge for the year                        | (18,632)           | (221)                  | (17,644)      |                              | (36,497)       |
| Impairment losses for the year                          | (2,540)            |                        |               |                              | (2,540)        |
| Net book value 31.12.2018                               | <b>648,906</b>     | <b>351</b>             | <b>85,406</b> |                              | <b>734,663</b> |
| <b>Balance 31.12.2018</b>                               |                    |                        |               |                              |                |
| Acquisition Cost  | 896,655            | 3,237                  | 471,635       |                              | 1,371,527      |
| Accumulated depreciation and impairment losses          | (247,749)          | (2,886)                | (386,229)     |                              | (636,864)      |
| <b>1.1.2019 - 31.12.2019</b>                            |                    |                        |               |                              |                |
| <b>Impact from the implementation of I.F.R.S. 16</b>    |                    | <b>(351)</b>           |               | <b>157,871</b>               | <b>157,520</b> |
| Net book value 1.1.2019                                 | 648,906            | -                      | 85,406        | 157,871                      | 892,183        |
| Additions   | 10,570             |                        | 31,895        | 20,094                       | 62,559         |
| Disposals / Write-offs / Terminations                   | (1,651)            |                        | (97)          | (9,678)                      | (11,426)       |
| Reclassification from "Investment Property"             | 729                |                        |               | 1,012                        | 1,741          |
| Reclassification to "Other Assets"                      | (3,057)            |                        |               |                              | (3,057)        |
| Reclassification to "Assets held for sale"              | (9,920)            |                        | (89)          |                              | (10,009)       |
| Reclassification within "Property, plant and equipment" |                    |                        | 163           | (163)                        | -              |
| Foreign exchange differences                            | (319)              |                        | (85)          | (3,055)                      | (3,459)        |
| Depreciation charge for the year                        | (18,255)           |                        | (20,037)      | (32,797)                     | (71,089)       |
| Impairment losses for the year                          | (1,164)            |                        |               | (3,947)                      | (5,111)        |
| Net book value 31.12.2019                               | <b>625,839</b>     | <b>-</b>               | <b>97,156</b> | <b>129,337</b>               | <b>852,332</b> |
| <b>Balance 31.12.2019</b>                               |                    |                        |               |                              |                |
| Acquisition Cost  | 894,307            |                        | 502,586       | 168,654                      | 1,565,547      |
| Accumulated depreciation and impairment losses          | (268,468)          |                        | (405,430)     | (39,317)                     | (713,215)      |



Following the implementation of the new accounting standard, IFRS 16, effective from 1.1.2019, the Group recognized a Right-of-use on Plant, Property and Equipment amounting to € 157,871, out of which an amount of € 146,810 relates to real estate leases. Additionally, due to the implementation of IFRS 16, existing leases of € 351, which according to the former accounting standard were recognized as finance leases and were included in the “Leasehold improvements” category, were reclassified to the “Right-of-use on fixed assets” at the amount of € 157,871.

The carrying amount of owned land and buildings included in the above balances amounts to € 597,871 as at 31.12.2019 (31.12.2018: € 608,085).

During the impairment test of property, plant and equipment, the estimation of the recoverable amount is based on the value in use, which incorporates in the value of the asset and all the improvements realized as necessary to bring the asset in a appropriate condition to be used by the Group. The discount rates utilized range from 6.5% to 8% depending on the characteristics (location, size, use) of each asset.

The recoverable amount of “Property, plant and equipment” which was impaired during 2019 amounted to € 9,920 (31.12.2018: € 6,472) , while an impairment loss of € 1.164 (31.12.2018: € 2,540) was recorded in “Other Expenses”.

In regards with right-of-use assets, in the period 2019, the leased property not used by the Bank was fully impaired and an impairment loss of € 3,947 (31.12.2018: € 0) was recognized and recorded in “Other Expenses”.

Finally, information regarding the caption of “Reclassification to “Assets held for sale” is presented in note 48.

## 24. Goodwill and other intangible assets

|  | Software       | Other intangible | Total          |
|--|----------------|------------------|----------------|
| <b>Balance 1.1.2018</b>                      |                |                  |                |
| Acquisition Cost                             | 685,756        | 141,486          | 827,242        |
| Accumulated amortization and impairment loss | (358,162)      | (79,271)         | (437,433)      |
| <b>1.1.2018 - 31.12.2018</b>                 |                |                  |                |
| Net book value 1.1.2018                      | 327,594        | 62,215           | 389,809        |
| Additions                                    | 104,185        | 2                | 104,187        |
| Disposals/Write-offs                         | (44)           |                  | (44)           |
| Foreign exchange differences                 | 50             | 1                | 51             |
| Amortization charge for the period           | (36,547)       | (18,292)         | (54,839)       |
| Impairment losses for the period             | (5,071)        |                  | (5,071)        |
| Net book value 31.12.2018                    | <b>390,167</b> | <b>43,926</b>    | <b>434,093</b> |
| <b>Balance 31.12.2018</b>                    |                |                  |                |
| Acquisition Cost                             | 787,082        | 141,487          | 928,569        |
| Accumulated amortization and impairment loss | (396,915)      | (97,561)         | (494,476)      |
| <b>1.1.2019 - 31.12.2019</b>                 |                |                  |                |
| Net book value 1.1.2019                      | 390,167        | 43,926           | 434,093        |
| Additions                                    | 121,861        |                  | 121,861        |
| Disposals/Write-offs                         | (405)          |                  | (405)          |
| Foreign exchange differences                 | (135)          |                  | (135)          |
| Amortization charge for the period           | (48,618)       | (14,450)         | (63,068)       |
| Net book value 31.12.2019                    | <b>462,870</b> | <b>29,476</b>    | <b>492,346</b> |
| <b>Balance 31.12.2019</b>                    |                |                  |                |
| Acquisition Cost                             | 908,034        | 141,484          | 1,049,518      |
| Accumulated amortization and impairment loss | (445,164)      | (112,008)        | (557,172)      |

Additions of current year, refers mainly to software.

“Other intangible” include primarily intangible assets attributed to customer relationships by Diners' acquired credit card operations in 2015, with a useful life of 7 years, as well as customer relationships and Citibank's acquired deposit base in 2014 with a useful life of 9 and 7 years respectively.





During 2018 an impairment loss of € 5,071 on intangible assets was recognized. Relevant amounts were recorded in “Other expenses”.

## 25. Deferred tax assets and liabilities

|              | 31.12.2019       | 31.12.2018       |
|--------------|------------------|------------------|
| Assets       | 5,174,297        | 5,290,763        |
| Liabilities  | (31,865)         | (18,681)         |
| <b>Total</b> | <b>5,142,432</b> | <b>5,272,082</b> |

Deferred tax assets and liabilities are analyzed as follows:

|   | 1.1 - 31.12.2019      |   |                     |                     |                  |                                    | Balance<br>31.12.2019 |
|---|-----------------------|---|---------------------|---------------------|------------------|------------------------------------|-----------------------|
|   | Balance<br>31.12.2018 | Impact from the<br>implementation<br>of IFRS 16 | Balance<br>1.1.2019 | Recognized in       |                  | Foreign<br>exchange<br>differences |                       |
|   |                       |   |                     | Income<br>Statement | Equity           |                                    |                       |
| Debit difference of Law 4046/2012   | 1,024,762             |   | 1,024,762           | (44,555)            |                  |                                    | 980,207               |
| Debit difference of Law 4465/2017   | 737,658               |   | 737,658             | 14,082              |                  |                                    | 751,740               |
| Write-offs, depreciation, impairment of fixed assets and leases   | 15,723                | 11,408  | 27,131              | (17,293)            |                  |                                    | 9,838                 |
| Loans portfolio   | 2,794,987             |   | 2,794,987           | 221,750             |                  |                                    | 3,016,737             |
| Valuation of loans due to hedging   | (25)                  |   | (25)                | 261                 |                  |                                    | 236                   |
| Employee defined benefit and insurance funds  | 25,060                |   | 25,060              | (2,072)             | 3,258            |                                    | 26,246                |
| Valuation of derivatives financial instruments  | 122,067               |   | 122,067             | (18,371)            | 37,834           |                                    | 141,530               |
| Effective interest rate   | 9,774                 |   | 9,774               | (1,188)             |                  |                                    | 8,586                 |
| Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge            | (10,720)              |   | (10,720)            | (345)               |                  |                                    | (11,065)              |
| Valuation/impairment of investments   | 157,990               |   | 157,990             | (4,227)             |                  |                                    | 153,763               |
| Valuation/impairment of debt securities and other securities  | 76,467                |   | 76,467              | (10,964)            | (147,143)        |                                    | (81,640)              |
| Tax losses carried forward  | 179,379               |   | 179,379             | (167,358)           |                  |                                    | 12,021                |
| Other temporary differences   | 141,762               |   | 141,762             | (3,104)             |                  |                                    | 138,658               |
| Currency translation differences from financial statements and net investment hedging of foreign operations | (2,802)               |   | (2,802)             |                     | (2,078)          | 455                                | (4,425)               |
| <b>Total</b>  | <b>5,272,082</b>      | <b>11,408</b>                                   | <b>5,283,490</b>    | <b>(33,384)</b>     | <b>(108,129)</b> | <b>455</b>                         | <b>5,142,432</b>      |



|   | 1.1 - 31.12.2018    |  |                  |   |                                 |              | Balance<br>31.12.2018 |
|---|---------------------|--|------------------|---|---------------------------------|--------------|-----------------------|
|   | Balance<br>1.1.2018 | Recognized in  |                  | Reclassification to<br>Held for Sale and<br>other movements | Foreign exchange<br>differences |              |                       |
|   |                     | Reclassification<br>due to<br>Implementation of<br>Law 4465/2017 | Income Statement |   |                                 | Equity       |                       |
| Debit difference of Law 4046/2012   | 1,069,316           |  | (44,554)         |   |                                 | 1,024,762    |                       |
| Debit difference of Law 4465/2017   | 15,165              | 30,465   | 692,028          |   |                                 | 737,658      |                       |
| Write-offs, depreciation and impairment of fixed assets   | 32,418              |  | (9,855)          |   | (6,840)                         | 15,723       |                       |
| Loans portfolio   | 2,960,582           | (30,465)   | (135,130)        |   |                                 | 2,794,987    |                       |
| Valuation of loans due to hedging   | (105)               |  | 80               |   |                                 | (25)         |                       |
| Employee defined benefit and insurance funds  | 26,743              |  | (1,344)          | (339)   |                                 | 25,060       |                       |
| Valuation of derivative financial instruments   | 127,733             |  | (6,454)          | 788   |                                 | 122,067      |                       |
| Effective interest rate   | 10,573              |  | (799)            |   |                                 | 9,774        |                       |
| Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge            | (14,562)            |  | 3,842            |   |                                 | (10,720)     |                       |
| Valuation/impairment of investments   | (524)               |  | 158,514          |   |                                 | 157,990      |                       |
| Valuation/impairment of debt securities and other securities  | 2,735               |  | (87,948)         | 161,680   |                                 | 76,467       |                       |
| Tax losses carried forward  | 325,445             |  | (144,148)        |   | (1,918)                         | 179,379      |                       |
| Other temporary differences   | 142,007             |  | 11               |   | (256)                           | 141,762      |                       |
| Currency translation differences from financial statements and net investment hedging of foreign operations | 8                   |  |                  | (2,378)   | (432)                           | (2,802)      |                       |
| <b>Total</b>  | <b>4,697,534</b>    | <b>-</b>   | <b>424,243</b>   | <b>159,751</b>  | <b>(9,014)</b>                  | <b>(432)</b> | <b>5,272,082</b>      |

“Reclassification due to implementation of Law 4465/2017” presents the impact of the formation of debit difference, pursuant to the provisions of Law 4465/2017, which is finalized upon the submission of the Bank’s income tax statement after the publication of Financial Statements.



## 26. Other assets

|   | 31.12.2019       | 31.12.2018       |
|---|------------------|------------------|
| Tax advances and withholding taxes                                    | 174,059          | 164,533          |
| Deposit and Investment Guarantee Fund                                 | 635,144          | 635,007          |
| Assets obtained from auctions and other assets that are held for sale | 314,996          | 215,446          |
| Prepaid expenses  | 15,072           | 25,999           |
| Accrued income  | 6,217            | 5,496            |
| Other   | 391,410          | 317,204          |
| <b>Total</b>  | <b>1,536,898</b> | <b>1,363,685</b> |

“Deposit and Investment Guarantee Fund” relates to the Bank’s participation in the assets of Investment Cover Scheme and Deposit Cover Scheme. The above account balance is affected by:

1. the amount of contribution to Investment Cover Scheme and
2. the difference on the regular annual contribution of credit institutions resulted from the application of article 6 of Law 3714/2008 “Borrowers protection and other provisions”, which raised the amount of deposits covered by the Deposit Guarantee scheme from € 20 to € 100 per depositor.

The above difference is included according to Law 4370/7.3.2016 in “Deposit Guarantee Scheme (transposition of Directive 2014/49/EU), Deposit and Investment Guarantee Fund and other regulations” in a distinct property group owned by its member credit institutions in proportion to their participation.

“Tax advances and withholding taxes” is presented, after provisions amounted to € 101,037 in year 2019 (31.12.2018: € 101,037).

In addition, as at 31.12.2019 the Group measured “Assets obtained from auctions and other assets that are held for sale” at the lowest value between the carrying amount and fair value less costs to sell. In those cases that the fair value was lower than the carrying amount, an impairment loss was recognized of € 483 and recorded in “Other expenses” of the Income Statement. As at 31.12.2018 the relevant impairment loss amounted to € 18,546.

The fair value of the assets has been estimated in accordance with the methods mentioned in note 1.2.7 and are classified in terms of fair value hierarchy in Level 3, since data based on market research, assumptions and inputs relating to properties of relevant characteristics are used for the determination of fair value, encompass a wide range of unobservable market inputs. The capitalization rate used was between 6.5% and 8%.

The Group, during 2018, transferred “Assets obtained from auctions and other assets that are held for sale” with a carrying amount of € 27,835 in “Assets held for sale” while during year 2019 assets from auctions have been transferred from “Assets held for sale” to “Other assets” with a carrying amount of € 1,238, as analytically described in note 48.



## LIABILITIES

### 27. Due to banks

|   | 31.12.2019        | 31.12.2018        |
|---|-------------------|-------------------|
| Deposits:   |                   |                   |
| - Current accounts  | 84,461            | 37,456            |
| - Term deposits   |                   |                   |
| Central Banks   | 3,064,446         | 3,378,846         |
| Other credit institutions   | 245,775           | 26,096            |
| Cash collateral for derivative margin account and repurchase agreements | 17,058            | 68,858            |
| Sale and repurchase agreements (repos)                                  | 6,278,454         | 6,421,829         |
| Borrowing funds   | 567,942           | 518,021           |
| Deposits on demand:   |                   |                   |
| - Other credit institutions   | 3,147             | 5,253             |
| <b>Total</b>  | <b>10,261,283</b> | <b>10,456,359</b> |

In June 2016, the European Central Bank launched a program of targeted long term refinancing operations (TLTRO-II) with a four year duration.

The Bank participates in this program with an amount of € 3,100,000.

The reduction in "Liabilities due to banks" refers to the repayment of total funding through the Emergency Liquidity Assistance (ELA) of the Bank of Greece and to the decrease in the repos transactions. This change is mainly attributed to the the inflows of customer deposits.

"Borrowing funds" mainly includes liabilities of the Group to multilateral development banks.

### 28. Due to customers

|                          | 31.12.2019        | 31.12.2018        |
|--------------------------|-------------------|-------------------|
| Deposits:                |                   |                   |
| - Current accounts       | 12,497,361        | 10,957,383        |
| - Saving accounts        | 10,757,853        | 9,734,581         |
| - Term deposits          | 16,956,187        | 17,919,453        |
| Debt securities in issue |                   |                   |
| Deposits on demand       | 46,060            | 35,258            |
|                          | <b>40,257,461</b> | <b>38,646,675</b> |
| Cheques payable          | 106,823           | 85,160            |
| <b>Total</b>             | <b>40,364,284</b> | <b>38,731,835</b> |



## 29. Debt securities in issue and other borrowed funds

### i. Covered bonds\*

In the context of Covered Bond Issuance Program II, amounting to € 8 billion, the Bank, on 6.12.2017 and on 18.5.2018, issued bonds with nominal value € 1 billion each, maturity date on 23.1.2021 and on 23.10.2019 respectively and interest rate is the three month Euribor plus a margin of 1.65%.

Based on an amendment made on 5.6.2019 the spread of these bonds was set at 0.5% from 23.7.2019 and the maturity date of the bonds issued on 18.5.2018 was postponed to 23.1.2021 from 23.10.2019. On 9.12.2019, a new bond with a nominal value of € 200 million and maturity on 23.1.2021 was issued with a three-month Euribor interest rate plus a margin of 0.35%, which is also held by the Bank. The collaterals (security portfolio) of these bonds consists of mortgage loans, which amounted to a total of € 2.5 billion as at 31.12.2019. These bonds are used as collateral in financing operations and are not included in the caption “Debt securities in issue and other borrowed funds” as they are held by the Bank.

On 25.1.2018, and settlement date on 5.2.2018, the Bank issued a covered bond of nominal value € 500 million collateralized with mortgage loans of € 0.7 billion, with a 5-year tenor, bearing a fixed annual interest rate of 2.5% and 2.75% yield to maturity, as part of its € 8 billion direct issuance Covered Bond Programme I.

On 16.5.2019 the group subsidiary Alpha Bank Romania S.A. issued a covered bond of nominal value € 200 million under the € 1 billion International Direct Covered Bond issuance Program, with maturity on 16.5.2024 and bearing a six-month Euribor interest rate plus a 1.5% margin.

The following table presents the movement of covered bonds:

|  |                |
|--|----------------|
| <b>Balance 1.1.2019</b>                        | <b>511,843</b> |
| <b>Changes for the period 1.1 - 31.12.2019</b> |                |
| New issuances / Capitalized costs              | 196,907        |
| Maturities / Repayments                        | (13,796)       |
| Change in the fair value due to hedging        | 563            |
| Accrued interest                               | 16,130         |
| <b>Balance 31.12.2019</b>                      | <b>711,647</b> |

The following tables presents additional information for the above mentioned issuances:

#### a. Held by the Group

| Issuer          | Currency | Interest Rate    | Maturity  | Nominal value    |                  |
|-----------------|----------|------------------|-----------|------------------|------------------|
|                 |          |                  |           | 31.12.2019       | 31.12.2018       |
| Alpha Bank A.E. | Euro     | 3m Euribor+0.50% | 23.1.2021 | 1,000,000        | 1,000,000        |
| Alpha Bank A.E. | Euro     | 3m Euribor+0.50% | 23.1.2021 | 1,000,000        | 1,000,000        |
| Alpha Bank A.E. | Euro     | 3m Euribor+0.35% | 23.1.2021 | 200,000          |                  |
| <b>Total</b>    |          |                  |           | <b>2,200,000</b> | <b>2,000,000</b> |

#### b. Held by third parties

| Issuer                  | Currency | Interest Rate   | Maturity  | Nominal value  |                |
|-------------------------|----------|-----------------|-----------|----------------|----------------|
|                         |          |                 |           | 31.12.2019     | 31.12.2018     |
| Alpha Bank A.E.         | Euro     | 2.5%            | 5.2.2023  | 500,000        | 500,000        |
| Alpha Bank Romania S.A. | Euro     | 6m Euribor+1.5% | 16.5.2024 | 200,000        |                |
| <b>Total</b>            |          |                 |           | <b>700,000</b> | <b>500,000</b> |

\* Financial disclosures regarding covered bonds issues, as determined by the directive of Bank of Greece 2620/28.8.2009 are published at the Bank's website.



## ii. Secured Note Program

On 22.11.2018 the Bank issued secured notes of nominal value of € 1.05 billion, collateralized with mortgage loans with maturity date on 25.10.2020 and bearing an interest rate corresponding to three months Euribor plus a margin of 1.8%. These bonds are used as collateral in financing operations and are not included in the caption "Debt securities in issue and other borrowed funds" as they are held by the Bank. On 6.12.2019 an amount of € 250 million was recalled from the above issuance.

The following table presents additional information for the above mentioned issuance:

### Held by the Group

| Issuer          | Currency | Interest Rate   | Maturity   | Nominal value  |                  |
|-----------------|----------|-----------------|------------|----------------|------------------|
|                 |          |                 |            | 31.12.2019     | 31.12.2018       |
| Alpha Bank A.E. | Euro     | 3m Euribor+1.8% | 25.10.2020 | 800,000        | 1,050,000        |
| <b>Total</b>    |          |                 |            | <b>800,000</b> | <b>1,050,000</b> |

## iii. Senior debt securities

|  |              |
|--|--------------|
| <b>Balance 1.1.2019</b>                        | <b>6,179</b> |
| <b>Changes for the period 1.1 - 31.12.2019</b> |              |
| Maturities / Repayments                        | (5,087)      |
| Accrued interest                               | 277          |
| <b>Balance 31.12.2019</b>                      | <b>1,369</b> |

The following table presents additional information for the above mentioned issuance:

### Held by third parties

| Issuer          | Currency | Interest Rate                 | Maturity  | Nominal value |              |
|-----------------|----------|-------------------------------|-----------|---------------|--------------|
|                 |          |                               |           | 31.12.2019    | 31.12.2018   |
| Alpha Bank A.E. | Euro     | 2.50%                         | 20.6.2022 | 350           | 350          |
| Alpha Bank A.E. | Euro     | 2.50%                         | 20.6.2022 | 1,345         | 1,345        |
| Alpha Bank A.E. | Euro     | Linked to interest rate index | 26.2.2019 |               | 5,000        |
| <b>Total</b>    |          |                               |           | <b>1,695</b>  | <b>6,695</b> |

## iv. Liabilities from the securitization of shipping loans

|  |                |
|--|----------------|
| <b>Balance 1.1.2019</b>                        | <b>268,277</b> |
| <b>Changes for the period 1.1 - 31.12.2019</b> |                |
| Maturities/Repayments                          | (129,375)      |
| Accrued interest                               | 10,622         |
| Foreign exchange differences                   | 5,412          |
| <b>Balance 31.12.2019</b>                      | <b>154,936</b> |

The Bank has proceeded to a securitization of shipping loans, transferring them to the fully consolidated Special Purpose Entity, Alpha Shipping Finance Ltd, which in turn raised funding from third parties. The Group's liability to third parties as at 31.12.2019 amounts to €154.9 million.

The following table presents additional information for the above mentioned issues:

#### Held by third parties

| Issuer                     | Currency | Interest Rate      | Maturity  | Nominal value  |                |
|----------------------------|----------|--------------------|-----------|----------------|----------------|
|                            |          |                    |           | 31.12.2019     | 31.12.2018     |
| Alpha Shipping Finance Ltd | USD      | 1m USD Libor+2.25% | 20.9.2022 | 10,372         | 13,529         |
| Alpha Shipping Finance Ltd | USD      | 3m USD Libor+2.25% | 20.9.2022 | 144,059        | 254,040        |
| <b>Total</b>               |          |                    |           | <b>154,431</b> | <b>267,569</b> |

#### v. Liabilities from the securitization of corporate loans (SMEs)

|  |                |
|--|----------------|
| <b>Balance 1.1.2019</b>                        | <b>156,384</b> |
| <b>Changes for the period 1.1 - 31.12.2019</b> |                |
| Maturities/Repayments                          | (157,846)      |
| Accrued interest                               | 1,462          |
| <b>Balance 31.12.2019</b>                      | <b>-</b>       |

The Bank has proceeded with the securitization of SME's loans, transferring the aforementioned loans to the fully consolidated special purpose entity, Proodos Designated Activity Company (D.A.C.), which in turn raised funding from third parties and from the Bank. Those securities issued by third parties were repaid on 23.10.2019.

The following table presents additional information for the above mentioned issueances:

#### a. Held by the Group

| Issuer                      | Currency | Interest Rate               | Maturity  | Nominal value  |                |
|-----------------------------|----------|-----------------------------|-----------|----------------|----------------|
|                             |          |                             |           | 31.12.2019     | 31.12.2018     |
| Alpha Proodos DAC - Class B | Euro     | 3m Euribor+2.5%, minimum 0% | 23.1.2040 | 100,000        | 100,000        |
| Alpha Proodos DAC - Class C | Euro     | 3m Euribor+3%, minimum 0%   | 23.1.2040 | 220,000        | 220,000        |
| <b>Total</b>                |          |                             |           | <b>320,000</b> | <b>320,000</b> |

#### b. Held by third parties

| Issuer                       | Currency | Interest Rate             | Maturity  | Nominal value |                |
|------------------------------|----------|---------------------------|-----------|---------------|----------------|
|                              |          |                           |           | 31.12.2019    | 31.12.2018     |
| Alpha Proodos DAC - Class A1 | Euro     | 3m Euribor+2%, minimum 0% | 23.1.2040 | -             | 122,389        |
| Alpha Proodos DAC - Class A2 | Euro     | 3m Euribor+2%, minimum 0% | 23.1.2040 | -             | 24,478         |
| Alpha Proodos DAC - Class A3 | Euro     | 3m Euribor+2%, minimum 0% | 23.1.2040 | -             | 9,791          |
| <b>Total</b>                 |          |                           |           | <b>-</b>      | <b>156,658</b> |

#### vi. Liabilities from the securitization of other loans

Liabilities arising from the securitization of consumer loans, corporate loans, credit cards and leasing are not included in "Debt securities in issue and other borrowed funds" since these securities of nominal value € 3,314,200 have been issued by special purpose entities and are held by the Group.

Moreover, during the first semester of 2019, the Bank proceeded with the securitization of a bond loan. The aforementioned bond loan was transferred to the special purpose company Alpha Quantum DAC and the bond with nominal value of € 306,864 that was issued through the securitization is not included in the caption "Debt securities in issue and other borrowed funds" as it is held by the Bank.



The following table presents additional information for the above mentioned issuance:

#### a. Held by the Group

| Issuer                         | Currency | Interest Rate                | Maturity   | Nominal value    |                  |
|--------------------------------|----------|------------------------------|------------|------------------|------------------|
|                                |          |                              |            | 31.12.2019       | 31.12.2018       |
| Katanalotika Plc LDN - CLASS A | Euro     | 3m Euribor +0.4%, minimum 0% | 17.12.2029 | -                | 912,000          |
| Katanalotika Plc LDN - CLASS Z | Euro     | 3m Euribor +1%, minimum 0%   | 17.12.2029 | 360,000          | 608,000          |
| Epihiro Plc LDN - CLASS A      | Euro     | 6m Euribor +0.3%, minimum 0% | 20.1.2035  | 785,600          | 785,600          |
| Epihiro Plc LDN - CLASS B      | Euro     | 6m Euribor, minimum 0%       | 20.1.2035  | 807,800          | 807,800          |
| Pisti 2010-1 Plc LDN - CLASS A | Euro     | 2.50%                        | 24.2.2026  | 369,300          | 369,300          |
| Pisti 2010-1 Plc LDN - CLASS B | Euro     | 1m Euribor, minimum 0%       | 24.2.2026  | 216,900          | 216,900          |
| Irida Plc LDN - CLASS A        | Euro     | 3m Euribor +0.3%, minimum 0% | 3.1.2039   | 261,100          | 261,100          |
| Irida Plc LDN - CLASS B        | Euro     | 3m Euribor, minimum 0%       | 3.1.2039   | 213,700          | 213,700          |
| Alpha Quantum DAC              | Euro     | 6m Euribor+4.5%              | 15.11.2023 | 299,800          |                  |
| <b>Total</b>                   |          |                              |            | <b>3,314,200</b> | <b>4,174,400</b> |

It is noted that on 12.2.2019 the issuances of Katanalotika PLC LDN - CLASS A and Z with nominal value € 372,000 and € 248,000 respectively were partially repaid, whilst on 17.12.2019 a nominal value of € 320,000 of Katanalotika PLC LDN - CLASS A has been repaid. On 15.7.2019 a nominal value of € 7,064 was repaid from the Alpha Quantum DAC.

#### vii. Debt securities from the securitization of consumer loans

The Bank securitized consumer loans by transferring these loans to the fully consolidated special purpose company, Katanalotika Plc, which in turn raised financing by issuing bonds. On 18.12.2019 part of these bonds was transferred to third parties. The Group's liability to third parties amounts to € 220 million as at 31.12.2019.

|  |                |
|--|----------------|
| <b>Balance 1.1.2019</b>                        | -              |
| <b>Changes for the period 1.1 - 31.12.2019</b> |                |
| New funds                                      | 220,000        |
| Accrued interest                               | 90             |
| <b>Balance 31.12.2019</b>                      | <b>220,090</b> |

The following table presents additional information for the above mentioned issues:

#### Held by third parties

| Issuer                         | Currency | Interest Rate                 | Maturity   | Nominal value  |            |
|--------------------------------|----------|-------------------------------|------------|----------------|------------|
|                                |          |                               |            | 31.12.2019     | 31.12.2018 |
| Katanalotika Plc LDN - CLASS A | Euro     | 3m Euribor +1.45%, minimum 0% | 17.12.2029 | 220,000        | -          |
| <b>Total</b>                   |          |                               |            | <b>220,000</b> | <b>-</b>   |

On 18.12.2019 the interest rate spread on Katanalotika Plc-Class A was amended as follows: 1.45% for the payment date March 2020, 1.35% from Payment Date June 2020 to December 2020 and 2.60% for the remaining Payment Dates.



**viii.Subordinated debt (Lower Tier II, Upper Tier II)**

|  |            |
|--|------------|
| <b>Balance 1.1.2019</b>                        | <b>651</b> |
| <b>Changes for the period 1.1 - 31.12.2019</b> |            |
| Maturities / Repayments                        | (8)        |
| Accrued interest                               | 8          |
| <b>Balance 31.12.2019</b>                      | <b>651</b> |

The following table presents additional information for the above mentioned issuances:

**Held by third parties**

| Issuer          | Currency | Interest Rate   | Maturity   | Nominal value |            |
|-----------------|----------|-----------------|------------|---------------|------------|
|                 |          |                 |            | 31.12.2019    | 31.12.2018 |
| Alpha Bank A.E. | Euro     | 3m Euribor+1.5% | Indefinite | 650           | 650        |
| <b>Total</b>    |          |                 |            | <b>650</b>    | <b>650</b> |

|  |                  |
|--|------------------|
| <b>Total of debt securities in issue and other borrowed funds as at 31.12.2019</b> | <b>1,088,693</b> |
|--|------------------|

The changes in liabilities arising from financing activities, including the cash flow and non-cash flow changes, are presented in the table below:

| Cash flows from financing activities                   | 1.1.2019 | Cash Flows | Non Cash Flows   |                              |       | 31.12.2019 |
|--|----------|------------|------------------|------------------------------|-------|------------|
|  |          |            | Accrued interest | Foreign exchange differences | Other |            |
| Senior debt securities                                 | 6,179    | (5,087)    | 277              | -                            | -     | 1,369      |
| Liabilities from the securitization of shipping loans  | 268,277  | (129,375)  | 10,622           | 5,412                        | -     | 154,936    |
| Bonds originated from securitization of SME loans      | 156,384  | (157,846)  | 1,462            | -                            | -     | -          |
| Bonds originated from securitization of consumer loans | -        | 220,000    | 90               | -                            | -     | 220,090    |
| Subordinated loans                                     | 651      | (8)        | 8                | -                            | -     | 651        |
| Liabilities from the securitization of other loans     | 511,843  | 183,110    | 16,130           | -                            | 564   | 711,647    |

| Cash flows from financing activities                          | 1.1.2018 | Cash Flows | Non Cash Flows   |                              |       | 31.12.2018 |
|---|----------|------------|------------------|------------------------------|-------|------------|
|   |          |            | Accrued interest | Foreign exchange differences | Other |            |
| Senior debt securities  | 9,977    | (4,635)    | 837              |                              |       | 6,179      |
| Liabilities from the securitization of shipping loans         | 317,066  | (74,578)   | 13,115           | 12,674                       |       | 268,277    |
| Liabilities from the securitization of corporate loans (SMEs) | 319,656  | (168,057)  | 4,785            |                              |       | 156,384    |
| Subordinated loans  | 56,188   | (56,111)   | 574              |                              |       | 651        |
| Liabilities from the securitization of other loans            | -        | 491,985    | 11,550           |                              | 8,308 | 511,843    |

The above cash flows are included in the net cash flows from financing activities in the cash flow statement of the year.



### 30. Liabilities for current income tax and other taxes

|                    | 31.12.2019    | 31.12.2018    |
|--------------------|---------------|---------------|
| Current income tax | 2,328         | 15,821        |
| Other taxes        | 37,545        | 25,451        |
| <b>Total</b>       | <b>39,873</b> | <b>41,272</b> |

### 31. Employee defined benefit obligations

The total amounts recognized, defined benefit obligations are presented in the table below:

|   | Balance Sheet - Liabilities |               |
|---|-----------------------------|---------------|
|   | 31.12.2019                  | 31.12.2018    |
| Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920                  | 76,312                      | 73,611        |
| Savings plan guarantee  | 2,703                       | 3,325         |
| Plans for Diners (pension and health care)  | 8,380                       | 6,811         |
| Greek Group companies' employees indemnity provision due to retirement in accordance with Law 2112/1920 | 3,206                       | 2,559         |
| Other provision for retirement benefits   | 331                         | 438           |
| <b>Total Liabilities</b>  | <b>90,932</b>               | <b>86,744</b> |

|   | Income statement Expenses<br>From 1 January to |              |
|---|--|--------------|
|   | 31.12.2019                                     | 31.12.2018   |
| Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920        | 4,496  | 3,847        |
| Savings plan guarantee  | 217  | 216          |
| Plans for Diners (pension and health care)  | 125  | 122          |
| Greek Group companies' indemnity provision due to retirement in accordance with Law 2112/1920 | 384  | 1,078        |
| Other provision for retirement benefits   | -  | 438          |
| <b>Total included in Staff Costs</b>  | <b>5,222</b>                                   | <b>5,701</b> |

Balance Sheet and Income Statement amounts are analyzed per fund and type of benefit as follows:

#### i. Bank

##### a. Employee indemnity due to retirement in accordance with Law 2112/1920

The employment contracts of the employees are open term employee contracts and when cancelled, the provisions of Law 2112/1920 and Law 3198/1955 apply, as amended by Law 4093/2012, which provide a lump sum benefit payment.

The amounts recognized in the balance sheet are as follows:

|                                      | 31.12.2019    | 31.12.2018    |
|--------------------------------------|---------------|---------------|
| Present value of defined obligations | 76,312        | 73,611        |
| <b>Liability</b>                     | <b>76,312</b> | <b>73,611</b> |



The amounts recognized in the income statement are as follows:

|   | From 1 January to |              |
|---|-------------------|--------------|
|   | 31.12.2019        | 31.12.2018   |
| Current service cost                                | 2,104             | 2,272        |
| Net interest cost resulted from net asset/liability | 1,240             | 1,333        |
| Settlement/Curtailment/Termination (gain)/loss      | (50)              | 242          |
| Past service cost                                   | 1,363             |              |
| Gain from restructuring                             | (161)             |              |
| <b>Total (included in staff costs)</b>              | <b>4,496</b>      | <b>3,847</b> |

The movement in the present value of the defined benefit obligation is as follows:

|   | 2019          | 2018          |
|---|---------------|---------------|
| <b>Opening balance</b>                                    | <b>73,611</b> | <b>79,526</b> |
| Current service cost                                      | 2,104         | 2,272         |
| Interest cost   | 1,240         | 1,333         |
| Benefits paid   | (11,014)      | (8,747)       |
| Settlement/Curtailment/Termination (gain)/loss            | (50)          | 242           |
| Gain from restructuring                                   | (161)         |               |
| Past service cost   | 1,363         |               |
| Reclassification to voluntary separation scheme provision | (1,098)       |               |
| Actuarial (gain)/loss – financial assumptions             | 10,492        | (479)         |
| Actuarial (gain)/loss – experience assumptions            | (175)         | (536)         |
| <b>Closing balance</b>                                    | <b>76,312</b> | <b>73,611</b> |

The amounts recognized directly in equity during the year are analyzed as follows:

|   | 2019            | 2018         |
|---|-----------------|--------------|
| Change in liability gain/(loss) due to changes in financial and demographic assumptions | (10,492)        | 479          |
| Change in liability gain/(loss) due to experience adjustments                           | 175             | 536          |
| <b>Total actuarial gain/(loss) recognized directly in Equity</b>                        | <b>(10,317)</b> | <b>1,015</b> |

The movement in the obligation in the balance sheet is as follows:

|   | 2019          | 2018          |
|---|---------------|---------------|
| <b>Opening balance</b>                                    | <b>73,611</b> | <b>79,526</b> |
| Benefits paid   | (11,014)      | (8,747)       |
| Loss recognized in Income Statement                       | 4,496         | 3,847         |
| Loss/(Gain) recognized in equity                          | 10,317        | (1,015)       |
| Reclassification to voluntary separation scheme provision | (1,098)       | -             |
| <b>Closing balance</b>                                    | <b>76,312</b> | <b>73,611</b> |

The amount of € 1,098 corresponds to the provision made for employees who used the long-term leave under the voluntary exit scheme. For the aforementioned employees, an additional provision of € 9,805 was made in 2019 in order to cover all the benefits of the exit scheme until their final exit.

**b. Savings plan guarantee**

For employees hired by the Bank and insured from 1.1.1993 until 31.12.2004, the Bank guarantees that the lump sum amount to be received upon retirement will be, according to the provisions of the insurance plan, at least equal to the benefit as defined in Law 2084/1992 and the Cabinet Act 2/39350/0022/2.3.99.

The amounts included in the balance sheet are analyzed as follows:

|                                     | 31.12.2019   | 31.12.2018   |
|-------------------------------------|--------------|--------------|
| Present value of defined obligation | 2,703        | 3,325        |
| <b>Liability</b>                    | <b>2,703</b> | <b>3,325</b> |

The amounts included in the income statement are as follows:

|   | From 1 January to |            |
|---|-------------------|------------|
|   | 31.12.2019        | 31.12.2018 |
| Current service cost                                    | 160               | 162        |
| Net interest cost resulted from the net asset/liability | 57                | 54         |
| <b>Total (included in staff costs)</b>                  | <b>217</b>        | <b>216</b> |

The movement in the present value of liability is as follows:

|  | 2019         | 2018         |
|--|--------------|--------------|
| <b>Opening balance</b>                         | <b>3,325</b> | <b>3,232</b> |
| Current service cost                           | 160          | 162          |
| Interest cost                                  | 57           | 54           |
| Actuarial (gain)/loss - financial assumptions  | 1,203        | (23)         |
| Actuarial (gain)/loss - experience adjustments | (2,042)      | (100)        |
| <b>Closing balance</b>                         | <b>2,703</b> | <b>3,325</b> |

The amounts recognized directly in equity during the year are analyzed as follows:

|   | 2019       | 2018       |
|---|------------|------------|
| Change in liability gain/(loss) due to assumptions            | (1,203)    | 23         |
| Change in liability gain/(loss) due to experience adjustments | 2,042      | 100        |
| <b>Total actuarial gain/(loss) recognized in equity</b>       | <b>839</b> | <b>123</b> |

The movement in the obligation is as follows:

|  | 2019         | 2018         |
|--|--------------|--------------|
| <b>Opening balance</b>                     | <b>3,325</b> | <b>3,232</b> |
| (Gain)/loss recognized in Income Statement | 217          | 216          |
| (Gain)/loss recognized in Equity           | (839)        | (123)        |
| <b>Closing balance</b>                     | <b>2,703</b> | <b>3,325</b> |



### c. Supplementary Pension Fund and Health Care of Diners

The Bank guarantees from 30.9.2014, date of acquisition of Diners Club Hellas S.A. the Supplementary Pension Fund and Health Care Plan of the company, which is managed by an independent insurance company. On 2.6.2015, the acquisition through merger of the company was completed. These plans cover the pensioners and those who have retired and have the right to receive supplementary pension in the future.

The amounts included in the balance sheet are analyzed as follows:

|                                     | 31.12.2019   | 31.12.2018   |
|-------------------------------------|--------------|--------------|
| Present value of defined obligation | 10,726       | 9,528        |
| Fair value of plan assets           | (2,346)      | (2,717)      |
| <b>Liability</b>                    | <b>8,380</b> | <b>6,811</b> |

The total assets of the plan consist only of cash.

The amounts included in the income statement are analyzed as follows:

|   | From 1 January to |            |
|---|-------------------|------------|
|   | 31.12.2019        | 31.12.2018 |
| Net interest cost resulted from the net asset/liability | 117               | 112        |
| Expenses  | 8                 | 10         |
| <b>Total (included in staff costs)</b>                  | <b>125</b>        | <b>122</b> |

The movement in the present value of benefits is as follows:

|  | 2019          | 2018         |
|--|---------------|--------------|
| <b>Opening balance</b>                         | <b>9,528</b>  | <b>9,752</b> |
| Interest cost                                  | 161           | 161          |
| Benefits paid directly by the Bank             | (9)           | (9)          |
| Benefits paid                                  | (363)         | (352)        |
| Actuarial (gain)/loss - financial assumptions  | 1,391         | (84)         |
| Actuarial (gain)/loss - experience adjustments | 18            | 60           |
| <b>Closing balance</b>                         | <b>10,726</b> | <b>9,528</b> |

The movement in the fair value of plan assets is as follows:

|                        | 2019         | 2018         |
|------------------------|--------------|--------------|
| <b>Opening balance</b> | <b>2,717</b> | <b>3,069</b> |
| Expected return        | 44           | 49           |
| Benefits paid          | (363)        | (352)        |
| Expenses               | (8)          | (10)         |
| Actuarial losses       | (44)         | (39)         |
| <b>Closing balance</b> | <b>2,346</b> | <b>2,717</b> |



The amounts recognized directly in equity during the year are analyzed as follows:

|  | 31.12.2019     | 31.12.2018  |
|--|----------------|-------------|
| Change in liability gain/(loss) due to financial and demographic assumptions         | (1,391)        | 84          |
| Change in liability gain/(loss) due to experience adjustments                        | (18)           | (60)        |
| Return on plan assets excluding amounts included in income statement – gain / (loss) | (44)           | (39)        |
| <b>Total actuarial gain/(loss) recognized in equity</b>                              | <b>(1,453)</b> | <b>(15)</b> |

The movement of the liability/(asset) in the balance sheet is as follows:

|  | 2019         | 2018         |
|--|--------------|--------------|
| <b>Opening balance</b>                     | <b>6,811</b> | <b>6,683</b> |
| Benefits paid directly by the Bank         | (9)          | (9)          |
| (Gain)/loss recognized in Income Statement | 125          | 122          |
| (Gain)/loss recognized in Equity           | 1,453        | 15           |
| <b>Closing balance</b>                     | <b>8,380</b> | <b>6,811</b> |

The results of the abovementioned valuations are based on the assumptions of the actuarial studies.

The principal actuarial assumptions used for the above mentioned defined benefit plans are as follows:

|                       | 31.12.2019 | 31.12.2018 |
|-----------------------|------------|------------|
| Discount rate         | 0.82%      | 1.72%      |
| Inflation rate        | 1.30%      | 1.50%      |
| Return on plan assets | 1.50%      | 2.00%      |
| Future salary growth  | 1.80%      | 1.80%      |
| Future pension growth | 0.00%      | 0.00%      |

The discount rate was based on the iBoxx Euro Corporate AA+ adjusted to the characteristics of the programs.

The average duration per program is depicted in the table below:

|  | 31.12.2019 | 31.12.2018 |
|--|------------|------------|
| Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920 | 17.3       | 17.1       |
| Saving program guarantee   | 17.2       | 17.6       |
| Plans for Diners (pension and health care)   | 16.1       | 15.6       |

The table below presents the sensitivity analysis of the financial assumptions in regards to the obligation of the above programs:

|   | Percentage variation<br>in liability (%) |
|---|--|
| Increase in discount rate by 0.5%             | (8.0)                                    |
| Decrease in discount rate by 0.5%             | 8.2                                      |
| Increase in future salary growth rate by 0.5% | 8.6                                      |
| Decrease in future salary growth rate by 0.5% | (7.7)                                    |



## ii. Group companies

The employees of Greek subsidiaries with employment contracts of indefinite duration, receive a lump sum payment on retirement, as defined by Law 2112/1920 as modified by Law 4093/2012.

The total amounts recognized in the financial statements regarding the defined benefit obligations of the Group are analyzed as follows:

|   | <b>Balance Sheet – Liabilities</b> |                   |
|---|------------------------------------|-------------------|
|   | <b>31.12.2019</b>                  | <b>31.12.2018</b> |
| Indemnity of employees of greek subsidiaries due to retirement in accordance with Law 2112/1920 | 3,206                              | 2,559             |
| Other provision for retirement benefits   | 331                                | 438               |
| <b>Total Liabilities</b>  | <b>3,537</b>                       | <b>2,997</b>      |

|   | <b>Income Statement Expenses</b> |                   |
|---|----------------------------------|-------------------|
|   | <b>From 1 January to</b>         |                   |
|   | <b>31.12.2019</b>                | <b>31.12.2018</b> |
| Indemnity of employees of greek subsidiaries due to retirement in accordance with Law 2112/1920 | 384                              | 1,078             |
| Other provision for retirement benefits   |                                  | 438               |
| <b>Total</b>  | <b>384</b>                       | <b>1,516</b>      |

The amount of actuarial gain/losses that was recognized in equity for the defined benefit plans of the Group companies' amounts to € 394 loss for 2019 against € 48 gain for 2018.

For all the mentioned above plans, no contributions are expected to be paid during 2019.

## 32. Other liabilities

|  | <b>31.12.2019</b> | <b>31.12.2018</b> |
|--|-------------------|-------------------|
| Liabilities to third parties               | 92,507            | 123,605           |
| Brokerage services                         | 15,990            | 12,545            |
| Deferred income                            | 7,959             | 8,777             |
| Accrued expenses                           | 78,970            | 83,139            |
| Liabilities to merchants from credit cards | 323,451           | 299,085           |
| Leases (note 39)                           | 205,199           |                   |
| Other                                      | 333,768           | 381,364           |
| <b>Total</b>                               | <b>1,057,844</b>  | <b>908,515</b>    |

The following table presents the changes of lease liabilities as a result of the implementation of IFRS 16, by disclosing separately the cash flows, which are included in cash flows from financing activities as depicted in the cash flow statement, and the non-cash flows:

|        | <b>Balance<br/>1.1.2019</b> | <b>Cash flows</b> |  | <b>Non-cash flows</b> |                      | <b>Balance<br/>31.12.2019</b> |
|--------|-----------------------------|-------------------|--|-----------------------|----------------------|-------------------------------|
|        |                             | <b>Payments</b>   |  | <b>New leases</b>     | <b>Other changes</b> |                               |
| Leases | 233,524                     | (39,746)          |  | 15,936                | (4,515)              | <b>205,199</b>                |

In addition to the above lease liabilities, the amount of € 11,649 recognized on 1.1.2019 related to the company of Alpha Investment Property I SA, which was classified as "Asset held for sale" on 31.12.2018, the sale of which was completed during the year (note 48).



### 33. Provisions

|  | 31.12.2019     | 31.12.2018     |
|--|----------------|----------------|
| Insurance  | 405,412        | 313,685        |
| Provisions to cover credit risk and other provisions | 194,129        | 213,701        |
| <b>Total</b>   | <b>599,541</b> | <b>527,386</b> |

#### a. Insurance

|                            | 31.12.2019     | 31.12.2018     |
|----------------------------|----------------|----------------|
| <b>Life insurance</b>      |                |                |
| Mathematical reserves      | 404,960        | 313,281        |
| Outstanding claim reserves | 452            | 404            |
| <b>Total</b>               | <b>405,412</b> | <b>313,685</b> |

#### b. Provisions to cover credit risk and other provisions

|  |                |
|--|----------------|
| <b>Balance 1.1.2018</b>  | <b>279,925</b> |
| <b>Changes for the period 1.1-31.12.2018</b>   |                |
| Provisions to cover credit risk relating to letters of guarantee, letters of credit and undrawn loan commitments (note 11)   | (17,957)       |
| Used provision for Alpha Bank S.A. separation scheme   | (44,296)       |
| Other provisions   | 4,751          |
| Other provisions used during the year  | (5,680)        |
| Reclassification to assets available for sale  | (131)          |
| Foreign exchange differences   | (2,911)        |
| <b>Balance 31.12.2018</b>  | <b>213,701</b> |
| <b>Changes for the period 1.1-31.12.2019</b>   |                |
| Provisions to cover credit risk relating to letters of guarantee, letters of credit and undrawn loan commitments (note 11)   | 1,251          |
| Other provisions   | 20,439         |
| Other provisions used during the year  | (8,110)        |
| Provision for voluntary separation scheme  | 92,531         |
| Reclassification from employee's indemnity provision in accordance with Law 2112/1920 in voluntary separation scheme provision which is related to those who have retired using the long-term paid leave | 1,098          |
| Used provision for voluntary separation scheme   | (83,262)       |
| Reversal of voluntary separation scheme provision  | (42,916)       |
| Foreign exchange differences   | (603)          |
| <b>Balance 31.12.2019</b>  | <b>194,129</b> |

“Impairment losses and provisions to cover credit risk” of Income Statement ( note 11), include the amounts of the provisions to cover credit risk of letters of guarantee, collaterals and undrawn loan commitments. “Expenses for separation schemes” of Income Statement includes the amounts of provision for separation schemes and “Other expenses” includes the amount of other provisions.

On 31.12.2019 the balance of provisions to cover credit risk relating to letters of guarantee, letters of credit and undrawn loan commitments amounts to € 93,440 (31.12.2018: € 92,221) of which an amount of € 5,695 (31.12.2018: € 4,407) relates to undrawn loan commitments, and an amount of € 87,745 (31.12.2018: € 87,815) relates to Letters of Guarantee and Letters of Credit.

On 31.12.2019 the balance of the provision for separation schemes amounts to € 26,456 (31.12.2018: € 59,004), which relate to:





(a) Covering the annual cost of 81 employees who left in 2018 using the long term leave, in the context of the voluntary exit program that was in force for the period 2016-2018 and continued in 2019, the movement of which, is analyzed in note 8.

(b) Covering the cost of the defined separation scheme of 71 employees to be implemented in the first half of 2020 and the annual cost of the 78 employees who left using the long-term leave under the voluntary exit program, implemented September 2019.

The total provision to cover the costs of the voluntary exit program amounted to € 89,861, while an amount of € 73,144 was used within the year to cover the cost of retirement of 690 employees and

(c) senior executives' compensation plan amounting to € 2,037, that consist of cost € 2,670, while an amount of € 633 was used to cover the cost of senior executive's retirement that took place during 2019.

On 31.12.2019 the balance of other provisions amounts to € 74,234 (31.12.2018: € 62,475) of which:

- An amount of € 26,199 (31.12.2018: € 30,575) relates to legal cases,
- An amount of € 17,522 relates to the Bank's assessment for the period ended 31.12.2019 for the dismissal of the appeals submitted in previous years regarding the obligation to make contributions to an insurance fund.



## EQUITY

### 34. Share capital

The Bank's share capital on 31.12.2019 and 31.12.2018 amounts to € 463,110 divided into 1,543,699,381 ordinary shares with voting rights of a nominal value of € 0.30 each.

### 35. Share premium

Share premium at 31.12.2019 and 31.12.2018 amounted to € 10,801,029

### 36. Reserves

Reserves are analyzed as follows:

#### a. Statutory reserve

|                   | 31.12.2019 | 31.12.2018 |
|-------------------|------------|------------|
| Statutory reserve | 538,820    | 536,370    |

According to article 158 of Law 4548/2018 (the relevant clause included in the article 26 of the Bank's Article Association, as in force), one-twentieth (1/20) of the net profit of the year is deducted annually from each year's net profit for the formation of the statutory reserve. The deduction for the formation of the statutory reserve ceases to be mandatory when the reserve amounts one-third (1/3) of the share capital. Based on the provisions of the aforementioned article, this reserve can be used only before any distribution in order to to offset any debit balance of in "Retained earnings"

For the remaining companies of the Group the statutory reserve is established according to local regulations.

#### b. Debt Securities reserves measured at fair value through other comprehensive income

|  | 2019           | 2018             |
|--|----------------|------------------|
| <b>Balance 1.1</b>   | <b>114,137</b> | <b>509,673</b>   |
| <b>Changes of period 1.1 - 31.12</b>   |                |                  |
| Valuation of debt securities measured at fair value through other comprehensive income, after income tax                                       | 597,316        | (62,201)         |
| Reclassification to income statement of reserve of debt securities measured at fair value through other comprehensive income, after income tax | (223,922)      | (333,335)        |
| <b>Total</b>   | <b>373,394</b> | <b>(395,536)</b> |
| <b>Balance 31.12</b>   | <b>487,531</b> | <b>114,137</b>   |

The movements for the year of the reserve for investment securities measured at fair value through other comprehensive income relate to the fair value of the investment securities and the transfer of the reserve to profit or loss, amount before tax to a credit amount of € 839,308 and a debit amount € 315,379 , respectively. (1.1 - 31.12.2018: debit amounts 86,880 and € 469,486)

#### c. Cash flow hedge reserve recognised directly in equity

|  | 2019             | 2018             |
|--|------------------|------------------|
| <b>Balance 1.1</b>                                 | <b>(145,838)</b> | <b>(143,907)</b> |
| Change in cash flow hedge reserve after income tax | (92,629)         | (1,931)          |
| <b>Balance 31.12</b>                               | <b>(238,467)</b> | <b>(145,838)</b> |

**d. Exchange differences on translating and hedging the net investment in foreign operations**

|  | 2019            | 2018            |
|--|-----------------|-----------------|
| <b>Opening Balance 1.1</b>   | <b>(44,455)</b> | <b>(53,079)</b> |
| Change of Foreign Exchange differences on translating and hedging the net investment in foreign operations | (3,564)         | 8,624           |
| <b>Balance 31.12</b>   | <b>(48,019)</b> | <b>(44,455)</b> |

**e. Share of other comprehensive income of associates and joint ventures**

|  | 2019         | 2018         |
|--|--------------|--------------|
| <b>Balance 1.1</b>   | <b>(189)</b> | <b>(40)</b>  |
| Change in the share of other comprehensive income of associates and joint ventures | -            | (149)        |
| <b>Balance 31.12</b>   | <b>(189)</b> | <b>(189)</b> |

|                                   |                |                |
|-----------------------------------|----------------|----------------|
| <b>Total Reserves (a+b+c+d+e)</b> | <b>739,676</b> | <b>460,025</b> |
|-----------------------------------|----------------|----------------|

**e. Reserves relating to assets held for sale**

|                                      | 2019         | 2018         |
|--------------------------------------|--------------|--------------|
| <b>Balance 1.1</b>                   | <b>(122)</b> | <b>(122)</b> |
| <b>Changes of period 1.1 - 31.12</b> | <b>-</b>     | <b>-</b>     |
| <b>Balance 31.12</b>                 | <b>(122)</b> | <b>(122)</b> |

The balance "Reserves relating to assets held for sale" arise from the joint venture of APE Commercial Property, which is classified as "Asset held for sale" (note 48).

**37. Retained earnings**

- Since in 2018 there were no distributable profits, in accordance with article 159 of Law 4548 / 2018, the Ordinary General Assembly Meeting of Shareholders held on 28.6.2019 decided to non distribute of dividends to the ordinary shareholders of the Bank.
- Pursuant to article 159 of Law 4548 / 2018 and due to the fact that there are no distributable profits for the year 2019, the Board of Directors of the Bank will propose to the Ordinary General Assembly Meeting of Shareholders the non-distribution of dividends to the shareholders of the Bank.

**38. Hybrid securities**

|  | 31.12.2019     | 31.12.2018     |
|--|----------------|----------------|
| Perpetual with 1st call option on 18.2.2015 and per year | 15, 232        | 15, 232        |
| Securities held by Group companies                       | (160)          | (125)          |
| <b>Total</b>   | <b>15, 072</b> | <b>15, 107</b> |



## ADDITIONAL INFORMATION

### 39. Contingent liabilities and commitments

#### a. Legal issues

In the ordinary course of business for the Group, there are certain legal claims against the Group. In the context of managing the operational risk and based on the applied accounting policies, the Group has established internal controls and processes to monitor all legal claims and similar actions by third parties in order to assess the probability of a negative outcome and the potential loss.

For cases where there is a significant probability of a negative outcome, and the result may be reliably estimated, the Group recognizes a provision that is included in the Balance Sheet under the caption "Provisions". On 31.12.2019 the amount of the provision stood at € 26,199 (31.12.2018: € 30,575).

For those cases, that according to their progress and the assessment of the legal department as at December 31, 2019, a negative outcome is not probable or the potential outflow cannot be estimated reliably due to the complexity of the cases, and their duration, the Group has not recognized a provision. As of 31.12.2019 the legal claims against the Group for the above cases amount to € 338,920 (31.12.2018: € 347,895).

According to the legal department's estimation, the ultimate settlement of these matters is not expected to have a material effect on the financial position or the operations of the Group

#### b. Tax issues

Alpha Bank has been audited by the tax authorities for the years up to and including 2010. The years 2011, 2012 and 2013 are considered prescribed as per the circular POL.1208/20.12.2017 of the Independent Public Revenue Authority. For the years 2011 up to 2018, the Bank has obtained a tax certificate with no qualifications according to the article 82 of Law 2238/1994 and the article 65a of Law 4174/2013. The tax audit for tax certificate of year 2019 is in progress. The former Emporiki Bank has been audited by the tax authorities for the years up to and including 2008. Years 2009-2013 are considered prescribed, in accordance with the Circular POL.1208/20.12.2017 of the Independent Public Revenue Authority. For the years 2011 up to 2013 a tax certificate with no qualifications was issued.

Alpha Bank's branch in London has been audited by the tax authorities for 2016.

On 2.6.2015, the acquisition via merger of Diners Club of Greece A.E.P.P. was completed. Diners Club of Greece A.E.P.P. has been audited by the tax authorities for the years up to and including 2010. Years 2011 and 2012 are considered prescribed, in accordance with the circular POL.1208/20.12.2017 of the Independent Public Revenue Authority. For the years 2011 to 2013, it has obtained a tax certificate with no qualifications.

Based on circular POL.1006/5.1.2016 there is no exemption for those entities that have been tax audited by the independent auditor and they have received an unqualified tax audit certificate that they will not be tax audited by the tax authorities. Therefore, the tax authorities may reaudit the tax books for previous years.

Additional taxes and penalties may be imposed for the unaudited years the amount of which cannot be accurately estimated.

The Group's subsidiaries have been audited by the tax authorities up to and including the year indicated in the table below:

| Name   | Year |
|--|------|
| <b>Banks</b>   |      |
| 1. Alpha Bank London Ltd (voluntary settlement of tax obligation)        | 2017 |
| 2. Alpha Bank Cyprus Ltd   | 2017 |
| 3. Alpha Bank Romania S.A.   | 2006 |
| 4. Alpha Bank Albania SH.A. (tax audit is in progress for the year 2019) | 2012 |



| Name  | Year |
|---|------|
| <b>Leasing Companies</b>  |      |
| 1. Alpha Leasing A.E.**   | 2013 |
| 2. Alpha Leasing Romania IFN S.A.   | 2014 |
| 3. ABC Factors A.E.**   | 2013 |
| <b>Investment Banking</b>   |      |
| 1. Alpha Finance A.E.P.E.Y. ** / ***  | 2013 |
| 2. SSIF Alpha Finance Romania S.A.  | 2002 |
| 3. Alpha Ventures A.E. ** / ***   | 2013 |
| 4. Alpha A.E. Ventures Capital Management - AKES ** / ***   | 2013 |
| 5. Emporiki Venture Capital Developed Markets Ltd   | 2007 |
| 6. Emporiki Venture Capital Emerging Markets Ltd  | 2008 |
| <b>Asset Management</b>   |      |
| 1. Alpha Asset Management A.E.D.A.K.** / ***  | 2013 |
| 2. ABL Independent Financial Advisers Ltd (voluntary settlement of tax obligation)                        | 2017 |
| <b>Insurance</b>  |      |
| 1. Alpha Insurance Agents A.E.** / ***  | 2013 |
| 2. Alpha Insurance Brokers Srl  | 2006 |
| 3. Alphalife A.A.E.Z.** / *** (tax audit for the year 2015 is completed at the beginning of 2020 year)    | 2013 |
| <b>Real estate and Hotel</b>  |      |
| 1. Alpha Astika Akinita A.E.**  | 2013 |
| 2. Emporiki Development and Real Estate Management A.E.   | 2013 |
| 3. Alpha Real Estate Management and Investments S.A. (former Ionian Holdings)                             | 2013 |
| 4. Alpha Real Estate Bulgaria E.O.O.D. (commencement of operation 2007)                                   | *    |
| 5. Chardash Trading E.O.O.D. (commencement of operation 2006)   | *    |
| 6. Alpha Real Estate Services Srl (commencement of operation 1998)  | *    |
| 7. Alpha Investment Property Attikis A.E. (commencement of operation 2012)**                              | 2013 |
| 8. Alpha Investment Property Attikis II A.E. (commencement of operation 2012)**                           | 2013 |
| 9. Alpha Investment Property I A.E. (commencement of operation 2012 - the entity was sold on 11.6.2019)** | 2013 |
| 10. AGI-RRE Participations 1 Srl (commencement of operation 2010)   | *    |
| 11. Stockfort Ltd (commencement of operation 2010)  | *    |
| 12. Romfelt Real Estate SA  | 2015 |
| 13. AGI – RRE Zeus Srl (commencement of operation 2012)   | *    |
| 14. AGI – RRE Poseidon Srl (commencement of operation 2012)   | *    |
| 15. AGI – RRE Hera Srl (commencement of operation 2012)   | *    |
| 16. Alpha Real Estate Services LLC (commencement of operation 2010)                                       | *    |
| 17. AGI – BRE Participations 2 E.O.O.D. (commencement of operation 2012)                                  | *    |
| 18. AGI – BRE Participations 2BG E.O.O.D. (commencement of operation 2012)                                | *    |
| 19. AGI – BRE Participations 3 E.O.O.D. (commencement of operation 2012)                                  | *    |
| 20. AGI – BRE Participations 4 E.O.O.D. (commencement of operation 2012)                                  | *    |
| 21. APE Fixed Assets A.E.** / ***   | 2013 |
| 22. SC Cordia Residence Srl   | 2013 |
| 23. AGI – RRE Cleopatra Srl (commencement of operation 2014)  | *    |
| 24. AGI – RRE Hermes Srl (commencement of operation 2014 – the company was liquidated on 11.9.2019)       | *    |
| 25. SC Carmel Residential Srl (commencement of operation 2013)  | *    |

\* These companies have not been audited by the tax authorities since the commencement of their operations.

\*\* These companies received tax certificate for the years 2011 up to and including 2018 without any qualification whereas the years up to and including 2012 are considered as closed in accordance with the circular POL.1208/20.12.2017 (note 13).

\*\*\* These companies have been audited by the tax authorities up to and including 2009 in accordance with Law 3888/2010 which relates to voluntary settlement for the unaudited tax years.



| Name  | Year  |
|---|-------|
| 26. Alpha Investment Property Neas Kifissias A.E. (commencement of operation 2014)                            | *     |
| 27. Alpha Investment Property Kallirois A.E. (commencement of operation 2014)                                 | *     |
| 28. Alpha Investment Property Livadias A.E. (commencement of operation 2014)                                  | *     |
| 29. Alpha Investment Property Kefalariou A.E. (commencement of operation 2015)                                | *     |
| 30. Alpha Investment Property Neas Erythreas A.E. (commencement of operation 2015)                            | *     |
| 31. Alpha Investment Property Chanion A.E. (commencement of operation 2011–the company was sold on 31.5.2019) | *     |
| 32. Alpha Investment Property Kallitheas A.E. (commencement of operation 2017)                                | *     |
| 33. Asmita Gardens Srl  | 2015  |
| 34. AGI-Cypré Alaminos Ltd (commencement of operation 2014)   | *     |
| 35. AGI-Cypré Tochni Ltd (commencement of operation 2014)   | *     |
| 36. AGI-Cypré Mazotos Ltd (commencement of operation 2014)  | *     |
| 37. Ashtrom Residents Srl (commencement of operation 2006 – the company was liquidated on 29.10.2019)         | *     |
| 38. Cubic Center Development S.A. (commencement of operation 2010)  | 2015  |
| 39. AGI – SRE Participations 1 DOO (commencement of operation 2016)   | *     |
| 40. Alpha Investment Property Spatwn A.E (commencement of operation 2017)                                     | *     |
| 41. TH Top Hotels S.R.L (commencement of operation 2009)  | *     |
| 42. Kestrel Enterprise E.O.O.D. (commencement of operation 2013)  | ***** |
| 43. Beroe Real Estate E.O.O.D. (commencement of operation 2018)   | *     |
| 44. Alpha Investment Property Irakleiou A.E (commencement of operation 2018)                                  | *     |
| 45. Alpha Investment Property GI I A.E (commencement of operation 2018)                                       | *     |
| 46. AGI-Cypré Property 1 Ltd (commencement of operation 2018 – the company was sold on 19.3.2019)             | *     |
| 47. AGI-Cypré Property 2 Ltd (commencement of operation 2018)   | *     |
| 48. AGI-Cypré Property 3 Ltd (commencement of operation 2018)   | *     |
| 49. AGI-Cypré Property 4 Ltd (commencement of operation 2018)   | *     |
| 50. AGI-Cypré Property 5 Ltd (commencement of operation 2018)   | *     |
| 51. AGI-Cypré Property 6 Ltd (commencement of operation 2018)   | *     |
| 52. AGI-Cypré Property 7 Ltd (commencement of operation 2018)   | *     |
| 53. AGI-Cypré Property 8 Ltd (commencement of operation 2018)   | *     |
| 54. AGI-Cypré Property 9 Ltd (commencement of operation 2018)   | *     |
| 55. AGI-Cypré Property 10 Ltd (commencement of operation 2018)  | *     |
| 56. AGI-Cypré Property 11 Ltd (commencement of operation 2018)  | *     |
| 57. AGI-Cypré Property 12 Ltd (commencement of operation 2018)  | *     |
| 58. AGI-Cypré Property 13 Ltd (commencement of operation 2018)  | *     |
| 59. AGI-Cypré Property 14 Ltd (commencement of operation 2018)  | *     |
| 60. AGI-Cypré Property 15 Ltd (commencement of operation 2018)  | *     |
| 61. AGI-Cypré Property 16 Ltd (commencement of operation 2018)  | *     |
| 62. AGI-Cypré Property 17 Ltd (commencement of operation 2018)  | *     |
| 63. AGI-Cypré Property 18 Ltd (commencement of operation 2018)  | *     |
| 64. AGI-Cypré Property 19 Ltd (commencement of operation 2018)  | *     |
| 65. AGI-Cypré Property 20 Ltd (commencement of operation 2018)  | *     |
| 66. AGI-Cypré Property 21 Ltd (commencement of operation 2018)  | *     |
| 67. AGI-Cypré Property 22 Ltd (commencement of operation 2018)  | *     |
| 68. AGI-Cypré Property 23 Ltd (commencement of operation 2018)  | *     |
| 69. AGI-Cypré Property 24 Ltd (commencement of operation 2018)  | *     |
| 70. AGI-Cypré RES Pafos Ltd (commencement of operation 2018)  | *     |
| 71. AGI-Cypré P&F Nicosia Ltd (commencement of operation 2018)  | *     |
| 72. AGI-Cypré RES Nicosia Ltd (commencement of operation 2018)  | *     |

\* These companies have not been audited by the tax authorities since the commencement of their operations.

\*\*\*\*\* These companies entered the Group in 2017 through bankruptcy and have not been audited by the tax authorities since.



| Name   | Year |
|--|------|
| 73. AGI-Cypré P&F Limassol Ltd (commencement of operation 2018)                            | *    |
| 74. ABC RE L1 Ltd (commencement of operation 2018)   | *    |
| 75. ABC RE L2 Ltd (commencement of operation 2018)   | *    |
| 76. ABC RE L3 Ltd (commencement of operation 2018)   | *    |
| 77. ABC RE P1 Ltd (commencement of operation 2018)   | *    |
| 78. ABC RE P2 Ltd (commencement of operation 2018)   | *    |
| 79. ABC RE P3 Ltd (commencement of operation 2018)   | *    |
| 80. ABC RE P4 Ltd (commencement of operation 2018)   | *    |
| 81. ABC RE P5 Ltd (commencement of operation 2018 – the company was sold on 26.11.2019)    | *    |
| 82. ABC RE P&F Limassol Ltd (commencement of operation 2018)                               | *    |
| 83. Kitma Holdings Ltd (commencement of operation 2006 – the company was sold on 8.2.2019) | *    |
| 84. Vic City Srl (the company was sold on 8.2.2019)  | *    |
| 85. AGI-Cypré Property 25 Ltd (commencement of operation 2019)                             | *    |
| 86. AGI-Cypré Property 26 Ltd (commencement of operation 2019)                             | *    |
| 87. ABC RE COM Pafos Ltd (commencement of operation 2019)                                  | *    |
| 88. ABC RE RES Larnaca Ltd (commencement of operation 2019)                                | *    |
| 89. AGI-Cypré P&F Pafos Ltd (commencement of operation 2019)                               | *    |
| 90. AGI-Cypré Property 27 Ltd (commencement of operation 2019)                             | *    |
| 91. ABC RE L4 Ltd (commencement of operation 2019)   | *    |
| 92. ABC RE L5 Ltd (commencement of operation 2019)   | *    |
| 93. AGI-Cypré Property 28 Ltd (commencement of operation 2019)                             | *    |
| 94. AGI-Cypré Property 29 Ltd (commencement of operation 2019)                             | *    |
| 95. AGI-Cypré Property 30 Ltd (commencement of operation 2019)                             | *    |
| 96. AGI-Cypré COM Pafos Ltd (commencement of operation 2019)                               | *    |
| 97. AIP Industrial Assets Athens S.M.S.A.(commencement of operation 2019)                  | *    |
| 98. AGI-Cypré Property 31 Ltd (commencement of operation 2019)                             | *    |
| 99. AGI-Cypré Property 32 Ltd (commencement of operation 2019)                             | *    |
| 100. AGI-Cypré Property 33 Ltd (commencement of operation 2019)                            | *    |
| 101. AGI-Cypré Property 34 Ltd (commencement of operation 2019)                            | *    |
| 102. Alpha Group Real Estate Ltd (commencement of operation 2019)                          | *    |
| 103. ABC RE P&F Pafos Ltd (commencement of operation 2019)                                 | *    |
| 104. ABC RE P&F Nicosia Ltd (commencement of operation 2019)                               | *    |
| 105. ABC RE RES Nicosia Ltd (commencement of operation 2019)                               | *    |
| 106. Fierton Ltd (commencement of operation 2019)  | *    |
| 107. AIP Industrial Assets Rog S.M.S.A. (commencement of operation 2019)                   | *    |
| 108. AIP Attica Residential Assets I S.M.S.A. (commencement of operation 2019)             | *    |
| 109. AIP Thessaloniki Residential Assets S.M.S.A. (commencement of operation 2019)         | *    |
| 110. AIP Cretan Residential Assets S.M.S.A. (commencement of operation 2019)               | *    |
| 111. AIP Aegean Residential Assets S.M.S.A. (commencement of operation 2019)               | *    |
| 112. AIP Ionian Residential Assets S.M.S.A. (commencement of operation 2019)               | *    |
| 113. AIP Attica Commercial Assets S.M.S.A. (commencement of operation 2019)                | *    |
| 114. AIP Thessaloniki Commercial Assets S.M.S.A. (commencement of operation 2019)          | *    |
| 115. AIP Commercial Assets Rog S.M.S.A. (commencement of operation 2019)                   | *    |
| 116. AIP Attica Retail Assets I S.M.S.A. (commencement of operation 2019)                  | *    |
| 117. AIP Attica Retail Assets II S.M.S.A. (commencement of operation 2019)                 | *    |
| 118. AIP Attica Residential Assets II S.M.S.A. (commencement of operation 2019)            | *    |
| 119. AIP Retail Assets Rog S.M.S.A. (commencement of operation 2019)                       | *    |

\* These companies have not been audited by the tax authorities since the commencement of their operations.



| Name  | Year |
|---|------|
| 120. AIP Land II S.M.S.A. (commencement of operation 2019)              | *    |
| 121. ABC RE P6 Ltd (commencement of operation 2019)                     | *    |
| 122. AGI-Cypre Property 35 Ltd (commencement of operation 2019)         | *    |
| 123. AGI-Cypre P&F Larnaca Ltd (commencement of operation 2019)         | *    |
| 124. AGI-Cypre Property 37 Ltd (commencement of operation 2019)         | *    |
| 125. AGI-Cypre RES Ammochostos Ltd (commencement of operation 2019)     | *    |
| 126. AGI-Cypre Property 36 Ltd (commencement of operation 2019)         | *    |
| 127. AGI-Cypre Property 38 Ltd (commencement of operation 2019)         | *    |
| 128. AGI-Cypre RES Larnaca Ltd (commencement of operation 2019)         | *    |
| 129. ABC RE P7 Ltd (commencement of operation 2019)                     | *    |
| 130. AGI-Cypre Property 42 Ltd (commencement of operation 2019)         | *    |
| 131. ABC RE P&F Larnaca Ltd (commencement of operation 2019)            | *    |
| 132. Krigeo Holdings Ltd (commencement of operation 2019)               | *    |
| 133. AGI-Cypre Property 43 Ltd (commencement of operation 2019)         | *    |
| 134. AGI-Cypre Property 44 Ltd (commencement of operation 2019)         | *    |
| <b>Special purpose and holding entities</b>                             |      |
| 1. Alpha Credit Group Plc (voluntary settlement of tax obligation)      | 2017 |
| 2. Alpha Group Jersey Ltd   | **** |
| 3. Alpha Group Investments Ltd (commencement of operation 2006)         | *    |
| 4. Ionian Equity Participations Ltd (commencement of operation 2006)    | 2009 |
| 5. AGI – BRE Participations 1 Ltd (commencement of operation 2009)      | *    |
| 6. AGI – RRE Participations 1 Ltd (commencement of operation 2009)      | *    |
| 7. Alpha Group Ltd (commencement of operation 2012)                     | *    |
| 8. Katanalotika Plc (voluntary settlement of tax obligation)            | 2017 |
| 9. Epihiro Plc (voluntary settlement of tax obligation)                 | 2017 |
| 10. Irida Plc (voluntary settlement of tax obligation)                  | 2017 |
| 11. Pisti 2010 - 1 Plc (voluntary settlement of tax obligation)         | 2017 |
| 12. Alpha Shipping Finance Ltd (voluntary settlement of tax obligation) | 2017 |
| 13. Alpha Proodos DAC (commencement of operation 2016)                  | *    |
| 14. Alpha Quantum DAC (commencement of operation 2019)                  | *    |
| 15. AGI – RRE Athena Ltd (commencement of operation 2011)               | *    |
| 16. AGI – RRE Poseidon Ltd (commencement of operation 2012)             | *    |
| 17. AGI – RRE Hera Ltd (commencement of operation 2012)                 | *    |
| 18. Umera Ltd (commencement of operation 2012)                          | *    |
| 19. AGI – BRE Participations 2 Ltd (commencement of operation 2011)     | *    |
| 20. AGI – BRE Participations 3 Ltd (commencement of operation 2011)     | *    |
| 21. AGI – BRE Participations 4 Ltd (commencement of operation 2010)     | *    |
| 22. AGI – RRE Ares Ltd (commencement of operation 2010)                 | *    |
| 23. AGI – RRE Venus Ltd (commencement of operation 2012)                | *    |
| 24. AGI – RRE Artemis Ltd (commencement of operation 2012)              | *    |
| 25. AGI – BRE Participations 5 Ltd (commencement of operation 2012)     | *    |
| 26. AGI – RRE Cleopatra Ltd (commencement of operation 2013)            | *    |
| 27. AGI – RRE Hermes Ltd (commencement of operation 2013)               | *    |
| 28. AGI – RRE Arsinoe Ltd (commencement of operation 2013)              | *    |
| 29. AGI – SRE Ariadni Ltd (commencement of operation 2013)              | *    |
| 30. Zerelda Ltd (commencement of operation 2012)                        | *    |

\* These companies have not been audited by the tax authorities since the commencement of their operations.

\*\*\*\* These companies are not subject to a tax audit.





| Name  | Year |
|---|------|
| 31. AGI-Cypre Evagoras Ltd (commencement of operation 2014)                   | *    |
| 32. AGI-Cypre Tersefanou Ltd (commencement of operation 2014)                 | *    |
| 33. AGI-Cypre Ermis Ltd (commencement of operation 2014)                      | *    |
| 34. AGI – SRE Participations 1 Ltd (commencement of operation 2016)           | *    |
| 35. Alpha International Holding Company S.A. (commencement of operation 2019) | *    |
| 36. Alpha Credit Acquisition Company Ltd (commencement of operation 2019)     | *    |
| <b>Other Companies</b>  |      |
| 1. Alpha Bank London Nominees Ltd   | **** |
| 2. Alpha Trustees Ltd (commencement of operation 2002)                        | *    |
| 3. Kafe Alpha A.E.** / ***  | 2013 |
| 4. Alpha Supporting Services A.E.** / ***                                     | 2013 |
| 5. Real Car Rental A.E.** / ***   | 2013 |
| 6. Emporiki Management A.E.***  | 2013 |
| 7. Alpha Bank Notification Services A.E.(commencement of operation 2015)      | *    |

### c. Leases

#### The Group as lessee

The minimum future lease payments are:

|                              | 31.12.2018     |
|------------------------------|----------------|
| - less than one year         | 39,723         |
| - between one and five years | 89,757         |
| - over 5 years               | 98,503         |
| <b>Total</b>                 | <b>227,983</b> |

Group's obligations with respect to leases consist mainly of buildings which are used either as branches or other operating units, offsite ATMs and cars for managers.

The duration of the lease agreements for new branches is set to three years with a unilateral renewal option by the Bank , for an additional nine years under the same terms and conditions as the original lease, while retaining the right to terminate the lease at any time during the nine year period. The policy of the Bank is to renew these contracts.

In the case of renewals of existing leases, the new lease is set to three years with a unilateral renewal option by the Bank for a further three years under the same terms and conditions as the original lease, while retaining the right to terminate the lease at any time during the second three years. The Bank's policy is also to renew these contracts.

More specifically, for the leases of branches, which was estimated that they will be renewed, the duration, given the extension right, was set to three years while for offsite ATMs, for which following the renewal the agreement is set by default to indefinite duration, the estimated duration was set to ten years.

Following the implementation of IFRS 16, effective from 1.1.2019, the Group recognized right-of-use assets and lease liabilities for all the leases fallen to IFRS 16. Lease liabilities were discounted at the incremental borrowing rate (IBR) of 1.1.2019. The weighted rate was 2.61%.

\* These companies have not been audited by the tax authorities since the commencement of their operations.

\*\* These companies received tax certificate for the years 2011 up to and including 2018 without any qualification whereas the years up to and including 2012 are considered as closed in accordance with the circular POL.1208/20.12.2017 (note 13).

\*\*\* These companies have been audited by the tax authorities up to and including 2009 in accordance with Law 3888/2010 which relates to voluntary settlement for the unaudited tax years.

\*\*\*\* These companies are not subject to a tax audit.



More specifically, the Group recognised on 1.1.2019 right-of-use assets of € 179.8 million (of which an amount of € 157.9 million was classified in property, plant and equipment, an amount of € 10.3 million was classified in investment property and an amount of € 11.6 million relates to assets held for sale), net investment in the lease of € 10.5 million and lease liabilities of € 245.17 million (notes 19,22,23,32,48).

Impact on equity amounted to € 39 million before tax (€ 27.9 million after tax). The impact on CET 1 amounted to 13 basis points. The following table present the reconciliation of minimum future lease payments as disclosed in IAS 17 at the financial statements for the year ended December 31.12.2018, with the lease liabilities recognized on 1.1.2019 IFRS 16:

|  |                |
|--|----------------|
| <b>Minimum future leasing's payments 31.12.2018</b>  | <b>227,983</b> |
| Estimates from wage renewal period and leasing's adjustments not included in minimum future leasing's payments | 71,314         |
| Impact of discounted liabilities from leasing using incremental borrowing rate (IBR) 1.1.2019                  | (54,124)       |
| <b>Total lease liabilities recognized on 1.1.2019</b>  | <b>245,173</b> |

During the implementation of IFRS 16, the bank has made the following estimates:

- regarding the renewals of existing leases based on the extension right
- regarding contracts with indefinite duration, estimates of the length of time the Bank expects to use the asset for leasing purposes.

There are no leases of fixed assets which include term of variable lease.

In addition there are no lease agreements signed during the last days of 2019 and that have been in place from 1.1.2020.

The impact deriving from the implementation of IFRS16 as well as Group policies regarding leases, are analytically described in notes 1.1 and 1.2.11 accordingly.

### The Group as Lessor

The Group's receivables from leases relate to leases from buildings either to Group companies or third parties.

The minimum future lease revenues are:

|                              | <b>31.12.2019</b> | <b>31.12.2018</b> |
|------------------------------|-------------------|-------------------|
| - less than one year         | 8,463             | 15,084            |
| - between one and five years | 24,038            | 44,349            |
| - over 5 years               | 14,601            | 38,829            |
| <b>Total</b>                 | <b>47,102</b>     | <b>98,262</b>     |

Future lease revenues are disclosed in note 19.

### d. Off balance sheet commitments

The Group as part of its normal operations, make contractual commitments, that in the future may result in changes in its asset structure. These commitments are monitored in off balance sheet accounts and relate to letters of credit, letters of guarantee and undrawn loan commitments and approved credit limits.

Letters of credit are used to facilitate trading activities and relate to the financing of contractual agreements for the transfer of goods locally or abroad, through direct payment to the third party on behalf of the Group's customer. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Group for the purpose of ensuring that its customers will fulfill the terms of their contractual obligations.

In addition, contingent liabilities for the Group arise from undrawn loan commitments that may drawn upon if certain requirements are fulfilled by counterparties.



The outstanding balances are as follows:

|   | 31.12.2019 | 31.12.2018 |
|---|------------|------------|
| Letters of credit                         | 35,927     | 30,695     |
| Letters of guarantee and other guarantees | 3,411,293  | 3,372,091  |
| Undrawn loan commitments                  | 4,021,955  | 3,532,935  |

The Group measures the expected credit losses for all the undrawn loan commitments and letters of credit / letters of guarantee, which are included in the caption "Provisions".

Expected credit risk losses of the aforementioned exposures as of 31.12.2019 amount to € 93,440 (31.12.2018: € 92,221) (note 43).

The Bank has committed to contribute in the share capital of the joint venture Alpha TANEO AKES up to the amount of € 23 (31.12.2018: € 64).

### e. Pledged assets

Pledged assets, as at 31.12.2019 are analyzed as follows:

- **Cash and balances with Central Banks:**

- i. As at 31.12.2019 Cash and balances with Central Banks amounting to € 318,803 (31.12.2018: € 722,351) concerning the Group's obligation to maintain deposits in Central Banks according to percentages determined by the respective country. The amount of reserved funds that the Bank has to maintain to the Bank of Greece on average for the period from 18.12.2019 to 28.01.2020, amounts to € 354,853 (31.12.2018: € 347,652) and is included in the above balance. As at 31.12.2018, the pledged cash of the Bank amounts to € 300,411.
- ii. Furthermore, as at 31.12.2018, placements amounting to € 93,000 have been pledged to Central Banks for the purpose of participating in main refinancing operations.

- **Due from Banks:**

- i. Placements amounting to € 212,006 (31.12.2018: € 213,074) relate to guarantees provided, mainly, on behalf of the Greek Government.
- ii. Placements amounting to € 1,345,744 (31.12.2018: € 1,059,932) have been provided as guarantee for derivative and repos.
- iii. Placements amounting to € 6,455 (31.12.2018: € 28,707) have been provided for Letter of Credit or Guarantee Letters that the Bank issue for facilitating customer imports.
- iv. Placements amounting to € 12,568 (31.12.2018: € 9,493) have been provided to the Resolution Fund as irrevocable payment commitment, as part of the 2016 up to 2019 contribution. This commitment must be fully covered by collateral exclusively in cash, as decided by the Single Resolution Board.
- v. Placements amounting to € 20,824 (31.12.2018: € 35,230) have been used as collateral for the issuance of bonds with nominal value of € 3,700,000 (31.12.2018: € 3,550,000), out of which bonds with nominal value of € 3,000,000 (31.12.2018: € 3,050,000) held by the Bank, as mentioned below under "Loans and advances to customers".

- **Loans and advances to customers:**

- i. Loans of € 1,425,026 (31.12.2018: € 3,700,146) have been pledged to central banks for liquidity purposes.
- ii. A carrying amount of € 2,822,179 (31.12.2018: € 3,323,619) which relates to corporate loans and credit cards has been securitized for the issuance of Special Purpose Entities' corporate bond of a nominal value of € 3,274,200 (31.12.2018: € 4,174,400) held by the Bank, of which an amount of € 2,035,800 (31.12.2018: € 2,541,700) have



been given as collateral for repos transactions. For the above transactions, an amount of € 77,254 (31.12.2018: € 93,644) included in “Due to Banks” has been used as collaterals .

- iii. A carrying amount of € 335,594 (31.12.2018: € 498,904) which relates to shipping loans, have been securitized for the purpose of financing the Group’s Special Purpose Entity as at 31.12.2019 and amounts to € 154,432 (31.12.2018: € 267,589). An amount of € 22,493 (31.12.2018: € 21,720) included in “Due from Banks” has been given as collateral for the aforementioned transaction.
- iv. A carrying amount of € 499,242 (31.12.2018: € 907,334) which relates to consumer loans has been securitized for the issuance of Special Purpose Entities’ corporate bond of a nominal value of € 580,000 (31.12.2018: € 1,520,000), of which the amount of € 360,000 (31.12.2018: € 1,520,000) is held by the Bank.
- v. An amount of nominal value € 11,174 (31.12.2018: € 22,791) which relates to corporate loans, has been given as collateral for other loan facilities.
- vi. An amount of mortgage loans of a nominal value of € 4,651,208 (31.12.2018: € 4,624,700) has been used as collateral in the following covered bond issuance programs: Covered Bonds Issuance Program I and II ,the Bank’s Secured Note Program, as well in Direct Issuance of Covered Bonds Program of Alpha Bank Romania. On 31.12.2019 the nominal value of the above bonds amounted to € 3,700,000 (31.12.2018: € 3,550,000), of which the Bank owns € 3,000,000 (31.12.2018: € 3,050,000) and have been used as collateral in the context of repurchase agreements amounting to € 800,000 (31.12.2018: € 3,050,000) and the amount of € 2,200,000 (31.12.2018: € 0) has been pledged to Central Banks for liquidity purposes.

- **Investment securities:**

- i. A carrying amount of € 3,938,225 (31.12.2018: € 2,243,399) relates to securities issued by the Greek Government has been given as a collateral in the context of repo agreements.
- ii. A carrying amount of € 99,936 (31.12.2018: € 641,059) relates to greek government treasury bills, of which a carrying amount of € 99,936 (31.12.2018: € 640,163) has been given as a collateral in the context of repos agreements while a carrying amount of € 896 in 31.12.2018 has been given as collateral for customers’ derivatives transactions.
- iii. A carrying amount of € 188,129 (31.12.2018: € 423,660) relates to securities issued by the European Financial Stability Facility (EFSF), which has been pledged to Central Banks with the purpose to participate in main refinancing operations.
- iv. A carrying amount of € 40,797 (31.12.2018: € 42,433) relates to other securities issued and has been given as a collateral in the context of repo agreements and a carrying amount of € 701,832 (31.12.2018: € 0) relates to securities issued by other countries, has been given as a collateral in the context of repo agreements.
- v. A carrying amount of € 1,204,664 (31.12.2018: € 1,380,748) which relates to bonds issued by Other Governments and other issuers, have been given to Central Banks for liquidity purposes.
- vi. A carrying amount of € 0 (31.12.2018: € 13,219) which relates to other government bonds, has been pledged as a collateral for repos to Central Banks.

Additionally,

- i. Greek Government treasury bills of nominal value of € 870,000 (31.12.2018: € 400,000) were received as collateral for derivatives transactions with the Greek State and a nominal value of € 118,000 (31.12.2018: € 400,000) have been given as a collateral in the context of repos agreements.
- ii. Bonds with a nominal value of € 1,127,750 (31.12.2018 € 464,700) and a fair value of € 1,163,277 (31.12.2018 € 504,012) refer to securities received as collateral in the context of repos agreements. From these securities a fair value of € 732,960 (31.12.2018 € 504,012) has been pledged to Central Banks for liquidity purposes and a fair value of € 280,014 (31.12.2018: € 0) has been given as a collateral in the context of repos agreements.



## 40. Group Consolidated Companies

The consolidated financial statements, apart from the parent company Alpha Bank include the following entities:

### a. Subsidiaries

| Name   | Country        | Group's ownership interest % |            |
|--|----------------|------------------------------|------------|
|  |                | 31.12.2019                   | 31.12.2018 |
| <b>Banks</b>   |                |                              |            |
| 1 Alpha Bank London Ltd                                | United Kingdom | 100.00                       | 100.00     |
| 2 Alpha Bank Cyprus Ltd                                | Cyprus         | 100.00                       | 100.00     |
| 3 Alpha Bank Romania S.A.                              | Romania        | 99.92                        | 99.92      |
| 4 Alpha Bank Albania SH.A.                             | Albania        | 100.00                       | 100.00     |
| <b>Leasing Companies</b>                               |                |                              |            |
| 1 Alpha Leasing A.E.                                   | Greece         | 100.00                       | 100.00     |
| 2 Alpha Leasing Romania IFN S.A.                       | Romania        | 100.00                       | 100.00     |
| 3 ABC Factors A.E.                                     | Greece         | 100.00                       | 100.00     |
| <b>Investment Banking</b>                              |                |                              |            |
| 1 Alpha Finance A.E.P.E.Y.                             | Greece         | 100.00                       | 100.00     |
| 2 SSIF Alpha Finance Romania S.A.                      | Romania        | 99.98                        | 99.98      |
| 3 Alpha Ventures AE                                    | Greece         | 100.00                       | 100.00     |
| 4 Alpha AE Ventures Capital Management-AKES            | Greece         | 100.00                       | 100.00     |
| 5 Emporiki Ventures Capital Developed Markets Ltd      | Cyprus         | 100.00                       | 100.00     |
| 6 Emporiki Ventures Capital Emerging Markets Ltd       | Cyprus         | 100.00                       | 100.00     |
| <b>Asset Management</b>                                |                |                              |            |
| 1 Alpha Asset Management A.E.D.A.K                     | Greece         | 100.00                       | 100.00     |
| 2 ABL Independent Financial Advisers Ltd               | United Kingdom | 100.00                       | 100.00     |
| <b>Insurance</b>                                       |                |                              |            |
| 1 Alpha Insurance Agents AE                            | Greece         | 100.00                       | 100.00     |
| 2 Alpha Insurance Brokers S.R.L.                       | Romania        | 100.00                       | 100.00     |
| 3 Alphalife AAEZ                                       | Greece         | 100.00                       | 100.00     |
| <b>Real estate and hotel</b>                           |                |                              |            |
| 1 Alpha Astika Akinita AE                              | Greece         | 93.17                        | 93.17      |
| 2 Emporiki Development and Real Estate Management A.E. | Greece         | 100.00                       | 100.00     |
| 3 Alpha Real Estate Management and Investments S.A.    | Greece         | 100.00                       | 100.00     |
| 4 Alpha Real Estate Bulgaria E.O.O.D.                  | Bulgaria       | 93.17                        | 93.17      |
| 5 Chardash Trading E.O.O.D.                            | Bulgaria       | 93.17                        | 93.17      |
| 6 Alpha Real Estate Services S.R.L.                    | Romania        | 93.17                        | 93.17      |
| 7 Alpha Investment Properties Attikis A.E.             | Greece         | 100.00                       | 100.00     |
| 8 Alpha Investment Properties Attikis II A.E.          | Greece         | 100.00                       | 100.00     |
| 9 Alpha Investment Properties I A.E.                   | Greece         |                              | 100.00     |
| 10 AGI-RRE Participations 1 S.R.L.                     | Romania        | 100.00                       | 100.00     |
| 11 Stockfort Ltd                                       | Cyprus         | 100.00                       | 100.00     |
| 12 Romfelt Real Estate S.A.                            | Romania        | 99.99                        | 99.99      |
| 13 AGI-RRE Zeus S.R.L.                                 | Romania        | 100.00                       | 100.00     |
| 14 AGI-RRE Poseidon S.R.L.                             | Romania        | 100.00                       | 100.00     |
| 15 AGI-RRE Hera S.R.L.                                 | Romania        | 100.00                       | 100.00     |
| 16 Alpha Real Estate Services LLC                      | Cyprus         | 93.17                        | 93.17      |



| Name | Country  | Group's ownership interest % |            |        |
|------|--|------------------------------|------------|--------|
|      |  | 31.12.2019                   | 31.12.2018 |        |
| 17   | AGI-BRE Participations 2 E.O.O.D.              | Bulgaria                     | 100.00     | 100.00 |
| 18   | AGI-BRE Participations 2BG E.O.O.D.            | Bulgaria                     | 100.00     | 100.00 |
| 19   | AGI-BRE Participations 3 E.O.O.D.              | Bulgaria                     | 100.00     | 100.00 |
| 20   | AGI-BRE Participations 4 E.O.O.D.              | Bulgaria                     | 100.00     | 100.00 |
| 21   | APE Fixed Assets A.E.                          | Greece                       | 72.20      | 72.20  |
| 22   | SC Cordia Residence S.R.L.                     | Romania                      | 100.00     | 100.00 |
| 23   | AGI-RRE Cleopatra S.R.L.                       | Romania                      | 100.00     | 100.00 |
| 24   | AGI-RRE Hermes S.R.L.                          | Romania                      |            | 100.00 |
| 25   | SC Carmel Residential S.R.L.                   | Romania                      | 100.00     | 100.00 |
| 26   | Alpha Investment Property Neas Kifisias A.E.   | Greece                       | 100.00     | 100.00 |
| 27   | Alpha Investment Property Kallirois A.E.       | Greece                       | 100.00     | 100.00 |
| 28   | AGI-Cypre Alaminos Ltd                         | Cyprus                       | 100.00     | 100.00 |
| 29   | AGI-Cypre Tochni Ltd                           | Cyprus                       | 100.00     | 100.00 |
| 30   | AGI-Cypre Mazotos Ltd                          | Cyprus                       | 100.00     | 100.00 |
| 31   | Alpha Investment Properties Leivadias A.E.     | Greece                       | 100.00     | 100.00 |
| 32   | Asmita Gardens S.R.L.                          | Romania                      | 100.00     | 100.00 |
| 33   | Alpha Investment Property Kefalariou A.E.      | Greece                       | 54.17      | 54.17  |
| 34   | Ashtrom Residents S.R.L.                       | Romania                      |            | 100.00 |
| 35   | Cubic Center Development S.A.                  | Romania                      | 100.00     | 100.00 |
| 36   | Alpha Investment Property Neas Erithraias A.E. | Greece                       | 100.00     | 100.00 |
| 37   | Alpha Investment Property Chanion A.E.         | Greece                       |            | 100.00 |
| 38   | AGI-SRE Participations 1 D.O.O.                | Serbia                       | 100.00     | 100.00 |
| 39   | Alpha Investment Property Spaton A.E.          | Greece                       | 100.00     | 100.00 |
| 40   | TH Top Hotels S.R.L.                           | Romania                      | 97.50      | 97.50  |
| 41   | Alpha Investment Property Kallitheas A.E.      | Greece                       | 100.00     | 100.00 |
| 42   | Kestrel Enterprise E.O.O.D.                    | Bulgaria                     | 100.00     | 100.00 |
| 43   | Beroe Real Estate E.O.O.D.                     | Bulgaria                     | 100.00     | 100.00 |
| 44   | Alpha Investment Property Irakleiou A.E.       | Greece                       | 100.00     | 100.00 |
| 45   | Alpha Investment Property GI 1 A.E.            | Greece                       | 100.00     | 100.00 |
| 46   | AGI-Cypre Property 1 Ltd                       | Cyprus                       |            | 100.00 |
| 47   | AGI-Cypre Property 2 Ltd                       | Cyprus                       | 100.00     | 100.00 |
| 48   | AGI-Cypre Property 3 Ltd                       | Cyprus                       | 100.00     | 100.00 |
| 49   | AGI-Cypre Property 4 Ltd                       | Cyprus                       | 100.00     | 100.00 |
| 50   | AGI-Cypre Property 5 Ltd                       | Cyprus                       | 100.00     | 100.00 |
| 51   | AGI-Cypre Property 6 Ltd                       | Cyprus                       | 100.00     | 100.00 |
| 52   | AGI-Cypre Property 8 Ltd                       | Cyprus                       | 100.00     | 100.00 |
| 53   | Kitma Holdings Ltd                             | Cyprus                       |            | 100.00 |
| 54   | Vic City S.R.L.                                | Romania                      |            | 99.95  |
| 55   | AGI-Cypre Property 7 Ltd                       | Cyprus                       | 100.00     | 100.00 |
| 56   | ABC RE L1 Ltd                                  | Cyprus                       | 100.00     | 100.00 |
| 57   | AGI-Cypre Property 9 Ltd                       | Cyprus                       | 100.00     | 100.00 |
| 58   | AGI-Cypre Property 10 Ltd                      | Cyprus                       | 100.00     | 100.00 |
| 59   | AGI-Cypre Property 11 Ltd                      | Cyprus                       | 100.00     | 100.00 |
| 60   | AGI-Cypre Property 12 Ltd                      | Cyprus                       | 100.00     | 100.00 |
| 61   | AGI-Cypre Property 13 Ltd                      | Cyprus                       | 100.00     | 100.00 |
| 62   | AGI-Cypre Property 14 Ltd                      | Cyprus                       | 100.00     | 100.00 |
| 63   | AGI-Cypre Property 15 Ltd                      | Cyprus                       | 100.00     | 100.00 |



| Name | Country                                      | Group's ownership interest % |            |        |
|------|--|------------------------------|------------|--------|
|      |  | 31.12.2019                   | 31.12.2018 |        |
| 64   | AGI-Cypre Property 16 Ltd                    | Cyprus                       | 100.00     | 100.00 |
| 65   | AGI-Cypre Property 17 Ltd                    | Cyprus                       | 100.00     | 100.00 |
| 66   | AGI-Cypre Property 18 Ltd                    | Cyprus                       | 100.00     | 100.00 |
| 67   | AGI-Cypre Property 19 Ltd                    | Cyprus                       | 100.00     | 100.00 |
| 68   | AGI-Cypre Property 20 Ltd                    | Cyprus                       | 100.00     | 100.00 |
| 69   | AGI-Cypre RES Pafos Ltd                      | Cyprus                       | 100.00     | 100.00 |
| 70   | AGI-Cypre P&F Nicosia Ltd                    | Cyprus                       | 100.00     | 100.00 |
| 71   | ABC RE P1 Ltd                                | Cyprus                       | 100.00     | 100.00 |
| 72   | ABC RE P2 Ltd                                | Cyprus                       | 100.00     | 100.00 |
| 73   | ABC RE P3 Ltd                                | Cyprus                       | 100.00     | 100.00 |
| 74   | ABC RE L2 Ltd                                | Cyprus                       | 100.00     | 100.00 |
| 75   | ABC RE P4 Ltd                                | Cyprus                       | 100.00     | 100.00 |
| 76   | AGI-Cypre RES Nicosia Ltd                    | Cyprus                       | 100.00     | 100.00 |
| 77   | AGI-Cypre P&F Limassol Ltd                   | Cyprus                       | 100.00     | 100.00 |
| 78   | AGI-Cypre Property 21 Ltd                    | Cyprus                       | 100.00     | 100.00 |
| 79   | AGI-Cypre Property 22 Ltd                    | Cyprus                       | 100.00     | 100.00 |
| 80   | AGI-Cypre Property 23 Ltd                    | Cyprus                       | 100.00     | 100.00 |
| 81   | AGI-Cypre Property 24 Ltd                    | Cyprus                       | 100.00     | 100.00 |
| 82   | ABC RE L3 Ltd                                | Cyprus                       | 100.00     | 100.00 |
| 83   | ABC RE P5 Ltd                                | Cyprus                       |            | 100.00 |
| 84   | ABC RE P&F Limassol Ltd                      | Cyprus                       | 100.00     | 100.00 |
| 85   | AGI-Cypre Property 25 Ltd                    | Cyprus                       | 100.00     |        |
| 86   | AGI-Cypre Property 26 Ltd                    | Cyprus                       | 100.00     |        |
| 87   | ABC RE COM Pafos Ltd                         | Cyprus                       | 100.00     |        |
| 88   | ABC RE RES Lamaca Ltd                        | Cyprus                       | 100.00     |        |
| 89   | AGI-Cypre P&F Pafos Ltd                      | Cyprus                       | 100.00     |        |
| 90   | AGI Cypre Property 27 Ltd                    | Cyprus                       | 100.00     |        |
| 91   | ABC RE L4 Ltd                                | Cyprus                       | 100.00     |        |
| 92   | ABC RE L5 Ltd                                | Cyprus                       | 100.00     |        |
| 93   | AGI-Cypre Property 28 Ltd                    | Cyprus                       | 100.00     |        |
| 94   | AGI-Cypre Property 29 Ltd                    | Cyprus                       | 100.00     |        |
| 95   | AGI-Cypre Property 30 Ltd                    | Cyprus                       | 100.00     |        |
| 96   | AGI-Cypre COM Pafos Ltd                      | Cyprus                       | 100.00     |        |
| 97   | AIP Industrial Assets Athens S.M.S.A.        | Greece                       | 100.00     |        |
| 98   | AGI-Cypre Property 31 Ltd                    | Cyprus                       | 100.00     |        |
| 99   | AGI-Cypre Property 32 Ltd                    | Cyprus                       | 100.00     |        |
| 100  | AGI-Cypre Property 33 Ltd                    | Cyprus                       | 100.00     |        |
| 101  | AGI-Cypre Property 34 Ltd                    | Cyprus                       | 100.00     |        |
| 102  | Alpha Group Real Estate Ltd                  | Cyprus                       | 100.00     |        |
| 103  | ABC RE P&F Pafos Ltd                         | Cyprus                       | 100.00     |        |
| 104  | ABC RE P&F Nicosia Ltd                       | Cyprus                       | 100.00     |        |
| 105  | ABC RE RES Nicosia Ltd                       | Cyprus                       | 100.00     |        |
| 106  | Fierion Ltd                                  | Cyprus                       | 100.00     |        |
| 107  | AIP Industrial Assets Rog S.M.S.A.           | Greece                       | 100.00     |        |
| 108  | AIP Attica Residential Assets I S.M.S.A.     | Greece                       | 100.00     |        |
| 109  | AIP Thessaloniki Residential Assets S.M.S.A. | Greece                       | 100.00     |        |



| Name | Country                                     | Group's ownership interest % |            |        |
|------|---|------------------------------|------------|--------|
|      |   | 31.12.2019                   | 31.12.2018 |        |
| 110  | AIP Cretan Residential Assets S.M.S.A.      | Greece                       | 100.00     |        |
| 111  | AIP Aegean Residential Assets S.M.S.A.      | Greece                       | 100.00     |        |
| 112  | AIP Ionian Residential Assets S.M.S.A.      | Greece                       | 100.00     |        |
| 113  | AIP Attica Commercial Assets S.M.S.A.       | Greece                       | 100.00     |        |
| 114  | AIP Thessaloniki Commercial Assets S.M.S.A. | Greece                       | 100.00     |        |
| 115  | AIP Commercial Assets Rog S.M.S.A.          | Greece                       | 100.00     |        |
| 116  | AIP Attica Retail Assets I S.M.S.A.         | Greece                       | 100.00     |        |
| 117  | AIP Attica Retail Assets II S.M.S.A.        | Greece                       | 100.00     |        |
| 118  | AIP Attica Residential Assets II S.M.S.A.   | Greece                       | 100.00     |        |
| 119  | AIP Retail Assets Rog S.M.S.A.              | Greece                       | 100.00     |        |
| 120  | AIP Land II S.M.S.A.                        | Greece                       | 100.00     |        |
| 121  | ABC RE P6 Ltd                               | Cyprus                       | 100.00     |        |
| 122  | AGI-Cypre Property 35 Ltd                   | Cyprus                       | 100.00     |        |
| 123  | AGI-Cypre P&F Larnaca Ltd                   | Cyprus                       | 100.00     |        |
| 124  | AGI-Cypre Property 37 Ltd                   | Cyprus                       | 100.00     |        |
| 125  | AGI-Cypre RES Ammochostos Ltd               | Cyprus                       | 100.00     |        |
| 126  | AGI-Cypre Property 36 Ltd                   | Cyprus                       | 100.00     |        |
| 127  | AGI-Cypre Property 38 Ltd                   | Cyprus                       | 100.00     |        |
| 128  | AGI-Cypre RES Larnaca Ltd                   | Cyprus                       | 100.00     |        |
| 129  | ABC RE P7 Ltd                               | Cyprus                       | 100.00     |        |
| 130  | AGI-Cypre Property 42 Ltd                   | Cyprus                       | 100.00     |        |
| 131  | ABC RE P&F Larnaca Ltd                      | Cyprus                       | 100.00     |        |
| 132  | Krigeo Holdings Ltd                         | Cyprus                       | 100.00     |        |
| 133  | AGI-Cypre Property 43 Ltd                   | Cyprus                       | 100.00     |        |
| 134  | AGI-Cypre Property 44 Ltd                   | Cyprus                       | 100.00     |        |
|      | <b>Special purpose and holding entities</b> |                              |            |        |
| 1    | Alpha Credit Group Plc                      | United Kingdom               | 100.00     | 100.00 |
| 2    | Alpha Group Jersey Ltd                      | Jersey                       | 100.00     | 100.00 |
| 3    | Alpha Group Investments Ltd                 | Cyprus                       | 100.00     | 100.00 |
| 4    | Ionian Equity Participations Ltd            | Cyprus                       | 100.00     | 100.00 |
| 5    | AGI-BRE Participations 1 Ltd                | Cyprus                       | 100.00     | 100.00 |
| 6    | AGI-RRE Participations 1 Ltd                | Cyprus                       | 100.00     | 100.00 |
| 7    | Alpha Group Ltd                             | Cyprus                       | 100.00     | 100.00 |
| 8    | Katanalotika Plc                            | United Kingdom               |            |        |
| 9    | Epihiro Plc                                 | United Kingdom               |            |        |
| 10   | Irida Plc                                   | United Kingdom               |            |        |
| 11   | Pisti 2010-1 Plc                            | United Kingdom               |            |        |
| 12   | Alpha Shipping Finance Ltd                  | United Kingdom               |            |        |
| 13   | Alpha Proodos DAC                           | Ireland                      |            |        |
| 14   | Alpha Quantum DAC                           | Ireland                      |            |        |
| 15   | AGI-RRE Athena Ltd                          | Cyprus                       | 100.00     | 100.00 |
| 16   | AGI-RRE Poseidon Ltd                        | Cyprus                       | 100.00     | 100.00 |
| 17   | AGI-RRE Hera Ltd                            | Cyprus                       | 100.00     | 100.00 |
| 18   | Umera Ltd                                   | Cyprus                       | 100.00     | 100.00 |
| 19   | AGI-BRE Participations 2 Ltd                | Cyprus                       | 100.00     | 100.00 |
| 20   | AGI-BRE Participations 3 Ltd                | Cyprus                       | 100.00     | 100.00 |
| 21   | AGI-BRE Participations 4 Ltd                | Cyprus                       | 100.00     | 100.00 |





| Name                   |  | Country        | Group's ownership interest % |            |
|------------------------|--|----------------|------------------------------|------------|
|                        |  |                | 31.12.2019                   | 31.12.2018 |
| 22                     | AGI-RRE Ares Ltd                         | Cyprus         | 100.00                       | 100.00     |
| 23                     | AGI-RRE Venus Ltd                        | Cyprus         | 100.00                       | 100.00     |
| 24                     | AGI-RRE Artemis Ltd                      | Cyprus         | 100.00                       | 100.00     |
| 25                     | AGI-BRE Participations 5 Ltd             | Cyprus         | 100.00                       | 100.00     |
| 26                     | AGI-RRE Cleopatra Ltd                    | Cyprus         | 100.00                       | 100.00     |
| 27                     | AGI-RRE Hermes Ltd                       | Cyprus         | 100.00                       | 100.00     |
| 28                     | AGI-RRE Arsinoe Ltd                      | Cyprus         | 100.00                       | 100.00     |
| 29                     | AGI-SRE Ariadni Ltd                      | Cyprus         | 100.00                       | 100.00     |
| 30                     | Zerelda Ltd                              | Cyprus         | 100.00                       | 100.00     |
| 31                     | AGI-Cypre Evagoras Ltd                   | Cyprus         | 100.00                       | 100.00     |
| 32                     | AGI-Cypre Tersefanou Ltd                 | Cyprus         | 100.00                       | 100.00     |
| 33                     | AGI-Cypre Ermis Ltd                      | Cyprus         | 100.00                       | 100.00     |
| 34                     | AGI-SRE Participations 1 Ltd             | Cyprus         | 100.00                       | 100.00     |
| 35                     | Alpha Credit Acquisition Company Ltd     | Cyprus         | 100.00                       |            |
| 36                     | Alpha International Holding Company S.A. | Luxembourg     | 100.00                       |            |
| <b>Other Companies</b> |  |                |                              |            |
| 1                      | Alpha Bank London Nominees Ltd           | United Kingdom | 100.00                       | 100.00     |
| 2                      | Alpha Trustees Ltd                       | Cyprus         | 100.00                       | 100.00     |
| 3                      | Kafe Alpha A.E.                          | Greece         | 100.00                       | 100.00     |
| 4                      | Alpha Supporting Services A.E.           | Greece         | 100.00                       | 100.00     |
| 5                      | Real Car Rental A.E.                     | Greece         | 100.00                       | 100.00     |
| 6                      | Emporiki Management S.A.                 | Greece         | 100.00                       | 100.00     |
| 7                      | Alpha Bank Notification Services A.E.    | Greece         | 100.00                       | 100.00     |

## b. Joint Ventures

| Name |  | Country | Group's ownership interest % |            |
|------|--|---------|------------------------------|------------|
|      |  |         | 31.12.2019                   | 31.12.2018 |
| 1    | APE Commercial Property A.E.                     | Greece  | 72.20                        | 72.20      |
| 2    | APE Investment Property A.E.                     | Greece  | 71.08                        | 71.08      |
| 3    | Alpha TANE0 AKES                                 | Greece  | 51.00                        | 51.00      |
| 4    | Rosequeens Properties Ltd                        | Cyprus  | 33.33                        | 33.33      |
| 5    | Panarae Saturn LP                                | Jersey  | 61.58                        | 61.58      |
| 6    | Alpha Investment Property Commercial Stores A.E. | Greece  | 70.00                        | 70.00      |

## c. Associates

| Name |  | Country    | Group's ownership interest % |            |
|------|--|------------|------------------------------|------------|
|      |  |            | 31.12.2019                   | 31.12.2018 |
| 1    | AEDEP Thessalias and Stereas Ellados   | Greece     | 50.00                        | 50.00      |
| 2    | ALC Novelle Investments Ltd            | Cyprus     | 33.33                        | 33.33      |
| 3    | Banking Information Systems A.E.       | Greece     | 23.77                        | 23.77      |
| 4    | Propindex AEDA                         | Greece     | 35.58                        | 35.58      |
| 5    | Olganos A.E.                           | Greece     | 30.44                        | 30.44      |
| 6    | Alpha Investment Property Elaiona A.E. | Greece     | 50.00                        | 50.00      |
| 7    | Selonda Aquaculture A.E.G.E.           | Greece     |                              | 21.97      |
| 8    | Nireus Aquaculture A.E.                | Greece     |                              | 20.65      |
| 9    | Famar S.A.                             | Luxembourg | 47.04                        | 47.04      |
| 10   | Cepal Holdings A.E.                    | Greece     | 38.61                        | 38.61      |



Detailed information on corporate events for the companies included in the consolidated financial statements is set out in note 49.

With respect to the Subsidiaries the following are noted:

The Group's subsidiary Stockfort Ltd consists of a group which include the following companies as at 31.12.2018: Sheynovo Offices E.O.O.D., Sheynovo Apartments E.O.O.D., Sheynovo Residence E.O.O.D., Serdica 2009 E.O.O.D. and Pernik Logistics Park E.O.O.D. With the exception of Pernik Park E.O.O.D., the rest of four companies of the aforementioned group which had been classified as assets held for sale since 30.9.2018, were disposed on 19.3.2019 (note 48).

The Group's consolidated financial statements do not include Commercial Bank of London Ltd which is a dormant company as well as the companies named Smelter Medical Systems A.E.B.E., Aris Diomidis Emporiki S.A., Metek S.A. and Flagbright Ltd, which have been fully impaired and are in the process of liquidation.

The Group hedges the foreign exchange risk arising from the net investment in subsidiaries through the use of derivatives in their functional currency.

With respect to the Associates and Joint Ventures the following are noted:

Cepal Holdings S.A. is the parent company of a group comprising of Cepal Hellas Financial Services Societe Anonyme for the Management of Receivables from Loans and Credits, Kaican Services Ltd and Kaican Hellas S.A.

APE Investment Property is the parent company of a group comprising of SYMET A.E., Astakos Terminal A.E., Akarport A.E. and NA.VI.PE A.E. Furthermore, Rosequeens Properties Ltd is the parent company of Rosequeens Properties Srl.

The Group's investment in the aforementioned corporate groups are accounted for using the equity method on their consolidated financial statements, except for APE Investment Property A.E., which has been classified as asset held for sale and is measured in accordance with IFRS 5 (note 48).

### Group subsidiaries with non controlling interests

The table below presents information concerning the Group's subsidiaries with non controlling interests.

| Name  | Country  | Non controlling interests % |            | Profit/(loss) attributable to non controlling interests |            | Other comprehensive income recognized directly in Equity for non controlling interests |            | Non controlling interests |               |
|---|----------|-----------------------------|------------|---|------------|--|------------|---------------------------|---------------|
|   |          | 31.12.2019                  | 31.12.2018 | From 1 January to 31.12.2019                            | 31.12.2018 | From 1 January to 31.12.2019   | 31.12.2018 | 31.12.2019                | 31.12.2018    |
| 1. APE Fixed Assets A.E.                    | Greece   | 27.80                       | 27.80      | (70)  | (92)       |  |            | 10.868                    | 10.938        |
| 2. Alpha Astika Akinita A.E.                | Greece   | 6.83                        | 6.83       | 198   | 182        | (1)  |            | 9.682                     | 9.483         |
| 3. Alpha Real Estate Bulgaria E.O.O.D.      | Bulgaria | 6.83                        | 6.83       | 7   | 4          |  |            | 31                        | 24            |
| 4. Chardash Trading E.O.O.D.                | Bulgaria | 6.83                        | 6.83       | (66)  | (16)       |  |            | (113)                     | (48)          |
| 5. Alpha Bank Romania S.A.                  | Romania  | 0.08                        | 0.08       | 13  | 4          | (8)  |            | 320                       | 315           |
| 6. Romfelt Real Estate S.A.                 | Romania  | 0.01                        | 0.01       |   | (1)        |  |            |                           |               |
| 7. Alpha Real Estate Services Srl           | Romania  | 6.83                        | 6.83       | 12  | 17         | (3)  |            | 84                        | 75            |
| 8. Alpha Real Estate Services LLC           | Cyprus   | 6.83                        | 6.83       | 21  | 17         |  |            | 40                        | 19            |
| 9. SSIF Alpha Finance Romania S.A.          | Romania  | 0.02                        | 0.02       |   |            |  |            |                           |               |
| 10. Alpha Investment Property Kefalariou AE | Greece   | 45.83                       | 45.83      | 12  | (112)      |  |            | 8.012                     | 7.999         |
| 11. TH Top Hotels Srl                       | Romania  | 2.50                        | 2.50       | (12)  | (5)        | 5  |            | 27                        | 9             |
| <b>Total</b>                                |          |                             |            | <b>115</b>  | <b>(2)</b> | <b>(7)</b>   | -          | <b>28.951</b>             | <b>28.814</b> |

The percentage of voting rights owned by third parties in subsidiaries does not differ from their participation in the share capital. From the above mentioned subsidiaries, a significant percentage of voting rights is hold by non controlling interests only in Alpha Astika Akinita A.E., Alpha Investment Properties Kefalariou A.E, and in APE Fixed Assets A.E.

A condensed set of the primary financial information of Alpha Astika Akinita A.E., Alpha Investment Property Kefalariou A.E.



and APE Fixed Assets A.E., is presented below. Intra-group balances and transactions have not been eliminated in the below presented financial information.

### Condensed Statement of Comprehensive Income

|  | Alpha Astika Akinita A.E.       |              | Alpha Investment Property Kefalariou AE |              | APE Fixed Assets A.E.           |              |
|--|---------------------------------|--------------|---|--------------|---------------------------------|--------------|
|  | From 1 January to<br>31.12.2019 | 31.12.2018   | From 1 January to<br>31.12.2019         | 31.12.2018   | From 1 January to<br>31.12.2019 | 31.12.2018   |
| Total income   | 13.989                          | 12.650       | 367                                     | 100          |                                 |              |
| Total expenses   | (8.792)                         | (8.650)      | (286)                                   | (294)        | (294)                           | (412)        |
| <b>Profit/(loss) for the year after income tax</b>               | <b>2.894</b>                    | <b>2.668</b> | <b>26</b>                               | <b>(243)</b> | <b>(250)</b>                    | <b>(332)</b> |
| <b>Total comprehensive income for the year, after income tax</b> | <b>2.894</b>                    | <b>2.668</b> | <b>26</b>                               | <b>(243)</b> | <b>(250)</b>                    | <b>(332)</b> |

### Condensed Balance Sheet

|                              | Alpha Astika Akinita A.E. |            | Alpha Investment Property Kefalariou AE |            | APE Fixed Assets A.E. |            |
|------------------------------|---------------------------|------------|---|------------|-----------------------|------------|
|                              | 31.12.2019                | 31.12.2018 | 31.12.2019                              | 31.12.2018 | 31.12.2019            | 31.12.2018 |
| Total non-current assets     | 55.829                    | 56.749     | 17.163                                  | 17.369     | 39.346                | 39.496     |
| Total current assets         | 81.005                    | 77.874     | 362                                     | 66         | 19                    | 73         |
| Total short-term liabilities | 2.614                     | 3.222      | 223                                     | 26         | 109                   | 19         |
| Total long-term liabilities  | 1.615                     | 1.522      |   | 132        | 163                   | 207        |
| Total Equity                 | 132.606                   | 129.880    | 17.303                                  | 17.277     | 39.092                | 39.343     |

### Condensed Statement of Cash Flows

|   | Alpha Astika Akinita A.E.       |               | Alpha Investment Property Kefalariou AE |              | APE Fixed Assets A.E.           |            |
|---|---------------------------------|---------------|---|--------------|---------------------------------|------------|
|   | From 1 January to<br>31.12.2019 | 31.12.2018    | From 1 January to<br>31.12.2019         | 31.12.2018   | From 1 January to<br>31.12.2019 | 31.12.2018 |
| Total inflows/(outflows) from operating activities            | 3.277                           | 998           | (103)                                   | (12)         | (54)                            | (248)      |
| Total inflows/(outflows) from investing activities            | 379                             | 2.223         | 367                                     |              |                                 |            |
| Total inflows/(outflows) from financing activities            | (133)                           |               |   | (179)        |                                 | 297        |
| <b>Total inflows/(outflows) for the year</b>                  | <b>3.523</b>                    | <b>3.221</b>  | <b>264</b>                              | <b>(191)</b> | <b>(54)</b>                     | <b>49</b>  |
| <b>Cash and cash equivalents at the beginning of the year</b> | <b>72.183</b>                   | <b>68.962</b> | <b>65</b>                               | <b>256</b>   | <b>72</b>                       | <b>23</b>  |
| <b>Cash and cash equivalents at the end of the year</b>       | <b>75.706</b>                   | <b>72.183</b> | <b>329</b>                              | <b>65</b>    | <b>18</b>                       | <b>72</b>  |

No dividends were distributed by the aforementioned companies, for the years 2019 and 2018.

### Significant Restrictions

Group's significant restrictions regarding the use of assets or the settlement of obligations, are those imposed by the regulatory framework in which its subsidiaries operate and concerns mainly those that are subject to supervision for their capital adequacy. In particular, the regulatory authorities request, where appropriate and depending on the nature of the company, the compliance with specific thresholds, for example maintaining minimum capital adequacy ratios, holding a predetermined level of highly liquid assets, minimizing their exposure to other Group companies and complying with specified ratios. The total assets and



liabilities of the subsidiaries operating in the banking, insurance and other mainly financial sectors with significant restrictions amount to € 9,468,865 (31.12.2018 € 9,576,714) and € 8,173,170 (31.12.2018 € 8,341,900) respectively.

In addition, all Greek subsidiaries are subject to the restrictions imposed by the regulatory framework (Codified Law 4548/2018 or any other specific legislation depending on the nature of their operations) regarding the minimum threshold of the share capital and net assets as well as the ability to distribute dividends and to transfer equity shares.

Moreover, the cash withdrawals and capital restrictions imposed by Legislative Act within 2015 and applied to all companies operating in Greece, ceased to be effective within 2019, according to a relevant amendment incorporated in Law 4624/2019, causing the whole removal of existing restrictions on capital movement until then.

There are no options of protection rights hold by third parties in the share capital of subsidiaries that could otherwise limit the Group's ability to utilize those assets or settle the Group's liabilities

### Consolidated structured entities

The Group consolidates seven structured entities which were established to accommodate transactions related to securitized loans issued by Group companies. During 2019, the Bank set up a new special purpose company, named Alpha Quantum DAC. Securitization transactions aim to raise liquidity by issuing bonds or other legal form of borrowing. In all cases, the Group has concluded that it controls these companies since it has the power over their activities and has a significant exposure to their returns. Bonds and other financial instruments issued by those structured companies are held by the Bank with the exception of shipping and corporate (SME) loans securitization transaction through the companies Alpha Shipping Finance Ltd and Katanalotika Plc, where all the high-priority payment debt is held by third parties outside the Group. Depending on the criteria required for each securitized portfolio, the Group, without having any relevant contractual obligation, proceeds as appropriate in ad hoc repurchases of securitized loans. In addition, for those securitization transactions that are in replacement period the Group engages in new securitization transactions of loan portfolios by transferring them to those companies, in order to meet specific quantitative criteria related to the amount of debt securities. The intention of the Group is to continue this practice. The table below presents the nominal amount of debt securities or other form of debt issued per consolidated special structure entity that constitute tools of raising liquidity.

| Name                       | Nominal value |            |
|----------------------------|---------------|------------|
|                            | 31.12.2019    | 31.12.2018 |
| Epihiro Plc                | 1,593,400     | 1,593,400  |
| Katanalotika Plc           | 580,000       | 1,520,000  |
| Pisti 2010-1 Plc           | 586,200       | 586,200    |
| Irida Plc                  | 474,800       | 474,800    |
| Alpha Shipping Finance Ltd | 154,431       | 267,569    |
| Alpha Proodos DAC          | 320,000       | 476,658    |
| Alpha Quantum DAC          | 299,800       |            |

Furthermore, on 31.12.2019 the Group had granted subordinated loans amounting to € 202,251 (31.12.2018: € 207,945) to the structured entities for credit enhancement purposes of the securitization transactions. Apart from the above mentioned loans, the Group has no contractual obligation to grant additional funding to the companies, except for entities named Katanalotika Plc and Alpha Shipping Finance Limited to which the Group is obliged, if needed, to grant additional subordinated loans.

### Changes of ownership interest in subsidiaries which did not result in loss of control

During 2019, there was no change in the shareholder structure of the Group's subsidiaries. Below are presented the transactions with minority interest shareholders of the Group's subsidiaries in 2018 for which the Group maintained control.



On 27.3.2018 the subsidiary of the Group, AGI-RRE Poseidon Ltd, covered its share in the share capital increase of its subsidiary Romfelt Real Estate S.A., and on 18.5.2018 proceeded to full cover, given the non-participation of the minority interest shareholders. As a result, the participation of AGI-RRE Poseidon Ltd to the share capital of Romfelt Real Estate S.A. formed to 99.99% compared to 98.86% before the share capital increase.

The effect from the changes in subsidiary participation in total equity attributed to the shareholders of the Bank during 2018 is presented in the following table:

|   | <b>Μεταβολή ποσοστού συμμετοχής<br/>Romfelt Real Estate S.A.<br/>1.1.2018 - 31.12.2018</b> |
|---|--|
| Carrying amount acquired by non-controlling interests | (198)  |
| Amount attributable to the Bank's shareholders        | (198)  |

### Loss of control in subsidiary due to sale or liquidation

On 8.2.2019 the sale of the shares of the Group's subsidiary Kitma Holdings Ltd and of its subsidiary, Vic City Srl, was completed for a consideration of € 1. There was no gain or loss from the transaction.

On 19.3.2019, the sale of the total shares of Sheynovo Offices E.O.O.D., Sheynovo Apartments E.O.O.D., Sheynovo Residence E.O.O.D. and Serdica 2009 E.O.O.D., was completed for a total amount of € 17,325, while gain of 1,487 was recognized.

On 19.3.2019 the sale of the shares of the Group's subsidiary AGI-Cypre Property 1 Ltd was completed for a consideration of € 1,200. The transaction resulted in a loss of € 187.

On 31.5.2019 the sale of the shares of the Group's subsidiary Alpha Investment Property Chanion A.E. was completed for a consideration of € 8,680. The transaction resulted in a loss of € 37.

On 11.6.2019 the sale of the shares of the Group's subsidiary Alpha Investment Property I A.E. was completed for a consideration of € 91,860. The transaction resulted in a gain of € 12,979.

On 11.9.2019 the liquidation process of the Group's subsidiary AGI-RRE Hermes Srl was completed.

On 29.10.2019 the liquidation process of the Group's subsidiary Ashtrom Residents Srl was completed.

On 21.11.2019 the sale of the shares of the Group's subsidiary ABC RE P5 Ltd was completed for a consideration of € 1,020. The transaction resulted in a gain of € 100.

On 16.5.2018 the liquidation procedure of the Group's subsidiary Preserville Enterprises Ltd was completed.

On 25.6.2018 the sale of the the shares of the Group's subsidiary AGI BRE Participations 5 E.O.O.D. and its subsidiaries House Properties Investments E.O.O.D. and Residence Properties Investments E.O.O.D was completed. There was no gain or loss from the transaction.

On 19.12.2018 the Group's subsidiary AGI BRE Participations 4 Ltd proceeded with the sale of the total shares of its subsidiary HT 1 E.O.O.D. for a consideration of € 2,100. The transaction resulted in a loss of € 714.

On 20.12.2018 the liquidation process of the Bank's subsidiary Emporiki Group Finance Plc was completed.

### Exposure to non-consolidated structured entities

The Group, through its subsidiary Alpha Asset Management AEDAK, manages 41 (31.12.2018: 42) mutual funds which meet the definition of structured entities and at each reporting date, it assesses whether it controls any of these entities according the provisions of IFRS 10.

The Group, acting as the manager of the mutual funds has the ability to direct the activities which significantly affect their rate of return by selecting the investments made by the funds within the framework of permitted investments as described in the regulation of each fund. As a result, the Group has power over the mutual funds under management but within a clearly



defined decision making framework. Moreover the Group is exposed to variable returns through its involvement in the mutual funds as it receives fees for the disposal, redemption and management of the funds under normal market levels for similar services. The Group also holds direct investments in some of the funds under management, the level of which is assessed to be determined whether it leads to a significant variability in its returns compared to the variability of the respective total rate of return of the mutual fund. Due to these factors, the Group assessed that, for all mutual funds under management, it exercises, for the benefit of unit holders, the decision making rights assigned to it acting as an agent without controlling the mutual funds.

The following table presents by asset class the key figures of the mutual funds managed but not controlled by the Group. In particular, the below table shows the total assets of the funds at the balance sheet date and the income recognized in the Group's income statement during the year from the funds under management concerning fees for the disposal, redemption and management services.

|                                 | Total assets     |                  | Commission income |                  |
|---------------------------------|------------------|------------------|-------------------|------------------|
|                                 | 31.12.2019       | 31.12.2018       | 1.1 - 31.12.2019  | 1.1 - 31.12.2018 |
| <b>Category of Mutual Funds</b> |                  |                  |                   |                  |
| Bond Funds                      | 597,499          | 326,680          | 4,232             | 3,624            |
| Money Market Funds              | 61,111           | 113,343          | 566               | 949              |
| Equity Funds                    | 508,948          | 363,345          | 10,907            | 10,050           |
| Balanced Funds                  | 441,592          | 226,272          | 4,445             | 3,585            |
| <b>Total</b>                    | <b>1,609,151</b> | <b>1,029,640</b> | <b>20,150</b>     | <b>18,208</b>    |

On 1.1.2018, the direct investment of the Group in the above mutual funds was classified, in the investment portfolio measured at fair value through profit or loss, under the IFRS 9, as they did not meet the definition of equity instrument. The carrying amount of the investment in mutual funds as at 31.12.2019 amounts to € 30,333 (31.12.2018: € 19,315). The change in the fair value of the aforementioned funds during the financial year 2019 resulted in a gain of € 3,647 (2018: loss of € 1,799).

The Group, during 2018, entered as a counterparty into derivative transactions with the mutual funds that it manages. The carrying amount of assets and liabilities of these derivative financial instruments, on 31.12.2018, amounted to € 0 and € 397, respectively. It is noted that the Group has fully hedged its position in these derivatives. As of 31.12.2019 there are no such open derivatives transactions.

It should be noted that there is no contractual obligation for the Group to provide financial support to any of the mutual funds under management nor does it guarantee their rate of return.

In addition, the Group manages Alpha TANEV Ventures Capital Management Mutual Fund through its subsidiary Alpha A.E. Venture Capital Management -AKES. The unit holders of this mutual fund are the Bank owning 51% and the New Economy Development Fund S.A. owning 49%. Both parties jointly control the mutual fund and as a result the Group's investment in Alpha TANEV A.K.E.S is accounted for under the equity method. The carrying amount of the Group's investment on 31.12.2019 amounts to € 2,848 (31.12.2018: € 3,054) and has been classified under the caption Associates and Joint Ventures. The Group's share of Alpha TANEV AKES profit or loss is presented in note 21. Company's total assets amounted to € 6,305 as at 31.12.2019 (31.12.2018: € 6,037). The Group's commission income for the management of the mutual fund for 2019 amounted to € 91 (2018: € 84). The Bank has undertaken the obligation to participate in additional investments in the share capital of the joint venture up to € 23. The aforementioned commitment along with carrying amount of the Group's investment represent the maximum exposure of the Group to Alpha TANEV AKES.

The Group also participates in other structured entities through investment in private equity mutual funds which are not managed by the Group, as well as in companies whose operation involves the issuance of asset-backed securities through its investment in their securities. The following table presents the abovementioned Group's investments. Indicatively of the size of those structured entities, the table below presents the total assets of the private equity mutual funds according to the most recent available financial statements and the total nominal issuance value of the asset backed securities.



|  | Carrying Amount |            | Total Assets / Value of issue |            |
|--|-----------------|------------|-------------------------------|------------|
|  | 31.12.2019      | 31.12.2018 | 31.12.2019                    | 31.12.2018 |
| <b>Category of structured entity</b>   |                 |            |                               |            |
| <b>Investment securities - measured at fair value through other comprehensive income</b> |                 |            |                               |            |
| Private Equity Mutual Funds  | 17,227          | 17,219     | 294,477                       | 325,657    |
| Asset- backed securities   | 1,127           | 1,238      | 307,523                       | 402,086    |
| <b>Investment securities-measured at fair value through profit or loss</b>               |                 |            |                               |            |
| Asset- backed securities   | 9,682           | 6,780      | 28,500                        | 28,500     |
| <b>Investments in associates and joint ventures</b>                                      |                 |            |                               |            |
| Private Equity Mutual Funds  | 1,324           | 1,400      | 3,196                         | 3,089      |

The Group has committed to participate in further investments of these mutual funds up to the amount of € 1,951 (31.12.2018: € 700). This commitment and the carrying amount of the investment, consist the maximum Group's exposure to these investments.

From its investment in asset-backed securities the Group recognized during 2019 interest income amounting to € 246 (2018: € 267) and gains amounting to € 39 (2018: gains € 702) under the caption Gains less losses on financial transactions. The Group has no contractual obligation to provide any financial support to the companies issued these securities. The maximum exposure of the Group to losses from the asset-backed securities is not different from their carrying value.

#### 41. Disclosures of Law 4261/5.5.2014

Article 81 of Law 4261/5.5.2014 incorporated into Greek legislation the Article 89 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, according to which, it is enacted for first time the obligation to disclose information on a consolidated basis by Member State and third country in which the Group has headquarters as follows: name or names, nature of operations, geographic location, turnover, results before tax, income tax, public subsidies received and the number of full time employees.

The required information is listed below:

##### Greece

Turnover in Greece for the year ended 31.12.2019 amounted to € 2,593,667, profit before tax amounted to € 114,055, debit income taxes amounted to € (37,136) and the number of employees was 7,378 and the following companies were included:

|   |
|---|
| <b>Banks</b>                                    |
| 1. Alpha Bank A.E.                              |
| <b>Financing Companies</b>                      |
| 1. Alpha Leasing A.E.                           |
| 2. ABC Factors A.E.                             |
| <b>Investment Banking</b>                       |
| 1. Alpha Finance A.E.P.E.Y.                     |
| 2. Alpha Ventures A.E.                          |
| 3. Alpha A.E. Ventures Capital Management –AKES |
| <b>Asset Management</b>                         |
| 1. Alpha Asset Management A.E.D.A.K.            |
| <b>Insurance</b>                                |
| 1. Alpha Insurance Agents A.E.                  |
| 2. Alphalife A.A.E.Z.                           |
| <b>Real Estate and Hotel</b>                    |



|   |
|---|
| 1. Alpha Astika Akinita A.E.                            |
| 2. Alpha Real Estate Management and Investments S.A     |
| 3. Emporiki Development and Real Estate Management A.E. |
| 4. Alpha Investment Property Attikis A.E.               |
| 5. Alpha Investment Property Attikis II A.E.            |
| 6. Alpha Investment Property I A.E.                     |
| 7. APE Fixed Assets A.E.                                |
| 8. Alpha Investment Property Neas Kifisias A.E.         |
| 9. Alpha Investment Property Kallirois A.E.             |
| 10. Alpha Investment Property Livadias A.E.             |
| 11. Alpha Investment Property Kefalariou A.E.           |
| 12. Alpha Investment Property Neas Erythraias A.E.      |
| 13. Alpha Investment Property Chanion A.E.              |
| 14. Alpha Investment Property Spaton A.E.               |
| 15. Alpha Investment Property Kallitheas A.E.           |
| 16. Alpha Investment Property Irakleiou A.E.            |
| 17. Alpha Investment Property Gi A.E.                   |
| 18. AIP Industrial Assets Athens S.M.S.A.               |
| 19. AIP Industrial Assets Rog S.M.S.A.                  |
| 20. AIP Attica Residential Assets I S.M.S.A.            |
| 21. AIP Thessaloniki Residential Assets S.M.S.A.        |
| 22. AIP Cretan Residential Assets S.M.S.A.              |
| 23. AIP Aegean Residential Assets S.M.S.A.              |
| 24. AIP Ionian Residential Assets S.M.S.A.              |
| 25. AIP Attica Commercial Assets S.M.S.A.               |
| 26. AIP Thessaloniki Commercial Assets S.M.S.A.         |
| 27. AIP Commercial Assets Rog S.M.S.A.                  |
| 28. AIP Attica Retail Assets I S.M.S.A.                 |
| 29. AIP Attica Retail Assets II S.M.S.A.                |
| 30. AIP Attica Residential Assets II S.M.S.A.           |
| 31. AIP Retail Assets Rog S.M.S.A.                      |
| 32. AIP Land II S.M.S.A.                                |
| <b>Other</b>  |
| 1. Kafe Alpha A.E.                                      |
| 2. Alpha Supporting Services A.E.                       |
| 3. Real Car Rental A.E.                                 |
| 4. Emporiki Management A.E.                             |
| 5. Alpha Bank Notification Services A.E.                |

## United Kingdom

Turnover in United Kingdom for the year ended 31.12.2019 amounted to € 39,556, profit before tax amounted to € 3,470, debit income taxes amounted to € (603), the number of employees was 51 and the following companies were included:

|   |
|---|
| <b>Banks</b>                                |
| 1. Alpha Bank London Ltd                    |
| <b>Asset Management</b>                     |
| 1. ABL Independent Financial Advisers Ltd   |
| <b>Special purpose and holding entities</b> |
| 1. Alpha Credit Group Plc                   |
| 2. Irida Plc                                |
| 3. Alpha Shipping Finance Ltd               |
| 4. Katanalotika Plc                         |
| 5. Epihiro Plc                              |
| 6. Pisti 2010-1 Plc                         |
| <b>Other</b>                                |
| 1. Alpha Bank London Nominees Ltd           |





## Cyprus

Turnover in Cyprus for the year ended 31.12.2019 amounted to € 130,310, loss before tax amounted to € (52,904), debit income taxes amounted to € (1,536) the number of employees was 694 and the following companies were included:

|  |
|--|
| <b>Banks</b>                                       |
| 1. Alpha Bank Cyprus Ltd                           |
| <b>Investment Banking</b>                          |
| 1. Emporiki Ventures Capital Developed Markets Ltd |
| 2. Emporiki Ventures Capital Emerging Markets Ltd  |
| <b>Real Estate and Hotel</b>                       |
| 1. Stockfort Ltd                                   |
| 2. AGI-Cypré Alaminos Ltd                          |
| 3. AGI-Cypré Tochni Ltd                            |
| 4. AGI-Cypré Mazotos Ltd                           |
| 5. AGI-Cypré Property 1 Ltd                        |
| 6. AGI-Cypré Property 2 Ltd                        |
| 7. AGI-Cypré Property 3 Ltd                        |
| 8. AGI-Cypré Property 4 Ltd                        |
| 9. AGI-Cypré Property 5 Ltd                        |
| 10. AGI-Cypré Property 6 Ltd                       |
| 11. AGI-Cypré Property 8 Ltd                       |
| 12. Alpha Real Estate Services LLC                 |
| 13. AGI-Cypré Property 7 Ltd                       |
| 14. ABC RE L1 Ltd                                  |
| 15. AGI-Cypré Property 9 Ltd                       |
| 16. AGI-Cypré Property 10 Ltd                      |
| 17. AGI-Cypré Property 11 Ltd                      |
| 18. AGI-Cypré Property 12 Ltd                      |
| 19. AGI-Cypré Property 13 Ltd                      |
| 20. AGI-Cypré Property 14 Ltd                      |
| 21. AGI-Cypré Property 15 Ltd                      |
| 22. AGI-Cypré Property 16 Ltd                      |
| 23. AGI-Cypré Property 17 Ltd                      |
| 24. AGI-Cypré Property 18 Ltd                      |
| 25. AGI-Cypré Property 19 Ltd                      |
| 26. AGI-Cypré Property 20 Ltd                      |
| 27. AGI-Cypré Pafos Ltd                            |
| 28. AGI-Cypré P&F Nicosia Ltd                      |
| 29. ABC RE P1 Ltd                                  |
| 30. ABC RE P2 Ltd                                  |
| 31. ABC RE P3 Ltd                                  |
| 32. ABC RE L2 Ltd                                  |
| 33. ABC RE P4 Ltd                                  |
| 34. AGI-Cypré RES Nicosia Ltd                      |
| 35. AGI-Cypré P&F Limassol Ltd                     |
| 36. AGI-Cypré Property 21 Ltd                      |
| 37. AGI-Cypré Property 22 Ltd                      |
| 38. AGI-Cypré Property 23 Ltd                      |
| 39. AGI-Cypré Property 24 Ltd                      |
| 40. ABC RE L3 Ltd                                  |
| 41. ABC RE P5 Ltd                                  |
| 42. ABC RE P&F Limassol Ltd                        |
| 43. AGI-Cypré Property 25 Ltd                      |
| 44. AGI-Cypré Property 26 Ltd                      |
| 45. ABC RE COM Pafos Ltd                           |
| 46. ABC RE RES Larnaca Ltd                         |
| 47. AGI-Cypré P&F Pafos Ltd                        |



|   |
|---|
| 48. AGI Cypre Property 27 Ltd               |
| 49. ABC RE L4 Ltd                           |
| 50. ABC RE L5 Ltd                           |
| 51. AGI-Cypre Property 28 Ltd               |
| 52. AGI-Cypre Property 29 Ltd               |
| 53. AGI-Cypre Property 30 Ltd               |
| 54. AGI-Cypre COM Pafos Ltd                 |
| 55. AGI-Cypre Property 31 Ltd               |
| 56. AGI-Cypre Property 32 Ltd               |
| 57. AGI-Cypre Property 33 Ltd               |
| 58. AGI-Cypre Property 34 Ltd               |
| 59. Alpha Group Real Estate Ltd             |
| 60. ABC RE P&F Pafos Ltd                    |
| 61. ABC RE P&F Nicosia Ltd                  |
| 62. ABC RE RES Nicosia Ltd                  |
| 63. Fierton Ltd                             |
| 64. ABC RE P6 Ltd                           |
| 65. AGI-Cypre Property 35 Ltd               |
| 66. AGI-Cypre P&F Larnaca Ltd               |
| 67. AGI-Cypre Property 37 Ltd               |
| 68. AGI-Cypre RES Ammochostos Ltd           |
| 69. AGI-Cypre Property 36 Ltd               |
| 70. AGI-Cypre Property 38 Ltd               |
| 71. AGI-Cypre RES Larnaca Ltd               |
| 72. ABC RE P7 Ltd                           |
| 73. AGI-Cypre Property 42 Ltd               |
| 74. ABC RE P&F Larnaca Ltd                  |
| 75. Krigeo Holdings Ltd                     |
| 76. Alpha Credit Acquisition Company Ltd    |
| 77. AGI-Cypre Property 43 Ltd               |
| 78. AGI-Cypre Property 44 Ltd               |
| <b>Special purpose and holding entities</b> |
| 1. Alpha Group Investments Ltd              |
| 2. Ionian Equity Participations Ltd         |
| 3. AGI-BRE Participations 1 Ltd             |
| 4. AGI-RRE Participations 1 Ltd             |
| 5. Alpha Group Ltd                          |
| 6. AGI-RRE Athena Ltd                       |
| 7. AGI-RRE Poseidon Ltd                     |
| 8. AGI-RRE Hera Ltd                         |
| 9. Umera Ltd                                |
| 10. AGI-BRE Participations 2 Ltd            |
| 11. AGI-BRE Participations 3 Ltd            |
| 12. AGI-BRE Participations 4 Ltd            |
| 13. AGI-RRE Ares Ltd                        |
| 14. AGI-RRE Venus Ltd                       |
| 15. AGI-RRE Artemis Ltd                     |
| 16. AGI-BRE Participations 5 Ltd            |
| 17. AGI-RRE Cleopatra Ltd                   |
| 18. AGI-RRE Hermes Ltd                      |
| 19. AGI-Cypre Arsinoe Ltd                   |
| 20. AGI-SRE Ariadni Ltd                     |
| 21. Zerelda Ltd                             |
| 22. AGI-Cypre Evagoras Ltd                  |
| 23. AGI-Cypre Tersefanou Ltd                |
| 24. AGI-Cypre Ermis Ltd                     |
| 25. AGI-SRE Participations 1 Ltd            |
| <b>Other</b>                                |
| 1. Alpha Trustees Ltd                       |



## Romania

Turnover in Romania for the year ended 31.12.2019 amounted to € 191,369, profit before tax amounted to € 24,632, debit income taxes amounted to € (3,786), the number of employees was 1,989 and the following companies were included:

|                                    |
|------------------------------------|
| <b>Banks</b>                       |
| 1. Alpha Bank Romania S.A.         |
| <b>Leasing</b>                     |
| 1. Alpha Leasing Romania IFN S.A.  |
| <b>Investment Banking</b>          |
| 1. SSIF Alpha Finance Romania S.A. |
| <b>Insurance</b>                   |
| 1. Alpha Insurance Brokers Srl     |
| <b>Real Estate and Hotel</b>       |
| 1. Alpha Real Estate Services Srl  |
| 2. AGI-RRE Participations 1 Srl    |
| 3. Romfelt Real Estate S.A.        |
| 4. AGI-RRE Zeus Srl                |
| 5. AGI-RRE Poseidon Srl            |
| 6. AGI-RRE Hera Srl                |
| 7. AGI-RRE Cleopatra Srl           |
| 8. SC Cordia Residence Srl         |
| 9. SC Carmel Residential Srl       |
| 10. Asmita Gardens Srl             |
| 11. Ashtröm Residents Srl          |
| 12. Cubic Center Development S.A.  |
| 13. TH Top Hotels Srl              |

## Serbia

Turnover in Serbia for the year ended 31.12.2019 amounted to € 119, loss before tax amounted to € (455) and the following companies were included:

|                                 |
|---------------------------------|
| <b>Real Estate and Hotel</b>    |
| 1. AGI-SRE Participations 1 DOO |

## Albania

Turnover in Albania for the year ended 31.12.2019 amounted to € 23,475, loss before tax amounted to € (623), the number of employees was 418 and the following companies were included:

|                             |
|-----------------------------|
| <b>Banks</b>                |
| 1. Alpha Bank Albania SH.A. |

## Bulgaria

Turnover in Bulgaria for the year ended 31.12.2019 amounted to € 2,447, loss before tax amounted to € (3.604), and the following companies were included:

|   |
|---|
| <b>Real Estate and Hotel</b>              |
| 1. Alpha Real Estate Bulgaria E. O. O. D. |
| 2. Chardash Trading E. O. O. D.           |
| 3. AGI-BRE Participations 2 E. O. O. D.   |
| 4. AGI-BRE Participations 2BG E. O. O. D. |
| 5. AGI-BRE Participations 3 E. O. O. D.   |
| 6. AGI-BRE Participations 4 E. O. O. D.   |
| 7. HT-1 E. O. O. D.                       |



|  |
|--|
| 8. AGI-BRE Participations S E. O. O. D.    |
| 9. Kestrel Enterprise E. O. O. D.          |
| 10. Beroe Real Estate E. O. O. D.          |
| 11. Alpha Real Estate Bulgaria E. O. O. D. |
| 12. Chardash Trading E. O. O. D.           |

## Jersey

Turnover in Jersey for the year ended 31.12.2019 amounted to € 4 and the loss before tax amounted to € (324).

|   |
|---|
| <b>Special purpose and holding entities</b> |
| 1. Alpha Group Jersey Ltd                   |
| 2. Alpha Quantum Plc                        |

## Ireland

Turnover in Ireland for the year ended 31.12.2019 amounted to € 9,281.

|   |
|---|
| <b>Special purpose and holding entities</b> |
| 1. Alpha Proodos DAC                        |

Neither the Bank nor any of the Group companies have received any public subsidies.

Article 82 of Law 4261/5.5.2014 incorporates into Greek Law article 90 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, which establishes for the first time the requirement to disclose total return on assets. The total return on the assets of the Group\* for the fiscal year 2019 was 0.16% (31.12.2018: 0.09%).

## 42. Operating segments

### a. Analysis by operating segment

(In millions of Euro)

|   | 1.1 – 31.12.2019 |                   |                             |                              |                      |                            |                  |
|---|------------------|-------------------|-----------------------------|------------------------------|----------------------|----------------------------|------------------|
|   | Retail Banking   | Corporate Banking | Asset Management/ Insurance | Investment Banking/ Treasury | South-Eastern Europe | Other / Elimination Center | Group            |
| Net interest income   | 679.0            | 519.4             | 13.8                        | 122.4                        | 210.3                | 2.4                        | 1,547.3          |
| Net fee and commission income                                     | 116.2            | 125.6             | 48.1                        | 18.9                         | 31.6                 | (0.3)                      | 340.1            |
| Other income  | 6.9              | (43.1)            | 8.6                         | 405.6                        | 23.5                 | 21.3                       | 422.8            |
| <b>Total income</b>   | <b>802.1</b>     | <b>601.9</b>      | <b>70.5</b>                 | <b>546.9</b>                 | <b>265.4</b>         | <b>23.4</b>                | <b>2,310.2</b>   |
| <b>Total expenses (excluding expenses for separation schemes)</b> | <b>(595.3)</b>   | <b>(178.2)</b>    | <b>(35.3)</b>               | <b>(28.7)</b>                | <b>(212.4)</b>       | <b>(75.2)</b>              | <b>(1,125.1)</b> |
| Impairment losses and provisions to cover credit risk             | (559.6)          | (322.8)           | 0.4                         | 6.0                          | (114.4)              |                            | (990.4)          |
| Expenses for separation schemes                                   |                  |                   |                             |                              |                      | (49.6)                     | (49.6)           |
| <b>Profit/(losses) before income tax</b>                          | <b>(352.8)</b>   | <b>100.9</b>      | <b>35.6</b>                 | <b>524.2</b>                 | <b>(61.4)</b>        | <b>(101.4)</b>             | <b>145.1</b>     |
| Income tax  |                  |                   |                             |                              |                      |                            | (48.0)           |
| <b>Profit/(losses) after income tax</b>                           |                  |                   |                             |                              |                      |                            | <b>97.1</b>      |
| Assets 31.12.2019   | 21,840.9         | 14,884.7          | 1,411.0                     | 13,964.3                     | 7,955.5              | 3,401.2                    | 63,457.6         |
| Liabilities 31.12.2019  | 26,257.8         | 7,494.2           | 2,382.1                     | 12,577.2                     | 6,090.3              | 180.4                      | 54,982.0         |
| Capital expenditure   | 107.4            | 44                | 3.7                         | 4.2                          | 37.7                 | 48.0                       | 245.0            |
| Depreciation and Amortization                                     | (75.2)           | (28.2)            | (4.2)                       | (3.1)                        | (24.3)               | (9.5)                      | (144.5)          |

\* In accordance with the guidance of European Securities and Markets Authority (ESMA), the definition and the detailed calculation of the ratio is included in the appendix of the Annual Financial Statements.



Losses before income tax of the operating segment named “Other/Elimination Center” amounting to € 101.4 million include expenses from eliminations between operating segments amounting to € 7.1 million and unallocated expenses amounting to € 94.3 million. These unallocated figures refer to a) non-recurring items that do not relate to a specific operating segment and therefore cannot be allocated and b) results from operations that do not represent reportable operating segments.

(In millions of Euro)

| 1.1 – 31.12.2018*                                     |                |                   |                             |                              |                      |                            |                  |
|---|----------------|-------------------|-----------------------------|------------------------------|----------------------|----------------------------|------------------|
|   | Retail Banking | Corporate Banking | Asset Management/ Insurance | Investment Banking/ Treasury | South-Eastern Europe | Other / Elimination Center | Group            |
| Net interest income                                   | 847.2          | 597.4             | 8.1                         | 121.2                        | 199.2                | (17.1)                     | 1,756.0          |
| Net fee and commission income                         | 107.1          | 139.0             | 44.0                        | 12.1                         | 28.9                 |                            | 331.1            |
| Other income  | 29.3           | (26.7)            | 3.2                         | 502.1                        | 5.1                  | (0.6)                      | 512.4            |
| <b>Total income</b>                                   | <b>983.6</b>   | <b>709.7</b>      | <b>55.3</b>                 | <b>635.4</b>                 | <b>233.2</b>         | <b>(17.7)</b>              | <b>2,599.5</b>   |
| <b>Total expenses</b>                                 | <b>(636.4)</b> | <b>(183.0)</b>    | <b>(33.4)</b>               | <b>(30.3)</b>                | <b>(193.9)</b>       | <b>(81.2)</b>              | <b>(1,158.2)</b> |
| Impairment losses and provisions to cover credit risk | (1,057.0)      | (450.4)           | 1.9                         | (3.2)                        | (221.8)              | (0.1)                      | (1,730.6)        |
| <b>Profit/(losses) before income tax</b>              | <b>(709.8)</b> | <b>76.3</b>       | <b>23.8</b>                 | <b>601.9</b>                 | <b>(182.5)</b>       | <b>(99.0)</b>              | <b>(289.3)</b>   |
| Income tax  |                |                   |                             |                              |                      |                            | 342.3            |
| <b>Profit/(losses) after income tax</b>               |                |                   |                             |                              |                      |                            | <b>53.0</b>      |
| Assets 31.12.2018                                     | 22,108.0       | 14,438.0          | 434.9                       | 9,979.2                      | 7,950.5              | 6,096.1                    | 61,006.7         |
| Liabilities 31.12.2018                                | 24,976.2       | 7,647.5           | 2,160.1                     | 11,783.6                     | 6,097.7              | 198.5                      | 52,863.6         |
| Capital expenditure                                   | 93.4           | 39.6              | 2.6                         | 8.4                          | 13.7                 | 16.4                       | 174.1            |
| Depreciation and Amortization                         | (57.8)         | (23.5)            | (2.3)                       | (3.1)                        | (9.8)                | (5.5)                      | (102.0)          |

Losses before income tax of the operating segment named “Other/Elimination Center” amounting to € 99 million, include eliminations between operating segments amounting to € 19 million and unallocated figures amounting to € 80 million. These unallocated figures refer to a) non-recurring items that do not relate to a specific operating segment and therefore cannot be allocated and b) results from operations that do not represent reportable operating segments.

### i. Retail Banking

It includes all individuals (retail banking customers), professionals, small and very small companies operating in Greece and abroad, except from South-Eastern Europe countries.

The Group, through its extended branch network, offers all types of deposit products (deposits/ savings accounts, working capital/ current accounts, investment facilities/ term deposits, Repos, Swaps), loan facilities (mortgages, consumer, corporate loans, letters of guarantee), debit and credit cards of the above customers as well as bankassurance products which are provided through a cooperating company.

### ii. Corporate Banking

It includes all medium-sized and large companies, corporates with international business activities, enterprises which cooperate with the Corporate Banking Division, as well as shipping corporations operating in Greece and abroad except for South Eastern European countries. This operating segment offers working capital facilities, corporate loans, and letters of guarantee to the abovementioned corporations. This segment offers also leasing products through the Group’s subsidiary named Alpha Leasing A.E. as well as factoring services provided by the Group’s subsidiary named ABC Factors A.E.

### iii. Asset Management / Insurance

It consists of a wide range of asset management services offered through Group’s private banking units, its subsidiary Alpha Asset Management A.E.D.A.K. as well as the proceeds from the sale and the management of mutual funds. In addition, it includes income received from the sale of a wide range of insurance products through the Group’s subsidiary Alphalife A.E.Z.

\* Certain figures of the previous year have been restated, as described in detail in note 50.

**iv. Investment Banking / Treasury**

It includes stock exchange, advisory and brokerage services related to capital markets, and also investment banking facilities, which are offered either by the Bank or specialized subsidiaries (Alpha Finance A.E.P.E.Y., Alpha Ventures S.A.). It also includes the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements Loans etc.) as well as operations related to securitization transactions.

**v. South-Eastern Europe**

It consists of the Group's subsidiaries, which operate in South Eastern Europe.

**vi. Other / Elimination Center**

This segment includes the non-financial operations of the Bank, as well as unallocated / non-recurring income and expenses and intersegment transactions.

Income and expenses also include transactions between operating segments. All transactions are conducted on market terms. Intersegment transactions are eliminated. The assets of the operating segments "Retail" and "Corporate Banking" include the the Bank's loans as well as those provided by the Group's subsidiaries ABC Factors A.E. and Alpha Leasing A.E., which are being managed by the non performing loans retail and wholesale banking units, in accordance with the Bank's internal procedures.

|                 | 31.12.2019                |                         |                          | 31.12.2018                |                         |                          |
|-----------------|---------------------------|-------------------------|--------------------------|---------------------------|-------------------------|--------------------------|
|                 | Balance before impairment | Accumulated impairments | Balance after impairment | Balance before impairment | Accumulated impairments | Balance after impairment |
| Mortgages       | 7,164,613                 | (1,832,896)             | 5,331,717                | 7,600,991                 | (2,263,042)             | 5,337,949                |
| Consumer Loans  | 2,985,867                 | (1,519,454)             | 1,466,413                | 3,118,862                 | (1,727,983)             | 1,390,879                |
| Corporate Loans | 7,847,306                 | (3,783,514)             | 4,063,792                | 10,387,296                | (5,351,417)             | 5,035,879                |
| <b>Total</b>    | <b>17,997,786</b>         | <b>(7,135,864)</b>      | <b>10,861,922</b>        | <b>21,107,149</b>         | <b>(9,342,442)</b>      | <b>11,764,707</b>        |

**b. Analysis by geographical sector**

The breakdown by geographical segment is defined by the country of business of the Group Company.

(in millions of Euro)

|   | 1.1 - 31.12.2019 |                 |                  |
|---|------------------|-----------------|------------------|
|   | Greece           | Other countries | Group            |
| Net interest income   | 1,322.9          | 224.4           | 1,547.3          |
| Net fee and commission income                                     | 306.0            | 34.1            | 340.1            |
| Other income  | 398.8            | 24.0            | 422.8            |
| <b>Total income</b>   | <b>2,027.7</b>   | <b>282.5</b>    | <b>2,310.2</b>   |
| <b>Total expenses (excluding provision for separation scheme)</b> | <b>(893.4)</b>   | <b>(231.7)</b>  | <b>(1,125.1)</b> |
| Impairment losses and provisions to cover credit risk             | (876.0)          | (114.4)         | (990.4)          |
| Expenses for separation schemes                                   | (49.6)           |                 | (49.6)           |
| <b>Profit/(losses) before income tax</b>                          | <b>208.7</b>     | <b>(63.6)</b>   | <b>145.1</b>     |
| Income tax  |                  |                 | (48.0)           |
| <b>Profit/(losses) after income tax</b>                           | <b>208.7</b>     | <b>(63.6)</b>   | <b>97.1</b>      |
| Non current assets 31.12.2019                                     | 1,569.0          | 261.5           | 1,830.5          |



(in millions of Euro)

|   | 1.1 - 31.12.2018* |                 |                  |
|---|-------------------|-----------------|------------------|
|   | Greece            | Other countries | Group            |
| Net interest income                                   | 1,538.30          | 217.7           | 1,756.00         |
| Net fee and commission income                         | 302.1             | 29              | 331.10           |
| Other income  | 507.3             | 5.1             | 512.40           |
| <b>Total income</b>                                   | <b>2,347.70</b>   | <b>251.80</b>   | <b>2,599.50</b>  |
| <b>Total expenses</b>                                 | <b>(945.1)</b>    | <b>(213.1)</b>  | <b>(1,158.2)</b> |
| Impairment losses and provisions to cover credit risk | (1,508.8)         | (221.8)         | (1,730.6)        |
| <b>Profit/(losses) before income tax</b>              | <b>(106.2)</b>    | <b>(183.1)</b>  | <b>(289.3)</b>   |
| Income tax  |                   |                 | 342.3            |
| <b>Profit/(losses) after income tax</b>               |                   |                 | <b>53.0</b>      |
| Non current assets 31.12.2018                         | 1,474.7           | 204.9           | 1,679.6          |

For the purposes of the above note, Non-current Assets include:

- Investment property
- Property, Plant and Equipment
- Goodwill and other intangible assets

## 43. Risk Management

The Group has established a thorough and prudent risk management framework which is being built on best supervisory practices which, considering on the common European legislation and banking system rules, principles and standards is evolved over time in order to be implemented in a coherent and effective manner on the Bank's and Group's companies conduct of the day-to-day business to ensure the effectiveness of the corporate governance of the Group entities.

The Group's critical focus in 2019 was to maintain high standards in corporate governance and compliance with regulatory risk rules and retain confidence in the conduct of its business activities through sound and robust provision of financial services.

### 43.1 Credit Risk Management

#### RISK MANAGEMENT ORGANIZATION

##### Board of Directors (BoD)

The Board of Directors supervises the overall operations of the Risk Management Unit. Regarding Risk Management, the Board of Directors has established a Risk Management Committee (RMC), which convenes on a monthly basis and reports to the BoD. The RMC recommends to the BoD risk undertaking and capital management strategy, checks its implementation and evaluates its effectiveness.

The risk management framework and its effectiveness are re-assessed on a regular basis in order to ensure compliance with International best practices.

For a more comprehensive and effective identification and monitoring of all risk types, Management Committees have been established (Assets and Liabilities Committee, Operational Risk Committee and Credit Risk Committee).

\* Certain figures of the previous year have been restated, as described in detail in note 50.



## Risk Management Unit

The General Manager and Group Chief Risk Officer supervise the Risk Management Unit of the Group and report on a regular basis and ad hoc to the Management Committees, the Risk Management Committee and to the Board of Directors. As far as credit risk is concerned the reporting to the above-mentioned committees covers the following areas:

- The risk profile of portfolios by rating grade.
- The transition among rating grades (migration matrix).
- The estimation of the relevant risk parameters by rating grade, group of clients, etc.
- The trends of basic rating criteria.
- The changes in the rating process, in the criteria or in each specific parameter.
- The concentration risk (by risk type, sector, country, collateral etc.).
- The evolution of Gross Loans, +90 days past due loans, Non-Performing exposures and the monitoring KPIs per segment on a Group basis.
- The Cost of Risk.
- The IFRS 9 Staging transition of exposures per asset class.
- The maximum risk appetite per country, sector, currency, business Units, limit breaches and mitigation plans.

## Organizational Structure of Risk Management Divisions

In the Group, under the supervision of the General Manager and Group Chief Risk Officer, the following Risk Management Divisions operate within the Group and have been assigned with the responsibility of implementing the risk management framework, according to the principles of the RMC.

- Credit Control Division
  - Credit Risk Policy and Control Division
  - Credit Risk Methodologies Division
  - Credit Risk Cost Assessment Division
- Credit Risk Data and Analysis Division
  - Credit Risk Data Management Division
  - Credit Risk Analysis Division
- Market and Operational Risk Division
- Risk Models Validation Division
- Wholesale Credit Division
- Wholesale Credit Workout Division
- Retail Credit Division

For credit risk management purposes, facilities are separated into Wholesale and Retail, as described below.

## WHOLESALE BANKING CREDIT FACILITIES

Wholesale Banking credit facilities are included in each of the following categories subject to the characteristics of the credit facility and the obligor, as shown in the table below:

|  | Portfolio | Characteristics   |
|--|-----------|---|
| Obligors under the competence of Wholesale Banking | Corporate | Companies with turnover > Euro 75 million<br>Includes financing in shipping companies, as well as, obligors under the management of the Investment Banking Division |
|  | SME       | Euro 2.5 million < Companies with turnover < Euro 75 million or companies with credit limit > Euro 1 million  |





## 1. Credit Risk Approval Process

The limits of the Wholesale Banking Credit Committees are determined in accordance to Total Credit Exposure, defined as the sum of all credit facilities of the obligor (single company or group of associated companies) which can be approved by the Group and include the following:

- Total credit requested exposure
- Working Capital limits
- Withdrawal limits from unclear deposits
- Letters of Credit/Letters of Guarantee limits
- Factoring limits
- Derivative transaction limits
- Corporate Cards limits
- Medium and long-term loans (current outstanding/exposure for facilities that have been fully drawn or limit amount of undrawn facilities).
- Leasing Facilities (current outstanding/exposure for leasing facilities that have been fully drawn or limit amount for undrawn/unused facilities).
- Special credit limits or loans, or any form of personal financing to the company's business owners (mortgage loans, consumer loans, shares' purchase, credit cards etc.).

### Wholesale Banking Credit Committees

#### Credit Committees Structure:

- Wholesale Banking Credit Committee I (General Management)
- Wholesale Banking Credit Committee II
- Wholesale Banking Credit Committee III (Divisions Managers)
- Wholesale Banking Credit Committee IV (Division Assistant Managers)
- Wholesale Banking Credit Committee V (Hospitality and Island Enterprises Division and Commercial Centers)

#### Credit Limit Expiry/Renewal date:

The credit limits' expiry/renewal date is determined by the relevant Wholesale Banking Credit Committees. The basic factor for the determination of the credit limit expiry is the client's credit rating, which is not a standalone approval or rejection criterion, but the basis for determining the minimum security/collateral required and the respective pricing. As a rule, for obligors that have been rated in the Low, Medium and Acceptable credit risk zones, reviews are carried out on an **annual basis**, for Watch List clients, on a **semi-annual basis** while obligors that have been rated in the High Risk zone are reviewed on a **quarterly basis**. Deviations from the above rule are not allowed, except when the request by the responsible Business Units is approved by the competent Credit Committees.

## 2. Credit Risk Measurement and Internal Ratings

The assessment of the borrower's creditworthiness and their rating in credit risk scales is established through rating systems. The rating of the Group's borrowers with the use of credit risk rating systems constitutes a basic tool for:

- The decision-making process of Credit Committees for the approval/ renewal of credit limits and the implementation of the appropriate pricing policy (interest rate spreads etc.).
- The estimation of the future behavior of borrowers which belong to a group with similar characteristics.
- The early recognition of potential troubled facilities (early alert mechanism) and the prompt, effective action for the minimization of the expected loss for the Group.



- The assessment of the quality of the Group's loan portfolio and the credit risk undertaken.

The aim of the credit risk rating systems is the estimation of the probability that the borrowers will not meet their contractual obligations to the Group as well as the Expected Credit Loss estimation.

The rating systems employed by the Group are the Alpha Bank Rating System (ABRS) and Risk Analyst (RA) which incorporate different credit rating models.

All current and future clients of the Group are assessed based on the appropriate credit risk rating model and within pre-specified time frames.

For the estimation of the probability of default of the obligors of the Group the credit risk rating models evaluate a series of parameters, which can be grouped as follows:

- Financial Analysis: obligor's Financial Ability (liquidity ratios, debt to income, etc.)
- Peers' Analysis: obligor's comparative position in the market in which it operates mostly compared to its peers.
- Behavioral status and history of the obligor with the Group and with third parties (debt in arrears, adverse transaction records, etc).
- Obligor's qualitative characteristics (solid and healthy administration, management succession, appropriate infrastructure and equipment etc.).

The credit rating models which are currently employed by the Group are differentiated according to:

- The turnover of the company.
- The level of the total credit risk exposure.
- The credit facility's specific characteristics.
- The available information for the obligor's assessment. Specifically, for the financial analysis the differentiation relates to the type of the local accounting standards and the International Financial Reporting Standards.

For each of the credit rating models, different parameters may be used, each of which contributes in a specific manner the relevant assessment.

The statistical validation of the credit risk rating models is reviewed regularly in order to ensure the maximum predictive ability according to the best international practices and regulatory framework for credit risk management.

### Obligors Rating Scale

Borrowers are rated in the following rating scales:

**AA, A+, A, A-, BB+, BB, BB-, B+, B, B-, CC+, CC, CC-, C, D, DO, D1, D2**

For special purpose finance (Structured and Shipping Financing) special models have been designed (slotting) with the following categorization scale:

**Strong (Class 1), Good (Class 2), Satisfactory (Class 3), Weak (Class 4), Default (D, DO, D1, D2).**

For presentation purposes of table "Loans by credit quality and IFRS9 Stage", the "strong" rating includes the rating scales AA, A+, A, A-, BB+ and BB and Categories 1 and 2, "satisfactory" rating includes the rating scales BB-, B+, B, B-, CC+, CC and Category 3, and "under close monitoring" (higher risk) includes the rating scales CC-, C and Category 4. Last, default category, includes the rating scales D, DO, D1, D2.

### RETAIL BANKING PORTFOLIO

Retail banking involves the lending facilities offered from the Group to borrowers covering traditional banking products and services such as:

- Housing loans/Mortgages
- Consumer Loans and Credit Cards



- Small companies and small business (SB): Legal entities with turnover up to Euro 2.5 million and credit limit up to Euro 1 million.

### 1. Credit Risk Approval Process

The Group monitors customer Total Credit Risk Exposure (For Individuals and Small Businesses), which refers to the sum of all revolving limits of an obligor, all the balances of long term facilities and for the case of small businesses the total exposure of facilities given to stakeholders of customer companies. Additionally, facilities for which the customer is guarantor or co-debtor are also taken into account.

The Group has developed and implemented a strict framework for the conduct of credit policy (legislative and supervisory / regulatory) and has also formulated and put into effect an internal system of credit principles, procedures and rules clearly applicable to the Group's lending business, in order to promote sound practices for managing credit risk.

Credit policies establish the framework for lending and guide the credit-granting activities of Retail Banking through:

- Sound lending management.
- Prudent client selection through in-depth assessment of both financial and qualitative data of the borrower
- Assessing the risk/reward relationship with a respective determination of pricing policy and collateral coverage after taking into account the level of credit risk.
- Monitoring and management of the total credit risk, i.e. the consolidated risk from any type of credit facility granted by the Alpha Bank Group.

The enforcement of the Credit Policy requires certain criteria to be met. These criteria play a significant role in the achievement and maintenance of a healthy portfolio and in the Group's Capital allocation. In particular:

#### Individuals

The approval process of credit to individuals (being individual with earnings from salaries, pensions or other sources of income not related with business activities) is performed on the basis of the classification of borrowers into risk groups (risk groups), which represent a certain level of undertaken risk. The level of risk undertaken by the Group is adjusted, when deemed necessary, according to its credit policy.

The credit assessment for individuals is based upon the following pillars:

- Application fraud detection;
- Willingness to pay;
- Ability to pay;
- Collateral risk.

#### Small Businesses

Small Business are defined as following:

- Personal Companies with turnover up to € 2.5 million and a credit limit up to € 1 million
- Entrepreneurs with a credit limit up to € 1 million
- Legal entities with turnover up to € 2.5 million and a credit limit up to € 1 million.

The creditworthiness of Small Businesses in the Retail Banking sector is related to the creditworthiness of company's stakeholders/ managers of the company and vice versa. Therefore, the evaluation of claims in this category is based on two dimensions:

- The valuation of the creditworthiness of company's stakeholders or business managers.
- The valuation of the creditworthiness of the company.



The creditworthiness of a company's stakeholders or managers is based on the specific pillars:

- Willingness to pay.
- Ability to pay.

Hence, the credit assessment for the small businesses is based on the following:

- Application fraud detection;
- Demographics;
- Financials;
- Behavior;
- Credit Bureau;
- Qualitative data; and
- Collateral risk.

## 2. Internal Ratings

The fundamental parameter in assessing Retail Banking Credit Risk is the Credit Scoring Models that are developed and employed throughout the credit cycle at the Group level. The above models segments populations into homogenous risk groups (pools) and are categorized as follows:

- Behavior Models, which assess the customer's performance and predict the probability of defaulting within the following months;
- Application Credit Scoring Models, which assess application data—mainly demographic- that predict the probability of defaulting within the following months; and
- Models for the assessment of regulatory parameters. It is noted that since 2018, the Bank's and Group's companies credit risk assessment models are in line with International Financial Reporting Standard 9 (IFRS 9).

These models and the probabilities of default that derive from them, contribute a significant role in risk management and decision making throughout the Group.

Specifically, the models are used in the following segments:

- Decision making of credit assessment and credit limit assignment.
- Impairment assessments
- Predicting future performance of customers belonging to the same pool of common characteristics.
- Tracing high risk accounts in time to schedule all necessary actions so as to reduce expected losses for the Group.
- Assessing the Group's portfolio quality and credit risk.

The parameters taken into account vary, according to the model's type and product category that it assesses. Indicatively, some factors are:

- Personal/demographic data: the customer's age, profession, marital status, or current address;
- Loan characteristics: product applied for, loan term, loan amount, or financing purpose;
- Behavioral data: payments during latest period of time, maximum delinquency, outstanding loan balance versus loan limit, transaction type;
- Financial data: sales variances, liabilities versus sales; and
- Qualitative data: experience, headoffice of business (company registry).

Models are reviewed, validated and updated on a yearly basis and are subject to quality control so as to ensure at their predictive power at any point in time.

Furthermore, on a regular basis the Group conducts exercises simulating crisis situations (Stress Tests), which explore the



potential impact on the financial results of the Group due to unfavorable developments both in obligors' transactional behavior as well as in the broader financial macroeconomic environment.

For presentation purposes of table "Loans by credit quality and IFRS 9 Stage", the classification in "Strong", "Satisfactory" and "Watchlist" categories, for Retail Banking loans is based on the twelve-month Probability of Default. The range of probabilities that determines this classification, has derived from an analysis aiming at optimizing discriminatory power between categories; therefore ranges might differ for each portfolio and for each subsidiary- Specifically for the Bank, the range of probability default which determine the classification of a loans is presented below:

| Rating Classification | Range of probability of default |                     |                     |                     |
|-----------------------|---------------------------------|---------------------|---------------------|---------------------|
|                       | Mortgages                       | Consumer            | Credit cards        | Small Business      |
| Strong                | up to 3%                        | up to 4.0%          | up to 3.8%          | up to 4.7%          |
| Satisfactory          | from 3% up to 16.5%             | from 4.0% up to 20% | from 3.8% up to 16% | from 4.7% up to 17% |
| Watchlist             | over 16.5%                      | over 20%            | over 16%            | over 17%            |

## CREDIT CONTROL

According to the risk management and control framework, there are three "lines of defence" with distinctly allocated roles and responsibilities and specifically the Business and Operations Units (first "Line of Defence"), the Risk Management Units (second "Line of Defence") and the Internal Audit Unit (third "Line of Defence").

In the context of the second line of defence operation and within the single context of operations set out for the sectors of Retail Banking, Wholesale Banking and Private and Investment Banking, credit controls are carried out in order to optimise Credit Risk management, to assess the quality of the loan portfolio and to ensure that the first "line of defence" operates within the framework set out for effective Credit Risk management.

This second line of defence is independent and aims, among else, to:

- Design and develop procedures and controls for credit risk management.
- Monitor the adequacy and effectiveness of existing credit risk management procedures.
- Highlight critical issues and deviations from the Group's Manuals and Policies.
- Provide guidelines and instructions related to the procedures for the management of credit risk.
- Provide information to concerned Units about the findings of the controls and any recommendations made.

In order to reinforce the second line of defense the Bank has established, in 2018, the Risk Models Validation Division, an independent division from model development activities, with direct reporting line to General Manager and CRO. The role of Risk Models Validation Division, in the context of the MRM Framework, encompasses different responsibilities and activities related to the monitoring of the performance of the models undertaken by the first line of defense. Its primary task is to independently challenge and ensure that models are sound, fit-for-purpose as well as aligned with the regulatory guidelines and international best practices. Risk Models Validation Division responsibility is to develop systematic procedures for the evaluation of models' performance as well as model related processes, on a periodic basis. The frequency, rigor and sophistication of the validation process followed for each model is determined by the overall use, complexity and materiality of models, as well as the size and complexity of the Bank's operations. The associated level of inherent model risk, as assessed by the Tiering methodology, determines the validation requirements in terms of frequency, extent and intensity.

## CREDIT RISK MITIGATION

### Collaterals

Collaterals are received in order to mitigate credit risk that may arise from the obligor's inability to fulfill his contractual obligations.



Collaterals include all kind of assets and rights which are made available to the Group either by their debtors or by third parties, in order to be used as complementary liquidity sources of relative loans.

The mitigation tools applied by the Group include two broad categories: intangible and tangible collaterals.

### **1. Intangible Collaterals**

Intangible collaterals form the framework of the obligations and rights that are typically included and described in specific contractual documents that bind the Group and the borrowers during the lending process with specific commitments. The commitments involve a third party who substitutes for the primary debtor in the event of the latter's default or the primary debtor itself (natural or legal entities) to honor the contractual loan agreements and their prompt repayment to the Group and on the other hand the Group has the right to claim them.

The main type of intangible collateral used to protect the Group against debtor insolvency is the Guarantee.

The guarantee constitutes a legal relationship between the guarantor and the lender (Bank), through which the guarantor assumes the responsibility that the debt will be paid. It is drafted in writing and presupposes the existence of a basic legal relationship between the Bank and the borrower (principal debt), i.e. it is a relationship of principal to ancillary.

The guarantor can be an individual or a legal entity and the guarantee can be provided for future or conditional debt.

### **2. Tangible Collaterals**

Tangible collaterals provide the Group with the rights over an asset (movable or immovable), owned by the obligor or the guarantor, providing priority in the satisfaction of the creditor by the liquidation proceeds of the asset.

Tangible collaterals are distinguished between mortgages and prenotation on mortgages which are registered over immovable properties and pledges on movable assets (e.g., commodities, checks, bills of exchange) or on claims and rights.

In order to better secure credit facilities granted, all mortgage and pledged assets are covered by an insurance contract, with assignment of the relevant insurance contract to the Group.

#### **2.1. Mortgages - Prenotation on Mortgages**

Mortgages are registered on real estate or immovable assets which can be liquidated as indicatively reported below:

- Residential Real Estate;
- Commercial Real Estate;
- Industrial Buildings;
- Land;
- Mines;
- Ships and aircrafts;
- Machinery or other facilities (engineering, mechanical, electrical, etc.), if they are permanently and consistently connected with the mortgaged estate.

#### **Methods and Frequency of real estate property valuations**

According to the Group's Credit Policy, the existence and the valuation of mortgaged property are closely monitored. The property revaluations should be carried out on a yearly basis all property types, except for cases where contract foresees something different, in cases of known changes on the property or in the business process, or in case there are urban planning changes or any other factors.

The initial valuations of a real estate property, provided as collateral, are carried out through on site appraiser visits and internal inspection.



Revaluations of properties, which are collaterals to performing exposures, are mainly carried out by the Group Company Alpha Astika Akinita S.A. via:

- The price statistical index PropIndex, regardless of the amount of the exposure for the Residential Properties.
- The price statistical index for certain categories of commercial property (CRE) that has been developed by Alpha Astika Akinita S.A. taking into account indices published by Bank of Greece, used as collateral on performing exposures up to Euro 1 million.
- The authorised engineers of the Company, after their visit to the professional property used as collateral or by desktop valuation, in cases where the statistical index, does not cover the type of business property or the amount of exposure exceeds Euro 1 million.

The revaluations for property used as collateral to non-performing exposures, are mainly carried out by the Group Company Alpha Astika Akinita S.A. via:

- The price statistical index PropIndex, for Residential Properties and for non-performing exposures up to Euro 300 thousand.
- The price statistical index for certain categories of commercial property (CRE) that has been developed by Alpha Astika Akinita S.A. taking into account indices published by Bank of Greece, used as collateral for non-performing exposure of amount up to Euro 300 thousand
- The authorised engineers of the Company, after their visit to the property serving as collateral or by desktop valuation, provided that either the amount of non-performing exposure that cover the property under valuation exceeds the amount of Euro 300 thousand or in the cases where the indices do not cover the type of the property under revaluation.

The Group in the context of the credit control process performs on a regular basis and through proper sampling, audits for the procedures of implementation of the Group's Loan Collateral Policy, audits (back-testing) for the verification of property valuations, both of those based on indices and those based on individual assessments and controls in order to ensure the proper register of the values in the Group's core systems according to the values mentioned in the relevant committee approvals.

## 2.2. Pledges

Pledges provide seniority rights over liquidation proceeds from a movable third party asset.

Pledges can be registered on movable assets, securities, rights or claims that have not been excluded or banned from exchanges and which can be liquidated, including:

- Raw materials, products or commodities;
- Machinery (movable);
- Bill of Lading;
- Bill of exchange;
- Cheques;
- Securities;
- Deposit; and
- Any type of claim that can be pledged

### Frequency of pledges revaluation

Depending on the right or the underlying asset on which a pledge is registered, the periodic revaluation varies from one month to one year.

## 3. Acceptable Value

The Group calculates the value of the collaterals received based on the potential proceeds that could arise if and when these



are liquidated. This estimation is referred to as the acceptable guaranteed value of the collaterals provided to the Group for the determination of which the quality of the assets as well as their market value are taken into account.

In this way, the ratio of acceptable guaranteed values are determined for each type of collateral, those are expressed as a percentage of their market value, nominal or weighted value, depending on the type of collateral.

### **CREDIT RISK EARLY WARNING SYSTEM**

In order to optimise the management of Lending and, in particular, limit the loans whose status changes from Performing Loans (PLs) to Non-Performing Loans (NPLs), the Group has developed the Credit Risk Early Warning System, which is defined as the aggregation of actions, processes and reports required to ensure the early identification of events (Early Warning Alerts), at borrower and portfolio level, which may possibly lead to either an increase in NPLs due to the debtor's negligence or financial difficulty of a temporary or permanent nature or an increase in exposures with significant increase in credit risk, as well as the relevant Actions that must be taken in order to manage the borrowers concerned.

The perimeter to which the Credit Risk Early Warning System is implemented encompasses all performing exposures, as well as exposures past due for up to 30 days which have not been forborne.

Additionally to the early identification and management of borrowers or loan portfolio segments with signals of deterioration, the Group also monitors through the Early Warning System the loan portfolio, regardless of days past due, to ensure that the evolution and performance of the lending portfolio are in accordance with the Bank's and Group's Credit Risk Appetite.

A comprehensive and effective Credit Risk Early Warning System is composed of the following stages:

- Identification of early warning triggers
- Actions (timely and appropriate action taken)
- Monitoring the effectiveness of the procedure
- Quality control of the procedure's implementation

The effectiveness of the Credit Risk Early Warning System is being monitored on a regular basis by three "lines of defence":

- The first "line of defence" consists of controls within the Units of the Group that participate in the process.
- The second "line of defence", i.e. the Risk Management Unit, is responsible for ensuring on an ongoing basis and at least once per year, that the controls of the "first line of defence" are applied effectively, through the Credit Control Mechanism.
- The third "line of defence" is the internal audit function that carries out regular evaluations and proposes potential improvements.

### **ENVIRONMENTAL AND SOCIAL RISK**

Assessment of the strict compliance with the principles of an environmentally and socially responsible financing towards legal entities has been integrated within Credit Risk Management Framework and Credit Policy.

The main objective is the management of potential risk arising from the operations of obligors of the Group that may be connected with a damage to the environment or the society or with any direct threat of such a damage, having as a result a negative impact on the business operations and financial results of the Group.

### **CREDIT RISK CONCENTRATION MANAGEMENT**

Concentration Risk is a specific form of credit risk and arises due to the low degree of diversification between counterparties, products or group of counterparties, sectors, geographic regions, or collaterals.

The Group monitors on a regular basis concentration risk at sector level and at borrower/group of borrowers level as well through detail reporting which informs senior management and Committees of the Board of Directors.

The Group categorizes the financed companies according to their NACE Rev.2 codes into Industry groups/Sectors, which are





rated into risk zones. The Sectors ranking relative to their credit risk is carried out by an independent and certified company and is based on a predictive indicator that, focusing on future estimates rather than solely on past data, captures the risks and prospects of each sector. The Group determines the Credit Risk Appetite per sector and manages the concentration risk by monitoring the evolution of its portfolio.

Additionally, the Group manages concentration risk at borrower/group of borrowers level by setting and monitoring compliance with limits set both by regulatory guidelines and by internal policies that have been developed.

In line with the supervisory framework, the Group applies and complies with the regulatory directives regarding large exposures, while the capital requirements for single name and sector concentration risks are estimated in the context of Pillar 2 of Basel II.

## DEFINITIONS

The following definitions are provided as guidance to tables that follow:

### Public Sector

The Public Sector includes:

- The Greek Central Government;
- Local Authorities;
- Companies controlled and fully or partially owned by the State (excluding those engaged in commercial activity)

In 2019, the Group has amended the presentation of exposures reported within the line "Public Sector" in order to align its definition of public sector with the definition used in regulatory reporting. Up to 2018, public sector included exposures to Greek central Government (all departments or ministries and Public Administration), local authorities, Companies controlled and fully or partially owned by the State, companies associated with the State and legal entities controlled by politically exposed persons. Therefore, as at 31.12.2018, net exposures to public sector amounted to € 846.0 million and were restated and reduced to € 127.5 million, while net exposures amounting to € 718,5million were reclassified to corporate lending portfolio. Disclosure tables for the year 2018 were amended accordingly.

### Past Due Exposures

An Exposure is past due if the counterparty's exposure is, materially, more than one day past due (sum of the principal, interests and charges/commissions due more than one day at an account level).

### Non-Performing Exposures

An exposure is considered as Non-Performing when at least one or more events have occurred that adversely affect the expected cash flows. Indicative events that satisfy the classification of an exposure as Non -Performing are the following:

- The exposure is more than 90 days past due (NPL): The amount due exceeds € 100 for Retail Exposures or € 500 for Wholesale Exposures and the amount due exceeds 1% of the total on balance sheet exposures. In particular, for overdraft facilities, an exposure is past due after having exceeded its approved limit.
- Legal actions have been undertaken by the Bank -Legal (NPL).
- The exposure is classified as Forborne Non-Performing Exposure (FNPL)
- It is assessed as Unlikely to Pay (UTP).

When a Wholesale Banking borrower has an exposure that is more than 90 days past due and the amount of this exposure exceeds 20% of total exposures of the borrower, then all exposures of the borrower are considered as non-performing (Pulling Effect).



## Performing Exposures

An exposure is considered as performing when the following criteria are met:

- The exposure is less than 90 days past due;
  - No legal actions have been undertaken against the exposure;
  - No unlikelihood to pay is reported on its credit obligation;
  - The exposure is not classified as impaired;
- or
- The exposure is classified as forborne performing exposure, as defined in the aforementioned Implementing Regulation (EU) 2015/227 of 9 January 2015.

## Unlikelihood to Pay

An exposure is flagged as 'Unlikely To Pay' (UTP) when it is less than 90 days past due and the Group assesses that the borrower is unlikely to fully meet his credit obligations without the liquidation of collateral, regardless the existence of any past due amount or the number of days past due, with the exception of collaterals that are part of the production and trade chain of the borrower (e.g. properties for Real Estate companies, corporate shares for Holding companies).

For Wholesale Banking, the procedure is the following:

(a) Identification of events which when occur lead to the transfer of the exposure to Non-Performing status without requiring an assessment by any Credit Committee (Hard UTP Triggers),

(b) Identification of triggers which when occur, lead to borrower's credit assessment by the relevant Wholesale Banking Credit Committee in order to determine whether borrower's exposures should be classified as Non-Performing or not (Soft UTP Triggers). This assessment takes place when reviewing borrower's credit limits depending on its credit ratings and in accordance with Wholesale Banking Credit Manual. If a borrower is flagged as UTP, then his credit risk rating should be D (Default) according to Bank's rating system or Default for Borrowers assessed using Slotting Models. If a borrower flagged as UTP belongs to a group of companies, then the group should also be assessed by the competent Credit Committee for the existence or not of UTP trigger.

For Wholesale Banking exposures the following Hard UTP Triggers exist:

- Denouncement of loan agreement
- Liquidation of collaterals and initiation of foreclosure measures by the Bank when the borrower does not have operational cash flows for the repayment of his debt obligations (excluding e.g. checks).
- Legal actions, sale or judicial sale in order to collect the claim (e.g. foreclosure instead of debt collection).
- Withdrawal of a license of particular importance in companies that require public authorisation to carry out their activities such as banks and insurance companies. The same applies for technical and construction companies, telecommunications companies, pharmaceutical, mining, transport, food, chemical, petroleum, recycle, media etc.
- Refinancing/Extensions of loans whose lifetime exceeds the economic lifetime of the funded investment.
- There are strong indications that the borrower is unable to meet his debt obligations (e.g. termination of business).
- Fraud cases
- Excess of the minimum acceptable Loan to Value (LTV), as depicted contractually, for loans collateralised with securities, e.g. bonds, shares etc (Margin Financing).
- Disappearance of an active market for the debtor's financial instruments, hold by the Group.
- Write-off because of default
- Debt Forgiveness with or without forbearance (conditional or not) at least for the first 12 months since the debt forgiveness.



- The credit institution or the leader of consortium starts bankruptcy/insolvency proceedings (application for insolvency).
- A credit event is declared under the International Swaps and Derivatives Association - ISDA).
- Out-of-court settlement/negotiation between Banks and Borrower for settlement / debt repayment of borrowers that are under bankruptcy proceedings (application for the bankruptcy).
- The borrower has requested to enter into bankruptcy or insolvency status (application for bankruptcy).
- A Bank has initiated bankruptcy or insolvency proceedings (application for bankruptcy).

Additionally, for Wholesale Banking exposures the following Soft UTP Triggers exist:

- Exposures that were modified by providing a 'balloon' payment while the initial terms of the loan agreement did not include this repayment method, as well as exposures that the initial terms of the loan agreement included the 'balloon' payment and were modified by including an increase of the "balloon" amount of and simultaneously by reducing the current installment.
- Multiple modifications in the same exposure.
- Deterioration of the leverage ratio (Debt to Equity).
- An exposure was purchased or sold with deep discount that reflects the low credit quality of the borrower.
- The debt service coverage ratio indicates that debt is not viable.
- 5 Years Credit Default Swaps (CDS) above 1.000 bps in the last 12 months.
- Loss of an important customer or lessee representing a significant percentage of entity's turnover or the total property income, respectively.
- A turnover decrease resulting in a significant reduction of cash flows.
- An affiliated customer, who represents a significant percentage of entity's turnover, has applied for bankruptcy.
- An external auditor report with restrictions or reservations that results to significant deterioration of key financial ratios of the borrower and to worsened estimated future cash flows of the borrower.
- It is expected that an exposure with repayment at maturity or a due installment cannot be refinanced under current market conditions.
- Disappearance of an active market for the debtor's financial instruments, not hold by the Bank.
- The borrower has breached the financial terms of the loan agreement.
- There is significant deterioration of the borrower's sector activity prospects.
- Adverse changes in the ownership structure or the management of the company or serious administrative problems.
- A third party (excluding Banks) has started bankruptcy or insolvency proceedings (application for Bankruptcy).
- Over due payments to Tax Authorities and Social Security Funds.

For Retail Banking, the procedure is the following:

(a) Identification of events which when occur lead to the transfer of the exposure to Non-Performing status without requiring an assessment by any Credit Committee (Hard UTP Triggers),

(b) Identification of triggers which when occur, lead to borrower's credit assessment by the relevant Retail Banking Credit Committee in order to determine whether borrower's exposures should be classified as Non-Performing or not (Soft UTP Triggers). This assessment takes place at the date of a forbearance request. If an exposure is flagged as UTP, then it should be classified as Non-Performing in the systems of the Group's companies.

For Retail Banking exposures the following Hard UTP Triggers exist:

- A trial date has been set for filling for Bankruptcy L.3869/2010
- Fraud has been confirmed at the expense of the Bank.
- The borrower has passed away.



- Multiple forbearances for the same exposure within a 12 months' time period.
- An out-of-court settlement / negotiation is underway between banks and borrower for settlement / repayment of debts of borrowers who are under bankruptcy proceedings (application for bankruptcy).
- Denouncement of loan agreement.
- Collaterals liquidation and foreclosure procedures have been initiated by the Bank in case the borrower cannot repay its debt obligation with the existing operating cash flows (excluding e.g. checks).
- Legal actions, sale or forced sale have been initiated in order to collect the debt (e.g. foreclosure measures against debt collection).
- Debt Forgiveness with or without forbearance (conditional or not), at least for the first 12 months since the debt forgiveness.

Additionally, for Retail Banking exposures the following Soft UTP Triggers exist:

- Multiple forbearances in the same exposure
- The borrower has other exposures in the Bank in default.
- The borrower is unemployed.
- The borrower has applied for bankruptcy or insolvency (application for bankruptcy).
- The borrower is the sole owner of a company with exposures in default and for which he has provided personal guarantees.

### **Credit Impaired Exposures**

An exposure is considered as Credit Impaired when the criteria specified by the definition of Non-Performing Exposures are met.

### **Default Exposures**

An exposure is considered as Default when the criteria specified by the definition of Non-Performing Exposures are met.

### **Provision for impairment losses**

For credit risk reporting purposes, the provision for impairment losses (i.e. Expected Credit Losses) includes the allowance for impairment losses and the fair value adjustment for the contractual balance of loans which were impaired at their acquisition or origination (POCI) since the Group, from credit risk perspective, monitors the respective adjustment as part of the provisions. These loans were recognized either in the context of acquisition of specific loans or companies (i.e. Emporiki Bank and Citibank's retail operations in Greece), or as a result of significant modification of the terms of the previous loan that led to derecognition. Relevant adjustment has also been performed to the carrying amount of loans.

### **Collateral value**

The collateral value taken into account is the latest market value available. In the case of immovable properties, collateral value is considered the lower amount between the prenotation amount and the market value of the real estate. Value of guarantees only includes the amount that exceeds the value of tangible collaterals. All collateral values are capped at 100% of the outstanding amount of the loan.

## **EXPECTED CREDIT LOSS ESTIMATION METHODOLOGY**

The Group, at each reporting date, recognizes a provision for expected credit losses on loans and advances to customers not measured at fair value through profit or loss as well as for letters of guarantee, letters of credit and undrawn loan commitments.



The Loan Impairment Methodology is common and applicable for both the Wholesale and Retail Banking Portfolios.

### Default definition

The Group has adopted, as default definition for accounting purposes non-performing exposures (NPE), as defined in the Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014.

The definition of Non-Performing Exposures is consistently used to develop models for estimating credit risk parameters (Probability of Default, Loss Given Default, Exposure at Default).

In addition, the definition of default is consistent with the one used for internal credit risk management purposes.

### Portfolio Classification in Stages based on the Credit Risk (Staging)

Following an exposure's initial recognition, exposure is classified into stages based on its credit risk characteristics. The classification of loans in stages is based on the changes of the credit quality compared to its initial recognition.

Upon initial recognition of an exposure, the Group must determine whether this exposure is considered as credit impaired (Credit Impaired at Initial Recognition).

The POCL category (Purchased or Originated Credit Impaired, POCL) includes the following:

- Exposures that at the time of purchase (Purchased) meet the criteria of non-performing exposures.
- Exposures that as per accounting rules are derecognised and a new exposure is recognized and for which the following apply (Originated): if the exposure was classified as impaired (hence NPE) prior to derecognition, the new exposure will continue to maintain this classification and it will be classified as POCL.

For exposures not classified as POCL, the classification in stages is performed as follows:

- The Stage 1 includes performing credit exposures that have no significant increase in credit risk since the initial recognition date. The expected credit losses calculated are based on the probability of default within the next 12 months and the assessment is carried out on a collective basis with the exception of borrowers assessed on an individual basis
- The Stage 2 includes credit exposures with significant increase in credit risk since the initial recognition date but which are not non-performing. The expected credit losses calculated are lifetime credit losses and the assessment is carried out on a collective basis with the exception of borrowers assessed on an individual basis
- The Stage 3 includes the non-performing / default exposures. The expected credit losses calculated are the lifetime losses and the assessment is performed on a collective or individual basis.

With regards to the POCL exposures, the expected credit losses calculated are the lifetime losses.

All possible movements between Stages of credit risk are presented below

- An exposure which has been classified in Stage 1 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the credit risk has not deteriorated and the exposure is still performing, or in Stage 2, if the exposure is still performing but the credit risk has deteriorated, or in Stage 3 if the exposure is non-performing/default..
- An exposure which has been classified in Stage 2 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the exposure is performing and does not meet any of the criteria of "Significant increase in credit risk" and in particular, for case of Forborne Performing exposure, if the exit criteria from the 2-years probation period are met. It could also remain in Stage 2, if the credit risk has not substantially changed, or be transferred to Stage 3, if the exposure is non-performing/default.
- An exposure which has been classified in Stage 3 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the exposure is performing and does not meet any of the criteria of "Significant increase in credit risk", or transferred in Stage 2, if it is no longer considered as non-performing, or remain in Stage 3, if it is still non-performing/default



The Group does not make use of the exemption provided by the standard for low credit risk exposures.

For classification purposes, for wholesale banking revolving exposures, initial recognition date is the date of the most recent credit assessment reflecting the annual thorough credit risk review practice of the Bank.

### Significant Increase in Credit Risk

For the timely identification of significant increase in credit risk for an Exposure after the initial recognition (SICR) leading to the calculation of lifetime credit loss of the exposure instead of twelve months credit losses, the risk of default at the reference date is compared to the risk of default at the initial recognition date for all Performing Exposures, including those with no days past due (Delinquencies).

The assessment to determine whether an exposure shows significant increase in credit risk or not is based on the following three types of Indicators:

- **Quantitative Indicators:** They refer to the use of quantitative information and specifically to the comparison between the probability of default (PD) at the reference date and the probability of default at the initial recognition date. The assessment of significant increase in credit risk takes into account the absolute increase of PD between the reporting and the initial recognition date (which can range between 3 and 5 percentage point depending on the asset class of the loans) as well as the relative increase of PD between the reporting and the initial recognition date (doubling or tripling of PD, depending on asset class of the loan). Absolute and relative thresholds determining the significant increase between reporting and initial recognition date are validated on an annual basis, in order to ensure a robust statistical discriminatory power.
- **Qualitative Indicators:** They refer to use of qualitative information which is not necessarily depicted in the probability of default, such as the assessment of an exposure as performing forborne ("FPL" within 2 years probation period according to EBA ITS) or as exposure with Financial Difficulty. Additional qualitative indicators for the Wholesale Banking portfolios and the Retail Banking portfolios are included in Early Warning Policy. According to the abovementioned policy and as per the assessment performed, an exposure may be considered to show significant increase in credit risk. Especially for Specialized Lending portfolios additional qualitative indicators are identified).
- **Backstop Indicators:** In addition to the above, and with a view to addressing cases where there is no evidence of significant credit risk deterioration based on the quantitative and qualitative indicators, exposures over 30 days past due are considered by definition to show a significant increase in credit risk.

### Expected Credit Losses estimation

#### Exposures assessed on individual basis (Individual Assessment)

The Expected Credit Losses calculation is carried out either on an individual basis, taking into account the significance of the exposure, the fact that certain exposures do not share common credit risk characteristics and the existence or not of sufficient historical data, or on a collective basis.

For companies where the corporate guarantee from the parent company represent 100% of the exposure of the companies, or for other important interdependencies between group of companies, the assessment may be performed at a group level.

Regarding the exposures to companies, with at least one non-performing exposure, they are individually assessed if they exceed the limits set by each company of the Group (following the permission/approval of the Bank). All other exposures to Companies are collectively assessed.

Specifically for the Bank, Exposures to Companies assessed on an individual basis are the following:

- Borrowers with at least one Non-Performing Exposure whose Customer overall credit Limit in the Bank exceeds the amount of Euro 1.5 million.
- Borrowers of the Shipping Division and the Structured Finance Division regardless the overall credit limit with at least one Non-Performing Exposure.



- Exposures that do not share common risk characteristics or for which no relevant historical data that enables a collective analysis is available.

Any remaining Exposure to Companies is assessed collectively.

Non-performing Exposures to Individuals are individually assessed, if the exposures of retail banking customers exceed the defined limits according to the specifications of each Group company. All other exposures to individuals are collectively assessed. Specifically for the Bank, Exposures to Individuals are assessed individually, if they are Non-Performing Exposures (NPE), and if the following threshold, per portfolio, applies:

- Consumer Loans: Accounts of Consumer Credit Borrowers with total on balance exposures over € 500 thousand.
- Mortgage Loans: Accounts of Mortgage Credit Borrowers with on balance exposures over € 2 million.

Any remaining exposure to Individuals is assessed collectively.

### Exposures assessed on collective basis (Collective Assessment)

Collective Assessment applies to credit exposures which are not assessed individually, i.e. exposures classified in Stage 1 and Stage 2 as well as non-performing exposures that do not meet the above criteria for individual assessment, after having been categorised based on similar credit risk characteristics by portfolio.

For the classification of credit facilities into groups with similar credit risk characteristics, the followings are considered:

- Staging according to Credit Risk
- Type of Product
- Days Past Due
- Time in default
- Indication of unlikeliness to pay
- Modification of contractual terms for borrowers showing financial difficulty (Forbearance Measures)
- Modification Type
- Existence of Collateral taking into account the type and Loan to Value ratio
- Existence of Greek State Guarantee
- Partial Write-Off
- Credit Risk Rating
- Activity Sector
- Asset held for Sale

The groupings are reviewed on a regular basis to ensure that each group is comprised of homogenous exposures.

### Calculation of expected credit losses

Expected Credit Losses are updated at each reporting date to reflect the changes in the credit risk since initial recognition and thus provide timely information on evolution of expected credit losses.

The measurement of Expected Credit Losses is performed as follows:

- For financial assets, a credit loss is the present value of the difference between:
  - (a) the contractual cash flows and
  - (b) the cash flows that the Group expects to receive
- For undrawn loan commitments, Expected Credit Losses are the present value of the difference between:
  - (a) the contractual cash flows that will be due if the loan commitment is drawn down; and



(b) the cash flows that the Group expects to receive if this amount is disbursed .

- For letters of guarantee and letters of credit, the loss is equal to the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder.

### Incorporation of forward-looking information

The Group calculates Expected Credit Losses based on the weighted probability of three alternative scenarios. More specifically, the Economic Research Division produces forecasts for the possible evolution of macroeconomic variables that affect the level of Expected Credit Losses of loan portfolios under a baseline and under two alternative macroeconomic scenarios (an upside and an adverse one) and also produces the cumulative probabilities associated with these scenarios.

The macroeconomic variables affecting the level of expected credit losses are the Gross Domestic product (GDP), the unemployment rate and forward looking prices of residential and commercial real estates

Specifically for the Bank, the yearly average for the period 2020-2023 of macroeconomic variables affecting both the Probability of Default and the expected Loss Given Default for the calculation of expected credit losses as at 31.12.2019 are the following:

|  | 2020 - 2023      |               |                 |
|--|------------------|---------------|-----------------|
|  | Adverse scenario | Base scenario | Upside scenario |
| Real GDP growth                                | (0,2%)           | 1,6%          | 3,4%            |
| Unemployment rate                              | 16,1%            | 13,9%         | 11,8%           |
| Change in Residential Real Estate prices (RRE) | 0,7%             | 3,4%          | 6,3%            |
| Change in Commercial Real Estate prices (CRE)  | 2,0%             | 3,6%          | 5,3%            |

Respectively, the yearly average for the period 2019-2022 of macroeconomic variables affecting the calculation of expected credit losses as at 31.12.2018 are the following.

|   | 2019 - 2022      |               |                 |
|---|------------------|---------------|-----------------|
|   | Adverse scenario | Base scenario | Upside scenario |
| Real GDP growth                         | (0,2%)           | 1,8%          | 3,7%            |
| Unemployment rate                       | 18,1%            | 15,9%         | 13,7%           |
| Change in Residential Real Estate (RRE) | (0,7%)           | 2,6%          | 5,8%            |
| Change in Commercial Real Estate (CRE)  | (0,3%)           | 2,7%          | 5,7%            |

The production of baseline scenario, supported by a consistent economic description, constitutes the most likely scenario according to the current economic conditions and the Group's basic assessment of the course of the economy.

The cumulative probabilities of the macroeconomic scenarios for the Greek economy indicate that the economy performs better or worse than forecasts of the baseline scenario and the alternative scenarios, i.e. the upside and downside scenario. For each one of the alternative scenarios, the expected credit loss is calculated and weighted against the probability of each scenario in order to calculate the weighted expected credit loss

The cumulative probability assigned to the base scenario is 60%, while cumulative probability assigned to the adverse and upside scenario is 20% for each of the scenario.

If the assigned cumulative probability of the adverse scenario was increased from 20% to 40%, Expected Credit Losses would increase by € 84,0 million as at 31.12.2019 (31.12.2018: € 170.9 million). If the assigned cumulative probability of the upside scenario was increased from 20% to 40%, Expected Credit Losses would decrease by 83,9 million as at 31.12.2019 (31.12.2018: € 170.8 million).

### Credit risk parameters

Calculation of Expected Credit Loss is based on the following credit risk parameters which are developed, through internal statistical models based on historical data:





- **Probability of Default (PD):** It is an estimate of the probability of a debtor to default over a specific time horizon. For assessing the probability of default, the credit risk rating models assess a series of parameters that can be grouped as follows:
  - Financial Analysis: The Borrower's Financial Capacity (Liquidity Indicators, Debt to Revenue etc.)
  - Competitor's analysis: the borrower's comparative position in the market in which operates, mainly in relation to its competitors (mainly applicable to debtors of Wholesale Banking)
  - Current and historical debtor's behavioural data either towards the Bank or towards third parties (delinquencies, repayment behavior, etc.), and
  - Qualitative characteristics of the debtor (strong and sound management, management succession, appropriate facilities and equipment, etc.).

Credit Ratings constitute the main input in order to determine the probability of default. The Group uses statistical models in order to analyze the collected data and make estimates of the remaining probability of default over the life of the exposures and how they will evolve over time based, among other things, on macroeconomic variables.

- **Exposure at default (EAD):** Exposure at Default is an estimate of the amount of the exposure at the time of the default taking into account: (a) expected changes in the exposure after the reporting date, including principal and interest payments; (b) the expected use of credit limits and (c) accrued interest. The approved credit limits that have not been fully disbursed represent a potential credit exposure and are converted into a credit exposure equal to the approved undrawn loan commitment multiplied by a Credit Conversion Factor (CCF). The Credit Conversion factor of credit exposure is calculated based on statistical models. The maximum period for which credit losses are calculated is the remaining contractual maturity of a financial instrument unless the Group has the legal right to recall the financial instrument earlier. In particular, for Credit Cards and revolving exposures to individuals, the maximum period is set at three years, while for revolving loans to Small Businesses, the corresponding maturity is set at four years. Regarding Wholesale Banking revolving exposures, the period is set to one year, given the thorough credit review performed at least once a year. If the residual maturity of the revolving exposures classified in Stage 2 was increased by one year, Expected Credit Losses would increase by € 11.3 million as at 31.12.2019.

The Group uses EAD models that reflect the characteristics of the portfolios.

- **Loss given default (LGD):** Loss given default is an estimate of the loss that will occur if the default occurs at a given time. It is based on the difference between the contractual cash flows due and those expected to be received by the Group, including the liquidation of collaterals and the probability of cure which is based on historical data and adjustments made to incorporate the estimated evolution of management actions.

For unsecured loans, the estimated Expected Credit Loss at the time of the default takes into account expected recovery rates which vary throughout the recovery period as well as the probability of curing.

Expected recoveries from tangible collaterals are based on the following inputs: the most recent (updated within the year) market value of the collateral, the time required for the liquidation or sale of the collateral (ranging between 1 to 3 years depending on the legal action status of the loan), the expected market value at liquidation /sale date based on the evolution of RRE/ CRE indices for the next 3 years, the expected recoveries through foreclosure process or sale as derived from historical data obtained for foreclosures and sales of collateral. Last, the recovery rate is adjusted to reflect value of preferential claims. Expected cash flows are discounted using the original effective interest rate. Furthermore, in cases that cash flows are expected to derive from the sale of loans the Expected Credit Losses incorporate the expected sales price as the base scenario.

If the expected sale perimeter of the Retail portfolio classified in Stage 3 was increased by € 330 million, Expected Credit Losses as at 31.12.2019 would increase by € 33 million.

Last, it is noted that for exposures secured with tangible collaterals, the LGD may vary following changes of macroeconomic scenarios.



## Undrawn loan commitments

According to IFRS 9, these contracts fall within the scope for expected credit losses recognition.

In estimating the expected credit losses over the life of an undrawn loan commitment, the Group assesses the expected part of the loan commitment that will be used throughout its expected life.

## Inherent Model Risk

The Group recognizing the inherent model risk, derived from the model complexity and aggregated model risk, has adopted a Model Risk management framework which includes the principles of credit risk models development policy and risk models validation framework. In this context, the independent Risk Models Validation division validates all credit risk models used for the calculation of IFRS9 expected credit losses.

## Governance

The Credit Risk Committee is responsible for approving the Expected Credit Losses as well as the methodologies developed by the Group for calculating the expected credit loss (ECL Methodology) for loan portfolio.

The Board of Directors approves the Group Loan Impairment Policy through the Risk Management Committee.

## FORBEARANCE

Maintaining a healthy loan portfolio depends on the constant monitoring and assessment of the borrowers in order to allow early detection of future liquidity problems, which could affect the normal repayment of their obligations to the Group.

The credit tools which are normally used by the Group for managing the liquidity problems that borrowers are facing for repaying their obligations are the restructuring of debt through the renegotiation of the original terms and conditions of the loan agreement they have entered into.

The Executive Committee "Act 42/30.05.2014" as amended by the Executive Committee "Act 47/9.2.2015" and the Executive Committee "Act 102/ 30.8.2016", 134/5.3.2018 and 136/2.4.2018 of the Bank of Greece, has determined the supervisory framework for the management of loans in arrears and non-performing loans, over and above the already applicable requirements of Law 4261/2014, the CRR 575/2013, and delegated the decision authority to the Bank of Greece.

Furthermore, in the context of the Commission Implementing Regulation (EU) 2015/227 of the European Commission dated January 9, 2015 and the executive technical standards of the European Banking Authority, the Group assumes the resulting regulatory obligations for forbore exposures.

Forbearance measures should be applied on the basis of the risk, cooperativeness and viability of each debtor and consist of concessions that are robust and sustainable, through the renegotiation of the initial terms and conditions of the debt contract duly taking into account the causes of the debtor's financial difficulties.

Forbearance measures may be applied a) on the basis of a customer's request, b) in accordance with the Code of Conduct under Law 4224/2013, as currently is in force, which is a State initiative under the supervision of the Bank of Greece. Apart from the forbearance measures applied to existing Retail lending exposures, which are initiated by the Group in accordance with the directives of the Executive Committee Acts of the Bank of Greece (No. 42/30.5.14, 47/9.2.2015, 102/30.8.2016, 134/5.3.2018, 136/2.4.2018) and Arrears Resolution Process (ARP) of the Code of Conduct under L.4224/2013 as currently is in force, there are restructuring solutions according to the Legislative Framework. The existence of more favorable terms for renegotiating and modifying the terms and conditions of the bilateral arrangement between the Group and the debtor (concession), who is facing or is about to face difficulties in meeting his financial commitments ("financial difficulty"), are defined with respect to:

- Respective terms existing and applied to customers with no financial difficulty; and



- Corresponding terms existing in market for debtors with similar credit risk profile.

## MONITORING OF FORBORNE EXPOSURES

Following the Executive Committee Act 42/30.5.2014, (“Act 42”) as subsequently amended by the Act 47/9.2.2015 (“Act 47”) and by the Act 102/30.8.2016 (“Act 102”) 134/5.3.2018 and 136/2.4.2018 of the Bank of Greece, the Group has undertaken a series of actions to ensure adherence to the supervisory obligations and requirements arising from the above Acts. These changes cover the following distinct sections:

- Adaptation of Information Systems of the Group;
- Amendments of the existing processes, such as the customization of new types of forborne exposures according to what is provided in Act 42/47/102/134/136.
- Creation of data structures (Data Marts) aiming at:
  - Automation of the processes related to the production of both internal (Risk Management) and external (Supervisory) reports;
  - Perform analyses on the portfolio of the Group; and
  - Production of Management Information Reporting (MIS)

Additionally, the Group has introduced an independent operational management for “Troubled Assets” (Troubled Asset Committee) through representation of Administrative Bodies in the Evaluation and Monitoring of Denounced Customers Committee as well as in the Arrears Committees.

## WRITE-OFFS AND WRITE-DOWNS OF BAD DEBTS

**Bad Debt Write-off** is defined as the reduction of the gross carrying amount of a financial asset, when there is no reasonable expectation of recovery. The write-off refers to the accounting write-off of a debt or a portion of it, i.e. the removal of the financial asset or part of it from the balance sheet, which does not necessarily entail the waiver of the legal right to recover the debt. In the event that the Group decides to waive its legal right to recover the debt, this is called **Debt Forgiveness** and this waiver may include either on or off-balance sheet items as well.

**Bad Debt Write-down** is defined as the definitive reduction of a debt or portion of it, as a result of a legally binding decision or agreement (court judgment, contractual agreement etc.), which is not further claimable. It is noted that this category encompasses **Definitive write-downs** which are unconditional and **Conditional Write-Downs** (Contingent Write-Down) subject to the achievement by the Customer of a specific performance (usually, upon the successful implementation of a specific repayment program). In the case of Definitive Write-downs, both the accounting and the legal reduction (Debt Forgiveness) take place immediately and simultaneously, whereas in the case of Contingent Write-downs, the accounting reduction takes place when the relevant decision is taken or when the agreement is concluded, while the legal reduction (Debt Forgiveness) takes place either simultaneously with the relevant decision or at a later (future) time, depending on the type of the condition.

Contingent Write-downs of debts are in turn classified into:

- (a) **Resolutive Condition**, i.e. the debt is accounting and legal write down at the time of reaching the agreement with the Debtor and is revived only in the event that the debtor does not pay the remaining amount and
- (b) **Condition Precedent**, i.e. the debt is legally written down if the Debtor repays the debt in accordance with the relevant agreement.

Indicative conditions for the submission of proposals for writing-off part or total amount of the exposure include, but are not limited to, the following:

- The relevant Agreements with the Customers have been terminated.



- Payment Orders have been issued against all liable parties to such Agreements.
- The actions regarding the investigation of immovable property have been completed without any results.
- The procedure for the registration of encumbrances.
- At least one real estate property has been auctioned, so that the preferential claims (through the final creditor's classification list) and, by extension, the Group's potential losses, are finalised.
- In cases where the likelihood of further recovery of the debt is considered to be particularly low, due to:
  - the fact that the debtors are placed under special liquidation;
  - the proven existence of preferential claims of a significant amount and the adoption of a decision to cease litigation actions, in order to avoid non-collectable enforcement costs;
  - the fact that further litigation actions seeking collection of the claim is economically unprofitable (e.g. low-value collateral);

The write-off requires the existence of an equal amount of provision for impairment, established no later than in the quarter preceding the submission of the proposal.

## DUE FROM BANKS

Exposure to credit institutions relates to loans, interbank transactions (which include positions in derivatives), reverse repos transactions and International Trade activities. Following the basic rules of designation, monitoring and revision of corporate lending, boundaries are established by the relevant Credit Committees for the monitoring of credit risk for the overall exposure per credit institution counterparty, excluding positions related to bonds issued by them. The approved credit limits are monitored on a daily basis. The validity period of the limits is specified in the approval of the limits in accordance with the counterparty credit institutions rating from international credit rating agencies.

In addition to the regular revisions of counterparty credit institutions limits, interim revisions may be carried out either due to circumstances associated with the trading activity of the Group or due to markets conditions or problems associated with counterparty credit institutions. Trigger events for an extraordinary review are regularly monitored per counterparty in order to review the relevant limits when such trigger events exist.

At each reporting date, a loss allowance for expected credit losses on due from banks is recognized.

The loss allowance is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the receivable falls under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

Due from bank's credit risk is assessed based on credit rating of rating agencies or internal credit rating of the counterparty when a loan exposure exists at bank level.

The Group defines as low credit risk all investment grade counterparties, for which it calculates a credit allowance equal to a 12-month expected credit loss (Stage 1).

For counterparties which do not meet the criteria of investment grade, the assessment of the significant increase in credit risk for which calculation of lifetime expected credit losses is required (Stage 2), is based on the two following conditions:

- Downgrade by at least two notches of the counterparty credit rating between the reporting date and the initial recognition date
- The 12-month PD at reporting date is above 5% in absolute terms and has increased more than 50% compared to the respective PD existing at initial recognition date.



## INVESTMENTS IN DEBT SECURITIES

Investments in debt securities relate to securities that are classified into investment security portfolio. If there is a loan relationship with the counterparty issuer at the time of classification of the security position as investment, the Corporate Credit Policy procedures apply. These positions are subject to Group investment limits and issuer's limits and are monitored on a daily basis.

At each reporting date, a loss allowance for expected credit losses on bonds, which are not measured at fair value through profit or loss, is recognized.

The loss allowance is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the debt securities fall under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

Credit risk of investment in debt securities is assessed based on credit ratings of rating agencies or internal credit rating in case of Greek corporate issuers for which loan exposure exists.

The Group defines as low credit risk all investment grade securities, for which it calculates a credit allowance equal to a 12-month expected credit loss (Stage 1).

For debt securities, which do not meet the criteria of investment grade, the assessment of the significant increase in credit risk for which calculation of lifetime expected credit losses is required (Stage 2), is based on the two following conditions:

- Downgrade by at least two notches of the counterparty credit rating between the reporting date and the initial recognition date
- The 12-month PD at reporting date is above 5% in absolute terms and has increased more than 50% compared to the respective PD existing at initial recognition date

In addition, the Group is monitoring, the change in credit spreads since the initial recognition date. A change in the credit spread of the issue of more than 500bps since the initial recognition date is a trigger for the review of the debt instrument staging.

Depending on the outcome of the above review the debt instrument will remain at Stage 1 or be allocated at Stage 2, regardless of whether the primary staging criteria for allocation to Stage 2 have been triggered or not.

**FINANCIAL INSTRUMENTS CREDIT RISK**

The maximum credit risk per category of financial instrument, in which the Group is exposed, is depicted in the “Net exposure to credit risk”.

|   | 31.12.2019                 |                                  |                             |
|---|----------------------------|----------------------------------|-----------------------------|
|   | Exposure before impairment | Provisions for impairment losses | Net exposure to credit risk |
| <b>A. Credit risk exposure relating to balance sheet items</b>                            |                            |                                  |                             |
| Balances with central Banks   | 1,589,936                  | -                                | 1,589,936                   |
| Receivables from credit institutions  | 3,402,782                  | 70,092                           | 3,332,690                   |
| Loans and receivables from customers  |                            |                                  |                             |
| Loans measured at amortised cost  | 48,120,634                 | 9,332,990                        | 38,787,644                  |
| Receivables from customers at amortised cost  | 212,500                    | 41,011                           | 171,489                     |
| Loans measured at fair value through profit or loss                                       | 307,136                    |                                  | 307,136                     |
| <b>Total</b>  | <b>48,640,270</b>          | <b>9,374,001</b>                 | <b>39,266,269</b>           |
| Derivative financial assets   | 1,009,193                  |                                  | 1,009,193                   |
| Trading securities:   |                            |                                  |                             |
| - Government bonds  | 17,861                     |                                  | 17,861                      |
| <b>Total</b>  | <b>17,861</b>              | <b>-</b>                         | <b>17,861</b>               |
| Securities measured at fair value through other comprehensive income:                     |                            |                                  |                             |
| - Securities measured at fair value through other comprehensive income (Government bonds) | 5,983,809                  | 22,176                           | 5,961,633                   |
| - Securities measured at fair value through other comprehensive income (other)            | 1,509,193                  | 3,662                            | 1,505,531                   |
| <b>Total</b>  | <b>7,493,002</b>           | <b>25,838</b>                    | <b>7,467,164</b>            |
| Securities measured at amortised cost   |                            |                                  |                             |
| - Securities measured at amortised cost   | 1,078,143                  | 7,413                            | 1,070,730                   |
| <b>Total</b>  | <b>1,078,143</b>           | <b>7,413</b>                     | <b>1,070,730</b>            |
| Securities measured at fair value through profit or loss:                                 |                            |                                  |                             |
| - Securities measured at fair value through profit or loss (other)                        | 22,581                     |                                  | 22,581                      |
| <b>Total</b>  | <b>22,581</b>              | <b>-</b>                         | <b>22,581</b>               |
| <b>-Held for sale assets – Loan's portfolio</b>   |                            |                                  |                             |
| - Loan's portfolio measured at amortised cost   | 1,744,911                  | 1,313,223                        | 431,688                     |
| - Loan's portfolio measured at fair value through profit or loss                          |                            |                                  |                             |
| <b>Total</b>  | <b>1,744,911</b>           | <b>1,313,223</b>                 | <b>431,688</b>              |
| <b>Total amount of balance sheet items exposed to credit risk (a)</b>                     | <b>64,998,679</b>          | <b>10,790,567</b>                | <b>54,208,112</b>           |
| Other balance sheet items not exposed to credit risk                                      | 9,628,870                  | 379,361                          | 9,249,509                   |
| <b>Total Assets</b>   | <b>74,627,549</b>          | <b>11,169,928</b>                | <b>63,457,621</b>           |
| <b>B. Credit risk exposure relating to off balance sheet items:</b>                       |                            |                                  |                             |
| Letters of guarantee, letters of credit and other guarantees                              | 3,447,220                  | 87,745                           | 3,359,475                   |
| Undrawn loan commitments  | 4,021,955                  | 5,695                            | 4,016,260                   |
| <b>Total amount of off balance sheet items exposed to credit risk (b)</b>                 | <b>7,469,175</b>           | <b>93,440</b>                    | <b>7,375,735</b>            |
| <b>Total credit risk exposure (a+b)</b>   | <b>72,467,854</b>          | <b>10,884,007</b>                | <b>61,583,847</b>           |



|   | 31.12.2018                 |                                  |                             |
|---|----------------------------|----------------------------------|-----------------------------|
|   | Exposure before impairment | Provisions for impairment losses | Net exposure to credit risk |
| <b>A. Credit risk exposure relating to balance sheet items</b>                            |                            |                                  |                             |
| Balances with central Banks   | 1,514,038                  | 92                               | 1,513,946                   |
| Receivables from credit institutions  | 2,570,617                  | 70,125                           | 2,500,492                   |
| Loans and receivables from customers  |                            |                                  |                             |
| Loans measured at amortised cost  | 51,747,100                 | 12,026,368                       | 39,720,732                  |
| Receivables from customers at amortised cost  | 220,989                    | 31,862                           | 189,127                     |
| Loans measured at fair value through profit or loss                                       | 318,460                    | -                                | 318,460                     |
| <b>Total</b>  | <b>52,286,549</b>          | <b>12,058,230</b>                | <b>40,228,319</b>           |
| Derivative financial assets   | 725,173                    |                                  | 725,173                     |
| Trading securities:   |                            |                                  |                             |
| - Government bonds  | 6,669                      |                                  | 6,669                       |
| <b>Total</b>  | <b>6,669</b>               | <b>-</b>                         | <b>6,669</b>                |
| Securities measured at fair value through other comprehensive income:                     |                            |                                  |                             |
| - Securities measured at fair value through other comprehensive income (Government bonds) | 5,053,874                  | 53,223                           | 5,000,651                   |
| - Securities measured at fair value through other comprehensive income (other)            | 1,859,653                  | 4,251                            | 1,855,402                   |
| <b>Total</b>  | <b>6,913,527</b>           | <b>57,474</b>                    | <b>6,856,053</b>            |
| Securities measured at amortised cost   |                            |                                  |                             |
| -Securities measured at amortised cost  |                            |                                  | -                           |
| <b>Total</b>  | <b>-</b>                   | <b>-</b>                         | <b>-</b>                    |
| Securities measured at fair value through profit or loss:                                 |                            |                                  |                             |
| - Securities measured at fair value through profit or loss (other)                        | 23,011                     |                                  | 23,011                      |
| <b>Total</b>  | <b>23,011</b>              | <b>-</b>                         | <b>23,011</b>               |
| <b>-Held for sale assets – Loan's portfolio</b>   |                            |                                  |                             |
| - Loan's portfolio measured at amortised cost   | 54,796                     | 23,644                           | 31,152                      |
| - Loan's portfolio measured at fair value through profit or loss                          | 24,773                     | -                                | 24,773                      |
| <b>Total</b>  | <b>79,569</b>              | <b>23,644</b>                    | <b>55,925</b>               |
| <b>Total amount of balance sheet items exposed to credit risk (a)</b>                     | <b>64,119,153</b>          | <b>12,209,565</b>                | <b>51,909,588</b>           |
| Other balance sheet items not exposed to credit risk                                      | 9,461,286                  | 364,134                          | 9,097,152                   |
| <b>Total Assets</b>   | <b>73,580,439</b>          | <b>12,573,699</b>                | <b>61,006,740</b>           |
| <b>B. Credit risk exposure relating to off balance sheet items:</b>                       |                            |                                  |                             |
| Letters of guarantee, letters of credit and other guarantees                              | 3,402,786                  | 87,815                           | 3,314,971                   |
| Undrawn loan commitments  | 3,532,935                  | 4,407                            | 3,528,528                   |
| <b>Total amount of off balance sheet items exposed to credit risk (b)</b>                 | <b>6,935,721</b>           | <b>92,222</b>                    | <b>6,843,499</b>            |
| <b>Total credit risk exposure (a+b)</b>   | <b>71,054,874</b>          | <b>12,301,787</b>                | <b>58,753,087</b>           |



## LOANS AND ADVANCES TO CUSTOMERS

For credit risk disclosure purposes, the provision for impairment losses of loans to customers measured at amortised cost (i.e. Expected Credit Loss) include the allowance for impairment losses and the fair value adjustment for the contractual balance of loans which were impaired at their acquisition or origination (POCI) since the Group, from credit risk perspective, monitors the respective adjustment as part of the provisions. These loans were recognized either in the context of acquisition of specific loans or companies (i.e. Emporiki Bank and Citibank's retail operations in Greece), or as a result of significant modification of the terms of the previous loan that led to derecognition. Relevant adjustment has also been performed at the carrying amount of loans.

In 2019, the Group has amended the presentation of exposures reported within the line "Public Sector" in order to align its definition of public sector with the definition used in regulatory reporting. Therefore, as at 31.12.2018, net exposures to public sector amounted to € 846,0 million and were restated and reduced to € 127,5 million, while net exposures amounting to € 718.5million were reclassified to corporate lending portfolio.

The tables as at December 31, 2018 are presented separately and they were updated accordingly.

### Loans by IFRS 9 Stage (past due and not past due)

The following tables present past due and not past due loans, measured at amortised cost, by IFRS 9 Stage as well as loans that are measured at fair value through profit or loss, as at 31.12.2018 and 31.12.2019:

| 31.12.2019               |  |          |                     |                     |                                  |          |  |                        |                     |
|--------------------------|--|----------|---------------------|---------------------|----------------------------------|----------|--|------------------------|---------------------|
|                          | Loans measured at fair value through profit or loss (FVPL) |          |                     |                     | Loans measured at amortised cost |          |  |                        |                     |
|                          | Not past due   | Past due | Net carrying amount | Value of collateral | Stage 1                          |          |  |                        |                     |
|                          |  |          |                     |                     | Not past due                     | Past due | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |
| <b>Retail lending</b>    | -  | 450      | 450                 | 450                 | 7,096,582                        | 435,138  | 7,531,720  | 30,210                 | 7,501,510           |
| Mortgage                 |  |          |                     |                     | 5,040,716                        | 370,157  | 5,410,873  | 4,837                  | 5,406,036           |
| Consumer                 |  | 450      | 450                 | 450                 | 689,514                          | 39,698   | 729,212  | 9,608                  | 719,604             |
| Credit Cards             |  |          |                     |                     | 906,396                          | 14,560   | 920,956  | 13,015                 | 907,941             |
| Small Business           |  |          |                     |                     | 459,956                          | 10,723   | 470,679  | 2,750                  | 467,929             |
| <b>Corporate lending</b> | 157,442  | 149,244  | 306,686             | 265,624             | 12,335,217                       | 336,060  | 12,671,277   | 87,663                 | 12,583,614          |
| Large                    | 151,733  | 140,357  | 292,090             | 264,985             | 8,058,780                        | 171,944  | 8,230,724  | 70,466                 | 8,160,258           |
| SME's                    | 5,709  | 8,887    | 14,596              | 639                 | 4,276,437                        | 164,116  | 4,440,553  | 17,197                 | 4,423,356           |
| <b>Public sector</b>     |  |          |                     |                     | 101,114                          | 182      | 101,296  | 398                    | 100,898             |
| Greece                   |  |          |                     |                     | 53,657                           | 182      | 53,839   | 156                    | 53,683              |
| Other countries          |  |          |                     |                     | 47,457                           |          | 47,457   | 242                    | 47,215              |
| <b>Total</b>             | 157,442  | 149,694  | 307,136             | 266,074             | 19,532,913                       | 771,380  | 20,304,293   | 118,271                | 20,186,022          |





| 31.12.2019               |                                  |                  |  |                        |                     |                  |                   |  |                        |                     |
|--------------------------|----------------------------------|------------------|--|------------------------|---------------------|------------------|-------------------|--|------------------------|---------------------|
|                          | Loans measured at amortised cost |                  |  |                        |                     |                  |                   |  |                        |                     |
|                          | Stage 2                          |                  |  |                        |                     | Stage 3          |                   |  |                        |                     |
|                          | Not past due                     | Past due         | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount | Not past due     | Past due          | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |
| <b>Retail lending</b>    | <b>2,563,078</b>                 | <b>1,575,385</b> | <b>4,138,463</b>   | <b>296,431</b>         | <b>3,842,032</b>    | <b>1,678,491</b> | <b>9,370,899</b>  | <b>11,049,390</b>  | <b>4,202,904</b>       | <b>6,846,486</b>    |
| Mortgage                 | 1,554,220                        | 1,323,708        | 2,877,928  | 100,889                | 2,777,039           | 625,133          | 5,542,478         | 6,167,611  | 1,919,141              | 4,248,470           |
| Consumer                 | 313,191                          | 128,756          | 441,947  | 85,983                 | 355,964             | 510,684          | 1,349,491         | 1,860,175  | 1,015,872              | 844,303             |
| Credit Cards             | 72,077                           | 46,564           | 118,641  | 36,617                 | 82,024              | 34,111           | 203,615           | 237,726  | 121,252                | 116,474             |
| Small Business           | 623,590                          | 76,357           | 699,947  | 72,942                 | 627,005             | 508,563          | 2,275,315         | 2,783,878  | 1,146,639              | 1,637,239           |
| <b>Corporate lending</b> | <b>1,029,172</b>                 | <b>181,982</b>   | <b>1,211,154</b>   | <b>40,934</b>          | <b>1,170,220</b>    | <b>1,417,036</b> | <b>3,752,573</b>  | <b>5,169,609</b>   | <b>2,519,067</b>       | <b>2,650,542</b>    |
| Large                    | 732,665                          | 128,994          | 861,659  | 28,230                 | 833,429             | 707,873          | 1,812,832         | 2,520,705  | 1,186,754              | 1,333,951           |
| SME's                    | 296,507                          | 52,988           | 349,495  | 12,704                 | 336,791             | 709,163          | 1,939,741         | 2,648,904  | 1,332,313              | 1,316,591           |
| <b>Public sector</b>     | <b>257</b>                       | <b>211</b>       | <b>468</b>   | <b>24</b>              | <b>444</b>          | <b>923</b>       | <b>876</b>        | <b>1,799</b>   | <b>651</b>             | <b>1,148</b>        |
| Greece                   |                                  | 14               | 14   |                        | 14                  | 923              | 876               | 1,799  | 651                    | 1,148               |
| Other countries          | 257                              | 197              | 454  | 24                     | 430                 |                  |                   |  |                        |                     |
| <b>Total</b>             | <b>3,592,507</b>                 | <b>1,757,578</b> | <b>5,350,085</b>   | <b>337,389</b>         | <b>5,012,696</b>    | <b>3,096,450</b> | <b>13,124,348</b> | <b>16,220,798</b>  | <b>6,722,622</b>       | <b>9,498,176</b>    |

| 31.12.2019               |  |                  |  |                        |                     |   |                     |
|--------------------------|--|------------------|--|------------------------|---------------------|---|---------------------|
|                          | Loans measured at amortised cost                     |                  |  |                        |                     |   |                     |
|                          | Purchased or originated credit impaired loans (POCI) |                  |  |                        |                     | Total net carrying amount at amortised cost | Value of collateral |
|                          | Not past due   | Past due         | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |   |                     |
| <b>Retail lending</b>    | <b>1,103,425</b>                                     | <b>4,073,377</b> | <b>5,176,802</b>   | <b>1,630,785</b>       | <b>3,546,017</b>    | <b>21,736,045</b>                           | <b>17,582,278</b>   |
| Mortgage                 | 541,794  | 2,475,513        | 3,017,307  | 701,123                | 2,316,184           | 14,747,729                                  | 13,949,755          |
| Consumer                 | 389,318  | 837,040          | 1,226,358  | 498,756                | 727,602             | 2,647,473                                   | 1,121,961           |
| Credit Cards             | 4,913  | 41,694           | 46,607   | 29,554                 | 17,053              | 1,123,492                                   | 15,006              |
| Small Business           | 167,400  | 719,130          | 886,530  | 401,352                | 485,178             | 3,217,351                                   | 2,495,556           |
| <b>Corporate lending</b> | <b>420,195</b>                                       | <b>645,373</b>   | <b>1,065,568</b>   | <b>523,872</b>         | <b>541,696</b>      | <b>16,946,072</b>                           | <b>12,954,942</b>   |
| Large                    | 312,324  | 175,781          | 488,105  | 148,406                | 339,699             | 10,667,337                                  | 7,878,539           |
| SME's                    | 107,871  | 469,592          | 577,463  | 375,466                | 201,997             | 6,278,735                                   | 5,076,403           |
| <b>Public sector</b>     | <b>3,032</b>   | <b>56</b>        | <b>3,088</b>   | <b>51</b>              | <b>3,037</b>        | <b>105,527</b>                              | <b>60,808</b>       |
| Greece                   | 3,032  | 56               | 3,088  | 51                     | 3,037               | 57,882                                      | 47,256              |
| Other countries          |  |                  |  |                        |                     | 47,645                                      | 13,552              |
| <b>Total</b>             | <b>1,526,652</b>                                     | <b>4,718,806</b> | <b>6,245,458</b>   | <b>2,154,708</b>       | <b>4,090,750</b>    | <b>38,787,644</b>                           | <b>30,598,028</b>   |



| 31.12.2018               |  |               |                     |                     |                                  |                |  |                        |                     |
|--------------------------|--|---------------|---------------------|---------------------|----------------------------------|----------------|--|------------------------|---------------------|
|                          | Loans measured at fair value through profit or loss (FVPL) |               |                     |                     | Loans measured at amortised cost |                |  |                        |                     |
|                          | Not past due   | Past due      | Net carrying amount | Value of collateral | Stage 1                          |                |  |                        |                     |
|                          |  |               |                     |                     | Not past due                     | Past due       | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |
| <b>Retail lending</b>    | -  | 1,152         | 1,152               | 1,152               | 6,997,116                        | 578,822        | 7,575,938  | 25,267                 | 7,550,671           |
| Mortgage                 |  |               |                     |                     | 4,915,537                        | 477,842        | 5,393,379  | 3,251                  | 5,390,128           |
| Consumer                 |  | 1,152         | 1,152               | 1,152               | 720,842                          | 65,718         | 786,560  | 6,323                  | 780,237             |
| Credit Cards             |  |               |                     |                     | 939,981                          | 18,390         | 958,371  | 13,297                 | 945,074             |
| Small Business           |  |               |                     |                     | 420,756                          | 16,872         | 437,628  | 2,396                  | 435,232             |
| <b>Corporate lending</b> | 301,204  | 16,105        | 317,309             | 257,538             | 11,487,730                       | 400,358        | 11,888,088   | 114,939                | 11,773,149          |
| Large                    | 283,125  | 16,105        | 299,230             | 256,873             | 7,425,256                        | 229,970        | 7,655,226  | 88,835                 | 7,566,391           |
| SME's                    | 18,079   |               | 18,079              | 665                 | 4,062,474                        | 170,388        | 4,232,862  | 26,104                 | 4,206,758           |
| <b>Public sector</b>     | -  | -             | -                   | -                   | 124,708                          | 226            | 124,934  | 414                    | 124,520             |
| Greece                   |  |               |                     |                     | 64,882                           | 226            | 65,108   | 148                    | 64,960              |
| Other countries          |  |               |                     |                     | 59,826                           |                | 59,826   | 266                    | 59,560              |
| <b>Total</b>             | <b>301,204</b>   | <b>17,257</b> | <b>318,461</b>      | <b>258,690</b>      | <b>18,609,554</b>                | <b>979,406</b> | <b>19,588,960</b>  | <b>140,620</b>         | <b>19,448,340</b>   |

| 31.12.2018               |                                  |                  |  |                        |                     |                  |                   |  |                        |                     |
|--------------------------|----------------------------------|------------------|--|------------------------|---------------------|------------------|-------------------|--|------------------------|---------------------|
|                          | Loans measured at amortised cost |                  |  |                        |                     |                  |                   |  |                        |                     |
|                          | Stage 2                          |                  |  |                        |                     | Stage 3          |                   |  |                        |                     |
|                          | Not past due                     | Past due         | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount | Not past due     | Past due          | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |
| <b>Retail lending</b>    | 2,667,327                        | 1,772,103        | 4,439,430  | 213,745                | 4,225,685           | 1,601,627        | 10,435,713        | 12,037,340   | 5,034,516              | 7,002,824           |
| Mortgage                 | 1,851,494                        | 1,475,377        | 3,326,871  | 61,640                 | 3,265,231           | 612,768          | 6,041,686         | 6,654,454  | 2,410,223              | 4,244,231           |
| Consumer                 | 293,599                          | 151,095          | 444,694  | 58,368                 | 386,326             | 404,317          | 1,519,085         | 1,923,402  | 1,086,335              | 837,067             |
| Credit Cards             | 48,239                           | 53,493           | 101,732  | 25,787                 | 75,945              | 23,734           | 220,038           | 243,772  | 190,518                | 53,254              |
| Small Business           | 473,995                          | 92,138           | 566,133  | 67,950                 | 498,183             | 560,808          | 2,654,904         | 3,215,712  | 1,347,440              | 1,868,272           |
| <b>Corporate lending</b> | 1,180,294                        | 327,050          | 1,507,344  | 68,184                 | 1,439,160           | 1,704,574        | 5,541,997         | 7,246,571  | 3,926,678              | 3,319,893           |
| Large                    | 905,298                          | 274,043          | 1,179,341  | 50,491                 | 1,128,850           | 892,010          | 2,469,707         | 3,361,717  | 1,828,974              | 1,532,743           |
| SME's                    | 274,996                          | 53,007           | 328,003  | 17,693                 | 310,310             | 812,564          | 3,072,290         | 3,884,854  | 2,097,704              | 1,787,150           |
| <b>Public sector</b>     | 342                              | 265              | 607  | 35                     | 572                 | -                | 1,831             | 1,831  | 678                    | 1,153               |
| Greece                   | 28                               |                  | 28   | 1                      | 27                  |                  | 1,831             | 1,831  | 678                    | 1,153               |
| Other countries          | 314                              | 265              | 579  | 34                     | 545                 |                  |                   |  |                        |                     |
| <b>Total</b>             | <b>3,847,963</b>                 | <b>2,099,418</b> | <b>5,947,381</b>   | <b>281,964</b>         | <b>5,665,417</b>    | <b>3,306,201</b> | <b>15,979,541</b> | <b>19,285,742</b>  | <b>8,961,872</b>       | <b>10,323,870</b>   |



| 31.12.2018               |  |                  |  |                        |                     |   |                     |
|--------------------------|--|------------------|--|------------------------|---------------------|---|---------------------|
|                          | Loans measured at amortised cost                     |                  |  |                        |                     |   |                     |
|                          | Purchased or originated credit impaired loans (POCI) |                  |  |                        |                     | Total net carrying amount at amortised cost | Value of collateral |
|                          | Not past due   | Past due         | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |   |                     |
| <b>Retail lending</b>    | <b>958,572</b>                                       | <b>4,536,218</b> | <b>5,494,790</b>   | <b>1,857,745</b>       | <b>3,637,045</b>    | <b>22,416,225</b>                           | <b>18,195,310</b>   |
| Mortgage                 | 480,176  | 2,705,641        | 3,185,817  | 785,680                | 2,400,137           | 15,299,727                                  | 14,451,678          |
| Consumer                 | 342,317  | 947,960          | 1,290,277  | 563,368                | 726,909             | 2,730,539                                   | 1,139,852           |
| Credit Cards             | 4,860  | 48,792           | 53,652   | 42,771                 | 10,881              | 1,085,154                                   | 84,563              |
| Small Business           | 131,219  | 833,825          | 965,044  | 465,926                | 499,118             | 3,300,805                                   | 2,519,217           |
| <b>Corporate lending</b> | <b>542,225</b>                                       | <b>884,590</b>   | <b>1,426,815</b>   | <b>782,023</b>         | <b>644,792</b>      | <b>17,176,994</b>                           | <b>13,705,471</b>   |
| Large                    | 343,966  | 204,085          | 548,051  | 200,937                | 347,114             | 10,575,098                                  | 7,997,400           |
| SME's                    | 198,259  | 680,505          | 878,764  | 581,086                | 297,678             | 6,601,896                                   | 5,708,071           |
| <b>Public sector</b>     | <b>-</b>   | <b>3,412</b>     | <b>3,412</b>   | <b>2,144</b>           | <b>1,268</b>        | <b>127,513</b>                              | <b>92,514</b>       |
| Greece                   |  | 3,412            | 3,412  | 2,144                  | 1,268               | 67,408                                      | 69,137              |
| Other countries          |  |                  |  |                        |                     | 60,105                                      | 23,377              |
| <b>Total</b>             | <b>1,500,797</b>                                     | <b>5,424,220</b> | <b>6,925,017</b>   | <b>2,641,912</b>       | <b>4,283,105</b>    | <b>39,720,732</b>                           | <b>31,993,295</b>   |

“Purchased or originated credit impaired loans” include loans amounting to € 883,149 as at 31.12.2019 (31.12.2018: € 829,994) which are not credit impaired/non performing .



## Loans by credit quality and IFRS 9 Stage

The following tables present loans measured at amortised cost by IFRS 9 Stage and credit quality, as well as loans that are measured at fair value through profit or loss by credit quality, as at 31.12.2018 and 31.12.2019.

| 31.12.2019  |                                  |                  |                  |  |                   |  |
|---|----------------------------------|------------------|------------------|--|-------------------|--|
|   | Loans measured at amortised cost |                  |                  |  |                   | Loans measured at fair value through profit or loss (FVPL) |
|   | Stage 1                          | Stage 2          | Stage 3          | Purchased or originated credit impaired (POCI) | Total             |  |
| <b>MORTGAGE</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 4,976,852                        | 26,171           |                  | 86,764   | 5,089,787         |  |
| Satisfactory credit quality                                     | 404,037                          | 1,823,512        |                  | 217,741  | 2,445,290         |  |
| Watch list (higher risk)  | 29,984                           | 1,028,245        |                  | 258,619  | 1,316,848         |  |
| Default   |                                  |                  | 6,167,611        | 2,454,183                                      | 8,621,794         |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>5,410,873</b>                 | <b>2,877,928</b> | <b>6,167,611</b> | <b>3,017,307</b>                               | <b>17,473,719</b> | -  |
| Expected credit losses  | (4,837)                          | (100,889)        | (1,919,141)      | (701,123)                                      | (2,725,990)       |  |
| <b>Net Carrying Amount</b>                                      | <b>5,406,036</b>                 | <b>2,777,039</b> | <b>4,248,470</b> | <b>2,316,184</b>                               | <b>14,747,729</b> | -  |
| Value of collateral   | 5,033,118                        | 2,479,916        | 4,204,055        | 2,232,666                                      | 13,949,755        |  |
| <b>CONSUMER</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 512,325                          | 6,900            |                  | 18,052   | 537,277           |  |
| Satisfactory credit quality                                     | 210,039                          | 149,906          |                  | 37,359   | 397,304           |  |
| Watch list (higher risk)  | 6,848                            | 285,141          |                  | 114,689  | 406,678           |  |
| Default   |                                  |                  | 1,860,175        | 1,056,258                                      | 2,916,433         | 450  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>729,212</b>                   | <b>441,947</b>   | <b>1,860,175</b> | <b>1,226,358</b>                               | <b>4,257,692</b>  | -  |
| Expected credit losses  | (9,608)                          | (85,983)         | (1,015,872)      | (498,756)                                      | (1,610,219)       |  |
| <b>Net Carrying Amount</b>                                      | <b>719,604</b>                   | <b>355,964</b>   | <b>844,303</b>   | <b>727,602</b>                                 | <b>2,647,473</b>  | 450  |
| Value of collateral   | 233,844                          | 99,556           | 321,417          | 467,144  | 1,121,961         | 450  |
| <b>CREDIT CARDS</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 690,460                          | 1,888            |                  | 622  | 692,970           |  |
| Satisfactory credit quality                                     | 230,383                          | 8,334            |                  | 608  | 239,325           |  |
| Watch list (higher risk)  | 113                              | 108,419          |                  | 821  | 109,353           |  |
| Default   |                                  |                  | 237,726          | 44,556   | 282,282           |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>920,956</b>                   | <b>118,641</b>   | <b>237,726</b>   | <b>46,607</b>                                  | <b>1,323,930</b>  | -  |
| Expected credit losses  | (13,015)                         | (36,617)         | (121,252)        | (29,554)                                       | (200,438)         |  |
| <b>Net Carrying Amount</b>                                      | <b>907,941</b>                   | <b>82,024</b>    | <b>116,474</b>   | <b>17,053</b>                                  | <b>1,123,492</b>  | -  |
| Value of collateral   | 2,283                            | 27               | 12,661           | 35   | 15,006            |  |
| <b>SMALL BUSINESS</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 318,149                          | 934              |                  | 4,054  | 323,137           |  |
| Satisfactory credit quality                                     | 141,973                          | 213,701          |                  | 24,043   | 379,717           |  |
| Watch list (higher risk)  | 10,557                           | 485,312          |                  | 67,654   | 563,523           |  |
| Default   |                                  |                  | 2,783,878        | 790,779  | 3,574,657         |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>470,679</b>                   | <b>699,947</b>   | <b>2,783,878</b> | <b>886,530</b>                                 | <b>4,841,034</b>  | -  |
| Expected credit losses  | (2,750)                          | (72,942)         | (1,146,639)      | (401,352)                                      | (1,623,683)       |  |
| <b>Net Carrying Amount</b>                                      | <b>467,929</b>                   | <b>627,005</b>   | <b>1,637,239</b> | <b>485,178</b>                                 | <b>3,217,351</b>  | -  |
| Value of collateral   | 339,017                          | 423,471          | 1,361,403        | 371,665  | 2,495,556         |  |



| 31.12.2019  |                                  |                |                  |  |                   |  |
|---|----------------------------------|----------------|------------------|--|-------------------|--|
|   | Loans measured at amortised cost |                |                  |  |                   | Loans measured at fair value through profit or loss (FVPL) |
|   | Stage 1                          | Stage2         | Stage 3          | Purchased or originated credit impaired (POCI) | Total             |  |
| <b>LARGE CORPORATE</b>  |                                  |                |                  |  |                   |  |
| Strong credit quality   | 4,828,466                        | 42,735         |                  |  | 4,871,201         | 52,127   |
| Satisfactory credit quality                                     | 3,272,371                        | 500,344        |                  | 24,575   | 3,797,290         | 70,370   |
| Watch list (higher risk)  | 129,887                          | 318,580        | 1,789            | 15,569   | 465,825           | 31,060   |
| Default   |                                  |                | 2,518,916        | 447,961  | 2,966,877         | 138,533  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>8,230,724</b>                 | <b>861,659</b> | <b>2,520,705</b> | <b>488,105</b>                                 | <b>12,101,193</b> | <b>-</b>   |
| Expected credit losses  | (70,466)                         | (28,230)       | (1,186,754)      | (148,406)                                      | (1,433,856)       |  |
| <b>Net Carrying Amount</b>                                      | <b>8,160,258</b>                 | <b>833,429</b> | <b>1,333,951</b> | <b>339,699</b>                                 | <b>10,667,337</b> | <b>292,090</b>   |
| Value of collateral   | 5,245,037                        | 754,860        | 1,622,859        | 255,783  | 7,878,539         | 264,985  |
| <b>SME's</b>  |                                  |                |                  |  |                   |  |
| Strong credit quality   | 1,750,549                        | 11,725         |                  |  | 1,762,274         |  |
| Satisfactory credit quality                                     | 2,640,695                        | 187,054        |                  | 7,128  | 2,834,877         |  |
| Watch list (higher risk)  | 49,309                           | 150,716        |                  | 4,352  | 204,377           |  |
| Default   |                                  |                | 2,648,904        | 565,983  | 3,214,887         | 14,596   |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>4,440,553</b>                 | <b>349,495</b> | <b>2,648,904</b> | <b>577,463</b>                                 | <b>8,016,415</b>  |  |
| Expected credit losses  | (17,197)                         | (12,704)       | (1,332,313)      | (375,466)                                      | (1,737,680)       |  |
| <b>Net Carrying Amount</b>                                      | <b>4,423,356</b>                 | <b>336,791</b> | <b>1,316,591</b> | <b>201,997</b>                                 | <b>6,278,735</b>  | <b>14,596</b>  |
| Value of collateral   | 3,070,036                        | 274,778        | 1,505,182        | 226,407  | 5,076,403         | 639  |
| <b>PUBLIC SECTOR</b>  |                                  |                |                  |  |                   |  |
| Strong credit quality   | 2,389                            |                |                  |  | 2,389             |  |
| Satisfactory credit quality                                     | 52,813                           | 468            |                  |  | 53,281            |  |
| Watch list (higher risk)  | 46,094                           |                |                  |  | 46,094            |  |
| Default   |                                  |                | 1,799            | 3,088  | 4,887             |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>101,296</b>                   | <b>468</b>     | <b>1,799</b>     | <b>3,088</b>                                   | <b>106,651</b>    |  |
| Expected credit losses  | (398)                            | (24)           | (651)            | (51)   | (1,124)           |  |
| <b>Net Carrying Amount</b>                                      | <b>100,898</b>                   | <b>444</b>     | <b>1,148</b>     | <b>3,037</b>                                   | <b>105,527</b>    |  |
| Value of collateral   | 59,604                           | 454            | 750              |  | 60,808            |  |



| 31.12.2018  |                                  |                  |                  |  |                   |  |
|---|----------------------------------|------------------|------------------|--|-------------------|--|
|   | Loans measured at amortised cost |                  |                  |  |                   | Loans measured at fair value through profit or loss (FVPL) |
|   | Stage 1                          | Stage 2          | Stage 3          | Purchased or originated credit impaired (POCI) | Total             |  |
| <b>MORTGAGE</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 4,669,950                        | 132,011          |                  | 57,302   | 4,859,263         |  |
| Satisfactory credit quality                                     | 699,422                          | 2,377,521        |                  | 282,269  | 3,359,212         |  |
| Watch list (higher risk)  | 24,007                           | 817,339          |                  | 215,352  | 1,056,698         |  |
| Default   |                                  |                  | 6,654,454        | 2,630,894                                      | 9,285,348         |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>5,393,379</b>                 | <b>3,326,871</b> | <b>6,654,454</b> | <b>3,185,817</b>                               | <b>18,560,521</b> | -  |
| Expected credit losses  | (3,251)                          | (61,640)         | (2,410,223)      | (785,680)                                      | (3,260,794)       |  |
| <b>Net Carrying Amount</b>                                      | <b>5,390,128</b>                 | <b>3,265,231</b> | <b>4,244,231</b> | <b>2,400,137</b>                               | <b>15,299,727</b> | -  |
| Value of collateral   | 4,999,688                        | 2,778,338        | 4,431,394        | 2,242,258                                      | 14,451,678        |  |
| <b>CONSUMER</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 550,950                          | 21,955           |                  | 26,232   | 599,137           |  |
| Satisfactory credit quality                                     | 232,016                          | 134,929          |                  | 44,872   | 411,817           |  |
| Watch list (higher risk)  | 3,594                            | 287,810          |                  | 85,949   | 377,353           |  |
| Default   |                                  |                  | 1,923,402        | 1,133,224                                      | 3,056,626         | 1,152  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>786,560</b>                   | <b>444,694</b>   | <b>1,923,402</b> | <b>1,290,277</b>                               | <b>4,444,933</b>  | -  |
| Expected credit losses  | (6,323)                          | (58,368)         | (1,086,335)      | (563,368)                                      | (1,714,394)       |  |
| <b>Net Carrying Amount</b>                                      | <b>780,237</b>                   | <b>386,326</b>   | <b>837,067</b>   | <b>726,909</b>                                 | <b>2,730,539</b>  | <b>1,152</b>   |
| Value of collateral   | 276,873                          | 64,541           | 342,959          | 455,478  | 1,139,851         | 1,152  |
| <b>CREDIT CARDS</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 698,282                          | 4,420            |                  | 735  | 703,437           |  |
| Satisfactory credit quality                                     | 260,036                          | 54,861           |                  | 1,672  | 316,569           |  |
| Watch list (higher risk)  | 53                               | 42,451           |                  | 1,291  | 43,795            |  |
| Default   |                                  |                  | 243,772          | 49,954   | 293,726           |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>958,371</b>                   | <b>101,732</b>   | <b>243,772</b>   | <b>53,652</b>                                  | <b>1,357,527</b>  | -  |
| Expected credit losses  | (13,297)                         | (25,787)         | (190,518)        | (42,771)                                       | (272,373)         |  |
| <b>Net Carrying Amount</b>                                      | <b>945,074</b>                   | <b>75,945</b>    | <b>53,254</b>    | <b>10,881</b>                                  | <b>1,085,154</b>  | -  |
| Value of collateral   | 62,355                           | 1,772            | 17,345           | 3,091  | 84,563            |  |
| <b>SMALL BUSINESS</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 375,450                          | 13,636           |                  | 8,586  | 397,672           |  |
| Satisfactory credit quality                                     | 44,862                           | 135,298          |                  | 3,847  | 184,007           |  |
| Watch list (higher risk)  | 17,316                           | 417,199          |                  | 45,973   | 480,488           |  |
| Default   |                                  |                  | 3,215,712        | 906,638  | 4,122,350         |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>437,628</b>                   | <b>566,133</b>   | <b>3,215,712</b> | <b>965,044</b>                                 | <b>5,184,517</b>  | -  |
| Expected credit losses  | (2,396)                          | (67,950)         | (1,347,440)      | (465,926)                                      | (1,883,712)       |  |
| <b>Net Carrying Amount</b>                                      | <b>435,232</b>                   | <b>498,183</b>   | <b>1,868,272</b> | <b>499,118</b>                                 | <b>3,300,805</b>  | -  |
| Value of collateral   | 315,527                          | 326,211          | 1,500,873        | 376,607  | 2,519,218         |  |



| 31.12.2018  |                                  |                  |                  |  |                   |  |
|---|----------------------------------|------------------|------------------|--|-------------------|--|
|   | Loans measured at amortised cost |                  |                  |  |                   | Loans measured at fair value through profit or loss (FVPL) |
|   | Stage 1                          | Stage2           | Stage 3          | Purchased or originated credit impaired (POCI) | Total             |  |
| <b>LARGE CORPORATE</b>  |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 4,050,250                        | 39,493           |                  |  | 4,089,743         | 51,443   |
| Satisfactory credit quality                                     | 3,515,431                        | 648,427          |                  | 26,065   | 4,189,923         | 113,823  |
| Watch list (higher risk)  | 89,508                           | 491,421          | 37               | 15,630   | 596,596           | 36,018   |
| Default   | 37                               |                  | 3,361,680        | 506,356  | 3,868,073         | 97,944   |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>7,655,226</b>                 | <b>1,179,341</b> | <b>3,361,717</b> | <b>548,051</b>                                 | <b>12,744,335</b> |  |
| Expected credit losses  | (88,835)                         | (50,491)         | (1,828,974)      | (200,937)                                      | (2,169,237)       |  |
| <b>Net Carrying Amount</b>                                      | <b>7,566,391</b>                 | <b>1,128,850</b> | <b>1,532,743</b> | <b>347,114</b>                                 | <b>10,575,098</b> | <b>299,228</b>   |
| Value of collateral   | 4,792,109                        | 989,038          | 1,860,849        | 355,404  | 7,997,400         | 256,873  |
| <b>SME's</b>  |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 1,453,917                        | 10,784           |                  |  | 1,464,701         |  |
| Satisfactory credit quality                                     | 2,657,192                        | 158,986          |                  | 7,830  | 2,824,008         |  |
| Watch list (higher risk)  | 121,743                          | 158,233          |                  | 6,388  | 286,364           |  |
| Default   | 10                               |                  | 3,884,854        | 864,546  | 4,749,410         | 18,079   |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>4,232,862</b>                 | <b>328,003</b>   | <b>3,884,854</b> | <b>878,764</b>                                 | <b>9,324,483</b>  |  |
| Expected credit losses  | (26,104)                         | (17,693)         | (2,097,704)      | (581,086)                                      | (2,722,587)       |  |
| <b>Net Carrying Amount</b>                                      | <b>4,206,758</b>                 | <b>310,310</b>   | <b>1,787,150</b> | <b>297,678</b>                                 | <b>6,601,896</b>  | <b>18,079</b>  |
| Value of collateral   | 2,871,504                        | 253,995          | 2,230,165        | 352,407  | 5,708,071         | 665  |
| <b>PUBLIC SECTOR</b>  |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 169                              |                  |                  |  | 169               |  |
| Satisfactory credit quality                                     | 66,866                           | 607              |                  |  | 67,473            |  |
| Watch list (higher risk)  | 57,899                           |                  |                  |  | 57,899            |  |
| Default   |                                  |                  | 1,831            | 3,412  | 5,243             |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>124,934</b>                   | <b>607</b>       | <b>1,831</b>     | <b>3,412</b>                                   | <b>130,784</b>    | -  |
| Expected credit losses  | (414)                            | (35)             | (678)            | (2,144)  | (3,271)           |  |
| <b>Net Carrying Amount</b>                                      | <b>124,520</b>                   | <b>572</b>       | <b>1,153</b>     | <b>1,268</b>                                   | <b>127,513</b>    | -  |
| Value of collateral   | 87,792                           | 578              | 785              | 3,359  | 92,514            |  |



## Letters of guarantee, letters of credit and undrawn loan commitments by credit quality and IFRS 9 Stage

| 31.12.2019   |                  |               |                |  |                  |
|--|------------------|---------------|----------------|--|------------------|
|  | Stage 1          | Stage 2       | Stage 3        | Purchased or originated credit impaired (POCI) | Total            |
| <b>Letters of guarantee, letters of credit and other guarantees</b>                          |                  |               |                |  |                  |
| Strong credit quality  | 1,331,348        | 97            |                |  | 1,331,445        |
| Satisfactory credit quality  | 1,146,496        | 20,759        |                |  | 1,167,255        |
| Watch list (higher risk)   | 594,417          | 14,042        |                |  | 608,459          |
| Default  |                  |               | 340,061        |  | 340,061          |
| <b>Carrying amount (before provision for impairment losses)</b>                              | <b>3,072,261</b> | <b>34,898</b> | <b>340,061</b> | <b>-</b>                                       | <b>3,447,220</b> |
| Expected credit losses   | (13,094)         | (411)         | (74,240)       |  | (87,745)         |
| <b>Net Carrying Amount</b>   | <b>3,059,167</b> | <b>34,487</b> | <b>265,821</b> | <b>-</b>                                       | <b>3,359,475</b> |
| Value of collateral of impaired letters of guarantee, letters of credit and other guarantees |                  |               | 45,094         |  | 45,094           |
| <b>Undrawn loan commitments</b>  |                  |               |                |  |                  |
| Strong credit quality  | 2,987,194        | 1,083         |                | 371  | 2,988,648        |
| Satisfactory credit quality  | 917,436          | 50,430        |                | 246  | 968,112          |
| Watch list (higher risk)   | 18,133           | 40,627        |                | 47   | 58,807           |
| Default  |                  |               | 5,997          | 391  | 6,388            |
| <b>Carrying amount (before provision for impairment losses)</b>                              | <b>3,922,763</b> | <b>92,140</b> | <b>5,997</b>   | <b>1,055</b>                                   | <b>4,021,955</b> |
| Expected credit losses   | (2,932)          | (1,878)       | (878)          | (7)  | (5,695)          |
| <b>Net Carrying Amount</b>   | <b>3,919,831</b> | <b>90,262</b> | <b>5,119</b>   | <b>1,048</b>                                   | <b>4,016,260</b> |
| Value of collateral of impaired undrawn loan commitments                                     |                  |               | 599            | 90   | 689              |

| 31.12.2018   |                  |                |                |  |                  |
|--|------------------|----------------|----------------|--|------------------|
|  | Stage 1          | Stage 2        | Stage 3        | Purchased or originated credit impaired (POCI) | Total            |
| <b>Letters of guarantee, letters of credit and other guarantees</b>                          |                  |                |                |  |                  |
| Strong credit quality  | 1,347,916        |                |                |  | 1,347,916        |
| Satisfactory credit quality  | 1,038,360        | 200,394        |                |  | 1,238,754        |
| Watch list (higher risk)   | 464,748          | 19,839         |                |  | 484,587          |
| Default  |                  |                | 331,529        |  | 331,529          |
| <b>Carrying amount (before provision for impairment losses)</b>                              | <b>2,851,024</b> | <b>220,233</b> | <b>331,529</b> | <b>-</b>                                       | <b>3,402,786</b> |
| Expected credit losses   | (12,525)         | (2,804)        | (72,484)       |  | (87,813)         |
| <b>Net Carrying Amount</b>   | <b>2,838,499</b> | <b>217,429</b> | <b>259,045</b> | <b>-</b>                                       | <b>3,314,973</b> |
| Value of collateral of impaired letters of guarantee, letters of credit and other guarantees |                  |                | 32,653         |  | 32,653           |
| <b>Undrawn loan commitments</b>  |                  |                |                |  |                  |
| Strong credit quality  | 2,625,837        | 4,675          |                | 502  | 2,631,014        |
| Satisfactory credit quality  | 802,169          | 43,748         |                | 304  | 846,221          |
| Watch list (higher risk)   | 23,969           | 22,423         |                | 29   | 46,421           |
| Default  |                  |                | 7,950          | 1,328  | 9,278            |
| <b>Carrying amount (before provision for impairment losses)</b>                              | <b>3,451,975</b> | <b>70,846</b>  | <b>7,950</b>   | <b>2,163</b>                                   | <b>3,532,934</b> |
| Expected credit losses   | (2,651)          | (1,011)        | (585)          | (161)  | (4,408)          |
| <b>Net Carrying Amount</b>   | <b>3,449,324</b> | <b>69,835</b>  | <b>7,365</b>   | <b>2,002</b>                                   | <b>3,528,526</b> |
| Value of collateral of impaired undrawn loan commitments                                     |                  |                | 1,920          | 126  | 2,046            |

The value of the collaterals that relates to impaired exposures, amounts to € 12,010,368 as at 31.12.2019 (31.12.2018: € 13,646,142).





## Ageing analysis by IFRS 9 Stage and product line of loans

| 31.12.2019           |  |                   |               |                |                                  |                  |                  |  |                   |
|----------------------|--|-------------------|---------------|----------------|----------------------------------|------------------|------------------|--|-------------------|
|                      | Loans measured at fair value through profit or loss (FVPL) |                   |               |                | Loans measured at amortised cost |                  |                  |  |                   |
|                      | Retail lending   | Corporate lending |               |                | Total                            | Retail lending   |                  |  |                   |
|                      | Consumer   | Large Corporate   | SME's         | Mortgage       |                                  |                  |                  |  |                   |
|                      |  |                   |               | Stage 1        |                                  | Stage 2          | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total             |
| Current              |  | 151,734           | 5,709         | 157,443        | 5,037,095                        | 1,497,725        | 568,698          | 506,205  | 7,609,723         |
| 1 - 30 days          |  | 75,418            |               | 75,418         | 368,941                          | 785,081          | 302,852          | 299,160  | 1,756,034         |
| 31 - 60 days         |  |                   |               |                |                                  | 243,061          | 169,155          | 107,288  | 519,504           |
| 61 - 90 days         |  | 46,079            |               | 46,079         |                                  | 251,172          | 423,282          | 270,236  | 944,690           |
| 91 - 180 days        |  | 8,329             |               | 8,329          |                                  |                  | 201,639          | 68,036   | 269,675           |
| 181 - 360 days       |  | 10,530            | 8,887         | 19,417         |                                  |                  | 236,532          | 56,320   | 292,852           |
| > 360 days           | 450  |                   |               | 450            |                                  |                  | 2,346,312        | 1,008,939  | 3,355,251         |
| <b>Total</b>         | <b>450</b>   | <b>292,090</b>    | <b>14,596</b> | <b>307,136</b> | <b>5,406,036</b>                 | <b>2,777,039</b> | <b>4,248,470</b> | <b>2,316,184</b>                                     | <b>14,747,729</b> |
| Value of collaterals | 450  | 264,985           | 639           | 266,074        | 5,033,118                        | 2,479,916        | 4,204,055        | 2,232,666  | 13,949,755        |

| 31.12.2019           |                                  |                |                |  |                  |                |               |                |  |                  |
|----------------------|----------------------------------|----------------|----------------|--|------------------|----------------|---------------|----------------|--|------------------|
|                      | Loans measured at amortised cost |                |                |  |                  |                |               |                |  |                  |
|                      | Retail lending                   |                |                |  |                  |                |               |                |  |                  |
|                      | Consumer                         |                |                |  |                  | Credit Cards   |               |                |  |                  |
|                      | Stage 1                          | Stage 2        | Stage 3        | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1        | Stage 2       | Stage 3        | Purchased or originated credit impaired loans (POCI) | Total            |
| Current              | 680,911                          | 255,986        | 271,787        | 291,766  | 1,500,450        | 893,844        | 50,677        | 22,423         | 3,578  | 970,522          |
| 1 - 30 days          | 38,693                           | 67,449         | 54,164         | 34,742   | 195,048          | 14,097         | 22,620        | 12,152         | 1,889  | 50,758           |
| 31 - 60 days         |                                  | 21,120         | 37,264         | 17,199   | 75,583           |                | 5,387         | 7,146          | 871  | 13,404           |
| 61 - 90 days         |                                  | 11,409         | 32,712         | 15,245   | 59,366           |                | 3,340         | 8,337          | 968  | 12,645           |
| 91 - 180 days        |                                  |                | 52,707         | 23,965   | 76,672           |                |               | 12,055         | 1,361  | 13,416           |
| 181 - 360 days       |                                  |                | 38,526         | 15,159   | 53,685           |                |               | 11,808         | 1,291  | 13,099           |
| > 360 days           |                                  |                | 357,143        | 329,526  | 686,669          |                |               | 42,553         | 7,095  | 49,648           |
| <b>Total</b>         | <b>719,604</b>                   | <b>355,964</b> | <b>844,303</b> | <b>727,602</b>                                       | <b>2,647,473</b> | <b>907,941</b> | <b>82,024</b> | <b>116,474</b> | <b>17,053</b>  | <b>1,123,492</b> |
| Value of collaterals | 233,844                          | 99,556         | 321,417        | 467,144  | 1,121,961        | 2,283          | 27            | 12,661         | 35   | 15,006           |



| 31.12.2019           |                                  |                |                  |  |                  |                   |                |                  |  |                   |
|----------------------|----------------------------------|----------------|------------------|--|------------------|-------------------|----------------|------------------|--|-------------------|
|                      | Loans measured at amortised cost |                |                  |  |                  |                   |                |                  |  |                   |
|                      | Retail lending                   |                |                  |  |                  | Corporate lending |                |                  |  |                   |
|                      | Small Business                   |                |                  |  |                  | Large Corporate   |                |                  |  |                   |
|                      | Stage 1                          | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1           | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total             |
| Current              | 457,466                          | 557,649        | 438,818          | 141,517  | 1,595,450        | 7,988,828         | 706,796        | 499,543          | 272,737  | 9,467,904         |
| 1-30 days            | 10,463                           | 58,206         | 32,506           | 11,304   | 112,479          | 171,430           | 31,386         | 237,557          | 21,361   | 461,734           |
| 31-60 days           |                                  | 7,762          | 27,708           | 3,452  | 38,922           |                   | 94,444         | 8,186            |  | 102,630           |
| 61-90 days           |                                  | 3,388          | 27,508           | 4,228  | 35,124           |                   | 803            | 10,562           |  | 11,365            |
| 91-180 days          |                                  |                | 61,394           | 9,902  | 71,296           |                   |                | 56,663           | 4,132  | 60,795            |
| 181-360 days         |                                  |                | 39,614           | 5,484  | 45,098           |                   |                | 30,542           | 343  | 30,885            |
| > 360 days           |                                  |                | 1,009,691        | 309,291  | 1,318,982        |                   |                | 490,898          | 41,126   | 532,024           |
| <b>Total</b>         | <b>467,929</b>                   | <b>627,005</b> | <b>1,637,239</b> | <b>485,178</b>                                       | <b>3,217,351</b> | <b>8,160,258</b>  | <b>833,429</b> | <b>1,333,951</b> | <b>339,699</b>                                       | <b>10,667,337</b> |
| Value of collaterals | 339,017                          | 423,471        | 1,361,403        | 371,665  | 2,495,556        | 5,245,037         | 754,860        | 1,622,859        | 255,783  | 7,878,539         |

| 31.12.2019           |                                  |                |                  |  |                  |               |           |              |  |                 |               |            |               |
|----------------------|----------------------------------|----------------|------------------|--|------------------|---------------|-----------|--------------|--|-----------------|---------------|------------|---------------|
|                      | Loans measured at amortised cost |                |                  |  |                  |               |           |              |  |                 |               |            |               |
|                      | Corporate lending                |                |                  |  |                  | Public sector |           |              |  |                 |               |            |               |
|                      | SME's                            |                |                  |  |                  | Greece        |           |              |  | Other countries |               |            |               |
|                      | Stage 1                          | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1       | Stage 2   | Stage 3      | Purchased or originated credit impaired loans (POCI) | Total           | Stage 1       | Stage 2    | Total         |
| Current              | 4,260,323                        | 285,975        | 521,104          | 64,088   | 5,131,490        | 53,501        |           | 743          | 3,033  | 57,277          | 47,215        | 249        | 47,464        |
| 1-30 days            | 163,033                          | 24,833         | 127,082          | 7,449  | 322,397          | 182           | 14        |              |  | 196             |               | 181        | 181           |
| 31-60 days           |                                  | 17,416         | 46,516           | 10,059   | 73,991           |               |           |              |  |                 |               |            |               |
| 61-90 days           |                                  | 8,567          | 47,878           | 2,308  | 58,753           |               |           |              |  |                 |               |            |               |
| 91-180 days          |                                  |                | 30,854           | 2,324  | 33,178           |               |           | 2            |  | 2               |               |            |               |
| 181-360 days         |                                  |                | 41,881           | 8,839  | 50,720           |               |           |              |  |                 |               |            |               |
| > 360 days           |                                  |                | 501,276          | 106,930  | 608,206          |               |           | 403          | 4  | 407             |               |            |               |
| <b>Total</b>         | <b>4,423,356</b>                 | <b>336,791</b> | <b>1,316,591</b> | <b>201,997</b>                                       | <b>6,278,735</b> | <b>53,683</b> | <b>14</b> | <b>1,148</b> | <b>3,037</b>   | <b>57,882</b>   | <b>47,215</b> | <b>430</b> | <b>47,645</b> |
| Value of collaterals | 3,070,036                        | 274,778        | 1,505,182        | 226,407  | 5,076,403        | 46,506        |           | 750          |  | 47,256          | 13,098        | 454        | 13,552        |



| 31.12.2018           |  |                   |               |                |                                  |                  |                  |  |                   |
|----------------------|--|-------------------|---------------|----------------|----------------------------------|------------------|------------------|--|-------------------|
|                      | Loans measured at fair value through profit or loss (FVPL) |                   |               |                | Loans measured at amortised cost |                  |                  |  |                   |
|                      | Retail lending   | Corporate lending |               |                | Total                            | Retail lending   |                  |  |                   |
|                      | Consumer   | Large Corporate   | SME's         | Mortgage       |                                  |                  |                  |  |                   |
|                      |  |                   |               | Stage 1        |                                  | Stage 2          | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total             |
| Current              |  | 283,125           | 18,079        | 301,204        | 4,913,254                        | 1,822,090        | 486,770          | 441,082  | 7,663,196         |
| 1-30 days            |  | 16,094            |               | 16,094         | 476,874                          | 760,918          | 303,363          | 293,030  | 1,834,185         |
| 31-60 days           |  |                   |               |                |                                  | 330,532          | 165,307          | 122,691  | 618,530           |
| 61-90 days           |  |                   |               |                |                                  | 351,691          | 382,663          | 242,758  | 977,112           |
| 91-180 days          |  |                   |               |                |                                  |                  | 270,493          | 61,097   | 331,590           |
| 181-360 days         |  |                   |               |                |                                  |                  | 273,727          | 70,782   | 344,509           |
| > 360 days           | 1,152  | 11                |               | 1,163          |                                  |                  | 2,361,908        | 1,168,697  | 3,530,605         |
| <b>Total</b>         | <b>1,152</b>   | <b>299,230</b>    | <b>18,079</b> | <b>318,461</b> | <b>5,390,128</b>                 | <b>3,265,231</b> | <b>4,244,231</b> | <b>2,400,137</b>                                     | <b>15,299,727</b> |
| Value of collaterals | 1,152  | 256,873           | 665           | 258,690        | 4,999,688                        | 2,778,338        | 4,431,394        | 2,242,258  | 14,451,678        |

| 31.12.2018           |                                  |                |                |  |                  |                |               |               |  |                  |
|----------------------|----------------------------------|----------------|----------------|--|------------------|----------------|---------------|---------------|--|------------------|
|                      | Loans measured at amortised cost |                |                |  |                  |                |               |               |  |                  |
|                      | Retail lending                   |                |                |  |                  |                |               |               |  |                  |
|                      | Consumer                         |                |                |  |                  | Credit Cards   |               |               |  |                  |
|                      | Stage 1                          | Stage 2        | Stage 3        | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1        | Stage 2       | Stage 3       | Purchased or originated credit impaired loans (POCI) | Total            |
| Current              | 715,855                          | 259,016        | 212,005        | 247,760  | 1,434,636        | 927,249        | 37,665        | 5,687         | 2,382  | 972,983          |
| 1-30 days            | 64,382                           | 73,067         | 44,142         | 37,345   | 218,936          | 17,825         | 25,489        | 4,754         | 1,382  | 49,450           |
| 31-60 days           |                                  | 30,282         | 46,700         | 22,314   | 99,296           |                | 7,608         | 4,085         | 725  | 12,418           |
| 61-90 days           |                                  | 23,961         | 39,768         | 19,072   | 82,801           |                | 5,183         | 3,906         | 721  | 9,810            |
| 91-180 days          |                                  |                | 95,214         | 34,930   | 130,144          |                |               | 9,893         | 1,060  | 10,953           |
| 181-360 days         |                                  |                | 55,363         | 37,867   | 93,230           |                |               | 5,500         | 544  | 6,044            |
| > 360 days           |                                  |                | 343,875        | 327,621  | 671,496          |                |               | 19,429        | 4,067  | 23,496           |
| <b>Total</b>         | <b>780,237</b>                   | <b>386,326</b> | <b>837,067</b> | <b>726,909</b>                                       | <b>2,730,539</b> | <b>945,074</b> | <b>75,945</b> | <b>53,254</b> | <b>10,881</b>  | <b>1,085,154</b> |
| Value of collaterals | 276,873                          | 64,541         | 342,959        | 455,478  | 1,139,851        | 62,355         | 1,772         | 17,345        | 3,091  | 84,563           |



| 31.12.2018                       |                |                |                  |  |                  |                   |                  |                  |  |                   |
|----------------------------------|----------------|----------------|------------------|--|------------------|-------------------|------------------|------------------|--|-------------------|
| Loans measured at amortised cost |                |                |                  |  |                  |                   |                  |                  |  |                   |
| Retail lending                   |                |                |                  |  |                  | Corporate lending |                  |                  |  |                   |
| Small Business                   |                |                |                  |  |                  | Large Corporate   |                  |                  |  |                   |
|                                  | Stage 1        | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1           | Stage 2          | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total             |
| Current                          | 418.593        | 416.523        | 471.040          | 102.799  | 1.408.955        | 7.340.781         | 862.230          | 586.400          | 263.677  | 9.053.088         |
| 1-30 days                        | 16.639         | 61.294         | 20.741           | 6.123  | 104.797          | 225.610           | 89.643           | 143.327          | 10.485   | 469.065           |
| 31-60 days                       |                | 13.065         | 27.372           | 4.092  | 44.529           |                   | 152.359          | 36.828           | 19.589   | 208.776           |
| 61-90 days                       |                | 7.301          | 21.186           | 3.447  | 31.934           |                   | 24.618           | 152.696          | 2.305  | 179.619           |
| 91-180 days                      |                |                | 49.369           | 4.076  | 53.445           |                   |                  | 44.607           | 555  | 45.162            |
| 181-360 days                     |                |                | 71.279           | 3.656  | 74.935           |                   |                  | 45.127           | 4.693  | 49.820            |
| > 360 days                       |                |                | 1.207.285        | 374.925  | 1.582.210        |                   |                  | 523.758          | 45.810   | 569.568           |
| <b>Total</b>                     | <b>435.232</b> | <b>498.183</b> | <b>1.868.272</b> | <b>499.118</b>                                       | <b>3.300.805</b> | <b>7.566.391</b>  | <b>1.128.850</b> | <b>1.532.743</b> | <b>347.114</b>                                       | <b>10.575.098</b> |
| Value of collaterals             | 315.527        | 326.211        | 1.500.873        | 376.607  | 2.519.218        | 4.792.109         | 989.038          | 1.860.849        | 355.404  | 7.997.400         |

| 31.12.2018                       |                  |                |                  |  |                  |               |           |              |  |               |                 |            |               |
|----------------------------------|------------------|----------------|------------------|--|------------------|---------------|-----------|--------------|--|---------------|-----------------|------------|---------------|
| Loans measured at amortised cost |                  |                |                  |  |                  |               |           |              |  |               |                 |            |               |
| Corporate lending                |                  |                |                  |  |                  | Public sector |           |              |  |               |                 |            |               |
| SME's                            |                  |                |                  |  |                  | Greece        |           |              |  |               | Other countries |            |               |
|                                  | Stage 1          | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1       | Stage 2   | Stage 3      | Purchased or originated credit impaired loans (POCI) | Total         | Stage 1         | Stage 2    | Total         |
| Current                          | 4,038,178        | 260,109        | 546,111          | 98,752   | 4,943,150        | 64,734        | 27        |              |  | 64,761        | 59,560          | 306        | 59,866        |
| 1-30 days                        | 168,580          | 26,388         | 176,484          | 14,694   | 386,146          | 226           |           | 491          |  | 717           |                 | 239        | 239           |
| 31-60 days                       |                  | 7,467          | 78,770           | 2,609  | 88,846           |               |           |              |  |               |                 |            |               |
| 61-90 days                       |                  | 16,346         | 109,293          | 7,072  | 132,711          |               |           |              |  |               |                 |            |               |
| 91-180 days                      |                  |                | 33,047           | 1,729  | 34,776           |               |           | 204          |  | 204           |                 |            |               |
| 181-360 days                     |                  |                | 41,709           | 6,024  | 47,733           |               |           |              | 18   | 18            |                 |            |               |
| > 360 days                       |                  |                | 801,736          | 166,798  | 968,534          |               |           | 458          | 1,250  | 1,708         |                 |            |               |
| <b>Total</b>                     | <b>4,206,758</b> | <b>310,310</b> | <b>1,787,150</b> | <b>297,678</b>                                       | <b>6,601,896</b> | <b>64,960</b> | <b>27</b> | <b>1,153</b> | <b>1,268</b>   | <b>67,408</b> | <b>59,560</b>   | <b>545</b> | <b>60,105</b> |
| Value of collaterals             | 2,871,504        | 253,995        | 2,230,165        | 352,407  | 5,708,071        | 64,993        |           | 785          | 3,359  | 69,137        | 22,799          | 578        | 23,377        |



**Reconciliation of loans by IFRS 9 Stage**

The following tables present the movement in the loans measured at amortised cost by IFRS 9 Stage for the years 2019 and 2018:

| 31.12.2019   |                  |                  |                   |  |                                     |                   |                  |                  |  |                   |                   |                  |                   |  |                   |
|--|------------------|------------------|-------------------|--|-------------------------------------|-------------------|------------------|------------------|--|-------------------|-------------------|------------------|-------------------|--|-------------------|
|  | Retail lending   |                  |                   |  | Corporate lending and public sector |                   |                  |                  | Total  |                   |                   |                  |                   |  |                   |
|  | Stage 1          | Stage 2          | Stage 3           | Purchased or originated credit impaired loans (POCI) | Total                               | Stage 1           | Stage 2          | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total             | Stage 1           | Stage 2          | Stage 3           | Purchased or originated credit impaired loans (POCI) | Total             |
| <b>Balance 1.1.2019</b>  | <b>7,575,938</b> | <b>4,439,430</b> | <b>12,037,340</b> | <b>5,494,790</b>                                     | <b>29,547,498</b>                   | <b>12,013,022</b> | <b>1,507,951</b> | <b>7,248,402</b> | <b>1,430,227</b>                                     | <b>22,199,602</b> | <b>19,588,960</b> | <b>5,947,381</b> | <b>19,285,742</b> | <b>6,925,017</b>                                     | <b>51,747,100</b> |
| Transfers to Stage 1 from Stage 2 or 3                                   | 1,448,246        | (1,425,777)      | (22,469)          | -  | -                                   | 796,708           | (788,660)        | (8,048)          | -  | -                 | 2,244,954         | (2,214,437)      | (30,517)          | -  | -                 |
| Transfers to Stage 2 from Stage 1 or 3                                   | (1,331,138)      | 2,365,296        | (1,034,158)       | -  | -                                   | (736,029)         | 814,213          | (78,184)         | -  | -                 | (2,067,167)       | 3,179,509        | (1,112,342)       | -  | -                 |
| Transfers to Stage 3 from Stage 1 or 2                                   | (51,175)         | (1,036,173)      | 1,087,348         | -  | -                                   | (219,549)         | (237,350)        | 456,899          | -  | -                 | (270,724)         | (1,273,523)      | 1,544,247         | -  | -                 |
| New loans originated or purchased  | 554,011          | -                | -                 | 42,895   | 596,906                             | 4,155,419         | -                | -                | 78,273   | 4,233,692         | 4,709,430         | -                | -                 | 121,168  | 4,830,598         |
| Derecognition of loans   | (5,253)          | (7,937)          | (63,461)          | (5,627)  | (82,278)                            | (69,623)          | (1,816)          | (275,228)        | (60,342)   | (407,009)         | (74,876)          | (9,753)          | (338,689)         | (65,969)   | (489,287)         |
| Changes due to modifications that did not result in loans' derecognition | (6,588)          | (60,959)         | (87,342)          | (47,959)   | (202,848)                           | 28,876            | (2,010)          | (9,411)          | (931)  | 16,524            | 22,288            | (62,969)         | (96,753)          | (48,890)   | (186,324)         |
| Write-offs   | (1,582)          | (28,167)         | (905,109)         | (338,273)  | (1,273,131)                         | -                 | -                | (741,396)        | (113,679)  | (855,075)         | (1,582)           | (28,167)         | (1,646,505)       | (451,952)  | (2,128,206)       |
| Repayments, foreign exchange and other movements                         | (647,483)        | (106,969)        | 93,708            | 34,662   | (626,082)                           | (3,196,251)       | (80,706)         | (97,707)         | 28,691   | (3,345,973)       | (3,843,734)       | (187,675)        | (3,999)           | 63,553   | (3,972,055)       |
| Reclassification of loans to "Assets held for sale"                      | (3,256)          | (281)            | (56,467)          | (3,686)  | (63,690)                            | -                 | -                | (1,323,919)      | (293,583)  | (1,617,502)       | (3,256)           | (281)            | (1,380,386)       | (297,269)  | (1,681,192)       |
| <b>Balance 31.12.2019</b>  | <b>7,531,720</b> | <b>4,138,463</b> | <b>11,049,390</b> | <b>5,176,802</b>                                     | <b>27,896,375</b>                   | <b>12,772,573</b> | <b>1,211,622</b> | <b>5,171,408</b> | <b>1,068,656</b>                                     | <b>20,224,259</b> | <b>20,304,293</b> | <b>5,350,085</b> | <b>16,220,798</b> | <b>6,245,458</b>                                     | <b>48,120,634</b> |
| Provision for impairment losses  | (30,210)         | (296,431)        | (4,202,904)       | (1,630,785)  | (6,160,330)                         | (88,061)          | (40,958)         | (2,519,718)      | (523,923)  | (3,172,660)       | (118,271)         | (337,389)        | (6,722,622)       | (2,154,708)  | (9,332,990)       |
| <b>Balance of loans 31.12.2019</b>                                       | <b>7,501,510</b> | <b>3,842,032</b> | <b>6,846,486</b>  | <b>3,546,017</b>                                     | <b>21,736,045</b>                   | <b>12,684,512</b> | <b>1,170,664</b> | <b>2,651,690</b> | <b>544,733</b>                                       | <b>17,051,599</b> | <b>20,186,022</b> | <b>5,012,696</b> | <b>9,498,176</b>  | <b>4,090,750</b>                                     | <b>38,787,644</b> |



| 31.12.2018   |                |             |             |  |             |                                     |             |             |  |             |             |             |             |  |              |
|--|----------------|-------------|-------------|--|-------------|-------------------------------------|-------------|-------------|--|-------------|-------------|-------------|-------------|--|--------------|
|  | Retail lending |             |             |  |             | Corporate lending and public sector |             |             |  |             | Total       |             |             |  |              |
|  | Stage 1        | Stage 2     | Stage 3     | Purchased or originated credit impaired loans (POCI) | Total       | Stage 1                             | Stage 2     | Stage 3     | Purchased or originated credit impaired loans (POCI) | Total       | Stage 1     | Stage 2     | Stage 3     | Purchased or originated credit impaired loans (POCI) | Total        |
| <b>Balance 1.1.2018</b>  | 7,795,832      | 5,013,014   | 12,932,264  | 6,134,968  | 31,876,078  | 9,598,420                           | 3,394,152   | 9,063,845   | 1,691,625  | 23,748,042  | 17,394,252  | 8,407,166   | 21,996,109  | 7,826,593  | 55,624,120   |
| Transfers to Stage 1 from Stage 2 or 3                                   | 1,382,820      | (1,347,277) | (35,543)    |  | -           | 2,857,840                           | (2,797,943) | (59,897)    |  | -           | 4,240,660   | (4,145,220) | (95,440)    |  | -            |
| Transfers to Stage 2 from Stage 1 or 3                                   | (1,339,245)    | 2,328,141   | (988,896)   |  | -           | (1,414,219)                         | 1,644,840   | (230,621)   |  | -           | (2,753,464) | 3,972,981   | (1,219,517) |  | -            |
| Transfers to Stage 3 from Stage 1 or 2                                   | (64,737)       | (1,378,544) | 1,443,281   |  | -           | (172,711)                           | (288,962)   | 461,673     |  | -           | (237,448)   | (1,667,506) | 1,904,954   |  | -            |
| New loans originated or purchased  | 437,346        |             |             | 22,770   | 460,116     | 3,872,440                           |             | 1,652       | 313,127  | 4,187,219   | 4,309,786   |             | 1,652       | 335,897  | 4,647,355    |
| Derecognition of loans   | (2,554)        | (3,312)     | (18,539)    | (2,380)  | (26,785)    | (16,886)                            | (11,969)    | (353,501)   | (2,978)  | (385,334)   | (19,440)    | (15,281)    | (372,040)   | (5,358)  | (412,119)    |
| Changes due to modifications that did not result in loans' derecognition | (4,139)        | (25,667)    | (47,170)    | (15,411)   | (92,387)    | (1,144)                             | (49)        | (14,436)    | (186)  | (15,815)    | (5,283)     | (25,716)    | (61,606)    | (15,597)   | (108,202)    |
| Write-offs   | (1,343)        | (10,631)    | (791,357)   | (277,207)  | (1,080,538) | (88)                                |             | (711,646)   | (356,740)  | (1,068,474) | (1,431)     | (10,631)    | (1,503,003) | (633,947)  | (2,149,012)  |
| Repayments, foreign exchange and other movements                         | (627,694)      | (135,173)   | 187,274     | 57,923   | (51,7670)   | (2,707,225)                         | (432,118)   | (174,607)   | (9,041)  | (3,322,991) | (3,354,919) | (567,291)   | 12,667      | 48,882   | (3,840,661)  |
| Reclassification of loans to "Assets held for sale"                      | (348)          | (1,121)     | (643,974)   | (425,873)  | (1,071,316) | (3,405)                             |             | (734,060)   | (205,580)  | (943,045)   | (3,753)     | (1,121)     | (1,378,034) | (631,453)  | (2,014,361)  |
| <b>Balance 31.12.2018</b>  | 7,575,938      | 4,439,430   | 12,037,340  | 5,494,790  | 29,547,498  | 12,013,022                          | 1,507,951   | 7,248,402   | 1,430,227  | 22,199,602  | 19,588,960  | 5,947,381   | 19,285,742  | 6,925,017  | 51,747,100   |
| Provision for impairment losses  | (25,267)       | (213,745)   | (5,034,516) | (1,857,745)  | (7,131,273) | (115,353)                           | (68,219)    | (3,927,356) | (784,167)  | (4,895,095) | (140,620)   | (281,964)   | (8,961,872) | (2,641,912)  | (12,026,368) |
| <b>Balance of loans 31.12.2018</b>                                       | 7,550,671      | 4,225,685   | 7,002,824   | 3,637,045  | 22,416,225  | 11,897,669                          | 1,439,732   | 3,321,046   | 646,060  | 17,304,507  | 19,448,340  | 5,665,417   | 10,323,870  | 4,283,105  | 39,720,732   |

"Repayments, foreign exchange and other movements" for the current year include an amount of € 12,735 (31.12.2018: € 87,128) relating to loans for which the Group, in the context of renegotiation of their terms, participated in debt to equity agreements.



**Reconciliation of provision for impairment losses of loans by IFRS 9 Stage**

The following tables include the movement in the provision for impairment losses of loans measured at amortized cost for the years 2019 and 2018:

| 31.12.2019  |                 |                |                  |  |                                     |                 |                 |                  |  |                  |                 |                |                  |  |                   |  |
|---|-----------------|----------------|------------------|--|-------------------------------------|-----------------|-----------------|------------------|--|------------------|-----------------|----------------|------------------|--|-------------------|--|
| Provision for impairment losses   |                 |                |                  |  |                                     |                 |                 |                  |  |                  |                 |                |                  |  |                   |  |
|   | Retail lending  |                |                  |  | Corporate lending and public sector |                 |                 |                  | Total  |                  |                 |                |                  |  |                   |  |
|   | Stage 1         | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total                               | Stage 1         | Stage 2         | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1         | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total             |  |
| <b>Changes for the year 1.1 - 31.12.2019</b>                                  |                 |                |                  |  |                                     |                 |                 |                  |  |                  |                 |                |                  |  |                   |  |
| <b>Balance 1.1.2019</b>   | <b>25,267</b>   | <b>213,745</b> | <b>5,034,516</b> | <b>1,857,745</b>                                     | <b>7,131,273</b>                    | <b>115,353</b>  | <b>68,219</b>   | <b>3,927,356</b> | <b>784,167</b>                                       | <b>4,895,095</b> | <b>140,620</b>  | <b>281,964</b> | <b>8,961,872</b> | <b>2,641,912</b>                                     | <b>12,026,368</b> |  |
| Transfers to Stage 1 from Stage 2 or 3  | 60,851          | (54,101)       | (6,750)          |  | -                                   | 23,533          | (21,822)        | (1,711)          |  | -                | 84,384          | (75,923)       | (8,461)          |  | -                 |  |
| Transfers to Stage 2 from Stage 1 or 3  | (11,214)        | 1,886,614      | (1,77,400)       |  | -                                   | (7,530)         | 16,027          | (8,497)          |  | -                | (18,744)        | 204,641        | (185,897)        |  | -                 |  |
| Transfers to Stage 3 from Stage 1 or 2  | (525)           | (89,216)       | 89,741           |  | -                                   | (5,708)         | (15,442)        | 21,150           |  | -                | (6,233)         | (104,658)      | 110,891          |  | -                 |  |
| Net remeasurement of loss allowance (a)                                       | (49,253)        | 9,621          | 96,771           | (4,658)  | 52,481                              | (17,064)        | (1,006)         | 91,486           | (1,154)  | 72,262           | (66,317)        | 8,615          | 188,257          | (5,812)  | 124,743           |  |
| Impairment losses on new loans (b)  | 3,798           |                |                  | (6,031)  | (2,233)                             | 24,295          |                 |                  | (3,279)  | 21,016           | 28,093          |                |                  | (9,310)  | 18,783            |  |
| Changes in risk parameters (c)  | 7,052           | 56,417         | 136,499          | 136,665  | 336,633                             | (41,516)        | (9,227)         | 264,656          | 50,173   | 264,086          | (34,464)        | 47,190         | 401,155          | 186,838  | 600,719           |  |
| <b>Impairment losses on loans (a)+(b)+(c)</b>                                 | <b>(38,403)</b> | <b>66,038</b>  | <b>233,270</b>   | <b>125,976</b>                                       | <b>386,881</b>                      | <b>(34,285)</b> | <b>(10,233)</b> | <b>356,142</b>   | <b>45,740</b>  | <b>357,364</b>   | <b>(72,688)</b> | <b>55,805</b>  | <b>589,412</b>   | <b>171,716</b>                                       | <b>744,245</b>    |  |
| Derecognition of loans  | (23)            | (230)          | (10,974)         | (2,365)  | (13,592)                            | (329)           | (34)            | (1,25,043)       | (10,914)   | (136,320)        | (352)           | (264)          | (136,017)        | (13,279)   | (149,912)         |  |
| Write-offs  | (1,582)         | (28,167)       | (905,109)        | (338,273)  | (1,273,131)                         |                 |                 | (741,396)        | (113,679)  | (855,075)        | (1,582)         | (28,167)       | (1,646,505)      | (451,952)  | (2,128,206)       |  |
| Foreign exchange and other movements  | (1,874)         | (55)           | 18,760           | 19,203   | 36,034                              | (2,973)         | 4,243           | (8,074)          | 4,812  | (1,992)          | (4,847)         | 4,188          | 10,686           | 24,015   | 34,042            |  |
| Change in present value of the impairment losses                              |                 |                | (33,419)         | (28,912)   | (62,331)                            |                 |                 | 56,676           | 13,373   | 70,049           |                 |                | 23,257           | (15,539)   | 7,718             |  |
| Reclassification of provision for impairment losses to "Assets held for sale" | (2,287)         | (197)          | (39,731)         | (2,589)  | (44,804)                            |                 |                 | (956,885)        | (199,576)  | (1,156,461)      | (2,287)         | (197)          | (996,616)        | (202,165)  | (1,201,265)       |  |
| <b>Balance 31.12.2019</b>   | <b>30,210</b>   | <b>296,431</b> | <b>4,202,904</b> | <b>1,630,785</b>                                     | <b>6,160,330</b>                    | <b>88,061</b>   | <b>40,958</b>   | <b>2,519,718</b> | <b>523,923</b>                                       | <b>3,172,660</b> | <b>118,271</b>  | <b>337,389</b> | <b>6,722,622</b> | <b>2,154,708</b>                                     | <b>9,332,990</b>  |  |



In the above table depicting the movement in the provision for impairment losses for 2019, in the caption “Impairment losses on loans” the amount of € 77,427 which is related to impairment losses of loans classified at assets held for sale in the previous periods, is not included.

During 2019, the expected credit losses have been affected by the following movements:

- Transfer to Stage 1 from Stage 2 and Stage 3 of loans amount to € 2,244,954 due to the improvement of the creditworthiness compared to their initial recognition and the improvement of macroeconomic indicators for the loans remaining in Stage 1
- Impairment losses of loans classified in Stage 3 were affected by:
  - incorporation in the calculation of expected credit losses of sale transactions based on the Business Plan and,
  - further deterioration of loans portfolio remaining in Stage 3
- Last, loans amounting to € 2,128,206 were written off in 2019, resulting in a commensurate reduction in Expected Credit Losses. It is noted that loans that have been written off in 2019 but still subject to enforcement activities amounted to € 1,994,697.





| 31.12.2018  |                 |                  |                  |  |                  |                                     |                 |                  |  |                  |                  |                  |                   |  |                   |
|---|-----------------|------------------|------------------|--|------------------|-------------------------------------|-----------------|------------------|--|------------------|------------------|------------------|-------------------|--|-------------------|
| Provision for impairment losses   |                 |                  |                  |  |                  |                                     |                 |                  |  |                  |                  |                  |                   |  |                   |
|   | Retail lending  |                  |                  |  |                  | Corporate lending and public sector |                 |                  |  |                  | Total            |                  |                   |  |                   |
|   | Stage 1         | Stage 2          | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1                             | Stage 2         | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1          | Stage 2          | Stage 3           | Purchased or originated credit impaired loans (POCI) | Total             |
| Changes for the year 1.1 - 31.12.2018   |                 |                  |                  |  |                  |                                     |                 |                  |  |                  |                  |                  |                   |  |                   |
| <b>Balance 1.1.2018</b>   | <b>21,562</b>   | <b>419,891</b>   | <b>5,449,434</b> | <b>2,444,767</b>                                     | <b>8,335,654</b> | <b>101,141</b>                      | <b>193,478</b>  | <b>4,616,056</b> | <b>1,070,848</b>                                     | <b>5,981,523</b> | <b>122,703</b>   | <b>613,369</b>   | <b>10,065,490</b> | <b>3,515,615</b>                                     | <b>14,317,177</b> |
| Transfers to Stage 1 from Stage 2 or 3  | 115,545         | (109,377)        | (6,168)          |  | -                | 146,613                             | (120,101)       | (26,512)         |  | -                | 262,158          | (229,478)        | (32,680)          |  | -                 |
| Transfers to Stage 2 from Stage 1 or 3  | (9,359)         | 232,224          | (222,865)        |  | -                | (15,785)                            | 57,210          | (41,425)         |  | -                | (25,144)         | 289,434          | (264,290)         |  | -                 |
| Transfers to Stage 3 from Stage 1 or 2  | (524)           | (193,107)        | 193,631          |  | -                | (8,908)                             | (21,009)        | 29,917           |  | -                | (9,432)          | (214,116)        | 223,548           |  | -                 |
| Net remeasurement of loss allowance (a)                                       | (74,037)        | 8,884            | 59,036           | (16,902)   | (23,019)         | (59,754)                            | (2,202)         | 110,323          | (1,551)  | 46,816           | (133,791)        | 6,682            | 169,359           | (18,453)   | 23,797            |
| Impairment losses on new loans (b)  | 3,721           |                  |                  | 6,145  | 9,866            | 28,381                              |                 |                  | 2,859  | 31,240           | 32,102           |                  |                   | 9,004  | 41,106            |
| Changes in risk parameters (c)  | (29,419)        | (128,875)        | 964,169          | 277,264  | 1,083,139        | (81,930)                            | (39,791)        | 611,442          | 22,285   | 512,006          | (111,349)        | (168,666)        | 1,575,611         | 299,549  | 1,595,145         |
| <b>Impairment losses on loans (a)+(b)+(c)</b>                                 | <b>(99,735)</b> | <b>(119,991)</b> | <b>1,023,205</b> | <b>266,507</b>                                       | <b>1,069,986</b> | <b>(113,303)</b>                    | <b>(41,993)</b> | <b>721,765</b>   | <b>23,593</b>  | <b>590,062</b>   | <b>(213,038)</b> | <b>(161,984)</b> | <b>1,744,970</b>  | <b>290,100</b>                                       | <b>1,660,048</b>  |
| Derecognition of loans  | (17)            | (98)             | (5,645)          | (1,281)  | (7,041)          | 25                                  | (2,348)         | (188,195)        | 2,847  | (187,671)        | 8                | (2,446)          | (193,840)         | 1,566  | (194,712)         |
| Write-offs  | (1,343)         | (10,631)         | (791,357)        | (277,207)  | (1,080,538)      | (88)                                |                 | (711,646)        | (356,740)  | (1,068,474)      | (1,431)          | (10,631)         | (1,503,003)       | (633,947)  | (2,149,012)       |
| Foreign exchange and other movements  | (846)           | (4,517)          | 32,698           | 4,623  | 31,958           | 5,808                               | 2,982           | (36,140)         | 156,426  | 129,076          | 4,962            | (1,555)          | (3,442)           | 161,049  | 161,034           |
| Change in present value of the impairment losses                              |                 |                  | (32,054)         | (175,958)  | (207,992)        |                                     |                 | 94,658           | 17,612   | 112,270          |                  |                  | 62,604            | (158,326)  | (95,722)          |
| Reclassification of provision for impairment losses to "Assets held for sale" | (16)            | (649)            | (606,363)        | (403,726)  | (1,010,754)      | (150)                               |                 | (531,122)        | (130,419)  | (661,691)        | (166)            | (649)            | (1,137,485)       | (534,145)  | (1,672,445)       |
| <b>Balance 31.12.2018</b>   | <b>25,267</b>   | <b>213,745</b>   | <b>5,034,516</b> | <b>1,857,745</b>                                     | <b>7,131,273</b> | <b>115,353</b>                      | <b>68,219</b>   | <b>3,927,356</b> | <b>784,167</b>                                       | <b>4,895,095</b> | <b>140,620</b>   | <b>281,964</b>   | <b>8,961,872</b>  | <b>2,641,912</b>                                     | <b>12,026,368</b> |

"Foreign exchange and other movements" for the year 2019 include an amount of € 12,166 (31.12.2018: € 62,955) relating to the provision for impairment losses of loans for which the Group, in the context of renegotiation of their terms, participated in debt to equity agreements.



In 2018, the expected credit risk losses have been affected by the following movements:

- Loans to large companies, SME's, and public sector amounting to € 2,857,841 were transferred from Stage 2 or 3 to Stage 1 due to the improvement of their creditworthiness compared to their initial recognition.
- Impairment losses of loans classified in Stage 3 were affected by:
  - incorporation in the calculation of Expected Credit Losses of sale transactions based on Business Plan and,
  - further deterioration of loans portfolios remaining in Stage 3.
- Last, loans amounting to € 2,149,012 were written off in 2018, resulting in a commensurate reduction in Expected Credit Losses. It is noted that, loans that have been written off in 2018 but still subject to enforcement activities amounted to € 1,890,707.

### Reconciliation of letters of guarantee, letters of credit and undrawn loan commitments by IFRS 9 Stage

The movement for the years 2019 and 2018 of letters of guarantee, letters of credit and undrawn loan commitments is shown below:

| 31.12.2019   |                  |                |                |  |                  |
|--|------------------|----------------|----------------|--|------------------|
|  | Stage 1          | Stage2         | Stage 3        | Purchased or originated credit impaired loans (POCI) | Total            |
| <b>Balance 1.1.2019</b>  | <b>6,302,999</b> | <b>291,079</b> | <b>339,479</b> | <b>2,163</b>   | <b>6,935,720</b> |
| Transfers to Stage 1 from Stage 2 or 3                                 | 272,547          | (264,389)      | (8,158)        |  | -                |
| Transfers to Stage 2 from Stage 1 or 3                                 | (120,106)        | 129,111        | (9,005)        |  | -                |
| Transfers to Stage 3 from Stage 1 or 2                                 | (23,789)         | (8,038)        | 31,827         |  | -                |
| New letter of Guarantees, letter of credit or undrawn loan commitments | 480,418          |                |                |  | 480,418          |
| Foreign exchange, repayment and other movements                        | 82,955           | (20,725)       | (8,085)        | (1,108)  | 53,037           |
| <b>Balance 31.12.2019</b>  | <b>6,995,024</b> | <b>127,038</b> | <b>346,058</b> | <b>1,055</b>   | <b>7,469,175</b> |
| Provision for impairment losses  | (16,026)         | (2,289)        | (75,118)       | (7)  | (93,440)         |
| <b>Balance 31.12.2019</b>  | <b>6,978,998</b> | <b>124,749</b> | <b>270,940</b> | <b>1,048</b>   | <b>7,375,735</b> |

| 31.12.2018   |                  |                |                |  |                  |
|--|------------------|----------------|----------------|--|------------------|
|  | Stage 1          | Stage2         | Stage 3        | Purchased or originated credit impaired loans (POCI) | Total            |
| <b>Balance 1.1.2018</b>  | <b>5,677,931</b> | <b>606,954</b> | <b>425,800</b> | <b>3,158</b>   | <b>6,713,843</b> |
| Transfers to Stage 1 from Stage 2 or 3                                 | 828,431          | (809,023)      | (19,408)       |  |                  |
| Transfers to Stage 2 from Stage 1 or 3                                 | (592,495)        | 598,620        | (6,125)        |  |                  |
| Transfers to Stage 3 from Stage 1 or 2                                 | (18,789)         | (22,302)       | 41,091         |  |                  |
| New letter of Guarantees, letter of credit or undrawn loan commitments | 395,524          |                |                |  | 395,524          |
| Foreign exchange, repayment and other movements                        | 12,397           | (83,170)       | (101,879)      | (955)  | (173,647)        |
| <b>Balance 31.12.2018</b>  | <b>6,302,999</b> | <b>291,079</b> | <b>339,479</b> | <b>2,163</b>   | <b>6,935,720</b> |
| Provision for impairment losses  | (15,176)         | (3,815)        | (73,069)       | (161)  | (92,221)         |
| <b>Balance 31.12.2018</b>  | <b>6,287,823</b> | <b>287,264</b> | <b>266,410</b> | <b>2,002</b>   | <b>6,843,499</b> |



### Reconciliation of allowance for impairment losses of letters of guarantee, letters of credit and undrawn loan commitments by IFRS 9 Stage

The Group has recognized expected credit losses for the undrawn loan commitments and letters of credit and letters of guarantee, the reconciliation of which is presented in the following tables for the years 2019 and 2018:

| 31.12.2019                                   |                |              |               |  |               |
|--|----------------|--------------|---------------|--|---------------|
|  | Stage 1        | Stage2       | Stage 3       | Purchased or originated credit impaired loans (POCI) | Total         |
| <b>Changes for the year 1.1 - 31.12.2019</b> |                |              |               |  |               |
| <b>Balance 1.1.2019</b>                      | <b>15,176</b>  | <b>3,815</b> | <b>73,069</b> | <b>161</b>   | <b>92,221</b> |
| Transfers to Stage 1 from Stage 2 or 3       | 2,893          | (2,390)      | (503)         |  | -             |
| Transfers to Stage 2 from Stage 1 or 3       | (529)          | 582          | (53)          |  | -             |
| Transfers to Stage 3 from Stage 1 or 2       | (295)          | (335)        | 630           |  | -             |
| Net remeasurement of loss allowance (a)      | (2,819)        | 1,209        | 8,376         |  | 6,766         |
| Impairment losses on new exposures (b)       | 1,528          |              |               |  | 1,528         |
| Changes in risk parameters (c)               | 190            | (633)        | (6,445)       | (155)  | (7,043)       |
| <b>Impairment losses (a+b+c)</b>             | <b>(1,101)</b> | <b>576</b>   | <b>1,931</b>  | <b>(155)</b>   | <b>1,251</b>  |
| Foreign exchange and other movements         | (118)          | 41           | 44            | 1  | (32)          |
| <b>Balance 31.12.2019</b>                    | <b>16,026</b>  | <b>2,289</b> | <b>75,118</b> | <b>7</b>   | <b>93,440</b> |

| 31.12.2018                                   |               |              |                 |  |                 |
|--|---------------|--------------|-----------------|--|-----------------|
|  | Stage 1       | Stage2       | Stage 3         | Purchased or originated credit impaired loans (POCI) | Total           |
| <b>Changes for the year 1.1 - 31.12.2018</b> |               |              |                 |  |                 |
| <b>Balance 1.1.2018</b>                      | <b>9,798</b>  | <b>5,609</b> | <b>94,690</b>   | <b>1</b>   | <b>110,098</b>  |
| Transfers to Stage 1 from Stage 2 or 3       | 6,878         | (5,169)      | (1,710)         | 1  | -               |
| Transfers to Stage 2 from Stage 1 or 3       | (691)         | 1,020        | (329)           |  | -               |
| Transfers to Stage 3 from Stage 1 or 2       | (259)         | (580)        | 839             |  | -               |
| Net remeasurement of loss allowance (a)      | (2,742)       | 2,259        | 8,056           | 3  | 7,576           |
| Impairment losses on new exposures (b)       | 1,240         |              |                 |  | 1,240           |
| Changes in risk parameters (c)               | 1,320         | 237          | (28,485)        | 156  | (26,772)        |
| <b>Impairment losses (a+b+c)</b>             | <b>(182)</b>  | <b>2,496</b> | <b>(20,429)</b> | <b>159</b>   | <b>(17,956)</b> |
| Foreign exchange and other movements         | (368)         | 439          | 8               |  | 79              |
| <b>Balance 31.12.2018</b>                    | <b>15,176</b> | <b>3,815</b> | <b>73,069</b>   | <b>161</b>   | <b>92,221</b>   |



## Advances to customers

Advances to customers derive mainly from Group's commercial activity other than lending, including mainly receivables from letters of guarantee, receivables from credit cards and other receivables from banking activities. The calculation of expected credit losses for the receivables that are exposed to credit risk, is being performed using the simplified approach, taking into account their lifetime (without being allocated into stages) as provided by IFRS 9.

The expected credit loss rate applied by the Group was determined based on the assessment of expected credit losses taking into account the time that the aforementioned receivables, which are mainly short-term, remain due.

Advances to customers as at 31.12.2019 amounted to 212,500 (31.12.2018: € 220,989), while provision for impairment losses amounted to € 41,011 (31.12.2018: € 31,862).

The following tables present the reconciliation of advances to customers for the years 2019 and 2018:

|  |                |
|--|----------------|
| <b>Balance 1.1.2019</b>                            | <b>220,989</b> |
| Repayments, foreign exchange and other movements   | (8,489)        |
| <b>Balance 31.12.2019</b>                          | <b>212,500</b> |
| Provision for impairment losses                    | (41,011)       |
| <b>Balance of advances to customers 31.12.2019</b> | <b>171,489</b> |

|  |                |
|--|----------------|
| <b>Balance 1.1.2018</b>                            | <b>235,047</b> |
| Repayments, foreign exchange and other movements   | (14,058)       |
| <b>Balance 31.12.2018</b>                          | <b>220,989</b> |
| Provision for impairment losses                    | (31,862)       |
| <b>Balance of advances to customers 31.12.2018</b> | <b>189,127</b> |

The reconciliation of the provision for impairment losses for the years 2019 and 2018 is presented below:

|  |               |
|--|---------------|
| <b>Balance 1.1.2019</b>                          | <b>31,862</b> |
| Impairment losses on advances to customers       | 7,883         |
| Foreign exchange, write-offs and other movements | 1,266         |
| <b>Balance 31.12.2019</b>                        | <b>41,011</b> |

|  |               |
|--|---------------|
| <b>Balance 1.1.2018</b>                          | <b>30,148</b> |
| Impairment losses on advances to customers       | 15,218        |
| Foreign exchange, write-offs and other movements | (13,504)      |
| <b>Balance 31.12.2018</b>                        | <b>31,862</b> |

**PLEGDED COLLATERALS**

Collaterals are received in order to mitigate credit risk that may arise from the obligor's inability to fulfill his contractual obligations.

Collaterals include all kind of assets and rights which are made available to the Group either by their debtors or by third parties, in order to be used as complementary liquidity sources of relative loans.

The breakdown of collaterals and guarantees received to reduce the credit risk exposure is shown below:

**Breakdown of collaterals and guarantees**

| 31.12.2019           |  |                      |                  |                           |                     |                                  |                      |                  |                           |                     |
|----------------------|--|----------------------|------------------|---------------------------|---------------------|----------------------------------|----------------------|------------------|---------------------------|---------------------|
| Value of collaterals |  |                      |                  |                           |                     |                                  |                      |                  |                           |                     |
|                      | Loans measured at fair value through profit or loss (FVPL) |                      |                  |                           |                     | Loans measured at amortised cost |                      |                  |                           |                     |
|                      | Real estate collateral                                     | Financial collateral | Other collateral | Total value of collateral | Value of Guarantees | Real estate collateral           | Financial collateral | Other collateral | Total value of collateral | Value of Guarantees |
| Retail lending       |  |                      | 450              | 450                       |                     | 16,548,539                       | 212,248              | 821,491          | 17,582,278                | 3,854,193           |
| Corporate lending    | 65,173   | 796                  | 199,655          | 265,624                   | 13,769              | 6,433,329                        | 1,242,205            | 5,279,408        | 12,954,942                | 4,212,265           |
| Public sector        |  |                      |                  |                           |                     | 512                              | 11,911               | 48,385           | 60,808                    | 46,617              |
| <b>Total</b>         | <b>65,173</b>  | <b>796</b>           | <b>200,105</b>   | <b>266,074</b>            | <b>13,769</b>       | <b>22,982,380</b>                | <b>1,466,364</b>     | <b>6,149,284</b> | <b>30,598,028</b>         | <b>8,113,075</b>    |

| 31.12.2018           |  |                      |                  |                           |                     |                                  |                      |                  |                           |                     |
|----------------------|--|----------------------|------------------|---------------------------|---------------------|----------------------------------|----------------------|------------------|---------------------------|---------------------|
| Value of collaterals |  |                      |                  |                           |                     |                                  |                      |                  |                           |                     |
|                      | Loans measured at fair value through profit or loss (FVPL) |                      |                  |                           |                     | Loans measured at amortised cost |                      |                  |                           |                     |
|                      | Real estate collateral                                     | Financial collateral | Other collateral | Total value of collateral | Value of Guarantees | Real estate collateral           | Financial collateral | Other collateral | Total value of collateral | Value of Guarantees |
| Retail lending       |  |                      | 1,152            | 1,152                     |                     | 17,205,081                       | 184,570              | 805,659          | 18,195,310                | 4,463,669           |
| Corporate lending    | 78,920   | 870                  | 177,748          | 257,538                   | 17,918              | 7,198,157                        | 1,543,812            | 4,963,502        | 13,705,471                | 4,940,737           |
| Public sector        |  |                      |                  |                           |                     | 522                              | 20,953               | 71,039           | 92,514                    | 37,185              |
| <b>Total</b>         | <b>78,920</b>  | <b>870</b>           | <b>178,900</b>   | <b>258,690</b>            | <b>17,918</b>       | <b>24,403,760</b>                | <b>1,749,335</b>     | <b>5,840,200</b> | <b>31,993,295</b>         | <b>9,441,591</b>    |

There are no cases of transfer or reassignment of collateral received from borrowers for which a return obligation has been recognized.



### Loan-to-value ratio (LTV) of Mortgage lending

The loan-to-value ratio of loans reflects the relationship between the loan and the value of the property held as collateral. The table below presents the mortgage loan portfolio by LTV ratio.

|                        | Loans measured at amortised cost |                   |
|------------------------|----------------------------------|-------------------|
|                        | 31.12.2019                       | 31.12.2018        |
| < 50%                  | 1,423,102                        | 1,307,223         |
| 50% - 70%              | 1,830,065                        | 1,772,974         |
| 71% - 80%              | 1,196,086                        | 1,174,578         |
| 81% - 90%              | 1,169,719                        | 1,242,447         |
| 91% - 100%             | 3,140,359                        | 3,398,944         |
| 101% - 120%            | 1,943,351                        | 2,085,857         |
| 121% - 150%            | 2,021,248                        | 2,073,477         |
| > 150%                 | 4,749,789                        | 5,505,021         |
| <b>Total exposure</b>  | <b>17,473,719</b>                | <b>18,560,521</b> |
| Simple average LTV (%) | 86                               | 88                |



## REPOSSESSED ASSETS

### Policy of disposal of repossessed assets

The Group within the framework of the uniform management strategy for repossessed assets which launched in 2018 has set up two Committees and has delegated the management of all its repossessed assets to its subsidiary. When the Group acquires the legal title of properties in the context of the management of non-performing exposures (NPEs), the respective company is in charge of monitoring the repossession procedures (asset on – boarding), determining the best property management strategy and assigning to the appropriate channels, within or outside the Group, the management of the properties.

Depending on the defined strategy, the property is classified for accounting purposes, in the appropriate category. The classification process is repeated periodically so that the classification of each property is updated based on its current status.

Finally, there is continuous supervision and co-ordination of collaborating asset management channels on the implementation of the defined strategies as well as of the asset commercialization in accordance with the Group's policy and monitoring of their performance through appropriate Key Performance Indicators (KPIs).

### Repossessed assets

|                   | 31.12.2019                                  |                  |                                   |                  |   |                           |                              |
|-------------------|---|------------------|-----------------------------------|------------------|---|---------------------------|------------------------------|
|                   | Balance                                     |                  |                                   |                  |   | Disposals during the year |                              |
|                   | Value of collaterals repossessed 31.12.2019 | Of which in 2019 | Accumulated impairment 31.12.2019 | Of which in 2019 | Net carrying amount of collaterals repossessed 31.12.2019 | Net disposal value        | Net gain/ (loss) on disposal |
| Real estate       | 1,042,464                                   | 219,345          | 228,154                           | 11,097           | 814,310   | 152,114                   | 17,094                       |
| Other collaterals | 4,778                                       | 569              |                                   |                  | 4,778   | 3,254                     | 12                           |

|                   | 31.12.2018                                  |                  |                                   |                  |   |                           |                              |
|-------------------|---|------------------|-----------------------------------|------------------|---|---------------------------|------------------------------|
|                   | Balance                                     |                  |                                   |                  |   | Disposals during the year |                              |
|                   | Value of collaterals repossessed 31.12.2018 | Of which in 2018 | Accumulated impairment 31.12.2018 | Of which in 2018 | Net carrying amount of collaterals repossessed 31.12.2018 | Net disposal value        | Net gain/ (loss) on disposal |
| Real estate       | 1,018,179                                   | 118,917          | 219,753                           | 37,239           | 798,426   | 50,659                    | 1,229                        |
| Other collaterals | 8,569                                       | 7,223            | 71                                |                  | 8,498   | 1,680                     | 188                          |

The net carrying amount of the repossessed collaterals as of 31.12.2019, includes an amount of € 64,673 (31.12.2018: € 130,681) that relates to properties classified as "Assets held for sale".



## Loans and Expected credit losses by IFRS 9 Stage, industry and geographical region

|  |                   | Greece                           |                  |                   |  |  |                        |                     |  |  |
|--|-------------------|----------------------------------|------------------|-------------------|--|--|------------------------|---------------------|--|--|
|  |                   | Loans measured at amortised cost |                  |                   |  |  |                        |                     |  |  |
| Loans measured at fair value through profit or loss (FVPL) |                   | Stage 1                          | Stage 2          | Stage 3           | Purchased or originated credit impaired loans (POCI) | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |  |  |
|  | <b>Net amount</b> |                                  |                  |                   |  |  |                        |                     |  |  |
| <b>Retail lending</b>                                      | <b>450</b>        | <b>5,864,421</b>                 | <b>3,737,542</b> | <b>9,525,648</b>  | <b>4,910,637</b>                                     | <b>24,038,248</b>  | <b>5,230,788</b>       | <b>18,807,460</b>   |  |  |
| Mortgage   |                   | 4,004,188                        | 2,549,525        | 4,858,806         | 2,806,693  | 14,219,212   | 1,947,547              | 12,271,665          |  |  |
| Consumer   | 450               | 510,795                          | 381,229          | 1,690,310         | 1,179,630  | 3,761,964  | 1,486,883              | 2,275,081           |  |  |
| Credit cards   |                   | 894,235                          | 113,536          | 229,291           | 46,585   | 1,283,647  | 193,860                | 1,089,787           |  |  |
| Small Business   |                   | 455,203                          | 693,252          | 2,747,241         | 877,729  | 4,773,425  | 1,602,498              | 3,170,927           |  |  |
| <b>Corporate lending</b>                                   | <b>122,238</b>    | <b>9,466,749</b>                 | <b>575,966</b>   | <b>4,145,249</b>  | <b>759,704</b>                                       | <b>14,947,668</b>  | <b>2,452,181</b>       | <b>12,495,487</b>   |  |  |
| Financial institutions                                     |                   | 78,592                           | 4,089            | 4,196             | 4,796  | 91,673   | 7,027                  | 84,646              |  |  |
| Manufacturing  | 15,961            | 3,648,355                        | 83,064           | 1,206,711         | 232,790  | 5,170,920  | 752,516                | 4,418,404           |  |  |
| Construction and real estate                               | 52,125            | 1,382,757                        | 186,976          | 637,896           | 91,983   | 2,299,612  | 400,809                | 1,898,803           |  |  |
| Wholesale and retail trade                                 | 51,23             | 1,769,639                        | 51,060           | 1,509,281         | 195,600  | 3,525,580  | 885,019                | 2,640,561           |  |  |
| Transportation   |                   | 318,091                          | 5,187            | 68,792            | 26,026   | 418,096  | 43,072                 | 375,024             |  |  |
| Shipping   | 48,442            | 31,935                           | 18,520           | 11,049            | 25,075   | 86,579   | 3,484                  | 83,095              |  |  |
| Hotels-Tourism   |                   | 1,265,991                        | 115,903          | 325,967           | 30,774   | 1,738,635  | 113,303                | 1,625,332           |  |  |
| Services and other sectors                                 | 587               | 971,389                          | 111,167          | 381,357           | 152,660  | 1,616,573  | 246,951                | 1,369,622           |  |  |
| <b>Public sector</b>                                       | <b>-</b>          | <b>53,839</b>                    | <b>14</b>        | <b>1,799</b>      | <b>3,088</b>   | <b>58,740</b>  | <b>858</b>             | <b>57,882</b>       |  |  |
| <b>Total</b>   | <b>122,688</b>    | <b>15,385,009</b>                | <b>4,313,522</b> | <b>13,672,696</b> | <b>5,673,429</b>                                     | <b>39,044,656</b>  | <b>7,683,827</b>       | <b>31,360,829</b>   |  |  |
| <b>Other countries</b>                                     |                   |                                  |                  |                   |  |  |                        |                     |  |  |
|  |                   | Loans measured at amortised cost |                  |                   |  |  |                        |                     |  |  |
| Loans measured at fair value through profit or loss (FVPL) |                   | Stage 1                          | Stage 2          | Stage 3           | Purchased or originated credit impaired loans (POCI) | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |  |  |
|  | <b>Net amount</b> |                                  |                  |                   |  |  |                        |                     |  |  |
| <b>Retail lending</b>                                      | <b>-</b>          | <b>1,667,299</b>                 | <b>400,921</b>   | <b>1,523,742</b>  | <b>266,165</b>                                       | <b>3,858,127</b>   | <b>929,542</b>         | <b>2,928,585</b>    |  |  |
| Mortgage   |                   | 1,406,685                        | 328,403          | 1,308,805         | 210,614  | 3,254,507  | 778,443                | 2,476,064           |  |  |
| Consumer   |                   | 218,417                          | 60,718           | 169,865           | 46,728   | 495,728  | 123,336                | 372,392             |  |  |
| Credit cards   |                   | 26,721                           | 5,105            | 8,435             | 22   | 40,283   | 6,578                  | 33,705              |  |  |
| Small Business   |                   | 15,476                           | 6,695            | 36,637            | 8,801  | 67,609   | 21,185                 | 46,424              |  |  |
| <b>Corporate lending</b>                                   | <b>184,448</b>    | <b>3,204,528</b>                 | <b>635,188</b>   | <b>1,024,360</b>  | <b>305,864</b>                                       | <b>5,169,940</b>   | <b>719,355</b>         | <b>4,450,585</b>    |  |  |
| Financial institutions                                     |                   | 93,511                           | 16,823           | 6,489             | 1,341  | 118,164  | 5,103                  | 113,061             |  |  |
| Manufacturing  | 8,887             | 1,990,111                        | 29,883           | 38,504            | 1,680  | 269,078  | 25,040                 | 244,038             |  |  |
| Construction and real estate                               | 18,859            | 862,262                          | 240,852          | 720,650           | 207,982  | 2,031,746  | 472,097                | 1,559,649           |  |  |
| Wholesale and retail trade                                 |                   | 232,042                          | 51,791           | 118,449           | 15,275   | 417,557  | 69,374                 | 348,183             |  |  |
| Transportation   | 31,872            | 1,477,750                        | 89,781           | 8,407             | 161  | 246,099  | 6,481                  | 239,618             |  |  |
| Shipping   |                   | 1,492,343                        | 138,543          | 29,955            | 9,046  | 1,669,887  | 33,936                 | 1,635,951           |  |  |
| Hotels-Tourism   |                   | 60,484                           | 22,355           | 34,996            | 40,338   | 158,173  | 26,091                 | 132,082             |  |  |
| Services and other sectors                                 |                   | 117,125                          | 45,160           | 66,910            | 30,041   | 259,236  | 81,233                 | 178,003             |  |  |
| <b>Public sector</b>                                       | <b>-</b>          | <b>47,457</b>                    | <b>454</b>       | <b>-</b>          | <b>-</b>   | <b>47,911</b>  | <b>266</b>             | <b>47,645</b>       |  |  |
| <b>Total</b>   | <b>184,448</b>    | <b>4,919,284</b>                 | <b>1,036,563</b> | <b>2,548,102</b>  | <b>572,029</b>                                       | <b>9,075,978</b>   | <b>1,649,163</b>       | <b>7,426,815</b>    |  |  |





| 31.12.2018   |                   |                  |                   |  |  |                        |                     |
|--|-------------------|------------------|-------------------|--|--|------------------------|---------------------|
| Greece   |                   |                  |                   |  |  |                        |                     |
| Loans measured at amortised cost                           |                   |                  |                   |  |  |                        |                     |
| Loans measured at fair value through profit or loss (FVPL) | Stage 1           | Stage 2          | Stage 3           | Purchased or originated credit impaired loans (POCI) | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |
| <b>Retail lending</b>                                      | <b>6,003,553</b>  | <b>4,014,458</b> | <b>10,278,853</b> | <b>5,228,268</b>                                     | <b>25,525,132</b>  | <b>6,009,255</b>       | <b>19,515,877</b>   |
| Mortgage   | 4,083,865         | 2,978,267        | 5,130,771         | 2,975,809  | 15,168,712   | 2,312,728              | 12,855,984          |
| Consumer   | 563,850           | 379,260          | 1,737,594         | 1,244,239  | 3,924,943  | 1,569,476              | 2,355,467           |
| Credit cards   | 932,401           | 97,500           | 235,473           | 53,619   | 1,318,993  | 265,414                | 1,053,579           |
| Small Business   | 423,437           | 559,431          | 3,175,015         | 954,601  | 5,112,484  | 1,861,637              | 3,250,847           |
| <b>Corporate lending</b>                                   | <b>9,179,039</b>  | <b>673,429</b>   | <b>5,659,699</b>  | <b>1,095,369</b>                                     | <b>16,607,536</b>  | <b>3,810,153</b>       | <b>12,797,383</b>   |
| Financial institutions                                     | 51,444            | 10,674           | 3,895             | 4,705  | 335,996  | 8,454                  | 327,542             |
| Manufacturing  | 16,232            | 46,867           | 1,621,369         | 349,173  | 5,594,236  | 1,134,598              | 4,459,638           |
| Construction and real estate                               | 1,991             | 322,857          | 875,235           | 191,584  | 2,373,006  | 650,859                | 1,722,147           |
| Wholesale and retail trade                                 | 9,205             | 96,075           | 1,987,633         | 302,335  | 4,309,359  | 1,276,994              | 3,032,365           |
| Transportation   | 241,895           | 4,329            | 118,546           | 2,580  | 367,350  | 63,715                 | 303,635             |
| Shipping   | 56,115            | 15,133           | 14,606            | 26,601   | 102,708  | 3,871                  | 98,837              |
| Hotels-Tourism   | 1,113,721         | 125,507          | 353,470           | 37,224   | 1,629,922  | 156,001                | 1,473,921           |
| Services and other sectors                                 | 976,860           | 51,987           | 684,945           | 181,167  | 1,894,959  | 515,661                | 1,379,298           |
| <b>Public sector</b>                                       | <b>65,108</b>     | <b>29</b>        | <b>1,831</b>      | <b>3,412</b>   | <b>70,380</b>  | <b>2,972</b>           | <b>67,408</b>       |
| <b>Total</b>   | <b>15,247,700</b> | <b>4,687,916</b> | <b>15,940,383</b> | <b>6,327,049</b>                                     | <b>42,203,048</b>  | <b>9,822,380</b>       | <b>32,380,668</b>   |

| 31.12.2018   |                  |                  |                  |  |  |                        |                     |
|--|------------------|------------------|------------------|--|--|------------------------|---------------------|
| Other countries  |                  |                  |                  |  |  |                        |                     |
| Loans measured at amortised cost                           |                  |                  |                  |  |  |                        |                     |
| Loans measured at fair value through profit or loss (FVPL) | Stage 1          | Stage 2          | Stage 3          | Purchased or originated credit impaired loans (POCI) | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |
| <b>Retail lending</b>                                      | <b>1,572,385</b> | <b>424,972</b>   | <b>1,758,487</b> | <b>266,522</b>                                       | <b>4,022,366</b>   | <b>1,122,018</b>       | <b>2,900,348</b>    |
| Mortgage   | 1,309,515        | 348,604          | 1,523,683        | 210,008  | 3,391,810  | 948,067                | 2,443,743           |
| Consumer   | 222,711          | 65,434           | 185,807          | 46,038   | 519,990  | 144,918                | 375,072             |
| Credit cards   | 25,970           | 4,231            | 8,299            | 34   | 38,534   | 6,959                  | 31,575              |
| Small Business   | 14,189           | 6,703            | 40,698           | 10,442   | 72,032   | 22,074                 | 49,958              |
| <b>Corporate lending</b>                                   | <b>2,709,049</b> | <b>833,915</b>   | <b>1,586,872</b> | <b>331,446</b>                                       | <b>5,461,282</b>   | <b>1,081,671</b>       | <b>4,379,611</b>    |
| Financial institutions                                     | 100,922          | 6,907            | 22,931           | 1,316  | 132,076  | 9,520                  | 122,556             |
| Manufacturing  | 8,317            | 54,012           | 53,435           | 12,664   | 293,056  | 39,159                 | 253,897             |
| Construction and real estate                               | 21,450           | 273,543          | 1,138,957        | 215,082  | 2,391,981  | 780,529                | 1,611,452           |
| Wholesale and retail trade                                 | 204,301          | 92,492           | 95,069           | 19,128   | 410,990  | 64,098                 | 346,892             |
| Transportation   | 101,746          | 93,678           | 9,448            | 213  | 205,085  | 7,067                  | 198,018             |
| Shipping   | 108,585          | 217,467          | 108,803          | 8,709  | 1,473,922  | 56,336                 | 1,417,586           |
| Hotels-Tourism   | 100,994          | 31,534           | 55,555           | 41,282   | 229,365  | 31,680                 | 197,685             |
| Services and other sectors                                 | 124,799          | 64,282           | 102,674          | 33,052   | 324,807  | 93,282                 | 231,525             |
| <b>Public sector</b>                                       | <b>59,826</b>    | <b>578</b>       | <b>3,345,359</b> | <b>597,968</b>                                       | <b>60,404</b>  | <b>299</b>             | <b>60,105</b>       |
| <b>Total</b>   | <b>4,341,260</b> | <b>1,259,465</b> | <b>3,345,359</b> | <b>597,968</b>                                       | <b>9,544,052</b>   | <b>2,203,988</b>       | <b>7,340,064</b>    |

**Interest income from loans by loan category and IFRS 9 Stage**

The following tables present the interest income from loans for the years 2019 and 2018 by IFRS 9 Stage.

For loans classified in Stages 1 and 2, interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan.

For loans classified in Stage 3, interest income is calculated by applying the effective interest rate on the amortised cost of the loan (i.e. gross carrying amount after provision for impairment losses), while for Purchased or Originated Credit Impaired loans (POCI) interest income is calculated by applying the adjusted effective interest rate to the amortised cost of the loan.

|                              | 31.12.2019                       |                |                |  |                  |  |
|------------------------------|----------------------------------|----------------|----------------|--|------------------|--|
|                              | Loans measured at amortised cost |                |                |  |                  | Loans measured at fair value through profit or loss (FVPL) |
|                              | Stage 1                          | Stage 2        | Stage 3        | Purchased or originated credit impaired loans (POCI) | Total            |  |
| Retail lending               | 316,959                          | 149,760        | 330,044        | 139,914  | 936,677          | 65   |
| Corporate lending            | 531,659                          | 57,613         | 128,302        | 33,574   | 751,148          | 13,386   |
| Public sector                | 1,429                            | 38             | 67             | 24   | 1,558            |  |
| <b>Total interest income</b> | <b>850,047</b>                   | <b>207,411</b> | <b>458,413</b> | <b>173,512</b>                                       | <b>1,689,383</b> | <b>13,451</b>  |

|                              | 31.12.2018                       |                |                |  |                  |  |
|------------------------------|----------------------------------|----------------|----------------|--|------------------|--|
|                              | Loans measured at amortised cost |                |                |  |                  | Loans measured at fair value through profit or loss (FVPL) |
|                              | Stage 1                          | Stage 2        | Stage 3        | Purchased or originated credit impaired loans (POCI) | Total            |  |
| Retail lending               | 389,621                          | 257,294        | 383,117        | 151,037  | 1,181,069        | 76   |
| Corporate lending            | 440,958                          | 141,712        | 153,428        | 28,463   | 764,561          | 13,204   |
| Public sector                | 2,716                            | 159            | 43             | -  | 2,918            | -  |
| <b>Total interest income</b> | <b>833,295</b>                   | <b>399,165</b> | <b>536,588</b> | <b>179,500</b>                                       | <b>1,948,548</b> | <b>13,280</b>  |

**FORBORNE LOANS**

The restructuring of loans is performed through renegotiation of the original contractual terms and include changes such as:

- Extension of the credit duration
- Write-off of a portion of debtor's amounts due
- Grace period for the principal and/or interests
- Decrease in interest rate

As a rule forbearance measures which are extended include a combination of the above amendments to the contractual terms.

In addition, in the context of renegotiations of the terms of loans granted, the Group has participated in agreements for the exchange of debt securities or loans with debtors' shares. As at 31.12.2019, the Group included in the portfolio measured at fair value through other comprehensive income shares with a fair value of € 4,730 (31.12.2018: € 30,149) which were acquired from similar transactions. The shares that had been classified as "Assets held for sale" in 2018, being Selonda Aquaculture A.E.G.E., Nireus Aquaculture S.A, and Unisoft S.A. were sold within 2019, while Forthnet's shares have been classified in " Assets held for sale " in the current year (note 48).

**Analysis of forborne loans by type of forbearance measure**

| <b>31.12.2019</b>                           |  |                                  |                   |
|---|--|----------------------------------|-------------------|
|   | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortised cost | Total             |
| Interest only payment                       |  | 132,422                          | 132,422           |
| Reduced payments scheme                     |  | 3,473,931                        | 3,473,931         |
| Grace period                                | 857  | 443,328                          | 444,185           |
| Loan term extension                         | 66,317   | 4,807,104                        | 4,873,421         |
| Arrears capitalization                      |  | 1,980,100                        | 1,980,100         |
| Partial write-off in borrower's obligations | 48,442   | 989,415                          | 1,037,857         |
| Debt for equity transactions                |  | 21,221                           | 21,221            |
| Other                                       | 7,739  | 618,119                          | 625,858           |
| <b>Total net amount</b>                     | <b>123,355</b>   | <b>12,465,640</b>                | <b>12,588,995</b> |

| <b>31.12.2018</b>                           |  |                                  |                   |
|---|--|----------------------------------|-------------------|
|   | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortised cost | Total             |
| Interest only payment                       |  | 196,973                          | 196,973           |
| Reduced payments scheme                     | 14   | 5,302,947                        | 5,302,961         |
| Grace period                                | 2,242  | 511,164                          | 513,406           |
| Loan term extension                         | 3,144  | 3,934,035                        | 3,937,179         |
| Arrears capitalization                      | 3,959  | 2,034,745                        | 2,038,704         |
| Partial write-off in borrower's obligations | 56,117   | 565,534                          | 621,651           |
| Debt for equity transactions                |  | 47,558                           | 47,558            |
| Other                                       | 11,202   | 652,900                          | 664,102           |
| <b>Total net amount</b>                     | <b>76,678</b>  | <b>13,245,856</b>                | <b>13,322,534</b> |



## Forborne loans by product line

| 31.12.2019               |  |                                  |                   |
|--------------------------|--|----------------------------------|-------------------|
|                          | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortised cost | Total             |
| <b>Retail lending</b>    | -  | <b>9,762,583</b>                 | <b>9,762,583</b>  |
| Mortgage                 |  | 6,548,619                        | 6,548,619         |
| Consumer                 |  | 1,479,362                        | 1,479,362         |
| Credit cards             |  | 118,419                          | 118,419           |
| Small Business           |  | 1,616,183                        | 1,616,183         |
| <b>Corporate lending</b> | <b>123,355</b>   | <b>2,699,278</b>                 | <b>2,822,633</b>  |
| Large                    | 117,646  | 1,711,136                        | 1,828,782         |
| SME's                    | 5,709  | 988,142                          | 993,851           |
| <b>Public sector</b>     |  | <b>3,779</b>                     | <b>3,779</b>      |
| Greece                   |  | 3,779                            | 3,779             |
| <b>Total net amount</b>  | <b>123,355</b>   | <b>12,465,640</b>                | <b>12,588,995</b> |

| 31.12.2018               |  |                                  |                   |
|--------------------------|--|----------------------------------|-------------------|
|                          | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortised cost | Total             |
| <b>Retail lending</b>    | -  | <b>10,098,932</b>                | <b>10,098,932</b> |
| Mortgage                 |  | 7,014,414                        | 7,014,414         |
| Consumer                 |  | 1,484,669                        | 1,484,669         |
| Credit cards             |  | 51,587                           | 51,587            |
| Small Business           |  | 1,548,262                        | 1,548,262         |
| <b>Corporate lending</b> | <b>76,678</b>  | <b>3,146,388</b>                 | <b>3,223,066</b>  |
| Large                    | 66,916   | 1,860,365                        | 1,927,281         |
| SME's                    | 9,762  | 1,286,023                        | 1,295,785         |
| <b>Public sector</b>     | -  | <b>536</b>                       | <b>536</b>        |
| Greece                   |  | 536                              | 536               |
| <b>Total net amount</b>  | <b>76,678</b>  | <b>13,245,856</b>                | <b>13,322,534</b> |

## Forborne loans by geographical region

| 31.12.2019              |  |                                  |                   |
|-------------------------|--|----------------------------------|-------------------|
|                         | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortised cost | Total             |
| Greece                  | 54,151   | 11,123,400                       | 11,177,551        |
| Other countries         | 69,204   | 1,342,240                        | 1,411,444         |
| <b>Total net amount</b> | <b>123,355</b>   | <b>12,465,640</b>                | <b>12,588,995</b> |

| 31.12.2018              |  |                                  |                   |
|-------------------------|--|----------------------------------|-------------------|
|                         | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortised cost | Total             |
| Greece                  | 67,123   | 11,585,455                       | 11,652,578        |
| Other countries         | 9,555  | 1,660,401                        | 1,669,956         |
| <b>Total net amount</b> | <b>76,678</b>  | <b>13,245,856</b>                | <b>13,322,534</b> |



## Forborne loans according to their credit quality

|  | 31.12.2019            |                                |                                  |
|--|-----------------------|--------------------------------|----------------------------------|
|  | Total amount of Loans | Total amount of Forborne Loans | Percentage of Forborne Loans (%) |
| <b>Loans measured at fair value through profit or loss (FVPL)</b>                        |                       |                                |                                  |
| Past due   | 149,695               | 107,971                        | 72                               |
| Not past due   | 157,441               | 15,384                         | 10                               |
| <b>Total net carrying amount</b>   | <b>307,136</b>        | <b>123,355</b>                 | <b>40</b>                        |
| Value of collaterals   | 266,074               | 116,924                        | 44                               |
| <b>Loans measured at amortised cost</b>  |                       |                                |                                  |
| Stage 1  | 20,304,293            | -                              |                                  |
| Stage 2  | 5,350,085             | 3,686,868                      | 69                               |
| Stage 3  | 16,220,798            | 9,730,532                      | 60                               |
| Purchased or originated credit impaired loans (POCI)                                     | 6,245,458             | 3,816,663                      | 61                               |
| <b>Carrying amount (before provision for impairment losses)</b>                          | <b>48,120,634</b>     | <b>17,234,063</b>              | <b>36</b>                        |
| Stage 1 - Provision for impairment losses  | (118,271)             | -                              |                                  |
| Stage 2 - Provision for impairment losses  | (337,389)             | (237,645)                      | 70                               |
| Stage 3 - Provision for impairment losses  | (6,722,622)           | (3,459,093)                    | 51                               |
| Provision for impairment losses for purchased or originated credit impaired loans (POCI) | (2,154,708)           | (1,071,685)                    | 50                               |
| <b>Total net carrying amount</b>   | <b>38,787,644</b>     | <b>12,465,640</b>              | <b>32</b>                        |
| Value of collaterals   | 30,598,028            | 10,520,136                     | 34                               |

|  | 31.12.2018            |                                |                                  |
|--|-----------------------|--------------------------------|----------------------------------|
|  | Total amount of Loans | Total amount of Forborne Loans | Percentage of Forborne Loans (%) |
| <b>Loans measured at fair value through profit or loss (FVPL)</b>                        |                       |                                |                                  |
| Past due   | 17,257                | 1,246                          | 7                                |
| Not past due   | 301,204               | 75,432                         | 25                               |
| <b>Total net carrying amount</b>   | <b>318,461</b>        | <b>76,678</b>                  | <b>24</b>                        |
| Value of collaterals   | 258,690               | 63,496                         | 25                               |
| <b>Loans measured at amortised cost</b>  |                       |                                |                                  |
| Stage 1  | 19,588,960            |                                |                                  |
| Stage 2  | 5,947,381             | 4,527,511                      | 76                               |
| Stage 3  | 19,285,742            | 10,547,829                     | 55                               |
| Purchased or originated credit impaired loans (POCI)                                     | 6,925,017             | 3,882,527                      | 56                               |
| <b>Carrying amount (before provision for impairment losses)</b>                          | <b>51,747,100</b>     | <b>18,957,867</b>              | <b>37</b>                        |
| Stage 1 - Provision for impairment losses  | (140,620)             |                                |                                  |
| Stage 2 - Provision for impairment losses  | (281,964)             | (214,031)                      | 76                               |
| Stage 3 - Provision for impairment losses  | (8,961,872)           | (4,306,337)                    | 48                               |
| Provision for impairment losses for purchased or originated credit impaired loans (POCI) | (2,641,912)           | (1,191,643)                    | 45                               |
| <b>Total net carrying amount</b>   | <b>39,720,732</b>     | <b>13,245,856</b>              | <b>33</b>                        |
| Value of collaterals   | 31,993,295            | 11,214,013                     | 35                               |



## Reconciliation of the net value of forborne loans

| 31.12.2019   |  |                                  |                   |
|--|--|----------------------------------|-------------------|
|  | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortised cost | Total             |
| <b>Balance 1.1.2019</b>                              | <b>76,678</b>  | <b>13,245,856</b>                | <b>13,322,534</b> |
| Forbearance measures during the year                 | 73,952   | 1,480,362                        | 1,554,314         |
| Interest income                                      | 3,819  | 459,042                          | 462,861           |
| Repayment of loans (partial or total)                | (7,591)  | (669,200)                        | (676,791)         |
| Loans that exited forbearance status during the year |  | (1,372,071)                      | (1,372,071)       |
| Impairment losses                                    |  | (359,018)                        | (359,018)         |
| Disposal of forborne loans                           |  | (24,982)                         | (24,982)          |
| Remeasurment of fair value                           | (23,503)   |                                  | (23,503)          |
| Reclassification of loans to "Assets held for sale"  |  | (187,586)                        | (187,586)         |
| Other movements                                      |  | (106,763)                        | (106,763)         |
| <b>Balance 31.12.2019</b>                            | <b>123,355</b>   | <b>12,465,640</b>                | <b>12,588,995</b> |

| 31.12.2018   |  |                                  |                   |
|--|--|----------------------------------|-------------------|
|  | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortised cost | Total             |
| <b>Balance 1.1.2018</b>                              | <b>237,172</b>   | <b>13,270,809</b>                | <b>13,507,981</b> |
| Forbearance measures during the year                 |  | 1,816,321                        | 1,816,321         |
| Interest income                                      | 5,426  | 502,810                          | 508,236           |
| Repayment of loans (partial or total)                | (8,631)  | (664,630)                        | (673,261)         |
| Loans that exited forbearance status during the year | (93,131)   | (820,293)                        | (913,424)         |
| Impairment losses                                    |  | (609,765)                        | (609,765)         |
| Disposal of forborne loans                           |  | (4,943)                          | (4,943)           |
| Remeasurment of fair value                           | (41,309)   |                                  | (41,309)          |
| Reclassification of loans to "Assets held for sale"  | (25,645)   | (147,833)                        | (173,478)         |
| Other movements                                      | 2,796  | (96,620)                         | (93,824)          |
| <b>Balance 31.12.2018</b>                            | <b>76,678</b>  | <b>13,245,856</b>                | <b>13,322,534</b> |

**ANALYSIS PER RATING****Other financial instruments subject to credit risk**

The following table presents other financial assets measured at amortised cost and at fair value through other comprehensive income as at 31.12.2019 and 31.12.2018, per IFRS 9 Stage and credit rating:

|   | 31.12.2019       |              |               |   |                  |
|---|------------------|--------------|---------------|---|------------------|
|   | Stage 1          | Stage 2      | Stage 3       | Purchased or originated credit impaired securities (POCI) | Total            |
| <b>Balances with central Banks</b>  |                  |              |               |   |                  |
| AAA   |                  |              |               |   | -                |
| AA+ to AA-  |                  |              |               |   | -                |
| A+ to A-  |                  |              |               |   | -                |
| BBB+ to BBB-  | 669,736          |              |               |   | 669,736          |
| Lower than BBB-   | 920,200          |              |               |   | 920,200          |
| Unrated   |                  |              |               |   | -                |
| <b>Carrying amount (before allowance for impairment losses)</b>             | <b>1,589,936</b> | -            | -             | -   | <b>1,589,936</b> |
| Expected credit losses  |                  |              |               |   | -                |
| <b>Net carrying amount</b>  | <b>1,589,936</b> | -            | -             | -   | <b>1,589,936</b> |
| Value of collateral   |                  |              |               |   | -                |
| <b>Due from Banks</b>   |                  |              |               |   |                  |
| AAA   |                  |              |               |   | -                |
| AA+ to AA-  | 782,586          |              |               |   | 782,586          |
| A+ to A-  | 1,680,493        |              |               |   | 1,680,493        |
| BBB+ to BBB-  | 793,057          |              |               |   | 793,057          |
| Lower than BBB-   | 25,519           |              |               |   | 25,519           |
| Unrated   | 51,166           |              | 69,961        |   | 121,126          |
| <b>Carrying amount (before allowance for impairment losses)</b>             | <b>3,332,821</b> | -            | <b>69,961</b> | -   | <b>3,402,782</b> |
| Expected credit losses  | (131)            |              | (69,961)      |   | (70,092)         |
| <b>Net carrying amount</b>  | <b>3,332,690</b> | -            |               | -   | <b>3,332,690</b> |
| Value of collateral   |                  |              |               |   | -                |
| <b>Securities measured at fair value through other comprehensive income</b> |                  |              |               |   |                  |
| AAA   | 47,408           |              |               |   | 47,408           |
| AA+ to AA-  | 571,944          |              |               |   | 571,944          |
| A+ to A-  | 243,567          |              |               |   | 243,567          |
| BBB+ to BBB-  | 1,991,455        |              |               |   | 1,991,455        |
| Lower than BBB-   | 4,477,414        |              |               |   | 4,477,414        |
| Unrated   | 159,912          | 1,302        |               |   | 161,214          |
| <b>Carrying amount (before allowance for impairment losses)</b>             | <b>7,491,700</b> | <b>1,302</b> | -             | -   | <b>7,493,002</b> |
| Expected credit losses  | (25,774)         | (64)         |               |   | (25,838)         |
| <b>Net carrying amount</b>  | <b>7,465,926</b> | <b>1,238</b> | -             | -   | <b>7,467,164</b> |
| Value of collateral   |                  |              |               |   | -                |
| <b>Securities measured at amortized cost</b>                                |                  |              |               |   |                  |
| AAA   |                  |              |               |   | -                |
| AA+ to AA-  |                  |              |               |   | -                |
| A+ to A-  |                  |              |               |   | -                |
| BBB+ to BBB-  |                  |              |               |   | -                |
| Lower than BBB-   | 1,078,143        |              |               |   | 1,078,143        |
| Unrated   |                  |              |               |   | -                |
| <b>Carrying amount (before allowance for impairment losses)</b>             | <b>1,078,143</b> | -            | -             | -   | <b>1,078,143</b> |
| Expected credit losses  | (7,413)          |              |               |   | (7,413)          |
| <b>Net carrying amount</b>  | <b>1,070,730</b> | -            | -             | -   | <b>1,070,730</b> |
| Value of collateral   |                  |              |               |   | -                |



| 31.12.2018  |                  |              |               |   |                  |
|---|------------------|--------------|---------------|---|------------------|
|   | Stage 1          | Stage 2      | Stage 3       | Purchased or originated credit impaired securities (POCI) | Total            |
| <b>Balances with central Banks</b>  |                  |              |               |   |                  |
| AAA   | 93,000           |              |               |   | 93,000           |
| AA+ to AA-  |                  |              |               |   | -                |
| A+ to A-  |                  |              |               |   | -                |
| BBB+ to BBB-  | 513,698          |              |               |   | 513,698          |
| Lower than BBB-   | 907,340          |              |               |   | 907,340          |
| Unrated   |                  |              |               |   | -                |
| <b>Carrying amount (before allowance for impairment losses)</b>             | <b>1,514,038</b> | -            | -             | -   | <b>1,514,038</b> |
| Expected credit losses  | (92)             |              |               |   | (92)             |
| <b>Net carrying amount</b>  | <b>1,513,946</b> | -            | -             | -   | <b>1,513,946</b> |
| Value of collateral   |                  |              |               |   |                  |
| <b>Due from Banks</b>   |                  |              |               |   |                  |
| AAA   |                  |              |               |   | -                |
| AA+ to AA-  | 653,360          |              |               |   | 653,360          |
| A+ to A-  | 879,012          |              |               |   | 879,012          |
| BBB+ to BBB-  | 820,537          |              |               |   | 820,537          |
| Lower than BBB-   | 78,888           |              |               |   | 78,888           |
| Unrated   | 68,859           |              | 69,961        |   | 138,820          |
| <b>Carrying amount (before allowance for impairment losses)</b>             | <b>2,500,656</b> | -            | <b>69,961</b> | -   | <b>2,570,617</b> |
| Expected credit losses  | (164)            |              | (69,961)      |   | (70,125)         |
| <b>Net carrying amount</b>  | <b>2,500,492</b> | -            | -             | -   | <b>2,500,492</b> |
| Value of collateral   |                  |              |               |   |                  |
| <b>Securities measured at fair value through other comprehensive income</b> |                  |              |               |   |                  |
| AAA   | 111,789          |              |               |   | 111,789          |
| AA+ to AA-  | 1,151,935        |              |               |   | 1,151,935        |
| A+ to A-  | 190,895          |              |               |   | 190,895          |
| BBB+ to BBB-  | 1,016,894        |              |               |   | 1,016,894        |
| Lower than BBB-   | 4,352,641        | 9,157        |               |   | 4,361,798        |
| Unrated   | 80,217           |              |               |   | 80,217           |
| <b>Carrying amount (before allowance for impairment losses)</b>             | <b>6,904,371</b> | <b>9,157</b> |               |   | <b>6,913,528</b> |
| Expected credit losses  | (57,233)         | (241)        |               |   | (57,474)         |
| <b>Net carrying amount</b>  | <b>6,847,138</b> | <b>8,916</b> |               |   | <b>6,856,054</b> |
| Value of collateral   |                  |              |               |   |                  |





### Trading portfolio - Derivative financial assets - Securities measured at fair value through profit or loss - analysis per rating

The following table presents other financial instruments measured through profit or loss per credit rating.

|   | 2019             | 2018           |
|---|------------------|----------------|
| <b>Trading securities</b>                                       |                  |                |
| AAA   |                  |                |
| AA+ to AA-  |                  |                |
| A+ to A-  |                  |                |
| BBB+ to BBB-  |                  |                |
| Lower than BBB-   | 17,490           | 6,669          |
| Unrated   | 371              |                |
| <b>Net carrying amount</b>                                      | <b>17,861</b>    | <b>6,669</b>   |
| Value of collateral   |                  |                |
| <b>Derivative financial assets</b>                              |                  |                |
| AAA   |                  |                |
| AA+ to AA-  | 3,262            | 48,051         |
| A+ to A-  | 239,535          | 152,958        |
| BBB+ to BBB-  | 13,004           | 48,039         |
| Lower than BBB-   | 749,521          | 472,996        |
| Unrated   | 3,871            | 3,129          |
| <b>Net carrying amount</b>                                      | <b>1,009,193</b> | <b>725,173</b> |
| Value of collateral   |                  |                |
| <b>Securities measured at fair value through profit or loss</b> |                  |                |
| AAA   |                  |                |
| AA+ to AA-  | 9,025            | 9,084          |
| A+ to A-  |                  |                |
| BBB+ to BBB-  |                  |                |
| Lower than BBB-   |                  | 6,780          |
| Unrated   | 13,556           | 7,147          |
| <b>Net carrying amount</b>                                      | <b>22,581</b>    | <b>23,011</b>  |
| Value of collateral   |                  |                |

**FINANCIAL INSTRUMENTS' ANALYSIS PER IFRS 9 STAGE****Due from Banks**

The following table presents Due from Banks by IFRS 9 Stage as of 31.12.2019 and 31.12.2018.

| 31.12.2019   |                  |          |          |   |                  |
|--|------------------|----------|----------|---|------------------|
|  | Stage 1          | Stage 2  | Stage 3  | Purchased or originated credit impaired securities (POCI) | Total            |
| <b>Balance 31.12.2019</b>                                |                  |          |          |   |                  |
| Carrying amount (before allowance for impairment losses) | 3,332,821        |          | 69,961   |   | 3,402,782        |
| Expected credit losses                                   | (131)            |          | (69,961) |   | (70,092)         |
| <b>Net carrying amount</b>                               | <b>3,332,690</b> | <b>-</b> | <b>-</b> | <b>-</b>  | <b>3,332,690</b> |

| 31.12.2018   |                  |          |          |   |                  |
|--|------------------|----------|----------|---|------------------|
|  | Stage 1          | Stage 2  | Stage 3  | Purchased or originated credit impaired securities (POCI) | Total            |
| <b>Balance 31.12.2018</b>                                |                  |          |          |   |                  |
| Carrying amount (before allowance for impairment losses) | 2,500,656        |          | 69,961   |   | 2,570,617        |
| Expected credit losses                                   | (164)            |          | (69,961) |   | (70,125)         |
| <b>Net carrying amount</b>                               | <b>2,500,492</b> | <b>-</b> | <b>-</b> | <b>-</b>  | <b>2,500,492</b> |

**Investment securities****i. Investment securities measured at fair value through other comprehensive income**

The following table presents the analysis by IFRS 9 Stages and issuer's category as of 31.12.2019 and 31.12.2018:

| 31.12.2019  |                  |              |          |   |                  |
|---|------------------|--------------|----------|---|------------------|
|   | Stage 1          | Stage 2      | Stage 3  | Purchased or originated credit impaired securities (POCI) | Total            |
| <b>Greek Government bonds</b>   |                  |              |          |   |                  |
| Expected credit losses  | (21,064)         |              |          |   | (21,064)         |
| Fair value  | 3,980,339        |              |          |   | 3,980,339        |
| <b>Other Government bonds</b>   |                  |              |          |   |                  |
| Expected credit losses  | (1,112)          |              |          |   | (1,112)          |
| Fair value  | 1,981,294        |              |          |   | 1,981,294        |
| <b>Other securities</b>   |                  |              |          |   |                  |
| Expected credit losses  | (3,598)          | (64)         |          |   | (3,662)          |
| Fair value  | 1,504,293        | 1,238        |          |   | 1,505,531        |
| <b>Total securities measured at fair value through other comprehensive income</b> |                  |              |          |   |                  |
| <b>Expected credit losses</b>   | <b>(25,774)</b>  | <b>(64)</b>  | <b>-</b> | <b>-</b>  | <b>(25,838)</b>  |
| <b>Fair value</b>   | <b>7,465,926</b> | <b>1,238</b> | <b>-</b> | <b>-</b>  | <b>7,467,164</b> |



| 31.12.2018  |                  |              |         |   |                  |
|---|------------------|--------------|---------|---|------------------|
|   | Stage 1          | Stage 2      | Stage 3 | Purchased or originated credit impaired securities (POCI) | Total            |
| <b>Greek Government bonds</b>   |                  |              |         |   |                  |
| Expected credit losses  | (52,247)         |              |         |   | (52,247)         |
| Fair value  | 3,760,628        |              |         |   | 3,760,628        |
| <b>Other Government bonds</b>   |                  |              |         |   |                  |
| Expected credit losses  | (976)            |              |         |   | (976)            |
| Fair value  | 1,330,072        |              |         |   | 1,330,072        |
| <b>Other securities</b>   |                  |              |         |   |                  |
| Expected credit losses  | (4,010)          | (241)        |         |   | (4,251)          |
| Fair value  | 1,756,438        | 8,916        |         |   | 1,765,354        |
| <b>Total securities measured at fair value through other comprehensive income</b> |                  |              |         |   |                  |
| <b>Expected credit losses</b>   | <b>(57,233)</b>  | <b>(241)</b> | -       | -   | <b>(57,474)</b>  |
| <b>Fair value</b>   | <b>6.847.138</b> | <b>8,916</b> | -       | -   | <b>6.856.054</b> |

Except from the above securities, in the portfolio of investment securities measured at fair value through other comprehensive income, shares measured at fair value € 90,335 (31.12.2018: € 105,768) are also included.

## ii. Investment securities measured at amortized cost

| 31.12.2019  |                  |         |         |   |                  |
|---|------------------|---------|---------|---|------------------|
|   | Stage 1          | Stage 2 | Stage 3 | Purchased or originated credit impaired securities (POCI) | Total            |
| <b>Greek Government bonds</b>                                   |                  |         |         |   |                  |
| Carrying amount (before allowance for impairment losses)        | 1,078,143        |         |         |   | 1,078,143        |
| Expected credit losses  | (7,413)          |         |         |   | (7,413)          |
| <b>Net value</b>  | <b>1,070,730</b> |         |         |   | <b>1,070,730</b> |
| <b>Total securities measured at amortized cost</b>              |                  |         |         |   |                  |
| <b>Carrying amount (before allowance for impairment losses)</b> | <b>1,078,143</b> | -       | -       | -   | <b>1,078,143</b> |
| <b>Expected credit losses</b>                                   | <b>(7,413)</b>   | -       | -       | -   | <b>(7,413)</b>   |
| <b>Net value</b>  | <b>1,070,730</b> | -       | -       | -   | <b>1,070,730</b> |

**Reconciliation of other financial assets (except loans) before allowance for impairment losses by IFRS 9 Stage**

The table below presents the movement of the carrying amount before allowance for impairment losses of due from banks, the movement of investment securities measured at amortized cost and the movement of the fair value of investment securities measured at fair value through other comprehensive income, including the expected credit losses per IFRS 9 Stage.

| 31.12.2019  |                  |         |               |   |                    |   |              |         |   |                    |
|---|------------------|---------|---------------|---|--------------------|---|--------------|---------|---|--------------------|
|   | Due from banks   |         |               |   |                    | Investment securities measured at fair value through other comprehensive income |              |         |   |                    |
|   | Stage 1          | Stage 2 | Stage 3       | Purchased or originated credit impaired securities (POCI) | Total              | Stage 1   | Stage 2      | Stage 3 | Purchased or originated credit impaired securities (POCI) | Total              |
| <b>Balance 1.1.2019</b>   | <b>2,500,656</b> | -       | <b>69,961</b> | -   | <b>2,570,617</b>   | <b>6,847,137</b>  | <b>8,916</b> | -       | -   | <b>6,856,053</b>   |
| Transfers to Stage 1 from Stage 2 or 3                            |                  |         |               |   |                    |   |              |         |   |                    |
| Transfers to Stage 2 from Stage 1 or 3                            |                  |         |               |   |                    | (1,403)   | 1,403        |         |   | -                  |
| Transfers to Stage 3 from Stage 1 or 2                            |                  |         |               |   |                    |   |              |         |   | -                  |
| New financial assets originated                                   | 4,836,056        |         |               |   | <b>4,836,056</b>   | 5,851,475   |              |         |   | <b>5,851,475</b>   |
| Derecognition of financial assets                                 |                  |         |               |   |                    | (4,045,604)   | (1,313)      |         |   | <b>(4,046,917)</b> |
| Interest on carrying amount before impairment                     | 578              |         |               |   | <b>578</b>         | 161,670   | 286          |         |   | <b>161,956</b>     |
| Changes due to modifications that did not result in derecognition |                  |         |               |   |                    |   |              |         |   | -                  |
| Write-off   |                  |         |               |   |                    |   |              |         |   | -                  |
| Repayments and other movements                                    | (4,004,469)      |         |               |   | <b>(4,004,469)</b> | (1,347,349)   | (8,054)      |         |   | <b>(1,355,403)</b> |
| <b>Balance 31.12.2019</b>   | <b>3,332,821</b> | -       | <b>69,961</b> | -   | <b>3,402,782</b>   | <b>7,465,926</b>  | <b>1,238</b> | -       | -   | <b>7,467,164</b>   |



| 31.12.2018  |                  |         |               |   |                    |   |               |         |   |                    |
|---|------------------|---------|---------------|---|--------------------|---|---------------|---------|---|--------------------|
|   | Due from banks   |         |               |   |                    | Investment securities measured at fair value through other comprehensive income |               |         |   |                    |
|   | Stage 1          | Stage 2 | Stage 3       | Purchased or originated credit impaired securities (POCI) | Total              | Stage 1   | Stage 2       | Stage 3 | Purchased or originated credit impaired securities (POCI) | Total              |
| <b>Balance 1.1.2018</b>   | <b>1,718,369</b> | -       | <b>69,961</b> | -   | <b>1,788,330</b>   | <b>5,695,774</b>  | <b>28,832</b> |         |   | <b>5,724,606</b>   |
| Transfers to Stage 1 from Stage 2 or 3                            |                  |         |               |   | -                  | 235   | (235)         |         |   | -                  |
| Transfers to Stage 2 from Stage 1 or 3                            |                  |         |               |   | -                  |   |               |         |   | -                  |
| Transfers to Stage 3 from Stage 1 or 2                            |                  |         |               |   | -                  |   |               |         |   | -                  |
| New financial assets originated                                   | 4,928,735        |         |               |   | <b>4,928,735</b>   | 7,128,363   |               |         |   | <b>7,128,363</b>   |
| Derecognition of financial assets                                 |                  |         |               |   | -                  | (2,939,218)   | (20,646)      |         |   | <b>(2,959,864)</b> |
| Interest on carrying amount before impairment                     | 37               |         |               |   | <b>37</b>          | 163,586   | 1,037         |         |   | <b>164,623</b>     |
| Changes due to modifications that did not result in derecognition |                  |         |               |   | -                  |   |               |         |   | -                  |
| Writte-off  |                  |         |               |   | -                  |   |               |         |   | -                  |
| Repayments and other movements                                    | (4,146,485)      |         |               |   | <b>(4,146,485)</b> | (3,201,603)   | (72)          |         |   | <b>(3,201,675)</b> |
| <b>Balance 31.12.2018</b>   | <b>2,500,656</b> | -       | <b>69,961</b> | -   | <b>2,570,617</b>   | <b>6,847,137</b>  | <b>8,916</b>  | -       | -   | <b>6,856,053</b>   |

| 31.12.2019  |  |         |         |   |                  |
|---|--|---------|---------|---|------------------|
|   | Investment securities measured at amortized cost |         |         |   |                  |
|   | Stage 1  | Stage 2 | Stage 3 | Purchased or originated credit impaired securities (POCI) | Total            |
| <b>Balance 1.1.2019</b>   |  | -       |         |   | -                |
| Transfers to Stage 1 from Stage 2 or 3                            |  |         |         |   |                  |
| Transfers to Stage 2 from Stage 1 or 3                            |  |         |         |   |                  |
| Transfers to Stage 3 from Stage 1 or 2                            |  |         |         |   |                  |
| New financial assets originated                                   | 1,074,258  |         |         |   | 1,074,258        |
| Derecognition of financial assets                                 |  |         |         |   |                  |
| Interest on carrying amount before impairment                     | 3,972  |         |         |   | 3,972            |
| Changes due to modifications that did not result in derecognition |  |         |         |   |                  |
| Writte-off  |  |         |         |   |                  |
| Repayments and other movements                                    | (87)   |         |         |   | (87)             |
| <b>Balance 31.12.2019</b>   | <b>1,078,143</b>                                 | -       | -       | -   | <b>1,078,143</b> |



## Reconciliation of the accumulated impairment allowance

The table below presents the movement of the accumulated impairment of due from banks and investment securities measured at amortized cost and at fair value through other comprehensive income per IFRS 9 Stage.

| 31.12.2019   |                |          |               |   |               |   |              |          |   |                 |
|--|----------------|----------|---------------|---|---------------|---|--------------|----------|---|-----------------|
|  | Due from banks |          |               |   |               | Investment securities measured at fair value through other comprehensive income |              |          |   |                 |
|  | Stage 1        | Stage 2  | Stage 3       | Purchased or originated credit impaired securities (POCI) | Total         | Stage 1   | Stage 2      | Stage 3  | Purchased or originated credit impaired securities (POCI) | Total           |
| <b>Opening Balance 1.1.2019</b>                              | 164            |          | 69,961        |   | 70,125        | 57,233  | 241          |          |   | 57,474          |
| Transfers to Stage 1 from Stage 2 or 3                       |                |          |               |   |               | -   | -            |          |   | -               |
| Transfers to Stage 2 from Stage 1 or 3                       |                |          |               |   |               | (8)   | 8            |          |   | -               |
| Transfers to Stage 3 from Stage 1 or 2                       |                |          |               |   |               | -   | -            |          |   | -               |
| Remeasurement of expected credit losses (a)                  |                |          |               |   |               | -   | 93           |          |   | 93              |
| Impairment losses on new receivables/ securities (b)         | 114            |          |               |   | 114           | 17,734  | -            |          |   | 17,734          |
| Change in credit risk parameters (c)                         | (240)          |          |               |   | (240)         | (29,081)  | (250)        |          |   | (29,331)        |
| <b>Impairment losses receivables/ securities (a)+(b)+(c)</b> | <b>(126)</b>   | <b>-</b> | <b>-</b>      | <b>-</b>  | <b>(126)</b>  | <b>(11,347)</b>   | <b>(157)</b> | <b>-</b> | <b>-</b>  | <b>(11,504)</b> |
| Derecognition of financial assets                            |                |          |               |   |               | (20,112)  | (28)         |          |   | (20,140)        |
| Foreign exchange and other movements                         | 93             |          |               |   | 93            | 8   | -            |          |   | 8               |
| <b>Balance 31.12.2019</b>                                    | <b>131</b>     | <b>-</b> | <b>69,961</b> | <b>-</b>  | <b>70,092</b> | <b>25,774</b>   | <b>64</b>    | <b>-</b> | <b>-</b>  | <b>25,838</b>   |



| 31.12.2018   |                |          |               |   |               |   |                |          |   |               |
|--|----------------|----------|---------------|---|---------------|---|----------------|----------|---|---------------|
|  | Due from banks |          |               |   |               | Investment securities measured at fair value through other comprehensive income |                |          |   |               |
|  | Stage 1        | Stage 2  | Stage 3       | Purchased or originated credit impaired securities (POCI) | Total         | Stage 1   | Stage 2        | Stage 3  | Purchased or originated credit impaired securities (POCI) | Total         |
| <b>Balance 1.1.2018</b>                                      | 274            | -        | 69,961        | -   | 70,235        | 84,312  | 3,099          |          |   | 87,411        |
| Transfers to Stage 1 from Stage 2 or 3                       |                |          |               |   | -             | 13  | (13)           |          |   | -             |
| Transfers to Stage 2 from Stage 1 or 3                       |                |          |               |   | -             |   |                |          |   | -             |
| Transfers to Stage 3 from Stage 1 or 2                       |                |          |               |   | -             |   |                |          |   | -             |
| Remeasurement of expected credit losses (a)                  |                |          |               |   | -             | (3)   |                |          |   | (3)           |
| Impairment losses on new receivables/ securities (b)         | (3)            |          |               |   | (3)           | 48,467  |                |          |   | 48,467        |
| Change in credit risk parameters (c)                         | (15)           |          |               |   | (15)          | (39,283)  | (1,790)        |          |   | (41,073)      |
| <b>Impairment losses receivables/ securities (a)+(b)+(c)</b> | <b>(18)</b>    | <b>-</b> | <b>-</b>      | <b>-</b>  | <b>(18)</b>   | <b>9,181</b>  | <b>(1,790)</b> | <b>-</b> | <b>-</b>  | <b>7,391</b>  |
| Derecognition of financial assets                            |                |          |               |   | -             | (36,273)  | (1,055)        |          |   | (37,328)      |
| Foreign exchange and other movements                         | (92)           |          |               |   | (92)          |   |                |          |   | -             |
| <b>Balance 31.12.2018</b>                                    | <b>164</b>     | <b>-</b> | <b>69,961</b> | <b>-</b>  | <b>70,125</b> | <b>57,233</b>   | <b>241</b>     | <b>-</b> | <b>-</b>  | <b>57,474</b> |

An additional charge of expected credit losses of € 172 (31.12.2018: € 184 an additional raise) has been recognized in the income statement of 2019 in Stage 1, which corresponds to the change of accumulated impairments between the opening and the closing date resulting from the disposal of securities of FVOCI portfolio which has been agreed but not settled between these two dates. The said accumulated impairment, depending on the securities valuation, is recognized in "Other assets" or "Other liabilities".



|   | Securities measured at amortized cost |         |         |   |              |
|---|---------------------------------------|---------|---------|---|--------------|
|   | Stage 1                               | Stage 2 | Stage 3 | Purchased or originated credit impaired securities (POCI) | Total        |
| <b>Opening balance 1.1.2019</b>                 | -                                     | -       | -       | -   | -            |
| Transfers to Stage 1 from Stage 2 or 3          |                                       |         |         |   | -            |
| Transfers to Stage 2 from Stage 1 or 3          |                                       |         |         |   | -            |
| Transfers to Stage 3 from Stage 1 or 2          |                                       |         |         |   | -            |
| Remeasurement of expected credit losses (a)     |                                       |         |         |   | -            |
| Impairment losses on new securities (b)         | 7,413                                 |         |         |   | 7,413        |
| Change in credit risk parameters (c)            |                                       |         |         |   | -            |
| <b>Impairment losses securities (a)+(b)+(c)</b> | <b>7,413</b>                          | -       | -       | -   | <b>7,413</b> |
| Derecognition of financial assets               |                                       |         |         |   | -            |
| Foreign exchange and other movements            |                                       |         |         |   | -            |
| <b>Closing balance 31.12.2019</b>               | <b>7,413</b>                          | -       | -       | -   | <b>7,413</b> |





The following tables present the financial instruments exposed to credit risk by sectors of the counterparties

### FINANCIAL INSTRUMENTS CREDIT RISK - ANALYSIS BY INDUSTRY SECTOR

| 31.12.2019  |   |                  |                              |                            |   |                |                  |                  |                            |                   |                   |
|---|---|------------------|------------------------------|----------------------------|---|----------------|------------------|------------------|----------------------------|-------------------|-------------------|
|   | Financial Institutions and other financial services | Manufacturing    | Construction and real estate | Wholesale and retail trade | Public sector/ Government securities/ Derivatives | Transportation | Shipping         | Hotels-Tourism   | Services and other sectors | Retail lending    | Total             |
| <b>Credit risk exposure relating to balance sheet items:</b>              |   |                  |                              |                            |   |                |                  |                  |                            |                   |                   |
| Balances with Central Banks   | 1,589,936   |                  |                              |                            |   |                |                  |                  |                            |                   | 1,589,936         |
| Due from banks  | 3,402,782   |                  |                              |                            |   |                |                  |                  |                            |                   | 3,402,782         |
| Loans and advances to customers   | 209,837   | 5,464,848        | 4,454,371                    | 3,948,260                  | 106,651   | 696,066        | 1,929,906        | 1,896,807        | 1,945,144                  | 27,988,380        | 48,640,270        |
| Derivative financial assets   | 179,325   | 11,679           | 154,026                      | 496                        | 658,048   | 676            | 944              | 1,622            | 2,371                      | 6                 | 1,009,193         |
| Trading securities  | 371   |                  |                              |                            | 17,490  |                |                  |                  |                            |                   | 17,861            |
| Securities measured at fair value through other comprehensive income      | 1,047,284   | 234,480          | 11,972                       | 83,468                     | 5,983,809   |                |                  |                  | 131,989                    |                   | 7,493,002         |
| Securities measured at amortized cost                                     |   |                  |                              |                            | 1,078,143   |                |                  |                  |                            |                   | 1,078,143         |
| Securities measured at fair value through profit or loss                  | 12,530  |                  |                              | 1,026                      | 9,025   |                |                  |                  |                            |                   | 22,581            |
| Assets held for sale – Loans Portfolio                                    | 1,814   | 438,581          | 258,493                      |                            | 692,943   | 18,296         | 3,394            | 80,563           | 186,447                    | 64,380            | 1,744,911         |
| <b>Total amount of balance sheet items exposed to credit risk (a)</b>     | <b>6,443,879</b>                                    | <b>6,149,588</b> | <b>4,878,862</b>             | <b>4,033,250</b>           | <b>8,546,109</b>                                  | <b>715,038</b> | <b>1,934,244</b> | <b>1,978,992</b> | <b>2,265,951</b>           | <b>28,052,766</b> | <b>64,998,679</b> |
| Other balance sheet items not exposed to credit risk                      | 548,717   | 1,528            | 142,978                      | 3                          |   |                |                  | 2,200            | 8,933,444                  |                   | 9,628,870         |
| <b>Total assets</b>   | <b>6,992,596</b>                                    | <b>6,151,116</b> | <b>5,021,840</b>             | <b>4,033,253</b>           | <b>8,546,109</b>                                  | <b>715,038</b> | <b>1,934,244</b> | <b>1,981,192</b> | <b>11,199,395</b>          | <b>28,052,766</b> | <b>74,627,549</b> |
| <b>Credit risk exposure relating to off-balance sheet items:</b>          |   |                  |                              |                            |   |                |                  |                  |                            |                   |                   |
| Letters of guarantee, letters of credit and other guarantees              | 544,415   | 543,094          | 1,067,415                    | 564,276                    | 193,193   | 88,619         | 7,184            | 62,871           | 309,277                    | 66,876            | 3,447,220         |
| Undrawn loan commitments  | 24,245  | 711,582          | 260,012                      | 790,593                    | 2,642   | 35,897         | 5,813            | 84,588           | 283,256                    | 1,823,327         | 4,021,955         |
| <b>Total amount of off-balance sheet items exposed to credit risk (b)</b> | <b>568,660</b>                                      | <b>1,254,676</b> | <b>1,327,427</b>             | <b>1,354,869</b>           | <b>195,835</b>                                    | <b>124,516</b> | <b>12,997</b>    | <b>147,459</b>   | <b>592,533</b>             | <b>1,890,203</b>  | <b>7,469,175</b>  |
| <b>Total credit risk exposure (a+b)</b>                                   | <b>7,012,539</b>                                    | <b>7,404,264</b> | <b>6,206,289</b>             | <b>5,388,119</b>           | <b>8,546,109</b>                                  | <b>839,554</b> | <b>1,947,241</b> | <b>2,126,451</b> | <b>2,858,484</b>           | <b>28,052,766</b> | <b>72,467,854</b> |



| 31.12.2018*   |   |                  |                              |                            |  |                |                  |                  |                            |                   |                   |
|---|---|------------------|------------------------------|----------------------------|--|----------------|------------------|------------------|----------------------------|-------------------|-------------------|
|   | Financial Institutions and other financial services | Manufacturing    | Construction and real estate | Wholesale and retail trade | Public sector / Government securities/ Derivatives | Transportation | Shipping         | Hotels-Tourism   | Services and other sectors | Retail lending    | Total             |
| <b>Credit risk exposure relating to balance sheet items:</b>              |   |                  |                              |                            |  |                |                  |                  |                            |                   |                   |
| Balances with Central Banks   | 1,514,038   |                  |                              |                            |  |                |                  |                  |                            |                   | 1,514,038         |
| Due from banks  | 2,570,617   |                  |                              |                            |  |                |                  |                  |                            |                   | 2,570,617         |
| Loans and advances to customers   | 519,516   | 5,911,844        | 4,788,427                    | 4,729,553                  | 130,784  | 605,973        | 1,741,330        | 1,859,287        | 2,354,342                  | 29,645,493        | 52,286,549        |
| Derivative financial assets   | 179,984   | 8,999            | 78,676                       | 15,187                     | 429,309  | 39             | 540              | 8,486            | 3,952                      | 1                 | 725,173           |
| Trading securities  |   |                  |                              |                            | 6,669  |                |                  |                  |                            |                   | 6,669             |
| Securities measured at fair value through other comprehensive income      | 1,480,187   | 155,072          | 1,330                        | 36,201                     | 5,143,922  |                |                  |                  | 96,815                     |                   | 6,913,527         |
| Securities measured at fair value through profit or loss                  | 13,239  |                  |                              | 688                        | 9,084  |                |                  |                  |                            |                   | 23,011            |
| Assets held for sale – Loans Portfolio                                    |   | 3,200            | 76,369                       |                            |  |                |                  |                  |                            |                   | 79,569            |
| <b>Total amount of balance sheet items exposed to credit risk (a)</b>     | <b>6,277,581</b>                                    | <b>6,079,115</b> | <b>4,944,802</b>             | <b>4,781,629</b>           | <b>5,719,768</b>                                   | <b>606,012</b> | <b>1,741,870</b> | <b>1,867,773</b> | <b>2,455,109</b>           | <b>29,645,494</b> | <b>64,119,153</b> |
| Other balance sheet items not exposed to credit risk                      | 520,910   | 844              | 189,141                      | 3                          |  |                |                  | 2,200            | 8,748,188                  |                   | 9,461,286         |
| <b>Total assets</b>   | <b>6,798,491</b>                                    | <b>6,079,959</b> | <b>5,133,943</b>             | <b>4,781,632</b>           | <b>5,719,768</b>                                   | <b>606,012</b> | <b>1,741,870</b> | <b>1,869,973</b> | <b>11,203,297</b>          | <b>29,645,494</b> | <b>73,580,439</b> |
| <b>Credit risk exposure relating to off-balance sheet items:</b>          |   |                  |                              |                            |  |                |                  |                  |                            |                   |                   |
| Letters of guarantee, letters of credit and other guarantees              | 403,880   | 518,084          | 1,126,091                    | 550,187                    | 194,051  | 88,852         | 8,313            | 65,801           | 303,193                    | 144,334           | 3,402,786         |
| Undrawn loan commitments  | 11,793  | 601,616          | 167,652                      | 561,632                    | 758  | 24,384         | 5,141            | 75,096           | 192,952                    | 1,891,911         | 3,532,935         |
| <b>Total amount of off-balance sheet items exposed to credit risk (b)</b> | <b>415,673</b>                                      | <b>1,119,700</b> | <b>1,293,743</b>             | <b>1,111,819</b>           | <b>194,809</b>                                     | <b>113,236</b> | <b>13,454</b>    | <b>140,897</b>   | <b>496,145</b>             | <b>2,036,245</b>  | <b>6,935,721</b>  |
| <b>Total credit risk exposure (a+b)</b>                                   | <b>6,693,254</b>                                    | <b>7,198,815</b> | <b>6,238,545</b>             | <b>5,893,448</b>           | <b>5,914,577</b>                                   | <b>719,248</b> | <b>1,755,324</b> | <b>2,008,670</b> | <b>2,951,254</b>           | <b>31,681,739</b> | <b>71,054,874</b> |

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

**EXPOSURE IN CREDIT RISK FROM DEBT ISSUED BY THE GREEK STATE**

The table below presents the Bank's total exposure in Greek State securities:

| Portfolio  | 31.12.2019       |                  | 31.12.2018       |                  |
|--|------------------|------------------|------------------|------------------|
|  | Nominal value    | Carrying amount  | Nominal value    | Carrying amount  |
| Securities measured at fair value through other comprehensive income | 3,321,392        | 3,980,339        | 3,820,590        | 3,760,627        |
| Securities measured at amortized cost                                | 921,600          | 1,070,730        | -                | -                |
| Trading  | 14,657           | 17,490           | 6,858            | 6,669            |
| <b>Total</b>   | <b>4,257,649</b> | <b>5,068,559</b> | <b>3,827,448</b> | <b>3,767,296</b> |

All Greek Government securities are classified in level 1 based on the quality of inputs used for the estimation of their fair value.

The Group's exposure to Greek State from other financial instruments, excluding securities and loans and advances is depicted in the tables below:

**On balance sheet exposure**

|  | 31.12.2019      | 31.12.2018 |
|--|-----------------|------------|
|  | Carrying amount |            |
| Derivative financial instruments-assets      | 658,048         | 429,309    |
| Derivative financial instruments-liabilities | (32,045)        | (36,063)   |

The Group's exposure in loans to public sector entities / organizations on 31.12.2019 amounted to € 58,740 (31.12.2018: € 70,379). The Group has recognized provision for impairment losses for the above mentioned loans amounting to € 858 as at 31.12.2019 (31.12.2018: € 2,971). In addition, the balance of the Group's loans guaranteed by the Greek State (guaranteed either directly by Greek Government or by Common Ministerial Decisions and loans guaranteed by ETEAN) on 31.12.2019 amounted to € 513,632 (31.12.2018: € 542,743). For these loans the Group has recognized provision for impairment losses amounting to € 66,889 as at 31.12.2019 (31.12.2018: € 91,881).

**Off balance sheet exposure**

| Portfolio   | 31.12.2019    |            | 31.12.2018    |            |
|---|---------------|------------|---------------|------------|
|   | Nominal value | Fair value | Nominal value | Fair value |
| Greek Government Treasury Bills received as collateral for derivatives transactions | 870,000       | 869,913    | 400,000       | 399,600    |

**43.2 Market risk**

Market risk is the risk of losses arising from unfavourable changes in the value or volatility of interest rates, foreign exchange rates, stock exchange indices, equity prices and commodities. Losses may also occur either from the trading portfolio or from the Assets-Liabilities management.

More specifically:

- Interest rate risk is the risk that results from the Group's exposure to adverse changes in the value or volatility of interest rates.
- Foreign exchange risk is the risk arising from adverse changes in the value or volatility of foreign exchange rates.
- Equity risk is the risk arising from adverse changes in the value or volatility of equities or equity indices. The Group holds no material portfolio in such instruments.



## i. Trading portfolio

The Group Market Risk Management Policy elaborates on how market risk is managed within the Group, i.e. the identification, measurement, monitoring and control of market risk inherent in Treasury assets and liabilities transacted by the Group and the country local Treasury Management Units, as well as the determination that adequate capital is held against this type of risk. The ultimate objective of the Policy is to provide the framework and principles for the effective management of market risk, in order to:

- maintain market risk within the limits, in line with the Group's risk appetite;
- reduce the risk of fraud or regulatory non-compliance by prescribing sound methodologies;
- ensure adequate controls to prevent significant losses;
- facilitate efficient decision-making by quantifying where possible the probabilities of failing to achieve earnings or other targets.

All competent Group and country local Units apply the Policy by developing and applying corresponding processes.

Market risk of trading portfolio is measured by Value at Risk – VAR, that is the maximum amount of loss with a given probability (confidence level). The method applied for calculating Value at Risk is historical simulation with full revaluation using the 99th percentile and one tailed confidence interval. The historical observation period is one year at minimum. Risk factor returns are calculated according to the absolute or relative approach.

The Bank calculates VAR on a daily basis and the data sets are updated daily. A holding period of one and ten days is applied for regulatory purposes. Additional holding periods may be applied for internal purposes, according to the time required for the liquidation of the portfolio.

In line with the regulatory requirement, back-testing is performed on a daily basis for the Bank prudential trading book through the use of hypothetical and actual outcomes by monitoring the number of times that the trading outcomes exceed the corresponding risk measure.

### 1 day value at risk, 99% confidence interval (2 years historical data)

(Amounts in Euro)

| 2019                          |                          |                    |            |             |                  |
|-------------------------------|--------------------------|--------------------|------------|-------------|------------------|
|                               | Foreign<br>currency risk | Interest rate risk | Price risk | Covariance  | Total            |
| 31 December                   | 1,762,634                | 3,153,803          | 34,238     | (1,816,901) | <b>3,133,774</b> |
| Average daily value (annual)  | 1,543,660                | 2,249,484          | 24,079     | (1,402,094) | <b>2,415,128</b> |
| Maximum* daily value (annual) | 1,755,297                | 3,190,158          | 35,521     | (1,754,281) | <b>3,226,695</b> |
| Minimum* daily value (annual) | 1,022,390                | 1,962,745          | 7,477      | (1,265,027) | <b>1,727,585</b> |

| 2018                          |                          |                    |            |             |                  |
|-------------------------------|--------------------------|--------------------|------------|-------------|------------------|
|                               | Foreign<br>currency risk | Interest rate risk | Price risk | Covariance  | Total            |
| 31 December                   | 951,434                  | 1,967,445          | 5,682      | (1,148,208) | <b>1,776,353</b> |
| Average daily value (annual)  | 779,195                  | 1,818,875          | 12,015     | (897,098)   | <b>1,712,987</b> |
| Maximum* daily value (annual) | 350,410                  | 1,972,905          | 24,651     | (225,823)   | <b>2,122,143</b> |
| Minimum* daily value (annual) | 877,949                  | 1,237,747          | 0          | (876,786)   | <b>1,238,910</b> |

\* Relates to the total Value at Risk within the year.



The above items concern the Bank. The Group's subsidiaries and branches have limited trading positions, which are immaterial compared to the positions of the Bank. As a result, the market risk effect deriving from these positions on the total income, is immaterial.

The Value at Risk methodology is based on certain theoretical assumptions, which under extreme market conditions might not capture the maximum loss the Bank may suffer. The limitations of the methodology may be summarized as follows:

- Value at risk refers to the potential loss at a 99% confidence level, without considering any losses beyond that level
- Risk factor returns are assumed to follow the empirical distribution that was experienced during the historical observation period.

On a daily basis, a retrospective test of Value at Risk model is carried out, taking into account hypothetical and actual changes in the trading book's profit and loss. According to best practices, the model is validated by an independent unit at the Bank on an annual basis.

The Value at Risk methodology is complemented with scenario analysis and stress testing, in order to estimate the potential size of losses that could arise from the trading portfolio for hypothetical as well as historical extreme movements of market parameters (stress-testing).

Within the scope of market risk control, open position, maximum loss (stop loss) and value at risk limits have been set across trading positions.

In particular, limits have been set for the following risks:

- Foreign currency risk regarding spot and forward positions and FX options
- Interest rate risk regarding positions in bonds, Interest Rate Swaps, Interest Futures, Interest Options
- Price risk regarding positions in shares, index Futures and options, Commodity Futures and Swaps
- Credit risk regarding interbank transactions and bonds

Positions held in these products are monitored on a daily basis and are examined for the corresponding limit percentage cover and for any limit excess.

## **ii. The financial risks of the banking portfolio**

The Market risk may derive, apart from the banking portfolio, from the structure of assets and liabilities and from the portfolio of loans and deposits of the Group. The financial risks concern foreign exchange risk, interest rate risk.

### **a. Foreign currency risk**

The Bank takes on the risk arising from the fluctuations in foreign exchange rates.

The management of foreign currency position is centralized.

The policy of the Bank is the positions to be closed immediately using spot transactions or currency derivatives. In case that positions are still open, they are daily monitored by the competent department and they are subject to limits.



The total open position arises from the net balance sheet position and derivatives forward position are presented in the following tables:

| 31.12.2019  |                  |                |                |               |                  |            |                |                   |                   |
|---|------------------|----------------|----------------|---------------|------------------|------------|----------------|-------------------|-------------------|
|   | USD              | GBP            | CHF            | JPY           | RON              | RSD        | Other FC       | Euro              | Total             |
| <b>ASSETS</b>   |                  |                |                |               |                  |            |                |                   |                   |
| Cash and balances with Central Banks  | 8,491            | 12,393         | 1,191          | 125           | 166,412          |            | 19,106         | 1,820,617         | 2,028,335         |
| Due from banks  | 277,527          | 42,474         | 60,925         | 11,081        | 45,090           | 117        | 28,050         | 2,867,426         | 3,332,690         |
| Trading securities  | 370              |                |                |               |                  |            |                | 18,381            | 18,751            |
| Derivative financial assets   |                  |                |                |               |                  |            |                | 1,009,193         | 1,009,193         |
| Loans and advances to customers   | 2,056,425        | 485,036        | 728,738        | 11,278        | 1,128,578        |            | 75,388         | 34,780,826        | 39,266,269        |
| Investment securities:  |                  |                |                |               |                  |            |                |                   |                   |
| - Measured at amortized cost  |                  |                |                |               |                  |            |                | 1,070,730         | 1,070,730         |
| - Measured at fair value through other comprehensive income                     | 131,482          | 17,698         |                |               | 191,686          |            | 89,926         | 7,126,707         | 7,557,499         |
| - Measured at fair value through profit or loss                                 | 1,058            |                |                |               |                  |            |                | 54,483            | 55,541            |
| Investments in associates and joint ventures                                    |                  |                |                |               |                  |            |                | 13,385            | 13,385            |
| Investment property   |                  |                |                |               | 45,253           |            | 26,147         | 414,436           | 485,836           |
| Property, plant and equipment   |                  | 7,753          |                |               | 53,044           |            | 34,292         | 757,243           | 852,332           |
| Goodwill and other intangible assets  |                  | 17             |                |               | 4,731            |            | 592            | 487,006           | 492,346           |
| Deferred tax assets   |                  |                |                |               | 256              |            | 235            | 5,173,806         | 5,174,297         |
| Other assets  | 761              | 1,188          | 39,277         | 1,575         | 25,716           |            | 22,077         | 1,446,304         | 1,536,898         |
| Assets held for sale  |                  |                |                |               | 1,565            |            |                | 561,954           | 563,519           |
| <b>Total Assets</b>   | <b>2,476,114</b> | <b>566,559</b> | <b>830,131</b> | <b>24,059</b> | <b>1,662,331</b> | <b>117</b> | <b>295,813</b> | <b>57,602,497</b> | <b>63,457,621</b> |
| <b>LIABILITIES</b>  |                  |                |                |               |                  |            |                |                   |                   |
| Due to banks and customers  | 2,337,518        | 262,843        | 80,247         | 1,821         | 1,102,460        |            | 388,975        | 46,451,703        | 50,625,567        |
| Derivative financial liabilities  |                  |                |                |               |                  |            |                | 1,446,915         | 1,446,915         |
| Debt securities in issue and other borrowed funds                               | 156,084          |                |                |               | 30,091           |            |                | 902,518           | 1,088,693         |
| Liabilities for current income tax and other taxes                              |                  | 499            |                |               | 6,936            |            | 1,396          | 31,042            | 39,873            |
| Deferred tax liabilities  |                  | 95             |                |               | 3,074            |            | 1,424          | 27,272            | 31,865            |
| Employee defined benefit obligations  |                  |                |                |               |                  |            |                | 90,932            | 90,932            |
| Other liabilities and Liabilities related to assets classified as held for sale | 13,404           | 7,655          | 39,864         | 2,255         | 8,537            |            | 25,791         | 961,139           | 1,058,645         |
| Provisions  | 1,098            | 11             | 3              |               | 4,971            |            | 3,105          | 590,353           | 599,541           |
| <b>Total liabilities</b>  | <b>2,508,104</b> | <b>271,103</b> | <b>120,114</b> | <b>4,076</b>  | <b>1,156,069</b> |            | <b>420,691</b> | <b>50,501,874</b> | <b>54,982,031</b> |
| Net balance sheet position  | (31,990)         | 295,456        | 710,017        | 19,983        | 506,262          | 117        | (124,878)      | 7,100,623         | 8,475,590         |
| Derivatives forward foreign exchange position                                   | 48,124           | (294,475)      | (507,852)      | (19,876)      | (490,025)        |            | 179,190        | 1,076,558         | (8,356)           |
| <b>Total Foreign exchange position</b>  | <b>16,134</b>    | <b>981</b>     | <b>202,165</b> | <b>107</b>    | <b>16,237</b>    | <b>117</b> | <b>54,312</b>  | <b>8,177,181</b>  | <b>8,467,234</b>  |



| 31.12.2018  |                  |                |                  |               |                  |               |                |                   |                   |
|---|------------------|----------------|------------------|---------------|------------------|---------------|----------------|-------------------|-------------------|
|   | USD              | GBP            | CHF              | JPY           | RON              | RSD           | Other FC       | Euro              | Total             |
| <b>ASSETS</b>   |                  |                |                  |               |                  |               |                |                   |                   |
| Cash and balances with Central Banks                        | 10,238           | 10,056         | 927              | 37            | 128,457          |               | 33,548         | 1,744,942         | 1,928,205         |
| Due from banks  | 232,664          | 46,876         | 16,834           | 5,369         | 70,746           | 95            | 10,703         | 2,117,205         | 2,500,492         |
| Trading securities  |                  |                |                  |               |                  |               |                | 8,339             | 8,339             |
| Derivative financial assets                                 |                  |                |                  |               |                  |               |                | 725,173           | 725,173           |
| Loans and advances to customers                             | 1,818,927        | 408,610        | 976,877          | 23,130        | 1,059,212        | 10,530        | 90,130         | 35,840,903        | 40,228,319        |
| Investment securities:                                      |                  |                |                  |               |                  |               |                |                   |                   |
| - Measured at fair value through other comprehensive income | 140,742          | 16,849         |                  |               | 195,435          |               | 70,808         | 6,537,988         | 6,961,822         |
| - Measured at fair value through profit or loss             |                  |                |                  |               |                  |               | 13,460         | 29,334            | 42,794            |
| Investments in associates and joint ventures                |                  |                |                  |               |                  |               |                | 23,194            | 23,194            |
| Investment property   |                  |                |                  |               | 80,894           |               | 47,046         | 365,221           | 493,161           |
| Property, plant and equipment                               |                  | 3,064          |                  |               | 22,149           |               | 5,236          | 704,214           | 734,663           |
| Goodwill and other intangible assets                        |                  | 64             |                  |               | 6,026            |               | 351            | 427,652           | 434,093           |
| Deferred tax assets   |                  |                |                  |               | 267              |               | 151            | 5,290,345         | 5,290,763         |
| Other assets  | 550              | 1,903          | 21,128           | 911           | 8,580            |               | 21,715         | 1,308,898         | 1,363,685         |
| Assets held for sale  |                  |                |                  |               | 1,928            |               |                | 270,109           | 272,037           |
| <b>Total Assets</b>   | <b>2,203,121</b> | <b>487,422</b> | <b>1,015,766</b> | <b>29,447</b> | <b>1,573,694</b> | <b>10,625</b> | <b>293,148</b> | <b>55,393,517</b> | <b>61,006,740</b> |
| <b>LIABILITIES</b>  |                  |                |                  |               |                  |               |                |                   |                   |
| Due to banks and customers                                  | 1,992,726        | 258,078        | 38,084           | 1,035         | 1,095,961        |               | 402,002        | 45,400,308        | 49,188,194        |
| Derivative financial liabilities                            |                  |                |                  |               |                  |               |                | 1,147,895         | 1,147,895         |
| Debt securities in issue and other borrowed funds           | 269,954          |                |                  |               | 11,369           |               |                | 662,011           | 943,334           |
| Liabilities for current income tax and other taxes          |                  | 425            |                  |               | 12,472           |               | 787            | 27,588            | 41,272            |
| Deferred tax liabilities                                    |                  | 143            |                  |               | 3,161            |               | 1,009          | 14,368            | 18,681            |
| Employee defined benefit obligations                        |                  |                |                  |               |                  |               |                | 86,744            | 86,744            |
| Other liabilities   | 10,191           | 2,941          | 26,499           | 1,455         | 7,293            |               | 2,395          | 859,344           | 910,118           |
| Provisions  | 1,407            | 33             | 4                | 10            | 5,308            |               | 2,313          | 518,311           | 527,386           |
| <b>Total liabilities</b>                                    | <b>2,274,278</b> | <b>261,620</b> | <b>64,587</b>    | <b>2,500</b>  | <b>1,135,564</b> | <b>-</b>      | <b>408,506</b> | <b>48,716,569</b> | <b>52,863,624</b> |
| Net balance sheet position                                  | (71,157)         | 225,802        | 951,179          | 26,947        | 438,130          | 10,625        | (115,358)      | 6,676,948         | 8,143,116         |
| Derivatives forward foreign exchange position               | 107,711          | (226,670)      | (946,083)        | (26,535)      | (341,200)        |               | 176,100        | 1,268,577         | 11,900            |
| <b>Total Foreign exchange position</b>                      | <b>36,554</b>    | <b>(868)</b>   | <b>5,096</b>     | <b>412</b>    | <b>96,930</b>    | <b>10,625</b> | <b>60,742</b>  | <b>7,945,525</b>  | <b>8,155,016</b>  |



The open foreign exchange position as at 31.12.2019 presents the following sensitivity analysis:

| Currency | Exchange rate variation scenario against Euro (%) | Impact on net income before tax | Impact on Equity |
|----------|---|---------------------------------|------------------|
| USD      | 5% Depreciation EUR against USD                   | 849                             |                  |
|          | 5% Appreciation EUR against USD                   | (768)                           |                  |
| GBP      | 5% Depreciation EUR against GBP                   | 52                              |                  |
|          | 5% Appreciation EUR against GBP                   | (47)                            |                  |
| CHF      | 5% Depreciation EUR against CHF                   | 10,640                          |                  |
|          | 5% Appreciation EUR against CHF                   | (9,627)                         |                  |
| RON      | 5% Depreciation EUR against RON                   |                                 | 855              |
|          | 5% Appreciation EUR against RON                   |                                 | (773)            |
| RSD      | 5% Depreciation EUR against RSD                   | 6                               |                  |
|          | 5% Appreciation EUR against RSD                   | (6)                             |                  |
| ALL      | 5% Depreciation EUR against ALL                   |                                 | (429)            |
|          | 5% Appreciation EUR against ALL                   |                                 | 388              |

## b. Interest rate risk

Banking book interest rate risk relates to the volatility on Equity and interest income due to the mismatch between the non-negotiable Assets-Liabilities and the measured at fair value through other comprehensive income portfolio. The interest rate risk management framework is determined in accordance with the Asset Liability Risk Management Policy. Based on this framework, the risk analysis of the Banking Portfolio is analyzed through the Interest Rate Gap Analysis. Particularly, assets and liabilities are classified in Gaps depending on their reprising date for floating-rate items, or maturity date for fixed rate items.

For those assets and liabilities with no maturity date, the distribution of flows is based on models of their behavior analysis. These models have been validated by the competent independent Division of the Bank. Interest rate risk management is carried out by ALCO, following proposals by Group Market and Operational Risk Division, Financial Markets Division and Asset Liability Management Division. Stress interest rate scenarios are carried out on a monthly basis and their impact on the interest income change through EAR (Earnings at Risk) and Equity Value through EVE (Economic Value of Equity) is calculated. Corresponding limits have been set for both measures (EaR & EVE) which are monitored and presented to ALCO and RMC on a regular basis.





The following table presents the Interest Rate Repricing Analysis of both Assets and Liabilities, financial and non financial.

|   | 31.12.2019        |                  |                    |                    |                    |                  |                    | Non-interest bearing | Total             |
|---|-------------------|------------------|--------------------|--------------------|--------------------|------------------|--------------------|----------------------|-------------------|
|   | Less than 1 month | 1 to 3 months    | 3 to 6 months      | 6 to 12 months     | 1 to 5 years       | > 5 years        |                    |                      |                   |
| <b>ASSETS</b>   |                   |                  |                    |                    |                    |                  |                    |                      |                   |
| Cash and balances with Central Banks  | 1,674,997         |                  |                    |                    |                    |                  | 353,338            |                      | 2,028,335         |
| Due from Banks  | 1,808,429         | 1,213,430        | 39,139             | 46,446             | 25,908             | 199,338          |                    |                      | 3,332,690         |
| Trading securities  |                   |                  | 389                |                    | 7,371              | 10,991           |                    |                      | 18,751            |
| Derivative financial assets   | 1,009,193         |                  |                    |                    |                    |                  |                    |                      | 1,009,193         |
| Loans and advances to customers   | 14,337,017        | 7,294,016        | 2,619,941          | 1,541,585          | 8,910,122          | 4,563,588        |                    |                      | 39,266,269        |
| Investment securities   |                   |                  |                    |                    |                    |                  |                    |                      |                   |
| -Measured at amortized cost   |                   |                  |                    |                    | 88,104             | 982,626          |                    |                      | 1,070,730         |
| -Measured at fair value through other comprehensive income                        | 115,726           | 248,455          | 317,555            | 406,050            | 3,568,845          | 2,900,868        |                    |                      | 7,557,499         |
| -Measured at fair value through profit or loss                                    |                   | 2,009            | 22,751             | 1,793              | 819                | 28,169           |                    |                      | 55,541            |
| Investments in associates and joint ventures                                      |                   |                  |                    |                    |                    |                  | 13,385             |                      | 13,385            |
| Investment property   |                   |                  |                    |                    |                    |                  | 485,836            |                      | 485,836           |
| Property, plant and equipment   |                   |                  |                    |                    |                    |                  | 852,332            |                      | 852,332           |
| Goodwill and other intangible assets  |                   |                  |                    |                    |                    |                  | 492,346            |                      | 492,346           |
| Deferred tax assets   |                   |                  |                    |                    |                    |                  | 5,174,297          |                      | 5,174,297         |
| Other assets  |                   |                  |                    |                    |                    |                  | 1,536,898          |                      | 1,536,898         |
| Assets held for sale  |                   | 409,118          |                    | 22,570             |                    |                  | 131,831            |                      | 563,519           |
| <b>Total Assets</b>   | <b>18,945,362</b> | <b>9,167,028</b> | <b>2,999,775</b>   | <b>2,018,444</b>   | <b>12,601,169</b>  | <b>8,685,580</b> | <b>9,040,263</b>   |                      | <b>63,457,621</b> |
| <b>LIABILITIES</b>  |                   |                  |                    |                    |                    |                  |                    |                      |                   |
| Due to banks  | 4,486,698         | 781,303          | 986,662            | 2,450,100          | 1,556,520          |                  |                    |                      | 10,261,283        |
| Derivative financial liabilities  | 1,446,915         |                  |                    |                    |                    |                  |                    |                      | 1,446,915         |
| Due to customers  | 11,260,544        | 4,591,242        | 4,349,472          | 4,358,994          | 10,358,662         | 5,445,370        |                    |                      | 40,364,284        |
| Debt securities in issue held by institutional investors and other borrowed funds | 154,304           | 738,781          | 195,608            |                    |                    |                  |                    |                      | 1,088,693         |
| Liabilities for current income tax and other taxes                                |                   |                  |                    |                    |                    |                  | 39,873             |                      | 39,873            |
| Deferred tax liabilities  |                   |                  |                    |                    |                    |                  | 31,865             |                      | 31,865            |
| Employee defined benefit obligations  |                   |                  |                    |                    |                    |                  | 90,932             |                      | 90,932            |
| Other liabilities   |                   |                  |                    |                    |                    |                  | 1,057,844          |                      | 1,057,844         |
| Provisions  |                   |                  |                    |                    |                    |                  | 599,541            |                      | 599,541           |
| Liabilities related to assets held for sale                                       |                   |                  |                    |                    |                    |                  | 801                |                      | 801               |
| <b>Total Liabilities</b>  | <b>17,348,461</b> | <b>6,111,326</b> | <b>5,531,742</b>   | <b>6,809,094</b>   | <b>11,915,182</b>  | <b>5,445,370</b> | <b>1,820,856</b>   |                      | <b>54,982,031</b> |
| <b>EQUITY</b>   |                   |                  |                    |                    |                    |                  |                    |                      |                   |
| Share capital   |                   |                  |                    |                    |                    |                  | 463,110            |                      | 463,110           |
| Share premium   |                   |                  |                    |                    |                    |                  | 10,801,029         |                      | 10,801,029        |
| Reserves  |                   |                  |                    |                    |                    |                  | 739,676            |                      | 739,676           |
| Amounts recognized directly in Equity related to assets held for sale             |                   |                  |                    |                    |                    |                  | (122)              |                      | (122)             |
| Retained earnings   |                   |                  |                    |                    |                    |                  | (3,572,126)        |                      | (3,572,126)       |
| Non-controlling interests   |                   |                  |                    |                    |                    |                  | 28,951             |                      | 28,951            |
| Hybrid securities   |                   |                  |                    |                    |                    |                  | 15,072             |                      | 15,072            |
| <b>Total Equity</b>   | <b>-</b>          | <b>-</b>         | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>         | <b>8,475,590</b>   |                      | <b>8,475,590</b>  |
| <b>Total Liabilities and Equity</b>   | <b>17,348,461</b> | <b>6,111,326</b> | <b>5,531,742</b>   | <b>6,809,094</b>   | <b>11,915,182</b>  | <b>5,445,370</b> | <b>10,296,446</b>  |                      | <b>63,457,621</b> |
| <b>Open exposure</b>  | <b>1,596,901</b>  | <b>3,055,702</b> | <b>(2,531,967)</b> | <b>(4,790,650)</b> | <b>685,987</b>     | <b>3,240,210</b> | <b>(1,256,183)</b> |                      | <b>-</b>          |
| <b>Cumulative exposure</b>  | <b>1,596,901</b>  | <b>4,652,603</b> | <b>2,120,636</b>   | <b>(2,670,014)</b> | <b>(1,984,027)</b> | <b>1,256,183</b> | <b>-</b>           |                      | <b>-</b>          |



| 31.12.2018  |                   |                  |                    |                    |                    |                  |                      |                   |
|---|-------------------|------------------|--------------------|--------------------|--------------------|------------------|----------------------|-------------------|
|   | Less than 1 month | 1 to 3 months    | 3 to 6 months      | 6 to 12 months     | 1 to 5 years       | > 5 years        | Non-interest bearing | Total             |
| <b>ASSETS</b>   |                   |                  |                    |                    |                    |                  |                      |                   |
| Cash and balances with Central Banks  | 1,212,677         |                  |                    |                    |                    |                  | 715,528              | 1,928,205         |
| Due from Banks  | 2,230,066         | 50,413           | 9,484              | 9,284              | 11,749             | 189,496          |                      | 2,500,492         |
| Trading securities  | -                 | -                | -                  | -                  | 209                | 8,130            |                      | 8,339             |
| Derivative financial assets   | 725,173           | -                | -                  | -                  | -                  | -                |                      | 725,173           |
| Loans and advances to customers   | 14,815,846        | 6,001,769        | 2,363,781          | 1,205,366          | 10,276,390         | 5,565,167        |                      | 40,228,319        |
| Investment securities   |                   |                  |                    |                    |                    |                  |                      |                   |
| -Measured at fair value through other comprehensive income                        | 143,454           | 151,607          |                    |                    | 3,674,089          | 2,992,672        |                      | 6,961,822         |
| -Measured at fair value through profit or loss                                    |                   | 12,610           | 16,894             |                    | 9,481              | 3,809            |                      | 42,794            |
| Investments in associates and joint ventures                                      |                   |                  |                    |                    |                    |                  | 23,194               | 23,194            |
| Investment property   |                   |                  |                    |                    |                    |                  | 493,161              | 493,161           |
| Property, plant and equipment   |                   |                  |                    |                    |                    |                  | 734,663              | 734,663           |
| Goodwill and other intangible assets  |                   |                  |                    |                    |                    |                  | 434,093              | 434,093           |
| Deferred tax assets   |                   |                  |                    |                    |                    |                  | 5,290,763            | 5,290,763         |
| Other assets  |                   |                  |                    |                    |                    |                  | 1,363,685            | 1,363,685         |
| Assets held for sale  |                   | 55,925           |                    |                    |                    |                  | 216,112              | 272,037           |
| <b>Total Assets</b>   | <b>19,127,216</b> | <b>6,272,324</b> | <b>2,390,159</b>   | <b>1,214,650</b>   | <b>13,971,918</b>  | <b>8,759,274</b> | <b>9,271,199</b>     | <b>61,006,740</b> |
| <b>LIABILITIES</b>  |                   |                  |                    |                    |                    |                  |                      |                   |
| Due to banks  | 6,482,667         | 1,158,374        | 27,907             | 39,745             | 2,747,666          |                  |                      | 10,456,359        |
| Derivative financial liabilities  | 1,147,895         |                  |                    |                    |                    |                  |                      | 1,147,895         |
| Due to customers  | 10,435,837        | 5,158,912        | 5,000,201          | 4,125,286          | 9,066,972          | 4,941,591        | 3,036                | 38,731,835        |
| Debt securities in issue held by institutional investors and other borrowed funds | 324,846           |                  |                    |                    | 599,793            | 18,695           |                      | 943,334           |
| Liabilities for current income tax and other taxes                                |                   |                  |                    |                    |                    |                  | 41,272               | 41,272            |
| Deferred tax liabilities  |                   |                  |                    |                    |                    |                  | 18,681               | 18,681            |
| Employee defined benefit obligations  |                   |                  |                    |                    |                    |                  | 86,744               | 86,744            |
| Other liabilities   |                   |                  |                    |                    |                    |                  | 908,515              | 908,515           |
| Provisions  |                   |                  |                    |                    |                    |                  | 527,386              | 527,386           |
| Liabilities related to assets held for sale                                       |                   |                  |                    |                    |                    |                  | 1,603                | 1,603             |
| <b>Total Liabilities</b>  | <b>18,391,245</b> | <b>6,317,286</b> | <b>5,028,108</b>   | <b>4,165,031</b>   | <b>12,414,431</b>  | <b>4,960,286</b> | <b>1,587,237</b>     | <b>52,863,624</b> |
| <b>EQUITY</b>   |                   |                  |                    |                    |                    |                  |                      |                   |
| Share capital   |                   |                  |                    |                    |                    |                  | 463,110              | 463,110           |
| Share premium   |                   |                  |                    |                    |                    |                  | 10,801,029           | 10,801,029        |
| Reserves  |                   |                  |                    |                    |                    |                  | 459,903              | 459,903           |
| Retained earnings   |                   |                  |                    |                    |                    |                  | (3,624,847)          | (3,624,847)       |
| Non-controlling interests   |                   |                  |                    |                    |                    |                  | 28,814               | 28,814            |
| Hybrid securities   |                   |                  |                    |                    |                    |                  | 15,107               | 15,107            |
| <b>Total Equity</b>   |                   |                  |                    |                    |                    |                  | <b>8,143,116</b>     | <b>8,143,116</b>  |
| <b>Total Liabilities and Equity</b>   | <b>18,391,245</b> | <b>6,317,286</b> | <b>5,028,108</b>   | <b>4,165,031</b>   | <b>12,414,431</b>  | <b>4,960,286</b> | <b>9,730,353</b>     | <b>61,006,740</b> |
| <b>Open exposure</b>  | <b>735,971</b>    | <b>(44,962)</b>  | <b>(2,637,949)</b> | <b>(2,950,381)</b> | <b>1,557,487</b>   | <b>3,798,988</b> | <b>(459,154)</b>     |                   |
| <b>Cumulative exposure</b>  | <b>735,971</b>    | <b>691,009</b>   | <b>(1,946,940)</b> | <b>(4,897,321)</b> | <b>(3,339,834)</b> | <b>459,154</b>   |                      |                   |



From the Interest Rate Gap Analysis and from the application of alternative scenarios regarding the changes in the market interest rates or changes in the base interest rates of the Bank and the companies of the Group, the Group is able to calculate the immediate changes in the net interest income and equity relating to securities measured at fair value through other comprehensive income and the respective hedging instruments. In the Interest Rate Gap Analysis, the variance, up to the point it's feasible (interest rate equals to zero), is studied, according to the interest rate curves by currency in force.

| Interest rate variation scenario<br>(parallel fall or rise in yield curves) | Sensitivity for net interest income<br>(annual) | Sensitivity of Equity |
|---|---|-----------------------|
| -200  | +4,773  | +585,694              |
| +200  | -73,870   | -493,005              |

### 43.3 Liquidity risk

Liquidity risk relates to Group's ability to maintain sufficient funds to cover its planned or extraordinary obligations. Liquidity Risk comprises both funding liquidity risk and asset liquidity risk though these two dimensions of liquidity risk are closely related. Funding Liquidity risk refers to the inability of a financial institution to raise the cash necessary to roll over its debt, fulfill the cash, margin, or collateral requirements of counterparties; or to meet capital withdrawals. Asset – market liquidity risk, results from the Bank's failure to recognize or address changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

For those assets and liabilities with no maturity date, the distribution of flows is based on models of their behavior analysis. These models have been validated by the competent independent Division of the Bank. According to Group's Liquidity Risk Management Policy, the Board Risk Management Committee assigns the overall responsibility for overseeing asset and liability management to Asset – Liability Committee (ALCo). ALCo is responsible on one hand to monitor the quantitative and qualitative aspects of liquidity risk and on the other hand to ensure that appropriate policies and procedures are in place to control and limit liquidity risk. In addition to that, ALCo is responsible for approving the guidelines, principles, risk measurement techniques and limits that have been proposed by the Group Market and Operational Risk Division, Financial Markets Division and Asset Liability Management Division.

Group's executive and senior management is informed on current liquidity risk exposures on a daily basis, ensuring that the Group's liquidity risk profile stays within approved limits. Moreover, management receives on a daily basis a liquidity report, which presents a detailed analysis of Bank's funding sources and counterbalancing capacity. Among others, for the purpose of proper management of liquidity risk and in line with supervisory requirements, the Bank monitors and manages on a monthly basis, the amount, quality and concentration of counterbalancing capacity, the cash flows arising from assets and liabilities (inflows, outflows – maturity ladder) over time, the concentration and cost of funding, the roll over of funding.

The following list summarizes the main reports which are produced on a periodic basis in order to inform the Group's executive and senior management and the ALCo; Static Liquidity Gap analysis, regulatory liquidity ratios of the Group and the subsidiaries, deposit concentration report per subsidiary per currency, Group's Loans to Deposit ratio, liquidity risk indicators and triggers as defined in Recovery Plan of each subsidiary and the Group, liquidity stress testing according to scenarios that evaluate the impact of systemic and idiosyncratic stress events on each subsidiary's liquidity position.

Stress tests are carried out on a monthly basis and/ or more frequently, for liquidity purposes, in order to assess potential outflows (contractual or contingent) to determine the level of immediate liquidity available to cover the Bank's needs. These tests are carried out according to the approved, Liquidity Buffer and Liquidity Stress Scenario Policy of the Group and evaluate the risk in idiosyncratic extraordinary events (idiosyncratic stress test) in the Bank's liquidity, in systemic (systemic stress test) as well as combined events (combined stress test), while it has to be noted that stress tests are also used in order to determine the Liquidity buffer for recovery purposes. According to the policy and within the context of ILAAP, the Bank also applies a reverse stress test in order to examine its impact on its liquidity.



Taking into account that liquidity risk management seeks to ensure that the respective risk of the Group is measured properly and is maintained within acceptable levels, even under adverse conditions, then the Group must have access to funds in order to cover customer needs, maturing liabilities and other capital needs, while maintaining at the same time the appropriate counterbalancing capacity to ensure the above.

More analytically, the total funding can be divided into two main categories:

## **A. Customer deposits**

### **1. Customer deposits on demand for cash flow needs**

Deposits that are intended to meet short term needs of customers are the savings accounts and the sight deposits. Although these deposits may be withdrawn on demand, the number of accounts and type of depositors ensure that unexpected significant fluctuations are limited. Therefore, these deposits constitute a significant factor of stability of the deposit base.

### **2. Customer term deposits and bonds for investment purposes**

The customer term deposits and bonds for investment purposes issued by the Group companies usually consist of customer deposits for a certain period and customer repurchase agreements (repos), whereas the bonds issued by the Group companies are disposed through outright sale. Customers have the ability of early withdrawal of deposits or early liquidation of bonds which may result in potential need of finding alternative liquidity in case of extensive outflows.

For this purpose and for the general safety of customer deposits, the Bank takes care for the existence of adequate liquidity surpluses which are calculated based on stress testing exercises due to loss of liquidity or the existence of sufficient credit lines of financial instruments as shown below.

## **B. Wholesale funding**

### **1. Medium-term borrowing from international capital markets**

The Bank's constant aspiration is to cooperate with international investors who may offer medium term financing through purchase of securities issued by the Group companies. For this purpose, the Bank retains special financing programs appealing to international investors and provides adequate coverage of credit needs through international capital markets by planning asset level needs on an annual basis. However, the Bank acknowledges that the demand of these bonds may not be enough to fully meet the needs in specific time intervals as a result of factors which concern the credit assessment in the domestic and international economic environment.

### **2. Funding by Central Banks**

An alternative way of Bank funding is the liquidity from financial instruments of the Central Banks- Euro system and especially from the European Central Bank (ECB). This funding regards loan granted with pledge of assets according to instructions and the eligible assets determined by the ECB. During the last years this additional source funding has become a major financial instrument by hedging the inadequate or loss of basic forms of Bank funding. Furthermore, under the period on which Greece is under the restructuring program of economy and fiscal improvement of financial figures and simultaneously servicing financing needs of the network of institutions that have the supervision of the program, the Bank can use available assets in order to increase liquidity from the Eurosystem to cover any financing gap. The Bank recognizes the short-term nature of this liquidity source and pursues gradually to release, if circumstances allow. However, for as long as the country is experiencing financial and economic crisis, the Bank ensures the smooth financing from these financial instruments which may be either conventional marginal lending from the ECB (MRO), or Emergent Liquidity Assistance from Bank of Greece (ELA). The Bank ensures the adequacy of collateral required in order to serve the financing from the above financial instruments, while recognizing both the type and the amount of financing that is under the discretion of the Eurosystem.



The borrowing from the European System of Central Banks was reduced by € 0.3 billion since 31.12.2018, amounting to € 3.1 billion on 31.12.2019, coming exclusively from the Targeted longer-term refinancing operations (TLTRO-II). In addition, the Bank will no longer receive financing from ELA mechanism, as of February 2019. During the year 2019, our funding has significantly increased due to increase of customer deposits and interbank repo transactions along with the issuance of MTN Notes.

Based on the Liquidity Gap Analysis, the cash flows arising from balance sheet items are calculated and classified into time periods in accordance with the contractual maturity date or the estimated date based on a statistical analysis (convention). An exception to the above, are the securities portfolios, which can contribute directly to raise liquidity, and they are allocated in the first period under the condition that they have not been used to raise liquidity either by the Central Bank or through interbank repos.



|   | 31.12.2019         |                    |                    |                     |                   |                   |
|---|--------------------|--------------------|--------------------|---------------------|-------------------|-------------------|
|   | < 1 month          | 1 to 3 months      | 3 to 6 months      | 6 to 12 months      | > 1 year          | Total             |
| <b>Assets</b>   |                    |                    |                    |                     |                   |                   |
| Cash and balances with central banks  | 2,028,335          |                    |                    |                     |                   | 2,028,335         |
| Due from banks  | 1,624,572          | 1,085,697          | 9,599              | 42,596              | 570,226           | 3,332,690         |
| Trading securities  | 18,751             |                    |                    |                     |                   | 18,751            |
| Derivative financial assets   | 1,009,193          |                    |                    |                     |                   | 1,009,193         |
| Loans and advances to customers   | 1,216,537          | 1,646,460          | 1,347,551          | 2,909,020           | 32,146,701        | 39,266,269        |
| Investment securities   |                    |                    |                    |                     |                   |                   |
| - Measured at amortized cost  |                    |                    |                    |                     | 1,070,730         | 1,070,730         |
| - Measured at fair value through other comprehensive income                       | 7,557,499          |                    |                    |                     |                   | 7,557,499         |
| - Measured at fair value through profit or loss                                   | 55,541             |                    |                    |                     |                   | 55,541            |
| Investment in associates and joint ventures                                       |                    |                    |                    |                     | 13,385            | 13,385            |
| Investment properties   |                    |                    |                    |                     | 485,836           | 485,836           |
| Property, plant and equipment   |                    |                    |                    |                     | 852,332           | 852,332           |
| Goodwill and other intangible assets  |                    |                    |                    |                     | 492,346           | 492,346           |
| Deferred tax assets   |                    | 434,267            |                    | 1,716,882           | 3,023,148         | 5,174,297         |
| Other Assets  |                    |                    |                    |                     | 1,536,898         | 1,536,898         |
| Assets held for sale  | 4,642              | 483,266            | 27,157             | 46,454              | 2,000             | 563,519           |
| <b>Total Assets</b>   | <b>13,515,070</b>  | <b>3,649,690</b>   | <b>1,384,307</b>   | <b>4,714,952</b>    | <b>40,193,602</b> | <b>63,457,621</b> |
| <b>Liabilities</b>  |                    |                    |                    |                     |                   |                   |
| Due to banks  | 4,284,187          | 489,188            | 968,980            | 2,463,711           | 2,055,217         | 10,261,283        |
| Derivative financial liabilities  | 1,446,915          |                    |                    |                     |                   | 1,446,915         |
| Due to customers  | 9,459,515          | 4,892,955          | 4,570,968          | 4,717,188           | 16,723,658        | 40,364,284        |
| Debt securities in issue held by institutional investors and other borrowed funds |                    | 217,040            |                    |                     | 871,653           | 1,088,693         |
| Liabilities for current income tax and other taxes                                |                    | 18,573             | 14,800             | 6,500               |                   | 39,873            |
| Deferred tax liabilities  |                    |                    |                    | 31,865              |                   | 31,865            |
| Employee defined benefit obligations  |                    |                    |                    |                     | 90,932            | 90,932            |
| Other Liabilities   |                    |                    |                    |                     | 1,057,844         | 1,057,844         |
| Provisions  |                    |                    |                    |                     | 599,541           | 599,541           |
| Liabilities related to assets held for sale                                       |                    |                    |                    |                     | 801               | 801               |
| <b>Total Liabilities</b>  | <b>15,190,617</b>  | <b>5,617,756</b>   | <b>5,554,748</b>   | <b>7,219,264</b>    | <b>21,399,646</b> | <b>54,982,031</b> |
| <b>Equity</b>   |                    |                    |                    |                     |                   |                   |
| Share capital   |                    |                    |                    |                     | 463,110           | 463,110           |
| Share premium   |                    |                    |                    |                     | 10,801,029        | 10,801,029        |
| Reserves  |                    |                    |                    |                     | 739,554           | 739,554           |
| Retained earnings   |                    |                    |                    |                     | (3,572,126)       | (3,572,126)       |
| Non-controlling interests   |                    |                    |                    |                     | 28,951            | 28,951            |
| Hybrid securities   |                    |                    |                    |                     | 15,072            | 15,072            |
| <b>Total Equity</b>   | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>            | <b>8,475,590</b>  | <b>8,475,590</b>  |
| <b>Total Liabilities and Equity</b>   | <b>15,190,617</b>  | <b>5,617,756</b>   | <b>5,554,748</b>   | <b>7,219,264</b>    | <b>29,875,236</b> | <b>63,457,621</b> |
| <b>OPEN EXPOSURE</b>  | <b>(1,675,547)</b> | <b>(1,968,066)</b> | <b>(4,170,441)</b> | <b>(2,504,312)</b>  | <b>10,318,366</b> | <b>-</b>          |
| <b>CUMULATIVE EXPOSURE</b>  | <b>(1,675,547)</b> | <b>(3,643,613)</b> | <b>(7,814,054)</b> | <b>(10,318,366)</b> | <b>-</b>          | <b>-</b>          |



| 31.12.2018  |                    |                    |                     |                     |                   |                   |
|---|--------------------|--------------------|---------------------|---------------------|-------------------|-------------------|
|   | < 1 month          | 1 to 3 months      | 3 to 6 months       | 6 to 12 months      | > 1 year          | Total             |
| <b>Assets</b>   |                    |                    |                     |                     |                   |                   |
| Cash and balances with central banks                        | 1,928,205          |                    |                     |                     |                   | 1,928,205         |
| Due from banks  | 2,226,832          | 53,502             | 9,611               | 9,533               | 201,014           | 2,500,492         |
| Trading securities  | 8,339              |                    |                     |                     |                   | 8,339             |
| Derivative financial assets                                 | 725,173            |                    |                     |                     |                   | 725,173           |
| Loans and advances to customers                             | 1,183,305          | 1,157,704          | 1,462,287           | 2,582,734           | 33,842,289        | 40,228,319        |
| Investment securities                                       |                    |                    |                     |                     |                   |                   |
| - Measured at fair value through other comprehensive income | 6,961,822          |                    |                     |                     |                   | 6,961,822         |
| - Measured at fair value through profit or loss             | 42,794             |                    |                     |                     |                   | 42,794            |
| Investment in associates and joint ventures                 |                    |                    |                     |                     | 23,194            | 23,194            |
| Investment properties                                       |                    |                    |                     |                     | 493,161           | 493,161           |
| Property, plant and equipment                               |                    |                    |                     |                     | 734,663           | 734,663           |
| Goodwill and other intangible assets                        |                    |                    |                     |                     | 434,093           | 434,093           |
| Deferred tax assets   |                    |                    |                     |                     | 5,290,763         | 5,290,763         |
| Other Assets  |                    |                    |                     |                     | 1,363,685         | 1,363,685         |
| Assets held for sale  |                    |                    | 131,753             | 140,284             |                   | 272,037           |
| <b>Total Assets</b>   | <b>13,076,470</b>  | <b>1,211,206</b>   | <b>1,603,651</b>    | <b>2,732,551</b>    | <b>42,382,862</b> | <b>61,006,740</b> |
| <b>Liabilities</b>  |                    |                    |                     |                     |                   |                   |
| Due to banks  | 6,338,421          | 897,022            | 2,781               | 48,344              | 3,169,791         | 10,456,359        |
| Derivative financial liabilities                            | 1,147,895          |                    |                     |                     |                   | 1,147,895         |
| Due to customers  | 8,815,212          | 5,228,495          | 5,108,578           | 4,341,255           | 15,238,295        | 38,731,835        |
| Debt securities in issue and other borrowed funds           |                    | 5,835              |                     | 319,012             | 618,487           | 943,334           |
| Liabilities for current income tax and other taxes          |                    | 41,272             |                     |                     |                   | 41,272            |
| Deferred tax liabilities                                    |                    |                    |                     |                     | 18,681            | 18,681            |
| Employee defined benefit obligations                        |                    |                    |                     |                     | 86,744            | 86,744            |
| Other Liabilities   |                    |                    |                     |                     | 908,515           | 908,515           |
| Provisions  |                    |                    |                     |                     | 527,386           | 527,386           |
| Liabilities related to assets held for sale                 |                    |                    |                     |                     | 1,603             | 1,603             |
| <b>Total Liabilities</b>                                    | <b>16,301,528</b>  | <b>6,172,624</b>   | <b>5,111,359</b>    | <b>4,708,611</b>    | <b>20,569,502</b> | <b>52,863,624</b> |
| <b>Equity</b>   |                    |                    |                     |                     |                   |                   |
| Share capital   |                    |                    |                     |                     | 463,110           | 463,110           |
| Share premium   |                    |                    |                     |                     | 10,801,029        | 10,801,029        |
| Reserves  |                    |                    |                     |                     | 459,903           | 459,903           |
| Retained earnings   |                    |                    |                     |                     | (3,624,847)       | (3,624,847)       |
| Non-controlling interests                                   |                    |                    |                     |                     | 28,814            | 28,814            |
| Hybrid securities   |                    |                    |                     |                     | 15,107            | 15,107            |
| <b>Total Equity</b>   |                    |                    |                     |                     | <b>8,143,116</b>  | <b>8,143,116</b>  |
| <b>Total Liabilities and Equity</b>                         | <b>16,301,528</b>  | <b>6,172,624</b>   | <b>5,111,359</b>    | <b>4,708,611</b>    | <b>28,712,618</b> | <b>61,006,740</b> |
| <b>OPEN EXPOSURE</b>  | <b>(3,225,058)</b> | <b>(4,961,418)</b> | <b>(3,507,708)</b>  | <b>(1,976,060)</b>  | <b>13,670,244</b> | <b>-</b>          |
| <b>CUMULATIVE EXPOSURE</b>                                  | <b>(3,225,058)</b> | <b>(8,186,476)</b> | <b>(11,694,184)</b> | <b>(13,670,244)</b> | <b>-</b>          | <b>-</b>          |



Trading and investment portfolios measured at fair value through profit or loss and through other comprehensive income are listed based on their liquidation potential and not according to their maturity.

Cash flows arising from financial liabilities including derivative financial liabilities, are allocated into time bands according to their maturity date. Estimated interest payments are also included. Liabilities in foreign currency have been converted into Euro. Outflows and inflows relating to derivatives are estimated according to their contractual terms.

| 31.12.2019   |                     |                              |                    |                    |                    |                     |                     |
|--|---------------------|------------------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
|  | Total Balance Sheet | Nominal inflows / (outflows) |                    |                    |                    |                     | Total               |
|  |                     | to 1 month                   | 1 to 3 months      | 3 to 6 months      | 6 to 12 months     | More than 1 year    |                     |
| <b>Liabilities- non-derivative</b>                           |                     |                              |                    |                    |                    |                     |                     |
| Due to banks   | 10,261,283          | (4,284,644)                  | (490,064)          | (970,070)          | (2,470,070)        | (2,078,601)         | (10,293,449)        |
| Due to customers   | 40,364,284          | (9,481,463)                  | (4,907,771)        | (4,590,240)        | (4,752,145)        | (16,841,651)        | (40,573,270)        |
| Debt securities in issue and other borrowed funds            | 1,088,693           | (1,079)                      | (220,078)          | (5,404)            | (9,071)            | (906,975)           | (1,142,607)         |
| Other liabilities  | 1,057,844           |                              |                    |                    |                    | (1,058,020)         | (1,058,020)         |
| <b>Derivative held for assets fair value hedge</b>           | 369,115             |                              |                    |                    |                    |                     |                     |
| - Outflows   |                     | (76,022)                     | (321)              | (20,091)           | (4)                | (366,393)           | (462,831)           |
| - Inflows  |                     | 72,266                       |                    | 5,106              | 10,282             | 351,232             | 438,886             |
| <b>Derivatives held for liabilities fair value hedge</b>     |                     |                              |                    |                    |                    |                     |                     |
| - Outflows   |                     |                              |                    |                    |                    |                     | -                   |
| - Inflows  |                     |                              |                    |                    |                    |                     | -                   |
| <b>Derivatives held for trading</b>                          | 1,077,800           |                              |                    |                    |                    |                     |                     |
| - Outflows   |                     | (155,219)                    | (293,845)          | (237,884)          | (95,014)           | (1,128,700)         | (1,910,662)         |
| - Inflows  |                     | 141,298                      | 247,375            | 198,572            | 88,360             | 1,035,422           | 1,711,027           |
| <b>Total</b>   | <b>54,219,019</b>   | <b>(13,784,863)</b>          | <b>(5,664,704)</b> | <b>(5,620,011)</b> | <b>(7,227,662)</b> | <b>(20,993,686)</b> | <b>(53,290,926)</b> |
| <b>Off balance sheet items</b>                               |                     |                              |                    |                    |                    |                     |                     |
| Undrawn loan commitments which can't be recalled (committed) |                     | (101,389)                    |                    |                    |                    |                     | (101,389)           |
| Financial guarantees   |                     | (25,646)                     | (9,902)            | (21,500)           | 49,065             | 2,454,106           | 2,446,123           |
| <b>Total off Balance sheet items</b>                         | <b>-</b>            | <b>(127,035)</b>             | <b>(9,902)</b>     | <b>(21,500)</b>    | <b>49,065</b>      | <b>2,454,106</b>    | <b>2,344,734</b>    |





| 31.12.2018  |                           |                              |                    |                    |                    |                     |                     |
|---|---------------------------|------------------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
|   | Total<br>Balance<br>Sheet | Nominal inflows / (outflows) |                    |                    |                    |                     | Total               |
|   |                           | to 1 month                   | 1 to 3<br>months   | 3 to 6<br>months   | 6 to 12<br>months  | More than<br>1 year |                     |
| <b>Liabilities- non-derivative</b>  |                           |                              |                    |                    |                    |                     |                     |
| Due to banks  | 10,456,359                | (6,343,206)                  | (907,069)          | (16,372)           | (76,935)           | (3,297,052)         | (10,640,634)        |
| Due to customers  | 38,731,835                | (8,829,699)                  | (5,256,114)        | (5,140,659)        | (4,405,366)        | (15,396,641)        | (39,028,479)        |
| Debt securities in issue held<br>by institutional investors and<br>other borrowed funds | 943,334                   | (2,269)                      | (10,278)           | (6,503)            | (329,380)          | (654,611)           | (1,003,041)         |
| Other liabilities   | 908,515                   |                              |                    |                    |                    | (908,725)           | (908,725)           |
| <b>Derivative held for assets<br/>fair value hedge</b>                                  | 5,585                     |                              |                    |                    |                    |                     | -                   |
| - Outflows  |                           | (43,645)                     | (143,289)          | (30)               | (3)                | (5)                 | (186,972)           |
| - Inflows   |                           | 43,150                       | 136,490            |                    | 14                 | 62                  | 179,716             |
| <b>Derivatives held for<br/>liabilities fair value hedge</b>                            | 374,818                   |                              |                    |                    |                    |                     | -                   |
| - Outflows  |                           | (175)                        | (330)              | (27,557)           |                    | (496,102)           | (524,164)           |
| - Inflows   |                           |                              |                    | 7,113              | 14,169             | 474,233             | 495,515             |
| <b>Derivatives held for trading</b>   | 767,493                   |                              |                    |                    |                    |                     | -                   |
| - Outflows  |                           | (836,767)                    | (93,299)           | (56,132)           | (114,857)          | (1,311,508)         | (2,412,563)         |
| - Inflows   |                           | 804,797                      | 44,670             | 41,024             | 107,048            | 1,156,101           | 2,153,640           |
| <b>Total</b>  | <b>52,187,938</b>         | <b>(15,207,814)</b>          | <b>(6,229,219)</b> | <b>(5,199,116)</b> | <b>(4,805,310)</b> | <b>(20,434,248)</b> | <b>(51,875,707)</b> |
| <b>Off Balance sheet items</b>  |                           |                              |                    |                    |                    |                     |                     |
| Undrawn loan commitments<br>which can't be recalled<br>(committed)                      |                           | (111,776)                    |                    |                    |                    |                     | (111,776)           |
| Financial guarantees  |                           | (141,943)                    | (169,511)          | (93,198)           | (270,295)          | (2,124,241)         | (2,799,188)         |
| <b>Total off Balance sheet<br/>items</b>  | <b>-</b>                  | <b>(253,719)</b>             | <b>(169,511)</b>   | <b>(93,198)</b>    | <b>(270,295,0)</b> | <b>(2,124,241)</b>  | <b>(2,910,964)</b>  |



## 43.4 Fair value of financial assets and liabilities

### Hierarchy of financial instruments not measured at fair value

|   | 31.12.2019 |         |            |                  |                       |
|---|------------|---------|------------|------------------|-----------------------|
|   | Level 1    | Level 2 | Level 3    | Total fair value | Total Carrying amount |
| <b>Financial Assets</b>                           |            |         |            |                  |                       |
| Loans and advances to customers                   |            |         | 38,590,135 | 38,590,135       | 38,959,133            |
| Investment securities                             |            |         |            |                  |                       |
| - Measured at amortized cost                      | 1,084,602  |         |            | 1,084,602        | 1,070,730             |
| <b>Financial liabilities</b>                      |            |         |            |                  |                       |
| Due to customers                                  |            |         | 40,345,792 | 40,345,792       | 40,364,284            |
| Debt securities in issue and other borrowed funds | 541,546    | 413,127 | 154,525    | 1,109,198        | 1,088,693             |

|   | 31.12.2018 |         |            |                  |                       |
|---|------------|---------|------------|------------------|-----------------------|
|   | Level 1    | Level 2 | Level 3    | Total fair value | Total Carrying amount |
| <b>Financial Assets</b>                           |            |         |            |                  |                       |
| Loans and advances to customers                   |            |         | 39,676,490 | 39,676,490       | 39,909,859            |
| <b>Financial liabilities</b>                      |            |         |            |                  |                       |
| Due to customers                                  |            |         | 38,711,917 | 38,711,917       | 38,731,835            |
| Debt securities in issue and other borrowed funds | 513,826    | 6,893   | 433,698    | 954,417          | 943,334               |

The tables above present the fair value of financial instruments which are measured at amortised cost along with their carrying amount per fair value hierarchy.

The fair value of loans to customers measured at amortised cost is estimated using the discount model of contractual future cash flows. The components of the discount rate are the interbank market yield curve, the liquidity premium as well as the expected loss rate. More specifically for 31.12.2019, for the loans that for credit risk purposes are considered impaired and are individually assessed for impairment, the model uses the expected future cash flows excluding expected credit losses. In this case, the interbank market yield curve and the liquidity premium serve as the discount rate. However for impaired loans assessed on a collective basis, estimates are made for capital repayment after taking into account the loss due to credit risk. Discount rate of impaired loans is the interest yield of the interbank market and the liquidity premium.

The fair value of deposits is estimated based on the interbank market yield curve and the liquidity premium until their maturity.

Level 1 includes securities and debt securities in issue that are traded in active market. Level 2 includes securities and debt securities in issue, the fair value of which, is determined based on non-binding market prices provided by dealers-brokers or through the use of discounted cash flow methodologies such as income approach methodology using interest rates and credit spreads which are observable in the market. Level 3 includes the Group's liabilities, related to securitized loans. The fair value of these liabilities was calculated by discounting future cash flows taking into account non-observable market data.

The fair value of other financial assets and liabilities which are valued at amortised cost does not differ materially from the respective carrying amount.

**Hierarchy of financial instruments measured at fair value**

| <b>31.12.2019</b>  |                |                |                |                         |
|--|----------------|----------------|----------------|-------------------------|
|  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total fair value</b> |
| Derivative Financial Assets  | 2,288          | 1,005,925      | 980            | 1,009,193               |
| Trading securities   |                |                |                |                         |
| - Bonds and Treasury bills   | 17,490         | 371            |                | 17,861                  |
| - Shares   | 890            |                |                | 890                     |
| Securities measured at fair value through other comprehensive income |                |                |                |                         |
| - Bonds and Treasury bills   | 7,324,764      | 131,868        | 10,532         | 7,467,164               |
| - Shares   | 10,853         | 37,569         | 41,913         | 90,335                  |
| Securities measured at fair value through profit or loss             |                |                |                |                         |
| - Bonds and Treasury bills   | 9,025          | 1,059          | 12,497         | 22,581                  |
| - Other variable yield securities                                    | 30,334         |                |                | 30,334                  |
| - Shares   | 2,133          |                | 493            | 2,626                   |
| Loans measured at fair value through profit or loss                  |                |                | 307,136        | 307,136                 |
| Derivative Financial Liabilities                                     |                | 1,446,915      |                | 1,446,915               |

| <b>31.12.2018</b>  |                |                |                |                         |
|--|----------------|----------------|----------------|-------------------------|
|  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total fair value</b> |
| Derivative Financial Assets  | 3,547          | 704,963        | 16,663         | 725,173                 |
| Trading securities   |                |                |                |                         |
| - Bonds and Treasury bills   | 6,669          |                |                | 6,669                   |
| - Shares   | 1,670          |                |                | 1,670                   |
| Securities measured at fair value through other comprehensive income |                |                |                |                         |
| - Bonds and Treasury bills   | 6,554,454      | 292,007        | 9,593          | 6,856,054               |
| - Shares   | 9,796          | 26,480         | 69,492         | 105,768                 |
| Securities measured at fair value through profit or loss             |                |                |                |                         |
| - Bonds and Treasury bills   | 9,085          | 4,410          | 9,516          | 23,011                  |
| - Other variable yield securities                                    | 19,315         |                |                | 19,315                  |
| - Shares   |                |                | 468            | 468                     |
| Loans measured at fair value through profit or loss                  |                |                | 318,460        | 318,460                 |
| Derivative Financial Liabilities                                     | 5              | 1,147,890      |                | 1,147,895               |



The tables above depict the fair value hierarchy of financial instruments considering the inputs used for the determination of their fair value.

Securities traded in an active market and exchange-traded derivatives are classified into Level 1.

Securities whose fair value is calculated based on non-binding market prices provided by dealers-brokers or through the use of discounted cash flow methodologies such as the income approach methodology using interest rates and credit spreads which are observable in the market, are classified as Level 2.

Level 3 classifications include securities whose fair value is estimated using significant unobservable inputs.

The valuation methodology of securities is subject to approval by the Treasury and Balance Sheet Management / Assets – Liabilities Management Committees. It should be noted that for the securities whose fair value is calculated based on market prices, bid prices are considered and daily checks are performed with regards to their change in fair value.

For the fair value determination of loans and advances to customers at fair value through profit and loss, the valuation methodology that has been described in regards to the fair valuation of loans and advances to customers measured at amortized cost is being used.

Equity securities are classified to Level 2 or Level 3, depending on the extent of the contribution of unobservable data to the determination of fair value. The fair value of non listed shares, as well as shares not traded in an active market is determined either based on the Group's share on the issuer's equity or by the use of multiples or the estimations made by the Group in regards to the future profitability of the issuer, taking into account the expected growth rate of its operations, as well as the weighted average rate of capital return which is used as discount rate.

For the valuation of over the counter derivatives income approach methodologies are used: discounted cash flow models, option-pricing models or other widely accepted valuation models.

The valuation methodology of over the counter derivatives is subject to approval by the Treasury and Assets – Liabilities Management Committees. Bid prices are considered for the valuation of both long and short positions. Valuations are checked on a daily basis against the respective prices of the counterparty banks in the context of the daily process of provision of collaterals and settlement of derivatives. If the non observable inputs are significant, the fair value that arises is classified as Level 3 or otherwise as Level 2.

Additionally, the Group estimates the Credit Valuation Adjustment in order to take into account the credit risk of the counterparty for Over the Count Derivative Financial Instruments. Specifically, taking into consideration its credit risk as well, the Group estimates bilateral credit valuation adjustments (BCVA) for the OTC derivatives, on a counterparty level, according to netting and collateral agreements in force. BCVA is calculated across all counterparties with a material fair value balance, taking into consideration the default probability of both the counterparty and Alpha Group, the impact of the counterparty's default, the expected OTC derivative exposure and loss given default of the counterparty and of Alpha Group and the specific characteristics of netting and collateral agreements in force.

Collaterals and derivative portfolio exposure are simulated over the life of the related instruments. Calculations performed depend largely on observable market data. Market quoted counterparty and group CDS spreads are used in order to derive the respective probability of default, a market standard recovery rate is assumed for developed market counterparties, correlations between market data are taken into account and a series of simulations is performed over the life of the related instruments. In the absence of quoted market data, counterparty and loss given default are provided by the group's internal credit and facility rating systems for the valuation of collaterals and credit worthiness. According to the best practices, an approval of BCVA is conducted from an independent division of Bank.



A breakdown of BCVA across counterparty sectors and credit quality (as defined for presentation purposes of the table Analysis of Loans Credit quality per IFRS 9 stage) is given below:

|                                 | 31.12.2019 | 31.12.2018 |
|---------------------------------|------------|------------|
| <b>Category of counterparty</b> |            |            |
| Enterprises                     | (1,319)    | (4,841)    |
| Governments                     | (11,963)   | (25,249)   |

|  | 31.12.2019 | 31.12.2018 |
|--|------------|------------|
| <b>Hierarchy of counterparty by credit quality</b> |            |            |
| Strong   | (104)      | (371)      |
| Satisfactory                                       | (12,300)   | (25,246)   |
| At default   | (878)      | (4,473)    |

The table below presents the valuation methods used for the measurement of Level 3 fair value:

| 31.12.2019   |                  |            |   |  |
|--|------------------|------------|---|--|
|  | Total Fair Value | Fair Value | Valuation Method  | Significant Non-observable Inputs  |
| Derivative Financial Assets                                      | 980              | 980        | Discounted cash flows with interest being the underlying instruments, taking into account the credit risk of the counterparty                   | The probability of default and loss given default of the counterparty used to calculate the adjustments due to credit risk (BCVA adjustment) calculated using an internal model. |
|  |                  |            | "Discounted cash flows with interest rates being the underlying instrument"   | "Assessment of the adequacy of reserves for the payment of hybrid securities dividends"  |
| Bonds measured at fair value through other comprehensive income  | 10,532           | 10,532     | Based on issuer price / Discounted cash flows with estimation of bond yields  | Issuer price/bond yields   |
| Shares measured at fair value through other comprehensive income | 41,913           | 41,913     | Discounted cash flows / Multiples valuation   | Future profitability of the issuer, expected growth / Valuation indices / WACC   |
| Bonds measured at fair value through profit or loss              | 12,497           | 12,497     | Based on issuer price / Discounted cash flows with estimation of credit risk  | Issuer price / Credit spread/ Assessment of the adequacy of reserves for the payment of hybrid securities dividends  |
| Shares measured at fair value through profit or loss             | 493              | 493        | Discounted cash flows / Multiples valuation / Price of forthcoming transaction  | Future profitability of the issuer, expected growth / Valuation indices  |
| Loans measured at fair value through profit or loss              | 307,136          | 307,136    | Discounted cash flows with interest being the underlying instruments, taking into account the counterparty's credit risk and the operating cost | Cash flows from counterparty' credit risk  |



| 31.12.2018   |                  |            |   |   |
|--|------------------|------------|---|---|
|  | Total Fair Value | Fair Value | Valuation Method  | Significant Non-observable Inputs   |
| Derivative Financial Assets                                      | 16,663           | 2,098      | Discounted cash flows with interest being the underlying instruments, taking into account the credit risk of the counterparty | The probability of default and loss given default of the counterparty used to calculate the adjustments due to credit risk (BCVA adjustment) calculated using an internal model |
|  |                  | 14,565     | Option discounting taking into account the credit risk of the counterparty  | Credit spread   |
| Bonds measured at fair value through other comprehensive income  | 9,593            | 9,593      | Based on issuer price / Discounted cash flows with estimation of bond yields  | Issuer price/bond yields  |
| Shares measured at fair value through other comprehensive income | 69,492           | 69,492     | Discounted cash flows / Based on Group's share in issuer's equity / Multiples valuation                                       | Future profitability of the issuer, expected growth/ Issuer's equity / Valuation indices  |
| Bonds measured at fair value through profit or loss              | 9,516            | 9,516      | Based on issuer price / Discounted cash flows with estimation of credit risk  | Issuer price / Credit spread  |
| Shares measured at fair value through profit or loss             | 468              | 468        | Discounted cash flows/ Based on Group's share in issuer's equity / Multiples valuation / Price of forthcoming transaction     | Future profitability of the issuer, expected growth/ Issuer's equity / Valuation indices  |
| Loans measured at fair value through profit or loss              | 318,460          | 318,460    | Discounted cash flows with interest being the underlying instruments, taking into account the counterparty's credit risk      | Expected loss and cash flows from counterparty' credit risk   |

The Group recognizes the transfer between fair value hierarchy Levels at the end of the reporting period.

Within the year, € 1,978 of Greek corporate bonds were transferred from Level 2 to Level 1, as the liquidity margin (bid-ask spread) moved within the limit set for the characterization of market as active

Within the previous year, € 34,159 of Greek corporate bonds were transferred from Level 1 to Level 2, as the liquidity margin (bid-ask spread) moved above the limit set for the characterization of market as active. In addition, other governments bonds were transferred from Level 2 to Level 1 amounting to € 69,842 as the liquidity margin (bid-ask spread) moved within the limit set for the market to be characterized as active.



A reconciliation for the movement of financial instruments measured at fair value in Level 3 is depicted below:

| <b>31.12.2019</b>  |   |   |  |                                    |
|--|---|---|--|------------------------------------|
|  | <b>Assets</b>   |   |  |                                    |
|  | <b>Securities measured at fair value through other comprehensive income</b> | <b>Securities measured at fair value through profit or loss</b> | <b>Loans measured at fair value through profit or loss</b> | <b>Derivative financial assets</b> |
| <b>Balance 1.1.2019</b>  | <b>79,085</b>   | <b>9,984</b>  | <b>318,460</b>   | <b>16,663</b>                      |
| Total gain or loss recognized in Income Statement  | 627   | 3,185   | (12,563)   | (14,514)                           |
| - Interests  | 558   | 819   | 12,825   |                                    |
| - Gains less losses on financial transactions  | 33  | 2,369   | (25,388)   | (14,514)                           |
| - Impairment losses  | 36  |   |  |                                    |
| Total gain or loss recognized in Equity  | (9)   |   |  |                                    |
| Total gain or loss recognized in Retained Earnings   | (21,437)  |   |  |                                    |
| Purchases / Disbursements  | 427   | 334   | 74,338   |                                    |
| Repayments   | (4,141)   | (513)   | (73,099)   | (462)                              |
| Settlements  |   |   |  | (707)                              |
| Transfer in Level 3 from Level 2   | 1,127   |   |  |                                    |
| Transfer to assets held for sale out from level 3  | (3,234)   | (3)   |  |                                    |
| <b>Balance 31.12.2019</b>  | <b>52,445</b>   | <b>12,990</b>   | <b>307,136</b>   | <b>980</b>                         |
| Gain/(loss) included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1 - 31.12.2019 | 627   | 3,055   | (18,876)   | 51                                 |
| - Interests  | 558   | 551   | 10,572   |                                    |
| - Gains less losses on financial transactions  | 33  | 2,504   | (29,448)   | 51                                 |
| - Impairment losses  | 36  |   |  |                                    |

During the year, a bond amounting to € 1,127 was transferred from Level 2 to Level 3, since internal models were used for valuation purposes.



A sensitivity analysis of financial instruments measured at fair value in Level 3 whose valuation was based on significant non-observable data at at 31.12.2019 is depicted below:

| <b>31.12.2018</b>   |   |   |  |                                    |
|---|---|---|--|------------------------------------|
|   | <b>Assets</b>   |   |  |                                    |
|   | <b>Securities measured at fair value through other comprehensive income</b> | <b>Securities measured at fair value through profit or loss</b> | <b>Loans measured at fair value through profit or loss</b> | <b>Derivative financial assets</b> |
| <b>Balance 1.1.2018</b>   | <b>67,499</b>   | <b>8,153</b>  | <b>381,741</b>   | <b>26,555</b>                      |
| Total gain or loss recognized in Income Statement   | 1,017   | 1,668   | (14,455)   | 2,310                              |
| - Interests   | 1,561   | 814   | 13,280   | 287                                |
| - Gains less losses on financial transactions   | 15  | 854   | (27,735)   | 2,023                              |
| - Impairment losses   | (559)   |   |  |                                    |
| Total gain or loss recognized in Equity   | 1,076   |   |  |                                    |
| Total gain or loss recognized in Retained Earnings  | (5,008)   |   |  |                                    |
| Purchases / Disbursements   | 28,406  | 713   | 46,752   |                                    |
| Sales   |   | (550)   |  |                                    |
| Repayments  | (3,448)   |   | (69,933)   | (1,559)                            |
| Settlements   |   |   |  |                                    |
| Transfer out Level 3 to Level 2   | (10,457)  |   |  | (10,643)                           |
| Transfer to assets "Held for sale"  |   |   | (25,645)   |                                    |
| <b>Balance 31.12.2018</b>   | <b>79,085</b>   | <b>9,984</b>  | <b>318,460</b>   | <b>16,663</b>                      |
| Gain/(loss) included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1 - 31.12.2018. | 840   | 1,690   | (15,999)   | 2,310                              |
| - Interests   | 1,384   | 814   | 12,027   | 287                                |
| - Gains less losses on financial transactions   | 15  | 876   | (28,026)   | 2,023                              |
| - Impairment losses   | (559)   |   |  |                                    |

During 2018, a bond amounting to € 10,457 and derivatives amounting to € 10,643 were transferred from Level 3 to Level 2, since observable parameters were used for valuation purposes.





A sensitivity analysis of financial instruments measured at fair value in Level 3 whose valuation was based on significant non-observable data at 31.12.2019 is depicted below:

|  | Significant Non-observable inputs   | Quantitative information on non-observable inputs   | Non-observable inputs change   | Total effect in income statement |                        | Total effect in equity |                        |
|--|---|---|--|----------------------------------|------------------------|------------------------|------------------------|
|  |   |   |  | Favourable variation             | Unfavourable variation | Favourable variation   | Unfavourable variation |
| Derivative Financial Assets                                      | The probability of default and loss given default of the counterparty used to calculate the adjustments due to credit risk (BCVA adjustment) calculated using an internal model | Average probability of default equal to 100% and average loss in the case of default of counterparty equal to 56% | Increase the probability of default through reduction of internal ratings by 2 scales / increase the loss given default by 10% |                                  | (156)                  |                        |                        |
|  | Assessment of the adequacy of reserves for the payment of hybrid securities dividends   | From 2022 to maturity, probability 100%   | Increase the probability of dividend payments to 100%  |                                  | 1                      |                        |                        |
| Bonds measured at fair value through other comprehensive income  | Issuer price – Bond yield   | Issuer price equal to 94.01% / Bond yield equal to 9.318%   | Variation +/-10% in issuer price, Variation +/-10% in estimated return   |                                  |                        | 273                    | (269)                  |
| Shares measured at fair value through other comprehensive income | Future profitability of issuer, expected growth / Valuation indexes   | Valuation indexes P/BV 0.41x, 0.956x and EV / Sales 15,867x. WACC +/-1%   | Applying variation +/-10% in valuation indexes P/B & EV / Sales Varied WACC by +/-1%   |                                  |                        | 653                    | (652)                  |
| Bonds measured at fair value through profit or loss              | Issuer price/credit spread  | Average issuer price equal to 89.74% / Average credit spread equal to 1408 bps                                    | Variation +/- 10% in issuer Price, +/- 10% in adjustment of estimated / Credit Risk  | 1,083                            | (1,070)                |                        |                        |
| Loans and advances to customers measured at fair value           | Expected credit loss and cash flows from credit risk of the counterparty  | Average credit spread, liquidity premium & operating risk equal to 32.91%   | Decrease of the expected cash flows by 10% on loans individually assessed.   |                                  | (8,682)                |                        |                        |
| <b>Total</b>   |   |   |  | <b>(1,083)</b>                   | <b>(9,908)</b>         | <b>926</b>             | <b>(921)</b>           |



A sensitivity analysis of financial instruments measured at fair value in Level 3 whose valuation was based on significant non-observable data at 31.12.2018 is depicted below:

|   | Significant Non-observable inputs   | Quantitative information on non-observable inputs   | Non-observable inputs change  | Total effect in income statement |                        | Total effect in equity |                        |
|---|---|---|---|----------------------------------|------------------------|------------------------|------------------------|
|   |   |   |   | Favourable variation             | Unfavourable variation | Favourable variation   | Unfavourable variation |
| Derivative Financial Assets   | The probability of default and loss given default of the counterparty used to calculate the adjustments due to credit risk (BCVA adjustment) calculated using an internal model | Average probability of default equal to 100% and average loss in the case of default of counterparty equal to 76% | Increase the probability of default through reduction of internal ratings by 2 scales/ increase the loss given default by 10% |                                  | (905)                  |                        |                        |
|   | Credit Spread   | Credit spread 300 bps   | Increase of Credit Spread +10%  |                                  | (776)                  |                        |                        |
| Bonds measured at fair value through profit or loss                           | Issuer price/credit spread  | Issuer price equal to 59,74% / Average credit spread equal to 1106 bps  | Variation +/- 10% in issuer Price, +/- 10% in adjustment of estimated Credit Risk   | 4,998                            | (4,857)                |                        |                        |
| Bonds measured at fair value through other comprehensive income               | Bond yield  | Bond yield equal to 8.26%   | Variation +/-10% in estimated return  |                                  |                        | 215                    | (208)                  |
| Shares measured at fair value through other comprehensive income              | Future profitability of issuer, expected growth / Valuation indexes   | Valuation indexes P/ BV 0.19  | Applying variation +/-10% in valuation index P/B  |                                  |                        | 27                     | (27)                   |
| Loans and advances to customers measured at fair value through profit or loss | Expected credit loss and cash flows from credit risk of the counterparty  | Average credit spread, liquidity premium & operating risk equal to 29.21%   | Decrease of the expected cash flows by 10% on loans individually assessed   |                                  | (10,881)               |                        |                        |
| <b>Total</b>  |   |   |   | <b>4,998</b>                     | <b>(17,419)</b>        | <b>242</b>             | <b>(235)</b>           |

There are no significant interrelationship between the non-observable data that significantly affect the fair value.

### 43.5 Transfers of financial assets

The Group in its ordinary course of business, transfers financial assets. In cases that, despite the fact that the contractual right to receive cash flows has been transferred the risks and rewards remain with the Group, these assets continue to be recognized on the balance sheet.

On 31.12.2019, the financial assets that have not been derecognized despite the contractual transfer of their cash flows, are derived from the following two categories of transactions:

#### a) Securitizations of financial assets

The Bank has securitized corporate, revolving consumer loans and credit cards while its subsidiary Alpha Leasing A.E. finance lease receivables, in order to take liquidity from the Eurosystem. In the context of these transactions, these items have been transferred to special purpose entities fully consolidated by the Group, which have proceeded to the issuance of bonds. Securitized financial assets continue to be recognized as loans and advances to customers, since the Group continues in all cases to retain the rewards and risks associated with them. This is justified by several factors which include the full



consolidation of special purpose entities, the fact that the Bank owns these bonds and has the right to receive the deferred consideration from the transfer. Given that bonds are owned by the Group, no liabilities arise from the transfer. The carrying amount of the securitized loans and credit cards on 31.12.2019 amounts to € 2,290,864 (31.12.2018: € 2,416,285).

In addition, during the current year, the Bank proceeded to shipping loans securitization transaction through the fully consolidated special purpose company Alpha Shipping Finance Ltd. These loans are recognized in the category of loans and advances to customers as the Group retains the risks and rewards of the portfolio through its right to receive the deferred consideration. The carrying amount of the securitized shipping loans and the third party liabilities as at 31.12.2019 amounted to € 335,594 and € 154,936 respectively (31.12.2018: € 498,904 and € 268,277 respectively). The fair value of loans as at 31.12.2019 amounted to € 334,613 (31.12.2018: € 511,636) and the liability at € 154,525 (31.12.2018: € 277,510).

Moreover, the Bank securitized corporate loans to small and medium enterprises, through Alpha Proodos DAC, a fully consolidated special purpose entity. These loans continue to be recognized in loans and advances to customers considering that the Group retains the risks and rewards of these, by owning the subordinated bonds and the deferred consideration. The carrying value of the above securitized loans amounts to € 256,227 at 31.12.2019 (31.12.2018: € 401,803). As at 31.12.2019, the total amount of the bonds issued from the special purpose entity, are owned by the Group and therefore, there is no liability under the transfer. The carrying amount of the Group's liability to the special purpose entity at 31.12.2018 amounted to € 156,384 while the fair value of the loans and liability at 31.12.2018 amounted to € 423,085 and € 156,188 respectively.

Finally, the Group has proceeded with the securitization of consumer loans through its fully consolidated special purpose entity Katanalotica PIC. The Group continues to retain the risks and rewards of these loans, given that owns the subordinated bonds and the deferred consideration, and consequently the consumer loans under consideration are included in the Group's Balance Sheet. Within the last quarter of the current year, a part of the bonds has been transferred to third parties. The carrying value of the above securitized loans amounts to € 499,242 at 31.12.2019 (31.12.2018: € 907,334). As at 31.12.2019, the carrying amount of the Group's liability to third parties amounts to € 220,090 whereas the fair value of the loans and liability of the Group to the special purpose entity amounts to € 476,919 and € 209,726 respectively.

## b) Sale and repurchase agreements of debt securities

The Group on 31.12.2019 proceeded with the transfer of Greek Government Bonds and Treasury Bills, bonds of other issuers, bonds of other countries with a repurchase agreement. These securities are still included in the Group's investment portfolio and the respective figures are presented in the following table.

| 31.12.2019                                       |  |                        |                      |   |
|--|--|------------------------|----------------------|---|
|  | Securities measured at fair value through other comprehensive income |                        |                      | Securities measured at amortized cost   |
|  | Bonds & Greek Government Treasury Bills                              | Other Government Bonds | Other Issuers' Bonds | Bonds & Greek Government Treasury Bills |
| Carrying amount of transferred securities        | 3,297,872  | 701,832                | 40,797               | 740,581                                 |
| Carrying amount of related liability             | (2,742,413)  | (676,412)              | (37,927)             | (638,324)                               |
| Fair value of transferred securities             | 3,297,872  | 701,832                | 40,797               | 748,433                                 |
| Fair value of related liability                  | (2,742,413)  | (676,412)              | (37,927)             | (638,324)                               |
| <b>Carrying amount of transferred securities</b> | <b>555,459</b>   | <b>25,420</b>          | <b>2,870</b>         | <b>110,109</b>                          |

The Group on 31.12.2018 proceeded with the transfer of Greek Government Bonds and Treasury Bills, bonds of other issuers, bonds of other countries with a repurchase agreement. These securities are still included in the Group's investment portfolio and the respective figures are presented in the following table.



| 31.12.2018                                       |  |                        |                      |   |
|--|--|------------------------|----------------------|---|
|  | Securities measured at fair value through other comprehensive income |                        |                      | Securities measured at amortized cost   |
|  | Bonds & Greek Government Treasury Bills                              | Other Government Bonds | Other Issuers' Bonds | Bonds & Greek Government Treasury Bills |
| Carrying amount of transferred securities        | 2,883,561  | 42,433                 | 13,219               |   |
| Carrying amount of related liability             | (2,345,399)  | (32,501)               | (11,506)             |   |
| Fair value of transferred securities             | 2,883,561  | 42,433                 | 13,219               |   |
| Fair value of related liability                  | (2,345,399)  | (32,501)               | (11,506)             |   |
| <b>Carrying amount of transferred securities</b> | <b>538,162</b>   | <b>9,932</b>           | <b>1,713</b>         |   |

### 43.6 Offsetting financial assets - liabilities

The following tables present derivative transactions for which an International Swaps and Derivatives Association (ISDA) Agreement is in place and signed with credit institutions as counterparties, along with repurchase agreements for which a global master repurchase agreement is in place. In accordance with these agreements, the Group is able to offset its assets and liabilities relating to a counterparty in case of a credit default.

#### Financial assets subject to offsetting

| 31.12.2019    |   |   |   |                            |                          |            |
|---------------|---|---|---|----------------------------|--------------------------|------------|
|               | Gross amount of recognized financial assets | Gross amount of recognized financial liabilities offset | Net amount of financial assets presented in the balance sheet | Related amounts not offset |                          | Net amount |
|               |   |   |   | Financial instruments      | Cash collateral received |            |
| Derivatives   | 835,443                                     | -   | 835,443   | (201,833)                  | (6,497)                  | 627,113    |
| Reverse repos | 1,164,950                                   | -   | 1,164,950   | (1,164,950)                |                          |            |

| 31.12.2018    |   |   |   |                            |                          |            |
|---------------|---|---|---|----------------------------|--------------------------|------------|
|               | Gross amount of recognized financial assets | Gross amount of recognized financial liabilities offset | Net amount of financial assets presented in the balance sheet | Related amounts not offset |                          | Net amount |
|               |   |   |   | Financial instruments      | Cash collateral received |            |
| Derivatives   | 609,270                                     | -   | 609,270   | (169,701)                  | (45,402)                 | 394,167    |
| Reverse repos | 498,901                                     | -   | 498,901   | (498,901)                  |                          |            |

#### Financial liabilities subject to offsetting

| 31.12.2019  |  |  |  |                            |                       |            |
|-------------|--|--|--|----------------------------|-----------------------|------------|
|             | Gross amount of recognized financial liabilities | Gross amount of recognized financial assets offset | Net amount of financial liabilities presented in the balance sheet | Related amounts not offset |                       | Net amount |
|             |  |  |  | Financial instruments      | Cash collateral given |            |
| Derivatives | 1,445,980  | -  | 1,445,980  | (201,833)                  | (1,243,517)           | 631        |
| Repos       | 1,551,811  | -  | 1,551,811  | (1,164,950)                | (1,841)               | 385,020    |

| 31.12.2018  |  |  |  |                            |                       |            |
|-------------|--|--|--|----------------------------|-----------------------|------------|
|             | Gross amount of recognized financial liabilities | Gross amount of recognized financial assets offset | Net amount of financial liabilities presented in the balance sheet | Related amounts not offset |                       | Net amount |
|             |  |  |  | Financial instruments      | Cash collateral given |            |
| Derivatives | 1,135,353  | -  | 1,135,353  | (169,701)                  | (964,749)             | 903        |
| Repos       | 906,481  | -  | 906,481  | (498,901)                  | (2,309)               | 405,271    |

**Reconciliation of the net amount of financial assets and liabilities presented in the balance sheet**

| 31.12.2019                       |      |   |  |   |
|----------------------------------|------|---|--|---|
|                                  | Note | Net amount presented in the balance sheet | Carrying amount of financial assets in the balance sheet | Financial assets not in scope of offsetting disclosures |
| <b>Type of financial asset</b>   |      |   |  |   |
| Derivative financial instruments | 18   | 835,443                                   | 1,009,193  | 173,750   |
| Reverse repos                    | 16   | 1,164,950                                 | 1,164,950  |   |

| 31.12.2019                         |      |   |   |  |
|------------------------------------|------|---|---|--|
|                                    | Note | Net amount presented in the balance sheet | Carrying amount of financial liabilities in the balance sheet | Financial liabilities not in scope of offsetting disclosures |
| <b>Type of financial liability</b> |      |   |   |  |
| Derivative financial instruments   | 18   | 1,445,980                                 | 1,446,915   | 935  |
| Repos                              | 27   | 1,551,811                                 | 6,278,456   | 4,726,645  |

| 31.12.2018                       |      |   |  |   |
|----------------------------------|------|---|--|---|
|                                  | Note | Net amount presented in the balance sheet | Carrying amount of financial assets in the balance sheet | Financial assets not in scope of offsetting disclosures |
| <b>Type of financial asset</b>   |      |   |  |   |
| Derivative financial instruments | 18   | 609,270                                   | 725,173  | 115,903   |
| Reverse repos                    | 16   | 498,901                                   | 547,180  | 48,279  |

| 31.12.2018                         |      |   |   |  |
|------------------------------------|------|---|---|--|
|                                    | Note | Net amount presented in the balance sheet | Carrying amount of financial liabilities in the balance sheet | Financial liabilities not in scope of offsetting disclosures |
| <b>Type of financial liability</b> |      |   |   |  |
| Derivative financial instruments   | 18   | 1,135,353                                 | 1,147,895   | 12,542   |
| Repos                              | 27   | 906,481                                   | 6,421,829   | 5,515,348  |

In addition, in the context of the abovementioned agreements, apart from the cash, securities of a nominal amount of € 870,000 (31.12.2018: € 400,000) have been used as collateral.

**44. Capital adequacy**

The policy of the Group is to maintain a strong capital base in order to ensure the development and the trust of depositors, shareholders, markets and business partners.

Share capital increases are conducted following resolutions of the General Meeting of Shareholders or of the Board of Directors, in accordance with articles of incorporation or relevant laws.

For the period that the Hellenic Financial Stability Fund (HFSF) participates in the Share Capital of the Bank, the purchase of own shares is not allowed without its approval, according to the Relationship Framework Agreement (RFA) which has been signed between the Bank and the HFSF.

The Capital Adequacy ratio compares the Group's regulatory capital with the risks that it undertakes (Risk Weighted Assets - RWAs). Regulatory capital includes Common Equity Tier 1 (CET1) capital (share capital, reserves, minority interests), additional Tier 1 capital (hybrid securities) and Tier 2 capital (subordinated debt). RWAs include the credit risk of the investment portfolio, the market risk of the trading book and the operational risk.

Alpha Bank, as a systemic bank, is supervised by the Single Supervisory Mechanism (SSM) of the European Central Bank (ECB), since November 2014, to which reports are submitted every quarter. The supervision is conducted in accordance with the



European Regulation 575/2013 (CRR) and the relevant European Directive 2013/36 (CRD IV), which was incorporated into the Greek Law through the Law 4261/2014. The framework is broadly known as Basel III.

According to the above regulatory framework, for the calculation of capital adequacy ratio the effective transitional arrangements are followed. In addition:

- Besides the 8% capital adequacy limit, there are applicable limits of 4.5% for CET 1 ratio and 6% for Tier 1 ratio respectively
- The maintenance of capital buffers additional to the CET1 capital are required. In particular:
  - Capital conservation buffer stands at 2.5%.
  - Bank of Greece through Executive Acts set the following capital buffers:
    - Countercyclical capital buffer equals to “zero percent” (0%) for 2019.
    - Other systemically important institutions (O-SII) buffer, which will gradually rise to “one percent” (1%) from 1.1.2019 to 1.1.2022. For 2019, the O-SII buffer stands at 0.25%.

These limits should be met both on a standalone and on consolidated basis.

|                               | 31.12.2019*<br>(estimate) | 31.12.2018*  |
|-------------------------------|---------------------------|--------------|
| Common Equity Tier I          | 17.9%                     | 17.4%        |
| Tier I                        | 17.9%                     | 17.4%        |
| <b>Capital Adequacy Ratio</b> | <b>17.9%</b>              | <b>17.4%</b> |

Supervisory disclosures regarding capital adequacy and risk management in accordance with Regulation 575/2013 (Pillar III) will be published on the Bank's website.

Since 1st March 2019 the minimum limit that shall be met for 2019 for the Overall Capital Requirements (OCR) is 13.75%.

On 10 December 2019, the ECB informed Alpha Bank that since 1st January 2020 the minimum limit for the Overall Capital Requirement (OCR) is 14.0%, increased by 0.25%, due to the gradual increase of the O-SII buffer. The OCR is composed by the minimum own funds requirements (8%), according to article 92(1) of the CRR, the additional Pillar II own funds requirements (P2R), according to article 16(2) (a) of the Regulation 1024/2013/EU which corresponds to 3%, and the combined buffer requirements (CBR), according to article 128(6) of the Directive 2013/36/EU which correspond to 3%. The above minimum ratio should be maintained on a phase-in basis under applicable transitional rules of the CRR / CRD IV, at all times. As per the recently announced regulatory measures by EBA and ECB, in view of the COVID-19 outbreak, capital regulatory thresholds for European banking institutions have been relaxed. Specifically, on 12 March, the European Central Bank (ECB) and the European Banking Authority (EBA) announced the following relaxation measures for the minimum capital and liquidity requirements for Banks in the Eurozone:

- Banks are temporarily allowed to operate below the level of capital defined by the Pillar 2 Guidance, the Capital Conservation Buffer and the Countercyclical Buffer.
- Furthermore, the upcoming change under CRD5 regarding the P2R buffer was brought forward allowing the Pillar 2 Requirement (P2R) to be covered by Additional Tier 1 (AT1) capital and Tier 2 (T2) capital and not only by CET 1.

Taking into consideration the recent announcements that allow the Bank to operate temporarily at levels below the abovementioned ones, the minimum limit for the Overall Capital Requirement (OCR) is set at 11.5%. It is noted that the Countercyclical Buffer is 0% for Greek Banks. The above measures increase the Bank's capital base available to absorb potential losses due to the crisis by € 1.2 billion to reach € 3.5 billion following the Tier 2 issuance. In parallel, the early adoption of the change under CRD5 regarding the P2R buffer allowing the Pillar 2 Requirement (P2R) to be covered by Additional Tier 1 (AT1) capital and Tier 2 (T2) capital offers the Bank additional flexibility regarding its compliance with the minimum limits of the total capital ratio of Pillar 2.

\* The above ratios include the audited year end profits.



EU-wide stress test is primarily focused on the assessment of the impact of risk drivers on the solvency of banks. Banks are required to stress a common set of risks (credit risk – including securitisations – market risk and counterparty credit risk, operational risk – including conduct risk). The EU – Stress Test is a biannual exercise. However due to the outbreak of COVID – 19 (Coronavirus) and its global spread, EBA decided to postpone until 2021 the EU-wide Stress Test Exercise of 2020 to allow banks to focus on and ensure continuity of their core operations. For 2020, the EBA will carry out an additional EU-wide transparency exercise in order to provide updated information on banks' exposures and asset quality to market participants. Finally, it is noted that on February 6th 2020, Alpha Bank successfully placed a Euro 500 million, Tier 2 bond with 10-year maturity callable after 5 years at a yield of 4.25%, listed on the Luxembourg Stock Exchange. The transaction is an integral part of Alpha Bank's strategy which optimizes the Bank's capital structure and diversifies its capital sources while further strengthens the Total Capital Ratio by circa 104bps.

The issuance provides Alpha Bank an alternative funding source beyond its existing customer deposits, European Central Bank funding and interbank repos. In addition, it allows reduced reliance on secured funding that requires pledged assets, improving its overall funding and liquidity profile.

## 45. Related-party transactions

The Bank and the rest companies of the Group enter into a number of transactions with related parties in the normal course of business. These transactions are performed at arm's length and are approved by the appropriate bodies and committees.

a. The outstanding balances of the Group's transactions with key management personnel consisting of members of the Bank's Board of Directors and Executive Committee, their close family members and the entities controlled by them, as well as, the results related to these transactions are as follows:

|   | 31.12.2019   | 31.12.2018   |
|---|--------------|--------------|
| <b>Assets</b>                                   |              |              |
| Loans and advances to customers                 | 1,759        | 1,299        |
| <b>Liabilities</b>                              |              |              |
| Due to customers                                | 3,176        | 6,524        |
| Employee defined benefit obligations            | 277          | 251          |
| Provisions                                      | 1,253        |              |
| <b>Total</b>                                    | <b>4,706</b> | <b>6,775</b> |
| <b>Letters of guarantee and approved limits</b> | <b>2,059</b> | <b>2,022</b> |

|  | From 1 January to |              |
|--|-------------------|--------------|
|  | 31.12.2019        | 31.12.2018   |
| <b>Income</b>  |                   |              |
| Interest and similar income                                  | 41                | 45           |
| Fee and commission income                                    | 5                 | 4            |
| Other income   | 1                 |              |
| <b>Total</b>   | <b>47</b>         | <b>49</b>    |
| <b>Expenses</b>  |                   |              |
| Interest expense and similar charges                         | 19                | 193          |
| Commission expenses  | 1                 |              |
| General administrative expenses                              | 1                 |              |
| Remuneration paid to key management and close family members | 5,846             | 3,716        |
| <b>Total</b>   | <b>5,847</b>      | <b>3,909</b> |



b. The outstanding balances with the Group's, associates and joint ventures as well as the results related to these transactions are as follows:

|                                 | 31.12.2019    | 31.12.2018    |
|---------------------------------|---------------|---------------|
| <b>Assets</b>                   |               |               |
| Loans and advances to customers | 61,857        | 61,505        |
| Other Assets                    | 1,046         | 2,000         |
| <b>Total</b>                    | <b>62,903</b> | <b>63,505</b> |
| <b>Liabilities</b>              |               |               |
| Due to customers                | 18,670        | 23,124        |
| Other Liabilities               | 2,265         | 4,473         |
| <b>Total</b>                    | <b>20,935</b> | <b>27,597</b> |

|   | From 1 January to |               |
|---|-------------------|---------------|
|   | 31.12.2019        | 31.12.2018    |
| <b>Income</b>                               |                   |               |
| Interest and similar income                 | 1,723             | 2,637         |
| Fee and commission income                   | 4                 | 4             |
| Gains less losses on financial transactions | 2,225             | 1,363         |
| Other income                                | 183               | 207           |
| <b>Total</b>                                | <b>4,135</b>      | <b>4,211</b>  |
| <b>Expenses</b>                             |                   |               |
| Interest expense and similar charges        | 17                | 13            |
| General administrative expenses             | 16,067            | 16,383        |
| <b>Total</b>                                | <b>16,084</b>     | <b>16,396</b> |

c. The Employees Supplementary Fund maintains deposits with the Bank amounting to € 0 (31.12.2018: € 7).

d. The Hellenic Financial Stability Fund (HFSF) exercises significant influence on the Bank. In particular, according to Law 3864/2010 and the Relationship Framework Agreement ("RFA") as of 23.11.2015, which replaced the previous of 2013, HFSF has representation in the Board of Directors and in other significant Committees of the Bank. Therefore, according to IAS 24, HFSF and its related entities are considered related parties for the Bank.

The outstanding balances and the results related to these transactions are analyzed as follows:

|                           | From 1 January to |            |
|---------------------------|-------------------|------------|
|                           | 31.12.2019        | 31.12.2018 |
| <b>Income</b>             |                   |            |
| Fee and commission income | 8                 | 10         |

## 46. Auditors' fees

The total fees of "Deloitte Certified Public Accountants S.A.", statutory auditor of the Bank, are analyzed below, in accordance with the provisions of paragraphs 2 and 32, article 29 of Law 4308/2014.

|  | From 1 January to |              |
|--|-------------------|--------------|
|  | 31.12.2019        | 31.12.2018   |
| Fees for statutory audit*                | 1,770             | 1,686        |
| Fees for other audit services            | 13                | 308          |
| Fees for the issuance of tax certificate | 363               | 356          |
| Fees for other non-audit services        | 354               | 219          |
| <b>Total</b>                             | <b>2,501</b>      | <b>2,569</b> |

\* Fees for statutory audit of the annual accounts, include other expenses as a percentage of 2% of the approved fees.





## 47. Disclosures of Law 4151/2013

The purpose of the provisions of chapter B of Law 4151/2013 is the funds from dormant deposit accounts to be used by the Greek State to cover government needs, after the write off of rights of depositors or their legal heirs. According to the aforementioned the provisions of Law 4151/2013:

- i. Dormant deposit account to credit Institution, according to the provisions of Law 4261/2014, is an account on which no transaction by depositors has been recorded for a period of 20 years from the day following the last transaction (the crediting or capitalizing of interest to an account will not constitute a transaction and not interrupt the prescription),
- ii. Following the expiry of the 20-year period, the credit institutions in Greece are obliged to transfer to the Greek State the aggregate balance of dormant deposit accounts, including any interest, by the end of April of each year by making a deposit of the relevant amount in a special account held in Bank of Greece, notify the General Accounting Office (GAO) and the General Directorate of Public Property to fulfill the obligations arising from the Law 4151/2013 and to provide information to beneficiaries and heirs after the lapse of 20 years for the transfer of the respective amounts, if requested (the abovementioned amounts will be recorded as income in the Annual State Budget),
- iii. the statutory auditors in the notes to the published annual financial statements of credit institutions will confirm whether or not the financial institution complied with the provisions of the law for dormant deposits indicating the amount that was transferred to the Greek State.

For the fiscal year 2018 the Bank proceeded, at the end of April 2019, to the return of the balances of the dormant deposit accounts to the State (principals and relevant interest of deposits) , of total amount € 3,202 on which the rights of depositors / heirs were deferred in favor of the State until 31.12.2018, according to Law 4151/2013 and due to the suspension of the deadline for the completion of this twenty-year limitation period, pursuant to the 18.07.2015 CIP (Government Gazette B 84 / 18.07.2015), as it was in force through all its amendments, combined with no. 257 AK.

For the financial year 2019, the amount of inactive deposit accounts that will be given from the Bank to the Greek State within the year 2020, due to the limitation of these rights, according to Law 4151/2013, until 31.12.2019, is estimated in the amount of € 3,251

## 48. Assets held for sale

|   | 31.12.2019     | 31.12.2018     |
|---|----------------|----------------|
| APE Commercial Property A.E., APE Investment Property A.E.                                  | 46,217         | 46,217         |
| Alpha Investment Property Attikis II A.E.   | 23,359         |                |
| Alpha Investment Property Gi I A.E.   | 25,000         |                |
| AGI-Cypre Alaminos Ltd  | 4,412          |                |
| ABC RE P2 Ltd   | 2,056          |                |
| ABC RE P4 Ltd   | 742            |                |
| AGI-BRE Participations 3 EOOD   | 11,748         |                |
| Portfolio of non performing loans   | 431,688        | 55,925         |
| Assets of Alpha Bank S.A.   | 14,119         | 29,598         |
| Investment Property of Alpha Leasing A.E.   | 97             | 22,616         |
| Investment property of Alpha Investment Property Neas Erythreas A.E.                        | -              | 6,204          |
| Investment Property ABC RE COM Pafos Ltd  | 281            |                |
| Fixed Assets of Alpha Bank Cyprus Ltd and AGI-Cypre Ermis Ltd                               | 1,562          |                |
| Serdika 2009 EOOD, Sheynovo Offices EOOD, Sheynovo apartments EOOD, Sheynovo Residence EOOD | -              | 15,838         |
| Alpha Investment Property I A.E.  | -              | 79,539         |
| Alpha Investment Property Chanion A.E.  | -              | 8,502          |
| Other assets held for sale  | 2,238          | 7,598          |
| <b>Total</b>  | <b>563,519</b> | <b>272,037</b> |



|  | 31.12.2019 | 31.12.2018   |
|--|------------|--------------|
| <b>Liabilities related to assets held for sale</b> |            |              |
| Alpha Investment Property Attikis II A.E.          | 145        |              |
| Alpha Investment Property Gi I A.E.                | 125        |              |
| AGI-Cypr Alaminos Ltd                              | 5          |              |
| ABC RE P2 Ltd                                      | 21         |              |
| ABC RE P4 Ltd                                      | 10         |              |
| AGI-BRE PARTICIPATIONS 3 EOOD                      | 495        |              |
| Alpha Investment Property I A.E.                   |            | 1,592        |
| Alpha Investment Property Chanion A.E              |            | 11           |
| <b>Total</b>                                       | <b>801</b> | <b>1,603</b> |

The Group has begun the process for the sale of specific subsidiaries and joint ventures, part of non performing retail and wholesale loan portfolio, as well as property and other fixed assets of the Bank and specific subsidiaries for which the provisions to be classified as “Assets held for sale” in accordance with IFRS 5 are fulfilled. The balances of them are presented in the table above and described in detail below.

It is noted that during 2019, the disposal of the companies Serdika 2009 E.O.O.D., Sheynovo Offices E.O.O.D., Sheynovo apartments E.O.O.D. and Sheynovo Residence E.O.O.D., which are subsidiaries of Stockfort Ltd as well as the disposal of the subsidiaries Alpha Investment Property I A.E. and Alpha Investment Property of Chanion which were classified as assets held for sale during 2018, as well as the sale of ABC RE P5 LTD the assets of which had been classified as assets held for sale as at 30.09.2019, were completed.

#### **APE Commercial Property A.E. and APE Investment Property A.E.**

During the fiscal year 2016 the liquidation process of the Bank’s participation in joint ventures APE Commercial Property A.E. and APE Investment Property A.E. began. The companies are classified as assets held for sale according to IFRS 5.

As far as APE Investment Property is concerned, the Group is at an advanced stage in the process of selling its participation and, it is considered possible, to reach an agreement in the near future. In addition, during 2018, the Bank participated into the share capital increase of APE Investment Property A.E. with an amount of € 71,704, whereas the company repaid the loan which has been granted by the Bank.

As far as APE Commercial Property is concerned, it should be noted on September 2018, share capital refund took place during September 2018 amounting to € 15,906, of which an amount of € 11,484 relates to share capital refund to the Bank.

According to IFRS 5 the assets held for sale or disposal groups are valued at the lower of book value and fair value less cost to sell and they are presented in the balance sheet separately from other assets and liabilities. As regards to the joint ventures APE Commercial Property A.E. and APE Investment Property A.E., which are valued under the equity method, the Group measured the fair value of its participation and that of the loans and receivables of these companies which constitute part of the net investment in them. From the aforementioned measurement during the financial year 2018 losses amounting to € 7,300 million arose and recorded in “Gains less losses on financial transactions” in the Income Statement, while for the year of 2019 there was no impact in income statement.

Taking into account that these companies are not a separate major line of business of the Group, the criteria to be classified as “discontinued operations” are not met. The companies are included in “Other / Elimination Centre” for operating segment disclosure purposes.



In the table below an analysis of the assets and liabilities of APE Commercial Property A.E. and APE Investment Property A.E. which are classified in the Balance Sheet as assets held for sale is depicted.

|   | 31.12.2019    | 31.12.2018    |
|---|---------------|---------------|
| <b>ASSETS</b>   |               |               |
| Investments in associates and joint ventures                          | 58,961        | 58,961        |
| Valuation at fair value   | (12,744)      | (12,744)      |
| <b>Assets held for sale</b>   | <b>46,217</b> | <b>46,217</b> |
| Amounts recognized directly in Equity related to assets held for sale | (122)         | (122)         |

### Alpha Investment Property Attikis II A.E. & AEP GI I A.E.

During the year 2019 the process of obtaining binding offers for the sale of total of shares of Alpha Investment Property Attikis II A.E. was completed and the transaction is expected to be completed within the first quarter of 2020 with the estimated consideration to be expected to be higher than the entities' net assets.

In addition, the transfer of shares of AEP GI I A.E. is expected to be completed within the first quarter of 2020 in the context of the transaction in regards to the sale of non-performing loans.

According to IFRS 5, the above companies were classified as Assets Held for sale as at 31.12.2019. The Group valued the assets and liabilities of these subsidiaries at the lowest amount between the carrying amount and the fair value less cost to sell. From the aforementioned valuation, no effect in the income statement occurred.

Taking into account that the companies are not separate major lines of business of the Group, the criteria to be classified as "discontinued operations" are not met. The companies are included in "Other/Elimination Center" for operating segment disclosure purposes.

### AGI-Cypré Alaminos Ltd, ABC RE P2 Ltd & ABC RE P4 Ltd

During 2019 the Group began the process of selling its subsidiaries AGI-Cypré Alaminos Ltd, ABC RE P2 Ltd and ABC RE P4 Ltd in Cyprus and it is expected to be completed in 2020 with the preferred investor.

Especially for AGI-Cypré Alaminos Ltd, on 14/11/2019, a sale agreement was signed concerning the sale of total amount of its shares, while the sale was completed on 07.01.2020.

According to IFRS 5, the above companies were classified as Assets Held for sale as at 31.12.2019. The Group valued the assets and liabilities of the subsidiaries at the lowest amount between the carrying amount and the fair value less cost to sell. From the aforementioned valuation no impact in income statement occurred for ABC RE P2 Ltd, while a loss amounting to € 26 recorded in "Gains less losses on financial transactions" in the Income Statement for ABC RE P4 Ltd.

The companies are included in segment "S.E. Europe" for the purpose of operating segment disclosures.

### AGI-BRE Participations 3 EOOD

In 2019 the Group initiated the procedure in order to sell AGI-BRE PARTICIPATIONS 3 EOOD. In particular, on 18.12.2019, a pre-sale agreement concerning the total amount of its shares was signed and the completion of the transaction is expected to take place in April 2020.

According to IFRS 5, the above company was classified as Held for sale as at 31.12.2019. The Group valued the assets and liabilities at the lowest amount between the carrying amount and the fair value less cost to sell. From the aforementioned valuation no impact in income statement occurred.

Taking into account that the company is not a separate major line of business of the Group, the criteria to be classified as "discontinued operations" are not met. The company is included in "Other/Elimination Center" for operating segment disclosure purposes.



## Non-performing loans portfolio

### Loan Portfolio A: Non-performing loans with collaterals

During 2019, the Bank initiated the process of the sale of a non-performing loans portfolio with collaterals in real property, which included receivables from consumer loans, wholesale loans, shipping loans and mortgage loans.

The loans with carrying amount of € 409,118 as at 31.12.2019 (31.12.2018: € 0) met the criteria to be classified as Assets Held for sale in accordance with IFRS 5. From the aforementioned portfolio an amount of € 392,259 (31.12.2018: € 0) is included in the operating segment "Corporate Banking" and an amount of € 16,859 (31.12.2018: 0) is included in the operating segment "Retail" of note 42 "Segment". The sale of this portfolio is expected to be completed during 2020.

### Loan Portfolio B: Non-performing loans with collaterals

During 2019, the Bank initiated the process of the sale of Non-performing wholesale loans. The loans with carrying amount € 9,618 as at 31.12.2019 (31.12.2018: € 0) met the criteria to be classified as Assets Held for sale according to IFRS 5.

These are included in the operating segment "Corporate Banking" of note 42 "Segment". The sale of this portfolio is expected to be completed within the year.

### Loan Portfolio C: Non-performing wholesale loans of Greece

During 2018, the Group initiated the process for the sale of Non Performing Wholesale Loans.

On 27.12.2018, the transfer of a part of Non Performing Wholesale Loans portfolio was completed. The transaction price of the portfolio sold incorporating the transaction costs and other liabilities, amounted to € 258,833, while a loss amounted to € 17,659 was recognized in the caption "Gains less losses from discontinued recognition of financial instruments measured at amortised cost".

The carrying amount of the remaining portfolio for which the completion of disposal depends on certain conditions imposed by the buyer, as at 31.12.2019 amounted to € 12,952 (31.12.2018: € 55,925). This amount is included in the operating segment "Corporate banking" (31.12.2018: € 31,152). An amount of € 24,773 was included in "Investment Banking/Treasury" operating segment as at 31.12.2018. These loans are classified as "Assets held for sale" as at 31.12.2019, as the provisions of IFRS 5 are met .

## Property of Alpha Bank S.A. and Alpha Leasing S.A.

In 2018, the Bank and Alpha Leasing S.A. initiated the process of disposing of a portfolio consisting of both investment property, own used property and assets obtained from auctions. During the year of 2019, the sale of a part of investment property, was completed at the transaction price of € 50,738 while gain amounting to € 1,773 was recognized under "Other income" of the Income Statement. In addition, properties amounting to € 1,238 were transferred from "Assets held for sale" to "Other Assets", while properties amounting to € 9,920 were transferred from 'Property, Plant, Equipment' and € 84 from 'Investment property' to note line "Assets held for sale". On 31.12.2019 the remaining portfolio of properties met the criteria to be classified as "Assets held for sale" according to IFRS 5. The Group valued the said property at the lowest amount between the carrying amount and the fair value less cost to sell. It is noted that the Bank's property (carrying amount € 14,119) are included in "Other / Elimination Center" operating segment and the property of Alpha Leasing S.A. (carrying amount € 97) are included in "Corporate Banking" operating segment of note 42 "Operating Segment".

An amount of € 1,807 derived from the valuation and the sales of the properties and was presented in the "Other Expenses" line of the Income Statement.



### **Investment Property ABC RE COM Pafos Ltd**

The Group has initiated the procedures for the sale of the investment properties of the Cypriot company ABC RE COM Pafos Ltd and it was assessed that the criteria of IFRS 5 were met in 2019. As a result, the property was classified as “Asset held for sale” as at 31.12.2019. The Group valued the said investment property at the lowest amount between the carrying amount and the fair value less costs, recognizing a loss of € 50 presented in “Other Expenses” of the Income Statement. The company’s investment properties are included in sector ‘S. E. Europe’ for operating segment disclosure purposes.

### **Investment property of Alpha Investment Property Neas Erythreas A.E.**

During 2018, the subsidiary of the Bank, Alpha Investment Property Neas Erythreas A.E., signed, with an interested investor, notarial pre-agreement, for the disposal of part of its assets.

Based on the above, the investment property of Alpha Investment Property Neas Erythreas A.E. is classified as Assets Held for sale as at 31.12.2018. The Group valued the above mentioned assets at the lowest amount between the carrying amount and the fair value less cost to sell. From the aforementioned no impact in the income statement occurred.

The said investment property is included in “Other/Elimination Center” for operating segment disclosure purposes.

In 2019, the above transaction was canceled and the company’s investment assets was reclassified to “Investment property”, with no result from the reclassification.

### **Fixed assets of Alpha Bank Cyprus Ltd and AGI-Cypre Ermis Ltd**

In October 2019, the subsidiaries Alpha Bank Cyprus and AGI-Cypre Ermis signed a long-term partnership agreement with DoValue S.p.A. in order to manage the Non-performing Exposures (NPEs) and Real Estate (REO) portfolio in Cyprus, valued at approximately € 3.2 billion (book value before impairment). The agreement also provides for the establishment of a special purpose company that will handle the specific business of the subsidiaries, assets and staff of Alpha Bank Cyprus Ltd and AGI-Cypre Ermis Ltd employed in the specific business, in accordance with the applicable law. The agreement is subject to the approval of the supervisory authorities. Therefore, in accordance with IFRS 5, fixed assets amounting to € 1,562 were classified as “Assets held for sale” during the preparation of the Financial Statements as at 31.12.2019, without constituting a discontinued operation as they do not form a significant part of the Group’s business activities. The Group valued these assets at the lowest amount between the carrying amount and the fair value less costs to sell without any need to recognize impairment. The fixed assets of the companies are included in the sector “S.E. Europe” for operating segment disclosure purposes.

### **Serdika 2009 E.O.O.D., Sheynovo Offices E.O.O.D., Sheynovo Apartments E.O.O.D., Sheynovo Residence E.O.O.D.**

During 2018, the Bank and its subsidiary Stockfort Ltd signed with a prospective investor a pre-agreement (Pre-SPA) for the disposal of the subsidiaries Serdika 2009 E.O.O.D., Sheynovo Offices E.O.O.D., Sheynovo Apartments E.O.O.D. and Sheynovo Residence E.O.O.D. The main terms of transferring the 100% of the share capital of the entities were agreed with the investor during the third quarter of 2018. Based on the above, Serdika 2009 E.O.O.D., Sheynovo Offices E.O.O.D., Sheynovo Apartments E.O.O.D. and Sheynovo Residence E.O.O.D. are classified as Assets held for sale as at 31.12.2018. The Group measured the assets and liabilities of the subsidiaries at the lowest amount between the carrying amount and the fair value, less cost to sell, while the companies are included in “Other /Elimination Center” for operating segment disclosure purposes. On 19.3.2019 the agreement for the disposal of the total number of shares of the above mentioned entities was signed. The transaction cost was valued at € 17,325, while a gain of € 1,487 was recognized in “Gains less losses on financial transactions”.

### **Alpha Investment Property I A.E.**

During the year 2018, the Bank initiated the process of obtaining binding offers for its participation in Alpha Investment Property I S.A. and on 8.3.2019 the agreement with the preferred investor was signed, while the transaction was completed on



June 11, 2019. The transaction cost was valued at € 91,860, while a gain of € 12,979 was recognized in “Gains less losses on financial transactions”.

As a result of the implementation of IFRS 16, on 1.1.2019 a right of use asset amounting to € 11,649, and a respective amount of “Lease liability” were recognized by the entity. During the first semester of 2019, Alpha Investment Property I A.E. proceeded with a return of capital amounting to € 15,174.

According to IFRS 5, Alpha Investment Property I A.E. is classified as Held for sale as at 31.12.2018 and 31.3.2019. The Group valued the assets and liabilities of the subsidiary at the lowest amount between the carrying amount and the fair value less cost to sell. From the aforementioned valuation no impact in the income statement occurred.

Taking into account that the company was not a separate major line of business of the Group, the criteria to be classified as “discontinued operations” were not met, while the company was included in “Corporate Banking” for operating segment disclosure purposes.

### **Alpha Investment Property Chanion A.E.**

During the year 2018, the Group initiated the process of obtaining binding offers for the sale of the shares of Alpha Investment Property of Chanion A.E. According to IFRS 5, the company was classified as asset held for sale as at 31.12.2018 and 31.3.2019. The Group valued the assets and liabilities of the subsidiary at the lowest amount between the carrying amount and the fair value less cost to sell, without any need to recognize impairment.

Taking into account that the company was not a separate major line of business of the Group, the criteria to be classified as “discontinued operations” were not met, while the company was included in “Corporate Banking” for operating segment disclosure purposes.

On May 31, 2019, the sale of the Company’s shares was completed. The consideration of the transaction was set at € 8,680, while a loss of € 37 was recognized in the “Gains less losses on financial transactions”.

### **Other assets held for sale**

Other assets held for sale amounting to € 2,238 (31.12.2018: € 7,598) include Group’s other fixed assets. In addition, the Bank has classified its participation in “Forthnet A.E.” as Assets held for sale since its intention is to dispose it in the near future, with fair value amounting to € 1 and also a zero value bond issued by “Forthnet S.A.”. In 2019, the Bank completed the sale of its participation in companies classified as Assets held for sale. Especially, on 5.9.2019 the sale of Bank’s participation to Lion Rental A.E. was completed for an amount of € 3, with no result occurred, on 27.11.2019 the sale of Bank’s participation to “Selonda Aquaculture A.E.G.E.” and “Nireus Aquaculture A.E.” was completed for an amount of € 1 each and on 2.12.2019 the sale of total of shares of participation of Bank in “Attica the Department Store” was completed for an amount of € 3,244, recognizing a gain amounting to € 10.

On 18.4.2019 the sale of the Bank’s participation in Unisoft was completed for the amount of € 198. The sale did not result in any gain or loss. The total of other assets held for sale for operating segment disclosure purposes are included in “S.E. Europe”, with the exception of the above mentioned companies, which for operating segment disclosure purposes, are included in “Other / Elimination Center”.

The Group assesses at each reporting date of the financial statements, the actions in order, where criteria of IFRS 5 are met (listed in note 1.1.17 of the consolidated financial statements), the assets and liabilities that are directly associated with them, to be classified as held for sale.

The fair value of assets classified as “Assets held for sale” at each reporting date are calculated using the methods set out in note 1.2.7 and are classified at fair value hierarchy at Level 3, using research data, assumptions, and data that relate to assets of similar characteristics and therefore include a wide range of non-observable data markets.



## 49. Corporate events

- On 9.1.2019, the Bank's subsidiary Alpha Bank Cyprus Ltd founded the company ABC RE COM Pafos Ltd for the amount of € 1 and on 29.1.2019, participated in its share capital increase through contribution in kind, for an amount of € 339.
- On 18.1.2019, the Bank's subsidiary Alpha Bank Cyprus Ltd founded the company ABC RE RES Larnaca Ltd for the amount of € 1.
- On 18.1.2019, the Bank's subsidiary AGI-Cypre Ermis Ltd founded the companies AGI-Cypre Property 25 Ltd and AGI-Cypre Property 26 Ltd for the amount of € 1 each.
- On 29.1.2019, the Bank's subsidiary Alpha Bank Cyprus Ltd participated in share capital increase through contribution in kind of the companies, ABC RE COM Pafos Ltd and ABC RE P5 Ltd for € 339 and € 884 respectively.
- On 31.1.2019, the Bank's subsidiary Alpha Bank Cyprus Ltd participated in share capital increase through contribution in kind of ABC RE L3 LTD for an amount of € 467.
- On 5.2.2019, the Bank's subsidiary AGI-Cypre Ermis Ltd founded the company AGI-Cypre P&F Pafos Ltd for the amount of € 1.
- On 8.2.2019, the total shares of the Bank's subsidiary KITMA Holdings Ltd and its subsidiary company Vic City Srl., were sold for a consideration of € 1.
- On 20.2.2019, the Bank's subsidiary Alpha Group Investments Ltd participated proportionally in the supplementary share capital increase of the associate Alpha Investment Property Elaionas A.E., paying an amount of € 2,500, following the initial payment of € 1,000, on 30.10.2018.
- On 21.2.2019 the Bank's subsidiary, Alpha Group Investments Ltd, participated in share capital increase with cash of AGI-BRE Participations 2 Ltd and AGI-BRE Participations 4 Ltd for the amounts of € 812 and € 932 respectively and on 22.2.2019 participated in share capital increase through contribution in kind in subsidiaries, AGI-BRE Participations 2BG EOOD and AGI-BRE Participations 4 EOOD for the amounts of € 811 and € 931 respectively.
- On 26.2.2019, the Bank's subsidiary AGI-Cypre Ermis Ltd participated in the share capital increase through contribution in kind of AGI-Cypre Property 24 Ltd and AGI-Cypre RES Nicosia Ltd for an amount of € 653 and € 113 respectively.
- On 6.3.2019, the subsidiary company of bank, Alpha Group Investments Ltd participated in the share capital increase of Alpha Investment Property Neas Erythraias A.E. through contribution in kind for an amount of € 220.
- On 8.3.2019, the Bank's subsidiary AGI-Cypre Ermis Ltd founded the company AGI-Cypre Property 27 Ltd for the amount of € 1.
- On 19.3.2019, the sale of the total shares of Sheynovo Offices E.O.O.D., Sheynovo Apartments E.O.O.D., Sheynovo Residence E.O.O.D. and Serdica 2009 E.O.O.D., was completed for a total amount of € 17,325.
- On 19.3.2019, the total shares of the Group's subsidiary AGI-Cypre Property 1 Ltd were sold for an amount of € 1,200.
- On 20.3.2019 the Bank's subsidiary AGI-Cypre Ermis Ltd participated in the share capital increase through contribution in kind of AGI-CYPRE Property 17 Ltd, AGI-CYPRE Property 25 Ltd and AGI-CYPRE P&F Pafos Ltd for the amounts of € 1,589, € 2,274 and € 382 respectively.
- On 21.3.2019, the Bank's subsidiary Alpha Bank Cyprus Ltd founded the company ABC RE L4 Ltd for the amount of € 1.
- On 29.3.2019, the Bank's subsidiary AGI-Cypre Ermis Ltd participated in the share capital increase through contribution in kind of AGI-Cypre RES Nicosia Ltd and AGI-CYPRE P&F Limassol Ltd for the amounts of € 251 and € 177 respectively.
- On 18.04.2019 the sale of the Bank's participation in Unisoft was completed for the amount of € 198.
- On 23.4.2019, the Bank participated in the share capital increase of its subsidiary Emporiki Development & Real Estate Management S.A for the amount of € 36,307.
- On 24.4.2019, AGI-Cypre Ermis Ltd increased its share capital by a contribution in kind to AGI-Cypre Property 23 Ltd for the amount of € 3,328.



- On 10.5.2019, the Bank's subsidiary, Alpha Bank Cyprus Ltd, founded the company ABC RE L5 Ltd for the amount € 1.
- On 14.5.2019, the capital repayment of amount of € 15,174 of the subsidiary Alpha Investment Property I A.E. was completed.
- On 20.5.2019, the Bank's subsidiary Alpha Group Investments Ltd, participated in the share capital increase of its subsidiary Alpha Investment Property Kallitheas A.E. for the amount of € 5,580.
- On 23.05.2019, the Bank's subsidiary AGI-Cypr Ermis Ltd increased its share capital by contribution in kind to AGI-Cypr RES Nicosia Ltd for an amount of € 138.
- On 29.5.2019, the Bank's subsidiary AGI-Cypr Ermis Ltd increased its share capital by contribution in kind to AGI-Cypr Property 22 Lt, AGI-Cypr Property 26 Ltd and AGI-Cypr P&F Limassol Ltd for the amount of € 2,380, € 1,357 and € 465 respectively.
- On 31.5.2019, the sale of the total shares of the subsidiary company Alpha Investment Property Chanion A.E was completed for a total consideration of € 8,680.
- On 11.6.2019, the sale of the total shares of the subsidiary company Alpha Investment Property I A.E. was completed for a total consideration of € 91,860.
- On 18.6.2019, the Bank's subsidiary Alpha Group Investments Ltd increased its share capital by contribution in kind to AGI-BRE Participations 2 Ltd for an amount of € 70, which then it paid in its subsidiary AGI-BRE Participations 2 EOOD for the share capital increase.
- On 21.6.2019, the Bank's subsidiary AGI-Cypr Ermis Ltd founded the companies AGI-Cypr Property 28 Ltd, AGI-Cypr Property 29 Ltd, AGI-Cypr Property 30 and AGI-Cypr COM Pafos Ltd for a price of € 1 each one.
- On 24.6.2019, the Bank's subsidiary AGI-Cypr Ermis Ltd increased its share capital by contribution in kind to AGI-Cypr P&F Nicosia Ltd and AGI-Cypr RES Nicosia Ltd for the amount of € 144 and € 196 respectively.
- On 25.6.2019, the Bank's subsidiary Alpha Bank Cyprus Ltd increased its share capital by contribution in kind of ABC RE P1 Ltd, ABC RE P2 Ltd, ABC RE P3 Ltd, ABC RE P&F Limassol Ltd and ABC RE L4 Ltd for the amounts of € 1,369, € 2,308, € 5,833, € 168 and € 1,452 respectively.
- On 27.6.2019, the Bank's subsidiary AGI-Cypr Ermis Ltd increased its share capital by contribution in kind to AGI-Cypr Property 21 Ltd for an amount of € 6,816.
- On 28.6.2019, the Bank's subsidiary AGI-Cypr Ermis Ltd increased its share capital by contribution in kind to AGI-Cypr Property 28 Ltd, AGI-Cypr Property 29 Ltd, AGI-Cypr Property 30 Ltd, AGI-Cypr RES Pafos Ltd, AGI-Cypr P&F Pafos Ltd and AGI-Cypr COM Pafos Ltd for the amount of € 1,394, € 961, € 1,297, € 296, € 134 and € 107 respectively.
- On 1.7.2019, the Bank's subsidiary AGI-Cypr Ermis Ltd founded AGI-Cypr Property 31 Ltd and AGI-Cypr Property 32 Ltd, for the amount of € 1 each one.
- On 2.7.2019, the Group's subsidiary AGI-RRE Cleopatra Srl participated in the share capital increase of company TH Top Hotels Srl, for the amount of € 1,053.
- On 8.7.2019, the Bank's subsidiary AGI-Cypr Ermis Ltd increased its share capital by contribution in kind to AGI-Cypr P&F Pafos Ltd for an amount of € 27.
- On 17.7.2019, the Bank's subsidiary Alpha Group Investments Ltd founded the company AIP Industrial Assets Athens S.M.S.A. with a share capital of € 20,000.
- On 18.7.2019, the Bank's subsidiary Alpha Group Investments Ltd founded the company Alpha Group Real Estate Ltd for a price of € 1 and on 13.8.2019 and 17.9.2019 increased its share capital by € 60,000 and € 60,000 respectively.
- On 24.7.2019, the Bank's subsidiary Alpha Bank Cyprus Ltd founded the companies AGI-Cypr Property 33 Ltd and AGI-Cypr Property 34 Ltd for a price of € 1 each one.





- On 26.7.2019, the Bank's subsidiary Alpha Group Investments Ltd increased its share capital of Alpha Trustees Ltd, AGI-BRE Participations 1 Ltd, Zerelda Ltd, AGI-RRE Athena Ltd, AGI-RRE Hera Ltd, AGI-BRE Participations 2 Ltd, AGI-RRE Ares Ltd, AGI-RRE Venus Ltd, AGI-RRE Cleopatra Ltd, AGI-RRE Hermes Ltd, AGI-RRE Arsinoe Ltd, AGI-SRE Ariadni Ltd and AGI-SRE Participations 1 Ltd for an amount of € 8, € 32, € 33, € 10, € 25, € 16, € 27, € 10, € 30, € 28, € 28, € 5, € 16 respectively.
- On 6.8.2019, the Bank's subsidiary AGI-Cypre Ermis Ltd acquired the total amount of shares of the entity Fierton Ltd for an amount of € 1. The fair value of the net assets acquired from the acquisition was € 1 as much as the paid amount and therefore, no goodwill was recognized. The acquisition of the above company was made for the purpose of future acquisition of properties.
- On 21.8.2019, the Bank's subsidiary Alpha Bank Cyprus Ltd founded the entities ABC RE P&F Pafos Ltd, ABC RE P&F Nicosia Ltd, ABC RE RES Nicosia Ltd, for an amount of € 1 each one.
- On 23.8.2019, the Group's subsidiary Alpha Group Real Estate Ltd founded AIP Industrial Assets Rog S.M.S.A., AIP Attica Residential Assets I S.M.S.A., AIP Thessaloniki Residential Assets S.M.S.A., AIP Cretan Residential Assets S.M.S.A., AIP Aegean Residential Assets S.M.S.A., AIP Ionian Residential Assets S.M.S.A., AIP Attica Commercial Assets S.M.S.A., AIP Thessaloniki Commercial Assets S.M.S.A., AIP Attica Retail Assets I S.M.S.A., AIP Attica Retail Assets II S.M.S.A., AIP Attica Residential Assets II S.M.S.A., AIP Retail Assets Rog S.M.S.A., AIP Land II S.M.S.A and AIP Commercial Assets Rog S.M.S.A.
- On 5.9.2019 the sale of Bank's participation in Lion Rental was completed for an amount of € 3.
- On 11.9.2019 the Bank participated in share capital increase of its subsidiary Alpha Group Investments Ltd, by paying the amount of € 70,000.
- On 11.9.2019 the liquidation proceedings of the Group's subsidiary AGI-RRE Hermes Srl was completed.
- On 13.9.2019, the Bank's subsidiary Alpha Bank Cyprus Ltd founded the entities AGI-Cypre Property 35 Ltd, AGI-Cypre P&F Larnaca Ltd and ABC RE P6 Ltd for an amount of € 1 each one.
- On 17.9.2019 the Group's subsidiary Alpha Group Real Estate Ltd proceeded to the payment for the initial share capital of the entities AIP Industrial Assets Rog S.M.S.A., AIP Land II S.M.S.A., AIP Attica Commercial Assets S.M.S.A., AIP Thessaloniki Commercial Assets S.M.S.A., AIP Attica Retail Assets I S.M.S.A., AIP Attica Retail Assets II S.M.S.A., AIP Retail Assets Rog S.M.S.A., AIP Aegean Residential Assets S.M.S.A., AIP Attica Residential Assets I S.M.S.A., AIP Attica Residential Assets II S.M.S.A., AIP Thessaloniki Residential Assets S.M.S.A., AIP Ionian Residential Assets S.M.S.A., AIP Cretan Residential Assets S.M.S.A. and AIP Commercial Assets Rog S.M.S.A. for an amount of € 20,000, € 5,000, € 10,000, € 10,000, € 10,000, € 5,000, € 5,000, € 3,000, € 5,000, € 5,000, € 5,000, € 3,000, € 3,000 and € 10,000 respectively.
- On 19.9.2019 and 20.9.2019, the Bank's subsidiary AGI-Cypre Ermis Ltd founded AGI-Cypre Property 37 Ltd and AGI-Cypre RES Ammochostos Ltd, respectively, for an amount of € 1 each one.
- On 25.9.2019, the Bank's subsidiary Alpha Bank Cyprus Ltd founded AGI-Cypre Property 36 Ltd for an amount of € 1.
- On 25.9.2019 the Bank's subsidiary Alpha Bank Cyprus Ltd proceeded to share capital increase through contribution in kind of ABC RE P&F Pafos Ltd for an amount of € 84.
- On 3.10.2019, the Group's subsidiary AGI-RRE Participations 1 Ltd proceeded to the increase of its ownership interest by 0.0014% in the share capital structure of Asmita Gardens Srl through share capital acquisition.
- On 4.10.2019 the Bank's subsidiary Alpha Bank Cyprus Ltd founded AGI-Cypre Property 38 Ltd and AGI-Cypre RES Larnaca Ltd for the amount of € 1 each one.
- On 15.10.2019 the liquidation of Group's subsidiary Intelliboxes Group Limited was completed.
- On 25.10.2019 the Bank's subsidiary, Alpha Bank Cyprus Ltd founded ABC RE P7 Ltd for an amount of € 1.
- On 29.10.2019, the liquidation of Group's subsidiary Ashtrom Residents Srl was completed.
- On 30.10.2019 the Bank's subsidiary Alpha Group Investments Ltd proceeded to payment against future share capital increase of AEP Attikis for the amount of € 298.



- On 30.10.2019 the Bank participated in the payment of € 100 to supplement proportionally, for the share capital increase of its subsidiary APE Fixed Assets A.E.
- On 31.10.2019 the Bank participated in share capital increase of its subsidiary Alpha Group Jersey Ltd, by paying the amount of € 650.
- On 31.10.2019 the Group's subsidiary, Beroe Real Estate E.O.O.D initiated the process of liquidation.
- On 8.11.2019 the Bank proceeded to the proportional participation to the share capital increase of the associate entity Olganos A.E. by paying an amount of € 122.
- On 18.11.2019 the Bank's subsidiary, Alpha Group Investments Ltd founded KRIGEO Holdings Ltd for the amount of € 1.
- On 18.11.2019 the sale of the total shares of the Bank's participation in Pillarstone Bidco SCA. was completed, for the amount of € 0.001.
- On 19.11.2019 the Bank participated in a percentage of 98.95% in the foundation of Alpha Credit Acquisition Company S.A., which is a joint venture with Group's subsidiaries, Emporiki Venture Capital Emerging Markets Ltd and Emporiki Venture Capital Developed Markets Ltd.
- On 21.11.2019 the Bank's subsidiary Alpha Bank Cyprus Ltd founded the companies ABC RE P&F Larnaca Ltd and AGI-Cypre Property 42 Ltd for the amount of € 1 each.
- On 21.11.2019 the sale of the total shares of the Group's subsidiary ABC RE P5 Ltd was completed for the amount of € 1,020.
- On 26.11.2019, the Bank's subsidiary, AGI-CYPRE Ermis Ltd increased its share capital by contribution in kind of AGI-CYPRE P&F Nicosia Ltd and AGI-CYPRE RES Nicosia Ltd for the amounts of € 174 and € 210 respectively.
- On 26.11.2019 the Bank's subsidiary, Alpha Bank Cyprus Ltd transferred its subsidiary, AGI-Cypre Property 38 Ltd in Bank's subsidiary AGI- CYPRE Ermis Ltd and, on the same date the last one increased its share capital by contribution in kind in AGI-Cypre Property 38 Ltd for the amount of € 1,219.
- On 27.11.2019 the sale of the total shares owned by Bank of associates Nireus A.E. and Selonda A.E was completed, for the amount of € 0.001 each.
- On 2.12.2019 the sale of the total shares of Bank's participation in "Attica the Department Store" was completed for the amount of € 3,234
- On 3.12.2019 the Bank's subsidiary, Alpha Bank Cyprus Ltd transferred its subsidiaries, AGI-Cypre Property 35 Ltd and AGI-Cypre P&F Larnaca Ltd in Bank's subsidiary AGI-Cypre Ermis Ltd, and the last one increased its share capital by contribution in kind in AGI-Cypre Property 35 Ltd and AGI-Cypre P&F Larnaca Ltd for the amounts of € 1,917 and € 564 respectively.
- On 9.12.2019 the Group's subsidiary, Cordia Residence S.R.L placed into liquidation.
- On 11.12.2019 the Bank increased the share capital of its subsidiary company in liquidation Smelter Medical Systems A.E.B.E., by paying the amount of € 400.
- On 16.12.2019 the Bank's subsidiary, Alpha Bank Cyprus Ltd increased the share capital by contribution in kind in its subsidiaries, ABC RE RES Larnaca Ltd and ABC RE P&F Nicosia Ltd for the amounts of € 29 and € 196 respectively.
- On 16.12.2019 the Bank's subsidiary, AGI-CYPRE Ermis Ltd increased the share capital by contribution in kind in its subsidiaries, AGI-CYPRE Property 13 Ltd, AGI-CYPRE P&F Limassol Ltd for the amounts of € 893 and € 347 respectively.
- On 16.12.2019, the Bank's subsidiary Alpha Group Investments Ltd participated proportionally by paying the amount of € 2, for the future share capital increase of Rosequeens Properties Ltd.
- On 17.12.2019 the Bank's subsidiary, Alpha Bank Cyprus Ltd increased the share capital by contribution in kind of ABC RE P6 Ltd for the amount of € 2,869.
- On 17.12.2019 the Bank proceeded to the foundation and payment of share capital of company Alpha International Holding Company Ltd, for the amount of € 200.



- On 18.12.2019 the Bank's subsidiary Alpha Group Investments Ltd participated proportionally by paying the amount of € 650, for the future share capital increase of joint venture AEP Elaionas A.E.
- On 19.12.2019 the Bank's subsidiary, Alpha Bank Cyprus Ltd founded the companies AGI-Cypre Property 43 Ltd and AGI-Cypre Property 44 Ltd for the amounts of € 1 each.
- On 20.12.2019 the Bank's subsidiary, Alpha Bank Cyprus Ltd transferred its subsidiaries, AGI-Cypre Property 34 Ltd, AGI-Cypre RES Larnaca Ltd, AGI-Cypre Property 36 Ltd, AGI-Cypre Property 43 Ltd and AGI-Cypre Property 44 Ltd in Bank's subsidiary, AGI-Cypre Ermis Ltd.
- On 23.12.2019 the Bank's subsidiary, Alpha Bank Cyprus Ltd increased the share capital by contribution in kind of ABC RE P&F Larnaca Ltd for the amount of € 69.
- On 24.12.2019 the Bank participated proportionally in share capital increase of joint venture Alpha TANE0 A.K.E.S., by paying the amount of € 137.
- On 24.12.2019, the Bank's subsidiary, AGI-CYPRE Ermis Ltd increased the share capital with cash in its subsidiaries, AGI-CYPRE Mazotos Ltd, AGI-CYPRE Property 2 Ltd, AGI-CYPRE Property 3 Ltd, AGI-CYPRE Property 4 Ltd, AGI-CYPRE Property 5 Ltd, AGI-CYPRE Property 6 Ltd, AGI-CYPRE Property 7 Ltd, AGI-CYPRE Property 8 Ltd, AGI-CYPRE Property 9 Ltd, AGI-CYPRE Property 10 Ltd, AGI-CYPRE Property 11 Ltd, AGI-CYPRE Property 12 Ltd, AGI-CYPRE Property 13 Ltd, AGI-CYPRE Property 14 Ltd, AGI-CYPRE Property 15 Ltd, AGI-CYPRE Property 16 Ltd, AGI-CYPRE Property 17 Ltd, AGI-CYPRE Property 18 Ltd, AGI-CYPRE Property 19 Ltd, AGI-CYPRE Property 20 Ltd, AGI-CYPRE Property 21 Ltd, AGI-CYPRE Property 22 Ltd, AGI-CYPRE Property 23 Ltd, AGI-CYPRE Property 24 Ltd, AGI-CYPRE Property 25 Ltd, AGI-CYPRE Property 26 Ltd, AGI-CYPRE Property 27 Ltd, AGI-CYPRE Property 28 Ltd, AGI-CYPRE Property 29 Ltd, AGI-CYPRE Property 30 Ltd, AGI-CYPRE Property 31 Ltd, AGI-CYPRE Property 32 Ltd, AGI-CYPRE Property 35 Ltd, AGI-CYPRE Property 37 Ltd, AGI-CYPRE Property 38 Ltd, AGI-CYPRE RES Pafos Ltd, AGI-CYPRE P&F Nicosia Ltd, AGI-CYPRE RES Nicosia Ltd, AGI-CYPRE P&F Limassol Ltd, AGI-CYPRE P&F Pafos Ltd, AGI-CYPRE COM Pafos Ltd, AGI-CYPRE RES Ammochostos Ltd and AGI-CYPRE P&F Larnaca Ltd for the amounts of € 243, € 39, € 43, € 39, € 30, € 45, € 32, € 39, € 108, € 34, € 66, € 53, € 388, € 111, € 1.637, € 289, € 326, € 221, € 4.909, € 2.981, € 103, € 57, € 355, € 63, € 56, € 44, € 39, € 36, € 35, € 39, € 2.998, € 32, € 29, € 28, € 27, € 42, € 39, € 109, € 51, € 51, € 39, € 29 and € 29 respectively.
- On 27.12.2019 the Bank's subsidiary, Alpha Bank Cyprus Ltd transferred its subsidiaries, AGI-Cypre Property 33 Ltd and AGI-Cypre Property 42 Ltd in Bank's subsidiary AGI-Cypre Ermis Ltd.
- On 7.1.2020 the sale of the total shares of Group's subsidiary, AGI-Cypre Alaminos Ltd was completed for the amount of € 4,686.
- On 27.1.2020 the Bank's subsidiary, Alpha Group Investments Ltd increased the share capital with cash in its subsidiary AEP I A.E. for the amount of € 300.
- On 29.1.2020 the Bank's subsidiary Alpha Group Investments Ltd participated proportionally by paying the amount of € 100, for the future share capital increase of AEP Elaionas A.E.
- On 29.1.2020 the Bank's subsidiary, Alpha Group Investments Ltd increased the share capital with cash in its subsidiary, AEP Irakliou A.E for the amount of € 100.
- On 11.2.2020 the Group's subsidiary, AGI-BRE Participations 4 Ltd increased the share capital with cash in its subsidiary, AGI-BRE Participations 4 EOOD for the amount of € 820.
- On 26.2.2020 the Bank's subsidiary, Alpha Group Investments Ltd increased the share capital with cash in its subsidiary, Krigeo Holdings Ltd, for the amount of € 8,500.
- On 27.2.2020 the Bank's subsidiary, Alpha Group Investments Ltd made an advance of € 6,000, for the future share capital increase with cash in its subsidiary AEP Livadias A.E.
- On 3.3.2020 the Bank's subsidiary Emporiki Development & Real Estate Management A.E. was renamed to Alpha Holdings S.M.S.A.
- On 23.3.2020 the Bank proceeded with a share capital increase in its subsidiary AGI-Cypre Ermis Ltd by paying €65,000 in cash.



## 50. Restatement of financial statements

During the current year, the Bank amended the presentation of income and expenses incurred for the use of trademark of the organizations Visa, MasterCard and Diners, while it was decided the reform in the presentation of expenses charged by the use of trademark of the organizations Visa, MasterCard and Diners as well as of the income that results from discounts which depend on the trade volume by the use of these trademarks.

These amounts, that until now were presented in "General Administrative Expenses", constitute part of "Credit Cards" and therefore from now on they will be included to "Commission Expense" and "Commission Income" of the Income Statement. This change in the presentation of these amounts was selected since it reflects in a more appropriate way the Bank's results without changing the period result.

The restated Income Statement for the year from 1.1 to 31.12.2018 is listed below:

|  | From 1 January to 31.12.2018 |                              |                    |
|--|------------------------------|------------------------------|--------------------|
|  | Published amounts            | Restated gain/losses of Bank | Restated amounts   |
| Interest and similar income  | 2,278,188                    |                              | 2,278,188          |
| Interest expense and similar charges   | (522,143)                    |                              | (522,143)          |
| Net interest income  | 1,756,045                    |                              | 1,756,045          |
| Fee and commission income  | 409,388                      | 1,060                        | 410,448            |
| Commission expense   | (74,217)                     | (5,179)                      | (79,396)           |
| Net fee and commission income  | 335,171                      | (4,119)                      | 331,052            |
| Dividend income  | 1,344                        |                              | 1,344              |
| Gain less losses on derecognition of financial assets measured at amortized cost   | (117)                        |                              | (117)              |
| Gains less losses on financial transactions  | 462,789                      |                              | 462,789            |
| Other income   | 49,690                       |                              | 49,690             |
| <b>Total other income</b>  | <b>513,706</b>               | <b>-</b>                     | <b>513,706</b>     |
| <b>Total income</b>  | <b>2,604,922</b>             | <b>(4,119)</b>               | <b>2,600,803</b>   |
| Staff costs  | (475,325)                    |                              | (475,325)          |
| General administrative expenses  | (532,355)                    | 4,119                        | (528,236)          |
| Depreciation and amortization  | (102,027)                    |                              | (102,027)          |
| Other expenses   | (52,656)                     |                              | (52,656)           |
| <b>Total expenses before impairment losses and provisions to cover credit risk</b> | <b>(1,162,363)</b>           | <b>4,119</b>                 | <b>(1,158,244)</b> |
| Impairment losses and provisions to cover credit risk                              | (1,730,647)                  |                              | (1,730,647)        |
| Share of profit/(loss) of associates and joint ventures                            | (1,265)                      |                              | (1,265)            |
| <b>Profit/(loss) before income tax</b>   | <b>(289,353)</b>             | <b>-</b>                     | <b>(289,353)</b>   |
| Income tax   | 342,312                      |                              | 342,312            |
| <b>Profit/(loss) after income tax</b>  | <b>52,959</b>                | <b>-</b>                     | <b>52,959</b>      |
| Profit/(loss) attributable to:   |                              |                              |                    |
| <b>Equity owners of the Bank</b>   | <b>52,961</b>                | <b>-</b>                     | <b>52,961</b>      |
| <b>Non-controlling interests</b>   | <b>(2)</b>                   |                              | <b>(2)</b>         |
| <b>Earnings/(losses) per share:</b>  |                              |                              |                    |
| Basic and diluted (€ per share)  | 0.03                         |                              | 0.03               |



## 51. Events after the balance sheet date

- a.** The United Kingdom voted to leave the European Union in June 2016. The formal withdrawal process and the negotiations between the EU and the UK Government began in 2017 and are ongoing. On January 29, 2020 the majority of the European Parliament ratified the withdrawal agreement of the UK from the EU. The transition period was set from February 2, 2020 to December 31, 2020. The Bank has limited activities in the UK and will transfer the activities of the London branch within the EU, also in accordance with ECB expectations. In this context, the establishment of a branch in Luxembourg is in progress and which will assume the aforementioned activities, and is expected to be completed within the first semester of 2020.
- b.** On 6 February 2020, Alpha Bank completed the issuance of a Tier 2 bond of Euro 500 million. The bond has a maturity of ten years, with a five-year revaluation interest rate of 4.25% and is listed on the Luxembourg Stock Exchange..
- c.** Alpha Bank and the Group monitors the current situation regarding the rapid transmission of COVID-19 and assesses the impact on the asset quality, the risk model sensitivity in macroeconomic perimeters, as well as the implementation of the Business Plan. We also reassessed the business continuity plan as well as the ability to retain our business operations, in order to support our customers in these harsh times. In addition, we have taken the necessary steps to ensure the security and the prosperity of the employees.

The above efforts are being carried out concurrently with the actions of the Greek Government to address the economic impact of the coronavirus (COVID-19) and to support the economy and entrepreneurship. The Greek Government announced the following emergency measures based on certain Act of Legislative Content: (i) Suspension of payment of tax obligations and contributions to the social insurance fund for 4 months, without penalties and / or surcharges, for undertakings in the sectors which are severely affected by the spread of the coronavirus; (ii) providing direct financing or financing in the form of guarantees to the above affected companies; (iii) compensation for those freelancers, self-employed and merchants who are severely affected by the spread of coronavirus.

In this context, the Bank has already approved appropriate measures to address the current situation of individuals and businesses.

Similar initiatives have also been taken by other countries where there are subsidiaries of the Group. Indicatively, the measures that have been taken in Cyprus to boost the Cypriot economy include, inter alia, inserting to the market € 2 billion worth government guaranteed loans, the temporary suspension of two months of tax obligations, the financial support to affected businesses and the provision of special-purpose compensation for employees of the aforementioned businesses. In this context, the Cypriot financial institutions will be able to derive liquidity from the Eurosystem on substantially favorable terms.

In addition, the European Central Bank announced on 12.3.2020 the implementation of a package of monetary policy measures in order to secure favorable conditions of financing for the economy with the aim to mitigate the effects of the crisis. In addition, on the same date supervisory measures were announced that enabled banks to operate below the capital levels set by the Pillar 2. Specifically, on 12 March, the European Central Bank (ECB) and the European Banking Authority (EBA) announced the following relaxation measures for the minimum capital and liquidity requirements for Banks in the Eurozone:

- Banks are temporarily allowed to operate below the level of capital defined by the Pillar 2 Guidance, the Capital Conservation Buffer and the Countercyclical Buffer.
- Furthermore, the upcoming change under CRD5 regarding the P2R buffer was brought forward allowing the Pillar 2 Requirement (P2R) to be covered by Additional Tier 1 (AT1) capital and Tier 2 (T2) capital and not only by CET 1.

Detailed information for the above measures is given in Note 44 "Capital adequacy". Moreover, the launch of a € 750 billion new temporary asset purchase programme that is connected to the pandemic (Pandemic Emergency Purchase Programme) it was announced on 18.3.2020. A waiver of the eligibility requirements for securities issued by the Greek government will



be granted for purchases under the Programme. On 20.3.2020 new supervisory measures were announced in order to give banks more flexibility as regards the supervisory handling of government guaranteed loans.

At the same time, concerted action is being taken at a European level, with the most important being the decisions taken at the Council of Ministers of the European Union (EU) on Monday, 23 March 2020, to activate the general escape clause, according to which the Member States of the European Union can take any measures necessary to support public health, business liquidity, employment and social cohesion, departing from the medium-term budgetary requirements of the Stability and Growth Pact, as long as the coronavirus crisis lasts.

In the same direction, the European Banking Authority (EBA) in cooperation with European Securities & Markets Authority (ESMA) issued statements on 25.3.2020 to provide guidance to Banks for the estimation of the expected impact on their financial figures from the coronavirus (COVID-19).

Athens, 27 March 2020

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

THE CHIEF  
EXECUTIVE OFFICER

THE GENERAL MANAGER  
AND CHIEF FINANCIAL OFFICER

THE ACCOUNTING  
AND TAX MANAGER

VASILEIOS T. RAPANOS  
ID No AI 666242

VASSILIOS E. PSALTIS  
ID No AI 666591

LAZAROS A. PAPAGARYFALLOU  
ID No AK 093634

MARIANA D. ANTONIOU  
ID No X 694507

# Bank Financial Statements as at 31.12.2019

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ALPHA BANK







## Income Statement

(Amounts in thousands of Euro)

|  | Note       | From 1 January to<br>31.12.2019 | 31.12.2018*      |
|--|------------|---------------------------------|------------------|
| Interest and similar income  |            | 1,734,294                       | 2,003,984        |
| Interest expense and similar charges   |            | (437,804)                       | (482,282)        |
| Net interest income  | 2          | 1,296,490                       | 1,521,702        |
| Fee and commission income  | 3          | 369,809                         | 352,464          |
| Commission expense   |            | (80,888)                        | (70,190)         |
| Net fee and commission income  | 3          | 288,921                         | 282,274          |
| Dividend income  | 4          | 23,760                          | 62,413           |
| Gain less losses on derecognition of financial assets measured at amortised cost   | 6          | (16,421)                        | 4,715            |
| Gains less losses on financial transactions  | 5          | 313,595                         | 95,917           |
| Other income   | 7          | 16,813                          | 29,542           |
| <b>Total other income</b>  |            | <b>337,747</b>                  | <b>192,587</b>   |
| <b>Total income</b>  |            | <b>1,923,158</b>                | <b>1,996,563</b> |
| Staff costs  | 8          | (346,199)                       | (369,217)        |
| Expenses for separation schemes  | 8          | (49,615)                        |                  |
| General administrative expenses  | 9          | (384,215)                       | (429,137)        |
| Depreciation and amortization  | 22, 23, 24 | (109,419)                       | (78,316)         |
| Other expenses   | 10         | (27,090)                        | (28,631)         |
| <b>Total expenses before impairment losses and provisions to cover credit risk</b> |            | <b>(916,538)</b>                | <b>(905,301)</b> |
| Impairment losses and provisions to cover credit risk                              | 11, 12     | (924,799)                       | (1,478,683)      |
| <b>Profit/(loss) before income tax</b>   |            | <b>81,821</b>                   | <b>(387,421)</b> |
| Income tax   | 13         | (27,252)                        | 450,825          |
| <b>Profit/(loss) after income tax</b>  |            | <b>54,569</b>                   | <b>63,404</b>    |
| <b>Earnings/(losses) per share:</b>  |            |                                 |                  |
| Basic and diluted (€ per share)  | 14         | 0.04                            | 0.04             |

The Bank has applied IFRS 16 as of 1.1.2019 retrospectively, without restating the comparative information in accordance with the transitional requirements of the Standard, recognizing the cumulative impact of the initial application of the Standard on Equity as at 1.1.2019 and therefore the information of the comparative year is not comparable.

\* The Income Statement of the comparative year has been restated, as described in detail in note 46.

The attached notes (pages 332-532) form an integral part of the Bank's financial statements



## Statement of Comprehensive Income

(Amounts in thousands of Euro)

|  | Note | From 1 January to<br>31.12.2019 | 31.12.2018       |
|--|------|---------------------------------|------------------|
| <b>Profit/(loss), after income tax, recognized in the Income Statement</b>                             |      | <b>54,569</b>                   | <b>63,404</b>    |
| <b>Other comprehensive income</b>  |      |                                 |                  |
| <b>Items that may be reclassified to the Income Statement</b>  |      |                                 |                  |
| Net change in investment securities' reserve measured at fair value through other comprehensive income |      | 475,994                         | (495,131)        |
| Net change in cash flow hedge reserve  |      | (130,454)                       | (2,350)          |
| Income tax   | 13   | (100,206)                       | 144,269          |
| <b>Items that may be reclassified to the Income Statement</b>  |      | <b>245,334</b>                  | <b>(353,212)</b> |
| <b>Items that will not be reclassified to the Income Statement</b>                                     |      |                                 |                  |
| Net change in actuarial gains/(losses) of defined benefit obligations                                  |      | (10,931)                        | 1,123            |
| Gains/(losses) from equity securities measured at fair value through other comprehensive income        |      | (11,160)                        | (2,577)          |
| Income tax   | 13   | 6,406                           | 422              |
| <b>Items that will not be reclassified to the Income Statement</b>                                     |      | <b>(15,685)</b>                 | <b>(1,032)</b>   |
| <b>Other comprehensive income for the year, after income tax</b>                                       |      | <b>229,649</b>                  | <b>(354,244)</b> |
| <b>Total comprehensive income for the year, after income tax</b>                                       |      | <b>284,218</b>                  | <b>(290,840)</b> |

The attached notes (pages 332-532) form an integral part of the Bank's financial statements



## Balance Sheet

(Amounts in thousands of Euro)

|   | Note | 31.12.2019        | 31.12.2018        |
|---|------|-------------------|-------------------|
| <b>ASSETS</b>   |      |                   |                   |
| Cash and balances with central banks                        | 15   | 1,201,807         | 719,959           |
| Due from banks  | 16   | 3,332,938         | 2,625,186         |
| Trading securities  | 17   | 18,647            | 6,815             |
| Derivative financial assets                                 | 18   | 1,024,484         | 730,215           |
| Loans and advances to customers                             | 19   | 34,854,802        | 35,648,197        |
| Investment securities                                       |      |                   |                   |
| - Measured at fair value through other comprehensive income | 20   | 6,224,379         | 5,691,866         |
| - Measured at fair value through profit or loss             | 20   | 187,148           | 180,175           |
| - Measured at amortised cost                                | 20   | 1,070,730         |                   |
| Investments in subsidiaries, associates and joint ventures  | 21   | 919,757           | 863,731           |
| Investment property   | 22   | 39,679            | 24,558            |
| Property, plant and equipment                               | 23   | 697,459           | 628,894           |
| Goodwill and other intangible assets                        | 24   | 448,165           | 390,445           |
| Deferred tax assets   | 25   | 5,233,082         | 5,339,676         |
| Other assets  | 26   | 1,356,278         | 1,282,843         |
|   |      | <b>56,609,355</b> | <b>54,132,560</b> |
| Assets classified as held for sale                          | 44   | 1,371,837         | 1,043,900         |
| <b>Total Assets</b>   |      | <b>57,981,192</b> | <b>55,176,460</b> |
| <b>LIABILITIES</b>  |      |                   |                   |
| Due to banks  | 27   | 10,754,495        | 10,689,412        |
| Derivative financial liabilities                            | 18   | 1,447,703         | 1,149,513         |
| Due to customers  | 28   | 35,541,466        | 33,492,218        |
| Debt securities in issue and other borrowed funds           | 29   | 882,566           | 841,307           |
| Liabilities for current income tax and other taxes          | 30   | 24,887            | 19,842            |
| Employee defined benefit obligations                        | 31   | 87,395            | 83,747            |
| Other liabilities   | 32   | 934,559           | 830,738           |
| Provisions  | 33   | 200,746           | 218,596           |
| <b>Total Liabilities</b>                                    |      | <b>49,873,817</b> | <b>47,325,373</b> |
| <b>EQUITY</b>   |      |                   |                   |
| Share capital   | 34   | 463,110           | 463,110           |
| Share premium   | 35   | 10,801,029        | 10,801,029        |
| Reserves  | 36   | 568,438           | 323,104           |
| Retained earnings   |      | (3,725,202)       | (3,736,156)       |
| <b>Total Equity</b>   |      | <b>8,107,375</b>  | <b>7,851,087</b>  |
| <b>Total Liabilities and Equity</b>                         |      | <b>57,981,192</b> | <b>55,176,460</b> |

The Bank has applied IFRS 16 as of 1.1.2019 retrospectively, without restating the comparative information in accordance with the transitional requirements of the Standard, recognizing the cumulative impact of the initial application of the Standard on Equity as at 1.1.2019 and therefore the information of the comparative year is not comparable.

The attached notes (pages 332-532) form an integral part of the Bank's financial statements



## Statement of Changes in Equity

(Amounts in thousands of Euro)

|  | Note | Share capital  | Share premium     | Reserves         | Retained earnings  | Total            |
|--|------|----------------|-------------------|------------------|--------------------|------------------|
| <b>Balance 1.1.2018</b>  |      | <b>463,110</b> | <b>10,801,029</b> | <b>676,316</b>   | <b>(3,798,528)</b> | <b>8,141,927</b> |
| <b>Changes for the year 1.1 - 31.12.2018</b>                     |      |                |                   |                  |                    |                  |
| Profit/(Loss) for the year, after income tax                     |      |                |                   |                  | 63,404             | 63,404           |
| Other comprehensive income for the year, after income tax        |      |                |                   | (353,212)        | (1,032)            | (354,244)        |
| <b>Total comprehensive income for the year, after income tax</b> |      | <b>-</b>       | <b>-</b>          | <b>(353,212)</b> | <b>62,372</b>      | <b>(290,840)</b> |
| <b>Balance 31.12.2018</b>  |      | <b>463,110</b> | <b>10,801,029</b> | <b>323,104</b>   | <b>(3,736,156)</b> | <b>7,851,087</b> |

(Amounts in thousands of Euro)

|  | Note | Share capital  | Share premium     | Reserves       | Retained earnings  | Total            |
|--|------|----------------|-------------------|----------------|--------------------|------------------|
| <b>Balance 31.12.2018</b>  |      | <b>463,110</b> | <b>10,801,029</b> | <b>323,104</b> | <b>(3,736,156)</b> | <b>7,851,087</b> |
| Impact of initial application of IFRS 16 at 1.1.2019             |      |                |                   |                | (27,930)           | (27,930)         |
| <b>Balance 1.1.2019</b>  |      | <b>463,110</b> | <b>10,801,029</b> | <b>323,104</b> | <b>(3,764,086)</b> | <b>7,823,157</b> |
| <b>Changes for the year 1.1 - 31.12.2019</b>                     |      |                |                   |                |                    |                  |
| Profit/(Loss) for the year, after income tax                     |      |                |                   |                | 54,569             | 54,569           |
| Other comprehensive income for the year, after income tax        |      |                |                   | 245,334        | (15,685)           | 229,649          |
| <b>Total comprehensive income for the year, after income tax</b> |      | <b>-</b>       | <b>-</b>          | <b>245,334</b> | <b>38,884</b>      | <b>284,218</b>   |
| <b>Balance 31.12.2019</b>  |      | <b>463,110</b> | <b>10,801,029</b> | <b>568,438</b> | <b>(3,725,202)</b> | <b>8,107,375</b> |

The Bank has applied IFRS 16 as of 1.1.2019 retrospectively, without restating the comparative information in accordance with the transitional requirements of the Standard, recognizing the cumulative impact of the initial application of the Standard on Equity as at 1.1.2019 and therefore the information of the comparative year is not comparable.

The attached notes (pages 332-532) form an integral part of the Bank's financial statements



## Statement of Cash Flows

(Amounts in thousands of Euro)

|   | Note       | From 1 January to<br>31.12.2019 | 31.12.2018*        |
|---|------------|---------------------------------|--------------------|
| <b>Cash flows from operating activities</b>   |            |                                 |                    |
| Profit / (loss) before income tax   |            | 81,821                          | (387,421)          |
| <b>Adjustments of profit /(losses) before income tax for:</b>                             |            |                                 |                    |
| Depreciation, impairment and net result from disposal of plant, property and equipment    |            | 61,692                          | 52,775             |
| Amortization/impairment/write-offs of intangible assets                                   |            | 54,778                          | 49,405             |
| Impairment losses on financial assets and other provisions                                |            | 1,029,846                       | 1,508,284          |
| Gains less losses on derecognition of financial assets measured at amortized cost         |            | 16,421                          | (4,715)            |
| Fair value (gains)/loss on financial assets measured at fair value through profit or loss |            | (12,603)                        | 71,366             |
| Impairment of investments   |            | 86,973                          | 394,365            |
| Net (gain) / loss from investing activities   |            | (499,656)                       | (678,550)          |
| Net (gain) / loss from financing activities   |            | 35,667                          | 47,015             |
|   |            | <b>854,939</b>                  | <b>1,052,524</b>   |
| <b>Net (increase)/decrease in assets relating to operating activities:</b>                |            |                                 |                    |
| Due from banks  |            | 349,522                         | (12,732)           |
| Trading securities and derivative financial instruments                                   |            | (103,678)                       | (30,486)           |
| Loans and advances to customers   |            | (613,088)                       | (10,347)           |
| Other assets  |            | (99,381)                        | 366,797            |
| <b>Net increase/(decrease) in liabilities relating to operating activities:</b>           |            |                                 |                    |
| Due to banks  |            | 65,082                          | (3,062,438)        |
| Due to customers  |            | 2,049,247                       | 3,233,390          |
| Other liabilities   |            | (126,352)                       | (41,601)           |
| <b>Net cash flows from operating activities before income tax</b>                         |            | <b>2,376,291</b>                | <b>1,495,107</b>   |
| Income tax paid   |            | 3,050                           |                    |
| <b>Net cash flows from operating activities</b>   |            | <b>2,379,341</b>                | <b>1,495,107</b>   |
| <b>Cash flows from investing activities</b>   |            |                                 |                    |
| Investments in subsidiaries, associates and joint ventures                                |            | (109,007)                       | (531,585)          |
| Proceeds from disposal of subsidiaries, associates and joint ventures                     |            | 62,108                          | 38,320             |
| Dividends received  |            | 23,760                          | 78,159             |
| Acquisitions of investment property, plant property and equipment and intangible assets   | 22, 23, 24 | (147,677)                       | (126,386)          |
| Disposals of investment property, plant, property and equipment and intangible assets     |            | 24,364                          | 1,171              |
| Interest received from investment securities  |            | 128,577                         | 34,295             |
| Purchases of Greek Government Treasury Bills  |            | (469,700)                       | (2,157,218)        |
| Proceeds from disposal and redemption of Greek Government Treasury Bills                  |            | 1,063,418                       | 2,559,786          |
| Purchases of investment securities (excluding Greek Government Treasury Bills)            |            | (5,404,623)                     | (3,843,678)        |
| Disposals/maturities of investment securities (excluding Greek Government Treasury Bills) |            | 3,979,802                       | 2,583,014          |
| <b>Net cash flows from investing activities</b>   |            | <b>(848,978)</b>                | <b>(1,364,122)</b> |
| <b>Cash flows from financing activities</b>   |            |                                 |                    |
| Issuance of debt securities in issue and other borrowed funds                             |            | 218,849                         | 520,929            |
| Interest paid for debt securities in issue and other borrowed funds                       |            | (11,970)                        | (17,241)           |
| Repayments of debt securities in issue and other borrowed funds                           |            | (170,332)                       | (263,547)          |
| Finance lease payments  |            | (31,168)                        |                    |
| <b>Net cash flows from financing activities</b>   |            | <b>5,379</b>                    | <b>240,141</b>     |
| Effect of foreign exchange rates on cash and cash equivalents                             |            | 1,733                           | 1,526              |
| <b>Net increase/(decrease) in cash flows</b>  |            | <b>1,537,475</b>                | <b>372,652</b>     |
| <b>Cash and cash equivalents at the beginning of the year</b>                             | 15         | <b>1,002,723</b>                | <b>630,071</b>     |
| <b>Cash and cash equivalents at the end of the year</b>                                   | 15         | <b>2,540,198</b>                | <b>1,002,723</b>   |

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

The attached notes (pages 332-532) form an integral part of the Bank's financial statements



## Notes to the Financial Statements

### GENERAL INFORMATION

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

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

The Bank is managed by the Board of Directors, which represents the Bank and has the authority to take actions relating to the Bank's management, the management of its assets and the pursuit of its purpose. The tenure of the Board of Directors which was elected by the Ordinary General Meeting of Shareholders on 29.6.2018 expires with the Ordinary General Meeting of Shareholders that will take place in 2022.

The Board of Directors as at December 31, 2019, consisted of:

#### CHAIRMAN (Non Executive Member)

Vasileios T. Rapanos

#### EXECUTIVE MEMBERS

Vassilios E. Psaltis, Chief Executive Officer (CEO)

Spyros N. Filaretos, General Manager - Chief Operating Officer (COO)

Artemios Ch. Theodoridis, General Manager of Non Performing Loans and Treasury Management

George C. Aronis

#### NON-EXECUTIVE MEMBER

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

#### NON-EXECUTIVE INDEPENDENT MEMBERS

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

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

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

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

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

#### NON-EXECUTIVE MEMBER

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

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

#### SECRETARY

George P. Triantafyllides

Mr George C. Aronis resigned from the Board of Directors at 31.1.2020.

\* Member of the Audit Committee

\*\* Member of the Remuneration Committee

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

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



The Board of Directors may set up the Executive Committee in order to delegate certain powers and responsibilities. The Executive Committee (the “Committee”) acts as the collective corporate body of the Bank. The powers and responsibilities of the Committee are set out in an Act of the Chief Executive Officer, which delegates powers and responsibilities to the Committee. Indicatively, the Committee’s main responsibilities include, but are not limited to, the involvement in the preparation of the strategy, business plan and annual budget of the Bank and the Group in order to be submitted to the Board of Directors for approval, as well as the preparation of the annual and interim financial statements, management of the funding allocation to the Business Units including decision making, the preparation of the Reports for the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP), the review and approval of the Bank’s policies, approval and management of any employee schemes proposed by the Human Resources Department and ensuring the effectiveness of corporate governance, processes and systems related to Recovery Plan. Furthermore, the Committee is responsible for the implementation of the overall risk strategy – including risk appetite and the Bank’s risk management framework- of a robust and effective corporate governance and internal control framework, for the selection process and for the evaluation of the key management personnel, for the distribution of both internal and regulatory funds, as well as for the determination of the amount and type and for the achievement of the Bank’s liquidity management objectives.

The composition of the Executive Committee at 31.12.2019 was:

#### CHAIRMAN

Vassilios E. Psaltis, Chief Executive Officer

#### EXECUTIVE MEMBERS

Spyridon A. Andronikakis, General Manager - Chief Risk Officer (CRO)

Ioannis M. Emiris, General Manager Wholesale Banking

Artemios Ch. Theodoridis, General Manager, Non-Performing Loans and Treasury Management

Lazaros A. Papagaryfallou, General Manager - Chief Financial Officer (CFO)

Isidoros S. Passas, General Manager Retail Banking

Nikolaos V. Salakas, General Manager - Chief Legal and Governance Officer

Spyros N. Filaretos, General Manager - Chief Operating Officer (COO)

Sergiu-Bogdan A. Oprescu, General Manager International Network

The Bank’s shares are listed on the Athens Stock Exchange since 1925.

Apart from the Greek listing, the shares of the Bank are traded over at the counter market (OTC) in the United States, as American Depository Receipts (ADRs).

Total ordinary shares in issue as at 31 December 2019 were 1,543,699,381. On the Athens Stock Exchange 1,374,525,214 ordinary shares of the Bank are traded, while the Hellenic Financial Stability Fund (“HFSF”) possesses the remaining 169,174,167 ordinary, voting, shares or a percentage equals to 10.96% of the total ordinary shares issued by the Bank. The exercise of the voting rights for the shares of HFSF is subject to restrictions according to the article 7a of Law 3864/2010. During the year of 2019, the average volume of shares trade stood at € 7.686.

The credit rating of the Bank has been assessed by three international credit rating agencies is as follows:

- Moody’s: Caa1 (5.3.2019)
- Fitch Ratings: CCC+ (8.10.2018)
- Standard & Poor’s: B- (8.11.2019)

**These annual financial statements of Bank have been approved by the Board of Directors on 27 March 2020.**



## ACCOUNTING POLICIES APPLIED

### 1.1 Basis of presentation

These financial statements relate to the fiscal year 1.1-31.12.2019 and they have been prepared:

- a) in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, in accordance with Regulation 1606/2002 of the European Parliament and the Council of the European Union on 19 July 2002 and
- b) on the historical cost convention. As an exception, certain assets and liabilities are measured at fair value. Those assets are the following:
  - Securities held for trading
  - Derivative financial instruments
  - Loans and advances to customers measured at fair value through profit or loss
  - Investment securities measured at fair value through other comprehensive income
  - Investment securities measured at fair value through profit or loss

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

#### Going concern principle

The Bank applied the going concern principle for the preparation of the financial statements as at 31.12.2019. For the application of this principle, the Bank takes into consideration current economic developments in order to make projections for future economic conditions of the environment in which it operates. The main factors that cause uncertainties regarding the application of this principle relate to the economic environment in Greece and abroad, to the liquidity levels of the Hellenic Republic and the banking system, as well as to the effects of the spread of coronavirus (Covid-19) in Europe in the first quarter of 2020.

The prolonged recession that the Greek economy has experienced in recent years led to the significant deterioration in the creditworthiness of corporate and individuals and, consequently, to the rapid increase in non performing loans, resulting in the recognition of significant impairment losses by the Bank and by the Greek banking system in general. In addition, as a result of the Greek sovereign debt crisis and the measures taken to deal with it, there was a significant outflow of deposits and the imposition of capital controls and of a bank holiday which was announced on 28.6.2015 and lasted until 19.7.2015. On 1 September 2019 capital controls were fully removed. As at the date of the financial statements, the liquidity needs of Greek credit institutions continue to be partially met by the Eurosystem's mechanisms, and the total amount of borrowing is gradually being reduced.

Within the previous year, in particularly in August 2018, the third financial support program of the Hellenic Republic was successfully completed, while providing the possibility of forming a cash buffer aiming at reducing any potential financial risks after the completion of the program. It is also noted that the Hellenic Republic is taking steps to gradually recover its access to the financial markets to meet its financing needs, as specifically described in note 1.3.

The emergence of coronavirus in Europe in the first quarter of 2020, which soon received pandemic features, is adding a major uncertainty in terms of both macroeconomic developments and the ability of businesses to operate under the regime of the restrictive measures imposed. This development is expected to adversely affect the ability of borrowers to repay their liabilities and, consequently, the amount of expected credit risk losses. The financial implications depend to a large extent on how long this crisis will last and vary on a case-by-case basis as each sector of the economy is affected differently. In the context of efforts to relieve individuals and businesses most affected by the coronavirus and its associated restrictive measures, the Greek government has announced a package of tax and other relief measures. At the same time, the supervisory authorities of the systemic banks are taking a number of measures to enhance the liquidity of the credit institutions and also facilitate the gradual absorption of the effects on the capital adequacy ratios, as specifically described in note 41.





In particular regarding the Bank's liquidity levels, it has been noted that there has been no adverse change due to Covid-19 in the last three weeks. During this period there was no outflow of deposits and the majority of interbank repos were renewed. As a result, the liquidity buffer of the Bank remained stable.

Based on the above and taking into account:

- the Bank's high capital adequacy (note 41),
- the fact that there is an increase in deposits and financing from non-Eurosystem sources (indicatively it is noted that the Bank has fully repaid its borrowing from the Emergency Liquidity Facility (ELA) while on 6.2.2020 it successfully completed the issuance of a ten-year Tier 2 bond, of an amount of € 500 million, at a yield of 4.25%, receiving exceptionally strong demand),
- the actions taken by the Bank to address the issue of non-performing loans
- the amount of available eligible collaterals through which liquidity is ensured, to the extent required, through the mechanisms of the eurosystem or/and third sources,
- the measures taken by the Bank to protect its employees from coronavirus, the implementation of actions under the Business Continuity Plan and the activation of the ability for teleworking at a large scale whilst ensuring that critical operations are performed,
- the decisions of the eurozone countries to adopt a series of fiscal and other measures to stimulate the economy, as well as the decisions of banks' supervisory authorities to provide liquidity and capital adequacy support to the extent that this is affected by the spread of the coronavirus.

the Bank estimates that, at least for the next 12 months, the conditions for the application of the going concern principle for the preparation of its financial statements are met.

### Adoption of new and amended standards

The accounting policies for the preparation of the financial statements have been consistently applied by the Bank to the years 2018 and 2019 after taking into account the following new standards and amendments to standards as well as IFRIC 23 which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2019:

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

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

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

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

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

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

The new standard significantly differentiates the accounting of leases for lessees while essentially maintaining the existing requirements of IAS 17 for the lessors. In particular, under the new requirements, the classification of leases as either operating or finance is eliminated. A lessee is required to recognize, for all leases with term of more than 12 months, the right-of-use asset



as well as the corresponding obligation to pay the lease payments. The above treatment is not required when the asset is of low value.

At initial recognition, the right-of-use asset comprises the amount of the initial measurement of the lease liability, any initial direct costs, any lease payments made before the commencement date as well as an estimate of dismantling costs.

At initial recognition, the lease liability is equal to the present value of the lease payments that are not paid at that date.

### Impact from IFRS 16 Implementation

The Bank applied the standard to all active, as at 1.1.2019, lease contracts, with the cumulative effect of initially applying the standard recognized directly in equity as at 1.1.2019 in accordance with the transitional requirements of the standard and did not restate comparative information. As a result, the figures of 2018 are not comparable.

The Bank applied the practical expedient provided by IFRS 16 and did not reassess on initial application whether a contract is, or contains, a lease and applied the standard only to contracts that were identified as leases in accordance with IAS 17.

Additionally, the Bank on transition has elected to make use of the following practical expedients provided by the standard:

- applied a single discount rate based on the lease term for all types of contracts,
- excluded initial direct costs from the measurement of the right-of-use asset,
- used hindsight to determine the lease term if the contract contained options to extend or terminate the lease and
- for the determination of the cost of the right-of-use asset it considered that right-of-use asset is equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

In addition, the Bank elected to make use of the practical expedient and did not apply the requirements of the standard to leases for which the lease term is less than 12 months (short term), as well to leases for which the underlying asset is of low value (less than 5,000 euro when new). It is noted that the Bank has made assumptions for extension for leases expiring within 2019 that however were expected to be renewed. More specifically, in the case of leases of Branches, which were estimated that will be renewed, the lease term was set at three years on the basis of the relevant extension right, while for offsite ATMs leases, which are subject to contractual conversion upon renewal for an indefinite period, it was estimated that the lease term would be ten years.

The Bank in order to discount remaining lease payments used its incremental borrowing rate (IBR) based on the lease term. For the determination of the rate, the yields to maturity of the Bank's secured funding issued are used, as well as their difference from Hellenic Republic government yield curves.

As a result of the application of IFRS 16, the Bank recognised on 1.1.2019 right-of-use assets of € 114.9 million (of which an amount of € 94.9 million was classified in property, plant and equipment and an amount of € 20 million was classified in investment property), net investment in the lease of € 10.5 million and lease liabilities of € 179.9 million. Impact on equity amounted to loss € 39 million before tax (€ 27.9 million after tax). The impact on CET 1 (Common Equity Tier I) amounted to 12 basis points. The main types of lease contracts include leases of property and offsite ATM's (notes 22 and 23).

It is noted that the standard did not have any impact on leases where the Bank is a lessor with the exception of certain subleases for which the lease was characterized as finance and resulted in the recognition of a net investment in the lease of € 10.5 million.

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

On 7.2.2018 the International Accounting Standards Board issued an amendment to IAS 19 with which it specified how companies determine pension expenses when changes to a defined benefit pension plan occur. In case that an amendment, curtailment or settlement takes place IAS 19 requires a company to remeasure its net defined benefit liability or asset. The amendments to IAS 19 require specifically a company to use the updated assumptions from this remeasurement to determine



current service cost and net interest for the remainder of the reporting period after the change to the plan. In addition, the amendment to IAS 19 clarifies the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

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

► **Amendment to International Accounting Standard 28** "Investments in Associates": Long-term Interests in Associates and Joint Ventures (Regulation 2019/237/8.2.2019).

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

The above amendment does not apply to the financial statements of the Bank.

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

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

The adoption of the above amendments had no impact on the financial statements of the Bank.

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

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

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

The adoption of IFRIC 23 had no impact on the financial statements of the Bank.

Except for the standards mentioned above, the European Union has adopted the following amendments to standards which are effective for annual periods beginning after 1.1.2019 and have not been early adopted by the Bank.

► **Amendment to International Financial Reporting Standard 9** "Financial Instruments", to International Accounting Standard 39 "Financial Instruments" and to International Financial Reporting Standard 7 "Financial instruments: Disclosures": Interest rate benchmark reform (Regulation 2020/34/15.1.2020)

Effective for annual periods beginning on or after 1.1.2020

On 26.9.2019 the International Accounting Standards Board issued amendments to IFRS 9, IAS 39 and IFRS 7, according to which temporary exceptions from the application of specific hedge accounting requirements are provided in the context of interest rate benchmark reform.

In accordance with the exceptions, entities applying those hedge accounting requirements may assume that the interest rate benchmark is not altered as a result of the interest rate benchmark reform. Relief is provided regarding the following requirements:

- the highly probable requirement in cash flow hedge,
- prospective assessments,
- separately identifiable risk components.



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

► **Amendments to International Accounting Standard 1** “Presentation of Financial Statements” and to International Accounting Standard 8 “Accounting Policies, Changes in Accounting Estimates and Errors: “Definition of material” (Regulation 2019/2104/29.11.2019)

Effective for annual periods beginning on or after 1.1.2020

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

The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments include examples of circumstances that may result in material information being obscured. The IASB has also amended the definition of material in the Conceptual Framework to align it with the revised definition of material in IAS 1 and IAS 8.

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

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

► **Amendment to International Financial Reporting Standard 3** “Business Combinations”: Definition of a Business

Effective for annual periods beginning on or after 1.1.2020

On 22.10.2018 the International Accounting Standards Board issued an amendment to IFRS 3 aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments:

- clarify the minimum requirements required in order a business to have been acquired,
- the assessment for the acquisition of either a business or a group of assets is simplified and it is based on current condition of acquired elements rather than on the market participant’s ability to integrate them into his own processes,
- the definition of outputs is amended so that apart from the revenue arising from ordinary activities falling within the scope of IFRS 15, it also includes other income from main activities such as income from investment services,
- guidance is added to assess whether a production process is substantive both in cases where a product is produced at the date of acquisition and in cases where there is no product produced,
- an optional exercise is introduced based on the fair value of the assets acquired to assess whether a business or group of assets has been acquired.

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

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

On 11.9.2014 the International Accounting Standards Board issued an amendment to IFRS 10 and IAS 28 in order to clarify the accounting treatment of a transaction of sale or contribution of assets between an investor and its associate or joint venture.

In particular, IFRS 10 was amended in order to be clarified that in case that as a result of a transaction with an associate or joint venture, a parent loses control of a subsidiary, which does not constitute a business, as defined in IFRS 3, it shall recognise to profit or loss only the part of the gain or loss which is related to the unrelated investor’s interests in that associate or joint venture. The remaining part of the gain from the transaction shall be eliminated against the carrying amount of the investment in that associate or joint venture. In addition, in case the investor retains an investment in the former subsidiary and the former subsidiary is now an associate or joint venture, it recognises the part of the gain or loss resulting from the remeasurement at fair value of the investment retained in that former subsidiary in its profit or loss only to the extent of the unrelated investor’s interests in the new associate or joint venture. The remaining part of the gain is eliminated against the carrying amount of the investment retained in the former subsidiary.



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

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

► **International Financial Reporting Standard 14** “Regulatory deferral accounts”

Effective for annual periods beginning on or after 1.1.2016

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

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

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

► **International Financial Reporting Standard 17** “Insurance Contracts”

Effective for annual periods beginning on or after 1.1.2021

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

An entity:

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

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

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

► **Amendment to the International Accounting Standard 1** “Presentation of Financial Statements”: Classification of liabilities as current or non-current

Effective for annual periods beginning on or after 1.1.2022



On 23.1.2020, the International Accounting Standards Board issued amendments to IAS 1 relating to the classification of liabilities as current or non-current. More specifically:

The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if the liability must be classified as current or non-current.

Management expectations about events after the balance sheet date must not be taken into account.

The amendments clarify the situations that are considered settlement of a liability.

The above amendment will not have any impact on Bank's financial statements since in the Bank's balance-sheet liabilities are not distinguished between current and non-current.

## **1.2 Accounting policies**

### **1.2.1 Operating Segments**

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

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

- Retail Banking
- Corporate Banking
- Asset Management and Insurance
- Investment Banking and Treasury
- Other

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

- Greece
- Other Countries

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

Detailed information relating to operating segments is provided in note 39.

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

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

The financial statements are presented in Euro, which is the functional currency and the currency of the Bank's country of incorporation.

Items included in the financial statements for foreign branches are measured at the functional currency which is the currency of the country of incorporation in which the branch operates or the currency used in the majority of the transactions held.

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

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



Non-monetary assets and liabilities are translated using the rate of exchange at the transaction date, except for non-monetary items denominated in foreign currencies that are measured at fair value which are translated at the exchange rate of the date that the fair value is determined.

The exchange differences relating to these items are part of the change in fair value and they are recognized in the income statement or recorded directly in equity depending on the classification of the non-monetary item.

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

The results and financial position of all foreign branches that have a functional currency that is different from the presentation currency of the Bank's financial statements are translated as follows:

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

The resulting exchange differences from the above translation and those arising from other monetary items designated as a part of the net investment in a foreign entity are recorded in equity. These translation differences are reclassified to the income statement when a foreign branch is sold.

#### **1.2.3 Cash and cash equivalents**

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

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

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

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

#### **1.2.4 Classification and measurement of financial instruments**

##### **Initial recognition**

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

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

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

##### **Subsequent measurement of financial assets**

The Bank classifies its financial assets as:

- Financial assets measured at amortised cost,
- Financial assets measured at fair value through other comprehensive income, with gains or losses reclassified in profit or loss on derecognition,



- Equity instruments measured at fair value through other comprehensive income, with no reclassification in gains or losses to profit or loss on derecognition,
- Financial assets measured at fair value through profit or loss.

For each of the above categories the following apply:

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

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

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

The above category is measured at amortised cost using the effective interest method and is periodically assessed for expected credit losses, as it is further described in notes 1.2.12 and 1.2.13.

**b) Financial assets measured at fair value through other comprehensive income, with gains or losses reclassified in profit or loss on derecognition**

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

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

The above category is periodically assessed for expected credit losses, as it is further described in notes 1.2.12 and 1.2.13.

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

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

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

Financial assets included in this category are:

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

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

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

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

### Business Model assessment

The business model reflects how the Bank manages its financial assets in order to generate cash flows. That is, the Bank's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Bank's business model is determined at a level that reflects how groups of financial assets are managed together to achieve





a particular business objective. Accordingly, business model does not depend on management's intentions for an individual instrument but it is determined on a higher level of aggregation.

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

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

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

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

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

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

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

For the purposes of applying the SPPI assessment:

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

Contractual terms that introduce exposure to risks and volatility in the contractual cash flows that are not related to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash



flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

### **Reclassification of financial assets**

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



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

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

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

If a financial asset is reclassified out of the fair value through other comprehensive income measurement category and into the amortised cost measurement category, the asset is reclassified at its fair value at the measurement date. However, the cumulative gain or loss previously recognized in other comprehensive income is reversed and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortised cost. This reversal affects other comprehensive income but does not affect profit or loss and therefore is not a reclassification adjustment under IAS 1. The effective interest rate and the calculation of expected credit losses are not affected. However, the loss allowance is recognized as an adjustment to the gross carrying amount of the financial asset from the reclassification date.

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

### **Derecognition of financial assets**

The Bank derecognizes financial assets when:

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

In the case of transactions where despite the transfer of the contractual right to receive the cash flows from financial assets both the risk and rewards remain with the Bank, no derecognition of these financial assets occurs. The amount received by the transfer is recognized as a financial liability. The accounting practices followed by the Bank in such transactions are discussed in notes 1.2.20 and 1.2.21.

In the case of transactions, whereby the Bank neither retains nor transfers risks and rewards of the financial assets, but retains control over them, the financial assets are recognized to the extent of the Bank's continuing involvement. If the Bank does not retain control of the assets then they are derecognised, and in their position the Bank recognizes,



distinctively, the assets and liabilities which are created or retained during the transfer. No such transactions occurred upon balance sheet date.

In case of a change in the contractual terms of a financial asset, the change is considered significant and therefore it results in the derecognition of the original financial asset and the recognition of a new one when one of the following criteria is met:

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

In case of derecognition due to significant modification, the difference between the carrying amount of the original asset and the fair value of the new asset is directly recognized in the Income Statement as specifically mentioned in notes 1.2.25 and 1.2.26. Additionally, in case the original asset was measured at fair value through other comprehensive income, the cumulative gains or losses recognized in other comprehensive income are transferred to profit or loss.

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

### **Subsequent measurement of financial liabilities**

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

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

- i. This category includes financial liabilities held for trading, that is:
  - financial liabilities acquired or incurred principally with the intention of selling or repurchasing in the near term for short term profit, or
  - derivatives not used for hedging purposes. Liabilities arising from either derivatives held for trading or derivatives used for hedging purposes are presented as "derivative financial liabilities" and are measured according to the principles set out in note 1.2.5.
- ii. this category also includes financial liabilities which are designated by the Bank as at fair value through profit or loss upon initial recognition, when:
  - doing so results in more relevant information, because either:
    - it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
    - a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Bank is provided internally on that basis to the Bank's key management personnel; or



- the contract contains one or more embedded derivatives and the Bank measures the compound financial instrument as a financial liability measured at fair value through profit or loss unless:
  - the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract or
  - it is clear with little or no analysis when a similar hybrid instrument is first considered that the separation of the embedded derivative(s) is prohibited.

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

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

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

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

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

In cases when financial liabilities included in this category are designated as the hedged item in a hedge relationship, the accounting principles applied are those set out in note 1.2.5.

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

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

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

- the amount of the provision determined during expected credit loss calculation (note 1.2.12),
- the amount initially recognised less cumulative amortization which is calculated based on the term of the instrument.

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

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

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

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

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

#### **Derecognition of financial liabilities**

Financial liabilities (or part thereof) are derecognized when the contractual obligation is been discharged, cancelled or expires. When a financial liability is exchanged for another liability with substantially different terms, the exchange is accounted for as



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

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

### **Offsetting financial assets and financial liabilities**

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

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

#### **Derivative financial instruments**

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

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

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

The change in the fair value of the interest and currency derivatives, excluding options, is separated into interest, foreign exchange differences and other gains or losses from financial transactions.

In case a derivative is embedded in a financial asset, the embedded derivative is not separated and the hybrid contract is accounted for based on the classification requirements mentioned in note 1.2.4.

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

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

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

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

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

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

We emphasize the following:



### **a. Synthetic Swaps**

The Bank, in order to increase the return on deposits to selected customers, uses synthetic swaps.

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

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

### **b. FX Swaps**

These types of swaps are entered into primarily to economically hedge the exposures arising from customer loans and deposits. For those cases for which no hedge accounting is applied, swaps are accounted for as trading instruments.

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

### **Hedge accounting**

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

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

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

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

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

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

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

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

When the hedging relationship no longer exists, the hedged items continue to be measured based on the classification and valuation principles set out in note 1.2.4. Specifically any adjustment, due to the fair value change of a hedged item for which the effective interest method is used, up to the point that the hedging relationship ceases to be effective, is amortised to interest income or expense based on a recalculated effective interest rate, over its remaining life.

The Bank uses interest rate swaps (IRS's) to hedge risks relating to borrowings and loans. It also uses foreign exchange derivatives to hedge the foreign exchange risk of investments in subsidiaries.

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

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

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



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

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

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

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

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

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

## 1.2.6 Fair Value Measurement

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

The Bank measures the fair value of assets and liabilities traded in active markets based on available quoted market prices. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Especially, for the measurement of securities, the Bank uses a particular range of prices, within the bid-ask spread, in order to characterize the prices as prices of an active market (the difference between bid and ask prices quoted should not exceed 1.5/100 nominal value). Furthermore, if quoted market prices are not available on the measurement date, but they are available during the three last working days of the reporting period and there are quoted prices for 15 working days during the last month of the reporting period and the criteria of the bid-ask spread is met, then the market is considered to be active.

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

Assets and liabilities which are measured at fair value or for which - fair value is disclosed-, are categorized according to the inputs used to measure their fair value as follows:

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

In particular, the Bank applies the following:

### Financial instruments

For financial instruments the best evidence of fair value at initial recognition is the transaction price, unless the fair value can





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

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

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

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

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

- Bond prices - quoted prices available for government bonds and certain corporate securities.
- Credit spreads - these are derived from active market prices, prices of credit default swaps or other credit based instruments, such as debt. Values between and beyond available data points are obtained by interpolation and extrapolation.
- Interest rates - these are principally benchmark interest rates such as the LIBOR, OIS and other quoted interest rates in the swap, bond and futures markets. Values between and beyond available data points are obtained by interpolation and extrapolation.
- Foreign currency exchange rates - observable markets both for spot and forward contracts and futures.
- Equity and equity index prices - quoted prices are generally readily available for equity shares listed on stock exchanges and for major indices on such shares.
- Price volatilities and correlations - Volatility and correlation values are obtained from pricing services or derived from option prices.
- Unlisted equities - financial information specific to the company or industry sector comparables.
- Mutual Funds- for open-ended investments funds listed on a stock exchange the published daily quotations of their net asset values (NAVs).
- Loans and Deposits – market data and Bank/customer specific parameters.

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

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

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

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

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

- Market approach (or sales comparison approach), which measures the fair value by comparing the property to other identical ones for which information on transactions is available.
- Income approach, which capitalizes future cash flows arising from the property using an appropriate discount rate.



- Cost approach, which reflects the amount that would be required currently to replace the asset with another asset with similar specifications, after taking into account the required adjustment for impairment.

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

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

It is noted that the fair value measurement of a property takes into account a market's participant ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

### 1.2.7 Investments in subsidiaries, associates and joint ventures

This caption includes Bank's investments in subsidiaries, associates and joint ventures.

Investments in subsidiaries, associates and joint ventures are carried at cost, plus any expenses directly attributable to their acquisition less impairment losses.

Dividends received by the Bank from the above investments are recognised in the income statement when the dividend distribution is approved by the appropriate body of the company that the Bank has invested in.

In case of absorption of a subsidiary, the Bank applies the provisions of IFRS 3 for business combinations, as described in more detail in note 1.2.1 of the consolidated financial statements as at 31.12.2019.

### 1.2.8 Property, plant and equipment

This caption includes: land, buildings used by the branches or for administrative purposes, additions and improvements of leased property and equipment. It also includes right of use assets in case those assets are used by the Bank (the accounting policies applicable to those assets are presented in note 1.2.11).

Property, plant and equipment are initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently, property, plant and equipment are measured at cost less accumulated depreciation and impairment losses for the Bank and it can be measured reliably.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit for the Bank and it can be measured reliably.

Expenditure on repairs and maintenance is recognized in profit or loss as an expense as incurred.

Depreciation is charged on a straight line basis over the estimated useful lives of property, plant and equipment and it is calculated on the asset's cost minus residual value.

The estimated useful lives are as follows:

- Buildings: up to 40 years.
- Additions to leased fixed assets and improvements: duration of the lease.
- Equipment and vehicles: 3 to 33 years.

Land is not depreciated but is tested for impairment.



The residual value of property and equipment and their useful lives are periodically reviewed and adjusted if necessary at each reporting date.

Property, plant and equipment are reviewed on an annual basis to determine whether there is an indication of impairment and if they are impaired the carrying amount is adjusted to its recoverable amount with the difference recorded in profit or loss.

In case of sale of property, plant and equipment as well as when no economic benefits are expected for the Bank, the fixed asset is derecognised. When selling the asset, the difference between the sale price and its carrying amount is recognized in profit or loss.

### 1.2.9 Investment property

The Bank includes in this category buildings or portions of buildings together with their respective portion of land that are held to earn rental income. The Bank has also included in this category right of use assets when the Bank is an intermediate lessor in an operating lease (the accounting policies applicable to those assets are presented in note 1.2.11).

Investment property is initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently, investment property is measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit and can be measured reliably.

All costs for repairs and maintenance are recognized in profit or loss as incurred.

The estimated useful lives over which depreciation is calculated using the straight line method are the same as those applied to property, plant and equipment.

Transfers to and from the category of investment property are made when the property meets (or ceases to meet) the definition of investment property and there is evidence of change in its use. In particular, the property is reclassified in "Property, plant and equipment" if the Bank decides to use it while it is reclassified in the category of property held for sale if a decision is taken to sell it and if the criteria referred to in paragraph 1.2.16 are met. Conversely, property not classified as "Investment Property" is transferred to this category in case a decision for its lease is made.

In case of sale of investment property as well as when no economic benefits are expected for the Bank, the fixed asset is derecognised. When selling the asset, the difference between the sale price and its carrying amount is recognized in profit or loss.

### 1.2.10 Goodwill and other intangible assets

The Bank has included in this caption:

**a) Intangible assets** which are recognized from business combinations or which are individually acquired. These intangible assets include the value attributed to the acquired customer relationships and to deposit bases. Intangible assets arising from business combinations are initially measured at fair value while those individually acquired are initially measured at cost.

Subsequently, they are depreciated, using the straight line method, during their useful life, which has been determined from 6 to 9 years, and are assessed for impairment when there are triggers for impairment.

**b) Software**, which is measured at cost less accumulated amortization and impairment losses. Expenditure incurred to maintain software programs is recognized in the income statement as incurred. Software that is considered to be an integral part of hardware (hardware cannot operate without the use of the specific software) is classified in property, plant and equipment.

More specifically, separately acquired software is initially measured at cost which comprises its purchase price and any directly attributable cost of preparing the software for its intended use, including employee benefits or professional fees. Software acquired as part of a business combination is initially measured at fair value. Both software separately acquired and acquired



as part of a business combination is depreciated, using the straight line method, during its useful life which has been set from 3 to 15 years.

Regarding internally generated software, the Bank recognizes an intangible asset when it can demonstrate all of the following at the development phase:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure incurred during the research phase is directly recognized in profit or loss.

Consequently, the cost of an internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the above criteria, including employee benefits arising from the generation of the software.

Internally generated software is depreciated during its useful life which has been set to 15 years.

All intangible assets are assessed for impairment when there are triggers for impairment (note 1.2.14).

No residual value is estimated for intangible assets.

In case of sale of an intangible asset as well as when no economic benefits are expected for the Bank, the intangible asset is derecognised. When selling the asset, the difference between the sale price and its carrying amount is recognized in profit or loss.

### **1.2.11 Leases**

The Bank enters into leases either as a lessee or as a lessor. At inception, the Bank assesses whether a contract is or contains a lease. If the contract conveys the right to control the use of an identified asset for a period of time for consideration, then the contract is accounted as a lease.

The lease term is determined as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. After lease commencement, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee, the Bank, as a lessee, reassesses the lease term. The Bank, either as a lessee or lessor, revises the lease term if there is a change in the non-cancellable period of a lease.

#### **a) When the Bank is the lessor**

When the risks and rewards incident to ownership of an asset are transferred to the lessee they are classified as finance leases.

All other lease agreements are classified as operating leases.

The accounting treatment followed depends on the classification of the lease, which is as follows:

##### **i. Finance leases:**

For finance leases where the Bank is the lessor the aggregate amount of lease payments is recognized as loans and advances. The difference between the present value (net investment) of lease payments and the aggregate amount of lease payments



is recognized as unearned finance income and is deducted from loans and advances.

The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease receivables are subject to the same impairment testing as applied to customer loans and advances as described in note 1.2.12.

## ii. Operating leases:

When the Bank is a lessor of assets under operating leases, the leased asset is recognized and depreciation is charged over its estimated useful life. Income arising from the leased asset is recognized as other income on an accrual basis.

### b) When the Bank is the lessee

The Bank, as a lessee, for all leases recognizes a right of use asset and a lease liability at the commencement of the lease.

The right of use asset is initially measured at cost, comprising the initial lease liability amount, any initial direct costs and an estimate of the obligation for costs to refurbish the asset, less any lease incentives received.

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

Depreciation is charged on a straight line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Right-of-use assets are reviewed at each reporting date to determine whether there is an indication of impairment and if they are impaired the carrying amount is adjusted to its recoverable amount with the difference recorded in profit or loss (note 1.2.14).

For short-term leases (lease term of 12 months or less at the commencement date) and leases for which the underlying asset is of low value (less than 5.000 EUR when new) the Bank does not recognize a right-of-use asset and a lease liability but instead recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of lease payments that are not paid at that date, net of cash lease incentives. Lease payments include fixed payments and variable payments that depend on an index (such as an inflation index) or a rate and are discounted using the lessee's incremental borrowing rate. Incremental borrowing rate is determined by using as reference rate Alpha Bank's secured funding rate, as well as its difference from Hellenic Republic government yield curves.

After the commencement date, the Bank measures the lease liability by increasing the carrying amount to reflect interest, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

Right of use assets are included within Property, plant and equipment or Investment property and the lease liability is included in Other liabilities. In cases where the Bank is an intermediate lessor in an operating lease, right of use assets recognized for the head lease are included within Investment property while in case the Bank is an intermediate lessor in a finance lease right of use asset, or the part of it which is subleased, is derecognized and a finance lease receivable is recognized.

### 1.2.12 Credit impairment losses on loans and advances to customers, undrawn loan commitments, letters of credit and letters of guarantee

The Bank, at each reporting date, recognizes a loss allowance for expected credit losses on loans and advances to customers not measured at fair value through profit or loss as well as for off-balance sheet exposures (letters of guarantee, letters of credit, undrawn loan commitments).

The loss allowance for loans and off-balance sheet exposures is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the financial asset



falls under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

#### **a) Default definition**

The Bank has adopted as default definition non-performing exposures (NPE), as defined in the EBA Guidelines (GL/2016/07), thus harmonizing the definition of default used for financial reporting purposes with the one used for regulatory purposes.

#### **b) Classification of exposures into stages based on credit risk (Staging)**

For the purposes of calculating expected credit losses, the exposures are classified into stages as follows:

- Stage 1: Stage 1 includes performing exposures that do not have significant increase in credit risk since initial recognition. Stage 1 also includes exposures for which credit risk has been improved and the exposure has been reclassified from stages 2 or 3. In this stage, expected credit losses are recognized based on the probability of default within the next twelve months.
- Stage 2: Stage 2 includes performing exposures for which there has been a significant increase in credit risk since initial recognition. Stage 2 also includes exposures for which credit risk has been improved and the exposure has been reclassified from stage 3. In this stage, lifetime expected credit losses are recognized.
- Stage 3: Stage 3 includes non performing/impaired exposures. In this stage, lifetime expected credit losses are recognized.

As an exception to the above, for purchased or originated credit impaired (POCI) exposures, lifetime expected credit losses are always recognized. Purchased or originated credit impaired exposures include:

- Exposures that at the time of acquisition meet the criteria to be classified as non-performing exposures.
- Exposures for which there has been a change in repayment terms, either due to financial difficulty or not, which resulted in derecognition and recognition of a new impaired asset (POCI) when derecognition is due to the change of debtor of a corporate loan in which case the creditworthiness of the new debtor is reassessed.

#### **c) Significant increase in credit risk**

In determining significant increase in credit risk of an exposure since initial recognition and the recognition of lifetime expected credit losses instead of 12 months expected credit losses, the Bank assesses, at each reporting date, the risk of default compared to the risk of default at initial recognition for all its performing exposures including those with no delinquencies.

The assessment of the significant increase in credit risk is based on the following:

- Quantitative Indicators: refers to the quantitative information used and more specifically to the comparison of the probability of default (PD) between the reporting date and the date of initial recognition.
- Qualitative Indicators: refers to the qualitative information used which is not necessarily reflected in the probability of default, such as the classification of an exposure as forborne performing (FPL, according to EBA ITS). Additional qualitative indicators, both for corporate and retail portfolios are also reflected through the Early Warning indicators where depending on the underlying assessment, an exposure can be considered to have a significant increase in credit risk or not. Especially for special lending portfolio, additional qualitative indicators are captured through slotting category.
- Backstop Indicators: in addition to the above, and in order to capture cases for which there are no triggers reflecting the increase in credit risk, based on qualitative and quantitative indicators, the 30 days past due indicator is used as a backstop.

#### **d) Calculation of expected credit loss**

The measurement of expected credit losses is made as follows:

- For financial assets, a credit loss is the present value of the difference between:
  - (a) the contractual cash flows and



(b) the cash flows that the Bank expects to receive

– For undrawn loan commitments, a credit loss is the present value of the difference between:

(a) the contractual cash flows that are due if the holder of the loan commitment draws down the loan; and

(b) the cash flows that the Bank expects to receive if the loan is drawn down.

For letters of guarantee and letters of credit, the loss is equal to the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Bank expects to receive from the holder.

For present value calculation, original effective interest rate is used as a discount rate. Especially for POCI assets credit—adjusted effective interest rate is used.

The Bank calculates impairment losses either on a collective (collective assessment) or on an individual basis (individual assessment), taking into account the significance of an exposure or the borrower's limit. In addition, exposures that do not have common credit risk characteristics or for which there are no sufficient historical behavioral data are assessed on an individual basis.

The Bank calculates expected credit losses based on the weighted probability of three scenarios. More specifically, the Economic Research Division produces forecasts for the possible evolution of macroeconomic variables that affect the level of expected credit losses of loan portfolios under a baseline and under alternative macroeconomic scenarios and also generates the cumulative probabilities associated with these scenarios.

The mechanism for calculating expected credit loss is based on the following credit risk parameters:

- **Probability of Default (PD):** It is an estimate of the probability of a debtor to default over a specific time horizon.
- **Exposure at default (EAD):** Exposure at Default is an estimate of the amount of the exposure at the time of the default taking into account: (a) expected changes in the exposure after the reporting date, including principal and interest payments; (b) the expected use of credit limits and (c) accrued interest. The approved credit limits that have not been fully disbursed represent a potential credit exposure and are converted into a credit exposure equal to the approved undrawn loan commitments multiplied by a Credit Conversion Factor (CCF). The Credit Conversion factor of credit exposure is calculated based on statistical models.
- **Loss given default (LGD):** Loss given default is an estimate of the loss that will occur if the default occurs at a given time. It is based on the difference between the contractual cash flows due and those expected to be received, including the liquidation of collaterals and cure rate.

#### e) Measurement of expected credit losses on receivables from customers

Receivables from customers are derived from the Bank's commercial, other than loan, activity. The loss allowance for receivables from customers is measured at an amount equal to the lifetime expected credit losses (there is no stage allocation) based on the simplified approach provided by IFRS 9.

#### f) Presentation of expected credit losses in financial statements

Loss allowances for expected credit losses are presented in the Balance Sheet as follows:

- Financial assets measured at amortised cost: loss allowance is presented as a deduction from the gross carrying amount of the assets.
- Financial assets measured at fair value through other comprehensive income: for those assets no loss allowance is recognized in the Balance Sheet, however, its amount is disclosed in the notes to the financial statements.
- Letters of credit/letters of guarantee: loss allowance is recognized in line "Provisions" of liabilities in Balance Sheet.
- Undrawn loan commitments: When there is not also a loan, loss allowance is recognized in line "Provisions" of liabilities in Balance Sheet. If a financial asset includes both a loan and an undrawn loan commitment, the accumulated expected



credit losses of the loan commitment are presented together with the accumulated expected credit losses of the loan, as a deduction from its gross carrying amount. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognized in line "Provisions" of liabilities in Balance Sheet.

The amount of expected credit losses for the period is presented in the caption "Impairment losses and provisions to cover credit risk". In the same caption the following are also recognized: recoveries from written-off loans measured at amortised cost or at fair value through other comprehensive income, modification gains or losses of loans measured at amortised cost or at fair value through other comprehensive income and the favourable changes in expected credit losses of POCI assets in case expected credit losses are less than the amount of expected credit losses included in the estimated cash flows on initial recognition.

### g) Write-offs

The Bank proceeds with the write-off of loans and advances to customers when it has no reasonable expectations for their recovery. In this case, the loss allowance is used against the carrying amount of the financial asset. Write-off is an event of derecognition.

### 1.2.13 Credit impairment losses on due from banks and bonds

The Bank, at each reporting date, recognizes a loss allowance for expected credit losses on due from banks and bonds not measured at fair value through profit or loss.

The loss allowance is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the financial asset falls under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized.

#### a) Default definition

Due from banks and bonds are considered impaired when the external rating of the issuer/counterparty is equivalent to default (D). In case there is no external rating, then the instrument is characterized as impaired based on internal rating. If there is also an exposure to the corporate issuer/counterparty to the loan portfolio which has been classified as impaired, the instrument is also characterized as impaired.

#### b) Classification of due from banks and bonds into stages based on credit risk (Staging)

For the purposes of calculating expected credit losses, the exposures are classified into stages as follows:

- Stage 1: Stage 1 includes non impaired instruments that do not have significant increase in credit risk since initial recognition. Stage 1 also includes instruments for which credit risk has been improved and the instrument has been reclassified from stages 2 or 3. In this stage, expected credit losses are recognized based on the probability of default within the next twelve months.
- Stage 2: Stage 2 includes non impaired instruments for which there has been a significant increase in credit risk since initial recognition. Stage 2 also includes instruments for which credit risk has been improved and the instrument has been reclassified from stage 3. In this stage, lifetime expected credit losses are recognized.
- Stage 3: Stage 3 includes impaired instruments. In this stage, lifetime expected credit losses are recognized.

As an exception to the above, for purchased or originated credit impaired (POCI) instruments, lifetime expected credit losses are always recognized. An instrument is characterized as purchased or originated credit impaired when:

- The instrument (or the issuer) has an external rating that corresponds to default at the time of acquisition





- Corporate bonds resulting from debt restructuring are classified as purchased or originated credit impaired, based on the guidelines applicable to the loan portfolio.

When a debt security has been purchased at a large discount and does not fall into any of the categories mentioned above, the Bank examines the transaction in detail (transaction price, recovery rate, issuer's financial condition at the time of purchase, etc.) in order to determine whether it should be recognised as purchased or originated credit-impaired (POCI). Classification in this category requires documentation and approval by the relevant committees of the Bank.

### c) Significant increase in credit risk

The classification into stages for the purpose of expected credit loss measurement is based on the credit rating of rating agencies or, for corporate securities issued by Greek issuers for which there is also an exposure in loan portfolio, on the issuer's internal rating.

The Bank defines as low credit risk all investment grade securities, which are classified in Stage 1.

The determination of significant increase in credit risk for non-investment grade securities is based on the following two conditions:

- Downgrade in the issuer / counterparty's credit rating on the reporting dates compared to the credit rating on the date of the initial recognition.
- Increase in the probability of default of the issuer / counterparty for the 12-month period compared to the corresponding probability of default at initial recognition.

Additionally, the Bank monitors the change in the credit spread since initial recognition. A change in credit spread at the reporting date that exceeds a specific threshold compared to the credit margin prevailing at the date of initial recognition is a trigger for reviewing the securities classification stage.

### d) Calculation of expected credit loss

The expected credit loss is the present value of the difference between:

- (a) the contractual cash flows and
- (b) the cash flows that the Bank expects to receive

For present value calculation, original effective interest rate is used as a discount rate. Especially for POCI assets credit-adjusted effective interest rate is used.

For the calculation of the expected credit loss, the following parameters are used:

- Probability of default (PD): the probability of default over the next 12 months is used to calculate the expected credit loss for 12 months, and the probability of default over the life of the instrument is used to calculate the lifetime expected credit losses.
- Exposure at default (EAD): In the case of securities, the Bank estimates the future unamortised cost in order to calculate the EAD. In particular, for each period, EAD is the maximum loss that would result from issuer / counterparty potential default.
- Loss given default (LGD) is the percentage of the total exposure that the Bank estimates as unlikely to recover at the time of the default. The Bank distinguishes sovereigns from non-sovereign issuers / counterparties as regards to the LGD estimation. In case the Bank has also granted a loan to the issuer / counterparty of the security, the estimated LGD is aligned to corresponding estimate for the loan portfolio (taking into account any potential collaterals the loan portfolio is likely to have against the unsecured debt securities).

### e) Presentation of expected credit losses in financial statements

Loss allowances for expected credit losses are presented in the Balance Sheet as follows:



- Financial assets measured at amortised cost: loss allowance is presented as a deduction from the gross carrying amount of the assets.
- Financial assets measured at fair value through other comprehensive income: for those assets no loss allowance is recognized in the Balance Sheet, however, its amount is disclosed in the notes to the financial statements.

The amount of expected credit losses for the period is presented in the caption "Impairment losses and provisions to cover credit risk". The caption includes also the favourable changes in expected credit losses of POCI assets in case expected credit losses are less than the amount of expected credit losses included in the estimated cash flows on initial recognition.

#### **1.2.14 Impairment losses on investments and non-financial assets**

The Bank assesses as at each balance sheet date its investments in subsidiaries, associates and joint ventures as well as non-financial assets for impairment, particularly, right of use assets, goodwill and other intangible assets and at least annually property, plant and equipment and investment property.

In assessing whether there is an indication that an asset may be impaired both external and internal sources of information are considered, of which the following are indicatively mentioned:

- The asset's market value has declined significantly, more than would be expected as a result of the passage of time or normal use.
- Significant changes with an adverse effect have taken place during the period or will take place in the near future, in the technological, economic or legal environment in which the entity operates or in the market to which the asset is dedicated.
- Significant unfavorable changes in foreign exchange rates.
- Market interest rates or other rates of return of investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use.
- The carrying amount of the net assets of the entity is greater than its market capitalization.
- Evidence is available of obsolescence or physical damage of an asset.

Specifically for right of use assets, triggers for impairment include:

- The existence of leased properties that are neither used nor leased by the Bank.
- The fact that the present value of the leases received in the event of a sublease is lower than the value of the rents paid under the lease.

In addition, collection of dividends from subsidiaries, associates and joint ventures is considered as a possible impairment indicator when investments are tested for impairment at each reporting date.

An impairment loss is recognized in profit or loss when the recoverable amount of an asset is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Fair value less costs to sell is the amount received from the sale of an asset (less the cost of disposal) in an orderly transaction between market participants.

Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit through their use and not from their disposal.

For the valuation of property, plant and equipment, value in use incorporates the value of the asset as well as all the improvements which render the asset perfectly suitable for its use by the Bank.

#### **1.2.15 Income tax**

Income tax consists of current and deferred tax.

Current tax for a period includes the expected amount of income tax payable in respect of the taxable profit for the current reporting period, based on the tax rates enacted at the balance sheet date.



Deferred tax is the tax that will be paid or for which relief will be obtained in future periods and it is calculated based on the temporary differences between the tax base of assets and liabilities and their respective carrying amounts in the financial statements.

Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply when the temporary difference reverses, based on the tax rates (and laws) enacted at the balance sheet date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

In addition, deferred tax assets are not recognized from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time it takes place affects neither accounting profit nor taxable profit.

Furthermore, regarding investments in subsidiaries, branches, associates and joint ventures, deferred tax assets are recognized only when it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Income tax, both current and deferred, is recognized in profit or loss except when it relates to items recognized directly in equity. In such cases, the respective income tax is also recognized in equity.

### 1.2.16 Non-current assets held for sale

Non-current assets or disposal groups that are expected to be recovered principally through a sale transaction, along with the related liabilities, are classified as held-for-sale.

The above classification is used if the asset is available for immediate sale in its present condition and its sale is highly probable. The sale is considered highly probable when it has been decided by the competent bodies of the Management, an active programme to locate a buyer has been initiated, the asset is actively marketed for sale at a price which is reasonable in relation to its current fair value, and the sale is expected to be completed within one year. Non-current assets that are acquired exclusively with a view to their subsequent disposal are classified as held for sale at the acquisition date when the one-year requirement is met and it is highly probable that the remaining criteria will be met within a short period following the acquisition (usually within three months).

Before their classification as held for sale, the assets are remeasured in accordance with the respective accounting standard.

Assets held for sale are initially recognised and subsequently remeasured at each balance sheet date at the lower of their carrying amount and fair value less cost to sell.

Any loss arising from the above measurement is recorded in profit or loss and can be reversed in the future. In this case, the gain from any subsequent increase in fair value less costs to sell cannot exceed the cumulative impairment losses that have been recognized. When the loss relates to a disposal group it is allocated to assets within the disposal group with the exception of specific assets that are not within the scope of IFRS 5. The impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets and liabilities on a pro-rata basis.

Assets in this category are not depreciated.

Gains or losses from the sale of these assets are recognized in the income statement.

Non-current assets held for sale, that the Bank subsequently decides either to use or to lease, are reclassified to the categories of property, plant and equipment or investment property respectively. During their reclassification, they are measured at the lower of their recoverable amount and their carrying amount before they were classified as held for sale, adjusted for any depreciation, amortization or revaluation that would have been recognized had the assets not been classified as held for sale.

Non-current assets that the Bank intends to sell but are not available for immediate sale or are not expected to be sold within a year are included in Other Assets and are measured at the lower of cost (or carrying amount) and net realizable value in accordance with IAS 2. Net realizable value is considered equal to fair value less cost to sell.



### 1.2.17 Employee benefits

The Bank has both defined benefit and defined contribution plans.

A defined contribution plan is where the Bank pays fixed contributions into a separate entity and the Bank has no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in current or prior years. The contributions are recognized as employee benefit expense on an accrual basis. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement which is dependent, among others, on years of service and salary on date of retirement and it is guaranteed by the Bank.

The defined benefit obligation is calculated, separately for each plan, based on an actuarial valuation performed by independent actuaries using the projected unit credit method.

The net liability recognized in the financial statements is the present value of the defined benefit obligation (which is the expected future payments required to settle the obligation resulting from employee service in the current and prior periods) less the fair value of plan assets. The amount determined by the above comparison may be negative, an asset. The amount of the asset recognised in the financial statements cannot exceed the total of the present value of any economic benefits available to the Bank in the form of refunds from the plan or reductions in future contributions to the plan.

The present value of the defined benefit obligation is calculated based on the return of high quality corporate bonds with a corresponding maturity to that of the obligation, or based on the return of government bonds in cases when there is no deep market in corporate bonds.

Interest on the net defined benefit liability (asset), which is recognised in profit or loss, is determined by multiplying the net defined benefit liability (asset) by the discount rate used to discount post-employment benefit obligation, as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset).

Service cost, which is also recognised in profit or loss, consists of:

- Current service cost, which is the increase in the present value of the defined benefit obligation resulting from employee service in the current period;
- Past service cost, which is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from the introduction or withdrawal of, or changes to, a defined benefit plan or a curtailment (a significant reduction by the entity in the number of employees covered by a plan) and
- Any gain or loss on settlement.

Before determining past service cost or a gain or loss on settlement, the Bank remeasures the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan before its amendment, curtailment or settlement.

Past service cost, in particular, is directly recognized to profit or loss at the earliest of the following dates:

- When the plan amendment or curtailment occurs; and
- When the Bank recognizes related restructuring costs (according to IAS 37) or termination benefits.

Likewise, the Bank recognises a gain or loss on the settlement when the settlement occurs.

Remeasurements of the net defined benefit liability (asset) which comprise:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- any change in the effect of the limitation in the asset recognition, excluding amounts included in net interest on the net defined benefit liability (asset),



are recognized directly in other comprehensive income and are not reclassified in profit or loss in a subsequent period.

Finally, when the Bank decides to terminate the employment before retirement or the employee accepts the Bank's offer of benefits in exchange for termination of employment, the liability and the relative expense for termination benefits are recognized at the earlier of the following dates:

- when the Bank can no longer withdraw the offer of those benefits; and
- when the Bank recognizes restructuring costs which involve the payment of termination benefits.

### **1.2.18 Share options granted to employees**

The granting of share options to the employees, their exact number, the price and the exercise date are decided by the Board of Directors in accordance with Shareholders' Meeting approvals and after taking into account the current legal framework.

The fair value calculated at grant date is recognized over the period from the grant date to the exercise date and recorded as an expense in payroll and related costs with an increase of a reserve in equity respectively. The amount paid by the beneficiaries of share options on the exercise date increases the share capital of the Bank and the reserve in equity from the previously recognized fair value of the exercised options is transferred to share premium.

### **1.2.19 Provisions and contingent liabilities**

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are, also, recognized in cases of restructuring plans with which management attempts either to change the subject of a corporate activity or the manner in which it is conducted (e.g. close down business locations). The recognition of provision is accompanied with the relevant, authorized by the Management, program and with the suitable actions of disclosure. A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both necessarily entailed by the restructurings and not associated with the ongoing activity of the Bank

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision is equal to the present value of the expenditures expected to settle the obligation.

Amounts paid for the settlement of an obligation are set against the original provisions for these obligations. Provisions are reviewed at the end of each reporting period. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Additionally, provisions are not recognized for future operating losses.

Future events that may affect the amount required to settle the obligation, for which a provision has been recognized, are taken into account when sufficient objective evidence exists that they will occur.

Reimbursements from third parties relating to a portion of or all of the estimated cash outflow are recognized as assets, only when it is virtually certain that they will be received. The amount recognized for the reimbursement does not exceed the amount of the provision. The expense recognized in profit or loss relating to the provision is presented net of the amount of the reimbursement.

The Bank does not recognize in the statement of financial position contingent liabilities which relate to:

- possible obligations resulting from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank, or
- present obligations resulting from past events for which:
  - it is not probable that an outflow of resources will be required, or
  - the amount of liability cannot be measured reliably.



The Bank provides disclosures for contingent liabilities taking into consideration their materiality.

### **1.2.20 Securities sale and repurchase agreements and securities lending**

The Bank enters into purchases of securities under agreements to resell at a certain date in the future at a fixed price (reverse repos). Securities purchased subject to commitments to resell them at future dates are not recognized in the balance sheet.

The amounts paid, including interest accruals, are recognized in loans and advances to either banks or customers. The difference between the purchase price and the resale price is recognized as interest income using effective interest method.

Similarly, securities that are sold under agreements to repurchase (repos) are not derecognized but they continue to be measured in accordance with the accounting policy of the category that they have been classified.

The proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sales price and the repurchase price is recognized as interest expense using effective interest method.

Securities borrowed by the Bank under securities lending agreements are not recognized in the balance sheet except when they have been sold to third parties whereby the liability to deliver the security is recognized and measured at fair value.

### **1.2.21 Securitization**

The Bank securitises financial assets, by transferring these assets to special purpose entities, which in turn issue bonds.

In each securitization of financial assets the Bank considers the contractual terms and the economic substance of transactions, in order to decide whether the Bank should proceed with the derecognition of the securitized assets, as referred in note 1.2.4.

### **1.2.22 Equity**

#### **Distinction between debt and equity**

Financial instruments issued by the Bank to obtain funding are classified as equity when, based on the substance of the transaction, the Bank does not undertake a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable to the issuer.

In cases when the Bank is required to issue equity instruments in exchange for the funding obtained, the number of equity instruments must be fixed and determined on the initial contract, in order for the obligation to be classified as equity.

#### **Incremental costs of share capital increase**

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from retained earnings.

#### **Share premium**

Share premium includes the difference between the nominal value of the shares and the cost consideration received in the case of a share capital increase.

It also includes the difference between the nominal value of the shares issued and their market value, in cases of exchanges of shares as consideration for the acquisition of a business by the Bank.

#### **Treasury shares**

The cost of acquiring treasury shares is recognized as a reduction of equity. Subsequent gains or losses from the sale of treasury shares, after deducting all direct costs and taxes, are recognized directly in retained earnings.



## Dividends

Dividends are deducted from retained earnings and recorded as a liability in the period that the dividend is approved by the Shareholders' General Meeting.

### 1.2.23 Interest income and expense

Interest income and expense is recognized in the income statement for all interest bearing financial assets and liabilities. Interest income and expense is recognised on an accrual basis and measured using the effective interest method with the exception of derivatives as described in detail in note 1.2.5. Especially for POCI assets, interest income is calculated using credit-adjusted effective interest rate.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Bank estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate.

For financial assets, in particular, the following apply:

- For those financial assets classified within Stage 1 or Stage 2 for the purpose of expected credit losses measurement, interest income is calculated by applying effective interest rate to the gross carrying amount of the asset.
- For those financial assets classified within Stage 3 for the purpose of expected credit losses measurement, interest income is calculated by applying the effective interest rate to the amortised cost of the asset.
- For purchased or originated credit impaired financial assets interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset.

In case of negative interest rates, interest is presented within interest income for interest bearing financial assets and within interest expense for interest bearing financial liabilities

Borrowing costs that are directly attributable to assets that require a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of the asset. Capitalisation ceases when substantially all the activities necessary to prepare the asset for its intended use are complete.

### 1.2.24 Fee and commission income

Fees and commission income from contracts with customers are recognized based on the consideration specified in the contract when the Bank satisfies the performance obligation by transferring the service to the customer. With the exception of specific portfolio management fees which are calculated on the basis of the size and performance of the portfolio, the services provided have a fixed price. Variable portfolio management fees are recognized when all related uncertainties are resolved.

For commissions on services provided over time, revenue is recognized as the service is being provided to the customer, such as commissions to provide account management services, fees for administration of syndicated loans, fees for portfolio management and investment services advice.

For transaction-based fees, the execution and completion of the transaction executed signals the point in time, in which the service is transferred to the customer and the revenue is recognized, such as currency transactions, purchases / sales of securities as well as issue and disposal of syndicated loans and bonds.

Transaction revenues relating to the recognition of a financial instrument not measured at fair value through profit or loss are capitalized and amortised in the income statement using the effective interest method over the life of the financial instrument and included in interest income.



### 1.2.25 Gains less losses on financial transactions

Gains less losses on financial transactions include:

- fair value changes of financial assets and liabilities,
- gains and losses arising from the modification of the contractual terms of financial assets measured at fair value through profit or loss,
- gains and losses arising from the derecognition of financial assets and liabilities due to early repayment, including conversion of loans into shares, disposal or significant modification of the contractual terms, except for gains and losses arising from the derecognition of financial assets measured at amortised cost which are recognized in a separate line item of the Income Statement,
- gains and losses arising from the impairment or disposal of Bank's investments in subsidiaries, associates and joint ventures,
- exchange differences arising from the translation of financial instruments denominated in foreign currencies.

### 1.2.26 Gains less losses on derecognition of financial assets measured at amortised cost

Gains less losses on derecognition of financial assets measured at amortised cost include:

- Gains and losses from the derecognition of financial assets measured at amortised cost
- The difference, at initial recognition, between the nominal and the fair value of a financial asset measured at amortised cost that is the result of the derecognition of another financial asset due to significant modification of its contractual terms.

### 1.2.27 Discontinued operations

A discontinued operation is a component of the Bank that either has been disposed of, or has been classified as held for sale and represents:

- a major line of the Bank's business; or
- a geographical area of operations.

The assets and liabilities of discontinued operations are presented separately from other assets and liabilities in the balance sheet and are not offset.

Any cumulative income or expense recognized directly in equity relating to a discontinued operation is presented separately (as a separate line in equity).

The post tax profit or loss from discontinued operations and any losses recognized on the measurement to fair value less costs to sell of the disposal group are presented in a separate line in the face of the income statement after net profit from continuing operations. The comparative financial statements are restated only for the income statement and the cash flow statement.

### 1.2.28 Related parties definition

According to IAS 24, a related party is a person or entity that is related to the entity that is preparing its financial statements. For the Bank, in particular, related parties are considered:

**a)** An entity that constitutes for the Bank:

- i) a subsidiary,
- ii) a joint venture,
- iii) an associate and
- iv) a Post-Employment Benefit Plan, in this case the Supplementary Fund of former Alpha Credit Bank's employees.

**b)** A person or an entity that have control, or joint control, or significant influence over the Bank.

This category includes Hellenic Financial Stability Fund and its subsidiaries, because, in the context of the L.3864/2010, the HFSF





participates in the Board of Directors and in significant committees of the Bank and as a result is considered to have significant influence over it.

c) A person and his close family members, if that person is a member of the key management personnel.

The Bank considers as key management personnel all the members of the Bank's Board of Directors and of the Bank's Executive Committee while as their close family members it considers their children and spouses or domestic partners and their dependants and the dependants of their spouses or domestic partners.

Related parties are also considered the entities controlled or jointly controlled by the above mentioned persons and more specifically the entities in which the above persons participate with more than 20%.

### 1.2.29 Comparatives

To the extent considered necessary the comparatives have been adjusted to facilitate changes in presentation of the current year amounts.

## 1.3 Significant accounting judgments and key sources of estimation uncertainty

### Significant accounting judgments

The Bank, in the context of applying accounting policies, makes judgments that may affect the amounts recognized in the financial statements. Those judgements relate to the following:

#### **Assessment of whether contractual cash flows of a debt financial instrument represent solely payments of principal and interest on the principal amount outstanding (SPPI) (note 1.2.4)**

The Bank, at initial recognition of a debt financial asset, assesses whether cash flows are solely payments of principal and interest on the principal amount outstanding. The assessment requires judgement mainly on:

- Whether contractual terms that affect the performance of the instrument relate solely to credit risk, other basic lending risks and profit margin
- For loans in special purpose entities, whether there is a non-recourse feature. The assessment is based on specific index thresholds as well as on the evaluation of the adequacy of equity and of the collaterals that are not related to the asset being financed.
- Whether in case of prepayment or extension the compensation received is considered fair.

#### **Significant estimates relating to the selection of methodologies and models for expected credit losses calculation (note 40.1)**

The Bank, in the context of the application of its accounting policies for the measurement of the expected credit losses makes judgments in order to identify:

- the criteria that indicate a significant increase in credit risk,
- the choice of appropriate methodologies for expected credit loss calculation (expected credit loss calculation on an individual or on a collective basis),
- the choice and development of appropriate models used to calculate the probability of default (PD), the estimated expected credit loss at the time of default (LGD) and the exposure at default (EAD), by financial instrument category, and the choice of appropriate parameters and economic forecasts used in them,
- the choice of the parameters of the macroeconomic forecasts used in the models to determine the expected life and the date of initial recognition of revolving exposures,



- the grouping of financial assets based on similar credit risk characteristics.

Applying different judgments could significantly affect the number of financial instruments classified in stage 2 or significantly differentiate expected credit loss.

### **Income Tax (notes 13 and 38)**

The recognition of assets and liabilities for current and deferred tax is affected by factors such as the practical implementation of the relevant legislation and the settlement of disputes that might exist with tax authorities etc. Future tax audits and changes in tax legislation may result in the adjustment of the amount of assets and liabilities for current and deferred tax and in tax payments other than those recognized in the financial statements of the Bank.

### **Provisions and contingent liabilities (notes 33 and 38)**

The Bank recognizes provisions when it estimates that there is a present legal or constructive obligation that is caused by events that have already occurred and it is almost certain that its settlement will create an outflow, the amount of which is reliably estimated. On the contrary, in cases where either the outflow is possible or cannot be reliably estimated, the Bank does not recognize a provision but discloses a contingent liability, taking into account its significance. Estimates of the probability or not of the outflow as well as the amount of the outflow are affected by factors outside the control of the Bank, such as judicial decisions and the practical application of laws.

### **Key sources of estimation uncertainty loss**

Key sources of estimation uncertainty used by the Bank in the context of applying its accounting principles and which have a significant impact on the amounts recognized in the financial statements are presented below:

### **Fair value of assets and liabilities (notes 22, 26, 40.4)**

For assets and liabilities traded in active markets, the determination of their fair value is based on quoted, market prices. In all other cases the determination of fair value is based on valuation techniques that use observable market data to the greatest extent possible. In cases where there is no observable market data, the fair value is determined using data that are based on internal estimates and assumptions i.e. determination of expected cash flows, discount rates, prepayment probabilities or potential counterparty default.

### **Estimates included in the calculation of expected credit losses (note 40.1)**

The measurement of expected credit losses requires the use of complex models and significant estimates of future economic conditions and credit behavior, taking into account the events that have occurred until reporting date. The significant estimates relate to the determination of the alternative macroeconomic scenarios and the cumulative probabilities associated with these scenarios, the probability of default during a specific time period based on historical data, the assumptions and estimates for the future, the adjustments made by Management to calculate expected credit risk losses to incorporate new information and data that are not incorporated into the models and the determination of the expected cash flows and the flows from the liquidation of collaterals.

### **Impairment losses on investments in subsidiaries, associates and joint ventures and on non - financial assets (notes 21, 22 and 23)**

The Bank, at each reporting date, assesses for impairment non – financial assets, and in particular, right-of-use assets, goodwill and other intangible assets, as well as its investments in subsidiaries, associates and joint ventures and at least on an annual basis property, plant and equipment and investment property. Internal estimates are used to a significant degree to determine



the recoverable amount of the assets, i.e. the higher between the fair value less costs to sell and value in use.

### **Employee defined benefit obligations (note 31)**

Defined benefit obligations are estimated based on actuarial valuations, which are mainly conducted on an annual basis, that incorporate assumptions regarding discount rates, future changes in salaries and pensions, as well as the return on any plan assets. Any change in these assumptions will affect the amount of obligations recognized.

### **Provisions (note 33)**

The amounts recognized by the Bank in its financial statements as provisions are derived from the best estimate of the outflow required to settle the present obligation. This estimate is determined by Management after taking into account experience from relevant transactions and in some cases expert reports. In case the amount recognized as a provision is affected by a variety of factors, its calculation is based on the weighting of all possible results. At each balance sheet date, provisions are revised to reflect current best estimated of the obligation.

### **Estimation of the Bank's exposure to the Hellenic Republic (note 40.1)**

The Bank's total exposure to Greek Government securities and loans related to the Hellenic Republic is presented in note 40.1. The main uncertainties regarding the estimations for the recoverability of the Bank's total exposure relate to the debt service capacity of the Hellenic Republic, which, in turn, is affected by the development of the macroeconomic environment in Greece and the Eurozone as well as by the levels of liquidity of the Hellenic Republic.

As far as debt sustainability is concerned in the context of the enhanced surveillance and following the positive assessment of the European Commission in the second updated report, the Eurogroup in early April 2019 approved: (i) the abolition of the step-up interest rate margin related to the debt buy-back tranche of the second Greek program, (ii) the transfer of profits from Central Banks - (Agreement on Net Financial Assets- ANFA and Securities Market Programme) from Greek bond's markets realized in previous periods. In this context the Greek State is expected to collect a total amount of approximately € 970 million of which in May 2019 a total amount of € 747 million was disbursed.

Finally, it is noted that the Hellenic Republic is taking steps to gradually recover its access to the financial markets to cover its financing needs. It is noteworthy that the yields of the bonds that have been recently issued are substantially lower. With what regards credit rating, in March 2019, the credit rating agency Moody's raised Greece's sovereign credit rating to B1 from B3 while in 25.10.2019 the credit rating agency Standard and Poor's upgraded Greece's sovereign credit rating to BB- with a positive outlook. Finally, in January 2020, the credit rating agency Fitch proceeded with the upgrade of the credit rating of the Hellenic Republic, by one notch, from BB- to BB with a positive outlook.

Based on the above, the Bank considers that there has been no significant increase in credit risk on the Greek Government securities that it held as at 31.12.2019 since initial recognition, however, it assesses the developments relating to the Greek Government debt in conjunction with the market conditions and it reviews its estimations for the recoverability of its total exposure at each reporting date.

### **Recoverability of deferred tax assets (notes 13 and 25)**

The Bank recognizes deferred tax assets to the extent that it is probable that it will have sufficient future taxable profit available, against which, deductible temporary differences and tax losses carried forward can be utilized. The estimation of future taxable profits is based on forecasts for the development of the accounting results, as these are formulated in accordance with the business plan of the Group. In particular, the business plan includes actions aimed at enhancing profitability through:

- the reduction of the amount of non-performing exposures, based on the plan submitted to the Single Supervisory Mechanism (SSM),



- further reduction of operating costs,
- interest income increase through targeted financing of business segments,
- increase in commission income from services and products offered to individuals and corporates and
- the active management of the sources and the financing costs of the Bank.

The main categories of deferred tax assets which have been recognized by the Bank relate to losses from the Greek government bonds exchange program (PSI) and the December 2012 Greek government bond buyback program and to deductible temporary differences arising from loans' impairment.

Deferred tax assets associated with tax losses incurred by the PSI and the participation of the Bank in the December 2012 Greek government bond buyback program were recognized as a "debit difference" according to Law 4046/14.2.2012, Law 4110/23.1.2013 and a respective legal opinion. According to Law 4110/23.1.2013 the "debit difference" is deductible for tax purposes, gradually in equal installments, within 30 years, a fact which, according to the Bank's estimation, provides a sufficient time period for its gradual utilization against taxable profits.

Regarding the temporary differences arising from loans' impairment, there are no time constraints concerning their recovery, as is the case for the other deferred tax assets categories. The Bank assessed their recoverability based on estimates for future taxable profits, as these are forecasted on the basis of the aforementioned business plan. In order to assess deferred tax asset recoverability, the Group's business plan was extended for a limited number of years while additionally the reorganization of the main Group entities, through their grouping based on their common activity, under three pillars controlled by Group entities, was taken into account. In addition, taking into account the fact that losses resulting from the write-down of debts and the sale of loans, as specifically mentioned in note 13, are recognized gradually and equally over a period of 20 years, it is estimated that there is sufficient time for offsetting against taxable profits.

The Bank, based on the above, estimates that the total deferred tax assets recognized is recoverable.

In addition, and regardless of the assessment of the recoverability of deferred tax assets that is carried out based on what is mentioned above, Law 4303/2014 provides that in case that the after tax accounting result for the period is a loss, deferred tax assets arising from the PSI debit difference and from the accumulated provisions and other general losses due to credit risk are eligible to be converted into a final and settled claim against the Greek State, as described in detail in note 13.

The main uncertainties concerning the estimations for the recoverability of the deferred tax assets relate to the achievement of the goals set in the Group's business plan, which is affected by the general macroeconomic environment in Greece and internationally. At each balance sheet date, the Bank reassesses its estimation regarding the recoverability of deferred tax assets in conjunction with the development of the factors that affect it.

The estimates and judgments applied by the Bank in making decisions and in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate. The estimates and judgments are reviewed on an ongoing basis in order to take into account current conditions, and the effect of any changes is recognized in the period in which the estimates are revised.



## INCOME STATEMENT

### 2. Net interest income

|   | From 1 January to |                  |
|---|-------------------|------------------|
|   | 31.12.2019        | 31.12.2018       |
| <b>Interest and similar income</b>  |                   |                  |
| Due from banks  | 1,078             | 1,280            |
| Loans and advances to customers measured at amortized cost                    | 1,436,101         | 1,706,581        |
| Loans and advances to customers measured at fair value through profit or loss | 14,024            | 14,132           |
| Trading securities (note 20)  | 270               | 265              |
| Securities measured at amortized cost   | 3,972             |                  |
| Securities measured at fair value through other comprehensive income          | 126,817           | 130,959          |
| Securities measured at fair value through profit or loss                      | 819               | 818              |
| Derivative financial instruments  | 150,489           | 147,198          |
| Interest income on net investment in subleases (note 19)                      | 282               |                  |
| Other   | 442               | 2,751            |
| <b>Total</b>  | <b>1,734,294</b>  | <b>2,003,984</b> |
| <b>Interest expense and similar charges</b>                                   |                   |                  |
| Due to banks  | (34,524)          | (67,132)         |
| Due to customers  | (140,350)         | (154,043)        |
| Debt securities in issue and other borrowed funds                             | (25,523)          | (30,476)         |
| Derivative financial instruments  | (160,843)         | (154,967)        |
| Interest expense on lease liabilities (note 32)                               | (4,300)           |                  |
| Other   | (72,264)          | (75,664)         |
| <b>Total</b>  | <b>(437,804)</b>  | <b>(482,282)</b> |
| <b>Net interest income</b>  | <b>1,296,490</b>  | <b>1,521,702</b> |

During 2019, net interest income decreased compared to 2018, mainly due to the decrease in interest income from loan and advances to customers, due to the decrease of balances and loan interest rates. The aforementioned decrease was partially offset by the due to customers cost reduction as well as the decrease in the cost of borrowing by credit institutions due to the repayment of Emergency Liquidity Assistance (ELA) funding, within the first quarter of 2019 and the conduct of repo transactions at a lower interest rate.

It should be noted that Interest income includes an amount of € € 35,022 which relates to negative interest bearing assets, while interest expense includes an amount of € 51,537 which relates to negative interest bearing liabilities.

The following table presents the amounts of interest income and interest expense calculated using the effective interest rate method, by financial asset category:

|  | From 1 January to |                  |
|--|-------------------|------------------|
|  | 31.12.2019        | 31.12.2018       |
| Financial assets measured at amortized cost                                | 1,369,329         | 1,634,948        |
| Financial assets measured at fair value through other comprehensive income | 126,817           | 130,959          |
| Financial assets measured at fair value through profit or loss             | 15,113            | 15,215           |
| <b>Total</b>   | <b>1,511,259</b>  | <b>1,781,122</b> |
| Financial liabilities measured at amortized cost                           | (200,397)         | (251,651)        |



### 3. Net fee and commission income and other income

#### Net fee and commission income

|   | From 1 January to |                |
|---|-------------------|----------------|
|   | 31.12.2019        | 31.12.2018*    |
| <b>Net Fee and commission income</b>          |                   |                |
| Loans   | 43,236            | 41,079         |
| Letters of guarantee                          | 43,665            | 48,894         |
| Imports-exports                               | 8,052             | 8,806          |
| Credit cards                                  | 66,943            | 70,501         |
| Fund Transfers                                | 32,159            | 33,481         |
| Mutual funds                                  | 29,028            | 26,660         |
| Advisory fees and securities transaction fees | 2,705             | 996            |
| Brokerage services                            | 326               | 135            |
| Foreign exchange trades                       | 17,809            | 18,003         |
| Other   | 44,998            | 33,719         |
| <b>Total</b>                                  | <b>288,921</b>    | <b>282,274</b> |

Net fee and commission income for the year 2019 shows an increase mainly due to (a) the increase of other commissions due to the commission received by the Bank upon the conclusion of the agreement on 1.11.2019 for the transfer of its affiliate portfolio to American Express Payments Europe S.L. ("AEPE") and (b) the increase of mutual fund commissions due to the increased trading volume and improved returns of the mutual funds, which increase their net asset value and consequently their management fees.

The aforementioned increase was partially offset by (a) the decrease in commission income from letters of guarantee due to changes in pricing and a slight decrease of volume of transactions and (b) a decrease in commission income from credit cards which mainly due to the termination of the Bank's cooperation with American Express Payments Europe S.L. ("AEPE") and the replacement with new partnerships that resulted to changes in pricing so far.

It should be noted that commission income from loans, for the year 2019, from Loans includes an amount of € 43,218 which relates to loans and advances to customers that are measured at amortized cost.

The table below presents, per operating segment, the income from contracts, that fall within the scope of IFRS 15:

#### Fee and commissions and other income

|   | From 1 January to 31.12.2019 |                   |                             |                              |              |                |
|---|------------------------------|-------------------|-----------------------------|------------------------------|--------------|----------------|
|   | Retail Banking               | Corporate Banking | Asset Management/ Insurance | Investment Banking/ Treasury | Other        | Total          |
| <b>Fee and commission income</b>              |                              |                   |                             |                              |              |                |
| Loans   | 8,029                        | 27,004            | 227                         | 7,976                        |              | 43,236         |
| Letters of guarantee                          | 2,017                        | 40,744            | 2                           | 902                          |              | 43,665         |
| Importsexports                                | 1,831                        | 6,213             |                             | 8                            |              | 8,052          |
| Credit cards                                  | 99,382                       | 46,258            | 5                           | 141                          |              | 145,786        |
| Fund Transfers                                | 20,149                       | 10,917            | 63                          | 1,030                        |              | 32,159         |
| Mutual funds                                  |                              |                   | 29,028                      |                              |              | 29,028         |
| Advisory fees and securities transaction fees |                              | 1,419             | 257                         | 1,029                        |              | 2,705          |
| Brokerage services                            |                              |                   |                             | 326                          |              | 326            |
| Foreign exchange trades                       | 11,864                       | 4,873             | 31                          | 1,041                        |              | 17,809         |
| Other   | 30,199                       | 8,904             | 6,851                       | 1,089                        |              | 47,043         |
| <b>Total</b>                                  | <b>173,471</b>               | <b>146,332</b>    | <b>36,464</b>               | <b>13,542</b>                | <b>-</b>     | <b>369,809</b> |
| <b>Other income</b>                           |                              |                   |                             |                              |              |                |
| Disposals of fixed assets                     |                              |                   |                             |                              | 1,625        | 1,625          |
| Other   | 2,784                        | 162               | 71                          | 2,952                        | 4,380        | 10,349         |
| <b>Total</b>                                  | <b>2,784</b>                 | <b>162</b>        | <b>71</b>                   | <b>2,952</b>                 | <b>6,005</b> | <b>11,974</b>  |

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



| From 1 January to 31.12.2018*                 |                |                   |                             |                              |              |                |
|---|----------------|-------------------|-----------------------------|------------------------------|--------------|----------------|
|   | Retail Banking | Corporate Banking | Asset Management/ Insurance | Investment Banking/ Treasury | Other        | Total          |
| <b>Fee and commission income</b>              |                |                   |                             |                              |              |                |
| Loans   | 5,418          | 32,110            | 160                         | 3,391                        |              | 41,079         |
| Letters of guarantee                          | 2,113          | 46,067            | 5                           | 709                          |              | 48,894         |
| Imports-exports                               | 2,473          | 6,316             |                             | 17                           |              | 8,806          |
| Credit cards                                  | 87,052         | 51,423            | 12                          | 157                          |              | 138,644        |
| Fund Transfers                                | 21,299         | 10,046            | 4                           | 2,132                        |              | 33,481         |
| Mutual funds                                  |                |                   | 26,660                      |                              |              | 26,660         |
| Advisory fees and securities transaction fees |                |                   |                             | 996                          |              | 996            |
| Brokerage services                            | 135            |                   |                             |                              |              | 135            |
| Foreign exchange trades                       | 13,470         | 4,531             | 2                           |                              |              | 18,003         |
| Other   | 26,216         | 3,685             | 5,863                       | 2                            |              | 35,766         |
| <b>Total</b>                                  | <b>158,176</b> | <b>154,178</b>    | <b>32,706</b>               | <b>7,404</b>                 | <b>-</b>     | <b>352,464</b> |
| <b>Other income</b>                           |                |                   |                             |                              |              |                |
| Disposals of fixed assets                     |                |                   |                             |                              | 1,304        | 1,304          |
| Other   | 2,111          | 8                 |                             | 2,467                        | 4,976        | 9,562          |
| <b>Total</b>                                  | <b>2,111</b>   | <b>8</b>          |                             | <b>2,467</b>                 | <b>6,280</b> | <b>10,866</b>  |

“Other income” line of the Income Statement includes additionally income, such as operating lease income and income from insurance indemnities, which are not presented in the above table since they do not fall within the scope of IFRS 15. (note 7).

#### 4. Dividend income

|   | From 1 January to |               |
|---|-------------------|---------------|
|   | 31.12.2019        | 31.12.2018    |
| Equity securities of investment portfolio measured at fair value through other comprehensive income (note 20) | 508               | 566           |
| Equity securities of trading portfolio  | 9                 | 1             |
| Equity securities of investment portfolio measured at fair value through profit or loss                       |                   | 8             |
| Subsidiaries and associates   | 23,243            | 61,838        |
| <b>Total</b>  | <b>23,760</b>     | <b>62,413</b> |

Dividend income of year 2019, is mainly attributed to € 3,099 by Alpha Asset Management AEDAK, € 7,994 by Alphalife A.A.E.A.Z., € 1,000 by Alpha Insurance Agents S.A., € 1,150 by Alpha Real Estate Management and Investments S.A. and € 10,000 by ABC Factors A.E.

Dividend income of year 2018, is mainly attributed to € 26,000 by Alpha Group Ltd, € 12,396 by Alpha Bank London, € 8,000 by Alpha Credit Group Plc, € 6,732 from Alpha Life A.A.E.Z., € 4,426 by Alpha Asset Management AEDAK, € 3,004 by Alpha Real Estate Management and Investments S.A. and € 1,280 by Alpha Insurance Agents S.A.

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



## 5. Gains less losses on financial transactions

|   | From 1 January to |               |
|---|-------------------|---------------|
|   | 31.12.2019        | 31.12.2018    |
| Foreign exchange differences  | 33,337            | 18,847        |
| Trading securities:   |                   |               |
| - Bonds   | 3,378             | 1,685         |
| - Equity securities   | 177               | 1             |
| Financial assets measured at fair value through profit or loss:             |                   |               |
| - Loans and advances to customers   | (31,237)          | (51,226)      |
| - Equity securities   | 29                | (23)          |
| - Other securities  | 1,986             | (1,173)       |
| - Bonds   | 3,860             | 27,289        |
| Financial assets measured at fair value through other comprehensive income: |                   |               |
| - Bonds   | 339,779           | 475,510       |
| Investments in subsidiaries, associates and joint ventures                  | (83,870)          | (376,479)     |
| Derivative financial instruments  | 42,548            | 10,764        |
| Other financial instruments   | 3,608             | (9,278)       |
| <b>Total</b>  | <b>313,595</b>    | <b>95,917</b> |

“Gains less losses on financial transactions” for the year 2019 has been mainly affected by:

- Gain amounting to € 339,779 reported in the “Bonds” of financial assets measured at fair value through other comprehensive income that relates to gains from the sales of Greek Government Bonds and Greek T-bills of € 323,979 and other corporate and government bonds amounting to € 15,800
- Loss amounting to € 31,237 of loans and advances to customers measured at fair value through profit or loss due to valuation adjustments of the year
- Additionally, the caption “Investments in subsidiaries, associates and joint ventures” includes mainly impairment losses on subsidiaries, joint ventures and subsidiaries for sale as well as gains from the disposal of the associate company Alpha Investment Property I A.E. as described in note 21 and note 44.

The “Gains less losses on financial transactions” balance for the year 2018 has been mainly affected by::

- Gain amounting to € 475,510 included in “Bonds” of the Bank’s financial assets measured at fair value through other comprehensive income and relates to gains of the disposal of Greek Government’s bonds and treasury bills up to € 466,699 and other corporate and government bonds amount to € 8,811
- Gain of € 27,289 included in “Bonds” of the Bank’s financial assets measured at fair value through profit or loss resulting mainly from the change of their valuation within 2018
- Loss amounting to € 51,226 from loans and advances to customers measured at fair value through profit or loss due to valuation adjustments of the year
- Loss amounted to € 5,000 included in Other financial instruments relates to the contingent consideration for the sale of Cardlink shares (due to the modification of its Transfer Agreement)
- Additionally, “Investments in subsidiaries, associates and joint ventures” includes mainly impairments of subsidiaries as well as the profit or loss from sale and liquidation transactions, as described in note 21 and note 44.





## 6. Gains less losses on derecognition of financial assets measured at amortised cost

The tables below present gains less losses for the year 2018 and 2019 from derecognition of financial assets measured at amortised cost as well as their carrying amount before derecognition.

| From 1 January to 31.12.2019      |                  |                             |                         |                                    |
|-----------------------------------|------------------|-----------------------------|-------------------------|------------------------------------|
|                                   | Carrying Amount  | (Losses) from derecognition | Gain from derecognition | Gains less losses on derecognition |
| Early repayments                  |                  |                             |                         |                                    |
| - Loans and advances to customers | 2,568,585        | (3,826)                     | 3,214                   | (612)                              |
| Sales                             |                  |                             |                         |                                    |
| - Loans and advances to customers | 90,799           | (17,192)                    | 2,168                   | (15,024)                           |
| Substantial modifications         |                  |                             |                         |                                    |
| - Loans and advances to customers | 241,686          | (6,274)                     | 5,489                   | (785)                              |
| <b>Total</b>                      | <b>2,901,070</b> | <b>(27,292)</b>             | <b>10,871</b>           | <b>(16,421)</b>                    |

| From 1 January to 31.12.2018      |                  |                             |                         |                                    |
|-----------------------------------|------------------|-----------------------------|-------------------------|------------------------------------|
|                                   | Carrying Amount  | (Losses) from derecognition | Gain from derecognition | Gains less losses on derecognition |
| Early repayments                  |                  |                             |                         |                                    |
| - Loans and advances to customers | 712,400          | (1,400)                     | 1,733                   | 333                                |
| Sales                             |                  |                             |                         |                                    |
| - Loans and advances to customers | 616,732          | (25,098)                    | 30,857                  | 5,759                              |
| Substantial modifications         |                  |                             |                         |                                    |
| - Loans and advances to customers | 30,646           | (3,702)                     | 1,396                   | (2,306)                            |
| Debt to equity                    |                  |                             |                         |                                    |
| - Loans and advances to customers | 87,128           | (1,170)                     | 2,099                   | 929                                |
| <b>Total</b>                      | <b>1,446,906</b> | <b>(31,370)</b>             | <b>36,085</b>           | <b>4,715</b>                       |

“Early repayments” includes gains and losses that arise from the recognition in the income statement of the unamortised amounts of capitalized commission and fees from loans and advances to customers that were early repaid.

“Sales” includes loans and advances to customers that were sold during the years 2018 and 2019, part of which have been classified as Assets held for sale during previous periods (note 44).

“Substantial modifications” includes the carrying amount of loans and advances to customers which were derecognized during the years 2018 and 2019 following the substantial modification of their contractual terms, as well as the related profit or loss from the derecognition and any valuation adjustment in the fair value of the newly recognized loans and advances to customers.

“Debt to equity” for the year 2018 includes loans and advances to customers for which the Bank in the context of renegotiation of their terms, participated in debt to equity swap agreements.



## 7. Other income

|   | From 1 January to |               |
|---|-------------------|---------------|
|   | 31.12.2019        | 31.12.2018    |
| Rental income                                       | 4,390             | 5,363         |
| Sale of fixed assets                                | 1,625             | 1,304         |
| Insurance indemnities                               | 450               | 13,313        |
| Preparation of business plans and financial studies | 2,620             | 2,623         |
| Other   | 7,728             | 6,939         |
| <b>Total</b>  | <b>16,813</b>     | <b>29,542</b> |

Insurance indemnities of the prior year includes an amount of € 13,000 which relates to prior year indemnities.

Rental income of the current year includes an amount of € 2,276 (31.12.2018: € 1,982) which relates to income from subleases of fixed assets.

## 8. Staff costs

|  | From 1 January to |                |
|--|-------------------|----------------|
|  | 31.12.2019        | 31.12.2018     |
| Wages and salaries   | 235,032           | 251,970        |
| Social security contributions  | 75,453            | 80,905         |
| Employee defined benefit obligation (note 31)  | 217               | 216            |
| Bank's employee indemnity provision due to retirement in accordance with Law 2112/1920 (note 31) | 4,621             | 3,969          |
| Other charges  | 30,875            | 32,157         |
| <b>Total</b>   | <b>346,199</b>    | <b>369,217</b> |

The total number of the Bank's employees as at 31.12.2019 was 6,993 (31.12.2018: 7,816) out of which 6,969 (31.12.2018: 7,793) are employed in Greece and 24 (31.12.2018: 23) are employed abroad.

"Staff costs" decreased the year 2019 compared to 2018, a decrease which is mainly due to the decrease of the number of employees during the last quarters of 2018.

The "Wages and Salaries" and "Social Security Contribution" funds have been charged with staff incentive schemes.

Specifically, in the last quarter of 2018, following the Board of Directors' approval, the Bank recorded a provision amounting to € 9,450 to cover the cost of the Sales Incentive Program and the Performance Incentive Program for the year 2018.

In 2019 the terms of the abovementioned programs were specified, and the incentive can have the form of cash, equity shares or other financial instruments whereas for a part of the staff, an amount of up to 60% can be paid within the year in which the allocation is set and at a minimum 40% of the payment will be deferred for three (3) years from the initial payment (and it will be payable on the relevant annual anniversaries subject to conditions). The recognition of the incentive is made over time depending on achievement of the conditions set or the fulfillment of the other conditions (i.e. stay in employment) that are required to qualify for the payments

In 2019, part of the provision of the incentives for the year 2018 amounted to € 2,758 that relates to the Sales Incentive Program and an amount of € 4,922 that relates to the Performance Incentive Program have been paid, while the remaining amount of € 1,770 was reversed, as a result of the specification of the terms of the Performance Incentive Program as it relates to incentives that do not present a present obligation.

For year 2019, following the approval of the Remuneration Committee of the Board, the Bank recorded a provision of € 8,928 for the Performance Incentive Program and a provision of € 2,520 for the Sales Incentive Program.



## Defined contribution plans

All the employees of the Bank are insured for their main pension plans by the Social Insurance Fund (IKA-ETAM). The Social Insurance Fund (IKA-ETAM) as of 1.1.2017 consists part of the Single Social Security Body (E.F.K.A.), Public law entity established under the provisions of Law 4387/2016. In addition for the Bank's employees, the following also apply:

- a. Staff from the former Alpha Credit Bank and the former Emporiki Bank are insured for subsidiary insurance at the E.T.E.A.E.P (Joint Supplementary Insurance Fund and Lump Sum benefits), as renamed on January 1, 2017 by E.T.E.A. with Law 4387/2016. Pre-retirement pensioners are insured as of 1.1.2017 with the Single Social Security Agency (EFKA) under the same Law.
- b. The supplementary pension plan for employees of the former Ionian and Popular Bank of Greece is T.A.P.I.L.T.A.T., a multi-employer plan. The Bank has obtained legal opinions that indicate that it has no obligation if this fund does not have sufficient assets to pay employee benefits. Therefore, the Bank considers that the fund is a defined contribution plan and has accounted for it as such.
- c. Employees of former Ionian and Popular Bank of Greece and former Emporiki Bank are insured for the lump sum benefit (Welfare Sector) in the "Bank Employee and Companies Common Benefit Plan" (T.A.Y.T.E.K.O.) which is a defined contribution plan with contributions paid only by employees. In accordance with article 74 of Law 4387/2016, the Care Sectors of the "Bank Employee and Companies Common Benefit Plan" (T.A.Y.T.E.K.O.) consist part of the E.T.E.A.E.P (Joint Supplementary Insurance Fund and Lump Sum benefits).
- d. All employees of the Bank receive medical benefits from the National Organization of Health Care (EOPYY) and either in the Care Sector of the former T.A.Y.T.E.K.O. or the former E.T.A.A, both of which have been incorporated into Single Social Security Body (E.F.K.A.) since 1.1.2017.
- e. Retirement/Savings Insurance Plans
  - i) The Bank, in cooperation with insurance company, has created a savings plan. The plan's effective date is January 1, 2011 and its aim is to provide a lump sum monetary benefit to retiring employees. The plan assets consist of investment from the fixed monthly contributions of the Bank and its employees.

Initially the plan included Bank's personnel that were hired and insured for the first time on 1.1.1993 and onwards. After signing the Collective Labor Agreement for the 3-year period of 2016-2019, the personnel of the Bank may be included in the savings plan.

Except from those employees, that were hired by the Bank and were members of the main pension scheme for the period from 1.1.1993 until 31.12.2004 for which a minimum payment guarantee is required(Law 2084/1992), for the remaining employees, the plan is considered to be a defined contribution plan, given that the benefit is paid out from a savings fund that was accumulated up to the date they leave.
  - ii) Following the Board of Directors' and General Assebly's decision, the Bank provides to its senior management a group retirement and savings Insurance Plan with effect from 1.1.2018. The plan is a defined contribution plan and aims to provide a lump-sum benefit upon retirement. The savings fund sums up from the investment of defined monthly contributions paid by the senior management and the Bank.

The Bank's "Investment Committee for group insurance employee plans of Alpha Bank" is responsible for determining the appropriate structure of the portfolio of the aforementioned saving plans.

## Employee defined benefit obligations

An analysis of liabilities arising from defined benefit plans is included in note 31.

## Expenses for separation schemes

In the context of improving the efficiency and reducing the operating costs provided by the 2017-2019 Business Plan, the



voluntary exit program that was in force for the period 2016-2018 continued in 2019. From the provision of € 59,004 as at 31.12.2018, an amount of € 9,484 was used in 2019 for the departure of 135 employees and to cover the annual cost of 81 employees who departed in 2018 using the long term leave, while the amount of € 42,916 was reversed.

A voluntary exit program was launched in September 2019, providing as compensation the 100% of the compensation defined by law, plus an incentive based on age and years of service and an increase for those employed in specific central services. The program alternatively provided long-term paid leave with the form of either a three or five year leave. The total provision to cover the costs of the voluntary exit program amounted to € 89,861 (note 33).

On 29.6.2018 the General Assembly of Shareholders approved the senior executives' compensation plan, a benefit which was further specified by a Regulation subsequently issued. It is noted that the payment of the benefit is voluntary, does not constitute a normal business and may be terminated in the future with the decision of the General Assembly of Shareholders. To cover the costs of this program, a provision was made, within 2019, amounted to € 2,670 (note 33).

## 9. General administrative expenses

|   | From 1 January to |                |
|---|-------------------|----------------|
|   | 31.12.2019        | 31.12.2018*    |
| Operating lease expenses  | 2,631             | 35,474         |
| Maintenance of EDP equipment  | 14,370            | 10,189         |
| EDP expenses  | 19,273            | 19,439         |
| Marketing and advertisement expenses  | 19,384            | 22,171         |
| Telecommunications and postage  | 14,030            | 13,670         |
| Third party fees  | 36,660            | 46,921         |
| Consultants fees  | 8,262             | 7,668          |
| Contribution to the Deposit Guarantee Fund - Investment fund and Resolution Scheme      | 51,258            | 51,530         |
| Insurance   | 7,230             | 6,913          |
| Consumables   | 2,962             | 4,010          |
| Electricity   | 6,696             | 6,511          |
| Taxes and Duties(VAT, real estate etc)  | 69,893            | 69,409         |
| Services from collection agencies   | 8,705             | 14,782         |
| Building and equipment maintenance  | 4,984             | 5,120          |
| Security of buildings-money transfers   | 9,709             | 9,127          |
| Cleaning expenses   | 3,588             | 3,599          |
| Commission for the amount of Deferred tax Asset guaranteed by the Greek State (note 11) | 5,469             | 5,618          |
| Other   | 99,111            | 96,986         |
| <b>Total</b>  | <b>384,215</b>    | <b>429,137</b> |

General administrative expenses have been decreased in 2019 compared to 2018, mainly due to the decrease in operating lease rentals for buildings. Specifically, the implementation of IFRS 16, effective from 1.1.2019, differentiates the accounting of leases, since the classification of leases for lessees as either operating or finance lease is eliminated. For all leases with term of more than 12 months, the lessee is required to recognize the right-of-use asset, with the corresponding depreciation charge included in the caption "Depreciation and amortization" of the Income Statement, as well as the related liability for lease payments for which interest expense is calculated and depicted in the relevant caption of Income Statement.

The caption "Operating lease expenses" includes expenses for short-term leases, low value leases and variable lease payments which is not included in lease liabilities.

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



Third-party fees and services from collection agencies, decreased during 2019, mainly due to the implementation of the new "Retail Transformation Plan" from 1.7.2018 which aims to a more effective management with actions in order to reduce non-performing exposures.

## 10. Other expenses

|  | From 1 January to |               |
|--|-------------------|---------------|
|  | 31.12.2019        | 31.12.2018    |
| Losses from disposals/write-off/impairments on plant, property and equipment | 5,772             | 23,864        |
| Provisions   | 21,046            | 4,468         |
| Other  | 272               | 299           |
| <b>Total</b>   | <b>27,090</b>     | <b>28,631</b> |

"Losses from disposals/write-off/impairments on plant, property and equipment" as at 31.12.2019 includes an amount of € 1,817 (31.12.2018: € 23,220) from the recognition of impairment losses of property plant and equipment, assets obtained from auctions and assets held for sale as well as an amount of € 2,892 (31.12.2018: € 0) from the impairment of right-of-use assets. The aforementioned impairment losses are included in the operating segment "Other / Elimination Center" in note 39 "Operating segments".

"Provisions" mainly include an amount of € 21,686 which relates to provision recorded based on the Bank's assessment of the inadmissibility of appeals filed in the past related to the payment of insurance contributions, as well as, the reversal of € 640 related to legal cases issued against Bank (31.12.2018: € 4,468). The aforementioned amounts are included in "Other provisions" of note 33.

## 11. Impairment losses and provisions to cover credit risk on loans and advances to customers

"Impairment losses and provisions to cover credit risk" amounted to € 924,799 for the fiscal year 2019 and € 1,478,683 for the fiscal year 2018, includes the impairment losses and provisions to cover credit risk on loans and advances to customers, which are presented in the table below, along with the impairment losses on other financial instruments, as presented in note 12.

The following table presents the impairment losses and provisions to cover credit risk on loans and advances to customers:

|  | From 1 January to |                  |
|--|-------------------|------------------|
|  | 31.12.2019        | 31.12.2018       |
| Impairment losses on loans   | 745,602           | 1,425,491        |
| Impairment losses of receivables from customers  | 14,623            | 16,381           |
| Provisions to cover credit risk on letters of guarantee, letters of credit, undrawn loan commitments (note 33) | 6,464             | (20,801)         |
| (Gains)/Losses from modifications of contractual terms of loans and advances to customers                      | 181,503           | 84,248           |
| Recoveries   | (18,110)          | (20,925)         |
| <b>Total</b>   | <b>930,082</b>    | <b>1,484,394</b> |

For the year 2019, Impairment losses and provisions to cover credit risk on loans and advances to customers amounted to € 930,082 (31.12.2018: € 1,484,394) includes mainly the following:

- Impairment losses on loans and provision to cover credit risk relating to letters of guarantee, letters of credit and undrawn loan commitments resulted from the impairment assessment exercises performed by the Bank on a quarterly basis. The

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



methodology for the calculation of the expected credit losses as well as the explanatory notes regarding any significant changes in the gross carrying amount that contributed to the change in the expected credit losses of the year, are described in note 40.1.

- Impairment losses for those receivables that the Bank applies the simplified approach for the calculation of expected credit loss, in accordance with the provisions of IFRS 9.
- Finally, the losses from modification of the contractual terms of loans and advances to customers, which relate to cases for which the change in contractual cashflows is not significant and does not result in their derecognition, the carrying amount of the asset before impairment will be adjusted to reflect the present value of the modified cash flows discounted with the original effective interest rate. The net impact on the Income Statement from modification to the contractual terms of loans and advances to customers for the year 2019 after taking into consideration the impairment losses for the year for these loans amounted to a loss of € 124,787.

### Gains/(Losses) on modifications of contractual terms of loans and advances to customers

The Bank, in the context of renegotiation with borrowers or of restructurings, proceeds with the modifications of the contractual cash flows of the loans and advances to customers in order to ensure their regular repayment.

The following table presents the carrying amount of those Loans and advances to customers for which there was gain or loss from the modification of the contractual terms and loss allowance was measured at an amount equal to lifetime expected credit loss i.e loans categorised Stages 2 or stage 3 or loans Purchased or originated credit-impaired (POCI).

|  | From 1 January to |            |
|--|-------------------|------------|
|  | 31.12.2019        | 31.12.2018 |
| Net carrying amount before modification    | 19,915,361        | 8,069,806  |
| Net gain or (loss) due to the modification | (203,094)         | (78,291)   |

## 12. Impairment losses on other financial instruments

|  | From 1 January to |                |
|--|-------------------|----------------|
|  | 31.12.2019        | 31.12.2018     |
| Impairment losses on debt securites and other securities measured at amortized cost                                | 7,412             |                |
| Impairment losses on debt securites and other securities measured at fair value through other comprehensive income | (11,047)          | 3,651          |
| Impairment losses on due from banks  | (1,648)           | (9,362)        |
| <b>Total</b>   | <b>(5,283)</b>    | <b>(5,711)</b> |

The positive impact on the expected credit losses for debt securities within 2019 derives from the upgrading of the credit rating of the Greek Government by Moody's on 1.3.2019 to B1 from B3 and the positive impact on expected credit risk losses of due from Banks, is mainly due to the decrease of respective balances.

## 13. Income tax

According to article 22 of Law 4646 / 12.12.2019 "Tax reform with a growth dimension for tomorrow's Greece", the tax rate on business profits acquired by legal entities is reduced to 24% on income of fiscal year 2019 onwards. By explicit reference to the law, this reduction does not apply to credit institutions for which the tax rate is still 29%.

Article 22 of the same law exempts income tax on income derived from the goodwill of the transfer of equity instruments to a legal entity resident in a Member State of the European Union, which a legal entity receives which is a tax resident of Greece



if the legal entity whose titles are transferred fulfills the conditions prescribed by law. This income shall not be taxable on the distribution or capitalization of these profits. Any impairment losses recognized as at 31.12.2019 are deducted from gross income at the time of transfer. The provision applies to income derived from 1.7.2020 and onwards.

Article 10 of the same law, states that the business benefits arising from the creditor's resignation from debt collection under a mutual agreement or judicial settlement, which takes place in the course of their professional cooperation, concern an income. The aforementioned article is effective from the date of publication of the law and does not cover the write-off of part or all of the debt to a credit or financial institution or company under Law 4354/2015 (A '176) in an out-of-court settlement or enforcement of a court order.

Furthermore, in accordance with the article 22 of the same law, the withholding rate is reduced to 5% from 10% in dividends paid from 1.1.2020 onwards.

In accordance with article 65A of Law 4174/2013, from 2011, the statutory auditors and audit firms conducting statutory audits to a Societe Anonyme (S.A.), are obliged to issue an Annual Tax Certificate on the compliance on tax issues. This tax certificate is submitted to the entity being audited within the first ten days of the tenth month after the end of the audited financial year, as well as, electronically to the Ministry of Finance, no later than the end of the tenth month after the end of the audited financial year. In accordance with article 56 of Law 4410/03.08.2016 for the fiscal years from 1.1.2016 and onwards, the issuance of tax certificate is optional. However, the Bank intends to continue to obtain the tax certificate.

The Bank has been audited by the tax authorities up to and including 2010 (note 38).

For the fiscal years 2011 up to 2018, the tax audit based on article 65A of L. 4174/2013 has been completed and the Bank has received the relevant tax certificate without any qualifications on the tax issues covered. The tax audit for the fiscal year 2019 is in progress.

The income tax is analysed as follows:

|   | From 1 January to |                  |
|---|-------------------|------------------|
|   | 31.12.2019        | 31.12.2018       |
| Tax audit difference and other provisions | 3,050             | 52,630           |
| Deferred tax                              | 24,202            | (503,455)        |
| <b>Total</b>                              | <b>27,252</b>     | <b>(450,825)</b> |

Deferred tax recognized in the income statement is attributable to temporary differences, the effect of which is analyzed in the table below:

|  | From 1 January to |                  |
|--|-------------------|------------------|
|  | 31.12.2019        | 31.12.2018       |
| Debit difference of Law 4046/2012  | 44,555            | 44,555           |
| Debit difference of Law 4465/2017  | (14,082)          | (692,028)        |
| Write-offs, depreciation and impairments of plant property and equipment and leases              | 12,871            | 8,863            |
| Loan portfolio   | (221,350)         | 129,835          |
| Valuation of loans due to hedging  | (261)             | (80)             |
| Valuation of derivatives financial instruments   | 21,232            | 4,738            |
| Defined benefit obligation and insurance funds   | 2,112             | 1,361            |
| Effective interest rate  | 1,188             | 799              |
| Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge | 345               | (3,842)          |
| Valuation of investments   | (4,039)           | (227,109)        |
| Valuation/Impairment of debt securities and other securities                                     | 8,313             | 87,465           |
| Tax losses carried forward   | 163,599           | 140,954          |
| Other temporary differences  | 9,719             | 1,034            |
| <b>Total</b>   | <b>24,202</b>     | <b>(503,455)</b> |



“Debit difference of Law 4046/2012” relates to the deferred tax asset on tax losses, due to the Bank’s participation in the Greek government bonds exchange program (PSI) and the Greek government bond buyback program on December 2012, which have been recognized as a debit difference in accordance with Law 4046/14.2.2012 and Law 4110/23.1.2013. According to Law 4110/23.1.2013 this “debit difference” is tax deductible, gradually in equal installments, within 30 years.

Moreover, according to article 5 of Law 4303/17.10.2014 “Ratification of the Legislative Act Emergency legislation to replenish the General Secretary of Revenue upon early termination of office (A 136) and other provisions”, which replaced article 27A of Law 4172/2013, deferred tax assets of legal entities supervised by the Bank of Greece, under article 26 paragraphs 5, 6 and 7 of Law 4172/2013 that have been or will be recognized and are due to the debit difference arising from the PSI and the accumulated provisions and other general losses due to credit risk, with respect to existing amounts up to 31.12.2014, are converted into final and settled claims against the State, if, the accounting result for the period, after taxes, is a loss, according to the audited and approved financial statements by the Ordinary Shareholders’ General Meeting.

The inclusion in the Law is implemented with the approval of the General Meeting of Shareholders and relates to tax assets arising from 2016 and onwards, relating to fiscal year 2015 whereas it is envisaged the end of inclusion in the Law with the same procedure and after obtaining relevant approval from the Regulatory Authority.

According to article 4 of Law 4340/01.11.2015 “Recapitalization of financial institutions and other provisions of the Ministry of Finance” the above were amended regarding the time of the application which is postponed for a year. In addition the amount of the relevant deferred tax asset which is included in the above provisions of article 5 of Law 4303/17.10.2014 and relates to accumulated provisions and other general losses due to credit risk, is limited to the amount related to the provisions for credit risk, which were accounted until 30.06.2015.

In connection with the amount included in caption “Debit difference of Law 4465/2017”, according to article 43 of Law 4465/4.4.2017 “Integration of Directive 2014/92/EU of the European Parliament and Council held on 23.7.2014 for the comparability of charges related to payment accounts, the change of payment account and the access to payment accounts with basic characteristics and other provisions”, the articles 27 and 27A of the Income Tax Code were amended (Law 4172/2013). According to the new legislation, the debit difference relating to the loss, that will arise from the write-off of debtors’ debts and the loss from the sale of loans of the legal entities supervised by the Bank of Greece, is recognised as a deduction from gross income and is amortized equally over a period of 20 years. The deferred tax asset which will be recognized from the abovementioned debit difference as well as of any accounting write-offs of loans or credits, not converted into debit difference until the end of the year when the accounting write-off took place, are converted into a final and settled claim against the Government, based on the abovementioned terms and conditions.

Based on the above mentioned Law, the total amount of deferred tax asset from (a) the debit difference from the write-off of debtors’ debts and the sale of loans, (b) the temporary differences from any accounting write-off of loans and credits and (c) the temporary differences from accumulated provisions and other losses due to credit risk, is limited to the total tax amount related to accumulated provisions and other losses due to credit risk, recognised until 30.6.2015.

This amendment ensures that the loan write-offs and disposals, aiming to decrease the non performing loans, will not result in the loss of regulatory capital.

The above apply from 01.01.2016.

On 31.12.2019, the amount of deferred tax assets which is estimated to be within the scope of the Law 4465/2017, as well as the amortized balance of the debit difference of PSI amounts to € 3,166.8 million (31.12.2018: € 3,240.6 million).

According to article 82 of Law 4472/19.5.2017 “Public Pension Provisions and amendment of provisions of Law 4387/2016, measures for the implementation of budgetary targets and reforms, social support measures and labor regulations, Medium term Fiscal Strategy Framework 2018-2021 and other provisions” credit institutions and other entities that fall under the provisions of article 27A of Law 4172/2013, are required to pay an annual commission to the Greek State for the amount of the guaranteed deferred tax asset that results from the difference between the tax rate currently in force (29%) and the tax rate that was in force until 31.12.2014 (26%). The respective amount has been included in caption “General administrative expenses” (note 9).





A reconciliation between the effective and nominal tax rate is provided below:

|   | From 1 January to |               |               |                  |
|---|-------------------|---------------|---------------|------------------|
|   |                   | 31.12.2019    |               | 31.12.2018       |
|   | %                 |               | %             |                  |
| <b>Profit/(loss) before income tax</b>                          |                   | <b>81,821</b> |               | <b>(387,421)</b> |
| Income tax (nominal tax rate)                                   | 29                | 23,728        | 29            | (112,352)        |
| <b>Increase/(decrease) due to:</b>                              |                   |               |               |                  |
| Non taxable income  | (13.03)           | (10,660)      | 5.10          | (19,773)         |
| Non deductible expenses   | 6.17              | 5,051         | (0.49)        | 1,906            |
| Tax recognition of previous years temporary differences         |                   |               | 26.27         | (101,762)        |
| Impact from the reassessment of the tax base of loans portfolio |                   |               | 74.85         | (290,000)        |
| Other provisions  |                   |               | (13.58)       | 52,630           |
| Other tax differences   | 11.16             | 9,133         | (4.78)        | 18,526           |
| <b>Income tax (effective tax rate)</b>                          | <b>33.31</b>      | <b>27,252</b> | <b>116.37</b> | <b>(450,825)</b> |

### Income tax of other comprehensive income recognized directly in equity

|  | From 1 January to    |                  |                     |                      |                |                      |
|--|----------------------|------------------|---------------------|----------------------|----------------|----------------------|
|  | 31.12.2019           |                  |                     | 31.12.2018           |                |                      |
|  | Before<br>Income tax | Income tax       | After<br>Income tax | Before<br>Income tax | Income tax     | After I<br>ncome tax |
| <b>Amounts that may be reclassified to the<br/>Income Statement</b>  |                      |                  |                     |                      |                |                      |
| Net change in investment securities' reserve<br>measured at fair value through other<br>comprehensive income | 475,994              | (138,039)        | 337,955             | (495,131)            | 143,588        | (351,543)            |
| Net change in cash flow hedge reserve  | (130,454)            | 37,833           | (92,621)            | (2,350)              | 681            | (1,669)              |
|  | <b>345,540</b>       | <b>(100,206)</b> | <b>245,334</b>      | <b>(497,481)</b>     | <b>144,269</b> | <b>(353,212)</b>     |
| <b>Amounts that will not be reclassified to the<br/>Income Statement</b>                                     |                      |                  |                     |                      |                | -                    |
| Net change in actuarial gains/(losses) of defined<br>benefit obligations                                     | (10,931)             | 3,170            | (7,761)             | 1,123                | (326)          | 797                  |
| Gains/(Losses) from equity securities measured at<br>fair value through other comprehensive income           | (11,160)             | 3,236            | (7,924)             | (2,577)              | 748            | (1,829)              |
|  | <b>(22,091)</b>      | <b>6,406</b>     | <b>(15,685)</b>     | <b>(1,454)</b>       | <b>422</b>     | <b>(1,032)</b>       |
| <b>Total</b>   | <b>323,449</b>       | <b>(93,800)</b>  | <b>229,649</b>      | <b>(498,935)</b>     | <b>144,691</b> | <b>(354,244)</b>     |

On 1.1.2019, in "Retained earnings" an amount of € 11,408 related to credit deferred tax was recognized as a result from the implementation of IFRS 16 (note 25).

As at 31.12.2019, the Bank has not recognized deferred tax assets on the accounting and tax base differences relating to investments in subsidiaries, associates and joint ventures amounting to € 101,532 (31.12.2018: € 85,351), as such investments are not expected to be sold in the near future.

### Tax advances and withholding taxes

Further to the information provided in note 13 of Bank Financial Statements as at 31.12.2018, it is noted that article 93 of Law 4605/1.4.2019 "Alignment of Greek legislation with the European Parliament and Council Directive (EU) 2016/943 of 8.6.2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (EEL 157, 15.6.2016) - Measures for accelerating the work of the Ministry of Economy and other provisions" provides that:

- The credit balances of fiscal years 2008 and 2010 up to 2012 that arose from withholding taxes on specially taxed



income are transferred and will be offset at the time when income tax is incurred and in proportion to that tax. This set-off procedure also includes any amounts refunded by virtue of court decisions, for which the obligation to return them to the Greek State is borne at the time and proportionally to the amount of the income tax recognized. The Bank's receivables from the Greek State subject to the above mentioned legislation amount to € 85,156.

- The credit balances that arose under Law 4046/2012 and have not been offset after the end of the five-years period from their recognition, will be offset starting from 1.1.2020 in ten equal annual installments with any tax liability of the banks. The Bank's receivables from the Greek State subject to the above mentioned legislation amount to € 63,114.

## 14. Earnings/(losses) per share

### a. Basic

Basic earnings/(losses) per share are calculated by dividing the net profit/(losses) for the year attributable to ordinary equity owners of the Bank, by the weighted average number of ordinary shares outstanding during the period, excluding own shares held by the Bank, during the period.

### b. Diluted

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares outstanding during the period with the dilutive potential ordinary shares. The Bank does not have such shares, consequently the basic and dilutive earnings/(losses) per share do not differ.

|   | From 1 January to |               |
|---|-------------------|---------------|
|   | 31.12.2019        | 31.12.2018    |
| <b>Profit/(losses) attributable to ordinary equity owners of the Bank</b> | <b>54,569</b>     | <b>63,404</b> |
| Weighted average number of outstanding ordinary shares                    | 1,543,699,381     | 1,543,699,381 |
| Basic and diluted earnings/(losses) per share (in €)                      | 0.04              | 0.04          |



## ASSETS

## 15. Cash and balances with Central Banks

|   | 31.12.2019       | 31.12.2018     |
|---|------------------|----------------|
| Cash  | 324,608          | 311,140        |
| Cheques receivables                               | 14,542           | 7,329          |
| Balances with Central Banks                       | 862,657          | 401,490        |
| <b>Total</b>                                      | <b>1,201,807</b> | <b>719,959</b> |
| Less: Deposits pledged to Central Banks (note 38) |                  | (393,411)      |
| <b>Total</b>                                      | <b>1,201,807</b> | <b>326,548</b> |

The Bank is required to maintain a current account with the Bank of Greece (Central Bank) in order to facilitate interbank transactions with the Central Bank and other financial institutions through the Trans European – Automated Real Time Gross Settlement Express Transfer System (TARGET).

The Bank of Greece also requires, that all financial institutions established in Greece maintain reserve deposits with the Central Bank equal to 1% of customer deposits.

These deposits are interest bearing based on the refinancing interest rate set by the European Central Bank. On 31.12.2019 the above mentioned interest rate was 0% (31.12.2018: 0%).

## Cash and cash equivalents (as presented in the Statement of Cash Flows)

|   | 31.12.2019       | 31.12.2018       |
|---|------------------|------------------|
| Cash and balances with central banks                            | 1,201,807        | 326,548          |
| Securities purchased under agreements to resell (Reverse Repos) | 1,164,950        | 498,901          |
| Short-term placements with other banks                          | 173,440          | 177,274          |
| <b>Total</b>  | <b>2,540,198</b> | <b>1,002,723</b> |

## 16. Due from banks

|  | 31.12.2019       | 31.12.2018       |
|--|------------------|------------------|
| Placements with other banks  | 858,902          | 1,104,660        |
| Guarantees for derivative securities coverage and repurchase agreement (note 38) | 1,345,744        | 1,059,932        |
| Securities purchased under agreements to resell (Reverse Repos)                  | 1,164,950        | 498,901          |
| Loans to credit institutions   | 36,966           | 36,966           |
| Less:  |                  |                  |
| Allowance for impairment losses (note 40.1)                                      | (73,624)         | (75,273)         |
| <b>Total</b>   | <b>3,332,938</b> | <b>2,625,186</b> |

The increase in Due from banks is mainly attributed to the increase of Reverse Repos, through which, Eurozone securities were transferred to the Bank and were used as collaterals for the targeted refinancing operation from ECB (TLTRO), as well as for repos transactions with other Banks.



## 17. Trading securities

The following table presents an analysis of the carrying amount of trading portfolio per type of security.

|                    | 31.12.2019    | 31.12.2018   |
|--------------------|---------------|--------------|
| Bonds              |               |              |
| - Greek Government | 17,490        | 6,669        |
| - Other issuers    | 371           |              |
| Equity shares      |               |              |
| - Listed           | 786           | 146          |
| <b>Total</b>       | <b>18,647</b> | <b>6,815</b> |

## 18. Derivative financial instruments (assets and liabilities)

|  | 31.12.2019                    |                  |                  |
|--|-------------------------------|------------------|------------------|
|  | Contractual<br>Nominal Amount | Fair Value       |                  |
|  |                               | Assets           | Liabilities      |
| <b>Derivatives held for trading purposes</b>   |                               |                  |                  |
| <b>a. Foreign exchange derivatives</b>         |                               |                  |                  |
| Foreign exchange forwards                      | 198,501                       | 1,261            | 1,392            |
| Foreign exchange swaps                         | 1,258,158                     | 9,398            | 1,420            |
| Cross currency swaps                           | 1,064,211                     | 34,929           | 45,079           |
| Currency options                               | 55,939                        | 1,288            | 1,283            |
| Currency options embedded in customer products | 4,129                         | 17               | 64               |
| <b>Total non-listed</b>                        | <b>2,580,938</b>              | <b>46,893</b>    | <b>49,238</b>    |
| <b>b. Interest rate derivatives</b>            |                               |                  |                  |
| Interest rate swaps                            | 15,906,397                    | 956,972          | 1,071,977        |
| Interest rate options (caps and floors)        | 212,592                       | 2,767            | 1,125            |
| <b>Total non-listed</b>                        | <b>16,118,989</b>             | <b>959,739</b>   | <b>1,073,102</b> |
| <b>c. Commodity derivatives</b>                |                               |                  |                  |
| Commodity swaps                                | 54,139                        | 2,178            | 1,877            |
| <b>Total non-listed</b>                        | <b>54,139</b>                 | <b>2,178</b>     | <b>1,877</b>     |
| <b>d. Index derivatives</b>                    |                               |                  |                  |
| OTC options                                    | 73,605                        | 1,950            | 21               |
| Index options embedded in customer products    | 182                           | 3                | 62               |
| <b>Total non-listed</b>                        | <b>73,787</b>                 | <b>1,953</b>     | <b>83</b>        |
| <b>e. Credit derivatives</b>                   |                               |                  |                  |
| Total return swap                              | 171,197                       | 10,499           | -                |
| <b>Total non-listed</b>                        | <b>171,197</b>                | <b>10,499</b>    | <b>-</b>         |
| <b>f. Other derivatives</b>                    |                               |                  |                  |
| GDP linked security                            | 762,748                       | 2,288            | -                |
| <b>Total listed</b>                            | <b>762,748</b>                | <b>2,288</b>     | <b>-</b>         |
| <b>Derivatives for fair value hedging</b>      |                               |                  |                  |
| <b>a. Foreign exchange derivatives</b>         |                               |                  |                  |
| Foreign exchange swaps                         | 211,050                       | 90               | 102              |
| <b>Total non-listed</b>                        | <b>211,050</b>                | <b>90</b>        | <b>102</b>       |
| <b>b. Interest rate derivatives</b>            |                               |                  |                  |
| Interest rate swaps                            | 871,800                       | 844              | 323,301          |
| <b>Total non-listed</b>                        | <b>871,800</b>                | <b>844</b>       | <b>323,301</b>   |
| <b>Grand Total</b>                             | <b>20,844,648</b>             | <b>1,024,484</b> | <b>1,447,703</b> |

In the context of the daily process for setting off and providing collateral for derivatives transactions with credit institutions counterparties the Bank has pledged as collateral a net amount of € 1,324,654 on 31.12.2019 (31.12.2018: € 967,061).



The respective net fair value of derivatives with credit institutions amounted to € 1,232,536 on 31.12.2019 (31.12.2018: € 917,097).

|   | 31.12.2018                    |                |                  |
|---|-------------------------------|----------------|------------------|
|   | Contractual<br>Nominal Amount | Fair Value     |                  |
|   |                               | Assets         | Liabilities      |
| <b>Derivatives held for trading purposes</b>    |                               |                |                  |
| <b>a. Foreign exchange derivatives</b>          |                               |                |                  |
| Foreign exchange forwards                       | 339,591                       | 5,610          | 4,082            |
| Foreign exchange swaps                          | 1,642,394                     | 9,808          | 9,565            |
| Cross currency swaps                            | 1,852,853                     | 77,926         | 59,835           |
| Currency options                                | 81,928                        | 1,573          | 1,568            |
| Currency options embedded in customer products  | 365                           | 1              | 135              |
| <b>Total non-listed</b>                         | <b>3,917,131</b>              | <b>94,918</b>  | <b>75,185</b>    |
| <b>b. Interest rate derivatives</b>             |                               |                |                  |
| Interest rate swaps                             | 10,788,203                    | 580,644        | 687,386          |
| Interest rate options (caps and floors)         | 275,758                       | 10,987         | 3,601            |
| <b>Total non-listed</b>                         | <b>11,063,961</b>             | <b>591,631</b> | <b>690,987</b>   |
| <b>c. Commodity derivatives</b>                 |                               |                |                  |
| Commodity swaps                                 | 55,633                        | 8,002          | 7,702            |
| Commodity forwards                              | 1,644                         | 68             | 67               |
| Commodity options                               | 639                           | 70             | 7                |
| Commodity options embedded in customer products | 204                           | -              | 62               |
| <b>Total non-listed</b>                         | <b>58,120</b>                 | <b>8,140</b>   | <b>7,838</b>     |
| <b>d. Index derivatives</b>                     |                               |                |                  |
| OTC options                                     | 177,000                       | 14,565         |                  |
| <b>Total non-listed</b>                         | <b>177,000</b>                | <b>14,565</b>  | <b>-</b>         |
| <b>e. Credit derivatives</b>                    |                               |                |                  |
| Total return swap                               | 98,533                        | 1,208          |                  |
| <b>Total non-listed</b>                         | <b>98,533</b>                 | <b>1,208</b>   | <b>-</b>         |
| <b>f. Other derivatives</b>                     |                               |                |                  |
| GDP linked security                             | 1,216,609                     | 3,528          |                  |
| <b>Total listed</b>                             | <b>1,216,609</b>              | <b>3,528</b>   | <b>-</b>         |
| <b>Derivatives for hedging purposes</b>         |                               |                |                  |
| <b>a. Foreign exchange derivatives</b>          |                               |                |                  |
| Foreign exchange swaps                          | 213,715                       | 300            | 600              |
| <b>Total non-listed</b>                         | <b>213,715</b>                | <b>300</b>     | <b>600</b>       |
| <b>b. Interest rate derivatives</b>             |                               |                |                  |
| Interest rate swaps                             | 2,073,286                     | 15,925         | 374,903          |
| <b>Total non-listed</b>                         | <b>2,073,286</b>              | <b>15,925</b>  | <b>374,903</b>   |
| <b>Grand Total</b>                              | <b>18,818,355</b>             | <b>730,215</b> | <b>1,149,513</b> |



## Hedging accounting

### a. Fair value hedges

The Bank uses interest rate swaps to hedge the volatility in the fair value due to changes in market rates for: a) Greek Government Bonds, b) fixed rate retail loans and c) fixed rate corporate loan. The Bank uses foreign exchange swaps to hedge volatility in the fair value of its investments in subsidiaries due to exchange rates.

For all hedges of interest rate risk, the Bank determines the referenced interest rate associated with the hedged risk (Euro rate) at inception of the hedging relationship and calculates the changes in the fair value of the hedging instrument with respect to euro interest rate curve. For the hedge of the investments in subsidiaries foreign currency risk, the foreign risk is determined by the changes in foreign currency exchange rate of the investment, against Euro. More specifically, investments are valued at the current exchange rate and the exchange differences that arise from the commencement of the hedging relationship are compared with the exchange differences of the derivative.

In order to measure hedge effectiveness, the changes in the fair value of the hedged item are compared to the changes in the fair value of the hedging instrument and in order for the hedge to qualify as effective, the ratio of the change in the fair value of the hedging instrument over the change in the fair value of the hedged item is required to be within 80% -125% (dollar offset method).

The Bank has identified the following sources which may lead to hedging ineffectiveness:

- The credit risk (counterparty risk) of the hedging instruments used to hedge the interest rate or the currency risk, which is minimized by entering into derivatives transactions with high credit quality counterparties and
- the difference in the timing of settlement of hedging instruments and hedged items.

No other sources of ineffectiveness were identified.

Duration, nominal amount, interest rate and the foreign exchange of the hedging instruments as of 31.12.2019 are summarized as follows:

|   | <b>Duration</b>    |
|---|--------------------|
| <b>Risk category</b>                    | <b>1 - 5 years</b> |
| <b>Interest rate risk</b>               |                    |
| <b>Fixed rate retail loans</b>          |                    |
| Nominal amount of the derivative        | 450,000            |
| Average fixed interest                  | (0.39%)            |
| <b>Corporate loan</b>                   |                    |
| Nominal amount of the derivative        | 21,800             |
| Average fixed interest                  | 0.02%              |
| <b>Foreign currency risk</b>            |                    |
| <b>Investment in Alpha Bank London</b>  |                    |
| Nominal amount of the derivative        | 57,506             |
| Foreign Exchange rate                   | 0.85               |
| <b>Investment in Alpha Bank Romania</b> |                    |
| Nominal amount of the derivative        | 153,544            |
| Foreign Exchange rate                   | 4.85               |

|                                  | <b>Duration</b>     |
|----------------------------------|---------------------|
| <b>Risk category</b>             | <b>&gt; 5 years</b> |
| <b>Interest rate risk</b>        |                     |
| <b>Greek Government bonds</b>    |                     |
| Nominal amount of the derivative | 400,000             |
| Average fixed interest           | 0.06%               |



Duration, nominal amount, interest rate and the foreign exchange of the hedging instruments of 31.12.2018 are summarized as follows:

| Risk category   | Duration<br>1 - 5 years |
|---|-------------------------|
| <b>Interest rate risk</b>   |                         |
| <b>Covered bond issued by the bank</b>                            |                         |
| Nominal amount of the derivative                                  | 500,000                 |
| Average fixed interest  | 0.41%                   |
| <b>Targeted long-term refinancing operations from ECB (TLTRO)</b> |                         |
| Nominal amount of the derivative                                  | 1,000,000               |
| Average fixed interest  | 0.02%                   |
| <b>Corporate loan</b>   |                         |
| Nominal amount of the derivative                                  | 23,286                  |
| Average fixed interest  | 0.02%                   |
| <b>Foreign currency risk</b>                                      |                         |
| <b>Investment in Alpha Bank London</b>                            |                         |
| Nominal amount of the derivative                                  | 54,383                  |
| Foreign Exchange rate   | 0.90                    |
| <b>Investment in Alpha Bank Romania</b>                           |                         |
| Nominal amount of the derivative                                  | 159,332                 |
| Foreign Exchange rate   | 4.67                    |

The balance sheet and the income statement amounts relating to items designated as fair value hedging instruments and the hedge effectiveness are analyzed as follows:

| 2019  |                       |                                       |             |   |  |   |   |
|---|-----------------------|---------------------------------------|-------------|---|--|---|---|
| Hedging relationship                                  | Derivative category   | Carrying amount of hedging instrument |             | Line item in the balance sheet where the hedging instrument is included | Change in fair value of hedging instrument used for calculating the hedge effectiveness for 2019 | Ineffectiveness recognised in the income statement for 2019 | Line item in the Income statement that included hedge ineffectiveness |
|   |                       | Assets                                | Liabilities |   |  |   |   |
| <b>Interest rate risk</b>                             |                       |                                       |             |   |  |   |   |
| Covered bond issued by the Bank                       |                       |                                       |             |   | 2,727  | (15)  | Gains less losses on financial transactions                           |
| Targeted long-term refinancing operations ECB (TLTRO) |                       |                                       |             |   | 363  | 41  |   |
| Corporate loan  |                       |                                       | 74          | Derivatives   | 11   |   |   |
| Greek Government bonds                                | Interest rate swap    |                                       | 323,227     |   | 39,776   | 3,795   |   |
| Fixed rate retail loans                               |                       | 844                                   |             |   | 852  | (36)  |   |
| <b>Foreign currency risk</b>                          |                       |                                       |             |   |  |   |   |
| Investment in Alpha Bank London in GBP                | Foreign exchange swap | 71                                    |             | Derivatives   | (2,815)  |   | Gains less losses on financial transactions                           |
| Investment in Alpha Bank Romania in RON               |                       | 19                                    | 102         |   | 3,989  |   |   |



| 2018  |                       |                                       |             |   |  |  |   |
|---|-----------------------|---------------------------------------|-------------|---|--|--|---|
| Hedging relationship                                  | Derivative category   | Carrying amount of hedging instrument |             | Line item in the balance sheet where the hedging instrument is included | Change in fair value of hedging instrument used for calculating the hedge effectiveness for 2018 | Ineffectiveness recognised in the income statement for 2019/2018 | Line item in the Income statement that included hedge ineffectiveness |
|   |                       | Assets                                | Liabilities |   |  |  |   |
| <b>Interest rate risk</b>                             |                       |                                       |             |   |  |  |   |
| Covered bond issued by the Bank                       | Interest rate swap    | 10,447                                |             | Derivatives   | 8,331  | 23   | Gains less losses on financial transactions                           |
| Targeted long-term refinancing operations ECB (TLTRO) |                       | 5,478                                 |             |   | 4,791  | 260  |   |
| Corporate loan  |                       |                                       | 85          |   | (68)   |  |   |
| <b>Foreign currency risk</b>                          |                       |                                       |             |   |  |  |   |
| Investment in Alpha Bank London in GBP                | Foreign exchange swap |                                       | 243         | Derivatives   | 478  |  | Gains less losses on financial transactions                           |
| Investment in Alpha Bank Romania in RON               |                       | 300                                   | 357         |   | (171)  |  |   |

The amounts related to balance sheet items designated as hedged items are analyzed as follows:

| 2019                                    |                 |             |   |             |   |  |
|---|-----------------|-------------|---|-------------|---|--|
| Hedging relationship                    | Carrying Amount |             | Accumulated amount of fair value hedge adjustments on the hedged item |             | Line item in the balance sheet where the hedged item is included                  | Change in fair value of hedged item used for calculating the hedge effectiveness |
|   | Assets          | Liabilities | Assets  | Liabilities |   |  |
| <b>Interest rate risk</b>               |                 |             |   |             |   |  |
| Greek Government Bonds                  | 917,027         |             | (35,981)  |             | Investment securities – Measured at fair value through other comprehensive income | (35,981)   |
| Fixed rate retail loans                 | 449,112         |             | (888)   |             | Loans and advances to customers   | (888)  |
| Corporate loan                          | 21,572          |             | 74  |             | Loans and advances to customers   | (11)   |
| <b>Foreign currency risk</b>            |                 |             |   |             |   |  |
| Investment in Alpha Bank London in GBP  | 57,593          |             | 4,270   |             | Investments in subsidiaries, associates and joint ventures                        | 2,815  |
| Investment in Alpha Bank Romania in RON | 155,671         |             | (25,937)  |             | Assets held for sale  | (3,989)  |





The amounts related to balance sheet items, whose hedging relationship has been terminated during the year are analyzed as follows:

| 2019  |  |             |   |             |   |  |
|---|--|-------------|---|-------------|---|--|
|   | Carrying amount of item for which the hedging relationship has been terminated |             | Accumulated amount of fair value of item for which the hedging relationship has been terminated |             | Line item in the balance where the item is included | Change in fair value of hedged item used for calculating the hedge effectiveness in 2019 |
|   | Assets   | Liabilities | Assets  | Liabilities |   |  |
| <b>Interest rate risk</b>                             |  |             |   |             |   |  |
| Covered bond issued by the Bank                       |  | 514,317     |   | 8,871       | Debt securities in issue and other borrowed funds   | (2,742)  |
| Targeted long-term refinancing operations ECB (TLTRO) |  | 996,198     |   | 3,210       | Due to banks  | (322)  |

| 2018  |                 |             |   |             |  |  |
|---|-----------------|-------------|---|-------------|--|--|
| Hedging relationship                                  | Carrying Amount |             | Accumulated amount of fair value hedge adjustments on the hedged item |             | Line item in the balance where the hedged item is included | Change in fair value of hedged item used for calculating the hedge effectiveness |
|   | Assets          | Liabilities | Assets  | Liabilities |  |  |
| <b>Interest rate risk</b>                             |                 |             |   |             |  |  |
| Covered bond issued by the Bank                       |                 | 511,843     |   | 8,308       | Debt securities in issue and other borrowed funds          | (8,308)  |
| Targeted long-term refinancing operations ECB (TLTRO) |                 | 994,848     |   | 5,026       | Due to banks   | (4,531)  |
| Corporate loan  | 23,980          |             | 68  |             | Loans and advances to customers                            | 68   |
| <b>Foreign currency risk</b>                          |                 |             |   |             |  |  |
| Investment in Alpha Bank London in GBP                | 54,777          |             | 1,455   |             | Investments in subsidiaries, associates and joint ventures | (478)  |
| Investment in Alpha Bank Romania in RON               | 159,660         |             | (21,948)  |             | Assets held for sale                                       | 171  |



## b. Cash flow hedges

In regards to cash flows hedging relationships, the Bank determines the referenced interest rate associated with the hedged risk (Euro rate) at inception of the hedging relationship and measures the changes in the fair value of the hedging instrument and a hypothetical derivative relating to Euro interest rate curve changes.

The floating leg of the hypothetical derivative replicates the cash flows of the hedged item, whereas the fixed leg cash flows are determined so that the hypothetical derivative has a value equal to zero at inception. In order to measure the effectiveness of the hedge, the changes of the hypothetical derivative are compared to the changes of the hedged item, and in order for the hedge to qualify as effective the ratio of the change in the fair value of the hypothetical derivative over the change in the fair values of the hedged item should be between 80% - 125% (dollar offset method).

The Bank has identified the following sources that may lead to ineffective hedging:

- a) The credit risk (counterparty risk) of the hedging instruments used to hedge the interest rate which is minimized by entering into derivatives with high credit quality counterparties and
- b) the difference in the timing of settlement of hedging instruments and hedged items.

No other sources of ineffectiveness were identified during the year.

As at 31.12.2019 there are no cash flow hedging relationships in effect after the termination of the cashflow hedging relationship on 08.10.2019 of a euro-denominated time deposit pool using interest rate swaps contracts.

Duration, nominal amount and interest rate of the hedging instruments as at 31.12.2018 are summarized as follows:

| <b>Risk category</b>  | <b>Duration &gt; 5 years</b> |
|---|------------------------------|
| <b>Interest rate risk</b>                                       |                              |
| <b>Floating financing from term deposits and their renewals</b> |                              |
| Nominal amount of the derivative                                | 550,000                      |
| Average fixed interest  | 2.32%                        |



The balance sheet and the income statement amounts relating to cash flow hedging instruments and the effectiveness of the hedging as at 31.12.2019 are analyzed as follows:

| Hedging relationship       | Type of derivative | Carrying amount of hedging instrument |             | Change in fair value of hedging instrument used for calculating hedge effectiveness for the year 2019 | Change in the fair value of the hedging instrument recognized in the cash flow hedge reserve for the year 2019 | Change in the fair value of the hedging instrument recognized in the income statement for the year 2019 | Line item in the income statement category affected by the reclassification | Ineffectiveness recognised in the income statement for the year 2019 | Line item in the income statement that includes hedge ineffectiveness | Amount reclassified from the cash flow hedge reserve to the income statement in 2019 from hedging relationship that have been terminated | Line item in the income statement affected by hedging relationships that have been terminated |
|----------------------------|--------------------|---------------------------------------|-------------|---|--|---|---|--|---|--|---|
|                            |                    | Assets                                | Liabilities |   |  |   |   |  |   |  |   |
| <b>Interest rate risk</b>  |                    |                                       |             |   |  |   |   |  |   |  |   |
| Term deposits and renewals | Interest rate swap |                                       |             | (153,806)   | (139,458)  | (14,220)  | Net interest income   | (128)  | Gains less losses on financial transactions                           | (9,004)  | Net interest income   |

| 2018                       |                    |                                       |             |   |  |   |   |  |   |  |   |
|----------------------------|--------------------|---------------------------------------|-------------|---|--|---|---|--|---|--|---|
| Hedging relationship       | Type of derivative | Carrying amount of hedging instrument |             | Change in fair value of hedging instrument used for calculating hedge effectiveness for the year 2018 | Change in the fair value of the hedging instrument recognized in the cash flow hedge reserve for the year 2018 | Change in the fair value of the hedging instrument recognized in the income statement for the year 2018 | Line item in the income statement category affected by the reclassification | Ineffectiveness recognised in the income statement for the year 2018 | Line item in the income statement that includes hedge ineffectiveness | Amount reclassified from the cash flow hedge reserve to the income statement in 2018 from hedging relationship that have been terminated | Line item in the income statement affected by hedging relationships that have been terminated |
|                            |                    | Assets                                | Liabilities |   |  |   |   |  |   |  |   |
| <b>Interest rate risk</b>  |                    |                                       |             |   |  |   |   |  |   |  |   |
| Term deposits and renewals | Interest rate swap |                                       | 374,818     | (26,482)  | (7,832)  | (18,505)  | Net interest income   | (1,44)   | Gains less losses on financial transactions                           | (5,482)  | Net interest income   |



Amounts recognized in the cash flow hedge reserve as at 31.12.2019 are analyzed as follows:

| 31.12.2019                |  |  |  |                                      |
|---------------------------|--|--|--|--------------------------------------|
|                           | Line item in the balance sheet where the hedged item is included | Cash flow hedge reserve (before tax) from existing hedging relationships | Cash flow hedge reserve (before tax) from discontinued hedging relationships | Cash flow hedge reserve (before tax) |
| <b>Interest rate risk</b> |  |  |  |                                      |
| Term deposits in Euro     | Due to customers   |  | (335,871)  | (335,871)                            |

| 31.12.2018                |  |  |  |                                      |
|---------------------------|--|--|--|--------------------------------------|
|                           | Line item in the balance sheet where the hedged item is included | Cash flow hedge reserve (before tax) from existing hedging relationships | Cash flow hedge reserve (before tax) from discontinued hedging relationships | Cash flow hedge reserve (before tax) |
| <b>Interest rate risk</b> |  |  |  |                                      |
| Term deposits in Euro     | Due to customers   | (131,372)  | (74,045)   | (205,417)                            |

## 19. Loans and advances to customers

|  | 31.12.2019        | 31.12.2018        |
|--|-------------------|-------------------|
| Loans measured at amortized cost                                 | 41,376,995        | 43,998,071        |
| Leasing  | 9,593             |                   |
| Less: Allowance for impairment losses                            | (7,069,690)       | (8,843,992)       |
| <b>Total</b>   | <b>34,316,898</b> | <b>35,154,079</b> |
| Advances to customers, measured at amortized cost                | 221,972           | 156,561           |
| Loans to customers measured at fair value through profit or loss | 315,932           | 337,557           |
| <b>Loans and advances to customers</b>                           | <b>34,854,802</b> | <b>35,648,197</b> |

As at 31.12.2019, the caption Advances to customers measured at amortised cost includes impairments amounted to € 32,349 (31.12.2018: € 23,542).

The tables below present an analysis of the loan portfolio per type:

### Loans measured at amortised cost

|   | 31.12.2019        | 31.12.2018        |
|---|-------------------|-------------------|
| <b>Individuals</b>                            |                   |                   |
| Mortgages                                     | 14,236,423        | 15,116,187        |
| Consumer:                                     |                   |                   |
| - Non-securitized                             | 3,037,917         | 2,613,268         |
| - Securitized                                 | 645,947           | 1,205,258         |
| Credit cards:                                 |                   |                   |
| - Non-securitized                             | 683,825           | 701,821           |
| - Securitized                                 | 576,367           | 589,300           |
| <b>Total loans to individuals</b>             | <b>19,180,479</b> | <b>20,225,834</b> |
| <b>Corporate:</b>                             |                   |                   |
| Corporate loans                               |                   |                   |
| - Non-securitized                             | 19,780,061        | 21,331,223        |
| - Securitized                                 | 2,416,455         | 2,441,014         |
| Leasing                                       |                   |                   |
| - Non-securitized                             | 9,593             |                   |
| <b>Total corporate loans</b>                  | <b>22,206,109</b> | <b>23,772,237</b> |
| <b>Total</b>                                  | <b>41,386,588</b> | <b>43,998,071</b> |
| Less: Allowance for impairment losses         | (7,069,690)       | (8,843,992)       |
| <b>Total loans measured at amortized cost</b> | <b>34,316,898</b> | <b>35,154,079</b> |



The balance of Loans at amortised cost have been affected by the transfer of loans to the Assets held for sale as described in note 44 and from the sale of loan portfolios.

In the context of the reassessment of the hold to collect business model of loans and advances to customers, past sales are taken into account.

Considering that

- the majority of the Bank's sales are in accordance with the Bank's business model as they concern sales of non performing loans due to the credit rating deterioration of the debtor and
- individual sale are not considered material both individually and in aggregate, the sales are considered consistent with the Bank's business model for loans and advances to customers.

It is noted that the Bank has proceeded with the securitization of consumer and corporate loans and credit cards, while Alpha Leasing S.A. has proceeded with the securitization of finance lease receivables through special purpose entities controlled by them. Based on the contractual terms and structure of the above transactions (e.g. guarantees or/and credit enhancement or due to the Bank owes the notes issued by the special purpose entities), the Bank and Alpha Leasing S.A. retained in all cases the risks and rewards deriving from securitized portfolios. These loans are presented separately in the following tables.

As at 31.12.2019 Mortgage loans include loans amounting to € 4,421,909 (31.12.2018: € 4,624,700) which have been used as collateral in the following bonds programmes of the Bank: Covered Bond Issuance Program I, Covered Bond Issuance Program II and Secured Note Program.

On 29 March 2019 the Bank submitted to the SSM its Business Plan for the management of non-performing exposures which included the annual targets on a consolidated basis for both Non-Performing Exposures (NPE) and Non-Performing Loans (NPL), along with relevant action plan, depicting the Bank's full commitment towards the active management and reduction of NPEs by the end of 2021.

Based on the Business Plan for the management of Non Performing Exposures, that the Bank submitted on 29 March 2019 and has been prepared in accordance with the methodology and models of the supervisory authorities, the Bank is obliged to monitor and report to the SSM the level of the achievement of the targets set in the Business Plan on a consolidated basis, until the end of 2021, through relevant supervisory reports. As at 31.12.2019, the balance of the NPE loans included in Total loans and advances to customers amounted to € 21.8 billion.

The movement of allowance for impairment losses on loans, that are measured at amortized cost, follows:

#### Allowance for impairment losses

|   |                   |
|---|-------------------|
| <b>Balance 1.1.2018</b>   | <b>10,064,268</b> |
| <b>Changes for the year 1.1 - 31.12.2018</b>                              |                   |
| Impairment losses for the year  | 1,637,909         |
| Transfer of allowance for impairment losses to Assets held for sale       | (1,394,343)       |
| Derecognition due to substantial modifications in loans contractual terms | (2,278)           |
| Change in present value of the impairment losses                          | 31,528            |
| Foreign exchange differences  | 4,994             |
| Disposals of impaired loans   | (20,636)          |
| Loans written-off during the year   | (1,307,094)       |
| Other movements   | (170,356)         |
| <b>Balance 31.12.2018</b>   | <b>8,843,992</b>  |
| <b>Changes for the year 1.1 - 31.12.2019</b>                              |                   |
| Impairment losses for the year  | 816,190           |
| Transfer of allowance for impairment losses to Assets held for sale       | (1,092,194)       |
| Derecognition due to substantial modifications in loans contractual terms | (41,035)          |
| Change in present value of the impairment losses                          | (13,145)          |
| Foreign exchange differences  | 1,799             |
| Disposals of impaired loans   | (90,177)          |
| Loans written-off during the year   | (1,343,752)       |
| Other movements   | (11,988)          |
| <b>Balance 31.12.2019</b>   | <b>7,069,690</b>  |



“Impairment losses” for the year 2019, do not include impairment losses on loans amounting to € 77,479, as they refer to impairment losses of loans that have been transferred to “Assets held for Sale”.

“Other movements” for the year 2019, include an amount of € 11,988 (31.12.2018: € 62.955) which refers to impairment losses of loans for which the Bank, in the context of renegotiation of their terms, participated in debt to equity swaps.

“Other movements” for the year 2018 includes an amount of € 107,400 concerning impairment of subsidiary’s loan AGI Cypre Ermis Ltd which was reclassified to allowance for impairment losses of investments in subsidiaries in the context of Bank’s participation in raising the share capital of the subsidiary as well as repaying its loan owed to Bank.

The Bank due to the implementation of IFRS 16 recognized finance lease receivables which are analyzed by duration as follows:

|                                  | 31.12.2019    | 31.12.2018 |
|----------------------------------|---------------|------------|
| Up to 1 year                     | 1,242         |            |
| From 1 year to 5 years           | 5,899         |            |
| Over 5 years                     | 3,928         |            |
|                                  | <b>11,069</b> | -          |
| Non accrued finance lease income | (1,476)       |            |
| <b>Total</b>                     | <b>9,593</b>  | -          |

The net amount of finance lease receivables are analyzed as follows, based on their duration:

|                        | 31.12.2019   | 31.12.2018 |
|------------------------|--------------|------------|
| Up to 1 year           | 1,226        |            |
| From 1 year to 5 years | 5,379        |            |
| Over 5 years           | 2,988        |            |
| <b>Total</b>           | <b>9,593</b> | -          |

#### Loans to customers measured at fair value through profit or loss

|  | 31.12.2019     | 31.12.2018     |
|--|----------------|----------------|
| <b>Individuals:</b>  |                |                |
| Consumer:  |                |                |
| - Non-securitized  | 451            | 1,152          |
| <b>Total loans to individuals</b>                                | <b>451</b>     | <b>1,152</b>   |
| <b>Corporate:</b>  |                |                |
| Corporate loans  |                |                |
| - Non-securitized  | 299,520        | 320,173        |
| - Securitized  | 15,961         | 16,232         |
| <b>Total corporate loans</b>                                     | <b>315,481</b> | <b>336,405</b> |
| <b>Total loans measured at fair value through profit or loss</b> | <b>315,932</b> | <b>337,557</b> |



## 20. Investment securities

|   | 31.12.2019       | 31.12.2018       |
|---|------------------|------------------|
| Investment Securities measured at fair value through other comprehensive income | 6,224,379        | 5,691,866        |
| Investment Securities measured at fair value through profit or loss             | 187,148          | 180,175          |
| Investment Securities measured at amortized cost                                | 1,070,730        |                  |
| <b>Total</b>  | <b>7,482,257</b> | <b>5,872,041</b> |

An analysis of investment securities is provided in the following tables per classification category and per type of security.

### a. Securities measured at fair value through other comprehensive income

|                   | 31.12.2019       | 31.12.2018       |
|-------------------|------------------|------------------|
| Greek Government  |                  |                  |
| - Bonds           | 3,316,413        | 2,665,785        |
| - Treasury bills  | 207,966          | 796,655          |
| Other Governments |                  |                  |
| - Bonds           | 1,419,828        | 704,750          |
| Other issuers     |                  |                  |
| - Listed          | 1,211,967        | 1,442,544        |
| - Non listed      | 12,866           | 12,707           |
| Equity securities |                  |                  |
| - Listed          | 9,529            | 8,238            |
| - Non listed      | 45,810           | 61,187           |
| <b>Total</b>      | <b>6,224,379</b> | <b>5,691,866</b> |

### Investment portfolio equity securities measured at fair value through other comprehensive income

The Bank has made the irrevocable election on initial recognition to measure at fair value through other comprehensive income equity instruments that have the following characteristics:

- Shares in companies of the financial sector (credit institutions and interbank companies)
- Investments in private equity (shares of venture capital or private equity) and
- Share held in long term investment horizon

The following table presents the shares of investment portfolio measured at fair value through other comprehensive income as of 31.12.2019 and as of 31.12.2018.

|  | Fair value 31.12.2019 | Dividend income from 1.1 to 31.12.2019 | Fair value 31.12.2018 | Dividend income from 1.1 to 31.12.2018 |
|--|-----------------------|--|-----------------------|--|
| Investments in financial industry entities | 39,076                | 267                                    | 32,714                | 498                                    |
| Long term equity holdings                  | 16,263                | 241                                    | 36,711                | 68                                     |
| <b>Total</b>                               | <b>55,339</b>         | <b>508</b>                             | <b>69,425</b>         | <b>566</b>                             |

The Bank during the fiscal year 2019, either for liquidity purposes or due to squeeze out, proceeded with the disinvestment of Piraeus Bank, Pillarstone Bidco SCA with total fair value amounted to € 63. The above sales resulted in a profit of € 0.1, compared to their initial cost of acquisition.

The Bank during the fiscal year 2018, either for liquidity purposes or due to the fact that the major shareholders of certain shares acquired shares from the minority (squeeze out), proceeded with the disinvestment of Piraeus Bank SA, Titan SA and Andreou and Paraskevaidis SA shares of total fair value of € 19,840, by the time of sale. The above sales resulted in a total cumulative loss of € 24,577, compared to their initial cost of acquisition.

**b. Securities measured at fair value through profit or loss**

|                                 | 31.12.2019     | 31.12.2018     |
|---------------------------------|----------------|----------------|
| Other issuers                   |                |                |
| - Listed                        | 178,088        | 173,644        |
| - Non listed                    | 1,790          | 2,047          |
| Equity securities               |                |                |
| - Non listed                    | 9              | 3              |
| Other variable yield securities | 7,261          | 4,481          |
| <b>Total</b>                    | <b>187,148</b> | <b>180,175</b> |

Investment Securities measured at fair value through profit or loss include securities for which it was assessed that their contractual cash flows are not Solely payments of principal and interest (SPPI) in accordance with the provisions of IFRS 9.

**c. Securities measured at amortized cost**

|                  | 31.12.2019       | 31.12.2018 |
|------------------|------------------|------------|
| Greek Government |                  |            |
| - Bonds          | 1,070,730        |            |
| <b>Total</b>     | <b>1,070,730</b> | <b>-</b>   |

The Bank classified Greek Government bonds in note line "Securities measured at amortized cost" within the fiscal year, as the business model foresees their holding until maturity given the satisfactory level of yields.

For the above investment securities measured at amortized cost, accumulated impairment loss of € 7,413 has been recognized. Their carrying amount before impairment is € 1,078,143.

**21. Investments in subsidiaries, associates and joint ventures**

|  | 31.12.2019     | 31.12.2018       |
|--|----------------|------------------|
| <b>SUBSIDIARIES</b>  |                |                  |
| <b>Opening balance</b>                                     | <b>854,872</b> | <b>2,016,912</b> |
| Additions  | 108,151        | 220,486          |
| Disposals  | (54,894)       | (535,735)        |
| Transfer due to reclassification to assets held for sale   |                | (868,142)        |
| Transfer due to reclassification from assets held for sale |                | 22,000           |
| Valuation of investments due to fair value hedge*          | 2,815          | (649)            |
| <b>Closing balance</b>                                     | <b>910,944</b> | <b>854,872</b>   |
| <b>ASSOCIATES</b>  |                |                  |
| <b>Opening balance</b>                                     | <b>5,751</b>   | <b>29,083</b>    |
| Additions  | 122            |                  |
| Disposals  |                | (1,096)          |
| Transfer due to reclassification to assets held for sale   |                | (22,236)         |
| <b>Closing balance</b>                                     | <b>5,873</b>   | <b>5,751</b>     |
| <b>JOINT VENTURES</b>                                      |                |                  |
| <b>Opening balance</b>                                     | <b>3,108</b>   | <b>2,936</b>     |
| Additions  | 137            | 228              |
| Disposals  | (305)          | (56)             |
| <b>Closing balance</b>                                     | <b>2,940</b>   | <b>3,108</b>     |
| <b>Total</b>   | <b>919,757</b> | <b>863,731</b>   |

\* The Bank uses FX swaps and money market loans to hedge the foreign exchange risk of its investments in subsidiaries abroad.





Additions represent: share purchases, participation in share capital increases and acquisitions of shares due to mergers.

Disposals represent: sales of shares, return of capital, proceeds arising from the liquidation of companies, contributions in kind and impairments.

The additions in subsidiaries amounting to € 108,151 relate to:

a. share capital increase:

- share capital increase of the subsidiary Emporiki Development and Real Estate Management S.A. amounting to € 36,307.
- share capital increase of the subsidiary Alpha Group investments Ltd amounting to € 70,000.
- share capital increase of the subsidiary Alpha Group Jersey Ltd amounting to € 650.
- share capital increase of Smelter Medical Systems A.E.B.E. amounting to € 400.

b. Formation of entities :

- Formation of subsidiary Alpha Credit Acquisition Company Ltd amounting to € 594.
- Formation of s subsidiary Alpha International Holding Company S.A. amounting to € 200.

The losses amounting to € 54,894 relate to impairment:

- Of the subsidiary Alpha Bank London Ltd amounting to € 4,652. The carrying amount of Alpha Bank London Ltd amounted to € 61,036.
- Of the subsidiary Alpha Group Investments Ltd amounting to € 49,182. The carrying amount of Alpha Group Investments Ltd amounted to € 355,714.
- Of the subsidiary SSIF Alpha Finance Romania S.A. amounting to € 144. The carrying amount of SSIF Alpha Finance Romania S.A amounted to € 97.
- Of the subsidiary Alpha Group Jersey Ltd amounting to € 300. The carrying amount of Alpha Group Jersey Limited amounted to € 552.
- Of the subsidiary Emporiki Management& Liquidation S.A amounting to € 216. The carrying amount of Emporiki Management& Liquidation S.A. amounted to € 3,273.
- Of the subsidiary Smelter Medical Systems A.E.B.E amounting to € 400. The carrying amount of Smelter Medical Systems A.E.B.E amounted to € 0.

The impairments of the aforementioned subsidiaries were based on fair value estimates. The valuations were classified in Level 3 of the fair value hierarchy, as unobservable inputs were used for their valuation. The impairments are included in the operating segment "Other/Elimination center" of the note 39 " Operating segments ".

The additions in subsidiaries relate to share capital increase of Olganos S.A amounting to € 122.

The additions of the joint ventures amounting to € 137 relate to the capital increase of Alpha TANE0 AKES.

The disposals of the joint ventures amounting to € 305 relate to impairment arising from the estimation of the fair value of Alpha TANE0 AKES.

It is noted that in November of 2019, the Bank and Centerbridge (CP) signed an agreement based on which there are options over the equity shares of Cepal Holdings S.A. These options are classified in derivative financial instruments and measured at fair value through profit or loss. At 31.12.2019 their valuation equals to € 1.930 and is recognized in the Income Statement.



## Subsidiary financial information

### a. Subsidiaries

| Name  | Country        | Balance 31.12.2019 |          |             | 1.1 - 31.12.2019 |                            |  |
|---|----------------|--------------------|----------|-------------|------------------|----------------------------|--|
|   |                | Assets             | Equity   | Liabilities | Turnover         | Profit/(Loss) before taxes | Bank's ownership interest % 31.12.2019 |
| <b>Banks</b>  |                |                    |          |             |                  |                            |  |
| 1. Alpha Bank London Ltd                              | United Kingdom | 737,851            | 62,825   | 675,026     | 21,801           | 3,547                      | 100.00                                 |
| 2. Alpha Bank Cyprus Ltd                              | Cyprus         | 2,608,341          | 325,261  | 2,283,080   | 88,278           | 20,774                     | 98.96                                  |
| 3. Alpha Bank Romania S.A.                            | Romania        | 3,725,515          | 384,164  | 3,341,351   | 172,197          | 20,386                     | 99.92                                  |
| 4. Alpha Bank Albania Sh.A.                           | Albania        | 645,438            | 74,819   | 570,619     | 23,475           | (623)                      | 100.00                                 |
| <b>Leasing companies</b>                              |                |                    |          |             |                  |                            |  |
| 1. Alpha Leasing A.E.                                 | Greece         | 599,383            | 153,324  | 446,059     | 19,704           | (11,890)                   | 100.00                                 |
| 2. Alpha Leasing Romania IFN S.A.                     | Romania        | 44,916             | 1,313    | 43,603      | 3,032            | 115                        | 99.00                                  |
| 3. ABC Factors A.E.                                   | Greece         | 522,817            | 123,495  | 399,322     | 31,672           | 13,774                     | 100.00                                 |
| <b>Investment Banking</b>                             |                |                    |          |             |                  |                            |  |
| 1. Alpha Finance A.E.P.E.Y.                           | Greece         | 43,478             | 24,671   | 18,807      | 7,615            | (465)                      | 99.72                                  |
| 2. SSIF Alpha Finance Romania S.A.                    | Romania        | 1,694              | 132      | 1,562       | 420              | (184)                      | 73.32                                  |
| 3. Emporiki Ventures Capital Emerging Markets Ltd     | Cyprus         | 14,648             | 14,624   | 24          | 45               | 29                         | 100.00                                 |
| 4. Emporiki Management S.A.                           | Greece         | 3,499              | 3,372    | 127         | 61               | (45)                       | 99.65                                  |
| <b>Asset Management</b>                               |                |                    |          |             |                  |                            |  |
| 1. Alpha Asset Management A.E.D.A.K.                  | Greece         | 43,620             | 38,897   | 4,723       | 21,046           | 5,283                      | 88.40                                  |
| <b>Insurance</b>                                      |                |                    |          |             |                  |                            |  |
| 1. Alpha Insurance Agents S.A.                        | Greece         | 2,034              | 1,791    | 243         | 907              | 720                        | 100.00                                 |
| 2. Alphalife A.A.E.Z.                                 | Greece         | 542,419            | 108,240  | 434,179     | 28,633           | 19,770                     | 99.92                                  |
| <b>Real Estate and Hotel</b>                          |                |                    |          |             |                  |                            |  |
| 1. Emporiki Development & Real Estate Management S.A. | Greece         | 44,589             | 44,482   | 107         | 1                | (266)                      | 100.00                                 |
| 2. APE Fixed Assets S.A.                              | Greece         | 39,365             | 39,092   | 273         |                  | (294)                      | 72.20                                  |
| 3. Alpha Investment Property Attikis SA               | Greece         | 6,146              | 5,836    | 310         |                  | (104)                      | 98.66                                  |
| 4. Alpha Investment Property Attikis II SA            | Greece         | 24,006             | 21,952   | 2,054       | 1,263            | 68                         | 99.74                                  |
| <b>Special purpose and holding entities</b>           |                |                    |          |             |                  |                            |  |
| 1. Alpha Credit Group Plc                             | United Kingdom | 749                | 683      | 66          | (1)              | (142)                      | 100.00                                 |
| 2. Alpha Group Jersey Ltd                             | Jersey         | 5,796              | 528      | 5,268       | 4                | (324)                      | 100.00                                 |
| 3. Alpha Group Investments Ltd                        | Cyprus         | 504,331            | 504,290  | 41          | 5,259            | (2,829)                    | 100.00                                 |
| 4. Alpha Real Estate Management and Investments S.A.  | Greece         | 351,346            | 348,166  | 3,180       | 4,724            | 3,309                      | 100.00                                 |
| 5. Katanalotika Plc                                   | United Kingdom | 1,370,655          | 149,409  | 1,221,246   | 164,740          | 159,516                    |  |
| 6. Epihiro Plc  | United Kingdom | 1,819,782          | 19       | 1,819,763   | 46,586           | 22,811                     |  |
| 7. Pisti 2010-1 Plc                                   | United Kingdom | 605,796            | 47       | 605,749     | 12,166           | 5                          |  |
| 8. Alpha Group Ltd                                    | Cyprus         | 2,891              | 2,795    | 96          | 14               | (15)                       | 100.00                                 |
| 9. Alpha Shipping Finance Ltd                         | United Kingdom | 334,887            | (461)    | 335,348     | 16,661           | 65                         |  |
| 10. AGI-Cypre Ermis Ltd                               | Cyprus         | 955,699            | (36,691) | 992,390     | 24,831           | (42,606)                   | 80.00                                  |
| 11. Alpha Proodos DAC                                 | Ireland        | 324,829            | (792)    | 325,621     | 9,281            |                            |  |



| Name   | Country    | Balance 31.12.2019 |        |             | 1.1 - 31.12.2019 |                            |  |
|--|------------|--------------------|--------|-------------|------------------|----------------------------|--|
|  |            | Assets             | Equity | Liabilities | Turnover         | Profit/(Loss) before taxes | Bank's ownership interest % 31.12.2019 |
| 12. Alpha Credit Acquisition Company Ltd     | Cyprus     | 600                | 600    |             |                  |                            | 98.86                                  |
| 13. Alpha International Holding Company S.A. | Luxembourg | 200                | 200    |             |                  |                            | 100.00                                 |
| <b>Other companies</b>                       |            |                    |        |             |                  |                            |  |
| 1. Kafe Alpha S.A.                           | Greece     | 578                | 375    | 203         | 356              | 68                         | 99.00                                  |
| 2. Alpha Supporting Services S.A.            | Greece     | 76,255             | 70,761 | 5,494       | 10,978           | (75)                       | 99.00                                  |

### b. Associates

| Name                                    | Country    | Balance 31.12.2019 |          |             | 1.1 - 31.12.2019 |                            |  |
|---|------------|--------------------|----------|-------------|------------------|----------------------------|--|
|   |            | Assets             | Equity   | Liabilities | Turnover         | Profit/(Loss) before taxes | Bank's ownership interest % 31.12.2019 |
| 1. AEDEP Thessalias and Stereas Ellados | Greece     | 600                | 146      | 454         | 461              | (0)                        | 50.00                                  |
| 2. Bank Information Systems S.A.        | Greece     | 6,811              | 683      | 6,128       | 12,986           | (445)                      | 23.77                                  |
| 3. Olganos S.A.                         | Greece     | 8,890              | (1,177)  | 10,067      |                  | (386)                      | 30.44                                  |
| 4. Cepal Holdings S.A.                  | Greece     | 18,730             | 10,163   | 8,567       | 22,925           | (4,744)                    | 38.61                                  |
| 5. Famar S.A.*                          | Luxembourg | 398,232            | (60,976) | 459,208     | 469,552          | (28,849)                   | 47.04                                  |
| 6. Alpha Investment Property I S.A.     | Greece     |                    |          |             | 3,239            | 1,523                      | 24.26                                  |

### c. Joint Ventures

| Name                          | Country | Balance 31.12.2019 |         |             | 1.1 - 31.12.2019 |                            |  |
|-------------------------------|---------|--------------------|---------|-------------|------------------|----------------------------|--|
|                               |         | Assets             | Equity  | Liabilities | Turnover         | Profit/(Loss) before taxes | Bank's ownership interest % 31.12.2019 |
| 1. APE Commercial Property SA | Greece  | 5,659              | 5,646   | 14          |                  | (24)                       | 72.20                                  |
| 2. APE Investment Property SA | Greece  | 206,817            | 134,738 | 72,079      | 7,251            | 121                        | 71.08                                  |
| 3. Alpha TANEO A.K.E.S.       | Greece  | 6,305              | 5,583   | 721         | (1)              | 675                        | 51.00                                  |

\* The main financial data of FAMAR SA have been extracted from the most recent published financial statements as of 31.12.2017.



## 22. Investment property

|   | Land and Buildings | Right-of-use on Land and Buildings | Total         |
|---|--------------------|------------------------------------|---------------|
| <b>Balance 1.1.2018</b>                               |                    |                                    |               |
| Cost  | 43,471             |                                    | 43,471        |
| Accumulated depreciation and impairment losses        | (17,092)           |                                    | (17,092)      |
| <b>1.1.2018 - 31.12.2018</b>                          |                    |                                    |               |
| Net book value 1.1.2018                               | 26,379             |                                    | 26,379        |
| Additions   | 4                  |                                    | 4             |
| Impairments   | (272)              |                                    | (272)         |
| Reclassification to "Assets held for sale"            | (950)              |                                    | (950)         |
| Reclassification to "Other Assets"                    | (268)              |                                    | (268)         |
| Depreciation charge for the year                      | (335)              |                                    | (335)         |
| Net book value 31.12.2018                             | <b>24,558</b>      |                                    | <b>24,558</b> |
| <b>Balance 31.12.2018</b>                             |                    |                                    |               |
| Cost  | 41,938             |                                    | 41,938        |
| Accumulated depreciation and impairment losses        | (17,380)           |                                    | (17,380)      |
| <b>1.1.2019 - 31.12.2019</b>                          |                    |                                    |               |
| <b>Impact from the implementation of I.F.R.S. 16</b>  |                    | 20,011                             | 20,011        |
| Net book value 1.1.2019                               | 24,558             | 20,011                             | 44,569        |
| Additions   |                    |                                    |               |
| (Impairments)/Reversal impairments                    |                    | 1,055                              | 1,055         |
| Reclassification from "Property, Plant and Equipment" | 6,088              |                                    | 6,088         |
| Reclassification to "Property, Plant and Equipment"   |                    | (10,271)                           | (10,271)      |
| Reclassification to "Assets held for sale"            | (84)               |                                    | (84)          |
| Depreciation charge for the year                      | (328)              | (1,350)                            | (1,678)       |
| Net book value 31.12.2019                             | <b>30,234</b>      | <b>9,445</b>                       | <b>39,679</b> |
| <b>Balance 31.12.2019</b>                             |                    |                                    |               |
| Cost  | 47,926             | 10,765                             | 58,691        |
| Accumulated depreciation and impairment losses        | (17,692)           | (1,320)                            | (19,012)      |

Following the implementation of IFRS 16, effective from 1.1.2019, the Bank recognized a right-of-use on Land and Buildings amounting to € 20,011, related to real estate leases, recognized as investment property, since they are subleased as operating leases.

The fair value of the investment on land and buildings as at 31.12.2019 amounts € 30,421 (31.12.2018: € 24,257).

In 2019, no impairment loss was recognized for Land and Buildings (31.12.2018: € 272), while the carrying amount does not exceed their recoverable amount as at 31.12.2019, as the latter was estimated by certified valuers. The recoverable amount of investment property which was impaired during the current year amounted to € 4,049. The fair value of the investment property is calculated in accordance with the methods mentioned in note 1.7 and are classified, in terms of fair value hierarchy, in Level 3 since data based on market research, assumptions and inputs relating to properties of relevant characteristics are used for the determination of fair value and therefore encompass a wide range of unobservable market inputs. The capitalization rate used ranges between 6.5% and 8%.

In 2019 the Bank transferred investment property of € 84 (31.12.2018: € 950) to "Assets classified as held for sale" as presented in Note 44.

Regarding the right-of-use assets, in the year 2019, impairment losses of € 449 were recognized as well as a reversal of the impairment amounting to € 1,504 and recorded in "Other Expenses". The recoverable amount of right-of-use assets on buildings is equal to the discounted value of the subleases.



## 23. Property, plant and equipment

|  | Land and Buildings | Equipment     | Right-of-use on fixed assets | Total          |
|--|--------------------|---------------|------------------------------|----------------|
| <b>Balance 1.1.2018</b>                              |                    |               |                              |                |
| Cost   | 940,274            | 363,848       |                              | 1,304,122      |
| Accumulated depreciation and impairment losses       | (361,475)          | (313,691)     |                              | (675,166)      |
| <b>1.1.2018 - 31.12.2018</b>                         |                    |               |                              | -              |
| Net book value 1.1.2018                              | 578,799            | 50,157        |                              | 628,956        |
| Additions  | 7,318              | 29,997        |                              | 37,315         |
| Impairments  | (2,246)            |               |                              | (2,246)        |
| Disposals / Write-offs                               | (578)              | (41)          |                              | (619)          |
| Reclassification to "Other Assets"                   | (2,933)            |               |                              | (2,933)        |
| Reclassification to "Assets held for sale"           | (3,003)            |               |                              | (3,003)        |
| Depreciation charge for the period                   | (15,497)           | (13,079)      |                              | (28,576)       |
| Net book value 31.12.2018                            | <b>561,860</b>     | <b>67,034</b> | -                            | <b>628,894</b> |
| <b>Balance 31.12.2018</b>                            |                    |               |                              |                |
| Cost   | 932,696            | 389,014       |                              | 1,321,710      |
| Accumulated depreciation and impairment losses       | (370,836)          | (321,980)     |                              | (692,816)      |
| <b>1.1.2019 - 31.12.2019</b>                         |                    |               |                              |                |
| <b>Impact from the implementation of I.F.R.S. 16</b> |                    |               | 94,911                       | 94,911         |
| Net book value 1.1.2019                              | 561,860            | 67,034        | 94,911                       | 723,805        |
| Additions  | 8,898              | 26,517        | 15,138                       | 50,553         |
| Impairments  | (1,164)            |               | (3,947)                      | (5,111)        |
| Disposals / Write-offs / Terminations                | (905)              | (15)          | (9,411)                      | (10,331)       |
| Reclassification from "Investment Property"          |                    |               | 10,271                       | 10,271         |
| Reclassification to "Investment Property"            | (6,088)            |               |                              | (6,088)        |
| Reclassification to "Other Assets"                   | (2,901)            |               |                              | (2,901)        |
| Reclassification from "Other Assets"                 | 143                |               |                              | 143            |
| Reclassification to "Assets held for sale"           | (9,920)            |               |                              | (9,920)        |
| Depreciation charge for the period                   | (14,993)           | (15,574)      | (22,395)                     | (52,962)       |
| Net book value 31.12.2019                            | <b>534,930</b>     | <b>77,962</b> | <b>84,567</b>                | <b>697,459</b> |
| <b>Balance 31.12.2019</b>                            |                    |               |                              |                |
| Cost   | 903,008            | 413,297       | 110,755                      | 1,427,060      |
| Accumulated depreciation and impairment losses       | (368,078)          | (335,335)     | (26,188)                     | (729,601)      |

Following the implementation of the new accounting standard, IFRS 16, effective from 1.1.2019, the Bank recognized a right-of-use on plant, property and equipment amounting to € 94,911, out of which an amount of € 86,889 relates to real estate leases.

The carrying amount of owned land and buildings included in the above balances amounts to € 518,988 as at 31.12.2019 (31.12.2018: € 544,771).

In 2019 impairment loss was recognized for Land and buildings € 1,164 (31.12.2018: € 2,246). The recoverable amount of Land and Buildings which was impaired during 2019 amounted to € 9,920 (2018: € 2,423). During the impairment test of property, plant and equipment, the estimation of the recoverable amount is based on the value in use, which incorporates in the value of the asset and all the improvements realized as necessary to bring the asset in an appropriate condition to be used by the Bank. The discount rates utilized range from 6.5% to 8% depending on the characteristics (location, size, use) of each asset.

Within the fiscal year of 2019, the Bank transferred property, plant and equipment of carrying amount € 9,920 (31.12.2018: € 3,003) to "Assets held for sale" as described in note 44.

Additionally, the Bank during 2019 transferred property, plant and equipment of carrying amount € 6,088 (31.12.2018: € 0) to "investment property" as described in note 22.



With regards to Right-of-use on fixed assets, in 2019 fixed assets were transferred of carrying amount € 10.271 from “investment property” (note 22) and the leased property not used by the Bank was fully impaired and an impairment loss of € 3,947 was recognized, which was recorded in “Other Expenses”.

## 24. Goodwill and other intangible assets

|  | Software       | Banking rights | Goodwill   | Other         | Total          |
|--|----------------|----------------|------------|---------------|----------------|
| <b>Balance 1.1.2018</b>                        |                |                |            |               |                |
| Cost   | 575,601        | 1,785          |            | 138,339       | 715,725        |
| Accumulated amortization and impairment losses | (287,034)      | (1,785)        |            | (76,123)      | (364,942)      |
| <b>1.1.2018 - 31.12.2018</b>                   |                |                |            |               |                |
| Net book value 1.1.2018                        | 288,567        |                |            | 62,216        | 350,783        |
| Additions                                      | 89,067         |                |            | -             | 89,067         |
| Amortization charge for the period             | (31,115)       |                |            | (18,290)      | (49,405)       |
| Net book value 31.12.2018                      | <b>346,519</b> | -              | -          | <b>43,926</b> | <b>390,445</b> |
| <b>Balance 31.12.2018</b>                      |                |                |            |               |                |
| Cost   | 664,668        | 1,785          |            | 138,339       | 804,792        |
| Accumulated amortization and impairment losses | (318,149)      | (1,785)        |            | (94,413)      | (414,347)      |
| <b>1.1.2019 - 31.12.2019</b>                   |                |                |            |               |                |
| Net book value 1.1.2019                        | 346,519        |                |            | 43,926        | 390,445        |
| Additions                                      | 112,262        |                | 237        |               | 112,499        |
| <b>Amortization charge for the period</b>      | (40,330)       |                |            | (14,449)      | (54,779)       |
| Net book value 31.12.2019                      | <b>418,451</b> | -              | <b>237</b> | <b>29,477</b> | <b>448,165</b> |
| <b>Balance 31.12.2019</b>                      |                |                |            |               |                |
| Cost   | 776,930        | 1,785          | 237        | 138,339       | 917,291        |
| Accumulated amortization and impairment losses | (358,479)      | (1,785)        | -          | (108,862)     | (469,126)      |

The additions of current year mainly concern implementations of software and purchases of computer licenses.

The goodwill arising from the acquisition of accounting services of Alpha Supporting Services A.E amounts to € 237.

“Other” mainly include amounts relating to intangible assets resulting from the customer relationships of Diners acquired credit cards in 2015 with 7 years useful life and the acquired customer relationships and deposit base of Citibank in 2014 with 9 and 7 years useful life respectively.

During the impairment test of intangible assets, no indications for impairment were found.



## 25. Deferred tax assets

|              | 31.12.2019       | 31.12.2018       |
|--------------|------------------|------------------|
| Assets       | 5,233,082        | 5,339,676        |
| <b>Total</b> | <b>5,233,082</b> | <b>5,339,676</b> |

Deferred tax assets and liabilities are analyzed as follows:

|  | 1.1 - 31.12.2019      |   |                     |                     |                 | Balance<br>31.12.2019 |
|--|-----------------------|---|---------------------|---------------------|-----------------|-----------------------|
|  | Balance<br>31.12.2018 | Impact from the<br>implementation<br>of IFRS 16 | Balance<br>1.1.2019 | Recognized in       |                 |                       |
|  |                       |   |                     | Income<br>statement | Equity          |                       |
| Debit difference of Law 4046/2012  | 1,024,761             |   | 1,024,761           | (44,555)            |                 | 980,206               |
| Debit difference of Law 4465/2017  | 737,658               |   | 737,658             | 14,082              |                 | 751,740               |
| Writeoffs and depreciation of fixed assets and leases  | 14,432                | 11,408  | 25,840              | (12,871)            |                 | 12,969                |
| Loans portfolio  | 2,686,634             |   | 2,686,634           | 221,350             |                 | 2,907,984             |
| Valuation of loans due to hedging  | (25)                  |   | (25)                | 261                 |                 | 236                   |
| Valuation of derivatives financial instruments   | 127,631               |   | 127,631             | (21,232)            | 37,832          | 144,231               |
| Defined benefit obligation and insurance funds   | 24,315                |   | 24,315              | (2,112)             | 3,170           | 25,373                |
| Effective interest rate  | 3,117                 |   | 3,117               | (1,188)             |                 | 1,929                 |
| Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge | 3,849                 |   | 3,849               | (345)               |                 | 3,504                 |
| Valuation/impairment of investments  | 376,711               |   | 376,711             | 4,039               |                 | 380,750               |
| Valuation/impairment of debt securities and other securities                                     | 58,441                |   | 58,441              | (8,313)             | (134,802)       | (84,674)              |
| Tax losses carried forward   | 163,599               |   | 163,599             | (163,599)           |                 |                       |
| Other temporary differences  | 118,553               |   | 118,553             | (9,719)             |                 | 108,834               |
| <b>Total</b>   | <b>5,339,676</b>      | <b>11,408</b>                                   | <b>5,351,084</b>    | <b>(24,202)</b>     | <b>(93,800)</b> | <b>5,233,082</b>      |



|  | 1.1 - 31.12.2018      |  |                     |   |                     |                |                       |
|--|-----------------------|--|---------------------|---|---------------------|----------------|-----------------------|
|  | Balance<br>31.12.2017 | Impact from the<br>implementation<br>of IFRS 9 | Balance<br>1.1.2018 | Reclassification<br>due to<br>implementation<br>of Law<br>4465/2017 | Recognized in       |                | Balance<br>31.12.2018 |
|  |                       |  |                     |   | Income<br>statement | Equity         |                       |
| Debit difference of Law 4046/2012  | 1,069,316             |  | 1,069,316           |   | (44,555)            |                | 1,024,761             |
| Debit difference of Law 4465/2017  | 15,165                |  | 15,165              | 30,465  | 692,028             |                | 737,658               |
| Write-offs and depreciation of fixed assets  | 23,295                |  | 23,295              |   | (8,863)             |                | 14,432                |
| Loans portfolio  | 2,442,018             | 404,916  | 2,846,934           | (30,465)  | (129,835)           |                | 2,686,634             |
| Valuation of loans due to hedging  | (105)                 |  | (105)               |   | 80                  |                | (25)                  |
| Valuation of derivative financial instruments  | 131,688               |  | 131,688             |   | (4,738)             | 681            | 127,631               |
| Defined benefit obligation and insurance funds   | 26,002                |  | 26,002              |   | (1,361)             | (326)          | 24,315                |
| Effective interest rate  | 3,916                 |  | 3,916               |   | (799)               |                | 3,117                 |
| Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge | 7                     |  | 7                   |   | 3,842               |                | 3,849                 |
| Valuation of investments   | 149,602               |  | 149,602             |   | 227,109             |                | 376,711               |
| Valuation/impairment of debt securities and other securities                                     | 1,505                 | 65   | 1,570               |   | (87,465)            | 144,336        | 58,441                |
| Tax losses carried forward   | 304,553               |  | 304,553             |   | (140,954)           |                | 163,599               |
| Other temporary differences  | 115,246               | 4,341  | 119,587             |   | (1,034)             |                | 118,553               |
| <b>Total</b>   | <b>4,282,208</b>      | <b>409,322</b>                                 | <b>4,691,530</b>    | <b>-</b>  | <b>503,455</b>      | <b>144,691</b> | <b>5,339,676</b>      |

The impact from debit difference of Law 4465/2017 is finalized following the submission of Bank's tax return after the publication of the Financial Statements and is included in the category "Debit difference of Law 4465/2017"





## 26. Other assets

|  | 31.12.2019       | 31.12.2018       |
|--|------------------|------------------|
| Tax advances and withholding taxes                               | 151,962          | 158,226          |
| Deposit and Investment Guarantee Fund                            | 635,144          | 635,007          |
| Property obtained from auctions and other property held for sale | 238,409          | 184,126          |
| Prepaid expenses   | 9,690            | 15,340           |
| Employee advances  | 6,717            | 6,571            |
| Accrued income   | 6,414            | 5,491            |
| Other  | 307,942          | 278,082          |
| <b>Total</b>   | <b>1,356,278</b> | <b>1,282,843</b> |

“Deposit and Investment Guarantee Fund” relates to the Bank’s participation in the assets of Investment Cover Scheme and Deposit Cover Scheme. The above account balance is affected by:

1. the amount of contribution to Investment Cover Scheme and
2. the difference on the regular annual contribution of credit institutions resulted from the application of article 6 of Law 3714/2008 “Borrowers protection and other provisions”, which raised the amount of deposits covered by the Deposit Guarantee scheme from € 20 to € 100 per depositor.

The above difference is included according to Law 4370/7.3.2016 in “Deposit Guarantee Scheme (transposition of Directive 2014/49/EU), Deposit and Investment Guarantee Fund and other regulations” in a distinct property group owned by its member credit institutions in proportion to their participation.

“Tax advances and withholding taxes” is presented, after provisions amounted to € 101,037 in year 2019 (31.12.2018: € 101,037).

In addition, as at 31.12.2019 the Bank measured “Property obtained from auctions and other property held for sale” at the lowest value between the carrying amount and fair value less costs to sell. In cases where the fair value was lower than the carrying amount, an impairment loss was recognized of € 10 and recorded in “Other expenses” of the Income Statement. As at 31.12.2018 the relevant impairment loss amounted to € 18,504.

The fair value of the assets has been estimated in accordance with the methods mentioned in note 1.2.6 and are classified in terms of fair value hierarchy in Level 3, since data based on market research, assumptions and inputs relating to properties of relevant characteristics are used for the determination of fair value, encompass a wide range of unobservable market inputs. The capitalization rate used was between 6.5% and 8%.

In 2018, the Bank transferred fixed “Property obtained from auctions and other property held for sale” with carrying amount of € 27,835 to “Assets held for Sale”, while in 2019 transferred fixed assets with carrying amount € 1,238 from “Assets held for Sale” to “Other Assets”, as described in note 44.



## LIABILITIES

### 27. Due to Banks

|   | 31.12.2019        | 31.12.2018        |
|---|-------------------|-------------------|
| Deposits:   |                   |                   |
| - Current accounts  | 87,201            | 43,547            |
| - Term deposits:  |                   |                   |
| Central Banks   | 3,064,446         | 3,378,846         |
| Other credit institutions   | 545,347           | 363,116           |
| Cash collateral for derivative margin account and repurchase agreements | 21,108            | 65,464            |
| Securities sold under agreements to resell (Repos)                      | 6,543,219         | 6,410,323         |
| Borrowing funds   | 493,174           | 428,116           |
| <b>Total</b>  | <b>10,754,495</b> | <b>10,689,412</b> |

In June 2016, the European Central Bank launched a new program of targeted long term refinancing operations (TLTRO-II) with a four year duration.

The Bank participates in this program with an amount of € 3,100,000.

The reduction in Liabilities due to Central Bank deposits refers to the repayment of total funding through the Emergency Liquidity Assistance (ELA) of the Bank of Greece. This change is offset by repos transactions and deposits of other credit institution as the Bank's credit risk assessment improves.

"Borrowing funds" includes liabilities due to European Investment Bank.

### 28. Due to customers

|                   | 31.12.2019        | 31.12.2018        |
|-------------------|-------------------|-------------------|
| Deposits:         |                   |                   |
| - Current Account | 11,163,208        | 9,195,373         |
| - Saving Accounts | 10,565,786        | 9,586,559         |
| - Term deposits:  | 13,710,102        | 14,628,162        |
|                   | <b>35,439,096</b> | <b>33,410,094</b> |
| Cheques payable   | 102,370           | 82,124            |
| <b>Total</b>      | <b>35,541,466</b> | <b>33,492,218</b> |

### 29. Debt securities in issue and other borrowed funds

#### i. Covered bonds\*

The Bank in the context of the direct Covered Bond Issuance Program II, amounting to € 8 billion held by the Bank, on 6.12.2017 and on 18.5.2018, issued bonds with a total nominal value of € 1 billion per issue, with maturity date on 23.1.2021 and on 23.10.2019 respectively and bearing an interest rate corresponding to three month Euribor plus a margin of 1.65%.

With an amendment made on 5.6.2019 the spread of these bonds was set at 0.5% from 23.7.2019 and the maturity date of the bonds issued on 18.5.2018 was postponed to 23.1.2021 from 23.10.2019. On 9.12.2019, a new bond with a nominal value of € 200 million and maturity on 23.1.2021 was issued with a three-month Euribor interest rate plus a margin of

\* Financial disclosures regarding covered bond issues, as determined by the 2620/28.8.2009 Act of the Bank of Greece, have been published on the Bank's site.



0.35%, which is also held by the Bank. The collateral (security portfolio) of these bonds consists of mortgage loans, which amounted to a total of € 2.5 billion as at 31.12.2019. These bonds are used as collateral in financing operations and are not included in the caption “Debt securities in issue and other borrowed funds” as they are held by the Bank.

On 25.1.2018, and settlement date on 5.2.2018, the Bank issued a covered bond of nominal value € 500 million collateralized with mortgage loans of € 0.7 billion, with a 5-year tenor, bearing a fixed annual interest rate of 2.5% and 2.75% yield to maturity, as part of its € 8 billion direct issuance Covered Bond Program I.

|  |                |
|--|----------------|
| <b>Balance 1.1.2019</b>                        | <b>511,843</b> |
| <b>Changes for the period 1.1 - 31.12.2019</b> |                |
| Maturities / Repayments                        | (12,500)       |
| Hedging adjustments                            | 563            |
| Interests                                      | 14,411         |
| <b>Balance 31.12.2019</b>                      | <b>514,317</b> |

The following table presents additional information for the above mentioned issueances:

#### a. Held by the Bank

| Issuer          | Currency | Interest Rate     | Maturity  | Nominal value    |                  |
|-----------------|----------|-------------------|-----------|------------------|------------------|
|                 |          |                   |           | 31.12.2019       | 31.12.2018       |
| Alpha Bank S.A. | Euro     | 3m Euribor+0.5%   | 23/1/2021 | 1,000,000        | 1,000,000        |
| Alpha Bank S.A. | Euro     | 3m Euribor +0.5%  | 23/1/2021 | 1,000,000        | 1,000,000        |
| Alpha Bank S.A. | Euro     | 3m Euribor +0.35% | 23/1/2021 | 200,000          |                  |
| <b>Total</b>    |          |                   |           | <b>2,200,000</b> | <b>2,000,000</b> |

#### b. Held by third parties

| Issuer        | Currency | Interest Rate | Maturity | Nominal value  |                |
|---------------|----------|---------------|----------|----------------|----------------|
|               |          |               |          | 31.12.2019     | 31.12.2018     |
| Alpha Bank AE | Euro     | 2.5%          | 5/2/2023 | 500,000        | 500,000        |
| <b>Total</b>  |          |               |          | <b>500,000</b> | <b>500,000</b> |

#### ii Secured Note Program

On 22.11.2018 the Bank issued secured notes of nominal value of € 1.05 billion, collateralized with mortgage loans of carrying amount of € 1,246 million with maturity date on 25.10.2020 and bearing an interest rate corresponding to three months Euribor plus a margin of 1.8%. These bonds are used as collateral in financing operations and are not included in the caption “Debt securities in issue and other borrowed funds” as they are owned by the Bank. On 9.12.2019 an amount of € 250 million was recalled from the above issue.

The following table presents additional information for the above mentioned issueances:

#### Held by the Bank

| Issuer          | Currency | Interest Rate   | Maturity   | Nominal value  |                  |
|-----------------|----------|-----------------|------------|----------------|------------------|
|                 |          |                 |            | 31.12.2019     | 31.12.2018       |
| Alpha Bank S.A. | Euro     | 3m Euribor+1.8% | 25/10/2020 | 800,000        | 1,050,000        |
| <b>Total</b>    |          |                 |            | <b>800,000</b> | <b>1,050,000</b> |

**iii. Senior debt securities**

|  |              |
|--|--------------|
| <b>Balance 1.1.2019</b>                        | <b>6,179</b> |
| <b>Changes for the period 1.1 - 31.12.2019</b> |              |
| Maturities / Repayments                        | (5,087)      |
| Interests                                      | 277          |
| <b>Balance 31.12.2019</b>                      | <b>1,369</b> |

The following table presents additional information for the above mentioned issuances:

**Held by third parties**

| Issuer          | Currency | Interest Rate                 | Maturity  | Nominal value |              |
|-----------------|----------|-------------------------------|-----------|---------------|--------------|
|                 |          |                               |           | 31.12.2019    | 31.12.2018   |
| Alpha Bank S.A. | Euro     | 2.50%                         | 20/6/2022 | 350           | 350          |
| Alpha Bank S.A. | Euro     | 2.50%                         | 20/6/2022 | 1,345         | 1,345        |
| Alpha Bank S.A. | Euro     | Linked to interest rate index | 26/2/2019 |               | 5,000        |
| <b>Total</b>    |          |                               |           | <b>1,695</b>  | <b>6,695</b> |

**iv. Liabilities from the securitization of shipping loans**

|  |                |
|--|----------------|
| <b>Balance 1.1.2019</b>                      | <b>245,377</b> |
| <b>Changes for the period 1.1 - 31.12.19</b> |                |
| Desecuritization                             | (33,668)       |
| Capitalized costs                            |                |
| Maturities / Repayments                      | (94,166)       |
| Accrued interest                             | 10,755         |
| Foreign exchange differences                 | 3,687          |
| <b>Balance 31.12.2019</b>                    | <b>131,985</b> |

During 2014, the Bank proceeded to a shipping loan securitization transaction, transferring the aforementioned loans to the fully consolidated Special Purpose Entity, Alpha Shipping Finance Ltd, which in turn raised funding from third parties.

**v. Liabilities from the securitization of corporate (SMEs) loans**

|  |               |
|--|---------------|
| <b>Balance 1.1.2019</b>                        | <b>61,964</b> |
| <b>Changes for the period 1.1 - 31.12.2019</b> |               |
| Desecuritization                               | (26,655)      |
| Maturities / Repayments                        | (36,873)      |
| Accrued interest                               | 1,564         |
| <b>Balance 31.12.2019</b>                      | <b>-</b>      |

During 2016, the Bank proceeded with the securitization of SME's loans, by transferring the afore mentioned loans to the fully consolidated special purpose entity, Proodos Designated Activity Company (D.A.C.), which in turn raised funding from third parties and the Bank. Those securities issued by third parties were repaid on 23.10.2019.

**vi. Liabilities from the securitization of consumer loans**

|  |                |
|--|----------------|
| <b>Balance 1.1.2019</b>                        | -              |
| <b>Changes for the period 1.1 - 31.12.2019</b> |                |
| New funds                                      | 218,849        |
| Accrued interest                               | 95             |
| <b>Balance 31.12.2019</b>                      | <b>218,944</b> |

The Bank securitized consumer loans by transferring these loans to the fully consolidated special purpose company, Katanalotika Plc, which in turn raised financing by issuing bonds. On 18.12.2019 part of these bonds was transferred to third parties.

**vii. Liabilities from the securitization of other loans**

During the first semester of 2019 the Bank securitized a bond of its portfolio. The said bond was transferred to the special purpose company, Alpha Quantum DAC, and the bond of nominal value € 306,864 issued through the securitization is held by the Bank. The bond was priced at € 299,800 after the repayment of € 7,065 during the second semester of 2019

Liabilities arising from the securitization of corporate loans, credit cards and the aforementioned bond are not included in caption "Debt securities in issue and other borrowed funds" since these securities of nominal value € 3.159.400 have been issued by special purpose entities and held by the Bank.

**viii. Subordinated debt (Lower Tier II, Upper Tier II)**

|  |            |
|--|------------|
| <b>Balance 1.1.2019</b>                        | <b>651</b> |
| <b>Changes for the period 1.1 - 31.12.2019</b> |            |
| Maturities / Repayments                        | (8)        |
| Accrued interest                               | 8          |
| <b>Balance 31.12.2019</b>                      | <b>651</b> |

The following table presents additional information for the above mentioned issues:

**Held by third parties**

| Issuer          | Currency | Interest Rate   | Maturity   | Nominal value |            |
|-----------------|----------|-----------------|------------|---------------|------------|
|                 |          |                 |            | 31.12.2019    | 31.12.2018 |
| Alpha Bank S.A. | Euro     | 3m Euribor+1.5% | Indefinite | 650           | 650        |
| <b>Total</b>    |          |                 |            | <b>650</b>    | <b>650</b> |

**ix. Hybrid securities**

|  |               |
|--|---------------|
| <b>Balance 1.1.2019</b>                        | <b>15.293</b> |
| <b>Changes for the period 1.1 - 31.12.2019</b> |               |
| Maturities / Repayments                        |               |
| Interests                                      | 7             |
| <b>Balance 31.12.2019</b>                      | <b>15.300</b> |



The following table presents additional information for the above mentioned issues:

### Held by third parties

| Issuer          | Currency | Interest Rate                                | Maturity   | Nominal value |               |
|-----------------|----------|--|------------|---------------|---------------|
|                 |          |  |            | 31.12.2019    | 31.12.2018    |
| Alpha Bank S.A. | Euro     | 4 x (CMS10-CMS2), minimum 3.25%, maximum 10% | Indefinite | 15,542        | 15,542        |
| <b>Total</b>    |          |  |            | <b>15,542</b> | <b>15,542</b> |

|   |                |
|---|----------------|
| <b>Total of debt securities in issue and other borrowed funds, not held by the Bank, as at 31.12.2019</b> | <b>882,566</b> |
|---|----------------|

The following table presents the changes of debt securities and other borrowed funds by separately disclosing the cash and non-cash flows.

| Cash flows from financing activities                          | 1.1.2019 | Cash flows   |                  | Non cash flows               |                   |       | 31.12.2019 |
|---|----------|--|------------------|------------------------------|-------------------|-------|------------|
|   |          | Desecuritization, New issues, maturities, repayments | Accrued interest | Foreign exchange differences | Fair value change | Other |            |
| Senior debt securities  | 6,179    | (5,087)  | 277              |                              |                   |       | 1,369      |
| Liabilities from the securitization of shipping loans         | 245,377  | (127,834)  | 10,755           | 3,687                        |                   |       | 131,985    |
| Liabilities from the securitization of corporate loans (SMEs) | 61,964   | (63,528)   | 1,564            |                              |                   |       | -          |
| Liabilities from the securitization of other loans            | -        | 218,849  | 95               |                              |                   |       | 218,944    |
| Subordinated loans  | 651      | (8)  | 8                |                              |                   |       | 651        |
| Hybrid securities   | 15,293   |  | 7                |                              |                   |       | 15,300     |
| Covered bond loan   | 511,843  | (12,500)   | 14,411           |                              |                   | 563   | 514,317    |

| Cash flows from financing activities                          | 1.1.2018 | Cash flows   |                  | Non cash flows               |                   |       | 31.12.2018 |
|---|----------|--|------------------|------------------------------|-------------------|-------|------------|
|   |          | Desecuritization, New issues, maturities, repayments | Accrued interest | Foreign exchange differences | Fair value change | Other |            |
| Senior debt securities  | 9,977    | (4,635)  | 837              |                              |                   |       | 6,179      |
| Liabilities from the securitization of shipping loans         | 293,532  | (74,260)   | 13,460           | 12,878                       |                   | (233) | 245,377    |
| Liabilities from the securitization of corporate loans (SMEs) | 238,504  | (177,576)  | 1,036            |                              |                   |       | 61,964     |
| Subordinated loans  | 651      | (8)  | 8                |                              |                   |       | 651        |
| Hybrid securities   | 15,285   |  | 8                |                              |                   |       | 15,293     |
| Covered bond loan   |          | 491,985  | 11,550           |                              |                   | 8,308 | 511,843    |

The above cash flows are included in the net cash flows from financing activities in the cash flow statement of the year.

### 30. Liabilities for current income tax and other taxes

|                            | 31.12.2019    | 31.12.2018    |
|----------------------------|---------------|---------------|
| Income tax and other taxes | 24,887        | 19,842        |
| <b>Total</b>               | <b>24,887</b> | <b>19,842</b> |



### 31. Employee defined benefit obligations

The total amounts recognized in the financial statements for defined benefit obligations are presented in the table below:

|  | Balance Sheet-Liabilities |               |
|--|---------------------------|---------------|
|  | 31.12.2019                | 31.12.2018    |
| Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920 | 76,312                    | 73,611        |
| Savings program guarantee  | 2,703                     | 3,325         |
| Plans for Diners (pension and health care)   | 8,380                     | 6,811         |
| <b>Total Liabilities</b>   | <b>87,395</b>             | <b>83,747</b> |

|   | Income Statement Expenses /(Income) From 1 January to |              |
|---|---|--------------|
|   | 31.12.2019  | 31.12.2018   |
| Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920 (note 8) | 4,496   | 3,847        |
| Savings program guarantee (note 8)  | 217   | 216          |
| Plans for Diners (pension and health care) (note 8)   | 125   | 122          |
| <b>Total</b>  | <b>4,838</b>  | <b>4,185</b> |

Balance Sheet and Income Statement amounts are analyzed per fund and type of benefit as follows:

#### a. Employee indemnity due to retirement in accordance with Law 2112/1920

The contracts of the employees are open term employee contracts and when cancelled, the provisions of Law 2112/1920 and Law 3198/1955 apply, as amended by Law 4093/2012, which provide a lump sum benefit payment.

The amounts recognized in the balance sheet are as follows:

|                                      | 31.12.2019    | 31.12.2018    |
|--------------------------------------|---------------|---------------|
| Present value of defined obligations | 76,312        | 73,611        |
| <b>Liability</b>                     | <b>76,312</b> | <b>73,611</b> |

The amounts recognized in the income statement are as follows:

|   | From 1 January to |              |
|---|-------------------|--------------|
|   | 31.12.2019        | 31.12.2018   |
| Current service cost                                | 2,104             | 2,272        |
| Net interest cost resulted from net asset/liability | 1,240             | 1,333        |
| Past service cost                                   | 1,363             |              |
| Settlement/Curtailment/Termination (gain)/loss      | (50)              | 242          |
| Gain/(loss) from restructuring                      | (161)             |              |
| <b>Total (included in staff costs)</b>              | <b>4,496</b>      | <b>3,847</b> |



The movement in the present value of defined obligation is as follows:

|   | 2019          | 2018          |
|---|---------------|---------------|
| <b>Opening Balance</b>                                    | <b>73,611</b> | <b>79,526</b> |
| Current Service cost                                      | 2,104         | 2,272         |
| Interest cost   | 1,240         | 1,333         |
| Benefits paid   | (11,014)      | (8,747)       |
| (Gain)/Loss from Settlement/Curtailment/Termination       | (50)          | 242           |
| (Gain)/loss from restructuring                            | (161)         |               |
| Past service cost   | 1,363         |               |
| Reclassification to voluntary separation scheme provision | (1,098)       |               |
| Actuarial (gain)/loss-financial assumptions               | 10,492        | (479)         |
| Actuarial (gain)/loss-experience assumptions              | (175)         | (536)         |
| <b>Closing Balance</b>                                    | <b>76,312</b> | <b>73,611</b> |

The amounts recognized in equity during the year are analyzed as follows:

|   | 31.12.2019      | 31.12.2018   |
|---|-----------------|--------------|
| Change in liability gain/(loss) due to changes in financial and demographic assumptions | (10,492)        | 479          |
| Change in liability gain/(loss) due to experience adjustments                           | 175             | 536          |
| <b>Total actuarial gain/(loss) recognized directly in Equity</b>                        | <b>(10,317)</b> | <b>1,015</b> |

The movement in the obligation in the balance sheet is as follows:

|   | 2019          | 2018          |
|---|---------------|---------------|
| <b>Opening balance</b>                                    | <b>73,611</b> | <b>79,526</b> |
| Benefits paid   | (11,014)      | (8,747)       |
| Loss/(Gain) recognized in Income Statement                | 4,496         | 3,847         |
| Loss/(Gain) recognized in equity                          | 10,317        | (1,015)       |
| Reclassification to voluntary separation scheme provision | (1,098)       |               |
| <b>Closing balance</b>                                    | <b>76,312</b> | <b>73,611</b> |

The amount of 1,098 corresponds to the provision made for employees who used the long-term leave under the voluntary exit scheme.

#### b. Savings plan guarantee

For employees hired by the Bank and insured from 1.1.1993 until 31.12.2004 the Bank has guaranteed that the lump sum benefit payment, according to the provisions of the insurance plan, will be at least equal to the benefit as defined in Law 2084/1992 and the Cabinet Act 2/39350/0022/2.3.99.

The amounts included in the balance sheet are analyzed as follows:

|                                     | 31.12.2019   | 31.12.2018   |
|-------------------------------------|--------------|--------------|
| Present value of defined obligation | 2,703        | 3,325        |
| <b>Liability</b>                    | <b>2,703</b> | <b>3,325</b> |





The amounts included in the income statement are analyzed as follows:

|   | From 1 January to |            |
|---|-------------------|------------|
|   | 31.12.2019        | 31.12.2018 |
| Current Service Cost                                | 160               | 162        |
| Net Interest cost resulted from net asset/liability | 57                | 54         |
| <b>Total (Included in staff costs)</b>              | <b>217</b>        | <b>216</b> |

The movement in the present value of defined benefit obligation is as follows:

|  | 2019         | 2018         |
|--|--------------|--------------|
| <b>Opening Balance</b>                       | <b>3,325</b> | <b>3,232</b> |
| Current service cost                         | 160          | 162          |
| Interest cost                                | 57           | 54           |
| Actuarial (gain)/loss-financial assumptions  | 1,203        | (23)         |
| Actuarial (gain)/loss-experience adjustments | (2,042)      | (100)        |
| <b>Closing Balance</b>                       | <b>2,703</b> | <b>3,325</b> |

The amounts recognized directly in Equity during the year are analyzed as follows:

|   | 31.12.2019 | 31.12.2018 |
|---|------------|------------|
| Change in liability due to changes in financial and demographic assumptions - gain/(loss) | (1,203)    | 23         |
| Change in liability due to experience adjustments - gain/(loss)                           | 2,042      | 100        |
| <b>Total actuarial gain/(loss) recognized in equity</b>                                   | <b>839</b> | <b>123</b> |

The movement in the obligation is as follows:

|  | 2019         | 2018         |
|--|--------------|--------------|
| <b>Opening Balance</b>                     | <b>3,325</b> | <b>3,232</b> |
| Loss/(gain) recognized in income statement | 217          | 216          |
| Loss/(gain) recognized in equity           | (839)        | (123)        |
| <b>Closing Balance</b>                     | <b>2,703</b> | <b>3,325</b> |

### c. Supplementary Pension Fund and Healthcare of Diners

The Bank guarantees from 30.9.2014, date of acquisition of Diners Club Greece A.E., the Supplementary Pension Fund and Health Care Plan of the Company, which is managed by an independent insurance company.

On 2.6.2015, the merger through absorption of the company was completed. These plans cover the pensioners and those who have retired and have the right to receive supplementary pension in the future.

The amounts included in the balance sheet are analyzed as follows:

|                                     | 31.12.2019   | 31.12.2018   |
|-------------------------------------|--------------|--------------|
| Present value of defined obligation | 10,726       | 9,528        |
| Fair value of plan assets           | (2,346)      | (2,717)      |
| <b>Liability</b>                    | <b>8,380</b> | <b>6,811</b> |

The assets of the scheme includes only cash.



The amounts included in the income statement are analyzed as follows:

|   | From 1 January to |            |
|---|-------------------|------------|
|   | 31.12.2019        | 31.12.2018 |
| Net interest cost resulted from the net asset/liability | 117               | 112        |
| Expenses  | 8                 | 10         |
| <b>Total (included in staff costs)</b>                  | <b>125</b>        | <b>122</b> |

The movement in the present value of defined benefit obligation is as follows:

|  | 2019          | 2018         |
|--|---------------|--------------|
| <b>Opening Balance</b>                       | <b>9,528</b>  | <b>9,752</b> |
| Interest Cost                                | 161           | 161          |
| Benefits paid directly by the Bank           | (9)           | (9)          |
| Benefits paid by the Plan                    | (363)         | (352)        |
| Actuarial (gain)/loss-financial assumptions  | 1,391         | (84)         |
| Actuarial (gain)/loss-experience adjustments | 18            | 60           |
| <b>Closing balance</b>                       | <b>10,726</b> | <b>9,528</b> |

The movement in the fair value of plan assets is as follows:

|                        | 2019         | 2018         |
|------------------------|--------------|--------------|
| <b>Opening Balance</b> | <b>2,717</b> | <b>3,069</b> |
| Expected return        | 44           | 49           |
| Benefits paid          | (363)        | (352)        |
| Expenses               | (8)          | (10)         |
| Actuarial losses       | (44)         | (39)         |
| <b>Closing Balance</b> | <b>2,346</b> | <b>2,717</b> |

The amounts recognized directly in Equity during the year are analyzed as follows:

|  | 31.12.2019     | 31.12.2018  |
|--|----------------|-------------|
| Change in liability due to financial and demographic assumptions - gains/(loss)    | (1,391)        | 84          |
| Change in liability due to experience adjustments - gain/(loss)                    | (18)           | (60)        |
| Return on plan assets excluding amounts included in income statement - gain/(loss) | (44)           | (39)        |
| <b>Total actuarial gain/(loss) recognized in equity</b>                            | <b>(1,453)</b> | <b>(15)</b> |

The movement in the obligation/(asset) is as follows:

|  | 2019         | 2018         |
|--|--------------|--------------|
| <b>Opening Balance</b>                     | <b>6,811</b> | <b>6,683</b> |
| Benefits paid directly by the Bank         | (9)          | (9)          |
| (Gain)/loss recognized in Income Statement | 125          | 122          |
| (Gain)/loss recognized in Equity           | 1,453        | 15           |
| <b>Closing Balance</b>                     | <b>8,380</b> | <b>6,811</b> |



The results of the abovementioned valuations are based on the assumptions of the actuarial studies. The principal actuarial assumptions used for the above mentioned defined benefit plans are as follows:

|                       | 31.12.2019 | 31.12.2018 |
|-----------------------|------------|------------|
| Discount rate         | 0.82%      | 1.72%      |
| Inflation rate        | 1.30%      | 1.50%      |
| Return on plan assets | 1.50%      | 2.00%      |
| Future salary growth  | 1.80%      | 1.80%      |
| Future pension growth | 0.00%      | 0.00%      |

The discount rate was based on the iBoxx Euro Corporate AA+ adjusted to the characteristics of the programs.

The average duration per program is depicted in the table below:

|  | 31.12.2019 | 31.12.2018 |
|--|------------|------------|
| Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920 | 17.3       | 17.1       |
| Saving program guarantee   | 17.2       | 17.6       |
| Plans for Diners (pension and health care)   | 16.1       | 15.6       |

The table below presents the sensitivity analysis of the financial assumptions in regards to the obligation of the above programs:

|   | Percentage variation in Liability (%) |
|---|---------------------------------------|
| Increase in discount rate by 0.5%             | (8.0)                                 |
| Decrease in discount rate by 0.5%             | 8.8                                   |
| Increase in future salary growth rate by 0.5% | 8.6                                   |
| Decrease in future salary growth rate by 0.5% | (7.7)                                 |

For all the programs mentioned above, no contributions are expected to be paid during 2020.

## 32. Other liabilities

|   | 31.12.2019     | 31.12.2018     |
|---|----------------|----------------|
| Suppliers   | 54,811         | 54,600         |
| Deferred income                                       | 7,518          | 7,161          |
| Accrued Expenses                                      | 68,893         | 73,222         |
| Liabilities to third parties                          | 91,541         | 122,390        |
| Liabilities to merchants from the use of credit cards | 348,681        | 324,737        |
| Lease liabilities                                     | 158,347        |                |
| Other   | 204,768        | 248,627        |
| <b>Total</b>  | <b>934,559</b> | <b>830,738</b> |

Following the implementation of IFRS 16, the Bank recognized lease liabilities amounting to € 158,347 as at 31.12.2019 (note 38 and 1.1).

Cash flows from financing activities are presented in the table below:

| Cash flows from financing activities | 1.1.2019 | Cash flows | Non-cash flows |               | 31.12.2019 |
|--------------------------------------|----------|------------|----------------|---------------|------------|
|                                      |          |            | New leases     | Other changes |            |
| Lease liabilities (note 38)          | 179,976  | (31,168)   | 15,138         | (5,599)       | 158,347    |



### 33. Provisions

|  |                |
|--|----------------|
| <b>Balance 1.1.2018</b>  | <b>289,018</b> |
| <b>Changes for the period 1.1- 31.12.2018</b>  |                |
| Other provisions   | 4,468          |
| Other provisions used  | (5,578)        |
| Transfer to "Other assets"   | (4,295)        |
| Use of provision for separation scheme   | (44,296)       |
| Provisions to cover credit risk relating to letters of guarantee, letters of credit and undrawn loan commitments (note 11)   | (20,801)       |
| Foreign exchange differences   | 80             |
| <b>Balance 31.12.2018</b>  | <b>218,596</b> |
| <b>Changes for the period 1.1- 31.12.2019</b>  |                |
| Other provisions   | 21,046         |
| Other provisions used  | (7,822)        |
| Provision for for separation schemes   | 92,531         |
| Reclassification from employee's indemnity provision in accordance with Law 2112/1920 in voluntary separation scheme provision which is related to those who have retired using the long-term paid leave | 1,098          |
| Use of provision for for separation schemes  | (83,262)       |
| Reversal of provision for separation scheme  | (42,916)       |
| Provisions to cover credit risk relating to letters of guarantee, letters of credit and undrawn loan commitments (note 11)   | 6,464          |
| Used provision to cover credit risk relating to letters of guarantee, letters of credit and undrawn loan commitments (note 40.1)   | (5,000)        |
| Foreign exchange differences   | 11             |
| <b>Balance 31.12.2019</b>  | <b>200,746</b> |

The amounts of other provisions are included in "Other Expenses", the amounts of provisions to cover credit risk relating to off-balance sheet items are included in "Impairment losses and provisions for credit risk" and the amounts for provisions of staff separation schemes are included in "Expenses for Separation Schemes" of the Income Statement.

On 31.12.2019 the balance of provisions to cover credit risk relating to off-balance sheet items amounts to € 106,181 (31.12.2018: € 104,706) of which an amount of € 1,527 (31.12.2018: € 1,482) relates to provisions for undrawn loan commitments and an amount of € 104,654 (31.12.2018: € 103,224) relates to provisions for Letters of Guarantee and Letters of Credit.

The balance of the provision for separation schemes as at 31.12.2019 amounts to € 26,456 (31.12. 2018: € 59,004) which relates to a) € 6,604 to cover the annual cost of 81 employees who departed in 2018 using the long term leave in the context of the exit program that was in force for the period 2016-2018 continued in 2019 which is presented more analytically in Note 8, b) € 17,815 to cover the cost of the scheduled departure of 71 employees within the first semester of 2020 and the annual cost of 78 employees who departed using the long term leave in the context of the voluntary exit program which was launched in September 2019. The total provision to cover the costs of the voluntary exit program amounted to € 89,861 while an amount of € 73,144 was used in 2019 to cover the cost of the departure of 690 employees and c) € 2,037 for the senior executives' compensation plan. The total cost of this program amounted to € 2,670 while an amount of € 633 was used to cover the cost of senior executives' departure within 2019.

On 31.12.2019 the balance of other provisions amounts to € 68,109 (31.12.2018: € 54,886) out of which:

- An amount of € 25,176 (31.12.2018: € 29,715) relates to pending legal cases,
- An amount of € 17,522 relates to the Bank's estimate for the period ended 31.12.2019, of non-successful appeals which was lodged in previous years regarding the payment of contributions to an insurance fund.



## EQUITY

### 34. Share capital

The Bank's share capital on 31.12.2019 and 31.12.2018 amounts to € 463,110 divided into 1,543,699,381 ordinary shares with voting rights of the Bank with a nominal value of € 0.30 each.

### 35. Share premium

Share premium at 31.12.2019 and 31.12.2018 amounted to € 10,801,029.

### 36. Reserves

Reserves are analyzed as follows:

#### a. Statutory reserve

|                   | 31.12.2019 | 31.12.2018 |
|-------------------|------------|------------|
| Statutory reserve | 420,425    | 420,425    |

According to article 158 of Law 4548/2018 (the relevant clause included in the article 26 of the Bank's Article Association, as in force), one-twentieth (1/20) of the net profit of the year is deducted annually from each year's net profit for the formation of the statutory reserve. The deduction for the formation of the statutory reserve ceases to be mandatory when the reserve amounts one-third (1/3) of the share capital. Based on the provisions of the aforementioned article this reserve can be used only before any dividend distribution in order to equalize any debit balance of the Income Statement.

#### b. Securities reserves measured at fair value through other comprehensive income

|  | 2019           | 2018             |
|--|----------------|------------------|
| <b>Opening Balance 1.1</b>   | <b>48,791</b>  | <b>400,334</b>   |
| <b>Changes for the period 1.1 - 31.12</b>  |                |                  |
| Net change in fair value of securities measured at fair value through other comprehensive income, after income tax                 | 545,999        | (27,154)         |
| Fair value of securities measured at fair value through other comprehensive income transferred to profit or loss, after income tax | (208,044)      | (324,389)        |
| <b>Total</b>   | <b>337,955</b> | <b>(351,543)</b> |
| <b>Balance 31.12</b>   | <b>386,746</b> | <b>48,791</b>    |

The movements for the year of the reserve for investment securities measured at fair value through other comprehensive income relate to the fair value of the investment securities and the transfer of the reserve to profit or loss, amount before tax to a credit amount of € 796,015 and debit amount € 293,020, respectively (1.1 - 31.12.2018: debit amount € 38,245 and € 456,886 respectively).

**c. Cash flow hedge reserve recognised directly in equity**

|  | 2019             | 2018             |
|--|------------------|------------------|
| Opening balance 1.1                                | (145,846)        | (144,177)        |
| <b>Changes for the period 1.1 - 31.12</b>          |                  |                  |
| Change in cash flow hedge reserve after income tax | (92,621)         | (1,669)          |
| <b>Balance 31.12</b>                               | <b>(238,467)</b> | <b>(145,846)</b> |

**d. Other reserves**

|   | 2019         | 2018         |
|---|--------------|--------------|
| Opening balance 1.1                       | (266)        | (266)        |
| <b>Changes for the period 1.1 - 31.12</b> |              |              |
| <b>Balance 31.12</b>                      | <b>(266)</b> | <b>(266)</b> |

|                                 |                |                |
|---------------------------------|----------------|----------------|
| <b>Total reserves (a+b+c+d)</b> | <b>568,438</b> | <b>323,104</b> |
|---------------------------------|----------------|----------------|

**37. Retained earnings**

- i. Since 2018 there were no distributable profits, in accordance with article 44a of Codified Law 2190/1920, the Ordinary General Meeting of Shareholders on 28.6.2019 decided the non-distribution of dividends to ordinary shareholders of the Bank.
- ii. Pursuant to article 159 of Law 4548 / 2018 and due to the fact that there are no distributable profits for the year 2019, the Board of Directors of the Bank at the Ordinary General Assembly Meeting of Shareholders will propose the non-distribution of dividends to the shareholders of the Bank.



## ADDITIONAL INFORMATION

### 38. Contingent liabilities and commitments

#### a) Legal issues

There are certain legal claims against the Bank, in the ordinary course of business. In the context of managing the operational risk events and based on the applied accounting policies, the Bank has established internal controls and processes to monitor all legal claims and similar actions by third parties in order to assess the probability of a negative outcome and the potential loss.

For cases where there is a significant probability of a negative outcome, and the result may be reliably estimated, the Bank recognizes a provision that is included in the Balance Sheet under the caption "Provisions". On 31.12.2019 the amount of the provision stood at € 25,176 (31.12.2018: € 29,715).

For those cases, that according to their progress and the assessment of the legal department as at December 31, 2019, a negative outcome is not probable or the potential outflow cannot be estimated reliably due to the complexity of the cases, and their duration, the Bank has not recognized a provision. As of 31.12.2018 the legal claims against the Bank for the above cases amount to € 284,451 (31.12.2018: € 258,917).

According to the legal department's estimation, the ultimate settlement of the claims and lawsuits is not expected to have a material effect on the financial position or the operations of the Bank.

#### b) Tax issues

The Bank has been audited by the tax authorities for the years up to and including 2010. Years 2011, 2012 and 2013 are considered as closed, in accordance with the Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority. For the years 2011 up to 2018, the Bank has obtained a tax certificate with no qualifications according to the article 82 of Law 2238/1994 and the article 65A of Law 4174/2013. The tax audit for the tax certificate of 2019 is in progress. Emporiki Bank has been audited by the tax authorities for the years up to and including 2008. Years 2009-2013 are considered as closed, in accordance with the Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority. For the years 2011 up to 2013 Emporiki Bank has obtained a tax certificate with no qualifications.

The Bank's branch in London has been audited by the tax authorities up to and including 2016.

On 2.6.2015, the merger by absorption of Diners Club of Greece A.E.P.P. was completed. Diners Club of Greece A.E.P.P. has been audited by the tax authorities for the years up to and including 2010. Years 2011 and 2013 are considered as closed, in accordance with the Ministerial Decision 1208/20.12.2017 of the Independent Public Revenue Authority. For the years 2011 up to 2013 Diners Club of Greece A.E.P.P. has obtained a tax certificate with no qualifications.

Based on Ministerial Decision 1006/5.1.2016 there is no exemption from tax audit by the tax authorities to those entities that have been tax audited by the independent auditor and they have received an unqualified tax audit certificate. Therefore, the tax authorities may reaudit the tax books for previous years.

Additional taxes, interest on late submission and penalties may be imposed by tax authorities, as a result of tax audits for unaudited tax years, the amount of which cannot be accurately determined.

#### c) Leases

##### The Bank as lessee

Bank's obligations with respect to leases consist mainly of buildings which are used either as branches or as other operating units, offsite ATMs and cars for senior management.



The duration of the lease agreements for new branches is set to three years with a unilateral renewal option by the Bank, for an additional nine years under the same terms and conditions as the original lease, while retaining the right to terminate the lease at any time during the nine year period. The policy of the Bank is to renew these contracts.

In the case of renewals of existing leases, the new lease is set to three years with a unilateral renewal option by the Bank for a further three years under the same terms and conditions as the original lease, while retaining the right to terminate the lease at any time during the second three years. The Bank's policy is also to renew these contracts.

More specifically, for the leases of branches, which was estimated that they will be renewed, the duration, given the extension right, was set to three years while for offsite ATMs, for which following the renewal the agreement is set by default to indefinite duration, the estimated duration was set to ten years.

Following the implementation of IFRS 16, effective from 1.1.2019, the Bank recognized right-of-use assets and lease liabilities for all the leases fallen to IFRS 16. Lease liabilities were discounted at the incremental borrowing rate (IBR) of 1.1.2019. The weighted average rate was 2.71%.

More specifically, the Bank recognized as at 1.1.2019 right-of-use assets of € 114.9 million, out of which an amount of € 94.9 million has been classified in Property, plant and equipment and an amount of € 20 million has been classified in Investment property, net investment in the lease of € 10.5 million and lease liabilities of € 179.9 million (notes 19, 22, 23, 32)

The following table present the reconciliation of minimum future lease payments as disclosed in IAS 17 at the financial statements for the year ended December 31, 2018, with the lease liabilities recognized on 1.1.2019 according to IFRS 16.

|  |                |
|--|----------------|
| <b>Minimum future lease payments 31.12.2018</b>  | <b>121,855</b> |
| Estimates from wage renewal period and leasing's adjustments not included in minimum future leasing's payments | 82,490         |
| Impact of discounted liabilities from leasing using incremental borrowing rate (IBR) on 1.1.2019               | (24,369)       |
| <b>Total lease liabilities recognized on 1.1.2019</b>  | <b>179,976</b> |

During the implementation of IFRS 16, the bank has made the following estimates:

- regarding the renewals of existing leases based on the extension right,
- regarding contracts with indefinite duration, estimates of the length of time the Bank expects to use the asset for leasing purposes.

It is noted that there are no leases of fixed assets which include term of variable lease. The recognized expenses of variable lease relates to other type of lease.

In addition there are no lease agreements signed during the last days of 2019 and that have been in place from 1.1.2020 and there are no cases for which the Bank has sold and leased-back its own fixed asset.

The impact from the implementation of the standard and the Bank's policy related to leases are presented in detail in notes 1.1 and 1.2.11 respectively.

### The Bank as a lessor

The Bank's receivables from leases relate to leases from buildings either to Group companies or to third parties as well as subleases in which the Bank is the lessee.

The future operating lease revenues are the following:

|                            | 31.12.2019    | 31.12.2018    |
|----------------------------|---------------|---------------|
| less than one year         | 3,586         | 5,424         |
| between one and five years | 10,612        | 16,922        |
| over five years            | 3,787         | 16,633        |
| <b>Total</b>               | <b>17,985</b> | <b>38,979</b> |





The operating lease revenues for the year 2019 amounted to € 4,390 (31.12.2018: € 5,363) and are included in "Other income". The future finance lease revenues are described in note 19. .

#### d) Off balance sheet commitments

The Bank as part of its normal operations, make contractual commitments, that in the future may result in changes in its asset structure. These commitments are monitored in off balance sheet accounts and relate to letters of credit, letters of guarantee and liabilities from undrawn loan commitments as well as guarantees given for bonds issued and other guarantees to subsidiary companies.

Letters of credit are used to facilitate trading activities and relate to the financing of contractual agreements for the transfer of goods locally or abroad, through direct payment to the third party on behalf of the Bank's customer. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Bank for the purpose of ensuring that its customers will fulfill the terms of their contractual obligations.

In addition, contingent liabilities for the Bank arise from undrawn loan commitments that may drawn upon if certain requirements are fulfilled by counterparties.

The outstanding balances are as follows:

|   | 31.12.2019 | 31.12.2018 |
|---|------------|------------|
| Letters of credit   | 17,589     | 17,144     |
| Letters of guarantee and other guarantees                   | 3,648,662  | 3,657,629  |
| Undrawn loan commitments                                    | 3,643,214  | 3,194,052  |
| Guarantees provided for bonds issued by Bank's subsidiaries | 15,542     | 15,542     |

The Bank measures the expected credit losses for all the undrawn loan commitments and letters of credit / letters of guarantee, which are included in the caption "Provisions".

Expected credit risk losses for the aforementioned exposures as of 31.12.2019 amounts to € 106,181 (31.12.2018: € 104,706) (note 33).

The Bank has committed to contribute in the share capital of the joint venture Alpha TANE0 AKES up to the amount of € 70 (31.12.2018: € 64).

#### e) Pledged assets

Pledged assets, as at 31.12.2019 and 31.12.2018 are analyzed as follows:

- **Cash and balances with Central Banks:**

- i. The amount of mandatory reserves that the Bank has to maintain to the Bank of Greece on average for the period from 18.12.2019 to 28.01.2020, amounts to € 354,853 (31.12.2018: € 347,652) and is included in the above balance. As at 31.12.2019, the pledged cash of the Bank amounts to € 0 (31.12.2018: € 300,411).
- ii. Placements of € 93,000 have been pledged to Central Banks for the purpose of participating in main refinancing operations as at 31.12.2018.

- **Due from Banks:**

- i. Placements amounting to € 212,006 (31.12.2018: 213,074) relate to guarantees provided, mainly, on behalf of the Greek Government.
- ii. Placements amounting to € 1,345,744 (31.12.2018: 1,059,932) have been provided as guarantee for derivative and other repurchase agreements (repos).
- iii. Placements amounting to € 6,455 (31.12.2018: 28,707) have been provided for Letter of Credit or Guarantee Letters that the Bank issue for facilitating customer imports.



- iv. Placements amounting to € 12,568 (31.12.2018: 9,493) have been provided to the Resolution Fund as irrevocable payment commitment, as part of the 2016 up to 2018 contribution. This commitment must be fully covered by collateral exclusively in cash, as decided by the Single Resolution Board.
  - v. Placements amounting to € 315,521 (31.12.2018: € 325,157) relate to guarantees that have been provided to foreign subsidiaries to cover credit risk.
  - vi. Placements amounting to € 19,412 (31.12.2018: 35,230) have been given as collateral for the issuance of bonds with nominal value of € 3,500,000 (31.12.2018: € 3,550,000), out of which bonds of € 3,000,000 (31.12.2018: 3,050,000) held by the Bank, as mentioned below under "Loans and advances to customers".
- **Loans and advances to customers:**
    - i. Loans of € 1,425,026 (31.12.2018: € 3,700,146) have been pledged to central banks for liquidity purposes.
    - ii. A carrying amount of € 2,609,063 (31.12.2018: € 2,526,375) which relates to corporate loans and credit cards has been securitized for the issuance of Special Purpose Entities' corporate bond of a nominal value of € 2,799,400 (31.12.2018: € 2,656,258) held by the Bank, of which an amount of € 1,774,700 (31.12.2018: € 1,254,900) has been given as collateral for repurchase agreements (repos).
    - iii. A carrying amount of € 335,594 (31.12.2018: € 498,904) which relates to shipping loans, has been securitized for the purpose of financing the Group's a Special Purpose Entity as at 31.12.2019 and amounts to € 154,432 (31.12.2018: € 267,589).
    - iv. A carrying amount of € 499,242 (31.12.2018: € 907,334) which relates to consumer loans has been securitized for the issuance of Special Purpose Entities' corporate bond of a nominal value of € 580,000 (31.12.2018: € 1,520,000), of which the amount of € 360,000 (31.12.2018: € 1,520,000) is held by the Bank.
    - v. An amount of carrying amount € 11,174 (31.12.2018: € 22,791) which relates to corporate loans, has been given as collateral for other loan facilities.
    - vi. An amount of mortgage loans of a carrying amount of € 4.421.909 (31.12.2018: € 4,624,700) has been used as collateral in the following covered bond issuance programs: Covered Bonds Issuance Program I and II and the Bank's Secured Note Program. On 31.12.2019 the nominal value of the above bonds amounted to € 3,500,000 (31.12.2018: € 3,550,000), of which the Bank owns € 3,000,000 (31.12.2018: € 3,050,000) and have been used as collateral in the context of repurchase agreements (repos) amounting to € 800,000 (31.12.2018: € 3,050,000) and the amount of € 2,200,000 (31.12.2018: € 0) has been pledged to Central Banks for liquidity purposes.
  - **Investment securities:**
    - i. A carrying amount of € 3,938,225 (31.12.2018: € 2,243,399) relates to securities issued by the Greek Government has been given as a collateral in the context of reverse repo agreements.
    - ii. A carrying amount of € 99,936 (31.12.2018: € 641,059) relates to greek government treasury bills, of which a carrying amount of € 99,936 (31.12.2018: € 640,163) has been given as a collateral in the context of reverse repo agreements while at 31.12.2018 a carrying amount of € 896 has been given as collateral for customers' derivatives transactions.
    - iii. A carrying amount of € 188,129 (31.12.2018: € 423,660) relates to securities issued by the European Financial Stability Facility (EFSF), which has been pledged to Central Banks with the purpose to participate in main refinancing operations.
    - iv. A carrying amount of € 248,541 (31.12.2018: € 244,233) that relates to bonds issued from the securitization of receivables of finance leases of Group's entity, has been given as collateral repurchase agreements (repos).
    - v. A carrying amount of € 111,468 (31.12.2018: € 42,433) of other issuers has been given as collateral for repurchase agreements (repos) and carrying amount of € 745,204 (31.12.2018: € 0) which relates to bonds issued by Other Governments, has been given as collateral for repurchase agreements (repos).



vii. A carrying amount of € 1,204,664 (31.12.2018: € 1,380,748) which relates to bonds issued by Other Governments and other issuers, have been given to Central Banks for liquidity purposes.

Additionally,

- i. Greek Government treasury bills of nominal value of € 870,000 (31.12.2018: € 400,000), which are not recognized in the Bank's balance sheet, were received as collateral for derivatives transactions with the Greek State of which a nominal value of € 118,000 (31.12.2018: € 400,000) have been given as a collateral in the context of repo agreements.
- ii. Bonds with a nominal value of € 1,127,750 (31.12.2018: € 464,700) and a fair value of € 1,163,277 (31.12.2018: € 504,012), which are not recognized in the Bank's balance sheet, refer to securities received as collateral in the context of reverse repo agreements. From these securities a fair value of € 732,960 (31.12.2018: € 504,012) has been pledged to Central Banks for liquidity purposes and a fair value of € 430,316 (31.12.2018: € 0) has been given as a collateral in the context of repo agreements.

### 39. Operating segments

#### a. Analysis of operating segment

(In million of Euro)

| 1.1 – 31.12.2019                                      |                |                   |                             |                              |                           |                |
|---|----------------|-------------------|-----------------------------|------------------------------|---------------------------|----------------|
|   | Retail Banking | Corporate Banking | Asset Management/ Insurance | Investment Banking/ Treasury | Other/ Elimination Center | Total          |
| Net interest income                                   | 678.9          | 492.7             | (9.3)                       | 136.0                        | (1.8)                     | 1,296.5        |
| Net fee and commission income                         | 120.0          | 119.1             | 36.5                        | 13.3                         |                           | 288.9          |
| Other income  | 7.1            | (50.0)            | (4.5)                       | 405.8                        | (20.7)                    | 337.7          |
| <b>Total Income</b>                                   | <b>806.0</b>   | <b>561.8</b>      | <b>22.7</b>                 | <b>555.1</b>                 | <b>(22.5)</b>             | <b>1,923.1</b> |
| <b>Total Expenses</b>                                 | <b>(595.3)</b> | <b>(158.6)</b>    | <b>(18.1)</b>               | <b>(20.7)</b>                | <b>(74.2)</b>             | <b>(866.9)</b> |
| Impairment losses and provisions to cover credit risk | (559.7)        | (314.3)           |                             | (56.1)                       |                           | (930.1)        |
| Impairment losses of other financial assets           |                |                   |                             | 5.3                          |                           | 5.3            |
| Expenses for separation schemes                       |                |                   |                             |                              | (49.6)                    | (49.6)         |
| <b>Profit/(losses) before income tax</b>              | <b>(349.0)</b> | <b>88.9</b>       | <b>4.6</b>                  | <b>483.6</b>                 | <b>(146.3)</b>            | <b>81.8</b>    |
| Income tax  |                |                   |                             |                              |                           | (27.3)         |
| <b>Profit/(losses) after income tax</b>               |                |                   |                             |                              |                           | <b>54.5</b>    |
| Assets 31.12.2019                                     | 21,840.9       | 14,206.7          | 131.5                       | 14,690.0                     | 7,112.1                   | 57,981.2       |
| Liabilities 31.12.2019                                | 26,259.1       | 7,703.6           | 1,338.6                     | 13,649.7                     | 922.8                     | 49,873.8       |
| Capital Expenditure                                   | 107.4          | 33.0              | 3.6                         | 3.9                          |                           | 147.9          |
| Depreciation and Amortization                         | (75.2)         | (23.1)            | (2.7)                       | (2.7)                        | (5.7)                     | (109.4)        |

Losses before income tax of the operating segment named "Other/Elimination Center" amounting to € 146.3 million include eliminations between operating segments amounting to € 6.6 million and unallocated figures amounting to € 139.6 million. These unallocated figures refer to a) non-recurring items that do not relate to a specific operating segment and therefore cannot be allocated and b) results from operations that do not represent reportable operating segments.



(In million of Euro)

| 1.1 – 31.12.2018*                                     |                |                   |                             |                              |                           |                |
|---|----------------|-------------------|-----------------------------|------------------------------|---------------------------|----------------|
|   | Retail Banking | Corporate Banking | Asset Management/ Insurance | Investment Banking/ Treasury | Other/ Elimination Center | Total          |
| Net interest income                                   | 842.2          | 573.8             | (8.4)                       | 143.2                        | (29.1)                    | 1,521.7        |
| Net fee and commission income                         | 109.5          | 132.8             | 32.7                        | 7.3                          |                           | 282.3          |
| Other income  | 29.3           | (54.5)            | 1.4                         | 499.1                        | (282.7)                   | 192.6          |
| <b>Total Income</b>                                   | <b>981.0</b>   | <b>652.1</b>      | <b>25.7</b>                 | <b>649.6</b>                 | <b>(311.8)</b>            | <b>1,996.6</b> |
| <b>Total Expenses</b>                                 | <b>(641.3)</b> | <b>(161.5)</b>    | <b>(14.5)</b>               | <b>(18.4)</b>                | <b>(69.6)</b>             | <b>(905.3)</b> |
| Impairment losses and provisions to cover credit risk | (1,057.0)      | (432.9)           |                             | 5.5                          |                           | (1,484.4)      |
| Impairment losses of other financial assets           |                |                   |                             | 5.7                          |                           | 5.7            |
| <b>Profit/(losses) before income tax</b>              | <b>(717.3)</b> | <b>57.7</b>       | <b>11.2</b>                 | <b>642.4</b>                 | <b>(381.4)</b>            | <b>(387.4)</b> |
| Income tax  |                |                   |                             |                              |                           | 450.8          |
| <b>Profit/(losses) after income tax</b>               |                |                   |                             |                              |                           | <b>63.4</b>    |
| Assets 31.12.2018                                     | 21,803.1       | 13,831.3          | 77.9                        | 11,734.5                     | 7,729.7                   | 55,176.5       |
| Liabilities 31.12.2018                                | 24,837.4       | 8,386.6           | 1,261.0                     | 12,729.6                     | 110.8                     | 47,325.4       |
| Capital Expenditure                                   | 93.4           | 24.3              | 2.2                         | 2.2                          | 4.4                       | 126.5          |
| Depreciation and Amortization                         | (57.8)         | (15.1)            | (1.4)                       | (1.3)                        | (2.7)                     | (78.3)         |

Losses before income tax of the operating segment named “Other/Elimination Center” amounting to € 381.2 million include eliminations between operating segments amounting to € 29 million and unallocated figures amounting to € 352 million. These unallocated figures refer to a) non-recurring items that do not relate to a specific operating segment and therefore cannot be allocated and b) results from operations that do not represent reportable operating segments.

#### i. Retail Banking

It includes all individuals (retail banking customers) of bank, professionals, small and very small companies. The bank, through its extended branch network, offers all types of deposit products (deposits/ savings accounts, working capital/ current accounts, investment facilities/ term deposits, Repos, Swaps), loan facilities (mortgages, consumer, corporate loans, letters of guarantee), debit and credit cards of the above customers as well as bancassurance products which are provided through a cooperating company.

#### ii. Corporate Banking

It includes all medium-sized and large companies, with international activities, corporations with international business activities, enterprises which cooperate with the Corporate Banking Division, as well as shipping corporations. The Bank offers working capital facilities, corporate loans, and letters of guarantee of the abovementioned corporations.

#### iii. Asset Management/Insurance

It consists of a wide range of asset management services offered through Bank’s private banking units, as well as the proceeds from the sale and the management of mutual funds.

#### iv. Investment Banking/Treasury

It includes stock exchange, advisory and brokerage services related to capital markets, and also investment banking facilities, which are offered by the Bank. It also includes the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements Loans etc.).

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

**v. Other / Elimination Center**

This segment includes the non-financial activities of the Bank, as well as unallocated / one-off income and expenses and intersegment transactions.

Income and expenses also include transactions between operating segments. All transactions are conducted on market terms. Intersegment transactions are eliminated.

The assets of the operating segments "Retail" and "Corporate Banking" include the Bank's loans, which are being managed by the non performing loans retail and wholesale banking units, in accordance with the Bank's internal procedures.

|                 | 31.12.2019                                     |                                 |   | 31.12.2018                                     |                                 |   |
|-----------------|--|---------------------------------|---|--|---------------------------------|---|
|                 | Balance before allowance for impairment losses | Allowance for impairment losses | Balance after allowance for impairment losses | Balance before allowance for impairment losses | Allowance for impairment losses | Balance after allowance for impairment losses |
| Mortgages       | 7,164,613                                      | 1,832,831                       | 5,331,782                                     | 7,600,991                                      | 2,263,001                       | 5,337,989                                     |
| Consumer Loans  | 2,985,867                                      | 1,519,479                       | 1,466,388                                     | 3,118,862                                      | 1,727,983                       | 1,390,878                                     |
| Corporate Loans | 7,564,525                                      | 3,631,725                       | 3,932,800                                     | 10,113,963                                     | 5,217,259                       | 4,896,703                                     |
| <b>Total</b>    | <b>17,715,005</b>                              | <b>6,984,035</b>                | <b>10,730,970</b>                             | <b>20,833,816</b>                              | <b>9,208,243</b>                | <b>11,625,570</b>                             |

**b. Analysis by geographical segment**

Under the section Greece are included the Bank's activities except from the branch in London which is included in Other countries.

(In million of Euro)

|   | 1.1 - 31.12.2019 |                 |                |
|---|------------------|-----------------|----------------|
|   | Greece           | Other Countries | Total          |
| Net interest income                                   | 1,291.8          | 4.7             | 1,296.5        |
| Net fee and commission income                         | 287.6            | 1.3             | 288.9          |
| Other income  | 337.7            |                 | 337.7          |
| <b>Total Income</b>                                   | <b>1,917.1</b>   | <b>6.0</b>      | <b>1,923.1</b> |
| <b>Total Expenses</b>                                 | <b>(861.1)</b>   | <b>(5.8)</b>    | <b>(866.9)</b> |
| Impairment losses and provisions to cover credit risk | (930.1)          |                 | (930.1)        |
| Impairment losses of other financial assets           | 5.3              |                 | 5.3            |
| Expenses for separation schemes                       | (49.6)           |                 | (49.6)         |
| <b>Profit/(losses) before income tax</b>              | <b>81.6</b>      | <b>0.2</b>      | <b>81.8</b>    |
| Income tax  |                  |                 | (27.3)         |
| <b>Profit/(losses) after income tax</b>               | <b>81.6</b>      | <b>0.2</b>      | <b>54.5</b>    |
| Non current assets 31.12.2019                         | 1,185.3          |                 | 1,185.3        |



(In millions of Euro)

|   | 1.1 - 31.12.2018* |                 |                |
|---|-------------------|-----------------|----------------|
|   | Greece            | Other Countries | Total          |
| Net interest income                                   | 1,514.4           | 7.3             | 1,521.7        |
| Net fee and commission income                         | 280.7             | 1.6             | 282.3          |
| Other income  | 192.6             |                 | 192.6          |
| <b>Total Income</b>                                   | <b>1,987.7</b>    | <b>8.9</b>      | <b>1,996.6</b> |
| <b>Total Expenses</b>                                 | <b>(897.8)</b>    | <b>(7.5)</b>    | <b>(905.3)</b> |
| Impairment losses and provisions to cover credit risk | (1,484.4)         |                 | (1,484.4)      |
| Impairment losses of other financial assets           | 5.7               |                 | 5.7            |
| <b>Profit/(losses) before income tax</b>              | <b>(388.8)</b>    | <b>1.4</b>      | <b>(387.4)</b> |
| Income tax  |                   |                 | 450.8          |
| <b>Profit/(losses) after income tax</b>               | <b>(388.8)</b>    | <b>1.4</b>      | <b>63.4</b>    |
| Non current assets 31.12.2018                         | 1,043.9           |                 | 1,043.9        |

In Non current assets are included:

- Investment property
- Property, plant and equipment
- Goowill and other intangible assets

## 40. Risk Management

The Bank has established a thorough and prudent risk management framework which is being built on best supervisory practices which, based on the common European legislation and banking system rules, principles and standards is evolved over time in order to be implemented in a coherent and effective manner on the Bank's conduct of the day-to-day business to ensure the effectiveness of the corporate governance of the Group entities.

The bank's critical focus in 2019 was to maintain high standards in corporate governance and compliance with regulatory risk rules and retain confidence in the conduct of its business activities through sound and robust provision of financial services.

### 40.1 Credit Risk Management

#### RISK MANAGEMENT ORGANIZATION

##### Board of Directors (BoD)

The Board of Directors supervises the overall operations of the Risk Management Unit. Regarding Risk Management, the Board of Directors has established a Risk Management Committee (RMC), which convenes on a monthly basis and reports to the BoD. The RMC recommends to the BoD risk undertaking and capital management strategy, checks its implementation and evaluates its effectiveness.

The risk management framework and its effectiveness are re-assessed on a regular basis in order to ensure compliance with International best practices.

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



For a more comprehensive and effective identification and monitoring of all risk types, Management Committees have been established (Assets and Liabilities Committee, Operational Risk Committee and Credit Risk Committee).

### **Risk Management Unit**

The General Manager and Chief Risk Officer supervise the Risk Management Unit of the Bank and report on a regular basis and ad hoc to the Management Committees, the Risk Management Committee and to the Board of Directors. As far as credit risk is concerned the reporting to the above-mentioned committees covers the following areas:

- The risk profile of portfolios by rating grade.
- The transition among rating grades (migration matrix).
- The estimation of the relevant risk parameters by rating grade, group of clients, etc.
- The trends of basic rating criteria.
- The changes in the rating process, in the criteria or in each specific parameter.
- The concentration risk (by risk type, sector, country, collateral etc.).
- The evolution of Gross Loans, +90 days past due loans, Non-Performing exposures and the monitoring KPIs on a group basis.
- The Cost of Risk.
- The IFRS 9 staging transition of exposures per asset class `
- The maximum risk appetite per country, sector, currency, business Units, limit breaches and mitigation plans.

### **Organizational Structure of Risk Management Divisions**

In the Bank, under the supervision of the General Manager and Group Chief Risk Officer, the following Risk Management Divisions operate within the Bank and have been assigned with the responsibility of implementing the risk management framework, according to the principles of the RMC.

- Credit Control Division
  - Credit Risk Policy and Control Division
  - Credit Risk Methodologies Division
  - Credit Risk Cost Assessment Division
- Credit Risk Data and Analysis Division
  - Credit Risk Data Management Division
  - Credit Risk Analysis Division
- Market and Operational Risk Division
- Risk Models Validation Division
- Wholesale Credit Division
- Wholesale Credit Workout Division
- Retail Credit Division

For credit risk management purposes, facilities are separated into Wholesale and Retail, as described below.

### **WHOLESALE BANKING - CREDIT FACILITIES**

Wholesale Banking credit facilities are included in each of the following categories subject to the characteristics of the credit facility and the obligor, as shown in the table below:



|  | Portfolio | Characteristics   |
|--|-----------|---|
| Obligors under the competence of Wholesale Banking | Corporate | Companies with turnover > Euro 75 million<br>Includes financing in shipping companies, as well as, obligors under the management of the Investment Banking Division |
|  | SME       | Euro 2.5 million < Companies with turnover < Euro 75 million or companies with credit limit > Euro 1 million  |

## 1. Credit Risk Approval Process

The limits of the Wholesale Banking Credit Committees are determined in accordance to Total Credit Exposure, defined as the sum of all credit facilities of the obligor (single company or group of associated companies) which can be approved by the Bank and include the following:

- Total credit requested exposure
- Working Capital limits
- Withdrawal limits from unclear deposits
- Letters of Credit/Letters of Guarantee limits
- Factoring limits
- Derivative transaction limits
- Corporate Cards limits
- Medium and long-term loans (current outstanding/exposure for facilities that have been fully drawn or limit amount of undrawn facilities).
- Leasing Facilities (current outstanding/exposure for leasing facilities that have been fully drawn or limit amount for undrawn/unused facilities).
- Special credit limits or loans, or any form of personal financing to the company's business owners (mortgage loans, consumer loans, shares' purchase, credit cards etc.).

## Wholesale Banking Credit Committees

### Credit Committees Structure:

- Wholesale Banking Credit Committee I (General Management)
- Wholesale Banking Credit Committee II
- Wholesale Banking Credit Committee III (Divisions Managers)
- Wholesale Banking Credit Committee IV (Division Assistant Managers)
- Wholesale Banking Credit Committee V (Hospitality and Island Enterprises Division and Commercial Centers)

### Credit Limit Expiry/Renewal date:

The credit limits' expiry/renewal date is determined by the relevant Wholesale Banking Credit Committees. The basic factor for the determination of the credit limit expiry is the client's credit rating, which is not a standalone approval or rejection criterion, but the basis for determining the minimum security/collateral required and the respective pricing. As a rule, for obligors that have been rated in the Low, Medium and Acceptable credit risk zones, reviews are carried out on an **annual basis**, for Watch List clients, on a **semi-annual basis** while obligors that have been rated in the High Risk zone are reviewed on a **quarterly basis**. Deviations from the above rule are not allowed, except when the request by the responsible Business Units is approved by the competent Credit Committees.

## 2. Credit Risk Measurement and Internal Ratings

The assessment of the borrower's creditworthiness and their rating in credit risk scales is established through rating systems.





The rating of the Bank's borrowers with the use of credit risk rating systems constitutes a basic tool for:

- The decision-making process of Credit Committees for the approval/ renewal of credit limits and the implementation of the appropriate pricing policy (interest rate spreads etc.).
- The estimation of the future behavior of borrowers which belong to a group with similar characteristics.
- The early recognition of potential troubled facilities (early alert mechanism) and the prompt, effective action for the minimization of the expected loss for the Bank.
- The assessment of the quality of the Bank's loan portfolio and the credit risk undertaken.

The aim of the credit risk rating systems is the estimation of the probability that the borrowers will not meet their contractual obligations to the Bank as well as the Expected Credit Loss estimation.

The rating systems employed by the Bank are the Alpha Bank Rating System (ABRS) and Risk Analyst (RA) which incorporate different credit rating models.

All current and future clients of the Bank are assessed based on the appropriate credit risk rating model and within pre-specified time frames.

For the estimation of the probability of default of the obligors of the Bank and Group's Entities the credit risk rating models evaluate a series of parameters, which can be grouped as follows:

- Financial Analysis: obligor's Financial Ability (liquidity ratios, debt to income, etc.)
- Peers' Analysis: obligor's comparative position in the market in which it operates mostly compared to its peers.
- Behavioral status and history of the obligor with the Bank and with third parties (debt in arrears, adverse transaction records, etc.).
- Obligor's qualitative characteristics (solid and healthy administration, management succession, appropriate infrastructure and equipment etc.).

The credit rating models which are currently employed by the Bank are differentiated according to:

- The turnover of the company.
- The level of the total credit risk exposure.
- The credit facility's specific characteristics.
- The available information for the obligor's assessment. Specifically, for the financial analysis the differentiation relates to the type of the local accounting standards and the International Financial Reporting Standards.

For each of the credit rating models, different parameters may be used, each of which contributes in a specific manner the relevant assessment.

The statistical validation of the credit risk rating models is reviewed regularly in order to ensure the maximum predictive ability according to the best international practices and regulatory framework for credit risk management.

## Obligors Rating Scale

Borrowers are rated in the following rating scales:

**AA, A+, A, A-, BB+, BB, BB-, B+, B, B-, CC+, CC, CC-, C, D, D0, D1, D2**

For special purpose finance (Structured and Shipping Financing) special models have been designed (slotting) with the following categorization scale:

**Strong (Class 1), Good (Class 2), Satisfactory (Class 3), Weak (Class 4), Default (D, D0, D1, D2).**

For presentation purposes of table "Loans by credit quality and IFRS9 Stage", the "strong" rating includes the rating scales AA, A+, A, A-, BB+ and BB and Categories 1 and 2, "satisfactory" rating includes the rating scales BB-, B+, B, B-, CC+, CC and Category 3, and "under close monitoring" (higher risk) includes the rating scales CC-, C and Category 4. Last, default category, includes the rating scales D, D0, D1, D2.



## RETAIL BANKING PORTFOLIO

Retail banking involves the lending facilities offered from the Bank to borrowers covering traditional banking products and services such as:

- Housing loans/Mortgages
- Consumer Loans and Credit Cards
- Small companies and small business (SB): Legal entities with turnover up to Euro 2.5 million and credit limit up to Euro 1 million.

### 1. Credit Risk Approval Process

The Bank monitors customer Total Credit Risk Exposure (For Individuals and Small Businesses), which refers to the sum of all revolving limits of an obligor, all the balances of long term facilities and for the case of small businesses the total exposure of facilities given to stakeholders of customer companies. Additionally, facilities for which the customer is guarantor or co-debtor are also taken into account.

The Bank has developed and implemented a strict framework for the conduct of credit policy (legislative and supervisory / regulatory) and has also formulated and put into effect an internal system of credit principles, procedures and rules clearly applicable to the Bank's lending business, in order to promote sound practices for managing credit risk.

Credit policies establish the framework for lending and guide the credit-granting activities of Retail Banking through:

- Sound lending management.
- Prudent client selection through in-depth assessment of both financial and qualitative data of the borrower
- Assessing the risk/reward relationship with a respective determination of pricing policy and collateral coverage after taking into account the level of credit risk.
- Monitoring and management of the total credit risk, i.e. the consolidated risk from any type of credit facility granted by the Bank and the Group's companies.

The enforcement of the Credit Policy requires certain criteria to be met. These criteria play a significant role in the achievement and maintenance of a healthy portfolio and in the Bank's Capital allocation. In particular:

#### Individuals

The approval process of credit to individuals (being individual with earnings from salaries, pensions or other sources of income not related with business activities) is performed on the basis of the classification of borrowers into risk groups (risk groups), which represent a certain level of undertaken risk. The level of risk undertaken by the Bank is adjusted, when deemed necessary, according to its credit policy.

The credit assessment for individuals is based upon the following pillars:

- Application fraud detection;
- Willingness to pay;
- Ability to pay;
- Collateral risk.

#### Small Businesses

Small Business are defined as following:

- Personal Companies with turnover up to € 2.5 million and a credit limit up to € 1 million
- Entrepreneurs with a credit limit up to € 1 million



- Legal entities with turnover up to € 2.5 million and a credit limit up to € 1 million.

The creditworthiness of Small Businesses in the Retail Banking sector is related to the creditworthiness of company's stakeholders / managers of the company and vice versa. Therefore, the evaluation of claims in this category is based on two dimensions:

- The valuation of the creditworthiness of company's stakeholders or business managers.
- The valuation of the creditworthiness of the company.

The creditworthiness of a company's stakeholders or managers is based on the specific pillars:

- Willingness to pay.
- Ability to pay.

Hence, the credit assessment for the small businesses is based on the following:

- Application fraud detection;
- Demographics;
- Financials;
- Behavior;
- Credit Bureau;
- Qualitative data; and
- Collateral risk.

## 2. Internal Ratings

The fundamental parameter in assessing Retail Banking Credit Risk is the Credit Scoring Models that are developed and employed throughout the credit cycle at the Bank level. The above models segments populations into homogenous risk groups (pools) and are categorized as follows:

- Behavior Models, which assess the customer's performance and predict the probability of defaulting within the following months;
- Application Credit Scoring Models, which assess application data—mainly demographic- that predict the probability of defaulting within the following months; and
- Models for the assessment of regulatory parameters. It is noted that since 2018, the Bank's and Group's companies credit risk assessment models are in line with International Financial Reporting Standard 9 (IFRS 9).

These models and the probabilities of default that derive from them, contribute a significant role in risk management and decision making throughout the Bank. Specifically, the models are used in the following segments:

- Decision making of credit assessment and credit limit assignment.
- Impairment assessments
- Predicting future performance of customers belonging to the same pool of common characteristics.
- Tracing high risk accounts in time to schedule all necessary actions so as to reduce expected losses for the Bank.
- Assessing the Bank's portfolio quality and credit risk.

The parameters taken into account vary, according to the model's type and product category that it assesses. Indicatively, some factors are:

- Personal/demographic data: the customer's age, profession, marital status, or current address;
- Loan characteristics: product applied for, loan term, loan amount, or financing purpose;
- Behavioral data: payments during latest period of time, maximum delinquency, outstanding loan balance versus loan limit, transaction type;



- Financial data: sales variances liabilities versus sales; and
- Qualitative data: experience, headoffice of business (company registry), .

Models are reviewed, validated and updated on a yearly basis and are subject to quality control so as to ensure at their predictive power at any point in time.

Furthermore, on a regular basis the Bank conducts exercises simulating crisis situations (Stress Tests), which explore the potential impact on the financial results of the Bank due to unfavorable developments both in obligors' transactional behavior as well as in the broader financial macroeconomic environment.

For presentation purposes of table "Loans by credit quality and IFRS 9 Stage", the classification in "Strong", "Satisfactory" and "Watchlist" categories, for Retail Banking loans is based on the twelve-month Probability of Default. The range of probabilities that determines this classification, has derived from an analysis aiming at optimizing discriminatory power between categories; therefore ranges might differ for each category as presented below:

| Rating Classification | Range of probability of default |                     |                     |                     |
|-----------------------|---------------------------------|---------------------|---------------------|---------------------|
|                       | Mortgages                       | Consumer            | Credit cards        | Small Business      |
| Strong                | up to 3%                        | up to 4.0%          | up to 3.8%          | up to 4.7%          |
| Satisfactory          | from 3% up to 16.5%             | from 4.0% up to 20% | from 3.8% up to 16% | from 4.7% up to 17% |
| Watchlist             | over 16.5%                      | over 20%            | over 16%            | over 17%            |

## CREDIT CONTROL

According to the risk management and control framework, there are three "lines of defence" with distinctly allocated roles and responsibilities and specifically the Business and Operations Units (first "Line of Defence"), the Risk Management Units (second "Line of Defence") and the Internal Audit Unit (third "Line of Defence").

In the context of the second line of defence operation and within the single context of operations set out for the sectors of Retail Banking, Wholesale Banking and Private and Investment Banking, credit controls are carried out in order to optimise Credit Risk management, to assess the quality of the loan portfolio and to ensure that the first "line of defence" operates within the framework set out for effective Credit Risk management.

This second line of defence is independent and aims, among else, to:

- Design and develop procedures and controls for credit risk management.
- Monitor the adequacy and effectiveness of existing credit risk management procedures.
- Highlight critical issues and deviations from the Bank's Manuals and Policies.
- Provide guidelines and instructions related to procedures for management and control of credit risk
- Provide information to concerned Units about the findings of the controls and any recommendations made.

In order to reinforce the second line of defense the Bank has established, in 2018, the Risk Models Validation Division, an independent division from model development activities, with direct reporting line to General Manager and CRO. The role of Risk Models Validation Division, in the context of the MRM Framework, encompasses different responsibilities and activities related to the monitoring of the performance of the models undertaken by the first line of defense. Its primary task is to independently challenge and ensure that models are sound, fit-for-purpose as well as aligned with the regulatory guidelines and international best practices. Risk Models Validation Division responsibility is to develop systematic procedures for the evaluation of models' performance as well as model related processes, on a periodic basis. The frequency, rigor and sophistication of the validation process followed for each model is determined by the overall use, complexity and materiality of models, as well as the size and complexity of the Bank's operations. The associated level of inherent model risk, as assessed by the Tiering methodology, determines the validation requirements in terms of frequency, extent and intensity.



## CREDIT RISK MITIGATION

### Collaterals

Collaterals are received in order to mitigate credit risk that may arise from the obligor's inability to fulfill his contractual obligations.

Collaterals include all kind of assets and rights which are made available to the Bank either by their debtors or by third parties, in order to be used as complementary liquidity sources of relative loans.

The mitigation tools applied by the Bank include two broad categories: intangible and tangible collaterals.

#### 1. Intangible Collaterals

Intangible collaterals form the framework of the obligations and rights that are typically included and described in specific contractual documents that bind the Bank and the borrowers during the lending process with specific commitments. The commitments involve a third party who substitutes for the primary debtor in the event of the latter's default or the primary debtor itself (natural or legal entities) to honor the contractual loan agreements and their prompt repayment to the Bank and on the other hand the Bank has the right to claim them.

The main type of intangible collateral used to protect the Bank against debtor insolvency is the Guarantee.

The guarantee constitutes a legal relationship between the guarantor and the lender (Bank), through which the guarantor assumes the responsibility that the debt will be paid. It is drafted in writing and presupposes the existence of a basic legal relationship between the Bank and the borrower (principal debt), i.e. it is a relationship of principal to ancillary.

The guarantor can be an individual or a legal entity and the guarantee can be provided for future or conditional debt.

#### 2. Tangible Collaterals

Tangible collaterals provide the Bank with the rights over an asset (movable or immovable), owned by the obligor or the guarantor, providing priority in the satisfaction of the creditor by the liquidation proceeds of the asset.

Tangible collaterals are distinguished between mortgages and prenotation on mortgages which are registered over immovable properties and pledges on movable assets (e.g., commodities, checks, bills of exchange) or on claims and rights.

In order to better secure credit facilities granted, all mortgage and pledged assets are covered by an insurance contract, with assignment of the relevant insurance contract to the Bank.

##### 2.1. Mortgages - Prenotation on Mortgages

Mortgages are registered on real estate or immovable assets which can be liquidated as indicatively reported below:

- Residential Real Estate;
- Commercial Real Estate;
- Industrial Buildings;
- Land;
- Mines;
- Ships and aircrafts;
- Machinery or other facilities (engineering, mechanical, electrical, etc.), if they are permanently and consistently connected with the mortgaged estate.

#### Methods and Frequency of real estate property valuations

According to the Bank's Credit Policy, the existence and the valuation of mortgaged property are closely monitored. The



property revaluations should be carried out on a yearly basis for all property types, except for cases where contract foresees something different, in cases of known changes on the property or in the business process, or in cases there are urban planning changes or any other factors.

The initial valuations of a real estate property, provided as collateral, are carried out through on site appraiser visits and internal inspection.

Revaluations of properties which are collaterals to performing exposures, are carried out mainly by the Group subsidiary Alpha Astika Akinita S.A. (the Company) via:

- The price statistical index PropIndex, regardless of the amount of the exposure for the residential properties.
- The price statistical index of commercial real estate (CRE), that has been developed by Alpha Astika Akinita S.A., taking into consideration the indices published by Bank of Greece, for certain categories of commercial property, used as collateral on performing exposures up to Euro 1 million.
- The authorised engineers of the Company, after their visit to the professional property used as collateral or by desktop valuation, in cases where the statistical index (CRE), does not cover the type of business property or the amount of exposure exceeds Euro 1 million.

The revaluations for property used as collateral to non-performing exposures, are carried out mainly by the Group subsidiary Alpha Astika Akinita S.A. (the Company) via:

- The price statistical index PropIndex, for residential properties and for non-performing exposures up to Euro 300 thousand.
- The price statistical index of commercial real estate (CRE), that has been developed by Alpha Astika Akinita S.A., taking into consideration the indices published by Bank of Greece, for certain categories of commercial property, used as collateral for non-performing exposure of amount up to Euro 300 thousand.
- The authorised engineers of the Company, after their visit to the property serving as collateral or by desktop valuation, provided that either the amount of non-performing exposure that cover the property under valuation exceeds the amount of Euro 300 thousand or in the cases where the indices do not cover the type of the property under revaluation.

The Bank in the context of the credit control process performs on a regular basis and through proper sampling, audits for the procedures of implementation of the Bank's Loan Collateral Policy, audits (back-testing) for the verification of property valuations, both of those based on indices and those based on individual assessments and controls in order to ensure the proper register of the values in the Bank's core systems according to the values mentioned in the relevant committee approvals.

## 2.2. Pledges

Pledges provide seniority rights over liquidation proceeds from a movable third party asset.

Pledges can be registered on movable assets, securities, rights or claims that have not been excluded or banned from exchanges and which can be liquidated, including:

- Raw materials, products or commodities;
- Machinery (movable);
- Bill of Lading;
- Bill of exchange;
- Cheques;
- Securities;
- Deposit; and
- Any type of claim that can be pledged.



### Frequency of pledges revaluation

Depending on the right or the underlying asset on which a pledge is registered, the periodic revaluation varies from one month to one year.

### 3. Acceptable Value

The Bank calculates the value of the collaterals received based on the potential proceeds that could arise if and when these are liquidated. This estimation is referred to as the acceptable guaranteed value of the collaterals provided to the Bank for the determination of which the quality of the assets as well as their market value are taken into account.

In this way, the ratio of acceptable guaranteed values are determined for each type of collateral, those are expressed as a percentage of their market value, nominal or weighted value, depending on the type of collateral.

### CREDIT RISK EARLY WARNING SYSTEM

In order to optimise the management of Lending and, in particular, limit the loans whose status changes from Performing Loans (PLs) to Non-Performing Loans (NPLs), the Bank has developed the Credit Risk Early Warning System, which is defined as the aggregation of actions, processes and reports required to ensure the early identification of events (Early Warning Alerts), at borrower and portfolio level, which may possibly lead to either an increase in NPLs due to the debtor's negligence or financial difficulty of a temporary or permanent nature, or an increase in exposures with significant increase in credit risk, as well as the relevant actions that must be taken in order to manage the borrowers concerned.

The perimeter to which the Credit Risk Early Warning System is implemented encompasses all performing exposures, as well as exposures past due for up to 30 days which have not been forborne.

Additionally to the early identification and management of borrowers or loan portfolio segments with signals of deterioration, the Bank also monitors through the Early Warning System the loan portfolio, regardless of days past due, to ensure that the evolution and performance of the lending portfolio are in accordance with the Bank's and Group's Credit Risk Appetite.

A comprehensive and effective Credit Risk Early Warning System is composed of the following stages:

- Identification of early warning triggers
- Actions (timely and appropriate action taken)
- Monitoring the effectiveness of the procedure
- Quality control of the procedure's implementation

The effectiveness of the Credit Risk Early Warning System is being monitored on a regular basis by three "lines of defence":

- The first "line of defence" consists of controls within the Units of the Bank that participate in the process.
- The second "line of defence", i.e. the Risk Management Unit, is responsible for ensuring on an ongoing basis and at least once per year, that the controls of the "first line of defence" are applied effectively, through the Credit Control Mechanism.
- The third "line of defence" is the internal audit function that carries out regular evaluations and proposes potential improvements.

### ENVIRONMENTAL AND SOCIAL RISK

Assessment of the strict compliance with the principles of an environmentally and socially responsible financing towards legal entities has been integrated within Credit Risk Management Framework and Credit Policy.

The main objective is the management of potential risk arising from the operations of obligors of the Bank that may be connected with a damage to the environment or the society or with any direct threat of such a damage, having as a result a negative impact on the business operations and financial results of the Bank.



## CREDIT RISK CONCENTRATION MANAGEMENT

Concentration Risk is a specific form of credit risk and arises due to the low degree of diversification between counterparties, products or group of counterparties, sectors, geographic regions, or collaterals. The Bank monitors on a regular basis concentration risk at sector level and at borrower/group of borrowers level as well through detail reporting which informs senior management and Committees of the Board of Directors.

The Bank categorizes the financed companies according to their NACE Rev.2 codes into Industry groups/Sectors, which are rated into risk zones. The Sectors ranking relative to their credit risk is carried out by an independent and certified company and is based on a predictive indicator that, focusing on future estimates rather than solely on past data, captures the risks and prospects of each sector. The Bank determines the Credit Risk Appetite per sector and manages the concentration risk by monitoring the evolution of its portfolio.

Additionally, the Bank manages concentration risk at borrower/group of borrowers level by setting and monitoring compliance with limits set both by regulatory guidelines and by internal policies that have been developed.

In line with the supervisory framework, the Bank applies and complies with the regulatory directives regarding large exposures, while the capital requirements for single name and sector concentration risks are estimated in the context of Pillar 2 of Basel II.

## DEFINITIONS

The following definitions are provided as guidance to tables that follow:

### Public Sector

The Public Sector includes:

- The Greek Central Government;
- Local Authorities;
- Companies controlled and fully or partially owned by the State (excluding those engaged in commercial activity)

In 2019, the Bank has amended the presentation of exposures reported within the line "Public Sector" in order to align its definition of public sector with the definition used in regulatory reporting. Up to 2018, public sector included exposures to Greek central Government (all departments or ministries and Public Administration), local authorities, Companies controlled and fully or partially owned by the State, companies associated with the State and legal entities controlled by politically exposed persons. Therefore, as at 31.12.2018, net exposures to public sector amounted to € 785,9 million and were restated and reduced to € 67,4 million, while net exposures amounting to € 718,5 million were reclassified to corporate lending portfolio. Disclosure tables for the year 2018 were amended accordingly.

### Past Due Exposures

An Exposure is past due if the counterparty's exposure is, materially, more than one day past due (sum of the principal, interests and charges/commissions due more than one day at an account level).

### Non-Performing Exposures

An exposure is considered as Non-Performing when at least one or more events have occurred that adversely affect the expected cash flows. Indicative events that satisfy the classification of an exposure as Non-Performing are the following:

- The exposure is more than 90 days past due (NPL): The amount due exceeds € 100 for Retail Exposures or € 500 for Wholesale Exposures and the amount due exceeds 1% of the total on balance sheet exposures. In particular, for overdraft facilities, an exposure is past due after having exceeded its approved limit.





- Legal actions have been undertaken by the Bank -Legal (NPL).
- The exposure is classified as Forborne Non-Performing Exposure (FNPL)
- It is assessed as Unlikely to Pay (UTP).

When a Wholesale Banking borrower has an exposure that is more than 90 days past due and the amount of this exposure exceeds 20% of total exposures of the borrower, then all exposures of the borrower are considered as non-performing (Pulling Effect).

### **Performing Exposures**

An exposure is considered as performing when the following criteria are met:

- The exposure is less than 90 days past due;
  - No legal actions have been undertaken against the exposure;
  - No unlikelihood to pay reported on its credit obligation
  - The exposure is not classified as impaired;
- or
- The exposure is classified as forborne performing exposure, as defined in the aforementioned Implementing Regulation (EU) 2015/227 of 9 January 2015.

### **Unlikelihood to Pay**

An exposure is flagged as “Unlikely To Pay” (UTP) when it is less than 90 days past due and the Bank assesses that the borrower is unlikely to fully meet his credit obligations without the liquidation of collateral, regardless the existence of any past due amount or the number of days past due, with the exception of collaterals that are part of the production and trade chain of the borrower (e.g. properties for Real Estate companies, corporate shares for Holding companies).

For Wholesale Banking, the procedure is the following:

- (a) Identification of events which when occur lead to the transfer of the exposure to Non-Performing status without requiring an assessment by any Credit Committee (Hard UTP Triggers),
- (b) Identification of triggers which when occur, lead to borrower’s credit assessment by the relevant Wholesale Banking Credit Committee in order to determine whether borrower’s exposures should be classified as Non-Performing or not (Soft UTP Triggers). This assessment takes place when reviewing borrower’s credit limits depending on its credit ratings and in accordance with Wholesale Banking Credit Manual. If a borrower is flagged as UTP, then his credit risk rating should be D (Default) according to Bank’s rating system or Default for Borrowers assessed using Slotting Models. If a borrower flagged as UTP belongs to a group of companies, then the group should also be assessed by the competent Credit Committee for the existence or not of UTP trigger.

For Wholesale Banking exposures the following Hard UTP Triggers exist:

- Denouncement of loan agreement
- Liquidation of collaterals and initiation of foreclosure measures by the Bank when the borrower does not have operational cash flows for the repayment of his debt obligations (excluding e.g. checks).
- Legal actions, sale or judicial sale in order to collect the claim (e.g. foreclosure instead of debt collection).
- Withdrawal of a license of particular importance in companies that require public authorisation to carry out their activities such as banks and insurance companies. The same applies for technical and construction companies, telecommunications companies, pharmaceutical, mining, transport, food, chemical, petroleum, recycle, media etc.
- Refinancing/Extensions of loans whose lifetime exceeds the economic lifetime of the funded investment.



- There are strong indications that the borrower is unable to meet his debt obligations (e.g. termination of business).
- Fraud cases
- Excess of the minimum acceptable Loan to Value (LTV), as depicted contractually, for loans collateralised with securities, e.g. bonds, shares etc (Margin Financing).
- Disappearance of an active market for the debtor's financial instruments, hold by the Bank.
- Write-off because of default
- Debt Forgiveness with or without forbearance (conditional or not) at least for the first 12 months since the debt forgiveness.
- The credit institution or the leader of consortium starts bankruptcy/insolvency proceedings (application for insolvency).
- A credit event is declared under the International Swaps and Derivatives Association - ISDA).
- Out-of-court settlement/negotiation between Banks and Borrower for settlement / debt repayment of borrowers that are under bankruptcy proceedings (application for the bankruptcy).
- The borrower has requested to enter into bankruptcy or insolvency status (application for bankruptcy).
- A Bank has initiated bankruptcy or insolvency proceedings (application for bankruptcy).

Additionally, for Wholesale Banking exposures the following Soft UTP Triggers exist:

- Exposures that were modified by providing a "balloon" payment while the initial terms of the loan agreement did not include this repayment method, as well as exposures that the initial terms of the loan agreement included "balloon" payment and were modified by including an increase of the "balloon" amount and simultaneously by reducing the current installment.
- Multiple modifications in the same exposure
- Deterioration of the leverage ratio (Debt to Equity)
- An exposure was purchased or sold with deep discount that reflects the low credit quality of the borrower.
- The debt service coverage ratio indicates that debt is not viable
- 5 Years Credit Default Swaps (CDS) above 1.000 bps in the last 12 months.
- Loss of an important customer or lessee representing a significant percentage of entity's turnover or the total property income, respectively.
- A turnover decrease resulting in a significant reduction of cash flows
- An affiliated customer, who represents a significant percentage of entity's turnover, has applied for bankruptcy.
- An external auditor report with restrictions or reservations that results to significant deterioration of key financial ratios of the borrower and to worsened estimated future cash flows of the borrower.
- It is expected that an exposure with repayment at maturity or a due installment cannot be refinanced under current market conditions.
- Disappearance of an active market for the debtor's financial instruments, not hold by the Bank.
- The borrower has breached the financial terms of the loan agreement
- There is significant deterioration of the borrower's sector activity prospects.
- Adverse changes in the ownership structure or the management of the company or serious administrative problems.
- A third party (excluding Banks) has started bankruptcy or insolvency proceedings (application for Bankruptcy).
- Overdue payments to Tax Authorities and Social Security Funds.

For Retail Banking, the procedure is the following:



(a) Identification of events which when occur lead to the transfer of the exposure to Non-Performing status without requiring an assessment by any Credit Committee (Hard UTP Triggers),

(b) Identification of triggers which when occur, lead to borrower's credit assessment by the relevant Retail Banking Credit Committee in order to determine whether borrower's exposures should be classified as Non-Performing or not (Soft UTP Triggers). This assessment takes place at the date of a forbearance request. If an exposure is flagged as UTP, then it should be classified as Non-Performing in bank's systems.

For Retail Banking exposures the following Hard UTP Triggers exist:

- A trial date has been set for filling for Bankruptcy L.3869/2010
- Fraud has been confirmed at the expense of the Bank.
- The borrower has passed away.
- Multiple forbearances for the same exposure within a 12 months' time period.
- An out-of-court settlement / negotiation is underway between banks and borrower for settlement / repayment of debts of borrowers who are under bankruptcy proceedings (application for bankruptcy).
- Denouncement of loan agreement.
- Collaterals liquidation and foreclosure procedures have been initiated by the Bank in case the borrower cannot repay its debt obligations with the existing operating cash flows (excluding e.g. checks).
- Legal actions, sale or forced sale actions have been initiated in order to collect the debt (e.g. foreclosure measures against debt collection).
- Debt Forgiveness with or without forbearance (conditional or not), at least for the first 12 months since the debt forgiveness.

Additionally, for Retail Banking exposures the following Soft UTP Triggers exist:

- Multiple forbearances in the same exposure
- The borrower has other exposures in the Bank in default.
- The borrower is unemployed.
- The borrower has applied for bankruptcy or insolvency (application for bankruptcy).
- The borrower is the sole owner of a company with exposures in default and for which he has provided personal guarantees.

### **Credit impaired exposures**

An exposure is considered as Credit Impaired when the criteria specified by the definition of Non-Performing Exposures are met.

### **Default exposures**

An exposure is considered as Default when the criteria specified by the definition of Non-Performing Exposures are met.

### **Provision for impairment losses**

For credit risk reporting purposes, the provision for impairment losses of loans measured at amortised cost (i.e. Expected Credit Losses) include the allowance for impairment losses and the fair value adjustment for the contractual balance of loans which were impaired at their acquisition or origination (POCI) since the Bank, from credit risk perspective, monitors the respective adjustment as part of the provisions. These loans were recognized either in the context of acquisition of specific loans or companies (i.e. Emporiki Bank and Citibank's retail operations in Greece), or as a result of significant modification of the terms of the previous loan that led to derecognition. Relevant adjustment has been performed to the carrying amount of the loans.



## Collateral value

The collateral value taken into account is latest market value available. In the case of immovable properties, collateral value is considered the lower amount between the prenotation amount and the market value of the real estate. Value of guarantees only includes the amount that exceeds the value of tangible collaterals. All collateral values are capped at 100% of the outstanding amount of the loan.

## EXPECTED CREDIT LOSS ESTIMATION METHODOLOGY

The Bank, at each reporting date, recognizes a provision for expected credit losses on loans and advances to customers not measured at fair value through profit or loss as well as for letters of guarantee, letters of credit and undrawn loan commitments.

The Loan Impairment Methodology is common and applicable for both the Wholesale and Retail Banking Portfolios.

## Default definition

The Bank has adopted as default definition for accounting purposes, non-performing exposures (NPE) as defined in the Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014.

The definition of Non-Performing Exposures is consistently used to develop models for estimating credit risk parameters (Probability of Default, Loss Given Default, Exposure at Default).

In addition, the definition of default is consistent with the one used for internal credit risk management purposes.

## Portfolio Classification in Stages based on the Credit Risk (Staging)

Following an exposure's initial recognition, exposure is classified into stages based on its credit risk characteristics. The classification of loans in stages is based on the changes of the credit quality compared to its initial recognition.

Upon initial recognition of an exposure, the Bank must determine whether this exposure is considered as credit impaired (Credit Impaired at Initial Recognition).

The POCI category (Purchased or Originated Credit Impaired, POCI) includes the following:

- Exposures that at the time of purchase (Purchased) meet the criteria of non-performing exposures.
- Exposures that as per accounting rules are derecognised and a new exposure is recognized and for which the following apply (Originated): if the exposure was classified as impaired (hence NPE) prior to derecognition, the new exposure will continue to maintain this classification and it will be classified as POCI.

For exposures not classified as POCI, the classification in stages is performed as follows:

- The Stage 1 includes performing credit exposures that have no significant increase in credit risk since the initial recognition date. The expected credit losses calculated are based on the probability of default within the next 12 months, and the assessment is carried out on a collective basis with the exception of borrowers assessed on an individual basis
- The Stage 2 includes credit exposures with significant increase in credit risk since the initial recognition date but which are not non-performing. The expected credit losses calculated are lifetime credit losses and the assessment is carried out on a collective basis with the exception of borrowers assessed on an individual basis
- The Stage 3 includes the non-performing / default exposures. The expected credit losses calculated are the lifetime losses and the assessment is performed on a collective or individual basis.

With regards to the POCI exposures, the expected credit losses calculated are the lifetime losses.

All possible movements between Stages of credit risk are presented below



- An exposure which has been classified in Stage 1 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the credit risk has not deteriorated and the exposure is still performing, or in Stage 2, if the exposure is still performing but the credit risk has deteriorated, or in Stage 3 if the exposure is non-performing/default.
- An exposure which has been classified in Stage 2 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the exposure is performing and does not meet any of the criteria of “Significant increase in credit risk” and in particular, for case of Forborne Performing exposure, if the exit criteria from the 2-years probation period are met. It could also remain in Stage 2, if the credit risk has not substantially changed, or be transferred to Stage 3, if the exposure is non-performing/default.
- An exposure which has been classified in Stage 3 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the exposure is performing and does not meet any of the criteria of “Significant increase in credit risk”, or transferred in Stage 2, if it is no longer considered as non-performing, or remain in Stage 3, if it is still non-performing/default

The Bank does not make use of the exemption provided by the standard for low credit risk exposures.

For classification purposes, for wholesale banking loan agreements, initial recognition date is the date of the most recent credit assessment reflecting the annual thorough credit risk review practice of the Bank.

### Significant Increase in Credit Risk

For the timely identification of significant increase in credit risk for an Exposure after the initial recognition (SICR) leading to the calculation of lifetime credit losses of the exposure instead of twelve months credit losses, the risk of default at the reference date is compared to the risk of default at the initial recognition date for all Performing Exposures, including those with no days past due (Delinquencies).

The assessment to determine whether an exposure shows significant increase in credit risk or not is based on the following three types of Indicators:

- **Quantitative Indicators:** They refer to the use of quantitative information and specifically to the comparison between the probability of default (PD) at the reference date and the probability of default at the initial recognition date. The assessment of significant increase in credit risk takes into account the absolute increase of PD between the reporting and the initial recognition date (which can range between 3 and 5 percentage point depending on the asset class of the loans) as well as the relative increase of PD between the reporting and the initial recognition date (doubling or tripling of PD, depending on asset class of the loan). Absolute and relative thresholds determining the significant increase between reporting and initial recognition date are validated on an annual basis, in order to ensure a robust statistical discriminatory power.
- **Qualitative Indicators:** They refer to use of qualitative information which is not necessarily depicted in the probability of default, such as the assessment of an exposure as performing forborne (“FPL” within 2 years probation period according to EBA ITS) or as exposure with Financial Difficulty. Additional qualitative indicators for the Wholesale Banking portfolios and the Retail Banking portfolios are included in Early Warning Policy. According to the abovementioned policy and as per the assessment performed, an exposure may be considered to show significant increase in credit risk. Especially for Specialized Lending portfolios additional qualitative indicators are identified.
- **Backstop Indicators:** In addition to the above, and with a view to addressing cases where there is no evidence of significant credit risk deterioration based on the quantitative and qualitative indicators, exposures over 30 days past due are considered by definition to show a significant increase in credit risk.

### Expected Credit Losses estimation

#### Exposures assessed on individual basis (Individual Assessment)

The Expected Credit Losses calculation is carried out either on an individual basis, taking into account the significance of the



exposure, the fact that certain exposures do not share common credit risk characteristics and the existence or not of sufficient historical data, or on a collective basis.

For companies where the corporate guarantee from the parent company represents 100% of the exposure of the companies, or for other important interdependencies between group of companies, the assessment may be performed at a group level.

Exposures to Companies assessed on an individual basis are the following:

- Borrowers with at least one Non-Performing Exposure whose Customer overall credit Limit in the Bank exceeds the amount of Euro 1.5 million.
- Borrowers of the Shipping Division and the Structured Finance Division, regardless the overall credit limit with at least one Non-Performing Exposure.
- Exposures that do not share common risk characteristics or for which no relevant historical data that enables a collective analysis is available.

Any remaining Exposure to Companies is assessed collectively.

Exposures to Individuals are assessed individually, if they are Non-Performing Exposures (NPE), and if the following threshold, per portfolio, applies:

- Consumer Loans: Accounts of Consumer Credit Borrowers with total on balance exposures over € 500 thousand.
- Mortgage Loans: Accounts of Mortgage Credit Borrowers with on balance exposures over € 2 million.

Any remaining exposure to Individuals is assessed collectively.

### **Exposures assessed on collective basis (Collective Assessment)**

Collective Assessment applies to credit exposures which are not assessed individually, i.e. exposures classified in Stage 1 and Stage 2 as well as non-performing exposures that do not meet the above criteria for individual assessment, after having been categorised based on similar credit risk characteristics by portfolio. For the classification of credit facilities into groups with similar credit risk characteristics, the followings are considered:

- Staging according to Credit Risk
- Type of Product
- Days Past Due
- Time in default
- Indication of unlikeliness to pay
- Modification of contractual terms for borrowers showing financial difficulty (Forbearance Measures)
- Modification Type
- Existence of Collateral taking into account the type and Loan to Value ratio
- Existence of Greek State Guarantee
- Partial Write-Off
- Credit Risk Rating
- Activity Sector
- Assets held for Sale

The groupings are reviewed on a regular basis to ensure that each group is comprised of homogenous exposures.

### **Calculation of expected credit losses**

Expected Credit Losses are updated at each reporting date to reflect the changes in the credit risk since initial recognition and thus provide timely information on evolution of expected credit losses.



The measurement of Expected Credit Losses is performed as follows:

- For financial assets, a credit loss is the present value of the difference between:
  - (a) the contractual cash flows and
  - (b) the cash flows that the Bank expects to receive
- For undrawn loan commitments, Expected Credit Losses are equal to the present value of the difference between:
  - (a) the contractual cash flows that will be due if the loan commitment is drawn down; and
  - (b) the cash flows that the Bank expects to receive if this amount is disbursed.
- For letters of guarantee and letters of credit, the loss is equal to the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Bank expects to receive from the holder.

### Incorporation of forward-looking information

The Bank calculates Expected Credit Losses based on the weighted probability of three alternative scenarios. More specifically, the Economic Research Division produces forecasts for the possible evolution of macroeconomic variables that affect the level of Expected Credit Losses of loan portfolios under a baseline and under two alternative macroeconomic scenarios (an upside and an adverse one) and also produces the cumulative probabilities associated with these scenarios.

The macroeconomic variables affecting the level of expected credit losses are the Gross Domestic product (GDP), the unemployment rate and forward looking prices of residential and commercial real estates.

The yearly average for the period 2020-2023 of macroeconomic variables affecting both the Probability of Default and the expected loss given default for the calculation of expected credit losses as at 31.12.2019 are the following:

|   | 2020 - 2023      |               |                 |
|---|------------------|---------------|-----------------|
|   | Adverse scenario | Base scenario | Upside scenario |
| Real GDP growth                         | (0.2%)           | 1.6%          | 3.4%            |
| Unemployment rate                       | 16.1%            | 13.9%         | 11.8%           |
| Change in Residential Real Estate (RRE) | 0.7%             | 3.4%          | 6.3%            |
| Change in Commercial Real Estate (CRE)  | 2.0%             | 3.6%          | 5.3%            |

Respectively, the yearly average for the period 2019-2022 of macroeconomic variables affecting the calculation of expected credit losses as at 31.12.2018 are the following.

|   | 2019 - 2022      |               |                 |
|---|------------------|---------------|-----------------|
|   | Adverse scenario | Base scenario | Upside scenario |
| Real GDP growth                         | (0.2%)           | 1.8%          | 3.7%            |
| Unemployment rate                       | 18.1%            | 15.9%         | 13.7%           |
| Change in Residential Real Estate (RRE) | (0.7%)           | 2.6%          | 5.8%            |
| Change in Commercial Real Estate (CRE)  | (0.3%)           | 2.7%          | 5.7%            |

The production of baseline scenario, supported by a consistent economic description, constitutes the most likely scenario according to the current economic conditions and the Bank's basic assessment of the course of the economy.

The cumulative probabilities of the macroeconomic scenarios for the Greek economy indicate that the economy performs better or worse than forecasts of the baseline scenario and the alternative scenarios, i.e. the upside and downside scenario. For each one of the alternative scenarios, the expected credit loss is calculated and weighted against the probability of each scenario in order to calculate the weighted expected credit loss.



The cumulative probability assigned to the base scenario is 60%, while cumulative probability assigned to the adverse and upside scenario is 20% for each of the scenario.

If the assigned cumulative probability of the adverse scenario was increased from 20% to 40%, Expected Credit Losses would increase by € 84,0 million as at 31.12.2019 (31.12.2018: € 170.9 million).

If the assigned cumulative probability of the upside scenario was increased from 20% to 40%, Expected Credit Losses would decrease by € 83,9 million as at 31.12.2019 (31.12.2018: € 170.8 million).

### Credit risk parameters

Calculation of Expected Credit Loss is based on the following credit risk parameters which are developed through internal statistical models based on historical data:

- **Probability of Default (PD):** It is an estimate of the probability of a debtor to default over a specific time horizon. For assessing the probability of default, the credit risk rating models assess a series of parameters that can be grouped as follows:
  - Financial Analysis: The Borrower's Financial Capacity (Liquidity Indicators, Debt to Revenue etc.)
  - Competitor's analysis: the borrower's comparative position in the market in which operates, mainly in relation to its competitors (mainly applicable to debtors of Wholesale Banking)
  - Current and historical debtor's behavioral data either towards the Bank or towards third parties (delinquencies, repayment behavior, etc.), and
  - Qualitative characteristics of the debtor (strong and sound management, management succession, appropriate facilities and equipment, etc.).

Credit Ratings constitute the main input in order to determine the probability of default. The Bank uses statistical models in order to analyze the collected data and make estimates of the remaining probability of default over the life of the exposures and how they will evolve over time based, among other things, on macroeconomic variables.

- **Exposure at default (EAD):** Exposure at Default is an estimate of the amount of the exposure at the time of the default taking into account: (a) expected changes in the exposure after the reporting date, including principal and interest payments; (b) the expected use of credit limits and (c) accrued interest. The approved credit limits that have not been fully disbursed represent a potential credit exposure and are converted into a credit exposure equal to the approved undrawn loan commitments multiplied by a Credit Conversion Factor (CCF). The Credit Conversion factor of credit exposure is calculated based on statistical models. The maximum period for which credit losses are calculated is the remaining contractual maturity of a financial instrument unless the Bank has the legal right to recall the financial instrument earlier. In particular, for Credit Cards and loan agreements to individuals, the maximum period is set at three years, while for revolving loans to Small Businesses, the corresponding maturity is set at four years. Regarding Wholesale Banking loan agreements, the period is set to one year, given the thorough credit review performed at least once a year. If the residual maturity of the loan agreements classified in Stage 2 was increased by one year, Expected Credit Losses would increase by € 11.3 million as at 31.12.2019.

The Bank uses EAD models that reflect the characteristics of the portfolios.

- **Loss given default (LGD):** Loss given default is an estimate of the loss that will occur if the default occurs at a given time. It is based on the difference between the contractual cash flows due and those expected to be received, including the liquidation of collaterals the probability of cure which is based on historical data and adjustments made to incorporate the estimated evolution of management actions.

For unsecured loans, the Estimated Expected loss at the time of the default, takes into account expected recovery rates which vary throughout the recovery period as well as the probability of curing.

Expected recoveries from tangible collaterals are based on the following inputs: the most recent (updated within the





year) market value of the collateral, the time required for the liquidation or sale of the collateral (ranging between 1 to 3 years depending on the legal action status of the loan), the expected market value at liquidation /sale date based on the evolution of RRE/ CRE indices for the next 3 years, the expected recoveries through foreclosure process or sale as derived from historical data obtained for foreclosures and sales of collateral. Last, the recovery rate is adjusted to reflect value of preferential claims. Expected cash flows are discounted using the original effective interest rate. Furthermore, in cases that cash flows are expected to derive from the sale of loans the Expected Credit Losses incorporate the expected sales price as the base scenario.

If the expected sale perimeter of the Retail portfolio classified in Stage 3 was increased by € 330 million, Expected Credit Losses as at 31.12.2019 would increase by € 33 million.

Last, it is noted that for exposures secured with tangible collaterals, the LGD may vary following changes of macroeconomic scenarios.

### Undrawn loan commitments

According to IFRS 9, these contracts fall within the scope for expected credit losses recognition.

In estimating the expected credit losses over the life of an undrawn loan commitment, the Bank assesses the expected part of the loan commitment that will be used throughout its expected life.

### Inherent Model Risk

The Bank recognizing the inherent model risk, derived from the model complexity and aggregated model risk, has adopted a Model Risk management framework which includes the principles of credit risk models development policy and risk models validation framework. In this context, the independent Risk Models Validation division validates all credit risk models used for the calculation of IFRS9 expected credit losses.

### Governance

The Credit Risk Committee is responsible for approving the Expected Credit Losses as well as the methodologies developed by the Bank for calculating the expected credit losses (ECL Methodology) for loan portfolio.

The Board of Directors approves the Bank's Loan Impairment Policy through the Risk Management Committee.

### FORBEARANCE

Maintaining a healthy loan portfolio depends on the constant monitoring and assessment of the borrowers in order to allow early detection of future liquidity problems, which could affect the normal repayment of their obligations to the Bank.

The credit tools which are normally used by the Bank for managing the liquidity problems that borrowers are facing for repaying their obligations are the restructuring of debt through the renegotiation of the original terms and conditions of the loan agreement they have entered into.

The Executive Committee "Act 42/30.05.2014", as amended by the Executive Committee "Act 47/ 09.2.2015" and the Executive Committee "Act 102/ 30.8.2016", 134/5.3.2018 and 136/2.4.2018 of the Bank of Greece, has determined the supervisory framework for the management of loans in arrears and non-performing loans, over and above the already applicable requirements of Law 4261/2014, the CRR 575/2013, and delegated the decision authority to the Bank of Greece. Furthermore, in the context of the Commission Implementing Regulation (EU) 2015/227 of the European Commission dated January 9, 2015 and the executive technical standards of the European Banking Authority, the Bank assumes the resulting regulatory obligations for forbore exposures.

Forbearance measures should be applied on the basis of the risk, cooperativeness and viability of each debtor and consist of concessions that are robust and sustainable, through the renegotiation of the initial terms and conditions of the debt contract



duly taking into account the causes of the debtor's financial difficulties.

Forbearance measures may be applied a) on the basis of a customer's request, b) in accordance with the Code of Conduct under Law 4224/2013, as currently is in force, which is a State initiative under the supervision of the Bank of Greece. Apart from the forbearance measures applied to existing Retail lending exposures, which are initiated by the Bank in accordance with the directives of the Executive Committee Acts of the Bank of Greece (No.42/30.5.14, 47/9.2.2015, 102/30.8.2016, 134/5.3.2018, 136/2.4.2018) and Arrears Resolution Process (ARP) of the Code of Conduct under L.4224/2013 as currently is in force, there are restructuring solutions according to the Legislative Framework. The existence of more favorable terms for renegotiating and modifying the terms and conditions of the bilateral arrangement between the Bank and the debtor (concession), who is facing or is about to face difficulties in meeting his financial commitments ("financial difficulty"), are defined with respect to:

- respective terms existing and applied to customer with no financial difficulty and
- corresponding terms existing in market for debtor with similar credit risk profile.

### MONITORING OF FORBORNE EXPOSURES

Following the Executive Committee Act 42 / 30.5.2014, ("Act 42") as subsequently amended by the Act 47/9.2.2015 ("Act 47") and by the Act 102/30.8.2016 ("Act 102") 134/5.3.2018 and 136/2.4.2018 of the Bank of Greece, the Bank has undertaken a series of actions to ensure adherence to the supervisory obligations and requirements arising from the above Acts. These changes cover the following distinct sections:

- Adaptation of Information Systems of the Bank;
- Amendments of the existing processes, such as the customization of new types of forbore exposures according to what is provided in Act 42/47/102/134/136.
- Creation of data structures (Data Marts) aiming at:
  - Automation of the processes related to the production of both internal (Risk Management) and external (Supervisory) reports;
  - Perform analyses on the portfolio of the Bank; and
  - Production of Management Information Reporting (MIS)

Additionally, the Bank has introduced an independent operational management for "Troubled Assets" (Troubled Asset Committee) through representation of Administrative Bodies in the Evaluation and Monitoring of Denounced Customers Committee as well as in the Arrears Committees.

### WRITE-OFFS AND WRITE-DOWNS OF BAD DEBTS

**Bad Debt Write-off** is defined as the reduction of the gross carrying amount of a financial asset, when there is no reasonable expectation of recovery. The write-off refers to the accounting write-off of a debt or a portion of it, i.e. the removal of the financial asset or part of it from the balance sheet, which does not necessarily entail the waiver of the legal right to recover the debt. In the event that the Bank decides to waive its legal right to recover the debt, this is called **Debt Forgiveness** and this waiver may include either on or off-balance sheet items as well.

**Bad Debt Write-down** is defined as the definitive reduction of a debt or portion of it, as a result of a legally binding decision or agreement (court judgment, contractual agreement etc.), which is not further claimable. It is noted that this category encompasses **Definitive write-downs** which are unconditional and **Conditional Write-Downs** (Contingent Write-Down) subject to the achievement by the Customer of a specific performance (usually, upon the successful implementation of a specific repayment program). In the case of Definitive Write-downs, both the accounting and the legal reduction (Debt Forgiveness) take place immediately and simultaneously, whereas in the case of Contingent Write-downs, the accounting reduction takes place when the relevant decision is taken or when the agreement is concluded, while the legal reduction



(Debt Forgiveness) takes place either simultaneously with the relevant decision or at a later (future) time, depending on the type of the condition.

Contingent Write-downs of debts are in turn classified into:

(a) **Resolutive Condition**, i.e. the debt is accounting and legal write down at the time of reaching the agreement with the Debtor and is revived only in the event that the debtor does not pay the remaining amount and

(b) **Condition Precedent**, i.e. the debt is legally written down if the Debtor repays the debt in accordance with the relevant agreement.

Indicative conditions for the submission of proposals for writing-off part or total amount of the exposure include, but are not limited to, the following:

- The relevant Agreements with the Customers have been terminated.
- Payment Orders have been issued against all liable parties to such Agreements.
- The actions regarding the investigation of immovable property have been completed without any results.
- The procedure for the registration of encumbrances.
- At least one real estate property has been auctioned, so that the preferential claims (through the final creditor's classification list) and, by extension, the Bank's potential losses, are finalised.
- In cases where the likelihood of further recovery of the debt is considered to be particularly low, due to:
  - the fact that the debtors are placed under special liquidation;
  - the proven existence of preferential claims of a significant amount and the adoption of a decision to cease litigation actions, in order to avoid non-collectable enforcement costs;
  - the fact that further litigation actions seeking collection of the claim is economically unprofitable (e.g. low-value collateral);

The write-off requires the existence of an equal amount of provision for impairment, established no later than the quarter preceding the submission of the proposal.

## DUE FROM BANKS

Exposure to credit institutions relates to loans, interbank transactions (which include positions in derivatives) and International Trade activities. Following the basic rules of designation, monitoring and revision of corporate lending, boundaries are established by the relevant Credit Committees for the monitoring of credit risk for the overall exposure per credit institution counterparty, excluding positions related to bonds issued by them. The approved credit limits are monitored on a daily basis. The validity period of the limits is specified in the approval of the limits in accordance with the counterparty credit institutions rating from international credit rating agencies. In addition to the regular revisions of counterparty credit institutions limits, interim revisions may be carried out either due to circumstances associated with the trading activity of the Bank or due to markets conditions or problems associated with counterparty credit institutions. Trigger events for an extraordinary review are regularly monitored per counterparty in order to review the relevant limits when such trigger events exist. At each reporting date, a loss allowance for expected credit losses on due from banks is recognized. The loss allowance is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the receivable falls under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized. Due from bank's credit risk is assessed based on credit rating of rating agencies or internal credit rating of the counterparty when a loan exposure exists at bank level. The Bank defines as low credit risk all investment grade counterparties, for which it calculates a credit allowance equal to a 12-month expected credit loss (Stage 1). For counterparties which do not meet the criteria of investment grade, the assessment of the significant increase in credit risk for which calculation of lifetime expected credit losses is required (Stage 2), is based on the two following conditions (whichever occurs first):



- Downgrade by at least two notches of the counterparty credit rating between the reporting date and the initial recognition date
- The 12-month PD at reporting date is above 5% in absolute terms and has increased more than 50% compared to the respective PD existing at initial recognition date.

### INVESTMENTS IN DEBT SECURITIES

Investments in debt securities relate to securities that are classified into investment security portfolio. If there is a loan relationship with the counterparty issuer at the time of classification of the security position as investment, the Corporate Credit Policy procedures apply. These positions are subject to Bank investment limits and issuer's limits and are monitored on a daily basis. At each reporting date, a loss allowance for expected credit losses on bonds, which are not measured at fair value through profit or loss, is recognized. The loss allowance is based on expected credit losses related to the probability of default within the next twelve months, unless there has been a significant increase in credit risk from the date of initial recognition in which case expected credit losses are recognized over the life of the instrument. In addition, if the debt securities fall under the definition of purchased or originated credit impaired (POCI) financial assets, a loss allowance equal to the lifetime expected credit losses is recognized. Credit risk of investment in debt securities is assessed based on credit ratings of rating agencies or internal credit rating in case of Greek corporate issuers for which loan exposure exists.

The Bank defines as low credit risk all investment grade securities, for which it calculates a credit allowance equal to a 12-month expected credit loss (Stage 1). For debt securities, which do not meet the criteria of investment grade, the assessment of the significant increase in credit risk for which calculation of lifetime expected credit losses is required (Stage 2), is based on the two following conditions (whichever occurs first):

- Downgrade by at least two notches of the counterparty credit rating between the reporting date and the initial recognition date
- The 12-month PD at reporting date is above 5% in absolute terms and has increased more than 50% compared to the respective PD existing at initial recognition date

In addition, the Bank is monitoring, the change in credit spreads since the initial recognition date. A change in the credit spread of the issue of more than 500bps since the initial recognition date is a trigger for the review of the debt instrument staging.

Depending on the outcome of the above review the debt instrument will remain at Stage 1 or be allocated at Stage 2, regardless of whether the primary staging criteria for allocation to Stage 2 have been triggered or not.

**FINANCIAL INSTRUMENTS CREDIT RISK**

The maximum credit risk per category of financial asset, in which the Bank is exposed, is depicted in the “Net exposure to credit risk”.

|  | 31.12.2019                 |                                  |                             |
|--|----------------------------|----------------------------------|-----------------------------|
|  | Exposure before impairment | Provisions for impairment losses | Net exposure to credit risk |
| <b>A. Credit risk exposure relating to balance sheet items</b>                           |                            |                                  |                             |
| Balances with central banks  | 862,657                    |                                  | 862,657                     |
| Due from banks   | 3,406,563                  | 73,624                           | 3,332,938                   |
| Loans and advances to customers:   |                            |                                  |                             |
| Loans measured at amortised cost   | 41,961,390                 | 7,644,492                        | 34,316,898                  |
| Loans measured at fair value through profit or loss                                      | 315,932                    |                                  | 315,932                     |
| Advances to customers measured at amortised cost   | 254,321                    | 32,349                           | 221,972                     |
| <b>Total</b>   | <b>42,531,643</b>          | <b>7,676,841</b>                 | <b>34,854,802</b>           |
| Derivative financial assets  | 1,024,484                  |                                  | 1,024,484                   |
| Trading securities:  |                            |                                  |                             |
| Government bonds   | 17,861                     |                                  | 17,861                      |
| <b>Total</b>   | <b>17,861</b>              | <b>-</b>                         | <b>17,861</b>               |
| Securities measured at fair value through other comprehensive income:                    |                            |                                  |                             |
| Securities measured at fair value through other comprehensive income (Government bonds)  | 4,963,355                  | 19,147                           | 4,944,207                   |
| Securities measured at fair value through other comprehensive income (other)             | 1,230,442                  | 5,609                            | 1,224,833                   |
| Securities measured at amortised cost  | 1,078,143                  | 7,413                            | 1,070,730                   |
| <b>Total</b>   | <b>7,271,939</b>           | <b>32,169</b>                    | <b>7,239,771</b>            |
| Securities measured at fair value through profit or loss:                                |                            |                                  |                             |
| Securities measured at fair value through profit or loss (other)                         | 179,879                    |                                  | 179,878                     |
| <b>Total</b>   | <b>179,879</b>             | <b>-</b>                         | <b>179,878</b>              |
| Assets held for sale Loans and receivables measured at amortised cost                    | 1,744,911                  | 1,313,223                        | 431,688                     |
| Assets held for sale Loans and receivables measured at fair value through profit or loss | 25,056                     |                                  | 25,056                      |
| <b>Total</b>   | <b>1,769,967</b>           | <b>1,313,223</b>                 | <b>456,744</b>              |
| <b>Total amount of balance sheet items exposed to credit risk (a)</b>                    | <b>57,064,992</b>          | <b>9,095,858</b>                 | <b>47,969,134</b>           |
| Other balance sheet items not exposed to credit risk                                     | 11,818,686                 | 1,806,628                        | 10,012,058                  |
| <b>Total Assets</b>  | <b>68,883,678</b>          | <b>10,902,486</b>                | <b>57,981,192</b>           |
| <b>B. Credit risk exposure relating to off balance sheet items:</b>                      |                            |                                  |                             |
| Letters of guarantee, letters of credit and other guarantees                             | 3,666,251                  | 104,654                          | 3,561,597                   |
| Undrawn loan commitments   | 3,643,214                  | 1,527                            | 3,641,687                   |
| Guarantees of bond loans issued by the subsidiaries of bank                              | 15,542                     |                                  | 15,542                      |
| <b>Total amount of off balance sheet items exposed to credit risk (b)</b>                | <b>7,325,007</b>           | <b>106,181</b>                   | <b>7,218,826</b>            |
| <b>Total credit risk exposure (a+b)</b>  | <b>64,389,999</b>          | <b>9,202,039</b>                 | <b>55,187,960</b>           |



|  | 31.12.2018                 |                                  |                             |
|--|----------------------------|----------------------------------|-----------------------------|
|  | Exposure before impairment | Provisions for impairment losses | Net exposure to credit risk |
| <b>A. Credit risk exposure relating to balance sheet items</b>                             |                            |                                  |                             |
| Balances with central banks  | 401,490                    |                                  | 401,490                     |
| Due from banks   | 2,700,459                  | 75,273                           | 2,625,186                   |
| Loans and advances to customers:   |                            |                                  |                             |
| - Loans measured at amortised cost   | 44,951,893                 | 9,797,814                        | 35,154,079                  |
| - Loans measured at fair value through profit or loss                                      | 337,557                    |                                  | 337,557                     |
| - Advances to customers measured at amortised cost   | 180,103                    | 23,542                           | 156,561                     |
| <b>Total</b>   | <b>45,469,553</b>          | <b>9,821,356</b>                 | <b>35,648,197</b>           |
| Derivative financial assets  | 730,215                    |                                  | 730,215                     |
| Trading securities:  |                            |                                  |                             |
| - Government bonds   | 6,669                      |                                  | 6,669                       |
| <b>Total</b>   | <b>6,669</b>               |                                  | <b>6,669</b>                |
| Securities measured at fair value through other comprehensive income:                      |                            |                                  |                             |
| - Securities measured at fair value through other comprehensive income (Government bonds)  | 4,215,633                  | 48,443                           | 4,167,190                   |
| - Securities measured at fair value through other comprehensive income (other)             | 1,461,906                  | 6,655                            | 1,455,251                   |
| <b>Total</b>   | <b>5,677,539</b>           | <b>55,098</b>                    | <b>5,622,441</b>            |
| Securities measured at fair value through profit or loss:                                  |                            |                                  |                             |
| - Securities measured at fair value through profit or loss (other)                         | 175,691                    |                                  | 175,691                     |
| <b>Total</b>   | <b>175,691</b>             | -                                | <b>175,691</b>              |
| Assets held for sale - Loans and receivables measured at amortised cost                    | 54,796                     | 23,644                           | 31,152                      |
| Assets held for sale - Loans and receivables measured at fair value through profit or loss | 24,773                     |                                  | 24,773                      |
| <b>Total</b>   | <b>79,569</b>              | <b>23,644</b>                    | <b>55,925</b>               |
| <b>Total amount of balance sheet items exposed to credit risk (a)</b>                      | <b>55,241,185</b>          | <b>9,975,371</b>                 | <b>45,265,814</b>           |
| Other balance sheet items not exposed to credit risk                                       | 11,806,621                 | 1,895,975                        | 9,910,646                   |
| <b>Total Assets</b>  | <b>67,047,806</b>          | <b>11,871,346</b>                | <b>55,176,460</b>           |
| <b>B. Credit risk exposure relating to off balance sheet items:</b>                        |                            |                                  |                             |
| Letters of guarantee, letters of credit and other guarantees                               | 3,674,773                  | 103,225                          | 3,571,548                   |
| Undrawn loan commitments   | 3,194,052                  | 1,481                            | 3,192,571                   |
| Guarantees of bond loans issued by the subsidiaries of bank                                | 15,542                     |                                  | 15,542                      |
| <b>Total amount of off balance sheet items exposed to credit risk (b)</b>                  | <b>6,884,367</b>           | <b>104,706</b>                   | <b>6,779,661</b>            |
| <b>Total credit risk exposure (a+b)</b>  | <b>62,125,552</b>          | <b>10,080,077</b>                | <b>52,045,475</b>           |



## LOANS AND ADVANCES TO CUSTOMERS

For credit risk disclosure purposes, the provision for impairment losses of loans to customers measured at amortised cost (i.e. Expected Credit Loss) include the allowance for impairment losses and the fair value adjustment for the contractual balance of loans which were impaired at their acquisition or origination (POCI) since the Bank, from credit risk perspective, monitors the respective adjustment as part of the provisions. These loans were recognized either in the context of acquisition of specific loans or companies (i.e. Emporiki Bank and Citibank's retail operations in Greece), or as a result of significant modification of the terms of the previous loan that led to derecognition. Relevant adjustment has also been performed at the carrying amount of loans.

In 2019, the Bank has amended the presentation of exposures reported within the line "Public Sector" in order to align its definition of public sector with the definition used in regulatory reporting. Therefore, as at 31.12.2018, net exposures to public sector amounted to € 785.9 million and were restated and reduced to € 67.4 million, while net exposures amounting to € 718.5 million were reclassified to corporate lending portfolio.

The tables as at December 31, 2018 are presented separately and were updated accordingly.

### Loans by IFRS 9 stage (past due and not past due)

The following tables present past due and not past due loans, measured at amortised cost, by IFRS 9 stage as well as loans that are measured at fair value through profit or loss, as at 31.12.2018 and as at 31.12.2019:

| 31.12.2019               |  |          |                     |                     |                                  |          |  |                        |                     |
|--------------------------|--|----------|---------------------|---------------------|----------------------------------|----------|--|------------------------|---------------------|
|                          | Loans measured at fair value through profit or loss (FVPL) |          |                     |                     | Loans measured at amortised cost |          |  |                        |                     |
|                          | Not past due   | Past due | Net carrying amount | Value of collateral | Stage 1                          |          |  |                        |                     |
|                          |  |          |                     |                     | Not past due                     | Past due | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |
| <b>Retail lending</b>    |  | 451      | 451                 | 451                 | 5,591,595                        | 328,047  | 5,919,645  | 26,593                 | 5,893,052           |
| Mortgage                 |  |          |                     |                     | 3,775,352                        | 282,497  | 4,057,851  | 2,977                  | 4,054,874           |
| Consumer                 |  | 451      | 451                 | 451                 | 488,252                          | 21,559   | 509,812  | 8,075                  | 501,737             |
| Credit cards             |  |          |                     |                     | 883,051                          | 13,588   | 896,640  | 12,875                 | 883,765             |
| Small Business           |  |          |                     |                     | 444,940                          | 10,403   | 455,342  | 2,666                  | 452,676             |
| <b>Corporate lending</b> | 166,237  | 149,244  | 315,481             | 265,623             | 11,970,582                       | 280,774  | 12,251,356   | 128,504                | 12,122,852          |
| Large                    | 160,527  | 140,357  | 300,884             | 264,984             | 8,437,634                        | 131,408  | 8,569,042  | 112,361                | 8,456,681           |
| SME's                    | 5,710  | 8,887    | 14,597              | 639                 | 3,532,948                        | 149,366  | 3,682,314  | 16,143                 | 3,666,171           |
| <b>Public sector</b>     | -  | -        | -                   | -                   | 53,657                           | 182      | 53,839   | 156                    | 53,683              |
| Greece                   |  |          |                     |                     | 53,657                           | 182      | 53,839   | 156                    | 53,683              |
| Other countries          |  |          |                     |                     |                                  |          |  |                        |                     |
| <b>Total</b>             | 166,237  | 149,695  | 315,932             | 266,074             | 17,615,834                       | 609,003  | 18,224,840   | 155,253                | 18,069,587          |



| 31.12.2019               |                                  |                  |  |                        |                     |                  |                   |  |                        |                     |
|--------------------------|----------------------------------|------------------|--|------------------------|---------------------|------------------|-------------------|--|------------------------|---------------------|
|                          | Loans measured at amortised cost |                  |  |                        |                     |                  |                   |  |                        |                     |
|                          | Stage 2                          |                  |  |                        |                     | Stage 3          |                   |  |                        |                     |
|                          | Not past due                     | Past due         | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount | Not past due     | Past due          | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |
| <b>Retail lending</b>    | <b>2,342,989</b>                 | <b>1,418,115</b> | <b>3,761,104</b>   | <b>285,963</b>         | <b>3,475,141</b>    | <b>1,620,959</b> | <b>7,936,801</b>  | <b>9,557,759</b>   | <b>3,419,901</b>       | <b>6,137,858</b>    |
| Mortgage                 | 1,372,930                        | 1,196,647        | 2,569,577  | 94,728                 | 2,474,849           | 581,667          | 4,308,398         | 4,890,065  | 1,250,276              | 3,639,789           |
| Consumer                 | 280,782                          | 103,780          | 384,563  | 82,294                 | 302,269             | 498,320          | 1,191,296         | 1,689,616  | 922,795                | 766,821             |
| Credit cards             | 69,158                           | 44,554           | 113,712  | 36,173                 | 77,539              | 34,068           | 195,566           | 229,633  | 115,528                | 114,105             |
| Small Business           | 620,119                          | 73,134           | 693,252  | 72,768                 | 620,484             | 506,904          | 2,241,541         | 2,748,445  | 1,131,302              | 1,617,143           |
| <b>Corporate lending</b> | <b>634,090</b>                   | <b>162,115</b>   | <b>796,205</b>   | <b>29,824</b>          | <b>766,381</b>      | <b>1,168,761</b> | <b>2,690,417</b>  | <b>3,859,177</b>   | <b>1,803,635</b>       | <b>2,055,542</b>    |
| Large                    | 374,803                          | 118,394          | 493,197  | 18,370                 | 474,827             | 564,141          | 1,091,271         | 1,655,411  | 715,689                | 939,722             |
| SME's                    | 259,287                          | 43,721           | 303,008  | 11,454                 | 291,554             | 604,620          | 1,599,146         | 2,203,766  | 1,087,946              | 1,115,820           |
| <b>Public sector</b>     | <b>-</b>                         | <b>14</b>        | <b>14</b>  | <b>-</b>               | <b>14</b>           | <b>923</b>       | <b>876</b>        | <b>1,799</b>   | <b>651</b>             | <b>1,148</b>        |
| Greece                   |                                  | 14               | 14   |                        | 14                  | 923              | 876               | 1,799  | 651                    | 1,148               |
| Other countries          |                                  |                  |  |                        |                     |                  |                   |  |                        |                     |
| <b>Total</b>             | <b>2,977,079</b>                 | <b>1,580,244</b> | <b>4,557,323</b>   | <b>315,787</b>         | <b>4,241,536</b>    | <b>2,790,643</b> | <b>10,628,094</b> | <b>13,418,735</b>  | <b>5,224,187</b>       | <b>8,194,548</b>    |

| 31.12.2019               |  |                  |  |                        |                     |   |                     |
|--------------------------|--|------------------|--|------------------------|---------------------|---|---------------------|
|                          | Loans measured at amortised cost                     |                  |  |                        |                     |   |                     |
|                          | Purchased or originated credit impaired loans (POCI) |                  |  |                        |                     | Total net carrying amount at amortised cost | Value of collateral |
|                          | Not past due   | Past due         | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |   |                     |
| <b>Retail lending</b>    | <b>1,072,098</b>                                     | <b>3,864,141</b> | <b>4,936,237</b>   | <b>1,514,862</b>       | <b>3,421,375</b>    | <b>18,927,426</b>                           | <b>15,135,558</b>   |
| Mortgage                 | 514,861  | 2,307,320        | 2,822,181  | 610,600                | 2,211,581           | 12,381,093                                  | 11,734,397          |
| Consumer                 | 385,440  | 804,131          | 1,189,570  | 478,814                | 710,756             | 2,281,583                                   | 925,063             |
| Credit cards             | 4,914  | 41,694           | 46,607   | 29,554                 | 17,053              | 1,092,462                                   | 12,673              |
| Small Business           | 166,883  | 710,996          | 877,879  | 395,894                | 481,985             | 3,172,288                                   | 2,463,425           |
| <b>Corporate lending</b> | <b>272,580</b>                                       | <b>548,588</b>   | <b>821,167</b>   | <b>434,352</b>         | <b>386,815</b>      | <b>15,331,590</b>                           | <b>9,763,475</b>    |
| Large                    | 168,070  | 120,700          | 288,769  | 92,866                 | 195,903             | 10,067,133                                  | 5,668,019           |
| SME's                    | 104,510  | 427,888          | 532,398  | 341,486                | 190,912             | 5,264,457                                   | 4,095,456           |
| <b>Public sector</b>     | <b>3,032</b>   | <b>56</b>        | <b>3,088</b>   | <b>51</b>              | <b>3,037</b>        | <b>57,882</b>                               | <b>47,256</b>       |
| Greece                   | 3,032  | 56               | 3,088  | 51                     | 3,037               | 57,882                                      | 47,256              |
| Other countries          |  |                  |  |                        |                     |   |                     |
| <b>Total</b>             | <b>1,347,710</b>                                     | <b>4,412,785</b> | <b>5,760,492</b>   | <b>1,949,265</b>       | <b>3,811,227</b>    | <b>34,316,898</b>                           | <b>24,946,289</b>   |





| 31.12.2018               |  |               |                     |                     |                                  |                |  |                        |                     |
|--------------------------|--|---------------|---------------------|---------------------|----------------------------------|----------------|--|------------------------|---------------------|
|                          | Loans measured at fair value through profit or loss (FVPL) |               |                     |                     | Loans measured at amortised cost |                |  |                        |                     |
|                          | Not past due   | Past due      | Net carrying amount | Value of collateral | Stage 1                          |                |  |                        |                     |
|                          |  |               |                     |                     | Not past due                     | Past due       | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |
| <b>Retail lending</b>    |  | 1,152         | 1,152               | 1,152               | 5,573,571                        | 483,893        | 6,057,464  | 21,346                 | 6,036,118           |
| Mortgage                 |  |               |                     |                     | 3,731,217                        | 401,425        | 4,132,642  | 1,433                  | 4,131,209           |
| Consumer                 |  | 1,152         | 1,152               | 1,152               | 517,974                          | 48,769         | 566,743  | 4,392                  | 562,351             |
| Credit cards             |  |               |                     |                     | 917,110                          | 17,194         | 934,304  | 13,190                 | 921,114             |
| Small Business           |  |               |                     |                     | 407,270                          | 16,505         | 423,775  | 2,331                  | 421,444             |
| <b>Corporate lending</b> | 320,300  | 16,105        | 336,405             | 267,900             | 11,203,712                       | 332,416        | 11,536,128   | 97,727                 | 11,438,401          |
| Large                    | 302,221  | 16,105        | 318,326             | 267,235             | 7,807,333                        | 190,047        | 7,997,380  | 72,797                 | 7,924,583           |
| SME's                    | 18,079   |               | 18,079              | 665                 | 3,396,379                        | 142,369        | 3,538,748  | 24,930                 | 3,513,818           |
| <b>Public sector</b>     |  |               |                     |                     | 64,882                           | 226            | 65,108   | 148                    | 64,960              |
| Greece                   |  |               |                     |                     | 64,882                           | 226            | 65,108   | 148                    | 64,960              |
| Other countries          |  |               |                     |                     |                                  |                |  |                        |                     |
| <b>Total</b>             | <b>320,300</b>   | <b>17,257</b> | <b>337,557</b>      | <b>269,052</b>      | <b>16,842,165</b>                | <b>816,535</b> | <b>17,658,700</b>  | <b>119,221</b>         | <b>17,539,479</b>   |

| 31.12.2018               |                                  |                  |  |                        |                     |                  |                   |  |                        |                     |
|--------------------------|----------------------------------|------------------|--|------------------------|---------------------|------------------|-------------------|--|------------------------|---------------------|
|                          | Loans measured at amortised cost |                  |  |                        |                     |                  |                   |  |                        |                     |
|                          | Not past due                     | Past due         | Stage 2  |                        |                     | Not past due     | Past due          | Stage 3  |                        |                     |
|                          |                                  |                  | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |                  |                   | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |
| <b>Retail lending</b>    | 2,430,466                        | 1,606,273        | 4,036,739  | 193,763                | 3,842,976           | 1,462,826        | 8,844,184         | 10,307,010   | 4,095,973              | 6,211,037           |
| Mortgage                 | 1,653,137                        | 1,346,364        | 2,999,501  | 48,235                 | 2,951,266           | 490,787          | 4,668,464         | 5,159,251  | 1,600,238              | 3,559,013           |
| Consumer                 | 261,378                          | 118,089          | 379,467  | 52,421                 | 327,046             | 390,105          | 1,346,058         | 1,736,163  | 979,567                | 756,596             |
| Credit cards             | 46,124                           | 51,500           | 97,624   | 25,393                 | 72,231              | 23,707           | 212,021           | 235,728  | 184,353                | 51,375              |
| Small Business           | 469,827                          | 90,320           | 560,147  | 67,714                 | 492,433             | 558,227          | 2,617,641         | 3,175,868  | 1,331,815              | 1,844,053           |
| <b>Corporate lending</b> | 742,475                          | 289,965          | 1,032,440  | 51,324                 | 981,116             | 1,493,787        | 3,994,283         | 5,488,070  | 2,909,007              | 2,579,063           |
| Large                    | 494,556                          | 250,089          | 744,645  | 34,830                 | 709,815             | 741,590          | 1,327,191         | 2,068,781  | 1,045,685              | 1,023,096           |
| SME's                    | 247,919                          | 39,876           | 287,795  | 16,494                 | 271,301             | 752,197          | 2,667,092         | 3,419,289  | 1,863,322              | 1,555,967           |
| <b>Public sector</b>     | 28                               |                  | 28   | 1                      | 27                  | -                | 1,831             | 1,831  | 678                    | 1,153               |
| Greece                   | 28                               |                  | 28   | 1                      | 27                  |                  | 1,831             | 1,831  | 678                    | 1,153               |
| Other countries          |                                  |                  |  |                        |                     |                  |                   |  |                        |                     |
| <b>Total</b>             | <b>3,172,969</b>                 | <b>1,896,238</b> | <b>5,069,207</b>   | <b>245,088</b>         | <b>4,824,119</b>    | <b>2,956,613</b> | <b>12,840,298</b> | <b>15,796,911</b>  | <b>7,005,658</b>       | <b>8,791,253</b>    |



| 31.12.2018               |  |                  |  |                        |                     |   |                     |
|--------------------------|--|------------------|--|------------------------|---------------------|---|---------------------|
|                          | Loans measured at amortised cost                     |                  |  |                        |                     |   |                     |
|                          | Purchased or originated credit impaired loans (POCI) |                  |  |                        |                     | Total net carrying amount at amortised cost | Value of collateral |
|                          | Not past due   | Past due         | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |   |                     |
| <b>Retail lending</b>    | <b>932,301</b>                                       | <b>4,319,695</b> | <b>5,251,996</b>   | <b>1,715,008</b>       | <b>3,536,988</b>    | <b>19,627,119</b>                           | <b>15,657,562</b>   |
| Mortgage                 | 459,322  | 2,532,177        | 2,991,499  | 675,110                | 2,316,389           | 12,957,877                                  | 12,139,700          |
| Consumer                 | 338,144  | 913,395          | 1,251,539  | 536,464                | 715,075             | 2,361,068                                   | 948,769             |
| Credit cards             | 4,860  | 48,792           | 53,652   | 42,771                 | 10,881              | 1,055,601                                   | 83,284              |
| Small Business           | 129,975  | 825,331          | 955,306  | 460,663                | 494,643             | 3,252,573                                   | 2,485,809           |
| <b>Corporate lending</b> | <b>394,416</b>                                       | <b>777,251</b>   | <b>1,171,667</b>   | <b>710,695</b>         | <b>460,972</b>      | <b>15,459,552</b>                           | <b>10,349,569</b>   |
| Large                    | 196,613  | 148,650          | 345,263  | 169,064                | 176,199             | 9,833,693                                   | 5,627,375           |
| SME's                    | 197,803  | 628,601          | 826,404  | 541,631                | 284,773             | 5,625,859                                   | 4,722,194           |
| <b>Public sector</b>     |  | <b>3,412</b>     | <b>3,412</b>   | <b>2,144</b>           | <b>1,268</b>        | <b>67,408</b>                               | <b>69,137</b>       |
| Greece                   |  | 3,412            | 3,412  | 2,144                  | 1,268               | 67,408                                      | 69,137              |
| Other countries          |  |                  |  |                        |                     |   |                     |
| <b>Total</b>             | <b>1,326,717</b>                                     | <b>5,100,358</b> | <b>6,427,075</b>   | <b>2,427,847</b>       | <b>3,999,228</b>    | <b>35,154,079</b>                           | <b>26,076,268</b>   |

“Purchased or originated credit impaired loans” include loans amounting to € 864,067 as at 31.12.2019 (31.12.2018: € 823,623) which are not credit impaired/non performing .



## Loans by credit quality and IFRS 9 Stage

The following tables present loans measured at amortised cost by IFRS 9 Stage and credit quality, as well as loans that are measured at fair value through profit or loss by credit quality, as at 31.12.2019 and 31.12.2018.

| 31.12.2019  |                                  |                  |                  |  |                   |  |
|---|----------------------------------|------------------|------------------|--|-------------------|--|
|   | Loans measured at amortised cost |                  |                  |  |                   | Loans measured at fair value through profit or loss (FVPL) |
|   | Stage 1                          | Stage 2          | Stage 3          | Purchased or originated credit impaired (POCI) | Total             |  |
| <b>MORTGAGE</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 3,823,819                        | 5,101            |                  | 84,083   | 3,913,003         |  |
| Satisfactory credit quality                                     | 230,989                          | 1,623,542        |                  | 210,202  | 2,064,733         |  |
| Watch list (higher risk)  | 3,043                            | 940,934          |                  | 253,348  | 1,197,325         |  |
| Default   |                                  |                  | 4,890,065        | 2,274,548                                      | 7,164,613         |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>4,057,851</b>                 | <b>2,569,577</b> | <b>4,890,065</b> | <b>2,822,181</b>                               | <b>14,339,674</b> |  |
| Expected credit losses  | (2,977)                          | (94,728)         | (1,250,276)      | (610,600)                                      | (1,958,581)       |  |
| <b>Net Carrying Amount</b>                                      | <b>4,054,874</b>                 | <b>2,474,849</b> | <b>3,639,789</b> | <b>2,211,581</b>                               | <b>12,381,093</b> |  |
| Value of collateral   | 3,730,690                        | 2,201,900        | 3,651,644        | 2,150,163                                      | 11,734,397        |  |
| <b>CONSUMER</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 346,725                          | 1,737            |                  | 17,545   | 366,007           |  |
| Satisfactory credit quality                                     | 160,294                          | 111,734          |                  | 36,661   | 308,689           |  |
| Watch list (higher risk)  | 2,793                            | 271,092          |                  | 113,777  | 387,662           |  |
| Default   |                                  |                  | 1,689,616        | 1,021,587                                      | 2,711,203         | 451  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>509,812</b>                   | <b>384,563</b>   | <b>1,689,616</b> | <b>1,189,570</b>                               | <b>3,773,561</b>  |  |
| Expected credit losses  | (8,075)                          | (82,294)         | (922,795)        | (478,814)                                      | (1,491,978)       |  |
| <b>Net Carrying Amount</b>                                      | <b>501,737</b>                   | <b>302,269</b>   | <b>766,821</b>   | <b>710,756</b>                                 | <b>2,281,583</b>  | <b>451</b>   |
| Value of collateral   | 135,490                          | 76,179           | 256,464          | 456,930  | 925,063           | 451  |
| <b>CREDIT CARDS</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 667,033                          | 1,801            |                  | 622  | 669,456           |  |
| Satisfactory credit quality                                     | 229,496                          | 4,073            |                  | 608  | 234,177           |  |
| Watch list (higher risk)  | 111                              | 107,838          |                  | 821  | 108,770           |  |
| Default   |                                  |                  | 229,633          | 44,556   | 274,189           |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>896,640</b>                   | <b>113,712</b>   | <b>229,633</b>   | <b>46,607</b>                                  | <b>1,286,592</b>  |  |
| Expected credit losses  | (12,875)                         | (36,173)         | (115,528)        | (29,554)                                       | (194,130)         |  |
| <b>Net Carrying Amount</b>                                      | <b>883,765</b>                   | <b>77,539</b>    | <b>114,105</b>   | <b>17,053</b>                                  | <b>1,092,462</b>  |  |
| Value of collateral   | 539                              | 4                | 12,095           | 35   | 12,673            |  |
| <b>SMALL BUSINESS</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 309,345                          | 505              |                  | 4,044  | 313,894           |  |
| Satisfactory credit quality                                     | 136,291                          | 212,117          |                  | 23,821   | 372,229           |  |
| Watch list (higher risk)  | 9,706                            | 480,630          |                  | 66,910   | 557,246           |  |
| Default   |                                  |                  | 2,748,445        | 783,104  | 3,531,549         |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>455,342</b>                   | <b>693,252</b>   | <b>2,748,445</b> | <b>877,879</b>                                 | <b>4,774,918</b>  |  |
| Expected credit losses  | (2,666)                          | (72,768)         | (1,131,302)      | (395,894)                                      | (1,602,630)       |  |
| <b>Net Carrying Amount</b>                                      | <b>452,676</b>                   | <b>620,484</b>   | <b>1,617,143</b> | <b>481,985</b>                                 | <b>3,172,288</b>  |  |
| Value of collateral   | 328,663                          | 418,840          | 1,346,369        | 369,553  | 2,463,425         |  |
| <b>LARGE CORPORATE</b>  |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 6,030,608                        | 41,393           |                  |  | 6,072,001         | 52,125   |
| Satisfactory credit quality                                     | 2,456,273                        | 213,445          |                  | 24,573   | 2,694,291         | 70,370   |
| Watch list (higher risk)  | 82,161                           | 238,359          |                  | 15,569   | 336,089           | 39,856   |
| Default   |                                  |                  | 1,655,411        | 248,627  | 1,904,038         | 138,533  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>8,569,042</b>                 | <b>493,197</b>   | <b>1,655,411</b> | <b>288,769</b>                                 | <b>11,006,419</b> |  |
| Expected credit losses  | (112,361)                        | (18,370)         | (715,689)        | (92,866)                                       | (939,286)         |  |
| <b>Net Carrying Amount</b>                                      | <b>8,456,681</b>                 | <b>474,827</b>   | <b>939,722</b>   | <b>195,903</b>                                 | <b>10,067,133</b> | <b>300,884</b>   |
| Value of collateral   | 3,953,589                        | 414,006          | 1,143,551        | 156,873  | 5,668,019         | 264,984  |



| 31.12.2019  |                                  |                |                  |  |                  |  |
|---|----------------------------------|----------------|------------------|--|------------------|--|
|   | Loans measured at amortised cost |                |                  |  |                  | Loans measured at fair value through profit or loss (FVPL) |
|   | Stage 1                          | Stage 2        | Stage 3          | Purchased or originated credit impaired (POCI) | Total            |  |
| <b>SME's</b>  |                                  |                |                  |  |                  |  |
| Strong credit quality   | 1,478,619                        | 11,156         |                  |  | 1,489,775        |  |
| Satisfactory credit quality                                     | 2,193,729                        | 162,790        |                  | 7,129  | 2,363,648        |  |
| Watch list (higher risk)  | 9,966                            | 129,062        |                  | 4,352  | 143,380          |  |
| Default   |                                  |                | 2,203,766        | 520,917  | 2,724,683        | 14,597   |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>3,682,314</b>                 | <b>303,008</b> | <b>2,203,766</b> | <b>532,398</b>                                 | <b>6,721,486</b> |  |
| Expected credit losses  | (16,143)                         | (11,454)       | (1,087,946)      | (341,486)                                      | (1,457,029)      |  |
| <b>Net Carrying Amount</b>                                      | <b>3,666,171</b>                 | <b>291,554</b> | <b>1,115,820</b> | <b>190,912</b>                                 | <b>5,264,457</b> | <b>14,597</b>  |
| Value of collateral   | 2,366,525                        | 236,801        | 1,276,008        | 216,122  | 4,095,456        | 639  |
| <b>PUBLIC SECTOR</b>  |                                  |                |                  |  |                  |  |
| Strong credit quality   | 2,261                            |                |                  |  | 2,261            |  |
| Satisfactory credit quality                                     | 51,578                           | 14             |                  |  | 51,592           |  |
| Watch list (higher risk)  |                                  |                |                  |  |                  |  |
| Default   |                                  |                | 1,799            | 3,088  | 4,887            |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>53,839</b>                    | <b>14</b>      | <b>1,799</b>     | <b>3,088</b>                                   | <b>58,740</b>    |  |
| Expected credit losses  | (156)                            |                | (651)            | (51)   | (858)            |  |
| <b>Net Carrying Amount</b>                                      | <b>53,683</b>                    | <b>14</b>      | <b>1,148</b>     | <b>3,037</b>                                   | <b>57,882</b>    |  |
| Value of collateral   | 46,506                           |                | 750              |  | 47,256           |  |



| 31.12.2018  |                                  |                  |                  |  |                   |  |
|---|----------------------------------|------------------|------------------|--|-------------------|--|
|   | Loans measured at amortised cost |                  |                  |  |                   | Loans measured at fair value through profit or loss (FVPL) |
|   | Stage 1                          | Stage 2          | Stage 3          | Purchased or originated credit impaired (POCI) | Total             |  |
| <b>MORTGAGE</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 3,584,318                        | 26,249           |                  | 56,349   | 3,666,916         |  |
| Satisfactory credit quality                                     | 547,577                          | 2,267,450        |                  | 279,971  | 3,094,998         |  |
| Watch list (higher risk)  | 747                              | 705,802          |                  | 213,439  | 919,988           |  |
| Default   |                                  |                  | 5,159,251        | 2,441,740                                      | 7,600,991         |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>4,132,642</b>                 | <b>2,999,501</b> | <b>5,159,251</b> | <b>2,991,499</b>                               | <b>15,282,893</b> |  |
| Expected credit losses  | (1,433)                          | (48,235)         | (1,600,238)      | (675,110)                                      | (2,325,016)       |  |
| <b>Net Carrying Amount</b>                                      | <b>4,131,209</b>                 | <b>2,951,266</b> | <b>3,559,013</b> | <b>2,316,389</b>                               | <b>12,957,877</b> |  |
| Value of collateral   | 3,793,301                        | 2,494,142        | 3,683,688        | 2,168,569                                      | 12,139,700        |  |
| <b>CONSUMER</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 354,231                          | 8,787            |                  | 26,007   | 389,025           |  |
| Satisfactory credit quality                                     | 209,986                          | 101,856          |                  | 44,220   | 356,062           |  |
| Watch list (higher risk)  | 2,526                            | 268,824          |                  | 85,793   | 357,143           |  |
| Default   |                                  |                  | 1,736,163        | 1,095,519                                      | 2,831,682         | 1,152  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>566,743</b>                   | <b>379,467</b>   | <b>1,736,163</b> | <b>1,251,539</b>                               | <b>3,933,912</b>  |  |
| Expected credit losses  | (4,392)                          | (52,421)         | (979,567)        | (536,464)                                      | (1,572,844)       |  |
| <b>Net Carrying Amount</b>                                      | <b>562,351</b>                   | <b>327,046</b>   | <b>756,596</b>   | <b>715,075</b>                                 | <b>2,361,068</b>  | <b>1,152</b>   |
| Value of collateral   | 178,534                          | 43,366           | 277,834          | 449,035  | 948,769           | 1,152  |
| <b>CREDIT CARDS</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 675,216                          | 3,262            |                  | 735  | 679,213           |  |
| Satisfactory credit quality                                     | 259,038                          | 52,522           |                  | 1,672  | 313,232           |  |
| Watch list (higher risk)  | 50                               | 41,840           |                  | 1,291  | 43,181            |  |
| Default   |                                  |                  | 235,728          | 49,954   | 285,682           |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>934,304</b>                   | <b>97,624</b>    | <b>235,728</b>   | <b>53,652</b>                                  | <b>1,321,308</b>  |  |
| Expected credit losses  | (13,190)                         | (25,393)         | (184,353)        | (42,771)                                       | (265,707)         |  |
| <b>Net Carrying Amount</b>                                      | <b>921,114</b>                   | <b>72,231</b>    | <b>51,375</b>    | <b>10,881</b>                                  | <b>1,055,601</b>  |  |
| Value of collateral   | 61,274                           | 1,765            | 17,154           | 3,091  | 83,284            |  |
| <b>SMALL BUSINESS</b>   |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 366,869                          | 13,076           |                  | 8,541  | 388,486           |  |
| Satisfactory credit quality                                     | 39,736                           | 132,888          |                  | 3,772  | 176,396           |  |
| Watch list (higher risk)  | 17,170                           | 414,183          |                  | 45,918   | 477,271           |  |
| Default   |                                  |                  | 3,175,868        | 897,075  | 4,072,943         |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>423,775</b>                   | <b>560,147</b>   | <b>3,175,868</b> | <b>955,306</b>                                 | <b>5,115,096</b>  |  |
| Expected credit losses  | (2,331)                          | (67,714)         | (1,331,815)      | (460,663)                                      | (1,862,523)       |  |
| <b>Net Carrying Amount</b>                                      | <b>421,444</b>                   | <b>492,433</b>   | <b>1,844,053</b> | <b>494,643</b>                                 | <b>3,252,573</b>  |  |
| Value of collateral   | 306,119                          | 322,536          | 1,482,156        | 374,998  | 2,485,809         |  |
| <b>LARGE CORPORATE</b>  |                                  |                  |                  |  |                   |  |
| Strong credit quality   | 5,490,291                        | 39,052           |                  |  | 5,529,343         | 70,540   |
| Satisfactory credit quality                                     | 2,465,867                        | 338,501          |                  | 26,064   | 2,830,432         | 113,824  |
| Watch list (higher risk)  | 41,222                           | 367,092          |                  | 15,630   | 423,944           | 36,018   |
| Default   |                                  |                  | 2,068,781        | 303,569  | 2,372,350         | 97,944   |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>7,997,380</b>                 | <b>744,645</b>   | <b>2,068,781</b> | <b>345,263</b>                                 | <b>11,156,069</b> |  |
| Expected credit losses  | (72,797)                         | (34,830)         | (1,045,685)      | (169,064)                                      | (1,322,376)       |  |
| <b>Net Carrying Amount</b>                                      | <b>7,924,583</b>                 | <b>709,815</b>   | <b>1,023,096</b> | <b>176,199</b>                                 | <b>9,833,693</b>  | <b>318,326</b>   |
| Value of collateral   | 3,462,885                        | 617,459          | 1,300,859        | 246,172  | 5,627,375         | 267,235  |



| 31.12.2018  |                                  |                |                  |  |                  |  |
|---|----------------------------------|----------------|------------------|--|------------------|--|
|   | Loans measured at amortised cost |                |                  |  |                  | Loans measured at fair value through profit or loss (FVPL) |
|   | Stage 1                          | Stage 2        | Stage 3          | Purchased or originated credit impaired (POCI) | Total            |  |
| <b>SME's</b>  |                                  |                |                  |  |                  |  |
| Strong credit quality   | 1,236,953                        | 10,745         |                  |  | 1,247,698        |  |
| Satisfactory credit quality                                     | 2,233,224                        | 141,166        |                  | 7,830  | 2,382,220        |  |
| Watch list (higher risk)  | 68,571                           | 135,884        |                  | 6,388  | 210,843          |  |
| Default   |                                  |                | 3,419,289        | 812,186  | 4,231,475        | 18,079   |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>3,538,748</b>                 | <b>287,795</b> | <b>3,419,289</b> | <b>826,404</b>                                 | <b>8,072,236</b> |  |
| Expected credit losses  | (24,930)                         | (16,494)       | (1,863,322)      | (541,631)                                      | (2,446,377)      |  |
| <b>Net Carrying Amount</b>                                      | <b>3,513,818</b>                 | <b>271,301</b> | <b>1,555,967</b> | <b>284,773</b>                                 | <b>5,625,859</b> | <b>18,079</b>  |
| Value of collateral   | 2,215,069                        | 219,127        | 1,947,877        | 340,121  | 4,722,194        | 665  |
| <b>PUBLIC SECTOR</b>  |                                  |                |                  |  |                  |  |
| Strong credit quality   | 25                               |                |                  |  | 25               |  |
| Satisfactory credit quality                                     | 65,083                           | 28             |                  |  | 65,111           |  |
| Watch list (higher risk)  |                                  |                |                  |  |                  |  |
| Default   |                                  |                | 1,831            | 3,412  | 5,243            |  |
| <b>Carrying amount (before provision for impairment losses)</b> | <b>65,108</b>                    | <b>28</b>      | <b>1,831</b>     | <b>3,412</b>                                   | <b>70,379</b>    |  |
| Expected credit losses  | (148)                            | (1)            | (678)            | (2,144)  | (2,971)          |  |
| <b>Net Carrying Amount</b>                                      | <b>64,960</b>                    | <b>27</b>      | <b>1,153</b>     | <b>1,268</b>                                   | <b>67,408</b>    |  |
| Value of collateral   | 64,993                           |                | 785              | 3,359  | 69,137           |  |



## Letters of guarantee, letters of credit and undrawn loan commitments by credit quality and IFRS 9 Stage.

| 31.12.2019  |                  |               |                |  |                  |
|---|------------------|---------------|----------------|--|------------------|
|   | Stage 1          | Stage 2       | Stage 3        | Purchased or originated credit impaired (POCI) | Total            |
| <b>Letters of guarantee, letters of credit and other guarantees</b>                           |                  |               |                |  |                  |
| Strong credit quality   | 1,281,942        |               |                |  | 1,281,942        |
| Satisfactory credit quality   | 1,074,440        | 18,117        |                |  | 1,092,557        |
| Watch list (higher risk)  | 962,158          | 9,959         |                |  | 972,117          |
| Default   |                  |               | 335,177        |  | 335,177          |
| <b>Carrying amount (before provision for impairment losses)</b>                               | <b>3,318,540</b> | <b>28,076</b> | <b>335,177</b> |  | <b>3,681,793</b> |
| Expected credit losses  | (20,830)         | (369)         | (83,455)       |  | (104,654)        |
| <b>Net Carrying Amount</b>  | <b>3,297,710</b> | <b>27,707</b> | <b>251,722</b> |  | <b>3,577,139</b> |
| Value of collateral of impaired letters of guarantees, letters of credit and other guarantees |                  |               | 44,532         |  | 44,532           |
| <b>Undrawn loan commitments</b>   |                  |               |                |  |                  |
| Strong credit quality   | 2,821,830        | 430           |                | 370  | 2,822,630        |
| Satisfactory credit quality   | 756,246          | 25,704        |                | 241  | 782,191          |
| Watch list (higher risk)  | 10,065           | 28,281        |                | 47   | 38,393           |
| Default   |                  |               |                |  |                  |
| <b>Carrying amount (before provision for impairment losses)</b>                               | <b>3,588,141</b> | <b>54,415</b> |                | <b>658</b>                                     | <b>3,643,214</b> |
| Expected credit losses  | (1,174)          | (352)         |                | (1)  | (1,527)          |
| <b>Net Carrying Amount</b>  | <b>3,586,967</b> | <b>54,063</b> |                | <b>657</b>                                     | <b>3,641,687</b> |
| Value of collateral of impaired undrawn loan commitments                                      |                  |               |                |  |                  |

| 31.12.2018  |                  |                |                |  |                  |
|---|------------------|----------------|----------------|--|------------------|
|   | Stage 1          | Stage 2        | Stage 3        | Purchased or originated credit impaired (POCI) | Total            |
| <b>Letters of guarantee, letters of credit and other guarantees</b>                           |                  |                |                |  |                  |
| Strong credit quality   | 1,285,531        |                |                |  | 1,285,531        |
| Satisfactory credit quality   | 991,196          | 198,752        |                |  | 1,189,948        |
| Watch list (higher risk)  | 870,497          | 19,496         |                |  | 889,993          |
| Default   |                  |                | 324,843        |  | 324,843          |
| <b>Carrying amount (before provision for impairment losses)</b>                               | <b>3,147,224</b> | <b>218,248</b> | <b>324,843</b> |  | <b>3,690,315</b> |
| Expected credit losses  | (23,852)         | (2,776)        | (76,597)       |  | (103,225)        |
| <b>Net Carrying Amount</b>  | <b>3,123,372</b> | <b>215,472</b> | <b>248,246</b> |  | <b>3,587,090</b> |
| Value of collateral of impaired letters of guarantees, letters of credit and other guarantees |                  |                | 34,512         |  | 34,512           |
| <b>Undrawn loan commitments</b>   |                  |                |                |  |                  |
| Strong credit quality   | 2,525,219        | 1,187          |                | 502  | 2,526,908        |
| Satisfactory credit quality   | 621,249          | 16,302         |                | 301  | 637,852          |
| Watch list (higher risk)  | 19,095           | 10,168         |                | 29   | 29,292           |
| Default   |                  |                |                |  |                  |
| <b>Carrying amount (before provision for impairment losses)</b>                               | <b>3,165,563</b> | <b>27,657</b>  |                | <b>832</b>                                     | <b>3,194,052</b> |
| Expected credit losses  | (1,417)          | (63)           |                | (1)  | (1,481)          |
| <b>Net Carrying Amount</b>  | <b>3,164,146</b> | <b>27,594</b>  |                | <b>831</b>                                     | <b>3,192,571</b> |
| Value of collateral of impaired undrawn loan commitments                                      |                  |                |                |  |                  |

The value of the collaterals related to impaired exposures, as at 31.12.2019 amounts to € 10.477.978 (31.12.2018: € 11,772,522).



## Ageing analysis by IFRS 9 Stage and product line of loans

| 31.12.2019           |  |                   |               |                |                                  |                  |                  |  |                   |
|----------------------|--|-------------------|---------------|----------------|----------------------------------|------------------|------------------|--|-------------------|
|                      | Loans measured at fair value through profit or loss (FVPL) |                   |               |                | Loans measured at amortised cost |                  |                  |  |                   |
|                      | Retail lending   | Corporate lending |               | Total          | Retail lending                   |                  |                  |  | Total             |
|                      | Consumer   | Large corporate   | SME's         |                | Mortgage Loans                   |                  |                  | Purchased or originated credit impaired loans (POCI) |                   |
|                      |  |                   |               |                | Stage 1                          | Stage 2          | Stage 3          |  |                   |
| Current              |  | 160,528           | 5,710         | 166,238        | 3,772,976                        | 1,319,081        | 534,147          | 481,142  | 6,107,346         |
| 1-30 days            |  | 75,418            |               | 75,418         | 281,898                          | 715,464          | 287,075          | 286,060  | 1,570,497         |
| 31-60 days           |  |                   |               |                |                                  | 213,432          | 157,656          | 104,921  | 476,009           |
| 61-90 days           |  | 46,079            |               | 46,079         |                                  | 226,872          | 413,989          | 268,234  | 909,095           |
| 91-180 days          |  | 8,329             |               | 8,329          |                                  |                  | 180,642          | 65,439   | 246,081           |
| 181-360 days         |  | 10,530            | 8,887         | 19,417         |                                  |                  | 197,301          | 55,700   | 253,001           |
| > 360 days           | 451  |                   |               | 451            |                                  |                  | 1,868,979        | 950,085  | 2,819,064         |
| <b>Total</b>         | <b>451</b>   | <b>300,884</b>    | <b>14,597</b> | <b>315,932</b> | <b>4,054,874</b>                 | <b>2,474,849</b> | <b>3,639,789</b> | <b>2,211,581</b>                                     | <b>12,381,093</b> |
| Value of collaterals | 451  | 264,984           | 639           | 266,074        | 3,730,690                        | 2,201,900        | 3,651,644        | 2,150,163  | 11,734,397        |

| 31.12.2019           |                                  |                |                |  |                  |                |               |                |  |                  |
|----------------------|----------------------------------|----------------|----------------|--|------------------|----------------|---------------|----------------|--|------------------|
|                      | Loans measured at amortised cost |                |                |  |                  |                |               |                |  |                  |
|                      | Retail lending                   |                |                |  |                  | Credit Cards   |               |                |  |                  |
|                      | Consumer                         |                |                |  | Total            | Stage 1        | Stage 2       | Stage 3        | Purchased or originated credit impaired loans (POCI) | Total            |
|                      | Stage 1                          | Stage 2        | Stage 3        | Purchased or originated credit impaired loans (POCI) |                  |                |               |                |  |                  |
| Current              | 480,773                          | 225,000        | 261,836        | 288,213  | 1,255,822        | 870,617        | 47,978        | 22,412         | 3,578  | 944,585          |
| 1-30 days            | 20,964                           | 53,534         | 51,046         | 33,604   | 159,148          | 13,148         | 21,419        | 12,145         | 1,889  | 48,601           |
| 31-60 days           |                                  | 15,815         | 34,493         | 16,956   | 67,264           |                | 5,016         | 7,144          | 871  | 13,031           |
| 61-90 days           |                                  | 7,920          | 29,926         | 14,860   | 52,706           |                | 3,126         | 8,331          | 968  | 12,425           |
| 91-180 days          |                                  |                | 48,424         | 22,970   | 71,394           |                |               | 11,926         | 1,361  | 13,287           |
| 181-360 days         |                                  |                | 32,012         | 14,735   | 46,747           |                |               | 11,677         | 1,291  | 12,968           |
| > 360 days           |                                  |                | 309,084        | 319,418  | 628,502          |                |               | 40,470         | 7,095  | 47,565           |
| <b>Total</b>         | <b>501,737</b>                   | <b>302,269</b> | <b>766,821</b> | <b>710,756</b>                                       | <b>2,281,583</b> | <b>883,765</b> | <b>77,539</b> | <b>114,105</b> | <b>17,053</b>  | <b>1,092,462</b> |
| Value of collaterals | 135,490                          | 76,179         | 256,464        | 456,930  | 925,063          | 539            | 4             | 12,095         | 35   | 12,673           |





| 31.12.2019           |                                  |                |                  |  |                  |                   |                |                |  |                   |
|----------------------|----------------------------------|----------------|------------------|--|------------------|-------------------|----------------|----------------|--|-------------------|
|                      | Loans measured at amortised cost |                |                  |  |                  |                   |                |                |  |                   |
|                      | Retail lending                   |                |                  |  |                  | Corporate lending |                |                |  |                   |
|                      | Small Business                   |                |                  |  |                  | Large corporate   |                |                |  |                   |
|                      | Stage 1                          | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1           | Stage 2        | Stage 3        | Purchased or originated credit impaired loans (POCI) | Total             |
| Current              | 442,532                          | 554,286        | 437,315          | 141,019  | 1,575,152        | 8,325,604         | 358,476        | 427,160        | 154,591  | 9,265,831         |
| 1-30 days            | 10,144                           | 55,746         | 31,861           | 10,402   | 108,153          | 131,077           | 22,096         | 231,087        | 5,538  | 389,798           |
| 31-60 days           |                                  | 7,239          | 27,489           | 3,448  | 38,176           |                   | 93,907         | 7,145          |  | 101,052           |
| 61-90 days           |                                  | 3,213          | 27,275           | 4,186  | 34,674           |                   | 348            | 6,868          |  | 7,216             |
| 91-180 days          |                                  |                | 60,161           | 9,901  | 70,062           |                   |                | 41,171         | 4,132  | 45,303            |
| 181-360 days         |                                  |                | 39,081           | 5,394  | 44,475           |                   |                | 15,485         | 343  | 15,828            |
| > 360 days           |                                  |                | 993,961          | 307,635  | 1,301,596        |                   |                | 210,806        | 31,299   | 242,105           |
| <b>Total</b>         | <b>452,676</b>                   | <b>620,484</b> | <b>1,617,143</b> | <b>481,985</b>                                       | <b>3,172,288</b> | <b>8,456,681</b>  | <b>474,827</b> | <b>939,722</b> | <b>195,903</b>                                       | <b>10,067,133</b> |
| Value of collaterals | 328,663                          | 418,840        | 1,346,369        | 369,553  | 2,463,425        | 3,953,589         | 414,006        | 1,143,551      | 156,873  | 5,668,019         |

| 31.12.2019           |                                  |                |                  |  |                  |               |           |              |  |               |
|----------------------|----------------------------------|----------------|------------------|--|------------------|---------------|-----------|--------------|--|---------------|
|                      | Loans measured at amortised cost |                |                  |  |                  |               |           |              |  |               |
|                      | Corporate lending                |                |                  |  |                  | Public sector |           |              |  |               |
|                      | SME's                            |                |                  |  |                  | Greece        |           |              |  |               |
|                      | Stage 1                          | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1       | Stage 2   | Stage 3      | Purchased or originated credit impaired loans (POCI) | Total         |
| Current              | 3,517,777                        | 249,638        | 444,731          | 62,096   | 4,274,242        | 53,501        |           | 743          | 3,033  | 57,277        |
| 1-30 days            | 148,394                          | 18,375         | 119,850          | 7,449  | 294,068          | 182           | 14        |              |  | 196           |
| 31-60 days           |                                  | 16,026         | 37,749           | 10,059   | 63,834           |               |           |              |  |               |
| 61-90 days           |                                  | 7,515          | 41,863           | 2,308  | 51,686           |               |           |              |  |               |
| 91-180 days          |                                  |                | 26,666           | 2,286  | 28,952           |               |           | 2            |  | 2             |
| 181-360 days         |                                  |                | 33,298           | 8,839  | 42,137           |               |           |              |  |               |
| > 360 days           |                                  |                | 411,663          | 97,875   | 509,538          |               |           | 403          | 4  | 407           |
| <b>Total</b>         | <b>3,666,171</b>                 | <b>291,554</b> | <b>1,115,820</b> | <b>190,912</b>                                       | <b>5,264,457</b> | <b>53,683</b> | <b>14</b> | <b>1,148</b> | <b>3,037</b>   | <b>57,882</b> |
| Value of collaterals | 2,366,525                        | 236,801        | 1,276,008        | 216,122  | 4,095,456        | 46,506        |           | 750          |  | 47,256        |



| 31.12.2018           |  |                   |               |                |                                  |                  |                  |  |                   |
|----------------------|--|-------------------|---------------|----------------|----------------------------------|------------------|------------------|--|-------------------|
|                      | Loans measured at fair value through profit or loss (FVPL) |                   |               |                | Loans measured at amortised cost |                  |                  |  |                   |
|                      | Retail lending   | Corporate lending |               | Total          | Retail lending                   |                  |                  |  |                   |
|                      | Consumer   | Large corporate   | SME's         |                | Mortgage Loans                   |                  |                  |  |                   |
|                      |  |                   |               |                | Stage 1                          | Stage 2          | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total             |
| Current              |  | 302,221           | 18,079        | 320,300        | 3,730,389                        | 1,629,707        | 417,911          | 427,434  | 6,205,441         |
| 1-30 days            |  | 16,094            |               | 16,094         | 400,820                          | 703,093          | 289,275          | 291,022  | 1,684,210         |
| 31-60 days           |  |                   |               |                |                                  | 294,072          | 150,723          | 121,367  | 566,162           |
| 61-90 days           |  |                   |               |                |                                  | 324,394          | 361,287          | 241,427  | 927,108           |
| 91-180 days          |  |                   |               |                |                                  |                  | 200,475          | 59,346   | 259,821           |
| 181-360 days         |  |                   |               |                |                                  |                  | 224,549          | 68,459   | 293,008           |
| > 360 days           | 1,152  | 11                |               | 1,163          |                                  |                  | 1,914,793        | 1,107,334  | 3,022,127         |
| <b>Total</b>         | <b>1,152</b>   | <b>318,326</b>    | <b>18,079</b> | <b>337,557</b> | <b>4,131,209</b>                 | <b>2,951,266</b> | <b>3,559,013</b> | <b>2,316,389</b>                                     | <b>12,957,877</b> |
| Value of collaterals | 1,152  | 267,235           | 665           | 269,052        | 3,793,301                        | 2,494,142        | 3,683,688        | 2,168,569  | 12,139,700        |

| 31.12.2018           |                                  |                |                |  |                  |                |               |               |  |                  |
|----------------------|----------------------------------|----------------|----------------|--|------------------|----------------|---------------|---------------|--|------------------|
|                      | Loans measured at amortised cost |                |                |  |                  |                |               |               |  |                  |
|                      | Retail lending                   |                |                |  |                  |                |               |               |  |                  |
|                      | Consumer                         |                |                |  |                  | Credit Cards   |               |               |  |                  |
|                      | Stage 1                          | Stage 2        | Stage 3        | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1        | Stage 2       | Stage 3       | Purchased or originated credit impaired loans (POCI) | Total            |
| Current              | 514,558                          | 227,774        | 202,847        | 244,803  | 1,189,982        | 904,465        | 35,710        | 5,680         | 2,382  | 948,237          |
| 1-30 days            | 47,793                           | 59,433         | 41,901         | 37,266   | 186,393          | 16,649         | 24,350        | 4,751         | 1,382  | 47,132           |
| 31-60 days           |                                  | 23,023         | 43,643         | 21,146   | 87,812           |                | 7,183         | 4,085         | 725  | 11,993           |
| 61-90 days           |                                  | 16,816         | 36,377         | 18,635   | 71,828           |                | 4,988         | 3,905         | 721  | 9,614            |
| 91-180 days          |                                  |                | 90,892         | 34,586   | 125,478          |                |               | 9,742         | 1,060  | 10,802           |
| 181-360 days         |                                  |                | 52,043         | 37,777   | 89,820           |                |               | 5,343         | 544  | 5,887            |
| > 360 days           |                                  |                | 288,893        | 320,862  | 609,755          |                |               | 17,869        | 4,067  | 21,936           |
| <b>Total</b>         | <b>562,351</b>                   | <b>327,046</b> | <b>756,596</b> | <b>715,075</b>                                       | <b>2,361,068</b> | <b>921,114</b> | <b>72,231</b> | <b>51,375</b> | <b>10,881</b>  | <b>1,055,601</b> |
| Value of collaterals | 178,534                          | 43,366         | 277,834        | 449,035  | 948,769          | 61,274         | 1,765         | 17,154        | 3,091  | 83,284           |



| 31.12.2018           |                                  |                |                  |  |                  |                   |                |                  |  |                  |
|----------------------|----------------------------------|----------------|------------------|--|------------------|-------------------|----------------|------------------|--|------------------|
|                      | Loans measured at amortised cost |                |                  |  |                  |                   |                |                  |  |                  |
|                      | Retail lending                   |                |                  |  |                  | Corporate lending |                |                  |  |                  |
|                      | Small Business                   |                |                  |  |                  | Large corporate   |                |                  |  |                  |
|                      | Stage 1                          | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1           | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            |
| Current              | 405,168                          | 412,518        | 469,152          | 101,709  | 1,388,547        | 7,737,980         | 466,524        | 492,944          | 117,085  | 8,814,533        |
| 1-30 days            | 16,276                           | 60,534         | 20,302           | 6,108  | 103,220          | 186,603           | 77,635         | 134,162          | 6,227  | 404,627          |
| 31-60 days           |                                  | 12,295         | 25,844           | 4,021  | 42,160           |                   | 147,867        | 31,318           | 18,863   | 198,048          |
| 61-90 days           |                                  | 7,086          | 19,987           | 3,358  | 30,431           |                   | 17,789         | 103,632          | 2,305  | 123,726          |
| 91-180 days          |                                  |                | 48,798           | 4,076  | 52,874           |                   |                | 3                |  | 3                |
| 181-360 days         |                                  |                | 70,580           | 3,630  | 74,210           |                   |                | 12,462           |  | 12,462           |
| > 360 days           |                                  |                | 1,189,390        | 371,741  | 1,561,131        |                   |                | 248,575          | 31,719   | 280,294          |
| <b>Total</b>         | <b>421,444</b>                   | <b>492,433</b> | <b>1,844,053</b> | <b>494,643</b>                                       | <b>3,252,573</b> | <b>7,924,583</b>  | <b>709,815</b> | <b>1,023,096</b> | <b>176,199</b>                                       | <b>9,833,693</b> |
| Value of collaterals | 306,119                          | 322,536        | 1,482,156        | 374,998  | 2,485,809        | 3,462,885         | 617,459        | 1,300,859        | 246,172  | 5,627,375        |

| 31.12.2018           |                                  |                |                  |  |                  |               |           |              |  |               |
|----------------------|----------------------------------|----------------|------------------|--|------------------|---------------|-----------|--------------|--|---------------|
|                      | Loans measured at amortised cost |                |                  |  |                  |               |           |              |  |               |
|                      | Corporate lending                |                |                  |  |                  | Public sector |           |              |  |               |
|                      | SME's                            |                |                  |  |                  | Greece        |           |              |  |               |
|                      | Stage 1                          | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1       | Stage 2   | Stage 3      | Purchased or originated credit impaired loans (POCI) | Total         |
| Current              | 3,373,176                        | 233,853        | 502,855          | 98,430   | 4,208,314        | 64,734        | 27        |              |  | 64,761        |
| 1-30 days            | 140,642                          | 18,442         | 157,433          | 14,694   | 331,211          | 226           |           | 491          |  | 717           |
| 31-60 days           |                                  | 4,044          | 57,979           | 1,826  | 63,849           |               |           |              |  |               |
| 61-90 days           |                                  | 14,962         | 81,186           | 7,072  | 103,220          |               |           |              |  |               |
| 91-180 days          |                                  |                | 23,692           | 1,729  | 25,421           |               |           | 204          |  | 204           |
| 181-360 days         |                                  |                | 33,176           | 6,024  | 39,200           |               |           |              |  | 18            |
| > 360 days           |                                  |                | 699,646          | 154,998  | 854,644          |               |           | 458          | 1,250  | 1,708         |
| <b>Total</b>         | <b>3,513,818</b>                 | <b>271,301</b> | <b>1,555,967</b> | <b>284,773</b>                                       | <b>5,625,859</b> | <b>64,960</b> | <b>27</b> | <b>1,153</b> | <b>1,268</b>   | <b>67,408</b> |
| Value of collaterals | 2,215,069                        | 219,127        | 1,947,877        | 340,121  | 4,722,194        | 64,993        |           | 785          | 3,359  | 69,137        |

**Reconciliation of loans by IFRS 9 Stage**

The following tables present the movement in the loans measured at amortised cost by IFRS 9 Stage for the years 2019 and 2018:

|  |             | 31.12.2019     |             |             |  |             |           |                                     |           |  |             |             |             |             |  |
|--|-------------|----------------|-------------|-------------|--|-------------|-----------|-------------------------------------|-----------|--|-------------|-------------|-------------|-------------|--|
|  |             | Retail lending |             |             |  |             |           | Corporate lending and public sector |           |  |             |             |             | Total       |  |
|  |             | Stage 1        | Stage 2     | Stage 3     | Purchased or originated credit impaired loans (POCI) | Total       | Stage 1   | Stage 2                             | Stage 3   | Purchased or originated credit impaired loans (POCI) | Total       | Stage 1     | Stage 2     | Stage 3     | Purchased or originated credit impaired loans (POCI) |
| <b>Balance 1.1.2019</b>  | 6,057,464   | 4,036,739      | 10,307,010  | 5,251,996   | 25,653,209   | 11,601,236  | 1,032,468 | 5,489,901                           | 1,175,079 | 19,298,684   | 17,658,700  | 5,069,207   | 15,796,911  | 6,427,075   | 44,951,893   |
| Transfers to stage 1 from stage 2 or 3                                   | 1,319,849   | (1,298,843)    | (21,006)    |             | -  | 720,181     | (714,083) | (6,098)                             |           | -  | 2,040,030   | (2,012,926) | (27,104)    |             | -  |
| Transfers to stage 2 from stage 1 or 3                                   | (1,217,836) | 2,190,149      | (972,313)   |             | -  | (650,271)   | 706,829   | (56,558)                            |           | -  | (1,868,107) | 2,896,978   | (1,028,871) |             | -  |
| Transfers to stage 3 from stage 1 or 2                                   | (45,396)    | (965,081)      | 1,010,477   |             | -  | (209,293)   | (189,273) | 398,566                             |           | -  | (254,689)   | (1,154,354) | 1,409,043   |             | -  |
| New loans originated or purchased  | 233,445     |                |             | 7,571       | 241,016  | 3,664,967   |           |                                     | 72,129    | 3,737,096  | 3,898,412   |             |             | 79,700      | 3,978,112  |
| Derecognition of loans   | (2,267)     | (5,776)        | (39,565)    | (88)        | (47,696)   | (47,311)    | (1,472)   | (273,240)                           | (60,342)  | (382,365)  | (49,578)    | (7,248)     | (312,805)   | (60,430)    | (430,061)  |
| Changes due to modifications that did not result in loans' derecognition | (7,529)     | (61,444)       | (86,130)    | (46,580)    | (201,683)  | 29,318      | (486)     | (7,457)                             | (1,197)   | 20,178   | 21,789      | (61,930)    | (93,587)    | (47,777)    | (181,505)  |
| Write-offs   | (1,329)     | (27,185)       | (658,528)   | (299,329)   | (986,371)  |             |           | (320,850)                           | (97,969)  | (418,819)  | (1,329)     | (27,185)    | (979,378)   | (397,298)   | (1,405,190)  |
| Repayments, foreign exchange and other movements                         | (413,500)   | (107,174)      | 74,281      | 26,353      | (420,040)  | (2,803,632) | (37,764)  | (39,369)                            | 30,138    | (2,850,627)  | (3,217,132) | (144,938)   | 34,912      | 56,491      | (3,270,667)  |
| Reclassification of loans to 'Assets held for sale'                      | (3,256)     | (281)          | (56,467)    | (3,686)     | (63,690)   |             |           | (1,323,919)                         | (293,583) | (1,617,502)  | (3,256)     | (281)       | (1,380,386) | (297,269)   | (1,681,192)  |
| <b>Balance 31.12.2019</b>  | 5,919,645   | 3,761,104      | 9,557,759   | 4,936,237   | 24,174,745   | 12,305,195  | 796,219   | 3,860,976                           | 824,255   | 17,786,645   | 18,224,840  | 4,557,323   | 13,418,735  | 5,760,492   | 41,961,390   |
| Provision for impairment losses  | (26,593)    | (285,963)      | (3,419,901) | (1,514,862) | (5,247,319)  | (128,660)   | (29,824)  | (1,804,286)                         | (434,403) | (2,397,173)  | (155,253)   | (315,787)   | (5,224,187) | (1,949,265) | (7,644,492)  |
| <b>Balance of loans 31.12.2019</b>                                       | 5,893,052   | 3,475,141      | 6,137,858   | 3,421,375   | 18,927,426   | 12,176,535  | 766,395   | 2,056,690                           | 389,852   | 15,389,472   | 18,069,587  | 4,241,536   | 8,194,548   | 3,811,227   | 34,316,898   |



| 31.12.2018   |                  |                  |                   |  |                                     |                   |                  |                  |  |                   |                   |                  |                   |  |                   |
|--|------------------|------------------|-------------------|--|-------------------------------------|-------------------|------------------|------------------|--|-------------------|-------------------|------------------|-------------------|--|-------------------|
|  | Retail lending   |                  |                   |  | Corporate lending and public sector |                   |                  |                  | Total  |                   |                   |                  |                   |  |                   |
|  | Stage 1          | Stage 2          | Stage 3           | Purchased or originated credit impaired loans (POCI) | Total                               | Stage 1           | Stage 2          | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total             | Stage 1           | Stage 2          | Stage 3           | Purchased or originated credit impaired loans (POCI) | Total             |
| <b>Balance 1.1.2018</b>  | <b>6,321,243</b> | <b>4,488,005</b> | <b>11,197,537</b> | <b>5,885,092</b>                                     | <b>27,891,877</b>                   | <b>9,610,395</b>  | <b>2,748,721</b> | <b>6,636,393</b> | <b>1,586,235</b>                                     | <b>20,581,744</b> | <b>15,931,638</b> | <b>7,236,726</b> | <b>17,833,930</b> | <b>7,471,327</b>                                     | <b>48,473,621</b> |
| Transfers to stage 1 from stage 2 or 3                                   | 1,270,251        | (1,235,488)      | (34,763)          |  |                                     | 2,592,370         | (2,555,771)      | (36,599)         |  |                   | 3,862,621         | (3,791,259)      | (71,362)          |  |                   |
| Transfers to stage 2 from stage 1 or 3                                   | (1,233,507)      | 2,166,582        | (933,075)         |  |                                     | (1,247,501)       | 1,457,676        | (210,175)        |  |                   | (2,481,008)       | 3,624,258        | (1,143,250)       |  |                   |
| Transfers to stage 3 from stage 1 or 2                                   | (55,779)         | (1,195,721)      | 1,251,500         |  |                                     | (149,070)         | (252,773)        | 401,843          |  |                   | (204,849)         | (1,448,494)      | 1,653,343         |  |                   |
| New loans originated or purchased  | 1,769,951        |                  |                   | 6,303  | 183,254                             | 3,278,117         |                  |                  | 2,574  | 3,280,691         | 3,455,068         |                  |                   | 8,877  | 3,463,945         |
| Derecognition of loans   | (221)            | (1,753)          | (4,875)           | (551)  | (7,400)                             | (114,420)         | (69,535)         | (27,183)         | (37,070)   | (248,208)         | (114,641)         | (71,288)         | (32,058)          | (37,621)   | (255,608)         |
| Changes due to modifications that did not result in loans' derecognition | (2,933)          | (23,541)         | (40,704)          | (14,505)   | (81,683)                            | (242)             | (116)            | (2,055)          | (152)  | (2,565)           | (3,175)           | (23,657)         | (42,759)          | (14,657)   | (84,248)          |
| Write-offs   | (1,246)          | (10,149)         | (621,839)         | (250,087)  | (883,321)                           |                   |                  | (389,034)        | (143,370)  | (532,404)         | (1,246)           | (10,149)         | (1,010,873)       | (393,457)  | (1,415,725)       |
| Repayments, foreign exchange and other movements                         | (416,947)        | (150,075)        | 137,203           | 51,617   | (378,202)                           | (2,365,008)       | (295,734)        | (149,229)        | (27,558)   | (2,837,529)       | (2,781,955)       | (445,809)        | (1,202,6)         | 24,059   | (3,215,731)       |
| Reclassification of loans to 'Assets held for sale'                      | (348)            | (1,121)          | (643,974)         | (425,873)  | (1,071,316)                         | (3,405)           |                  | (734,060)        | (205,580)  | (943,045)         | (3,753)           | (1,121)          | (1,378,034)       | (631,453)  | (2,014,361)       |
| <b>Balance 31.12.2018</b>  | <b>6,036,118</b> | <b>3,842,976</b> | <b>6,211,037</b>  | <b>3,536,988</b>                                     | <b>19,627,119</b>                   | <b>11,601,236</b> | <b>1,032,468</b> | <b>5,489,901</b> | <b>1,175,079</b>                                     | <b>19,298,684</b> | <b>17,658,700</b> | <b>5,069,207</b> | <b>15,796,911</b> | <b>6,427,075</b>                                     | <b>44,951,893</b> |
| Provision for impairment losses  | (21,346)         | (193,763)        | (4,095,973)       | (1,715,008)  | (6,026,090)                         | (97,875)          | (51,325)         | (2,909,685)      | (712,839)  | (3,771,724)       | (119,221)         | (245,088)        | (7,005,658)       | (2,427,847)  | (9,797,814)       |
| <b>Balance of loans 31.12.2018</b>                                       | <b>6,036,118</b> | <b>3,842,976</b> | <b>6,211,037</b>  | <b>3,536,988</b>                                     | <b>19,627,119</b>                   | <b>11,503,361</b> | <b>981,143</b>   | <b>2,580,216</b> | <b>462,240</b>                                       | <b>15,526,960</b> | <b>17,539,479</b> | <b>4,824,119</b> | <b>8,791,253</b>  | <b>3,999,228</b>                                     | <b>35,154,079</b> |

"Repayments, foreign exchange and other movements" for the current year include an amount of € 12,735 (31.12.2018: € 87,128) relating to loans for which the Bank, in the context of renegotiation of their terms, participated in debt to equity agreements.

**Reconciliation of provision for impairment losses of loans by IFRS 9 stage**

The following tables include the movement for the years 2019 and 2018 in the provision for impairment losses of loans measured at amortized cost:

| 31.12.2019  |                 |                |                  |  |                                     |                |                |                  |  |                  |                 |                |                  |  |                  |  |
|---|-----------------|----------------|------------------|--|-------------------------------------|----------------|----------------|------------------|--|------------------|-----------------|----------------|------------------|--|------------------|--|
| Provision for impairment losses   |                 |                |                  |  |                                     |                |                |                  |  |                  |                 |                |                  |  |                  |  |
|   | Retail lending  |                |                  |  | Corporate lending and public sector |                |                |                  | Total  |                  |                 |                |                  |  |                  |  |
|   | Stage 1         | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total                               | Stage 1        | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1         | Stage 2        | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            |  |
| <b>Changes for the year 1.1 - 31.12.2019</b>                                  |                 |                |                  |  |                                     |                |                |                  |  |                  |                 |                |                  |  |                  |  |
| <b>Balance 1.1.2019</b>   | <b>21,346</b>   | <b>193,763</b> | <b>4,095,973</b> | <b>1,715,008</b>                                     | <b>6,026,090</b>                    | <b>97,875</b>  | <b>51,325</b>  | <b>2,909,685</b> | <b>712,839</b>                                       | <b>3,771,724</b> | <b>119,221</b>  | <b>245,088</b> | <b>7,005,658</b> | <b>2,427,847</b>                                     | <b>9,797,814</b> |  |
| Transfers to stage 1 from stage 2 or 3  | 56,949          | (50,735)       | (6,214)          |  | -                                   | 20,668         | (18,988)       | (1,680)          |  | -                | 77,617          | (69,723)       | (7,894)          |  | -                |  |
| Transfers to stage 2 from stage 1 or 3  | (10,236)        | 177,692        | (167,456)        |  | -                                   | (7,105)        | 1,471,717      | (7,612)          |  | -                | (17,341)        | 192,409        | (175,068)        |  | -                |  |
| Transfers to stage 3 from stage 1 or 2  | (447)           | (82,084)       | 82,531           |  | -                                   | (5,664)        | (11,570)       | 17,234           |  | -                | (6,111)         | (93,654)       | 99,765           |  | -                |  |
| Net remeasurement of loss allowance (a)                                       | (46,830)        | 1,432          | 85,146           | (3,040)  | 49,708                              | (12,607)       | 2,018          | 81,804           | (1,154)  | 70,061           | (59,437)        | 16,450         | 166,950          | (4,194)  | 119,769          |  |
| Impairment losses on new loans (b)  | 1,511           |                | -                | (2,273)  | (762)                               | 18,531         |                | (3,301)          |  | 15,230           | 20,042          |                | (5,574)          |  | 14,468           |  |
| Changes in risk parameters (c)  | 7,932           | 60,534         | 101,286          | 1,40,927   | 310,679                             | 17,265         | (7,847)        | 192,959          | 20,882   | 223,259          | 25,197          | 52,687         | 294,245          | 161,809  | 533,938          |  |
| <b>Impairment losses on loans (a)+(b)+(c)</b>                                 | <b>(37,387)</b> | <b>74,966</b>  | <b>186,432</b>   | <b>135,614</b>                                       | <b>359,625</b>                      | <b>23,189</b>  | <b>(5,829)</b> | <b>274,763</b>   | <b>16,427</b>  | <b>308,550</b>   | <b>(14,198)</b> | <b>69,137</b>  | <b>461,195</b>   | <b>152,041</b>                                       | <b>668,175</b>   |  |
| Derecognition of loans  | (7)             | (96)           | (1,844)          | (1,28)   | (2,075)                             | (327)          | (18)           | (1,24,985)       | (9,360)  | (134,690)        | (334)           | (1,14)         | (126,829)        | (9,488)  | (136,765)        |  |
| Write-offs  | (1,329)         | (27,185)       | (658,528)        | (299,329)  | (986,371)                           |                |                | (320,850)        | (97,969)   | (418,819)        | (1,329)         | (27,185)       | (979,378)        | (397,298)  | (1,405,190)      |  |
| Foreign exchange and other movements  | (9)             | (161)          | (950)            | 3,626  | 2,506                               | 24             | 187            | (6,800)          | 3,697  | (2,892)          | 15              | 26             | (7,750)          | 7,323  | (386)            |  |
| Change in the present value of impairment losses                              |                 |                | (70,311)         | (37,340)   | (107,651)                           |                |                | 21,415           | 8,345  | 29,760           |                 |                | (48,896)         | (28,995)   | (77,891)         |  |
| Reclassification of provision for impairment losses to 'Assets held for sale' | (2,287)         | (197)          | (39,732)         | (2,589)  | (44,805)                            |                |                | (956,884)        | (199,576)  | (1,156,460)      | (2,287)         | (197)          | (996,616)        | (202,165)  | (1,201,265)      |  |
| <b>Balance 31.12.2019</b>   | <b>26,593</b>   | <b>285,963</b> | <b>3,419,901</b> | <b>1,514,862</b>                                     | <b>5,247,319</b>                    | <b>128,660</b> | <b>29,824</b>  | <b>1,804,286</b> | <b>434,403</b>                                       | <b>2,397,173</b> | <b>155,253</b>  | <b>315,787</b> | <b>5,224,187</b> | <b>1,949,265</b>                                     | <b>7,644,492</b> |  |



In the above table depicting the movement in the provision for impairment losses for 2019, in the caption "Impairment losses on loans" the amount of € 77,427 which is related to impairment losses of loans classified at assets held for sale in the previous periods, is not included.

During 2019, the expected credit losses have been affected by the following movements:

- Transfer to Stage 1 from Stage 2 and Stage 3 of loans amount to € 2,040,030 due to improvement of the creditworthiness compared to their initial recognition and the improvement of macroeconomic indicators for the loans remaining in Stage 1.
- Impairment losses of loans classified in Stage 3 were affected by:
  - incorporation in the calculation of expected credit losses of sale transactions based on the Business Plan and,
  - further deterioration of loans portfolio remaining in Stage 3
- Last, loans amounting to € 1,405,190 were written off in 2019, resulting in a commensurate reduction in Expected Credit Losses. It is noted that loans that have been written off in 2019 but still subject to enforcement activities amounted to € 1,387,708.



| 31.12.2018  |                 |                  |                  |  |                                     |                  |                 |                  |  |                  |                  |                  |                  |  |                  |  |
|---|-----------------|------------------|------------------|--|-------------------------------------|------------------|-----------------|------------------|--|------------------|------------------|------------------|------------------|--|------------------|--|
| Provision for impairment losses   |                 |                  |                  |  |                                     |                  |                 |                  |  |                  |                  |                  |                  |  |                  |  |
|   | Retail lending  |                  |                  |  | Corporate lending and public sector |                  |                 |                  | Total  |                  |                  |                  |                  |  |                  |  |
|   | Stage 1         | Stage 2          | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total                               | Stage 1          | Stage 2         | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            | Stage 1          | Stage 2          | Stage 3          | Purchased or originated credit impaired loans (POCI) | Total            |  |
| <b>Changes for the year 1.1 - 31.12.2018</b>                                  |                 |                  |                  |  |                                     |                  |                 |                  |  |                  |                  |                  |                  |  |                  |  |
| <b>Balance 1.1.2018</b>   | 19,736          | 362,969          | 4,513,060        | 2,293,716  | 7,189,481                           | 201,593          | 175,935         | 3,282,704        | 992,988  | 4,653,220        | 221,329          | 538,904          | 7,795,764        | 3,286,704  | 11,842,701       |  |
| Transfers to stage 1 from stage 2 or 3  | 110,834         | (105,013)        | (5,821)          |  | -                                   | 141,202          | (115,136)       | (26,066)         |  | -                | 252,036          | (220,149)        | (31,887)         |  | -                |  |
| Transfers to stage 2 from stage 1 or 3  | (8,670)         | 215,214          | (206,544)        |  | -                                   | (150,111)        | 55,805          | (40,794)         |  | -                | (23,681)         | 271,019          | (247,338)        |  | -                |  |
| Transfers to stage 3 from stage 1 or 2  | (420)           | (161,028)        | 161,448          |  | -                                   | (8,688)          | (20,122)        | 28,810           |  | -                | (9,108)          | (181,150)        | 190,258          |  | -                |  |
| Net remeasurement of loss allowance (a)                                       | (73,241)        | 1,117,8          | 33,316           | (16,638)   | (45,385)                            | (54,081)         | (2,479)         | 101,547          | (1,557)  | 43,430           | (127,322)        | 8,699            | 1,348,663        | (18,195)   | (1,955)          |  |
| Impairment losses on new loans (b)  | 1,541           |                  |                  | 393  | 1,934                               | 23,897           |                 |                  |  | 23,897           | 25,438           |                  |                  | 393  | 25,831           |  |
| Changes in risk parameters (c)  | (27,302)        | (118,647)        | 896,598          | 273,511  | 1,024,160                           | (82,817)         | (40,512)        | 508,541          | 11,295   | 396,507          | (110,119)        | (159,159)        | 1,405,139        | 284,806  | 1,420,667        |  |
| <b>Impairment losses on loans (a) + (b) + (c)</b>                             | <b>(99,002)</b> | <b>(107,469)</b> | <b>929,914</b>   | <b>257,266</b>                                       | <b>980,709</b>                      | <b>(113,001)</b> | <b>(42,991)</b> | <b>610,088</b>   | <b>9,738</b>   | <b>463,834</b>   | <b>(212,003)</b> | <b>(150,460)</b> | <b>1,540,002</b> | <b>267,004</b>                                       | <b>1,444,543</b> |  |
| Derecognition of loans  | (2)             | (87)             | (765)            | (84)   | (938)                               | (538)            | (3,113)         | (12,642)         | (28,319)   | (44,612)         | (540)            | (3,200)          | (13,407)         | (28,403)   | (45,550)         |  |
| Write-offs  | (1,246)         | (10,149)         | (621,839)        | (250,087)  | (883,321)                           |                  |                 | (389,034)        | (143,370)  | (532,404)        | (1,246)          | (10,149)         | (1,010,873)      | (393,457)  | (1,415,725)      |  |
| Foreign exchange and other movements  | 132             | (25)             | 1,907            | 2,306  | 4,320                               | (107,532)        | 947             | (59,343)         | 760  | (165,168)        | (107,400)        | 922              | (57,436)         | 3,066  | (160,848)        |  |
| Change in the present value of impairment losses                              |                 |                  | (69,024)         | (184,383)  | (253,407)                           |                  |                 | 47,084           | 11,461   | 58,545           |                  |                  | (21,940)         | (172,922)  | (194,862)        |  |
| Reclassification of provision for impairment losses to "Assets held for sale" | (16)            | (649)            | (606,363)        | (403,726)  | (1,010,754)                         | (150)            |                 | (531,122)        | (130,419)  | (661,691)        | (166)            | (649)            | (1,137,485)      | (534,145)  | (1,672,445)      |  |
| <b>Balance 31.12.2018</b>   | <b>21,346</b>   | <b>195,763</b>   | <b>4,095,973</b> | <b>1,715,008</b>                                     | <b>6,026,090</b>                    | <b>97,875</b>    | <b>51,325</b>   | <b>2,909,685</b> | <b>712,839</b>                                       | <b>3,771,724</b> | <b>119,221</b>   | <b>245,088</b>   | <b>7,005,658</b> | <b>2,427,847</b>                                     | <b>9,797,814</b> |  |

"Foreign exchange and other movements" for the year 2019, include an amount of € 12,166 (31.12.2018: € 62,956) relating to the impairment of loans for which the Bank, in the context of renegotiation of their terms, participated in debt to equity agreements.





In 2018, the expected credit risk losses have been affected by the following movements:

- Loans to large companies, SME's, and public sector amounting to € 2,592,370 were transferred from stage 2 or 3 to stage 1 due to the improvement of their creditworthiness compared to their initial recognition.
- Impairment losses of loans classified in Stage 3 were affected by:
  - incorporation in the calculation of Expected Credit Losses of sale transactions based on Business Plan and,
  - further deterioration of loans portfolios remaining in stage 3
- Last, loans amounting to € 1,415,726 were written off in 2018, resulting in a commensurate reduction in Expected Credit Losses. It is noted that, loans that have been written off in 2018 but still subject to enforcement activities amounted to € 1,339,012.

### Reconciliation of letters of guarantee, letters of credit and undrawn loan commitments by IFRS 9 Stage

The movement for the years 2019 and 2018 of letters of guarantee, letters of credit and undrawn loan commitments is shown below:

| 31.12.2019   |                  |                |                |  |                  |
|--|------------------|----------------|----------------|--|------------------|
|  | Stage 1          | Stage2         | Stage 3        | Purchased or originated credit impaired (POCI) | Total            |
| <b>Balance 1.1.2019</b>  | <b>6,312,787</b> | <b>245,905</b> | <b>324,843</b> | <b>832</b>                                     | <b>6,884,367</b> |
| Transfer to Stage 1 from Stage 2 or 3                                  | 253,972          | (245,963)      | (8,009)        |  | -                |
| Transfer to Stage 2 from Stage 1 or 3                                  | (111,383)        | 120,362        | (8,979)        |  | -                |
| Transfer to Stage 3 from Stage 1 or 2                                  | (23,739)         | (8,021)        | 31,760         |  | -                |
| New letter of guarantees, letter of credit or undrawn loan commitments | 287,570          |                |                |  | 287,570          |
| Foreign exchange, repayments and other movements                       | 187,474          | (29,792)       | (4,438)        | (174)  | 153,070          |
| <b>Balance 31.12.2019</b>  | <b>6,906,681</b> | <b>82,491</b>  | <b>335,177</b> | <b>658</b>                                     | <b>7,325,007</b> |
| Provision for impairment losses  | (22,004)         | (721)          | (83,455)       | (1)  | (106,181)        |
| <b>Balance 31.12.2019</b>  | <b>6,884,677</b> | <b>81,770</b>  | <b>251,722</b> | <b>657</b>                                     | <b>7,218,826</b> |

| 31.12.2018   |                  |                |                |  |                  |
|--|------------------|----------------|----------------|--|------------------|
|  | Stage 1          | Stage2         | Stage 3        | Purchased or originated credit impaired (POCI) | Total            |
| <b>Balance 1.1.2018</b>  | <b>5,904,241</b> | <b>536,172</b> | <b>387,726</b> | <b>1,109</b>                                   | <b>6,829,248</b> |
| Transfer to Stage 1 from Stage 2 or 3                                  | 767,272          | (747,966)      | (19,306)       |  | -                |
| Transfer to Stage 2 from Stage 1 or 3                                  | (567,831)        | 573,768        | (5,937)        |  | -                |
| Transfer to Stage 3 from Stage 1 or 2                                  | (8,376)          | (21,957)       | 30,333         |  | -                |
| New letter of guarantees, letter of credit or undrawn loan commitments | 253,612          |                |                |  | 253,612          |
| Foreign exchange, repayments and other movements                       | (36,131)         | (94,112)       | (67,973)       | (277)  | (198,493)        |
| <b>Balance 31.12.2018</b>  | <b>6,312,787</b> | <b>245,905</b> | <b>324,843</b> | <b>832</b>                                     | <b>6,884,367</b> |
| Provision for impairment losses  | (25,269)         | (2,839)        | (76,597)       | (1)  | (104,706)        |
| <b>Balance 31.12.2018</b>  | <b>6,287,518</b> | <b>243,066</b> | <b>248,246</b> | <b>831</b>                                     | <b>6,779,661</b> |



## Reconciliation of provision for impairment losses of letters of guarantee, letters of credit and undrawn loan commitments by IFRS 9 Stage

The Bank has recognized expected credit losses for the undrawn loan commitments and letters of credit and letters of guarantee, the reconciliation of which is presented in the following tables for the years 2019 and 2018:

| 31.12.2019                                   |                |              |               |  |                |
|--|----------------|--------------|---------------|--|----------------|
|  | Stage 1        | Stage2       | Stage 3       | Purchased or originated credit impaired (POCI) | Total          |
| <b>Changes for the year 1.1 - 31.12.2019</b> |                |              |               |  |                |
| <b>Balance 1.1.2019</b>                      | <b>25,269</b>  | <b>2,839</b> | <b>76,597</b> | <b>1</b>                                       | <b>104,706</b> |
| Transfer to Stage 1 from Stage 2 or 3        | 2,774          | (2,292)      | (482)         |  | -              |
| Transfer to Stage 2 from Stage 1 or 3        | (479)          | 529          | (50)          |  | -              |
| Transfer to Stage 3 from Stage 1 or 2        | (296)          | (331)        | 627           |  | -              |
| Net remeasurement of loss allowance (a)      | (2,046)        | 591          | 9,027         |  | 7,572          |
| Impairment losses on new exposures (b)       | 196            |              |               |  | 196            |
| Changes in risk parameters (c)               | (3,422)        | (615)        | 2,733         |  | (1,304)        |
| <b>Impairment losses (a + b + c)</b>         | <b>(5,272)</b> | <b>(24)</b>  | <b>11,760</b> | <b>-</b>                                       | <b>6,464</b>   |
| Foreign exchange and other movements         | 8              |              | (4,997)       | -  | (4,989)        |
| <b>Balance 31.12.2019</b>                    | <b>22,004</b>  | <b>721</b>   | <b>83,455</b> | <b>1</b>                                       | <b>106,181</b> |

| 31.12.2018                                   |               |              |                 |  |                 |
|--|---------------|--------------|-----------------|--|-----------------|
|  | Stage 1       | Stage2       | Stage 3         | Purchased or originated credit impaired (POCI) | Total           |
| <b>Changes for the year 1.1 - 31.12.2018</b> |               |              |                 |  |                 |
| <b>Balance 1.1.2018</b>                      | <b>17,993</b> | <b>4,583</b> | <b>102,846</b>  | <b>1</b>                                       | <b>125,423</b>  |
| Transfer to Stage 1 from Stage 2 or 3        | 6,371         | (4,662)      | (1,709)         | 1  | 1               |
| Transfer to Stage 2 from Stage 1 or 3        | (663)         | 987          | (324)           |  | -               |
| Transfer to Stage 3 from Stage 1 or 2        | (216)         | (579)        | 795             |  | -               |
| Net remeasurement of loss allowance (a)      | (2,508)       | 2,567        | 7,816           | 3  | 7,878           |
| Impairment losses on new exposures (b)       | 471           |              |                 |  | 471             |
| Changes in risk parameters (c)               | 3,817         | (59)         | (32,905)        | (3)  | (29,150)        |
| <b>Impairment losses (a + b + c)</b>         | <b>1,780</b>  | <b>2,508</b> | <b>(25,089)</b> | <b>-</b>                                       | <b>(20,801)</b> |
| Foreign exchange and other movements         | 4             | 2            | 78              | (1)  | 83              |
| <b>Balance 31.12.2018</b>                    | <b>25,269</b> | <b>2,839</b> | <b>76,597</b>   | <b>1</b>                                       | <b>104,706</b>  |

## Advances to customers

Advances to customers derive mainly from the Bank's commercial activity other than lending, including mainly receivables from letters of guarantee, receivables from credit cards and other receivables from banking activities. The calculation of expected credit losses for the receivables that are exposed to credit risk, is being performed using the simplified approach, taking into account their lifetime (without being allocated into stages) as provided by IFRS 9.

The expected credit loss rate applied by the Bank was determined based on the assessment of expected credit losses taking into account the time that the aforementioned receivables, which are mainly short-term, remain due.

Advances to customers as of 31.12.2019 amounted to € 254,321 (31.12.2018: € 180,103), while provision for impairment losses amounted to € € 32,349 (31.12.2018: € 23,542).



The following table presents the reconciliation of advances to customers for the years 2019 and 2018:

|  |                |
|--|----------------|
| <b>Balance 1.1.2019</b>                            | <b>180,103</b> |
| Repayments, foreign exchange and other movements   | 74,218         |
| <b>Balance 31.12.2019</b>                          | <b>254,321</b> |
| Provision for impairment losses                    | (32,349)       |
| <b>Balance of advances to customers 31.12.2019</b> | <b>221,972</b> |

|  |                |
|--|----------------|
| <b>Balance 1.1.2018</b>                            | <b>201,275</b> |
| Repayments, foreign exchange and other movements   | (21,172)       |
| <b>Balance 31.12.2018</b>                          | <b>180,103</b> |
| Provision for impairment losses                    | (23,542)       |
| <b>Balance of advances to customers 31.12.2018</b> | <b>156,561</b> |

The reconciliation of the provision for impairment losses for the years 2019 and 2018 is shown below:

|  |               |
|--|---------------|
| <b>Balance 1.1.2019</b>                          | <b>23,542</b> |
| Impairment losses on advances to customers       | 7,322         |
| Foreign exchange, write-offs and other movements | 1,485         |
| <b>Balance 31.12.2019</b>                        | <b>32,349</b> |

|  |               |
|--|---------------|
| <b>Balance 1.1.2018</b>                          | <b>21,885</b> |
| Impairment losses on advances to customers       | 14,535        |
| Foreign exchange, write-offs and other movements | (12,878)      |
| <b>Balance 31.12.2018</b>                        | <b>23,542</b> |

**PLEGDED COLLATERALS**

Collaterals are received in order to mitigate credit risk that may arise from the obligor's inability to fulfill his contractual obligations.

Collaterals include all kind of assets and rights which are made available to the Bank either by their debtors or by third parties, in order to be used as complementary liquidity sources of relative loans.

The breakdown of collaterals and guarantees received to reduce the credit risk exposure is shown below:

**Breakdown of collaterals and guarantees**

| 31.12.2019           |  |                      |                  |                           |                     |                                  |                      |                  |                           |                     |
|----------------------|--|----------------------|------------------|---------------------------|---------------------|----------------------------------|----------------------|------------------|---------------------------|---------------------|
| Value of collaterals |  |                      |                  |                           |                     |                                  |                      |                  |                           |                     |
|                      | Loans measured at fair value through profit or loss (FVPL) |                      |                  |                           |                     | Loans measured at amortised cost |                      |                  |                           |                     |
|                      | Real estate collateral                                     | Financial collateral | Other collateral | Total value of collateral | Value of Guarantees | Real estate collateral           | Financial collateral | Other collateral | Total value of collateral | Value of Guarantees |
| Retail lending       |  |                      | 451              | 451                       |                     | 14,243,016                       | 179,996              | 712,546          | 15,135,558                | 3,845,424           |
| Corporate lending    | 65,173   | 796                  | 199,654          | 265,623                   | 13,769              | 4,216,147                        | 1,171,775            | 4,375,553        | 9,763,475                 | 3,235,190           |
| Public sector        |  |                      |                  |                           |                     | 467                              | 81                   | 46,708           | 47,256                    | 445                 |
| <b>Total</b>         | <b>65,173</b>  | <b>796</b>           | <b>200,105</b>   | <b>266,074</b>            | <b>13,769</b>       | <b>18,459,630</b>                | <b>1,351,852</b>     | <b>5,134,807</b> | <b>24,946,289</b>         | <b>7,081,059</b>    |

| 31.12.2018           |  |                      |                  |                           |                     |                                  |                      |                  |                           |                     |
|----------------------|--|----------------------|------------------|---------------------------|---------------------|----------------------------------|----------------------|------------------|---------------------------|---------------------|
| Value of collaterals |  |                      |                  |                           |                     |                                  |                      |                  |                           |                     |
|                      | Loans measured at fair value through profit or loss (FVPL) |                      |                  |                           |                     | Loans measured at amortised cost |                      |                  |                           |                     |
|                      | Real estate collateral                                     | Financial collateral | Other collateral | Total value of collateral | Value of Guarantees | Real estate collateral           | Financial collateral | Other collateral | Total value of collateral | Value of Guarantees |
| Retail lending       |  |                      | 1,152            | 1,152                     |                     | 14,826,177                       | 151,241              | 680,144          | 15,657,562                | 4,456,196           |
| Corporate lending    | 89,282   | 870                  | 177,748          | 267,900                   | 17,918              | 4,984,827                        | 1,450,110            | 3,914,632        | 10,349,569                | 4,000,635           |
| Public sector        |  |                      |                  |                           |                     | 522                              |                      | 68,615           | 69,137                    | 104                 |
| <b>Total</b>         | <b>89,282</b>  | <b>870</b>           | <b>178,900</b>   | <b>269,052</b>            | <b>17,918</b>       | <b>19,811,526</b>                | <b>1,601,351</b>     | <b>4,663,391</b> | <b>26,076,268</b>         | <b>8,456,935</b>    |

There are no cases of transfer or reassignment of collateral receive from borrowers, for which a return obligation has been recognized.



### Loan-to-value ratio (LTV) of mortgage lending

The loan-to-value ratio of loans reflects the relationship between the loan and the value of the property held as collateral. The table below presents the mortgage loan portfolio, by LTV ratio.

|                        | Loans measured at amortised cost |                   |
|------------------------|----------------------------------|-------------------|
|                        | 31.12.2019                       | 31.12.2018        |
| < 50%                  | 1,154,749                        | 1,058,034         |
| 50% - 70%              | 1,504,738                        | 1,451,704         |
| 71% - 80%              | 959,389                          | 923,010           |
| 81% - 90%              | 966,143                          | 956,781           |
| 91% - 100%             | 3,016,465                        | 3,145,144         |
| 101% - 120%            | 1,742,409                        | 1,850,255         |
| 121% - 150%            | 1,725,593                        | 1,819,606         |
| > 150%                 | 3,270,188                        | 4,078,359         |
| <b>Total exposure</b>  | <b>14,339,674</b>                | <b>15,282,893</b> |
| Simple average LTV (%) | 75%                              | 78%               |



## REPOSSESSED ASSETS

### Policy of disposal of repossessed assets

Within 2018 the Group created a uniform management strategy for repossessed assets by setting up two new Committees and assigning to a Group Company the management of all the repossessed properties of the Bank and its Subsidiaries. When the Bank acquires the legal title of properties in the context of the management of non-performing exposures (NPEs), the respective company is in charge of monitoring the repossession procedures (asset on - boarding), determining the best property management strategy and assigning to the appropriate channels, within or outside the Group, the management of the properties.

Depending on the defined strategy, the property is classified for accounting purposes, in the appropriate category. The classification process is repeated periodically so that the classification of each property is updated based on its current status. Finally, there is continuous supervision and co-ordination of collaborating asset management channels on the implementation of the defined strategies as well as of the asset commercialization in accordance with the Group's policy and monitoring of their performance through appropriate Key Performance Indicators (KPIs).

### Repossessed assets

|                        | 31.12.2019                                  |                   |   |                   |   |                           |                              |
|------------------------|---|-------------------|---|-------------------|---|---------------------------|------------------------------|
|                        | Balance                                     |                   |   |                   |   | Disposals during the year |                              |
|                        | Value of collaterals repossessed 31.12.2019 | Of which in: 2019 | Accumulated impairment allowance 31.12.2019 | Of which in: 2019 | Net carrying amount of collaterals repossessed 31.12.2019 | Net disposal value        | Net gain/ (loss) on disposal |
| Real estate collateral | 297,625                                     | 66,893            | 44,250                                      | 242               | 253,375   | 29,521                    | 1,082                        |
| Other collaterals      | 4,774                                       | 568               |   |                   | 4,774   | 3,245                     | 10                           |

|                        | 31.12.2018                                  |                   |   |                   |   |                           |                              |
|------------------------|---|-------------------|---|-------------------|---|---------------------------|------------------------------|
|                        | Balance                                     |                   |   |                   |   | Disposals during the year |                              |
|                        | Value of collaterals repossessed 31.12.2018 | Of which in: 2018 | Accumulated impairment allowance 31.12.2018 | Of which in: 2018 | Net carrying amount of collaterals repossessed 31.12.2018 | Net disposal value        | Net gain/ (loss) on disposal |
| Real estate collateral | 265,791                                     | 22,570            | 48,511                                      | 18,942            | 217,280   | 13,692                    | 585                          |
| Other collaterals      | 4,947                                       | 4,910             | -   | -                 | 4,947   | 1,644                     | 185                          |

The net carrying amount of the repossessed collaterals as of 31.12.2019 includes an amount of € 3.125 (31.12.2018: € 14.157) that relates to properties classified as "Assets held for sale" of Bank.



## Loans and Expected Credit Losses by IFRS 9 Stage industry and geographical region

|  |                | Greece                           |                  |                   |  |  |                        |                     | Other countries                  |         |         |  |  |                        |                     |
|--|----------------|----------------------------------|------------------|-------------------|--|--|------------------------|---------------------|----------------------------------|---------|---------|--|--|------------------------|---------------------|
|  |                | Loans measured at amortized cost |                  |                   |  |  |                        |                     | Loans measured at amortized cost |         |         |  |  |                        |                     |
| Loans measured at fair value through profit or loss (FVPL) |                | Stage 1                          | Stage 2          | Stage 3           | Purchased or originated credit impaired (POCI) | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount | Stage 1                          | Stage 2 | Stage 3 | Purchased or originated credit impaired (POCI) | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |
| Net amount   |                |                                  |                  |                   |  |  |                        |                     |                                  |         |         |  |  |                        |                     |
| <b>Retail lending</b>                                      | <b>451</b>     | <b>5,867,829</b>                 | <b>3,736,817</b> | <b>9,522,978</b>  | <b>4,910,412</b>                               | <b>24,038,036</b>  | <b>5,229,706</b>       | <b>18,808,330</b>   |                                  |         |         |  |  |                        |                     |
| Mortgages  | -              | 4,009,290                        | 2,548,812        | 4,858,119         | 2,806,468                                      | 14,222,689   | 1,947,060              | 12,275,629          |                                  |         |         |  |  |                        |                     |
| Consumer   | 451            | 509,118                          | 381,228          | 1,688,336         | 1,179,630                                      | 3,758,312  | 1,486,296              | 2,272,016           |                                  |         |         |  |  |                        |                     |
| Credit cards   | -              | 894,221                          | 113,526          | 229,281           | 46,585   | 1,283,613  | 193,850                | 1,089,763           |                                  |         |         |  |  |                        |                     |
| Small Business   | -              | 455,200                          | 693,251          | 2,747,242         | 877,729  | 4,773,422  | 1,602,500              | 3,170,922           |                                  |         |         |  |  |                        |                     |
| <b>Corporate lending</b>                                   | <b>122,238</b> | <b>9,195,484</b>                 | <b>554,306</b>   | <b>3,798,721</b>  | <b>759,704</b>                                 | <b>14,308,215</b>  | <b>2,259,881</b>       | <b>12,048,334</b>   |                                  |         |         |  |  |                        |                     |
| Financial institutions                                     | -              | 638,700                          | 4,089            | 4,196             | 4,796  | 651,781  | 7,835                  | 643,946             |                                  |         |         |  |  |                        |                     |
| Manufacturing  | 15,961         | 3,264,037                        | 78,154           | 1,118,016         | 232,790  | 4,692,997  | 695,955                | 3,997,042           |                                  |         |         |  |  |                        |                     |
| Construction and real estate                               | 52,125         | 1,379,470                        | 184,910          | 612,119           | 91,983   | 2,268,482  | 383,099                | 1,885,383           |                                  |         |         |  |  |                        |                     |
| Wholesale and retail trade                                 | 5,123          | 1,628,030                        | 46,450           | 1,427,298         | 195,600  | 3,297,378  | 845,424                | 2,451,954           |                                  |         |         |  |  |                        |                     |
| Transportation   | -              | 270,615                          | 4,486            | 58,396            | 26,026   | 359,523  | 35,841                 | 323,682             |                                  |         |         |  |  |                        |                     |
| Shipping   | 48,442         | 26,249                           | 15,713           | 11,049            | 25,075   | 78,086   | 3,484                  | 74,602              |                                  |         |         |  |  |                        |                     |
| Hotels - Tourism   | -              | 1,189,517                        | 114,470          | 313,957           | 30,774   | 1,648,718  | 107,096                | 1,541,622           |                                  |         |         |  |  |                        |                     |
| Services and other sectors                                 | 587            | 798,866                          | 106,034          | 253,690           | 152,660  | 1,311,250  | 181,147                | 1,130,103           |                                  |         |         |  |  |                        |                     |
| <b>Public sector</b>                                       | <b>-</b>       | <b>53,839</b>                    | <b>14</b>        | <b>1,799</b>      | <b>3,088</b>                                   | <b>58,740</b>  | <b>858</b>             | <b>57,882</b>       |                                  |         |         |  |  |                        |                     |
| <b>Total</b>   | <b>122,689</b> | <b>15,117,152</b>                | <b>4,291,137</b> | <b>13,323,498</b> | <b>5,673,204</b>                               | <b>38,404,991</b>  | <b>7,490,445</b>       | <b>30,914,546</b>   |                                  |         |         |  |  |                        |                     |
| <b>31.12.2019</b>  |                |                                  |                  |                   |  |  |                        |                     |                                  |         |         |  |  |                        |                     |
|  |                | Greece                           |                  |                   |  |  |                        |                     | Other countries                  |         |         |  |  |                        |                     |
| Loans measured at fair value through profit or loss (FVPL) |                | Loans measured at amortized cost |                  |                   |  |  |                        |                     | Loans measured at amortized cost |         |         |  |  |                        |                     |
| Net amount   |                | Stage 1                          | Stage 2          | Stage 3           | Purchased or originated credit impaired (POCI) | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount | Stage 1                          | Stage 2 | Stage 3 | Purchased or originated credit impaired (POCI) | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |
| <b>Retail lending</b>                                      | <b>-</b>       | <b>51,816</b>                    | <b>24,287</b>    | <b>34,781</b>     | <b>25,825</b>                                  | <b>136,709</b>   | <b>17,613</b>          | <b>119,096</b>      |                                  |         |         |  |  |                        |                     |
| Mortgages  | -              | 48,561                           | 20,765           | 31,946            | 15,713   | 116,985  | 11,521                 | 105,464             |                                  |         |         |  |  |                        |                     |
| Consumer   | -              | 694                              | 3,335            | 1,280             | 9,940  | 15,249   | 5,682                  | 9,567               |                                  |         |         |  |  |                        |                     |
| Credit cards   | -              | 2,419                            | 186              | 352               | 22   | 2,979  | 280                    | 2,699               |                                  |         |         |  |  |                        |                     |
| Small Business   | -              | 142                              | 1                | 1,203             | 150  | 1,496  | 130                    | 1,366               |                                  |         |         |  |  |                        |                     |
| <b>Corporate lending</b>                                   | <b>193,243</b> | <b>3,055,872</b>                 | <b>241,899</b>   | <b>60,456</b>     | <b>61,463</b>                                  | <b>3,419,690</b>   | <b>136,434</b>         | <b>3,283,256</b>    |                                  |         |         |  |  |                        |                     |
| Financial institutions                                     | -              | 1,419,356                        | 8,967            | 1,676             | -  | 1,429,999  | 60,186                 | 1,369,813           |                                  |         |         |  |  |                        |                     |
| Manufacturing  | 8,887          | 48,922                           | -                | 652               | 3  | 49,577   | 129                    | 49,448              |                                  |         |         |  |  |                        |                     |
| Construction and real estate                               | 27,655         | 50,099                           | 6,634            | 6,690             | 9,856  | 73,279   | 4,314                  | 68,965              |                                  |         |         |  |  |                        |                     |
| Wholesale and retail trade                                 | -              | 2,675                            | 3,229            | 20,061            | 2,119  | 28,084   | 10,510                 | 17,574              |                                  |         |         |  |  |                        |                     |
| Transportation   | 31,872         | 87,261                           | 84,526           | -                 | -  | 171,787  | 3,846                  | 167,941             |                                  |         |         |  |  |                        |                     |
| Shipping   | 124,829        | 1,427,011                        | 138,543          | 29,950            | 9,046  | 1,604,550  | 33,916                 | 1,570,634           |                                  |         |         |  |  |                        |                     |
| Hotels - Tourism   | -              | 1                                | -                | -                 | 24,296   | 24,297   | 11,850                 | 12,447              |                                  |         |         |  |  |                        |                     |
| Services and other sectors                                 | -              | 20,547                           | -                | 1,427             | 16,143   | 38,117   | 11,683                 | 26,434              |                                  |         |         |  |  |                        |                     |
| <b>Public sector</b>                                       | <b>-</b>       | <b>3,107,688</b>                 | <b>266,186</b>   | <b>95,237</b>     | <b>87,288</b>                                  | <b>3,556,399</b>   | <b>154,047</b>         | <b>3,402,352</b>    |                                  |         |         |  |  |                        |                     |
| <b>Total</b>   | <b>193,243</b> | <b>3,107,688</b>                 | <b>266,186</b>   | <b>95,237</b>     | <b>87,288</b>                                  | <b>3,556,399</b>   | <b>154,047</b>         | <b>3,402,352</b>    |                                  |         |         |  |  |                        |                     |



| 31.12.2018                       |                |                   |                  |                   |  |  |                        |                     |  |
|----------------------------------|----------------|-------------------|------------------|-------------------|--|--|------------------------|---------------------|--|
| Greece                           |                |                   |                  |                   |  |  |                        |                     |  |
| Loans measured at amortized cost |                |                   |                  |                   |  |  |                        |                     |  |
|                                  | Net amount     | Stage 1           | Stage 2          | Stage 3           | Purchased or originated credit impaired (POCI) | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |  |
| <b>Retail lending</b>            | <b>1,152</b>   | <b>6,006,714</b>  | <b>4,014,351</b> | <b>10,275,389</b> | <b>5,228,195</b>                               | <b>25,524,649</b>  | <b>6,006,350</b>       | <b>19,518,299</b>   |  |
| Mortgages                        | 4,088,236      | 2,978,209         | 5,129,223        | 1,735,691         | 2,975,758                                      | 15,171,426   | 2,310,449              | 12,860,977          |  |
| Consumer                         | 1,152          | 562,653           | 379,220          | 235,462           | 53,619   | 3,921,782  | 1,568,859              | 2,352,923           |  |
| Credit cards                     |                | 932,383           | 97,490           | 3,175,013         | 954,600  | 1,318,954  | 265,405                | 1,053,549           |  |
| Small Business                   |                | 423,442           | 559,432          | 5,299,840         | 1,095,367                                      | 15,897,827   | 1,861,637              | 3,250,850           |  |
| <b>Corporate lending</b>         | <b>145,418</b> | <b>8,851,656</b>  | <b>650,964</b>   | <b>5,299,840</b>  | <b>1,095,367</b>                               | <b>15,897,827</b>  | <b>3,617,827</b>       | <b>12,280,000</b>   |  |
| Financial institutions           | 51,443         | 920,128           | 10,674           | 3,895             | 4,705  | 939,402  | 10,602                 | 928,800             |  |
| Manufacturing                    | 162,32         | 3,178,760         | 43,701           | 1,533,992         | 349,173  | 5,105,626  | 1,082,960              | 4,022,666           |  |
| Construction and real estate     | 1,991          | 975,303           | 318,448          | 797,942           | 191,584  | 2,283,277  | 616,977                | 1,666,300           |  |
| Wholesale and retail trade       | 9,205          | 1,736,211         | 86,814           | 1,903,781         | 302,335  | 4,029,141  | 1,238,659              | 2,790,482           |  |
| Transportation                   |                | 187,852           | 3,847            | 106,899           | 2,580  | 301,178  | 55,926                 | 245,252             |  |
| Shipping                         | 56,115         | 36,306            | 15,133           | 14,606            | 26,601   | 92,646   | 3,871                  | 88,775              |  |
| Hotels – Tourism                 |                | 1,040,500         | 122,905          | 346,192           | 37,224   | 1,546,821  | 152,366                | 1,394,455           |  |
| Services and other sectors       | 10,432         | 776,596           | 49,442           | 592,533           | 181,165  | 1,599,736  | 456,466                | 1,143,270           |  |
| <b>Public sector</b>             | <b>146,570</b> | <b>14,923,478</b> | <b>4,665,343</b> | <b>15,577,060</b> | <b>6,326,974</b>                               | <b>41,492,855</b>  | <b>9,627,148</b>       | <b>31,865,707</b>   |  |
| <b>Total</b>                     |                |                   |                  |                   |  |  |                        |                     |  |

| 31.12.2018                       |                |                  |                |                |  |  |                        |                     |  |
|----------------------------------|----------------|------------------|----------------|----------------|--|--|------------------------|---------------------|--|
| Other countries                  |                |                  |                |                |  |  |                        |                     |  |
| Loans measured at amortized cost |                |                  |                |                |  |  |                        |                     |  |
|                                  | Net amount     | Stage 1          | Stage 2        | Stage 3        | Purchased or originated credit impaired (POCI) | Carrying amount (before provision for impairment losses) | Expected credit losses | Net carrying amount |  |
| <b>Retail lending</b>            | <b>-</b>       | <b>50,750</b>    | <b>22,388</b>  | <b>31,621</b>  | <b>23,801</b>                                  | <b>128,560</b>   | <b>19,740</b>          | <b>108,820</b>      |  |
| Mortgages                        |                | 44,405           | 21,292         | 30,028         | 15,741   | 111,466  | 14,567                 | 96,899              |  |
| Consumer                         |                | 4,090            | 246            | 473            | 7,322  | 12,131   | 3,986                  | 8,145               |  |
| Credit cards                     |                | 1,921            | 133            | 266            | 34   | 2,354  | 302                    | 2,052               |  |
| Small Business                   |                | 334              | 717            | 854            | 704  | 2,609  | 885                    | 1,724               |  |
| <b>Corporate lending</b>         | <b>190,987</b> | <b>2,684,472</b> | <b>381,476</b> | <b>188,230</b> | <b>76,300</b>                                  | <b>3,330,478</b>   | <b>150,926</b>         | <b>3,179,552</b>    |  |
| Financial institutions           | 10,362         | 1,392,548        | 5,879          | 7,347          | -  | 1,405,774  | 5,268                  | 1,400,506           |  |
| Manufacturing                    | 8,317          | 50,816           | -              | -              | 10,270   | 61,086   | 2,850                  | 58,236              |  |
| Construction and real estate     | 30,184         | 46,766           | -              | 44,732         | 14,631   | 106,129  | 34,248                 | 71,881              |  |
| Wholesale and retail trade       |                | 19,678           | 36,362         | 2,967          | 3,766  | 62,773   | 4,789                  | 57,984              |  |
| Transportation                   |                | 335,39           | 87,352         | -              | 71   | 135,496  | 4,017                  | 131,479             |  |
| Shipping                         |                | 1,066,034        | 217,292        | 108,797        | 8,709  | 1,400,832  | 56,322                 | 1,344,510           |  |
| Hotels – Tourism                 |                | 48,860           | -              | -              | 25,116   | 73,976   | 7,910                  | 66,066              |  |
| Services and other sectors       |                | 11,697           | 34,591         | 24,387         | 13,737   | 84,412   | 35,522                 | 48,890              |  |
| <b>Public sector</b>             | <b>-</b>       | <b>-</b>         | <b>-</b>       | <b>-</b>       | <b>-</b>                                       | <b>-</b>   | <b>-</b>               | <b>-</b>            |  |
| <b>Total</b>                     | <b>190,987</b> | <b>2,735,222</b> | <b>403,864</b> | <b>219,851</b> | <b>100,101</b>                                 | <b>3,459,038</b>   | <b>170,666</b>         | <b>3,288,372</b>    |  |



**Interest income from loans by loan category and IFRS 9 stage**

The following tables present the interest income from loans for the year 2019 and 2018 by IFRS 9 Stage.

For loans classified in Stages 1 and 2, interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan.

For loans classified in Stage 3, interest income is calculated by applying the effective interest rate on the amortized cost of the loan (i.e. gross carrying amount after provision for impairment losses), while for Purchased or Originated Credit Impaired loans (POCI) interest income is calculated by applying the adjusted effective interest rate to the amortized cost of the loan.

|                              | 31.12.2019                       |                |                |  |                       |  |
|------------------------------|----------------------------------|----------------|----------------|--|-----------------------|--|
|                              | Loans measured at amortized cost |                |                |  |                       | Loans measured at fair value through profit or loss (FVPL) |
|                              | Stage 1                          | Stage 2        | Stage 3        | Purchased or originated credit impaired loans (POCI) | Total interest income |  |
| Retail lending               | 239,559                          | 131,730        | 301,308        | 128,270  | 800,867               | 65   |
| Corporate lending            | 466,549                          | 41,863         | 109,317        | 16,483   | 634,212               | 13,959   |
| Public Sector                | 931                              | -              | 67             | 24   | 1,022                 | -  |
| <b>Total interest income</b> | <b>707,039</b>                   | <b>173,593</b> | <b>410,692</b> | <b>144,777</b>                                       | <b>1,436,101</b>      | <b>14,024</b>  |

|                              | 31.12.2018                       |                |                |  |                       |  |
|------------------------------|----------------------------------|----------------|----------------|--|-----------------------|--|
|                              | Loans measured at amortized cost |                |                |  |                       | Loans measured at fair value through profit or loss (FVPL) |
|                              | Stage 1                          | Stage 2        | Stage 3        | Purchased or originated credit impaired loans (POCI) | Total interest income |  |
| Retail lending               | 316,582                          | 240,118        | 347,972        | 142,167  | 1,046,839             | 76   |
| Corporate lending            | 395,071                          | 122,534        | 117,542        | 22,147   | 657,294               | 14,056   |
| Public Sector                | 2,293                            | 111            | 43             | -  | 2,447                 | -  |
| <b>Total interest income</b> | <b>713,946</b>                   | <b>362,764</b> | <b>465,558</b> | <b>164,314</b>                                       | <b>1,706,581</b>      | <b>14,132</b>  |

**FORBORNE LOANS**

The restructuring of loans is performed through renegotiation of the original contractual terms and include changes such as:

- Extension of the credit duration
- Write-off of a portion of debtor's amounts due
- Grace period for the principal and/or interests
- Decrease in interest rate

As a rule forbearance measures which are extended include a combination of the above amendments to the contractual terms.

In addition, in the context of renegotiations of the terms of loans granted, the Bank has participated in agreements for the exchange of debt securities or loans with debtors' shares. As at 31.12.2019, the Bank included in the portfolio measured at fair value through other comprehensive income shares with a fair value of € 4,730 (31.12.2018: € 30,149) which were acquired from similar transactions. The shares that had been classified as "Assets held for sale" in the previous years being SELONDA AQUACULTURE A.E.G.E., NIREUS AQUACULTURE S.A and UNISOFT S.A. were sold in 2019 while the shares of FORTHNET S.A. have been classified in "Assets held for sale" in the current year (note 44).

**Analysis of forborne loans by type of forbearance measure**

| <b>31.12.2019</b>                           |  |                                  |                   |
|---|--|----------------------------------|-------------------|
|   | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortized cost | Total             |
| Interest only payment                       |  | 122,104                          | 122,104           |
| Reduced payments scheme                     |  | 3,272,273                        | 3,272,273         |
| Grace period                                | 857  | 398,822                          | 399,679           |
| Loan term extension                         | 66,317   | 4,719,434                        | 4,785,751         |
| Arrears capitalization                      |  | 1,532,919                        | 1,532,919         |
| Partial write-off in borrower's obligations | 48,442   | 751,770                          | 800,212           |
| Debt for equity transactions                |  | 21,220                           | 21,220            |
| Other                                       | 7,739  | 516,858                          | 524,597           |
| <b>Total net amount</b>                     | <b>123,355</b>   | <b>11,335,400</b>                | <b>11,458,755</b> |

| <b>31.12.2018</b>                           |  |                                  |                   |
|---|--|----------------------------------|-------------------|
|   | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortized cost | Total             |
| Interest only payment                       |  | 191,944                          | 191,944           |
| Reduced payments scheme                     | 14   | 5,101,118                        | 5,101,132         |
| Grace period                                | 2,242  | 451,606                          | 453,848           |
| Loan term extension                         | 3,144  | 3,825,030                        | 3,828,174         |
| Arrears capitalization                      | 3,959  | 1,513,663                        | 1,517,622         |
| Partial write-off in borrower's obligations | 56,117   | 312,569                          | 368,686           |
| Debt for equity transactions                |  | 47,558                           | 47,558            |
| Other                                       | 11,202   | 518,823                          | 530,025           |
| <b>Total net amount</b>                     | <b>76,678</b>  | <b>11,962,311</b>                | <b>12,038,989</b> |



## Forborne loans by product line

| 31.12.2019               |  |                                  |                   |
|--------------------------|--|----------------------------------|-------------------|
|                          | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortized cost | Total             |
| <b>Retail lending</b>    | -  | <b>9,102,653</b>                 | <b>9,102,653</b>  |
| Mortgage                 |  | 5,963,824                        | 5,963,824         |
| Consumer                 |  | 1,419,065                        | 1,419,065         |
| Credit cards             |  | 118,415                          | 118,415           |
| Small business           |  | 1,601,349                        | 1,601,349         |
| <b>Corporate lending</b> | <b>123,355</b>   | <b>2,228,968</b>                 | <b>2,352,323</b>  |
| Large                    | 117,646  | 1,337,409                        | 1,455,055         |
| SME's                    | 5,709  | 891,559                          | 897,268           |
| <b>Public sector</b>     |  | <b>3,779</b>                     | <b>3,779</b>      |
| Greece                   |  | 3,779                            | 3,779             |
| <b>Total net amount</b>  | <b>123,355</b>   | <b>11,335,400</b>                | <b>11,458,755</b> |

| 31.12.2018               |  |                                  |                   |
|--------------------------|--|----------------------------------|-------------------|
|                          | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortized cost | Total             |
| <b>Retail lending</b>    | -  | <b>9,418,701</b>                 | <b>9,418,701</b>  |
| Mortgage                 |  | 6,409,511                        | 6,409,511         |
| Consumer                 |  | 1,423,907                        | 1,423,907         |
| Credit cards             |  | 51,582                           | 51,582            |
| Small business           |  | 1,533,701                        | 1,533,701         |
| <b>Corporate lending</b> | <b>76,678</b>  | <b>2,543,074</b>                 | <b>2,619,752</b>  |
| Large                    | 66,916   | 1,358,148                        | 1,425,064         |
| SME's                    | 9,762  | 1,184,926                        | 1,194,688         |
| <b>Public sector</b>     | -  | <b>536</b>                       | <b>536</b>        |
| Greece                   |  | 536                              | 536               |
| <b>Total net amount</b>  | <b>76,678</b>  | <b>11,962,311</b>                | <b>12,038,989</b> |

## Forborne loans by geographical region

| 31.12.2019              |  |                                  |                   |
|-------------------------|--|----------------------------------|-------------------|
|                         | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortized cost | Total             |
| Greece                  | 54,151   | 11,038,085                       | 11,092,236        |
| Other countries         | 69,204   | 297,315                          | 366,519           |
| <b>Total net amount</b> | <b>123,355</b>   | <b>11,335,400</b>                | <b>11,458,755</b> |

| 31.12.2018              |  |                                  |                   |
|-------------------------|--|----------------------------------|-------------------|
|                         | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortized cost | Total             |
| Greece                  | 67,123   | 11,498,023                       | 11,565,146        |
| Other countries         | 9,555  | 464,288                          | 473,843           |
| <b>Total net amount</b> | <b>76,678</b>  | <b>11,962,311</b>                | <b>12,038,989</b> |



## Forborne loans according to their credit quality

|  | 31.12.2019            |                                |                                  |
|--|-----------------------|--------------------------------|----------------------------------|
|  | Total amount of Loans | Total amount of Forborne Loans | Percentage of Forborne Loans (%) |
| <b>Loans measured at fair value through profit or loss (FVPL)</b>                        |                       |                                |                                  |
| Past due   | 149,695               | 107,971                        | 72                               |
| Non past due   | 166,237               | 15,384                         | 9                                |
| <b>Total net carrying amount</b>   | <b>315,932</b>        | <b>123,355</b>                 | <b>39</b>                        |
| Value of collateral  | 266,074               | 116,924                        | 44                               |
| <b>Loans measured at amortized cost</b>  |                       |                                |                                  |
| Stage 1  | 18,224,840            |                                |                                  |
| Stage 2  | 4,557,323             | 3,532,918                      | 78                               |
| Stage 3  | 13,418,735            | 8,280,667                      | 62                               |
| Purchased or originated credit impaired loans (POCI)                                     | 5,760,492             | 3,541,620                      | 61                               |
| <b>Carrying amount (before provision for impairment losses)</b>                          | <b>41,961,390</b>     | <b>15,355,205</b>              | <b>37</b>                        |
| Stage 1 - Provision for impairment losses  | (155,253)             |                                |                                  |
| Stage 2 - Provision for impairment losses  | (315,787)             | (231,978)                      | 73                               |
| Stage 3 - Provision for impairment losses  | (5,224,187)           | (2,780,388)                    | 53                               |
| Provision for impairment losses for Purchased or originated credit impaired loans (POCI) | (1,949,265)           | (1,007,439)                    | 52                               |
| <b>Total net carrying amount</b>   | <b>34,316,898</b>     | <b>11,335,400</b>              | <b>33</b>                        |
| Value of collateral  | 24,946,289            | 9,483,991                      | 38                               |

|  | 31.12.2018            |                                |                                  |
|--|-----------------------|--------------------------------|----------------------------------|
|  | Total amount of Loans | Total amount of Forborne Loans | Percentage of Forborne Loans (%) |
| <b>Loans measured at fair value through profit or loss (FVPL)</b>                        |                       |                                |                                  |
| Past due   | 17,257                | 1,246                          | 7                                |
| Non past due   | 320,300               | 75,432                         | 24                               |
| <b>Total net carrying amount</b>   | <b>337,557</b>        | <b>76,678</b>                  | <b>23</b>                        |
| Value of collateral  | 269,052               | 63,496                         | 24                               |
| <b>Loans measured at amortized cost</b>  |                       |                                |                                  |
| Stage 1  | 17,658,700            |                                |                                  |
| Stage 2  | 5,069,207             | 4,276,330                      | 84                               |
| Stage 3  | 15,796,911            | 8,818,389                      | 56                               |
| Purchased or originated credit impaired loans (POCI)                                     | 6,427,075             | 3,632,309                      | 57                               |
| <b>Carrying amount (before provision for impairment losses)</b>                          | <b>44,951,893</b>     | <b>16,727,028</b>              | <b>37</b>                        |
| Stage 1 - Provision for impairment losses  | (119,220)             |                                |                                  |
| Stage 2 - Provision for impairment losses  | (245,088)             | (196,192)                      | 80                               |
| Stage 3 - Provision for impairment losses  | (7,005,658)           | (3,425,589)                    | 49                               |
| Provision for impairment losses for Purchased or originated credit impaired loans (POCI) | (2,427,847)           | (1,142,936)                    | 47                               |
| <b>Total net carrying amount</b>   | <b>35,154,080</b>     | <b>11,962,311</b>              | <b>34</b>                        |
| Value of collateral  | 26,076,268            | 10,004,254                     | 38                               |



## Reconciliation of the net value of forborne loans

|  | 31.12.2019   |                                  |                   |
|--|--|----------------------------------|-------------------|
|  | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortized cost | Total             |
| <b>Balance 1.1.2019</b>                              | <b>76,678</b>  | <b>11,962,311</b>                | <b>12,038,989</b> |
| Forbearance measures during the year                 | 73,952   | 1,394,024                        | 1,467,976         |
| Interest income                                      | 3,819  | 415,095                          | 418,914           |
| Repayment of loans (partial or total)                | (7,591)  | (517,088)                        | (524,679)         |
| Loans that exited forbearance status during the year |  | (1,286,604)                      | (1,286,604)       |
| Impairment losses                                    |  | (315,778)                        | (315,778)         |
| Disposal of forborne loans                           |  | (24,982)                         | (24,982)          |
| Remeasurement of fair value                          | (23,503)   |                                  | (23,503)          |
| Reclassification of loans to "Assets held for sale"  |  | (187,586)                        | (187,586)         |
| Other movements                                      |  | (103,992)                        | (103,992)         |
| <b>Balance 31.12.2019</b>                            | <b>123,355</b>   | <b>11,335,400</b>                | <b>11,458,755</b> |

|  | 31.12.2018   |                                  |                   |
|--|--|----------------------------------|-------------------|
|  | Loans measured at fair value through profit or loss (FVPL) | Loans measured at amortized cost | Total             |
| <b>Balance 1.1.2018</b>                              | <b>237,172</b>   | <b>11,847,757</b>                | <b>12,084,929</b> |
| Forbearance measures during the year                 |  | 1,674,239                        | 1,674,239         |
| Interest income                                      | 5,426  | 454,114                          | 459,540           |
| Repayment of loans (partial or total)                | (8,631)  | (532,448)                        | (541,079)         |
| Loans that exited forbearance status during the year | (93,131)   | (737,448)                        | (830,579)         |
| Impairment losses                                    |  | (487,785)                        | (487,785)         |
| Disposal of forborne loans                           |  | (4,943)                          | (4,943)           |
| Remeasurement of fair value                          | (41,309)   |                                  | (41,309)          |
| Reclassification of loans to "Assets held for sale"  | (25,645)   | (147,833)                        | (173,478)         |
| Other movements                                      | 2,796  | (103,342)                        | (100,546)         |
| <b>Balance 31.12.2018</b>                            | <b>76,678</b>  | <b>11,962,311</b>                | <b>12,038,989</b> |



## ANALYSIS PER RATING

## Other financial instruments subject to credit risk

The following table presents other financial assets measured at amortised cost and at fair value through other comprehensive income as at 31.12.2019 and 31.12.2018 by IFRS 9 Stage and credit rating.

|   | 31.12.2019       |            |               |  |                  |
|---|------------------|------------|---------------|--|------------------|
|   | Stage 1          | Stage 2    | Stage 3       | Purchased or originated credit impaired loans (POCI) | Total            |
| <b>Balances with Central Banks</b>  |                  |            |               |  | -                |
| AAA   |                  |            |               |  | -                |
| AA+ to AA-  |                  |            |               |  | -                |
| A+ to A-  |                  |            |               |  | -                |
| BBB+ to BBB-  |                  |            |               |  | -                |
| Lower than BBB-   | 862,657          |            |               |  | 862,657          |
| Unrated   |                  |            |               |  | -                |
| <b>Carrying amount (before allowance for impairment losses)</b>             | <b>862,657</b>   | -          | -             | -  | <b>862,657</b>   |
| Expected credit losses  |                  |            |               |  | -                |
| <b>Net carrying amount</b>  | <b>862,657</b>   | -          | -             | -  | <b>862,657</b>   |
| Value of collateral   |                  |            |               |  | -                |
| <b>Due from banks</b>   |                  |            |               |  | -                |
| AAA   |                  |            |               |  | -                |
| AA+ to AA-  | 613,209          |            |               |  | 613,209          |
| A+ to A-  | 1,543,419        |            |               |  | 1,543,419        |
| BBB+ to BBB-  | 671,031          |            |               |  | 671,031          |
| Lower than BBB-   | 461,280          |            |               |  | 461,280          |
| Unrated   | 47,663           |            | 69,961        |  | 117,624          |
| <b>Carrying amount (before allowance for impairment losses)</b>             | <b>3,336,602</b> | -          | <b>69,961</b> | -  | <b>3,406,563</b> |
| Expected credit losses  | (3,664)          |            | (69,961)      |  | (73,625)         |
| <b>Net carrying amount</b>  | <b>3,332,938</b> | -          | -             | -  | <b>3,332,938</b> |
| Value of collateral   |                  |            |               |  | -                |
| <b>Securities measured at fair value through other comprehensive income</b> |                  |            |               |  | -                |
| AAA   | 43,533           |            |               |  | 43,533           |
| AA+ to AA-  | 361,452          |            |               |  | 361,452          |
| A+ to A-  | 86,521           |            |               |  | 86,521           |
| BBB+ to BBB-  | 1,672,797        |            |               |  | 1,672,797        |
| Lower than BBB-   | 3,930,089        |            |               |  | 3,930,089        |
| Unrated   | 99,163           | 242        |               |  | 99,405           |
| <b>Carrying amount (before allowance for impairment losses)</b>             | <b>6,193,555</b> | <b>242</b> | -             | -  | <b>6,193,797</b> |
| Expected credit losses  | (24,744)         | (12)       |               |  | (24,756)         |
| <b>Net carrying amount</b>  | <b>6,168,811</b> | <b>230</b> | -             | -  | <b>6,169,041</b> |
| Value of collateral   |                  |            |               |  | -                |
| <b>Securities measured at amortized cost</b>                                |                  |            |               |  | -                |
| AAA   |                  |            |               |  | -                |
| AA+ to AA-  |                  |            |               |  | -                |
| A+ to A-  |                  |            |               |  | -                |
| BBB+ to BBB-  |                  |            |               |  | -                |
| Lower than BBB-   | 1,078,143        |            |               |  | 1,078,143        |
| Unrated   |                  |            |               |  | -                |
| <b>Carrying amount (before allowance for impairment losses)</b>             | <b>1,078,143</b> | -          | -             | -  | <b>1,078,143</b> |
| Expected credit losses  | (7,413)          |            |               |  | (7,413)          |
| <b>Net carrying amount</b>  | <b>1,070,730</b> | -          | -             | -  | <b>1,070,730</b> |
| Value of collateral   |                  |            |               |  | -                |



| 31.12.2018  |                  |              |               |  |                  |
|---|------------------|--------------|---------------|--|------------------|
|   | Stage 1          | Stage 2      | Stage 3       | Purchased or originated credit impaired loans (POCI) | Total            |
| <b>Balances with Central Banks</b>  |                  |              |               |  |                  |
| AAA   | 93,000           |              |               |  | 93,000           |
| AA+ to AA-  |                  |              |               |  | -                |
| A+ to A-  |                  |              |               |  | -                |
| BBB+ to BBB-  |                  |              |               |  | -                |
| Lower than BBB-   | 308,490          |              |               |  | 308,490          |
| Unrated   |                  |              |               |  | -                |
| <b>Carrying amount (before allowance for impairment losses)</b>             | <b>401,490</b>   | <b>-</b>     | <b>-</b>      | <b>-</b>   | <b>401,490</b>   |
| Expected credit losses  |                  |              |               |  | -                |
| <b>Net carrying amount</b>  | <b>401,490</b>   | <b>-</b>     | <b>-</b>      | <b>-</b>   | <b>401,490</b>   |
| Value of collateral   |                  |              |               |  |                  |
| <b>Due from banks</b>   |                  |              |               |  |                  |
| AAA   |                  |              |               |  | -                |
| AA+ to AA-  | 515,132          |              |               |  | 515,132          |
| A+ to A-  | 790,672          |              |               |  | 790,672          |
| Lower than BBB-   | 559,132          |              |               |  | 559,132          |
| Unrated   | 714,249          |              |               |  | 714,249          |
| Carrying amount (before allowance for impairment losses)                    | 51,313           |              | 69,961        |  | 121,274          |
| <b>Expected credit losses</b>   | <b>2,630,498</b> | <b>-</b>     | <b>69,961</b> | <b>-</b>   | <b>2,700,459</b> |
| Net carrying amount   | (5,312)          |              | (69,961)      |  | (75,273)         |
| <b>Value of collateral</b>  | <b>2,625,186</b> | <b>-</b>     | <b>-</b>      | <b>-</b>   | <b>2,625,186</b> |
| Balances with Central Banks   |                  |              |               |  |                  |
| <b>Securities measured at fair value through other comprehensive income</b> |                  |              |               |  |                  |
| AAA   | 92,484           |              |               |  | 92,484           |
| AA+ to AA-  | 721,150          |              |               |  | 721,150          |
| A+ to A-  | 155,599          |              |               |  | 155,599          |
| BBB+ to BBB-  | 711,270          |              |               |  | 711,270          |
| Lower than BBB-   | 3,934,326        | 9,157        |               |  | 3,943,483        |
| Unrated   | 53,553           |              |               |  | 53,553           |
| <b>Carrying amount (before allowance for impairment losses)</b>             | <b>5,668,382</b> | <b>9,157</b> | <b>-</b>      | <b>-</b>   | <b>5,677,539</b> |
| Expected credit losses  | (54,857)         | (241)        |               |  | (55,098)         |
| <b>Net carrying amount</b>  | <b>5,613,525</b> | <b>8,916</b> | <b>-</b>      | <b>-</b>   | <b>5,622,441</b> |
| Value of collateral   |                  |              |               |  |                  |



### Trading portfolio - Derivative financial assets - Securities measured at fair value through profit or loss - analysis per rating

The following table presents other financial instruments measured through profit or loss per credit rating.

|   | 2019             | 2018           |
|---|------------------|----------------|
| <b>Trading securities</b>                                       |                  |                |
| AAA   |                  |                |
| AA+ to AA-  |                  |                |
| A+ to A-  |                  |                |
| BBB+ to BBB-  |                  |                |
| Lower than BBB-   | 17,490           | 6,669          |
| Unrated   | 371              |                |
| <b>Net carrying amount</b>                                      | <b>17,861</b>    | <b>6,669</b>   |
| Value of collateral   |                  |                |
| <b>Derivative financial assets</b>                              |                  |                |
| AAA   |                  |                |
| AA+ to AA-  | 3,262            | 48,051         |
| A+ to A-  | 239,535          | 152,958        |
| BBB+ to BBB-  | 13,004           | 48,039         |
| Lower than BBB-   | 764,813          | 478,057        |
| Unrated   | 3,870            | 3,110          |
| <b>Net carrying amount</b>                                      | <b>1,024,484</b> | <b>730,215</b> |
| Value of collateral   |                  |                |
| <b>Securities measured at Fair Value through profit or loss</b> |                  |                |
| AAA   |                  |                |
| AA+ to AA-  |                  |                |
| A+ to A-  |                  |                |
| BBB+ to BBB-  |                  |                |
| Lower than BBB-   | 55               | 173,644        |
| Unrated   | 179,823          | 2,047          |
| <b>Net carrying amount</b>                                      | <b>179,878</b>   | <b>175,691</b> |
| Value of collateral   |                  |                |



**FINANCIAL INSTRUMENTS ANALYSIS PER IFRS 9 STAGE****Due from Banks**

The following table presents Due from Banks by IFRS 9 Stage as of 31.12.2019 and 31.12.2018..

| 31.12.2019   |                  |         |          |  |                  |
|--|------------------|---------|----------|--|------------------|
|  | Stage 1          | Stage 2 | Stage 3  | Purchased or originated credit impaired Receivables (POCI) | Total            |
| <b>Balance 31.12.2019</b>                                |                  |         |          |  |                  |
| Carrying amount (before allowance for impairment losses) | 3,336,602        |         | 69,961   |  | 3,406,563        |
| Expected credit losses                                   | (3,664)          |         | (69,961) |  | (73,625)         |
| <b>Net carrying amount 31.12.2019</b>                    | <b>3,332,938</b> | -       | -        | -  | <b>3,332,938</b> |

| 31.12.2018   |                  |         |          |  |                  |
|--|------------------|---------|----------|--|------------------|
|  | Stage 1          | Stage 2 | Stage 3  | Purchased or originated credit impaired Receivables (POCI) | Total            |
| <b>Balance 31.12.2018</b>                                |                  |         |          |  |                  |
| Carrying amount (before allowance for impairment losses) | 2,630,498        |         | 69,961   |  | 2,700,459        |
| Expected credit losses                                   | (5,312)          |         | (69,961) |  | (75,273)         |
| <b>Net carrying amount 31.12.2018</b>                    | <b>2,625,186</b> | -       | -        | -  | <b>2,625,186</b> |



## Investment securities

## i. Investment securities measured at fair value through other comprehensive income

The following table presents the analysis by IFRS 9 Stages and issuer's category as of 31.12.2019 and 31.12.2018:

| 31.12.2019  |                  |             |          |  |                  |
|---|------------------|-------------|----------|--|------------------|
|   | Stage 1          | Stage 2     | Stage 3  | Purchased or originated credit impaired securitites (POCI) | Total            |
| <b>Greek Government Bonds:</b>  |                  |             |          |  |                  |
| Expected credit losses  | (18,817)         |             |          |  | (18,817)         |
| Fair Value  | 3,524,379        |             |          |  | 3,524,379        |
| <b>Other Government Bonds:</b>  |                  |             |          |  | -                |
| Expected credit losses  | (331)            |             |          |  | (331)            |
| Fair Value  | 1,419,828        |             |          |  | 1,419,828        |
| <b>Other securities:</b>  |                  |             |          |  | -                |
| Expected credit losses  | (5,596)          | (12)        |          |  | (5,608)          |
| Fair Value  | 1,224,604        | 230         |          |  | 1,224,834        |
| <b>Total securities measured at fair value through other comprehensive income</b> |                  |             |          |  | -                |
| <b>Expected credit losses</b>   | <b>(24,744)</b>  | <b>(12)</b> | <b>-</b> | <b>-</b>   | <b>(24,756)</b>  |
| <b>Fair Value</b>   | <b>6,168,811</b> | <b>230</b>  | <b>-</b> | <b>-</b>   | <b>6,169,041</b> |

| 31.12.2018  |                  |              |          |  |                  |
|---|------------------|--------------|----------|--|------------------|
|   | Stage 1          | Stage 2      | Stage 3  | Purchased or originated credit impaired securitites (POCI) | Total            |
| <b>Greek Government Bonds:</b>  |                  |              |          |  |                  |
| Expected credit losses  | (48,244)         |              |          |  | (48,244)         |
| Fair Value  | 3,462,440        |              |          |  | 3,462,440        |
| <b>Other Government Bonds:</b>  |                  |              |          |  | -                |
| Expected credit losses  | (199)            |              |          |  | (199)            |
| Fair Value  | 704,750          |              |          |  | 704,750          |
| <b>Other securities:</b>  |                  |              |          |  | -                |
| Expected credit losses  | (6,414)          | (241)        |          |  | (6,655)          |
| Fair Value  | 1,446,335        | 8,916        |          |  | 1,455,251        |
| <b>Total securities measured at fair value through other comprehensive income</b> |                  |              |          |  | -                |
| <b>Expected credit losses</b>   | <b>(54,857)</b>  | <b>(241)</b> | <b>-</b> | <b>-</b>   | <b>(55,098)</b>  |
| <b>Fair Value</b>   | <b>5,613,525</b> | <b>8,916</b> | <b>-</b> | <b>-</b>   | <b>5,622,441</b> |

**ii. Investment securities measured at amortized cost**

The following table presents the analysis by IFRS 9 Stages and issuer's category as of 31.12.2019:

|   | 31.12.2019       |         |         |   |                  |
|---|------------------|---------|---------|---|------------------|
|   | Stage 1          | Stage 2 | Stage 3 | Purchased or originated credit impaired securities (POCI) | Total            |
| <b>Greek Government bonds</b>                                   |                  |         |         |   |                  |
| Carrying amount (before allowance for impairment losses)        | 1,078,143        |         |         |   | 1,078,143        |
| Expected credit losses  | (7,413)          |         |         |   | (7,413)          |
| <b>Καθαρή αξία</b>  | <b>1,070,730</b> | -       | -       | -   | <b>1,070,730</b> |
| <b>Total securities measured at amortized cost</b>              |                  |         |         |   | -                |
| <b>Carrying amount (before allowance for impairment losses)</b> | <b>1,078,143</b> | -       | -       | -   | <b>1,078,143</b> |
| <b>Expected credit losses</b>                                   | <b>(7,413)</b>   | -       | -       | -   | <b>(7,413)</b>   |
| <b>Net value</b>  | <b>1,070,730</b> | -       | -       | -   | <b>1,070,730</b> |

The Bank didn't own securities measured at amortized cost as at 31.12.2018.

### Reconciliation of other financial assets (except loans) before allowance for impairment losses by IFRS 9 Stage

The table below presents the movement of the carrying amount before allowance for impairment losses of due from banks, the movement of the fair value of investment securities at fair value through other comprehensive income and movement of securities measured at amortized cost including the expected credit losses, by IFRS 9 Stage.

| 31.12.2019  |                |         |         |  |   |             |         |         |  |             |           |         |         |  |           |
|---|----------------|---------|---------|--|---|-------------|---------|---------|--|-------------|-----------|---------|---------|--|-----------|
|   | Due from banks |         |         |  | Investment securities measured at fair value through other comprehensive income |             |         |         | Securities measured at amortized cost          |             |           |         |         |  |           |
|   | Stage 1        | Stage 2 | Stage 3 | Purchased or originated credit impaired (POCI) | Total   | Stage 1     | Stage 2 | Stage 3 | Purchased or originated credit impaired (POCI) | Total       | Stage 1   | Stage 2 | Stage 3 | Purchased or originated credit impaired (POCI) | Total     |
| <b>Balance 1.1.2019</b>   | 2,630,498      | -       | 69,961  | -  | 2,700,459   | 5,613,525   | 8,916   | -       | -  | 5,622,441   | -         | -       | -       | -  | -         |
| Transfer to Stage 1 from Stage 2 or 3                             |                |         |         |  |   |             |         |         |  |             |           |         |         |  |           |
| Transfer to Stage 2 from Stage 1 or 3                             |                |         |         |  |   | (356)       | 356     |         |  |             |           |         |         |  |           |
| Transfer to Stage 3 from Stage 1 or 2                             |                |         |         |  |   |             |         |         |  |             |           |         |         |  |           |
| New financial assets originated or purchased                      | 3,673,145      |         |         |  | 3,673,145   | 4,800,043   |         |         |  | 4,800,043   | 1,074,258 |         |         |  | 1,074,258 |
| Derecognition of financial assets                                 |                |         |         |  |   | (3,890,679) | (1,313) |         |  | (3,891,992) |           |         |         |  |           |
| Interest on carrying amount before impairment                     |                |         |         |  |   | 126,556     | 261     |         |  | 126,817     | 3,972     |         |         |  | 3,972     |
| Changes due to modifications that did not result in derecognition |                |         |         |  |   |             |         |         |  |             |           |         |         |  |           |
| Write-offs  |                |         |         |  |   |             |         |         |  |             |           |         |         |  |           |
| Repayments, foreign exchange and other movements                  | (2,967,041)    |         |         |  | (2,967,041)   | (480,277)   | (7,990) |         |  | (488,267)   | (87)      |         |         |  | (87)      |
| <b>Balance 31.12.2019</b>   | 3,336,602      | -       | 69,961  | -  | 3,406,563   | 6,168,812   | 230     | -       | -  | 6,169,041   | 1,078,143 | -       | -       | -  | 1,078,143 |



| 31.12.2018  |                  |         |               |  |   |                  |               |         |  |                    |         |         |         |  |       |
|---|------------------|---------|---------------|--|---|------------------|---------------|---------|--|--------------------|---------|---------|---------|--|-------|
|   | Due from banks   |         |               |  | Investment securities measured at fair value through other comprehensive income |                  |               |         | Securities measured at amortized cost          |                    |         |         |         |  |       |
|   | Stage 1          | Stage 2 | Stage 3       | Purchased or originated credit impaired (POCI) | Total   | Stage 1          | Stage 2       | Stage 3 | Purchased or originated credit impaired (POCI) | Total              | Stage 1 | Stage 2 | Stage 3 | Purchased or originated credit impaired (POCI) | Total |
| <b>Balance 1.1.2018</b>   | <b>2,227,791</b> |         | <b>69,961</b> |  | <b>2,297,752</b>  | <b>4,636,454</b> | <b>28,832</b> | -       | -  | <b>4,665,286</b>   |         |         |         |  |       |
| Transfer to Stage 1 from Stage 2 or 3                             |                  |         |               |  |   | 235              | (235)         |         |  |                    |         |         |         |  |       |
| Transfer to Stage 2 from Stage 1 or 3                             |                  |         |               |  |   |                  |               |         |  |                    |         |         |         |  |       |
| Transfer to Stage 3 from Stage 1 or 2                             |                  |         |               |  |   |                  |               |         |  |                    |         |         |         |  |       |
| New financial assets originated or purchased                      | 4,999,483        |         |               |  | <b>4,999,483</b>  | 6,009,069        |               |         |  | <b>6,009,069</b>   |         |         |         |  |       |
| Derecognition of financial assets                                 |                  |         |               |  |   | (2,934,653)      | (20,646)      |         |  | <b>(2,955,299)</b> |         |         |         |  |       |
| Interest on carrying amount before impairment                     |                  |         |               |  |   | 129,922          | 1,037         |         |  | <b>130,959</b>     |         |         |         |  |       |
| Changes due to modifications that did not result in derecognition |                  |         |               |  |   |                  |               |         |  |                    |         |         |         |  |       |
| Write-offs  |                  |         |               |  |   |                  |               |         |  |                    |         |         |         |  |       |
| Repayments, foreign exchange and other movements                  | (4,596,776)      |         |               |  | <b>(4,596,776)</b>  | (2,227,502)      | (72)          |         |  | <b>(2,227,574)</b> |         |         |         |  |       |
| <b>Balance 31.12.2018</b>   | <b>2,630,498</b> | -       | <b>69,961</b> | -  | <b>2,700,459</b>  | <b>5,613,525</b> | <b>8,916</b>  | -       | -  | <b>5,622,441</b>   | -       | -       | -       | -  | -     |

### Reconciliation of the accumulated impairment allowance

The table below presents the movement of the accumulated impairment of due from banks, investment securities measured at fair value through other comprehensive income and movement of securities measured at amortized cost by IFRS 9 stage.

|  | 31.12.2019     |         |         |   |          |         |                                       |          |         |         |         |       |
|--|----------------|---------|---------|---|----------|---------|---------------------------------------|----------|---------|---------|---------|-------|
|  | Due from banks |         |         | Investment securities measured at fair value through other comprehensive income |          |         | Securities measured at amortized cost |          |         |         |         |       |
|  | Stage 1        | Stage 2 | Stage 3 | Total   | Stage 1  | Stage 2 | Stage 3                               | Total    | Stage 1 | Stage 2 | Stage 3 | Total |
| <b>Balance 1.1.2019</b>  | 5,312          | -       | 69,961  | 75,273  | 54,857   | 241     | -                                     | 55,098   | -       | -       | -       | -     |
| Transfer to Stage 1 from Stage 2 or 3                          |                |         |         |   |          |         |                                       |          |         |         |         |       |
| Transfer to Stage 2 from Stage 1 or 3                          |                |         |         |   | (2)      | 2       |                                       |          |         |         |         |       |
| Transfer to Stage 3 from Stage 1 or 2                          |                |         |         |   |          |         |                                       |          |         |         |         |       |
| Net remeasurement of loss allowance (a)                        |                |         |         |   |          | 24      |                                       | 24       |         |         |         |       |
| Impairment losses on new receivables/securities (b)            | 210            |         |         | 210   | 15,282   |         |                                       | 15,282   | 7,413   |         |         | 7,413 |
| Changes in risk parameters (c)                                 | (1,858)        |         |         | (1,858)   | (25,954) | (227)   |                                       | (26,181) |         |         |         |       |
| <b>Impairment losses on receivables/securities (a)+(b)+(c)</b> | (1,648)        |         |         | (1,648)   | (10,672) | (203)   |                                       | (10,875) | 7,413   |         |         | 7,413 |
| Derecognition of financial assets                              |                |         |         |   | (19,440) | (28)    |                                       | (19,468) |         |         |         |       |
| Foreign exchange and other movements                           |                |         |         |   | 1        |         |                                       | 1        |         |         |         |       |
| <b>Balance 31.12.2019</b>                                      | 3,664          | -       | 69,961  | 73,625  | 24,744   | 12      | -                                     | 24,756   | 7,413   | -       | -       | 7,413 |

An additional charge of expected credit losses of € 172 (31.12.2018: € 184 an additional raise) has been recognized in the income statement of 2019 in Stage 1, which corresponds to the change of accumulated impairments between the opening and the closing date resulting from the disposal of securities of FVOCI portfolio which has been agreed but not settled between these two dates. The said accumulated impairment, depending on the securities valuation, is recognized in "Other assets" or "Other liabilities".



| 31.12.2018  |                |         |               |  |   |               |                |         |  |               |         |         |         |  |       |
|---|----------------|---------|---------------|--|---|---------------|----------------|---------|--|---------------|---------|---------|---------|--|-------|
|   | Due from banks |         |               |  | Investment securities measured at fair value through other comprehensive income |               |                |         | Securities measured at amortized cost          |               |         |         |         |  |       |
|   | Stage 1        | Stage 2 | Stage 3       | Purchased or originated credit impaired (POCI) | Total   | Stage 1       | Stage 2        | Stage 3 | Purchased or originated credit impaired (POCI) | Total         | Stage 1 | Stage 2 | Stage 3 | Purchased or originated credit impaired (POCI) | Total |
| <b>Balance 1.1.2018</b>   | 14,674         |         | 69,961        | -  | 84,635  | 85,169        | 3,099          | -       | -  | 88,268        | -       | -       | -       | -  | -     |
| Transfer to Stage 1 from Stage 2 or 3                           |                |         |               |  | -   | 13            | (13)           |         |  | -             |         |         |         |  | -     |
| Transfer to Stage 2 from Stage 1 or 3                           |                |         |               |  | -   |               |                |         |  | -             |         |         |         |  | -     |
| Transfer to Stage 3 from Stage 1 or 2                           |                |         |               |  | -   |               |                |         |  | -             |         |         |         |  | -     |
| Net remeasurement of loss allowance (a)                         |                |         |               |  | -   | (3)           |                |         |  | (3)           |         |         |         |  | -     |
| Impairment losses on new receivables/ securities (b)            | 1,284          |         |               |  | 1,284   | 45,658        |                |         |  | 45,658        |         |         |         |  | -     |
| Changes in risk parameters (c)                                  | (10,646)       |         |               |  | (10,646)  | (40,398)      | (1,790)        |         |  | (42,188)      |         |         |         |  | -     |
| <b>Impairment losses on receivables/ securities (a)+(b)+(c)</b> | <b>(9,362)</b> |         |               |  | <b>(9,362)</b>  | <b>5,257</b>  | <b>(1,790)</b> |         |  | <b>3,467</b>  |         |         |         |  |       |
| Derecognition of financial assets                               |                |         |               |  | -   | (35,582)      | (1,055)        |         |  | (36,637)      |         |         |         |  | -     |
| Foreign exchange and other movements                            |                |         |               |  | -   |               |                |         |  | -             |         |         |         |  | -     |
| <b>Balance 31.12.2018</b>                                       | <b>5,312</b>   |         | <b>69,961</b> |  | <b>75,273</b>   | <b>54,857</b> | <b>241</b>     |         |  | <b>55,098</b> |         |         |         |  |       |

An additional impairment charge in Stage 1 arising from net liabilities of € 184 has been recognized in the income statement, regarding new securities measured at fair value through other comprehensive income purchased before 31.12.2018 and settled after 31.12.2018.



The following tables present the financial instruments exposed to credit risk by sectors of the counterparties.

### FINANCIAL INSTRUMENTS CREDIT RISK - ANALYSIS BY INDUSTRY SECTOR

| 31.12.2019  |   |                  |                            |                            |                                     |                |                  |                  |                            |                   |                   |
|---|---|------------------|----------------------------|----------------------------|-------------------------------------|----------------|------------------|------------------|----------------------------|-------------------|-------------------|
|   | Financial Institutions and other financial services | Manufacturing    | Construction & Real Estate | Wholesale and retail trade | Public sector Government securities | Transportation | Shipping         | Hotels-Tourism   | Services and other sectors | Retail lending    | Total             |
| <b>Credit risk exposure relating to balance sheet items:</b>              |   |                  |                            |                            |                                     |                |                  |                  |                            |                   |                   |
| Balances with Central Banks   | 862,657   |                  |                            |                            |                                     |                |                  |                  |                            |                   | 862,657           |
| Due from banks  | 3,406,563   |                  |                            |                            |                                     |                |                  |                  |                            |                   | 3,406,563         |
| Loans and advances to customers   | 2,081,780   | 4,767,421        | 2,421,542                  | 3,330,584                  | 58,740                              | 563,182        | 1,855,907        | 1,673,016        | 1,512,720                  | 24,266,751        | 42,531,643        |
| Derivative financial assets   | 194,616   | 11,679           | 154,026                    | 496                        | 658,048                             | 676            | 944              | 1,622            | 2,371                      | 6                 | 1,024,484         |
| Trading securities  | 371   |                  |                            |                            | 17,490                              |                |                  |                  |                            |                   | 17,861            |
| Securities measured at fair value through other comprehensive income      | 179,878   |                  |                            |                            |                                     |                |                  |                  |                            |                   | 179,878           |
| Securities measured at fair value through profit or loss                  | 895,449   | 170,460          | 10,912                     | 66,229                     | 4,963,355                           |                |                  |                  | 87,394                     |                   | 6,193,797         |
| Securities measured at amortized cost                                     |   |                  |                            |                            | 1,078,143                           |                |                  |                  |                            |                   | 1,078,143         |
| Assets held for sale - Loans portfolio                                    | 1,814   | 438,581          | 283,549                    |                            | 692,943                             | 18,296         | 3,394            | 80,563           | 186,447                    | 64,380            | 1,769,967         |
| <b>Total amount of balance sheet items exposed to credit risk (a)</b>     | <b>7,623,128</b>                                    | <b>5,388,141</b> | <b>2,870,029</b>           | <b>3,397,309</b>           | <b>7,468,718</b>                    | <b>582,154</b> | <b>1,860,245</b> | <b>1,755,201</b> | <b>1,788,932</b>           | <b>24,331,137</b> | <b>57,064,992</b> |
| Other balance sheet items not exposed to credit risk                      | 3,661,462   | 1,993            | 159,955                    |                            |                                     |                |                  | 2,200            | 7,993,076                  |                   | 11,818,686        |
| <b>Total assets</b>   | <b>11,284,589</b>                                   | <b>5,390,133</b> | <b>3,029,984</b>           | <b>3,397,309</b>           | <b>7,468,718</b>                    | <b>582,154</b> | <b>1,860,245</b> | <b>1,757,401</b> | <b>9,782,008</b>           | <b>24,331,137</b> | <b>68,883,678</b> |
| <b>Credit risk exposure relating to off-balance sheet items:</b>          |   |                  |                            |                            |                                     |                |                  |                  |                            |                   |                   |
| Letters of guarantee, letters of credit and other guarantees              | 913,743   | 536,168          | 1,008,636                  | 525,264                    | 193,193                             | 87,304         | 7,242            | 59,269           | 270,195                    | 65,237            | 3,666,251         |
| Undrawn loan commitments  | 134,360   | 651,887          | 160,665                    | 665,890                    | 51                                  | 32,132         | 4,360            | 72,323           | 221,079                    | 1,700,467         | 3,643,214         |
| Guarantees provided for bonds issued by Bank's subsidiaries               | 15,542  |                  |                            |                            |                                     |                |                  |                  |                            |                   | 15,542            |
| <b>Total amount of off-balance sheet items exposed to credit risk (b)</b> | <b>1,063,645</b>                                    | <b>1,188,055</b> | <b>1,169,301</b>           | <b>1,191,154</b>           | <b>193,244</b>                      | <b>119,436</b> | <b>11,602</b>    | <b>131,592</b>   | <b>491,274</b>             | <b>1,765,704</b>  | <b>7,325,007</b>  |
| <b>Total credit risk exposure (a+b)</b>                                   | <b>8,686,773</b>                                    | <b>6,576,196</b> | <b>4,039,330</b>           | <b>4,588,463</b>           | <b>7,661,962</b>                    | <b>701,590</b> | <b>1,871,847</b> | <b>1,886,793</b> | <b>2,280,206</b>           | <b>26,096,841</b> | <b>64,389,999</b> |





| 31.12.2018*   |   |                  |                            |                            |                                     |                |                  |                  |                            |                   |                   |
|---|---|------------------|----------------------------|----------------------------|-------------------------------------|----------------|------------------|------------------|----------------------------|-------------------|-------------------|
|   | Financial Institutions and other financial services | Manufacturing    | Construction & Real Estate | Wholesale and retail trade | Public sector Government securities | Transportation | Shipping         | Hotels-Tourism   | Services and other sectors | Retail lending    | Total             |
| <b>Credit risk exposure relating to balance sheet items:</b>              |   |                  |                            |                            |                                     |                |                  |                  |                            |                   |                   |
| Balances with Central Banks   | 401,490   |                  |                            |                            |                                     |                |                  |                  |                            |                   | 401,490           |
| Due from banks  | 2,700,459   |                  |                            |                            |                                     |                |                  |                  |                            |                   | 2,700,459         |
| Loans and advances to customers   | 2,406,982   | 5,191,260        | 2,421,582                  | 4,101,118                  | 70,379                              | 470,212        | 1,658,178        | 1,620,798        | 1,777,839                  | 25,751,205        | 45,469,553        |
| Derivative financial assets   | 185,026   | 8,999            | 78,676                     | 15,187                     | 429,309                             | 39             | 540              | 8,486            | 3,952                      | 1                 | 730,215           |
| Trading securities  |   |                  |                            |                            | 6,669                               |                |                  |                  |                            |                   | 6,669             |
| Securities measured at fair value through other comprehensive income      | 175,690   |                  |                            |                            |                                     |                |                  |                  | 1                          |                   | 175,691           |
| Securities measured at fair value through profit or loss                  | 1,240,312   | 115,266          | 337                        | 29,613                     | 4,215,632                           |                |                  |                  | 76,379                     |                   | 5,677,539         |
| Assets held for sale - Loans portfolio                                    |   | 3,200            | 76,369                     |                            |                                     |                |                  |                  |                            |                   | 79,569            |
| <b>Total amount of balance sheet items exposed to credit risk (a)</b>     | <b>7,109,959</b>                                    | <b>5,318,725</b> | <b>2,576,964</b>           | <b>4,145,918</b>           | <b>4,721,989</b>                    | <b>470,251</b> | <b>1,658,718</b> | <b>1,629,284</b> | <b>1,858,171</b>           | <b>25,751,206</b> | <b>55,241,185</b> |
| Other balance sheet items not exposed to credit risk                      | 3,580,634   | 307              | 148,135                    |                            |                                     |                |                  | 2,200            | 8,075,345                  |                   | 11,806,621        |
| <b>Total assets</b>   | <b>10,690,593</b>                                   | <b>5,319,032</b> | <b>2,725,099</b>           | <b>4,145,918</b>           | <b>4,721,989</b>                    | <b>470,251</b> | <b>1,658,718</b> | <b>1,631,484</b> | <b>9,933,516</b>           | <b>25,751,206</b> | <b>67,047,806</b> |
| <b>Credit risk exposure relating to off-balance sheet items:</b>          |   |                  |                            |                            |                                     |                |                  |                  |                            |                   |                   |
| Letters of guarantee, letters of credit and other guarantees              | 815,438   | 514,324          | 1,104,038                  | 538,252                    | 194,039                             | 87,099         | 8,313            | 70,686           | 277,057                    | 65,527            | 3,674,773         |
| Undrawn loan commitments  | 148,642   | 551,630          | 52,132                     | 462,599                    | 151                                 | 19,300         | 4,529            | 60,592           | 120,437                    | 1,774,040         | 3,194,052         |
| Guarantees provided for bonds issued by Bank's subsidiaries               | 15,542  |                  |                            |                            |                                     |                |                  |                  |                            |                   | 15,542            |
| <b>Total amount of off-balance sheet items exposed to credit risk (b)</b> | <b>979,622</b>                                      | <b>1,065,954</b> | <b>1,156,170</b>           | <b>1,000,851</b>           | <b>194,190</b>                      | <b>106,399</b> | <b>12,842</b>    | <b>131,278</b>   | <b>397,494</b>             | <b>1,839,567</b>  | <b>6,884,367</b>  |
| <b>Total credit risk exposure (a+b)</b>                                   | <b>8,089,581</b>                                    | <b>6,384,679</b> | <b>3,733,134</b>           | <b>5,146,769</b>           | <b>4,916,179</b>                    | <b>576,650</b> | <b>1,671,560</b> | <b>1,760,562</b> | <b>2,255,665</b>           | <b>27,590,773</b> | <b>62,125,552</b> |

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

**EXPOSURE IN CREDIT RISK FROM DEBT ISSUED BY THE GREEK STATE**

The table below presents the Bank's total exposure in Greek State securities:

| Portfolio  | 31.12.2019       |                  | 31.12.2018       |                  |
|--|------------------|------------------|------------------|------------------|
|  | Nominal value    | Carrying amount  | Nominal value    | Carrying amount  |
| Securities measured at fair value through other comprehensive income | 2,940,147        | 3,524,379        | 3,520,926        | 3,462,440        |
| Securities measured at amortized cost                                | 921,600          | 1,070,730        |                  |                  |
| Trading  | 14,657           | 17,490           | 6,858            | 6,669            |
| <b>Total</b>   | <b>3,876,404</b> | <b>4,612,599</b> | <b>3,527,784</b> | <b>3,469,109</b> |

All Greek Government securities are classified in level 1 based on the quality of inputs used for the estimation of their fair value.

The Bank's exposure to Greek State from other financial instruments, excluding securities is depicted in the tables below:

**On balance sheet exposure**

|  | 31.12.2019      | 31.12.2018 |
|--|-----------------|------------|
|  | Carrying amount |            |
| Derivative financial instruments-assets      | 658,048         | 429,309    |
| Derivative financial instruments-liabilities | (32,045)        | (36,063)   |

The Bank's exposure in loans to public sector entities / organizations on 31.12.2019 amounted to € 58,740 (31.12.2018: € 70,379). The Bank has recognized provision for impairment losses for the above mentioned loans amounting to € 858 as at 31.12.2019 (31.12.2018: € 2,971). In addition, the balance of the Bank's loans guaranteed by the Greek State (guaranteed either directly by Greek Government or by Common Ministerial Decisions and loans guaranteed by ETEAN) on 31.12.2019 amounted to € 513,632 (31.12.2018: € 542,743). For these loans the Bank has recognized provision for impairment losses amounting to € 66,889 as at 31.12.2019 (31.12.2018: € 91,881).

**Off balance sheet exposure**

| Portfolio   | 31.12.2019    |            | 31.12.2018    |            |
|---|---------------|------------|---------------|------------|
|   | Nominal value | Fair value | Nominal value | Fair value |
| Greek Government Treasury Bills received as collateral for derivatives transactions | 870,000       | 869,913    | 400,000       | 399,600    |

**40.2 Market risk**

Market risk is the risk of losses arising from unfavorable changes in the value or volatility of interest rates, foreign exchange rates, stock exchange indices, equity prices and commodities. Losses may also occur either from the trading portfolio or from the Assets-Liabilities management.

More specifically:

- Interest rate risk is the risk that results from the Group's exposure to adverse changes in the value or volatility of interest rates.
- Foreign exchange risk is the risk arising from adverse changes in the value or volatility of foreign exchange rates.
- Equity risk is the risk arising from adverse changes in the value or volatility of equities or equity indices. The Bank holds no material portfolio in such instruments.



## i. Trading portfolio

The Bank Market Risk Management Policy elaborates on how market risk is managed within the Bank, i.e. the identification, measurement, monitoring and control of market risk inherent in Treasury assets and liabilities transacted by the Bank and the country local Treasury Management Units, as well as the determination that adequate capital is held against this type of risk. The ultimate objective of the Policy is to provide the framework and principles for the effective management of market risk, in order to:

- maintain market risk within the limits, in line with the Bank's risk appetite;
- reduce the risk of fraud or regulatory non-compliance by prescribing sound methodologies;
- ensure adequate controls to prevent significant losses;
- facilitate efficient decision-making by quantifying where possible the probabilities of failing to achieve earnings or other targets.

All competent Bank and country local Units apply the Policy by developing and applying corresponding processes.

Market risk of trading portfolio is measured by Value at Risk – VAR, that is the maximum amount of loss with a given probability (confidence level). The method applied for calculating Value at Risk is historical simulation with full revaluation using the 99th percentile and one tailed confidence interval. The historical observation period is one year at minimum. Risk factor returns are calculated according to the absolute or relative approach.

The Bank calculates VAR on a daily basis and the data sets are updated daily. A holding period of one and ten days is applied for regulatory purposes. Additional holding periods may be applied for internal purposes, according to the time required for the liquidation of the portfolio.

In line with the regulatory requirement, back-testing is performed on a daily basis for the Bank prudential trading book through the use of hypothetical and actual outcomes by monitoring the number of times that the trading outcomes exceed the corresponding risk measure.

### 1 day value at risk, 99% confidence interval (2 years historical data)

(Amounts in Euro)

| 2019                          |                          |                    |            |             |                  |
|-------------------------------|--------------------------|--------------------|------------|-------------|------------------|
|                               | Foreign<br>currency risk | Interest rate risk | Price risk | Covariance  | Total            |
| 31 December                   | 1,762,634                | 3,153,803          | 34,238     | (1,816,901) | <b>3,133,774</b> |
| Average daily value (annual)  | 1,543,660                | 2,249,484          | 24,079     | (1,402,094) | <b>2,415,129</b> |
| Maximum* daily value (annual) | 1,755,297                | 3,190,158          | 35,521     | (1,754,281) | <b>3,226,695</b> |
| Minimum* daily value (annual) | 1,022,390                | 1,962,745          | 7,477      | (1,265,027) | <b>1,727,585</b> |

| 2018                          |                          |                    |            |             |                  |
|-------------------------------|--------------------------|--------------------|------------|-------------|------------------|
|                               | Foreign<br>currency risk | Interest rate risk | Price risk | Covariance  | Total            |
| 31 December                   | 951,434                  | 1,967,445          | 5,682      | (1,148,208) | <b>1,776,353</b> |
| Average daily value (annual)  | 779,195                  | 1,818,875          | 12,015     | (897,098)   | <b>1,712,987</b> |
| Maximum* daily value (annual) | 350,410                  | 1,972,905          | 24,651     | (225,823)   | <b>2,122,143</b> |
| Minimum* daily value (annual) | 877,949                  | 1,237,747          |            | (876,786)   | <b>1,238,910</b> |

\* Relates to the total Value at Risk within the year.



The Value at Risk methodology is based on certain theoretical assumptions, which under extreme market conditions might not capture the maximum loss the Bank may suffer, The limitations of the methodology may be summarized as follows:

- VAR refers to the potential loss at a 99% confidence level, without considering any losses beyond that level
- Risk factor returns are assumed to follow the empirical distribution that was experienced during the historical observation period.

On a daily basis, a retrospective test of Value at Risk model is carried out, taking into account hypothetical and actual changes in the trading book's profit and loss. According to best practices, the model is validated by an independent unit at the Bank on an annual basis.

The Value at Risk methodology is complemented with scenario analysis and stress testing, in order to estimate the potential size of losses that could arise from the trading portfolio for hypothetical as well as historical extreme movements of market parameters (stress-testing).

Within the scope of market risk control, open position, maximum loss (stop loss) and value at risk limits have been set across trading positions.

In particular, limits have been set for the following risks:

- Foreign currency risk regarding spot and forward positions and FX options
- Interest rate risk regarding positions in bonds, Interest Rate Swaps, Interest Futures, Interest Options
- Price risk regarding positions in shares, index Futures and options, Commodity Futures and Swaps
- Credit risk regarding interbank transactions and bonds

Positions held in these products are monitored on a daily basis and are examined for the corresponding limit percentage cover and for any limit excess.

## **ii. The financial risks of the banking portfolio**

The Market risk may derive, apart from the banking portfolio, from the structure of assets and liabilities and from the portfolio of loans and deposits of the Bank. The financial risks concern foreign exchange risk, interest rate risk.

### **a. Foreign currency risk**

The Bank takes on the risk arising from the fluctuations in foreign exchange rates.

The management of foreign currency position is centralized.

The policy of the Bank is the positions to be closed immediately using spot transactions or currency derivatives. In case that positions are still open, they are daily monitored by the competent department and they are subject to limits.



The total open position arises from the net balance sheet position and derivatives forward position are presented in the following tables:

| 31.12.2019  |                  |                |                |               |                  |           |                |                   |                   |
|---|------------------|----------------|----------------|---------------|------------------|-----------|----------------|-------------------|-------------------|
|   | USD              | GBP            | CHF            | JPY           | RON              | RSD       | Other FC       | Euro              | Total             |
| <b>ASSETS</b>   |                  |                |                |               |                  |           |                |                   |                   |
| Cash and Balances with Central Banks                        | 2,968            | 2,139          | 440            | 125           |                  |           | 912            | 1,195,223         | 1,201,807         |
| Due from Banks  | 115,901          | 15,648         | 13,895         | 10,684        | 1,373            | 72        | 17,307         | 3,158,058         | 3,332,938         |
| Trading securities  | 370              |                |                |               |                  |           |                | 18,277            | 18,647            |
| Derivative financial assets                                 |                  |                |                |               |                  |           |                | 1,024,484         | 1,024,484         |
| Loans and advances to customers                             | 1,928,784        | 50,564         | 671,784        | 2,687         |                  |           | (5)            | 32,200,988        | 34,854,802        |
| Investment securities:                                      |                  |                |                |               |                  |           |                |                   | -                 |
| - Measured at fair value through other comprehensive income | 16,475           |                |                |               |                  |           |                | 6,207,904         | 6,224,379         |
| - Measured at fair value through profit or loss             |                  |                |                |               |                  |           |                | 187,148           | 187,148           |
| Measured at amortized cost                                  |                  |                |                |               |                  |           |                | 1,070,730         | 1,070,730         |
| Investments in subsidiaries, associates and joint ventures  |                  | 60,092         |                |               | 5,009            |           |                | 854,656           | 919,757           |
| Investment property   |                  |                |                |               |                  |           |                | 39,679            | 39,679            |
| Property, plant and equipment                               |                  |                |                |               |                  |           |                | 697,459           | 697,459           |
| Goodwill and other intangible assets                        |                  |                |                |               |                  |           |                | 448,165           | 448,165           |
| Deferred tax assets   |                  |                |                |               |                  |           |                | 5,233,082         | 5,233,082         |
| Other assets and assets held for sale                       | 9,115            | 16             | 2              |               | 155,671          |           | 3,763          | 2,559,548         | 2,728,115         |
| <b>Total Assets</b>   | <b>2,073,613</b> | <b>128,459</b> | <b>686,121</b> | <b>13,496</b> | <b>162,053</b>   | <b>72</b> | <b>21,977</b>  | <b>54,895,401</b> | <b>57,981,192</b> |
| <b>LIABILITIES</b>  |                  |                |                |               |                  |           |                |                   |                   |
| Due to banks and customers                                  | 2,006,784        | 111,611        | 85,607         | 1,900         | 17,338           |           | 192,115        | 43,880,606        | 46,295,961        |
| Derivative financial liabilities                            |                  |                |                |               |                  |           |                | 1,447,703         | 1,447,703         |
| Debt securities in issue and other borrowed funds           | 133,132          |                |                |               |                  |           |                | 749,434           | 882,566           |
| Liabilities for current income tax and other taxes          |                  |                |                |               |                  |           |                | 24,887            | 24,887            |
| Employee defined benefit obligations                        |                  |                |                |               |                  |           |                | 87,395            | 87,395            |
| Other liabilities   | 3,117            | 2,143          | 440            | 681           |                  |           | 929            | 927,249           | 934,559           |
| Provisions  | 1,007            | 3              | 2              |               | 601              |           | 28             | 199,105           | 200,746           |
| <b>Total liabilities</b>                                    | <b>2,144,040</b> | <b>113,757</b> | <b>86,049</b>  | <b>2,581</b>  | <b>17,939</b>    | <b>-</b>  | <b>193,072</b> | <b>47,316,379</b> | <b>49,873,817</b> |
| Net balance sheet position                                  | (70,427)         | 14,702         | 600,072        | 10,915        | 144,114          | 72        | (171,095)      | 7,579,022         | 8,107,375         |
| Derivatives forward foreign exchange position               | 85,850           | (16,885)       | (373,340)      | (11,019)      | (484,033)        |           | 179,362        | 615,617           | (4,448)           |
| <b>Total foreign exchange position</b>                      | <b>15,423</b>    | <b>(2,183)</b> | <b>226,732</b> | <b>(104)</b>  | <b>(339,919)</b> | <b>72</b> | <b>8,267</b>   | <b>8,194,639</b>  | <b>8,102,927</b>  |



| 31.12.2018  |                  |                |                |               |                  |           |                |                   |                   |
|---|------------------|----------------|----------------|---------------|------------------|-----------|----------------|-------------------|-------------------|
|   | USD              | GBP            | CHF            | JPY           | RON              | RSD       | Other FC       | Euro              | Total             |
| <b>ASSETS</b>   |                  |                |                |               |                  |           |                |                   |                   |
| Cash and Balances with Central Banks                        | 4,299            | 2,613          | 254            | 37            |                  |           | 764            | 711,992           | 719,959           |
| Due from Banks  | 59,105           | 15,892         | 8,197          | 5,030         | 923              | 75        | 3,793          | 2,532,171         | 2,625,186         |
| Trading securities  |                  |                |                |               |                  |           |                | 6,815             | 6,815             |
| Derivative financial assets                                 |                  |                |                |               |                  |           |                | 730,215           | 730,215           |
| Loans and advances to customers                             | 1,672,241        | 50,232         | 741,259        | 6,174         |                  |           | 8,190          | 33,170,101        | 35,648,197        |
| Investment securities:                                      |                  |                |                |               |                  |           |                |                   |                   |
| - Measured at fair value through other comprehensive income | 15,882           |                |                |               |                  |           |                | 5,675,984         | 5,691,866         |
| - Measured at fair value through profit or loss             |                  |                |                |               |                  |           |                | 180,175           | 180,175           |
| Investments in subsidiaries, associates and joint ventures  |                  | 57,154         |                |               | 5,137            |           |                | 801,440           | 863,731           |
| Investment property   |                  |                |                |               |                  |           |                | 24,558            | 24,558            |
| Property, plant and equipment                               |                  |                |                |               |                  |           |                | 628,894           | 628,894           |
| Goodwill and other intangible assets                        |                  |                |                |               |                  |           |                | 390,445           | 390,445           |
| Deferred tax assets   |                  |                |                |               |                  |           |                | 5,339,676         | 5,339,676         |
| Other assets and assets held for sale                       | 9,366            | 257            | 2              | 1             | 159,660          |           | 3,731          | 2,153,726         | 2,326,743         |
| <b>Total Assets</b>   | <b>1,760,893</b> | <b>126,148</b> | <b>749,712</b> | <b>11,242</b> | <b>165,720</b>   | <b>75</b> | <b>16,478</b>  | <b>52,346,192</b> | <b>55,176,460</b> |
| <b>LIABILITIES</b>  |                  |                |                |               |                  |           |                |                   |                   |
| Due to banks and customers                                  | 1,631,107        | 105,675        | 54,968         | 859           | 977              |           | 181,344        | 42,206,700        | 44,181,630        |
| Derivative financial liabilities                            |                  |                |                |               |                  |           |                | 1,149,513         | 1,149,513         |
| Debt securities in issue and other borrowed funds           | 247,055          |                |                |               |                  |           |                | 594,252           | 841,307           |
| Liabilities for current income tax and other taxes          |                  |                |                |               |                  |           |                | 19,842            | 19,842            |
| Employee defined benefit obligations                        |                  |                |                |               |                  |           |                | 83,747            | 83,747            |
| Other liabilities   | 3,096            | 13             | 5,324          | 545           |                  |           | 115            | 821,645           | 830,738           |
| Provisions  | 1,313            | 24             | 2              | 10            | 928              |           | 31             | 216,288           | 218,596           |
| <b>Total liabilities</b>                                    | <b>1,882,571</b> | <b>105,712</b> | <b>60,294</b>  | <b>1,414</b>  | <b>1,905</b>     | <b>-</b>  | <b>181,490</b> | <b>45,091,987</b> | <b>47,325,373</b> |
| Net balance sheet position                                  | (121,678)        | 20,436         | 689,418        | 9,828         | 163,815          | 75        | (165,012)      | 7,254,205         | 7,851,087         |
| Derivatives forward foreign exchange position               | 157,966          | (21,439)       | (684,242)      | (9,530)       | (438,694)        |           | 176,100        | 834,594           | 14,755            |
| <b>Total foreign exchange position</b>                      | <b>36,288</b>    | <b>(1,003)</b> | <b>5,176</b>   | <b>298</b>    | <b>(274,879)</b> | <b>75</b> | <b>11,088</b>  | <b>8,088,799</b>  | <b>7,865,842</b>  |



The open foreign exchange position as at 31.12.2019 presents the following sensitivity analysis:

| Currency | Exchange rate variation scenario against Euro (%) | Impact on net income before tax |
|----------|---|---------------------------------|
| USD      | Appreciation USD 5%                               | 812                             |
|          | Depreciation USD 5%                               | (734)                           |
| GBP      | Appreciation GBP 5%                               | (115)                           |
|          | Depreciation GBP 5%                               | 104                             |
| CHF      | Appreciation CHF 5%                               | 11,933                          |
|          | Depreciation CHF 5%                               | (10,797)                        |
| RON      | Appreciation RON 5%                               | (17,890)                        |
|          | Depreciation RON 5%                               | 16,187                          |
| ALL      | Appreciation ALL 5%                               | 200                             |
|          | Depreciation ALL 5%                               | (181)                           |

## b. Interest Rate Risk

Banking book interest rate risk relates to the volatility on Equity and interest income due to the mismatch between the non-negotiable Assets-Liabilities and the measured at fair value through other comprehensive income portfolio. The interest rate risk management framework is determined in accordance with the Asset Liability Risk Management Policy. Based on this framework, the risk analysis of the Banking Portfolio is analyzed through the Interest Rate Gap Analysis. Particularly, assets and liabilities are classified in Gaps depending on their reprising date for floating-rate items, or maturity date for fixed rate items.

For those assets and liabilities with no maturity date, the distribution of flows is based on models of their behavior analysis. These models have been validated by the competent independent Division of the Bank. Interest rate risk management is carried out by ALCO, following proposals by Group Market and Operational Risk Division, Financial Markets Division and Asset Liability Management Division. Stress interest rate scenarios are carried out on a monthly basis and their impact on the interest income change through EAR (Earnings at Risk) and Equity Value through EVE (Economic Value of Equity) is calculated. Corresponding limits have been set for both measures (EaR & EVE) which are monitored and presented to ALCO and RMC on a regular basis.



The following table presents the Interest Rate Repricing Analysis of both Assets and Liabilities, financial and non financial.

|   | 31.12.2019        |                  |                    |                    |                    |                  |                      |                   |  |
|---|-------------------|------------------|--------------------|--------------------|--------------------|------------------|----------------------|-------------------|--|
|   | Less than 1 month | 1 to 3 months    | 3 to 6 months      | 6 to 12 months     | 1 to 5 years       | > 5 years        | Non-interest bearing | Total             |  |
| <b>ASSETS</b>   |                   |                  |                    |                    |                    |                  |                      |                   |  |
| Cash and balances with central banks                        | 862,656           |                  |                    |                    |                    |                  | 339,151              | 1,201,807         |  |
| Due from banks  | 1,626,710         | 1,511,778        |                    |                    | 288                | 194,162          |                      | 3,332,938         |  |
| Trading securities  |                   |                  | 387                |                    | 7,331              | 10,929           |                      | 18,647            |  |
| Derivative financial assets                                 | 1,024,484         |                  |                    |                    |                    |                  |                      | 1,024,484         |  |
| Loans and advances to customers                             | 12,073,535        | 6,494,242        | 2,428,771          | 1,439,553          | 8,092,866          | 4,325,835        |                      | 34,854,802        |  |
| Investment securities:                                      |                   |                  |                    |                    |                    |                  |                      |                   |  |
| - Measured at fair value through other comprehensive income | 266,700           | 77,048           | 176,380            | 340,696            | 2,913,118          | 2,450,437        |                      | 6,224,379         |  |
| - Measured at fair value through profit and loss            | 175,152           | 10,134           |                    |                    |                    | 1,862            |                      | 187,148           |  |
| - Measured at amortized cost                                |                   |                  |                    |                    | 88,104             | 982,626          |                      | 1,070,730         |  |
| Investments in subsidiaries, associates and joint ventures  |                   |                  |                    |                    |                    |                  | 919,757              | 919,757           |  |
| Investment properties                                       |                   |                  |                    |                    |                    |                  | 39,679               | 39,679            |  |
| Property, plant and equipment                               |                   |                  |                    |                    |                    |                  | 697,459              | 697,459           |  |
| Goodwill and other intangible assets                        |                   |                  |                    |                    |                    |                  | 448,165              | 448,165           |  |
| Deferred tax assets   |                   |                  |                    |                    |                    |                  | 5,233,082            | 5,233,082         |  |
| Other Assets  |                   |                  |                    |                    |                    |                  | 1,356,278            | 1,356,278         |  |
| Assets held for sale  |                   | 409,118          |                    | 47,626             |                    |                  | 915,093              | 1,371,837         |  |
| <b>Total Assets</b>   | <b>16,029,237</b> | <b>8,502,320</b> | <b>2,605,538</b>   | <b>1,827,875</b>   | <b>11,101,707</b>  | <b>7,965,851</b> | <b>9,948,664</b>     | <b>57,981,192</b> |  |
| <b>LIABILITIES</b>  |                   |                  |                    |                    |                    |                  |                      |                   |  |
| Due to banks  | 4,863,107         | 772,997          | 1,011,384          | 2,511,488          | 1,595,519          |                  |                      | 10,754,495        |  |
| Derivative financial liabilities                            | 1,447,703         |                  |                    |                    |                    |                  |                      | 1,447,703         |  |
| Due to customers  | 10,081,146        | 4,056,413        | 3,716,405          | 3,515,332          | 9,289,708          | 4,882,462        |                      | 35,541,466        |  |
| Debt securities in issue and other borrowed funds           | 156,236           | 528,273          | 198,057            |                    |                    |                  |                      | 882,566           |  |
| Liabilities for current income tax and other taxes          |                   |                  |                    |                    |                    |                  | 24,887               | 24,887            |  |
| Employee defined benefit obligations                        |                   |                  |                    |                    |                    |                  | 87,395               | 87,395            |  |
| Other Liabilities   |                   |                  |                    |                    |                    |                  | 934,559              | 934,559           |  |
| Provisions  |                   |                  |                    |                    |                    |                  | 200,746              | 200,746           |  |
| <b>Total Liabilities</b>                                    | <b>16,548,192</b> | <b>5,357,683</b> | <b>4,925,846</b>   | <b>6,026,820</b>   | <b>10,885,227</b>  | <b>4,882,462</b> | <b>1,247,587</b>     | <b>49,873,817</b> |  |
| <b>EQUITY</b>   |                   |                  |                    |                    |                    |                  |                      |                   |  |
| Share capital   |                   |                  |                    |                    |                    |                  | 463,110              | 463,110           |  |
| Share premium   |                   |                  |                    |                    |                    |                  | 10,801,029           | 10,801,029        |  |
| Reserves  |                   |                  |                    |                    |                    |                  | 568,438              | 568,438           |  |
| Retained earnings   |                   |                  |                    |                    |                    |                  | (3,725,202)          | (3,725,202)       |  |
| <b>Total Equity</b>   | <b>-</b>          | <b>-</b>         | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>         | <b>8,107,375</b>     | <b>8,107,375</b>  |  |
| <b>Total Liabilities and Equity</b>                         | <b>16,548,192</b> | <b>5,357,683</b> | <b>4,925,846</b>   | <b>6,026,820</b>   | <b>10,885,227</b>  | <b>4,882,462</b> | <b>9,354,962</b>     | <b>57,981,192</b> |  |
| <b>Open Exposure</b>  | <b>(518,955)</b>  | <b>3,144,637</b> | <b>(2,320,308)</b> | <b>(4,198,945)</b> | <b>216,480</b>     | <b>3,083,389</b> | <b>593,702</b>       | <b>-</b>          |  |
| <b>Cumulative Exposure</b>                                  | <b>(518,955)</b>  | <b>2,625,682</b> | <b>305,374</b>     | <b>(3,893,571)</b> | <b>(3,677,091)</b> | <b>(593,702)</b> | <b>-</b>             | <b>-</b>          |  |





| 31.12.2018  |                    |                  |                    |                    |                    |                  |                      |                   |
|---|--------------------|------------------|--------------------|--------------------|--------------------|------------------|----------------------|-------------------|
|   | Less than 1 month  | 1 to 3 months    | 3 to 6 months      | 6 to 12 months     | 1 to 5 years       | > 5 years        | Non-interest bearing | Total             |
| <b>ASSETS</b>   |                    |                  |                    |                    |                    |                  |                      |                   |
| Cash and balances with central banks                        | 401,490            |                  |                    |                    |                    |                  | 318,469              | 719,959           |
| Due from banks  | 1,963,234          | 480,502          |                    | 263                |                    | 181,187          |                      | 2,625,186         |
| Trading securities  |                    |                  | 92                 |                    | 528                | 6,195            |                      | 6,815             |
| Derivative financial assets                                 | 730,215            |                  |                    |                    |                    |                  |                      | 730,215           |
| Loans and advances to customers                             | 12,475,169         | 5,335,610        | 2,209,153          | 1,385,865          | 9,614,804          | 4,627,596        |                      | 35,648,197        |
| Investment securities:                                      |                    |                  |                    |                    |                    |                  |                      |                   |
| - Measured at fair value through other comprehensive income | 370,813            | 266,605          | 405,605            | 309,046            | 2,224,323          | 2,115,474        |                      | 5,691,866         |
| - Measured at fair value through profit or loss             | 159,387            | 8,521            |                    |                    |                    | 12,267           |                      | 180,175           |
| Investments in subsidiaries, associates and joint ventures  |                    |                  |                    |                    |                    |                  | 863,731              | 863,731           |
| Investment properties                                       |                    |                  |                    |                    |                    |                  | 24,558               | 24,558            |
| Property, plant and equipment                               |                    |                  |                    |                    |                    |                  | 628,894              | 628,894           |
| Goodwill and other intangible assets                        |                    |                  |                    |                    |                    |                  | 390,445              | 390,445           |
| Deferred tax assets   |                    |                  |                    |                    |                    |                  | 5,339,676            | 5,339,676         |
| Other Assets  |                    |                  |                    |                    |                    |                  | 1,282,843            | 1,282,843         |
| Assets held for sale  |                    | 55,925           |                    |                    |                    |                  | 987,975              | 1,043,900         |
| <b>Total Assets</b>   | <b>16,100,308</b>  | <b>6,147,163</b> | <b>2,614,850</b>   | <b>1,695,174</b>   | <b>11,839,655</b>  | <b>6,942,719</b> | <b>9,836,591</b>     | <b>55,176,460</b> |
| <b>LIABILITIES</b>  |                    |                  |                    |                    |                    |                  |                      |                   |
| Due to banks  | 6,725,754          | 1,147,483        | 57,279             |                    | 2,758,896          |                  |                      | 10,689,412        |
| Derivative financial liabilities                            | 1,149,513          |                  |                    |                    |                    |                  |                      | 1,149,513         |
| Due to customers  | 8,973,874          | 4,240,745        | 4,265,223          | 3,015,770          | 8,404,900          | 4,591,706        |                      | 33,492,218        |
| Debt securities in issue and other borrowed funds           | 289,712            |                  |                    |                    | 534,922            | 16,673           |                      | 841,307           |
| Liabilities for current income tax and other taxes          |                    |                  |                    |                    |                    |                  | 19,842               | 19,842            |
| Employee defined benefit obligations                        |                    |                  |                    |                    |                    |                  | 83,747               | 83,747            |
| Other Liabilities   |                    |                  |                    |                    |                    |                  | 830,738              | 830,738           |
| Provisions  |                    |                  |                    |                    |                    |                  | 218,596              | 218,596           |
| <b>Total Liabilities</b>                                    | <b>17,138,853</b>  | <b>5,388,228</b> | <b>4,322,502</b>   | <b>3,015,770</b>   | <b>11,698,718</b>  | <b>4,608,379</b> | <b>1,152,923</b>     | <b>47,325,373</b> |
| <b>EQUITY</b>   |                    |                  |                    |                    |                    |                  |                      |                   |
| Share capital   |                    |                  |                    |                    |                    |                  | 463,110              | 463,110           |
| Share premium   |                    |                  |                    |                    |                    |                  | 10,801,029           | 10,801,029        |
| Reserves  |                    |                  |                    |                    |                    |                  | 323,104              | 323,104           |
| Retained earnings   |                    |                  |                    |                    |                    |                  | (3,736,156)          | (3,736,156)       |
| <b>Total Equity</b>   | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>         | <b>7,851,087</b>     | <b>7,851,087</b>  |
| <b>Total Liabilities and Equity</b>                         | <b>17,138,853</b>  | <b>5,388,228</b> | <b>4,322,502</b>   | <b>3,015,770</b>   | <b>11,698,718</b>  | <b>4,608,379</b> | <b>9,004,010</b>     | <b>55,176,460</b> |
| <b>Open Exposure</b>  | <b>(1,038,545)</b> | <b>758,935</b>   | <b>(1,707,652)</b> | <b>(1,320,596)</b> | <b>140,937</b>     | <b>2,334,340</b> | <b>832,581</b>       |                   |
| <b>Cumulative Exposure</b>                                  | <b>(1,038,545)</b> | <b>(279,610)</b> | <b>(1,987,262)</b> | <b>(3,307,858)</b> | <b>(3,166,921)</b> | <b>(832,581)</b> |                      |                   |

From the Interest Rate Gap Analysis and from the application of alternative scenarios regarding the changes in the market interest rates or changes in the base interest rates of the Bank and the companies of the Group, the Bank is able to calculate the immediate changes in the net interest income and equity relating to securities measured at fair value through other comprehensive income and the respective hedging instruments. In the Interest Rate Gap Analysis, the variance, up to the point it's feasible (interest rate equals to zero), is studied, according to the interest rate curves by currency in force.

| Interest rate variation scenario (parallel fall or rise in yield curves) | Sensitivity for net Interest Income (Annual) | Sensitivity of Equity |
|--|--|-----------------------|
| -200   | 57,279                                       | 545,961               |
| +200   | -101,710                                     | -456,519              |



## 40.3 Liquidity Risk

Liquidity risk relates to the Bank's ability to maintain sufficient funds to cover its planned or extraordinary obligations. Liquidity Risk comprises both funding liquidity risk and asset liquidity risk though these two dimensions of liquidity risk are closely related. Funding Liquidity risk refers to the inability of a financial institution to raise the cash necessary to rollover its debt, fulfill the cash, margin, or collateral requirements of counterparties; or to meet capital withdrawals. Asset – market liquidity risk, results from the Bank's failure to recognize or address changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value. For those assets and liabilities with no maturity date, the distribution of flows is based on models of their behavior analysis. These models have been validated by the competent independent Division of the Bank.

According to Bank's Liquidity Risk Management Policy, the Board Risk Management Committee assigns the overall responsibility for overseeing asset and liability management to Asset – Liability Committee (ALCo). ALCo is responsible on one hand to monitor the quantitative and qualitative aspects of liquidity risk and on the other hand to ensure that appropriate policies and procedures are in place to control and limit liquidity risk. In addition to that, ALCo is responsible for approving the guidelines, principles, risk measurement techniques and limits that have been proposed by the Market and Operational Risk Division, Financial Markets Division and Asset Liability Management Division.

Bank's executive and senior management is informed on current liquidity risk exposures on a daily basis, ensuring that the Bank's liquidity risk profile stays within approved limits. Moreover, management receives on a daily basis a liquidity report, which presents a detailed analysis of Bank's funding sources and counterbalancing capacity. Among others, for the purpose of proper management of liquidity risk and in line with supervisory requirements, the Bank monitors and manages on a monthly basis, the amount, quality and concentration of counterbalancing capacity, the cash flows arising from assets and liabilities (inflows, outflows – maturity ladder) over time, the concentration and cost of funding, the roll over of funding.

The following list summarizes the main reports which are produced on a periodic basis in order to inform the Group's executive and senior management and the ALCo; Static Liquidity Gap analysis, regulatory liquidity ratios of the Group and the subsidiaries, deposit concentration report per subsidiary per currency, Group's Loans to Deposit ratio, liquidity risk indicators and triggers as defined in Recovery Plan of each subsidiary and the Group, liquidity stress testing according to scenarios that evaluate the impact of systemic and idiosyncratic stress events on each subsidiary's liquidity position.

Stress tests are carried out on a monthly basis and/ or more frequently, for liquidity purposes, in order to assess potential outflows (contractual or contingent) to determine the level of immediate liquidity available to cover the Bank's needs. These tests are carried out according to the approved, Liquidity Buffer and Liquidity Stress Scenario Policy of the Group and evaluate the risk in idiosyncratic extraordinary events (idiosyncratic stress test) in the Bank's liquidity, in systemic (systemic stress test) as well as combined events (combined stress test), while it has to be noted that stress tests are also used in order to determine the Liquidity buffer for recovery purposes. According to the policy and within the context of ILAAP, the Bank also applies a reverse stress test in order to examine its impact on its liquidity.

Taking into account that liquidity risk management seeks to ensure that the respective risk of the Bank is measured properly and is maintained within acceptable levels, even under adverse conditions, then the Bank must have access to funds in order to cover customer needs, maturing liabilities and other capital needs, while maintaining at the same time the appropriate counterbalancing capacity to ensure the above.

More analytically, the total funding can be divided into two main categories:

### A. Customer Deposits

#### 1. Customer deposits on demand for cash flow needs

Deposits that are intended to meet short term needs of customers are the savings accounts and the sight deposits. Although these deposits may be withdrawn on demand, the number of accounts and type of depositors ensure that unexpected significant fluctuations are limited. Therefore, these deposits constitute a significant factor of stability of the deposit base.



## 2. Customer term deposits and bonds for investment purposes

The customer term deposits and bonds for investment purposes issued by the Group companies usually consist of customer deposits for a certain period and customer repurchase agreements (repos), whereas the bonds issued by the Group companies are disposed through outright sale. Customers have the ability of early withdrawal of deposits or early liquidation of bonds which may result in potential need of finding alternative liquidity in case of extensive outflows.

For this purpose and for the general safety of customer deposits, the Bank takes care for the existence of adequate liquidity surpluses which are calculated based on stress testing exercises due to loss of liquidity or the existence of sufficient credit lines of financial instruments as shown below.

## B. Wholesale funding

### 1. Medium-term borrowing from international capital markets

The Bank's constant aspiration is to cooperate with international investors who may offer medium term financing through purchase of securities issued by the Group companies. For this purpose, the Bank retains special financing programs appealing to international investors and provides adequate coverage of credit needs through international capital markets by planning asset level needs on an annual basis. However, the Bank acknowledges that the demand of these bonds may not be enough to fully meet the needs in specific time intervals as a result of factors which concern the credit assessment in the domestic and international economic environment.

### 2. Funding by Central Banks

An alternative way of Bank funding is the liquidity from financial instruments of the Central Banks- Euro system and especially from the European Central Bank (ECB). This funding regards loan granted with pledge of assets according to instructions and the eligible assets determined by the ECB. During the last years this additional source funding has become a major financial instrument by hedging the inadequate or loss of basic forms of Bank funding. Furthermore, the Bank can use available assets in order to increase liquidity from the Euro system to cover any financing gap. The Bank recognizes the short-term nature of this liquidity source and pursues gradually to release, if circumstances allow. However, for as long as the country is experiencing financial and economic crisis, the Bank ensures the smooth financing from these financial instruments which may be either conventional marginal lending from the ECB (MRO), or Emergent Liquidity Assistance from Bank of Greece (ELA). The Bank ensures the adequacy of collateral required in order to serve the financing from the above financial instruments, while recognizing both the type and the amount of financing that is under the discretion of the Euro system.

The borrowing from the European System of Central Banks was reduced by € 0,3 billion since 31.12.2018, amounting to € 3,1 billion on 31.12.2019, coming exclusively from the Targeted longer-term refinancing operations (TLTRO-II). In addition, the Bank will no longer receive financing from ELA mechanism, as of February 2019. During the year 2018, our funding has significantly increased due to increase of customer deposits as well as the interbank repo transactions.

According to the Liquidity Gap Analysis, the cash flows arising from balance sheet items are calculated and classified into time periods in accordance with the contractual maturity date or an estimated date based on a statistical analysis (convention). An exception to the above, are the securities portfolios, which can contribute directly to raise liquidity, and they are allocated in the first period under the condition they have not been used to raise liquidity either by the Central Bank or through interbank repos.



|   | 31.12.2019         |                    |                    |                    |                   |                   |
|---|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
|   | Less than 1 month  | 1 to 3 months      | 3 to 6 months      | 6 to 12 months     | >1 years          | Total             |
| <b>ASSETS</b>   |                    |                    |                    |                    |                   |                   |
| Cash and balances with central banks                        | 1,201,807          |                    |                    |                    |                   | 1,201,807         |
| Due from banks  | 1,511,225          | 1,179,475          | 450                | 36,729             | 605,059           | 3,332,938         |
| Trading securities  | 18,647             |                    |                    |                    |                   | 18,647            |
| Derivative financial assets                                 | 1,024,484          |                    |                    |                    |                   | 1,024,484         |
| Loans and advances to customers                             | 1,132,520          | 1,535,958          | 1,175,006          | 2,581,587          | 28,429,731        | 34,854,802        |
| Investment securities:                                      |                    |                    |                    |                    |                   | -                 |
| - Measured at fair value through other comprehensive income | 6,224,379          |                    |                    |                    |                   | 6,224,379         |
| - Measured at fair value through profit or loss             | 187,148            |                    |                    |                    |                   | 187,148           |
| - Measured at amortized cost                                |                    |                    |                    |                    | 1,070,730         | 1,070,730         |
| Investments in subsidiaries, associates and joint ventures  |                    |                    |                    |                    | 919,757           | 919,757           |
| Investment properties                                       |                    |                    |                    |                    | 39,679            | 39,679            |
| Property, plant and equipment                               |                    |                    |                    |                    | 697,459           | 697,459           |
| Goodwill and other intangible assets                        |                    |                    |                    |                    | 448,165           | 448,165           |
| Deferred tax assets   |                    | 654,538            |                    | 1,744,915          | 2,833,629         | 5,233,082         |
| Other Assets  |                    |                    |                    |                    | 1,356,278         | 1,356,278         |
| Assets held for sale  |                    | 409,118            | 868,876            | 93,843             |                   | 1,371,837         |
| <b>Total Assets</b>   | <b>11,300,210</b>  | <b>3,779,089</b>   | <b>2,044,332</b>   | <b>4,457,074</b>   | <b>36,400,487</b> | <b>57,981,192</b> |
| <b>LIABILITIES</b>  |                    |                    |                    |                    |                   |                   |
| Due to banks  | 4,663,714          | 493,278            | 999,150            | 2,512,389          | 2,085,964         | 10,754,495        |
| Derivative financial liabilities                            | 1,447,703          |                    |                    |                    |                   | 1,447,703         |
| Due to customers  | 8,391,664          | 4,132,914          | 3,831,156          | 3,744,833          | 15,440,899        | 35,541,466        |
| Debt securities in issue and other borrowed funds           |                    |                    |                    |                    | 882,566           | 882,566           |
| Liabilities for current income tax and other taxes          |                    | 15,179             | 3,208              | 6,500              |                   | 24,887            |
| Employee defined benefit obligations                        |                    |                    |                    |                    | 87,395            | 87,395            |
| Other Liabilities   |                    |                    |                    |                    | 934,559           | 934,559           |
| Provisions  |                    |                    |                    |                    | 200,746           | 200,746           |
| <b>Total Liabilities</b>                                    | <b>14,503,081</b>  | <b>4,641,371</b>   | <b>4,833,514</b>   | <b>6,263,722</b>   | <b>19,632,129</b> | <b>49,873,817</b> |
| <b>EQUITY</b>   |                    |                    |                    |                    |                   |                   |
| Share capital   |                    |                    |                    |                    | 463,110           | 463,110           |
| Share premium   |                    |                    |                    |                    | 10,801,029        | 10,801,029        |
| Reserves  |                    |                    |                    |                    | 568,438           | 568,438           |
| Retained earnings   |                    |                    |                    |                    | (3,725,202)       | (3,725,202)       |
| <b>Total Equity</b>   | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>8,107,375</b>  | <b>8,107,375</b>  |
| <b>Total Liabilities and Equity</b>                         | <b>14,503,081</b>  | <b>4,641,371</b>   | <b>4,833,514</b>   | <b>6,263,722</b>   | <b>27,739,504</b> | <b>57,981,192</b> |
| <b>OPEN LIQUIDITY GAP</b>                                   | <b>(3,202,871)</b> | <b>(862,282)</b>   | <b>(2,789,182)</b> | <b>(1,806,648)</b> | <b>8,660,983</b>  |                   |
| <b>CUMULATIVE LIQUIDITY GAP</b>                             | <b>(3,202,871)</b> | <b>(4,065,153)</b> | <b>(6,854,335)</b> | <b>(8,660,983)</b> |                   |                   |



| 31.12.2018  |                    |                    |                     |                     |                   |                   |
|---|--------------------|--------------------|---------------------|---------------------|-------------------|-------------------|
|   | Less than 1 month  | 1 to 3 months      | 3 to 6 months       | 6 to 12 months      | >1 years          | Total             |
| <b>ASSETS</b>   |                    |                    |                     |                     |                   |                   |
| Cash and balances with central banks                        | 719,959            |                    |                     |                     |                   | 719,959           |
| Due from banks  | 1,830,398          | 37,681             | 90,649              | 129,714             | 536,744           | 2,625,186         |
| Trading securities  |                    |                    | 92                  |                     | 6,723             | 6,815             |
| Derivative financial assets                                 | 730,215            |                    |                     |                     |                   | 730,215           |
| Loans and advances to customers                             | 1,097,674          | 919,808            | 1,199,975           | 2,568,109           | 29,862,631        | 35,648,197        |
| Investment securities:                                      |                    |                    |                     |                     |                   | -                 |
| - Measured at fair value through other comprehensive income | 5,691,866          |                    |                     |                     |                   | 5,691,866         |
| - Measured at fair value through profit or loss             | 180,175            |                    |                     |                     |                   | 180,175           |
| Investments in subsidiaries, associates and joint ventures  |                    |                    |                     |                     | 863,731           | 863,731           |
| Investment properties                                       |                    |                    |                     |                     | 24,558            | 24,558            |
| Property, plant and equipment                               |                    |                    |                     |                     | 628,894           | 628,894           |
| Goodwill and other intangible assets                        |                    |                    |                     |                     | 390,445           | 390,445           |
| Deferred tax assets   |                    |                    |                     |                     | 5,339,676         | 5,339,676         |
| Other Assets  |                    |                    |                     |                     | 1,282,843         | 1,282,843         |
| Assets held for sale  |                    |                    | 51,834              | 992,066             |                   | 1,043,900         |
| <b>Total Assets</b>   | <b>10,250,287</b>  | <b>957,489</b>     | <b>1,342,550</b>    | <b>3,689,889</b>    | <b>38,936,245</b> | <b>55,176,460</b> |
| <b>LIABILITIES</b>  |                    |                    |                     |                     |                   |                   |
| Due to banks  | 6,592,300          | 926,255            | 33,941              | 3,214               | 3,133,702         | 10,689,412        |
| Derivative financial liabilities                            | 1,149,513          |                    |                     |                     |                   | 1,149,513         |
| Due to customers  | 7,632,914          | 4,300,569          | 4,354,959           | 3,195,242           | 14,008,534        | 33,492,218        |
| Debt securities in issue and other borrowed funds           |                    | 5,203              |                     | 284,509             | 551,595           | 841,307           |
| Liabilities for current income tax and other taxes          |                    | 19,842             |                     |                     |                   | 19,842            |
| Employee defined benefit obligations                        |                    |                    |                     |                     | 83,747            | 83,747            |
| Other Liabilities   |                    |                    |                     |                     | 830,738           | 830,738           |
| Provisions  |                    |                    |                     |                     | 218,596           | 218,596           |
| <b>Total Liabilities</b>                                    | <b>15,374,727</b>  | <b>5,251,869</b>   | <b>4,388,900</b>    | <b>3,482,965</b>    | <b>18,826,912</b> | <b>47,325,373</b> |
| <b>EQUITY</b>   |                    |                    |                     |                     |                   |                   |
| Share capital   |                    |                    |                     |                     | 463,110           | 463,110           |
| Share premium   |                    |                    |                     |                     | 10,801,029        | 10,801,029        |
| Reserves  |                    |                    |                     |                     | 323,104           | 323,104           |
| Retained earnings   |                    |                    |                     |                     | (3,736,156)       | (3,736,156)       |
| <b>Total Equity</b>   |                    |                    |                     |                     | <b>7,851,087</b>  | <b>7,851,087</b>  |
| <b>Total Liabilities and Equity</b>                         | <b>15,374,727</b>  | <b>5,251,869</b>   | <b>4,388,900</b>    | <b>3,482,965</b>    | <b>26,677,999</b> | <b>55,176,460</b> |
| <b>OPEN LIQUIDITY GAP</b>                                   | <b>(5,124,440)</b> | <b>(4,294,380)</b> | <b>(3,046,350)</b>  | <b>206,924</b>      | <b>12,258,246</b> |                   |
| <b>CUMULATIVE LIQUIDITY GAP</b>                             | <b>(5,124,440)</b> | <b>(9,418,820)</b> | <b>(12,465,170)</b> | <b>(12,258,246)</b> |                   |                   |



Trading and investment portfolios measured at fair value through profit or loss and through other comprehensive income are listed based on their liquidation potential and not according to their maturity.

Cash flows arising from financial liabilities including derivative financial liabilities, are allocated into time bands according to their maturity date. Estimated interest payments are also included. Liabilities in foreign currency have been converted into Euro. Outflows and inflows relating to derivatives are estimated according to their contractual terms.

| 31.12.2019   |                     |                              |                    |                    |                    |                     |                     |
|--|---------------------|------------------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
|  | Total Balance Sheet | Nominal inflows / (outflows) |                    |                    |                    |                     | Total               |
|  |                     | Less than one month          | 1 to 3 months      | 3 to 6 months      | 6 to 12 months     | More than a year    |                     |
| <b>Non-derivative liabilities</b>                        |                     |                              |                    |                    |                    |                     |                     |
| Due to banks   | 10,754,495          | (4,664,249)                  | (493,788)          | (1,000,322)        | (2,518,692)        | (2,110,647)         | (10,787,698)        |
| Due to customers   | 35,541,466          | (8,399,411)                  | (4,146,819)        | (3,849,505)        | (3,777,738)        | (15,564,467)        | (35,737,940)        |
| Debt securities in issue and other borrowed funds        | 882,566             | (1,079)                      | (3,038)            | (4,546)            | (9,071)            | (917,888)           | (935,622)           |
| Other liabilities  | 934,559             |                              |                    |                    |                    | (934,559)           | (934,559)           |
| <b>Derivatives held for assets fair value hedge</b>      | 369,902             |                              |                    |                    |                    |                     | -                   |
| - Outflows   |                     | (150)                        | (52,590)           | (80,717)           |                    | (340,510)           | (473,967)           |
| - Inflows  |                     |                              | 51,710             | 64,626             | 10,282             | 326,232             | 452,850             |
| <b>Derivatives held for liabilities fair value hedge</b> |                     |                              |                    |                    |                    |                     |                     |
| - Outflows   |                     |                              |                    |                    |                    |                     | -                   |
| - Inflows  |                     |                              |                    |                    |                    |                     | -                   |
| <b>Derivatives held for trading</b>                      | 1,077,803           |                              |                    |                    |                    |                     |                     |
| - Outflows   |                     | (307,797)                    | (294,948)          | (177,258)          | (95,018)           | (1,154,583)         | (2,029,604)         |
| - Inflows  |                     | 289,847                      | 248,830            | 139,052            | 88,360             | 1,060,422           | 1,826,511           |
| <b>Total</b>   | <b>49,560,791</b>   | <b>(13,082,839)</b>          | <b>(4,690,643)</b> | <b>(4,908,670)</b> | <b>(6,301,877)</b> | <b>(19,636,000)</b> | <b>(48,620,029)</b> |
| <b>Off Balance sheet items</b>                           |                     |                              |                    |                    |                    |                     |                     |
| Undrawn loan commitments                                 |                     |                              |                    |                    |                    |                     | -                   |
| Financial guarantees                                     |                     | (13,998)                     | (865)              | (3,304)            | (54,954)           | (2,540,976)         | (2,614,097)         |
| <b>Total off Balance sheet items</b>                     |                     | <b>(13,998)</b>              | <b>(865)</b>       | <b>(3,304)</b>     | <b>(54,954)</b>    | <b>(2,540,976)</b>  | <b>(2,614,097)</b>  |



| 31.12.2018   |                     |                              |                    |                    |                    |                     |                     |
|--|---------------------|------------------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
|  | Total Balance Sheet | Nominal inflows / (outflows) |                    |                    |                    |                     | Total               |
|  |                     | Less than one month          | 1 to 3 months      | 3 to 6 months      | 6 to 12 months     | More than a year    |                     |
| <b>Non-derivative liabilities</b>                        |                     |                              |                    |                    |                    |                     |                     |
| Due to banks   | 10,689,412          | (6,597,213)                  | (935,972)          | (47,771)           | (31,683)           | (3,263,376)         | (10,876,015)        |
| Due to customers   | 33,492,218          | (7,642,691)                  | (4,317,854)        | (4,378,050)        | (3,237,077)        | (14,176,471)        | (33,752,143)        |
| Debt securities in issue and other borrowed funds        | 841,307             | (2,269)                      | (9,646)            | (6,503)            | (294,877)          | (587,720)           | (901,015)           |
| Other liabilities  | 830,738             |                              |                    |                    |                    | (830,738)           | (830,738)           |
| <b>Derivatives held for assets fair value hedge</b>      | 685                 |                              |                    |                    |                    |                     |                     |
| - Outflows   |                     | (58,193)                     | (54,778)           | (30)               | (3)                | (5)                 | (113,009)           |
| - Inflows  |                     | 57,787                       | 54,383             |                    | 14                 | 62                  | 112,246             |
| <b>Derivatives held for liabilities fair value hedge</b> | 374,818             |                              |                    |                    |                    |                     |                     |
| - Outflows   |                     | (175)                        | (330)              | (27,557)           |                    | (496,102)           | (524,164)           |
| - Inflows  |                     |                              |                    | 7,113              | 14,169             | 474,233             | 495,515             |
| <b>Derivatives held for trading</b>                      | 774,010             |                              |                    |                    |                    |                     |                     |
| - Outflows   |                     | (876,409)                    | (357,601)          | (56,132)           | (114,857)          | (1,311,508)         | (2,716,507)         |
| - Inflows  |                     | 843,819                      | 301,595            | 41,024             | 107,048            | 1,156,100           | 2,449,586           |
| <b>Total</b>   | <b>47,003,188</b>   | <b>(14,275,344)</b>          | <b>(5,320,203)</b> | <b>(4,467,906)</b> | <b>(3,557,266)</b> | <b>(19,035,525)</b> | <b>(46,656,244)</b> |
| <b>Off Balance sheet items</b>                           |                     |                              |                    |                    |                    |                     |                     |
| Undrawn loan commitments                                 |                     |                              |                    |                    |                    |                     | -                   |
| Financial guarantees                                     |                     | (104,242)                    | (166,986)          | (91,713)           | (245,225)          | (2,146,702)         | (2,754,868)         |
| <b>Total off Balance sheet items</b>                     |                     | <b>(104,242)</b>             | <b>(166,986)</b>   | <b>(91,713)</b>    | <b>(245,225)</b>   | <b>(2,146,702)</b>  | <b>(2,754,868)</b>  |



## 40.4 Fair value of financial assets and liabilities

### Hierarchy of financial instruments not measured at fair value

|                                 | 31.12.2019 |         |            |                  |                       |
|---------------------------------|------------|---------|------------|------------------|-----------------------|
|                                 | Level 1    | Level 2 | Level 3    | Total fair value | Total Carrying amount |
| <b>Financial assets</b>         |            |         |            |                  |                       |
| Loans and advances to customers |            |         | 34,220,570 | 34,220,570       | 34,538,870            |
| Investment securities           |            |         |            |                  |                       |
| - Measured at amortised cost    | 1,084,602  |         |            | 1,084,602        | 1,070,730             |
| <b>Financial liabilities</b>    |            |         |            |                  |                       |
| Due to customers                |            |         | 35,527,768 | 35,527,768       | 35,541,466            |
| Debt securities in issue        | 541,546    | 1,662   | 322,380    | 865,589          | 882,566               |

|                                 | 31.12.2018 |         |            |                  |                       |
|---------------------------------|------------|---------|------------|------------------|-----------------------|
|                                 | Level 1    | Level 2 | Level 3    | Total fair value | Total Carrying amount |
| <b>Financial assets</b>         |            |         |            |                  |                       |
| Loans and advances to customers |            |         | 35,138,293 | 35,138,293       | 35,310,639            |
| Investment securities           |            |         |            |                  |                       |
| - Measured at amortized cost    |            |         |            |                  |                       |
| <b>Financial liabilities</b>    |            |         |            |                  |                       |
| Due to customers                |            |         | 33,477,269 | 33,477,269       | 33,492,218            |
| Debt securities in issue        | 513,826    | 11,581  | 314,611    | 840,018          | 841,307               |

The above tables present the fair value as well as the carrying amount of financial instruments measured at amortized cost classified by fair value hierarchy.

The fair value of loans to customers measured at amortised cost is estimated using the discount model of contractual future cash flows. The components of the discount rate are the interbank market yield curve, the liquidity premium as well as the expected loss rate. More specifically for 31.12.2019, for the loans that for credit risk purposes are considered impaired and are individually assessed for impairment, the model uses the expected future cash flows excluding expected credit losses. In this case, the interbank market yield curve and the liquidity premium serve as the discount rate. However for impaired loans assessed on a collective basis, estimates are made for capital repayment after taking into account the loss due to credit risk. The interbank market yield curve and the liquidity premium serve as the discount rate for the impaired loans.

The fair value of deposits is estimated based on the interbank market yield curve and the liquidity premium until their maturity.

Level 1 includes securities and debt securities in issue that are traded in active market. Level 2 includes securities and debt securities in issue, the fair value of which, is determined based on non-binding market prices provided by dealers-brokers or through the use of discounted cash flow methodologies such as income approach methodology using interest rates and credit spreads which are observable in the market. Level 3 classifications include securities the fair value of which, is estimated using significant unobservable inputs. In this case, the fair value is provided by the issuers of the securities and confirmed by the Bank or calculated internally by the Bank. Additionally, Level 3 includes the Bank's liabilities to the Special Purpose Entities, related to securitized loans. The fair value of these liabilities was calculated by discounting future cash flows taking into account non-observable market data.

The fair value of other financial assets and liabilities which are valued at amortised cost does not differ materially from the respective carrying amount.



**Hierarchy of financial instruments measured at fair value**

| 31.12.2019   |           |           |         |                  |
|--|-----------|-----------|---------|------------------|
|  | Level 1   | Level 2   | Level 3 | Total fair value |
| Derivative financial assets  | 2,288     | 1,021,216 | 980     | 1,024,484        |
| Trading securities   |           |           |         |                  |
| - Bonds and Treasury bills   | 17,490    | 371       |         | 17,861           |
| - Shares   | 786       |           |         | 786              |
| Securities measured at fair value through other comprehensive income |           |           |         |                  |
| - Bonds and Treasury bills   | 5,899,557 | 258,952   | 10,532  | 6,169,041        |
| - Shares   | 9,529     | 30,364    | 15,446  | 55,339           |
| Securities measured at fair value through profit or loss             |           |           |         | -                |
| - Bonds and Treasury bills   |           |           | 179,878 | 179,878          |
| - Other variable yield securities                                    | 7,261     |           |         | 7,261            |
| - Shares   |           |           | 9       | 9                |
| Loans measured at fair value through profit or loss                  |           |           | 315,932 | 315,932          |
| Derivative financial liabilities                                     |           | 1,447,703 |         | 1,447,703        |

| 31.12.2018   |           |           |         |                  |
|--|-----------|-----------|---------|------------------|
|  | Level 1   | Level 2   | Level 3 | Total fair value |
| Derivative financial assets  | 3,528     | 710,024   | 16,663  | 730,215          |
| Trading securities   |           |           |         |                  |
| - Bonds and Treasury bills   | 6,669     |           |         | 6,669            |
| - Shares   | 146       |           |         | 146              |
| Securities measured at fair value through other comprehensive income |           |           |         |                  |
| - Bonds and Treasury bills   | 5,325,197 | 287,651   | 9,593   | 5,622,441        |
| - Shares   | 8,238     | 21,403    | 39,784  | 69,425           |
| Securities measured at fair value through profit or loss             |           |           |         |                  |
| - Bonds and Treasury bills   |           | 69        | 175,622 | 175,691          |
| - Other variable yield securities                                    | 4,481     |           |         | 4,481            |
| - Shares   |           |           | 3       | 3                |
| Loans measured at fair value through profit or loss                  |           |           | 337,557 | 337,557          |
| Derivative financial liabilities                                     |           | 1,149,513 |         | 1,149,513        |

The tables above present the fair value hierarchy of financial instruments which are measured at fair value based on inputs used for the fair value measurement.

Securities which are traded in an active market and exchange-traded derivatives are classified into Level 1.

Securities whose fair value is calculated based on non-binding market prices provided by dealers-brokers or on the application of the income approach methodology using interest rates and credit spreads which are observable in the market, are classified as Level 2.

Level 3 classification includes securities and loans whose fair value is estimated using significant unobservable inputs.

The valuation methodology of securities is subject to approval by the Treasury and Balance Sheet Management / Assets – Liabilities Management Committees. It should be noted that for the securities whose fair value is calculated based on market prices, bid prices are considered and daily checks are performed with regards to their change in fair value.



The fair value of loans measured at fair value through profit or loss, is estimated based on the valuation methodology as described above regarding the disclosure of fair value for loans measured at amortized cost.

Shares whose fair value is calculated are classified to Level 2 or Level 3, depending on the extent of the contribution of unobservable data to the calculation of the final fair value. The fair value of non-listed shares, as well as shares not traded in an active market is determined either based on the Bank's share on the issuer's equity or by the multiples valuation or the estimations made by the Bank regarding the future profitability of the issuer taking into account the expected growth rate of its operations, as well as the weighted average rate of capital return which is used as discount rate.

For the valuation of over the counter derivatives income approach methodologies are used: discounted cash flow models, option-pricing models or other widely accepted valuation models. The valuation methodology of over the counter derivatives is subject to approval by the Treasury and Balance Sheet Management / Assets – Liabilities Management Committees. Mid prices are considered as both long and short positions may be outstanding. Valuations are checked on a daily basis with the respective prices of the counterparty banks in the context of the daily process of provision of collaterals and settlement of derivatives. If the non observable inputs are significant, the fair value that arises is classified as Level 3 or otherwise as Level 2.

In addition, the Bank calculates the credit valuation adjustments (CVA) in order to take into account the counterparty credit risk for OTC derivative financial instruments. In particular, taking into consideration its own credit risk, the Bank calculates the bilateral credit valuation adjustments (Bilateral CVA/BCVA) for the OTC derivatives held on a counterparty level according to netting and collateral agreements in force. BCVA is calculated across all counterparties with a material effect on the respective derivative fair values taking into consideration the default probability of both the counterparty and Bank, the impact of first to default, the expected OTC derivative exposure and loss given default of the counterparty and of Bank and the specific characteristics of netting and collateral agreements in force.

Collaterals are simulated along with the derivative portfolio exposure over the life of the related instruments. Calculations performed depend largely on observable market data. Market quoted counterparty and Bank's CDS spreads are used in order to derive the respective probability of default a market standard recovery rate is assumed for developed market counterparties, correlations between market data are taken into account and a series of simulations is performed to model the portfolio exposure over the life of the related instruments. In the absence of observable market data, the counterparty probability of default and loss given default are determined using the Bank's internal models for credit rating and collateral valuation BCVA model is validated from independent division of the Bank according to best practices.

A breakdown of BCVA per counterparty sectors and counter party credit quality, as defined for presentation purposes of the table "Analysis of neither past due nor impaired Loans and Advances to customers" is given below:

|                                 | 31.12.2019 | 31.12.2018 |
|---------------------------------|------------|------------|
| <b>Category of counterparty</b> |            |            |
| Corporates                      | (1,319)    | (4,841)    |
| Governments                     | (11,963)   | (25,249)   |

|  | 31.12.2019 | 31.12.2018* |
|--|------------|-------------|
| <b>Quality's Hierarchy of counterparty</b> |            |             |
| Strong                                     | (104)      | (371)       |
| Satisfactory                               | (12,300)   | (25,246)    |
| Default                                    | (878)      | (4,473)     |

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



The table below presents the valuation methods used for the measurement of Level 3 fair value:

| 31.12.2019   |                  |            |   |  |
|--|------------------|------------|---|--|
|  | Total Fair Value | Fair Value | Valuation Method  | Significant non-observable inputs  |
| Derivative financial assets<br>(Interest rate caps, Interest rate swaps) | 980              | 980        | Discounted cash flows with interest rates being the underlying instruments, taking into account the credit risk of the counterparty | The probability of default and loss given default of the counterparty (BCVA adjustment) calculated using an internal model |
|  |                  | -          | Discounted cash flow at underlying interest rates   | Assessment of reserve adequacy for payment of hybrid securities dividends  |
| Bonds measured at fair value through other comprehensive income          | 10,532           | 10,532     | Based on issuer price / Cash flow discount with an estimate of the bond yield   | Issuer price / Bond yield  |
| Shares measured at fair value through other comprehensive income         | 15,446           | 15,446     | Discounted cash flows / Multiples valuation method  | Future profitability of the issuer, expected growth / Valuation ratios Average weighted cost of capital                    |
| Bonds measured at fair value through profit or loss                      | 179,878          | 179,878    | Based on issuer price / Discounted cash flows with estimation of credit risk  | Issuer price – Credit risk margin- Assessment of reserve adequacy for payment of hybrid securities dividends               |
| Shares measured at fair value through profit or loss                     | 9                | 9          | Discounted cash flows / Multiples valuation method / Expected transaction price   | Future profitability of the issuer, expected growth / Valuation ratios   |
| Loans measured at fair value through profit or loss                      | 315,932          | 315,932    | Discounted cash flows with interest being the underlying instruments, taking into account the counterparty's credit risk            | Expected loss and cash flows from counterparty' credit risk  |

| 31.12.2018   |                  |            |   |  |
|--|------------------|------------|---|--|
|  | Total Fair Value | Fair Value | Valuation Method  | Significant non-observable inputs  |
| Derivative financial assets                                      | 16,663           | 2,098      | Discounted cash flows with interest rates being the underlying instruments, taking into account the credit risk of the counterparty | The probability of default and loss given default of the counterparty (BCVA adjustment) calculated using an internal model |
|  |                  | 14,565     | Option discounting taking into account the credit risk of the counterparty  | Credit spread  |
| Bonds measured at fair value through other comprehensive income  | 9,593            | 9,593      | Discounted cash flows with estimation of bond yield   | Bond yield   |
| Shares measured at fair value through other comprehensive income | 39,784           | 39,784     | Discounted cash flows / Multiples valuation method  | Future profitability of the issuer, expected growth / Valuation ratios Average weighted cost of capital                    |
| Bonds measured at fair value through profit or loss              | 175,622          | 175,622    | Based on issuer price / Discounted cash flows with estimation of credit risk  | Issuer price – Credit risk margin  |
| Shares measured at fair value through profit or loss             | 3                | 3          | Discounted cash flows / Multiples valuation method / Expected transaction price   | Future profitability of the issuer, expected growth / Valuation ratios   |
| Loans measured at fair value through profit or loss              | 337,557          | 337,557    | Discounted cash flows with interest being the underlying instruments, taking into account the counterparty's credit risk            | Expected loss and cash flows from counterparty' credit risk  |

The Bank recognizes the transfer between fair value hierarchy Levels at the end of the reporting period.

Within the year, € 969 of Greek corporate bonds were transferred from Level 2 to Level 1, as the liquidity margin (bid-ask spread) moved within the limit set for the characterization of market as active

Within the previous year, € 30,650 of Greek corporate bonds were transferred from Level 1 to Level 2, as the liquidity margin (bid-ask spread) moved above the limit set for the characterization of market as active.



A reconciliation for the movement of financial instruments measured at fair value in Level 3 is depicted below:

| 31.12.2019   |  |  |   |                             |
|--|--|--|---|-----------------------------|
|  | Assets   |  |   |                             |
|  | Securities measured at fair value through other comprehensive income | Securities measured at fair value through profit or loss | Loans measured at fair value through profit or loss | Derivative financial assets |
| <b>Opening Balance 1.1.2019</b>  | <b>49,377</b>  | <b>175,625</b>   | <b>337,557</b>                                      | <b>16,663</b>               |
| Total gain/(loss) recognized in Income Statement   | 627  | 4,725  | (12,477)  | (14,514)                    |
| - Net interest income  | 558  | 819  | 13,398  | -                           |
| - Gains less losses on financial transactions  | 33   | 3,906  | (25,875)  | (14,514)                    |
| - Impairment losses  | 36   |  |   |                             |
| Total gain/(loss) recognized in Equity-Reserves  | (9)  |  |   | -                           |
| Total gain/(loss) recognized in Equity-Retained earnings   | (21,305)   |  |   |                             |
| Purchases / Disbursements  | 201  |  | 74,339  |                             |
| Sales  |  |  |   |                             |
| Repayments   | (806)  | (513)  | (83,487)  | (462)                       |
| Arrangements   |  |  |   | (707)                       |
| Transfer to Level 3 from Level 1   |  |  |   |                             |
| Transfer to Level 3 from Level 2   | 1,127  | 53   |   | -                           |
| Transfer out from Level 3 to Level 1   |  |  |   |                             |
| Transfer to assets held for sale   | (3,234)  | (3)  |   | -                           |
| <b>Balance 31.12.2019</b>  | <b>25,978</b>  | <b>179,887</b>   | <b>315,932</b>                                      | <b>980</b>                  |
| Gain/ (loss) included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1 - 31.12.2019. | 627  | 4,596  | (18,789)  | 51                          |
| - Net interest income  | 558  | 551  | 11,179  |                             |
| - Gains less losses on financial transactions  | 33   | 4,045  | (29,968)  | 51                          |
| - Impairment losses  | 36   |  | -   |                             |

During the year, a bond amounting to € 1,180 was transferred from Level 2 to Level 3, since internal model was used for valuation purposes.



| <b>31.12.2018</b>   |   |   |  |  |
|---|---|---|--|--|
|   | <b>Assets</b>   |   |  |  |
|   | <b>Securities measured<br/>at fair value through<br/>other comprehensive<br/>income</b> | <b>Securities measured<br/>at fair value through<br/>profit or loss</b> | <b>Loans measured at<br/>fair value through<br/>profit or loss</b> | <b>Derivative financial<br/>assets</b> |
| <b>Opening Balance 1.1.2018<br/>following the implementation of<br/>IFRS 9</b>  | <b>59,543</b>   | <b>148,212</b>  | <b>426,353</b>   | <b>26,556</b>                          |
| Total gain/(loss) recognized in Income Statement  | 1,617   | 27,936  | (30,819)   | 2,310                                  |
| - Net interest income   | 2,160   | 814   | 14,132   | 287                                    |
| - Gains less losses on financial transactions   | 15  | 27,122  | (44,951)   | 2,023                                  |
| - Impairment losses   | (558)   |   |  |  |
| Total gain/(loss) recognized in Equity-Reserves   | 1,081   |   |  |  |
| Total gain/(loss) recognized in Equity-Retained earnings  | (2,495)   |   |  |  |
| Purchases / Disbursements   | 28,334  | 27  | 38,052   |  |
| Sales   |   | (550)   |  |  |
| Repayments  | (28,246)  |   | (70,384)   | (1,560)                                |
| Transfer out from Level 3 to Level 2  | (10,457)  |   |  | (10,643)                               |
| Transfer to assets held for sale  |   |   | (25,645)   |  |
| <b>Balance 31.12.2018</b>   | <b>49,377</b>   | <b>175,625</b>  | <b>337,557</b>   | <b>16,663</b>                          |
| Gain/ (loss) included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1 - 31.12.2018 | 841   | 27,959  | (32,519)   | 2,310                                  |
| - Net interest income   | 1,384   | 814   | 12,701   | 287                                    |
| - Gains less losses on financial transactions   | 15  | 27,145  | (45,220)   | 2,023                                  |
| - Impairment losses   | (558)   |   |  |  |

During 2018, a bond amounting to € 10,457 and derivatives amounting to € 10,643 were transferred from Level 3 to Level 2, since observable parameters were used for valuation purposes. Also on 30.5.2018 a bond amounting to € 26,752 matured. Finally, as part of the restructuring of specific borrower's debt obligations, the Bank acquired the right to purchase, at a symbolic price, a percentage interest in its share capital. This right of the Bank is valued as a derivative at a fair value of € 14,565.



The following tables present the sensitivity analysis for financial instruments classified at Level 3 whose valuation was based on significant unobservable data at 31.12.2019 and 31.12.2018:

| 31.12.2019   |  |   |   |                                  |                        |                        |                        |
|--|--|---|---|----------------------------------|------------------------|------------------------|------------------------|
|  | Significant Non-observable inputs  | Quantitative information on non-observable inputs   | Significant non-observable inputs change  | Total effect in income statement |                        | Total effect in equity |                        |
|  |  |   |   | Favourable variation             | Unfavourable variation | Favourable variation   | Unfavourable variation |
| Derivative Financial Assets                                      | The probability of default and loss given default of the counterparty (BCVA adjustment) calculated using an internal model | Average probability of default equal to 100% and average loss in the case of default of counterparty equal to 56% | Increase the probability of default through reduction of internal ratings by 2 scales/ increase the loss given default by 10%           |                                  | (156)                  |                        |                        |
|  | Assessment of reserve adequacy for payment of hybrid securities dividends  | From 2022 to the end, possibility 100%  | Increase the possibility of paying dividends to 100%  |                                  | (1)                    |                        |                        |
| Bonds measured at fair value through other comprehensive income  | Issuer price / Bond yield  | Issuer price equal to 94.01% / Average bond yield equal to 9.32%  | Variation +/- 10% in issuer price, +/-10% in adjustment of estimated credit risk  |                                  |                        | 273                    | (269)                  |
| Shares measured at fair value through other comprehensive income | Future profitability of the issuer, expected growth / Value indicators / Average weighted cost of capital                  | Value indicator P/ BV 0,41x, / WACC +/-1%   | Variation +/-10% in P/B and EV/ Sales multiples valuation method .Wacc +/-1%  |                                  |                        | 262                    | (260)                  |
| Bonds measured at fair value through profit or loss              | Issuer price - Credit spread - Assessment of reserve adequacy for payment of hybrid securities dividends                   | Issuer price equal to 85.47% / Average credit spread equal to 1922 bps From 2022 to the end, possibility 100%     | Variation +/- 10% in issuer price, +/-10% in adjustment of estimated Credit Risk, +/- 1 year on the starting date for dividend payments | 5,142                            | (5,002)                |                        |                        |
| Loans measured at fair value through profit or loss              | Expected credit loss and cash flows from credit risk of the counterparty   | Average credit spread and liquidity premium equal to 32,07%   | Decrease of the expected cash flows by 10% on loans individually assessed   |                                  | (8,480)                |                        |                        |
| <b>Total</b>   |  |   |   | <b>5,142</b>                     | <b>(13,639)</b>        | <b>535</b>             | <b>(529)</b>           |



| 31.12.2018   |  |   |   |                                  |                        |                        |                        |
|--|--|---|---|----------------------------------|------------------------|------------------------|------------------------|
|  | Significant Non-observable inputs  | Quantitative information on non-observable inputs   | Significant non-observable inputs change  | Total effect in income statement |                        | Total effect in equity |                        |
|  |  |   |   | Favourable variation             | Unfavourable variation | Favourable variation   | Unfavourable variation |
| Derivative Financial Assets                                      | The probability of default and loss given default of the counterparty (BCVA adjustment) calculated using an internal model | Average probability of default equal to 100% and average loss in the case of default of counterparty equal to 76% | Increase the probability of default through reduction of internal ratings by 2 scales/ increase the loss given default by 10% |                                  | (905)                  |                        |                        |
|  | Credit spread  | Credit spread equal to 300 bps  | Increase of Credit spread by 10%  |                                  | (776)                  |                        |                        |
| Bonds measured at fair value through profit or loss              | Issuer price – Credit spread   | Issuer price equal to 59.74% / Average credit spread equal to 1,106 bps   | Variation +/- 10% in issuer Price, +/- 10% in adjustment of estimated Credit Risk   | 4,998                            | (4,857)                |                        |                        |
| Bonds measured at fair value through other comprehensive income  | Bond yield   | Bond yield equal to 8.26%   | Variation +/- 10% in estimated bond yield   |                                  |                        | 215                    | (208)                  |
| Shares measured at fair value through other comprehensive income | Future profitability of the issuer, expected growth  | P/B ratio equal to 0,19   | Variation +/- 10% in P/B (multiples valuation method)   |                                  |                        | 27                     | (27)                   |
| Loans measured at fair value through profit or loss              | Expected credit loss and cash flows from credit risk of the counterparty   | Average credit spread and liquidity premium equal to 29.21%   | Decrease of the expected cash flows by 10% on loans individually assessed   |                                  | (10,881)               |                        |                        |
| <b>Total</b>   |  |   |   | <b>4,998</b>                     | <b>(17,419)</b>        | <b>242</b>             | <b>(235)</b>           |

There are no significant interrelationship between the non-observable data that significantly affect the fair value.

#### 40.5 Transfers of financial assets

The Bank in its ordinary course of business, transfers financial assets. In cases that, despite the fact that the contractual right to receive cash flows has been transferred the risks and rewards remain with the Bank, these assets continue to be recognized on the balance sheet.

On 31.12.2019, the financial assets that have not been derecognized despite the contractual transfer of their cash flows, are derived from the following two categories of transactions:

##### a) Securitizations of financial assets

The Bank has securitized corporate, revolving consumer loans and credit cards in order to absorb liquidity from the Euro system. In the context of these transactions, these items have been transferred to special purpose entities, which have issued bonds. These loans and credit cards continue to be recognized as loans and advances to customers, since the Bank continues in all cases to retain the rewards and risks associated with them. This is justified by several factors which include the fact that the Bank owns these bonds and the entitlement to the deferred consideration from the transfer. Given that bonds are owned by the Bank, there are no liabilities for the Bank which actually arises from the transfer. The carrying amount of the securitized loans and credit cards on 31.12.2019 amounts to € 2,077,739 (31.12.2018: € 2,124,572).



In addition, the Bank proceeded to a shipping loan securitization transaction through the fully consolidated special purpose company Alpha Shipping Finance Ltd. These loans are recognized in the category of loans and advances to customers as the Bank retains the risks and rewards of the portfolio through its right to receive the deferred consideration. The carrying amount of the securitized shipping loans and the liability to the SPE, as at 31.12.2019 amounted to € 335,594 and € 131,985 respectively (31.12.2018: € 498,904 and € 245,377 respectively). The fair value of loans as at 31.12.2019 amounted to € 334, 613 (31.12.2018: € 511,636) and the liability at € 131,248 (31.12.2018: € 249,772).

Moreover, the Bank securitized corporate loans to small and medium enterprises, through Alpha Proodos DAC, a fully consolidated special purpose entity. These loans continue to be recognized in loans and advances to customers, considering that the Bank retains the risks and rewards of these, by owning the subordinated bonds and entitlement of deferred consideration. The carrying value of the above securitized loans amounts to € 256,227 as at 31.12.2019 (31.12.2018: € 401,803). As at 31.12.2019, the total amount of the bonds issued from the special purpose entity, are owned by the Bank and therefore and as such, there is no liability under the transfer. The carrying amount of the Bank's liability to the special purpose entity at 31.12.2018 amounted to € 61,963 while the fair value of the loans and liability at 31.12.2018 amounted to € 423,085 and € 64,839 respectively.

Finally, the Bank has proceeded with the securitization of consumer loans through its fully consolidated special purpose entity Katanalotica PIC. The Bank continues to retain the risks and rewards of these loans, given that owns the subordinated bonds and the deferred consideration, and consequently the consumer loans under consideration are included in the Bank's Balance Sheet. Within the last quarter of the current year, a part of the bonds has been transferred to third parties. The carrying value of the above securitized loans amounts to € 499,242 at 31.12.2019 (31.12.2018: € 907,334). As at 31.12.2019, the carrying amount of the Bank's liability to third parties amounts to € 218,944 whereas the fair value of the loans and liability of the Group to the special purpose entity amounts to € 476,919 and € 185,921 respectively

#### b) Sale and repurchase agreements of debt securities

The Bank on 31.12.2019 has proceeded with the transfer of Greek Government Bonds and Treasury , bonds of other issuers, bonds of other countries with a repurchase agreement. These securities are still recognized in the Bank's investment portfolio and the respective figures are presented in the following table.

| 31.12.2019                                |  |                         |                        |   |
|---|--|-------------------------|------------------------|---|
|   | Securities measured at fair value through other comprehensive income |                         |                        | Securities measured at amortized acquisition cost |
|   | Greek Government Bonds and Treasury Bills                            | Other Governments Bonds | Bonds of other issuers | Greek Government Bonds and Treasury Bills         |
| Carrying amount of transferred securities | 3,297,872  | 745,204                 | 360,009                | 740,581   |
| Carrying amount of related liability      | (2,742,413)  | (719,815)               | (275,673)              | (638,324)   |
| Fair value of transferred securities      | 3,297,872  | 745,204                 | 360,009                | 748,433   |
| Fair value of related liability           | (2,742,413)  | (719,815)               | (275,673)              | (638,324)   |
| <b>Equity</b>                             | <b>555,459</b>   | <b>25,389</b>           | <b>84,336</b>          | <b>110,109</b>                                    |

| 31.12.2018                                |  |                         |                        |   |
|---|--|-------------------------|------------------------|---|
|   | Securities measured at fair value through other comprehensive income |                         |                        | Securities measured at amortized acquisition cost |
|   | Greek Government Bonds and Treasury Bills                            | Other Governments Bonds | Bonds of other issuers | Greek Government Bonds and Treasury Bills         |
| Carrying amount of transferred securities | 2,883,561  |                         | 286,666                |   |
| Carrying amount of related liability      | (2,345,399)  |                         | (191,213)              |   |
| Fair value of transferred securities      | 2,883,561  |                         | 286,666                |   |
| Fair value of related liability           | (2,345,399)  |                         | (191,213)              |   |
| <b>Equity</b>                             | <b>538,162</b>   | <b>-</b>                | <b>95,453</b>          | <b>-</b>  |





#### 40.6. Offsetting financial assets - liabilities

The following tables present derivative transactions under contracts of the International Swaps and Derivatives Association (ISDA), which are signed with credit institutions as counterparties, as well as repurchase agreements for which a global master repurchase agreement is in force. In accordance with these contracts, the Bank is able to offset its assets and liabilities relating to a counterparty in case of a credit default.

##### Financial assets subject to offsetting

| 31.12.2019    |   |   |   |                            |                          |            |
|---------------|---|---|---|----------------------------|--------------------------|------------|
|               | Gross amount of recognized financial assets | Gross amount of recognized financial liabilities offset | Net amount of financial assets presented in the balance sheet | Related amounts not offset |                          | Net amount |
|               |   |   |   | Financial instruments      | Cash collateral received |            |
| Derivatives   | 840,234                                     |   | 840,234   | (202,595)                  | (10,356)                 | 627,283    |
| Reverse repos | 1,164,950                                   |   | 1,164,950   | (1,164,950)                |                          |            |

| 31.12.2018    |   |   |   |                            |                          |            |
|---------------|---|---|---|----------------------------|--------------------------|------------|
|               | Gross amount of recognized financial assets | Gross amount of recognized financial liabilities offset | Net amount of financial assets presented in the balance sheet | Related amounts not offset |                          | Net amount |
|               |   |   |   | Financial instruments      | Cash collateral received |            |
| Derivatives   | 613,124                                     |   | 613,124   | (170,017)                  | (48,629)                 | 394,478    |
| Reverse repos | 498,901                                     |   | 498,901   | (498,901)                  |                          |            |

##### Financial liabilities subject to offsetting

| 31.12.2019  |   |   |  |                            |                       |            |
|-------------|---|---|--|----------------------------|-----------------------|------------|
|             | Gross amount of recognized financial liabilities offset | Gross amount of recognized financial assets | Net amount of financial liabilities presented in the balance sheet | Related amounts not offset |                       | Net amount |
|             |   |   |  | Financial instruments      | Cash collateral given |            |
| Derivatives | 1,446,767   |   | 1,446,767  | (202,595)                  | (1,243,517)           | 656        |
| Repos       | 1,551,811   |   | 1,551,811  | (1,164,950)                | (1,841)               | 385,020    |

| 31.12.2018  |   |   |  |                            |                       |            |
|-------------|---|---|--|----------------------------|-----------------------|------------|
|             | Gross amount of recognized financial liabilities offset | Gross amount of recognized financial assets | Net amount of financial liabilities presented in the balance sheet | Related amounts not offset |                       | Net amount |
|             |   |   |  | Financial instruments      | Cash collateral given |            |
| Derivatives | 1,136,976   |   | 1,136,976  | (170,017)                  | (966,055)             | 903        |
| Repos       | 906,481   |   | 906,481  | (498,901)                  | (2,309)               | 405,271    |

**Reconciliation of the net amount of financial assets and liabilities presented in the balance sheet**

| 31.12.2019                       |      |   |  |   |
|----------------------------------|------|---|--|---|
|                                  | Note | Net amount presented in the balance sheet | Carrying amount of financial assets in the balance sheet | Financial assets not in scope of offsetting disclosures |
| <b>Type of financial asset</b>   |      |   |  |   |
| Derivative financial instruments | 18   | 840,234                                   | 1,024,484  | 184,249   |
| Reverse repos                    | 16   | 1,164,950                                 | 1,164,950  |   |

| 31.12.2019                         |      |   |   |  |
|------------------------------------|------|---|---|--|
|                                    | Note | Net amount presented in the balance sheet | Carrying amount of financial liabilities in the balance sheet | Financial liabilities not in scope of offsetting disclosures |
| <b>Type of financial liability</b> |      |   |   |  |
| Derivative financial instruments   | 18   | 1,446,767                                 | 1,447,703   | 935  |
| Repos                              | 27   | 1,551,811                                 | 6,543,219   | 4,991,408  |

| 31.12.2018                       |      |   |  |   |
|----------------------------------|------|---|--|---|
|                                  | Note | Net amount presented in the balance sheet | Carrying amount of financial assets in the balance sheet | Financial assets not in scope of offsetting disclosures |
| <b>Type of financial asset</b>   |      |   |  |   |
| Derivative financial instruments | 18   | 613,124                                   | 730,215  | 117,091   |
| Reverse repos                    | 16   | 498,901                                   | 498,901  |   |

| 31.12.2018                         |      |   |   |  |
|------------------------------------|------|---|---|--|
|                                    | Note | Net amount presented in the balance sheet | Carrying amount of financial liabilities in the balance sheet | Financial liabilities not in scope of offsetting disclosures |
| <b>Type of financial liability</b> |      |   |   |  |
| Derivative financial instruments   | 18   | 1,136,976                                 | 1,149,513   | 12,537   |
| Repos                              | 27   | 906,481                                   | 6,410,323   | 5,503,843  |

In addition, it is acquainted that within the framework of the abovementioned contracts, apart from the cash collateral received, securities of nominal amount of € 870,000 (31.12.2018:€ 400,000) have been used as collateral.

**41. Capital adequacy**

The policy of the Bank is to maintain a strong capital base, in order to ensure the development, and the trust of depositors, shareholders, markets and business partners. Share capital increases are conducted following resolutions of the General Meeting of Shareholders or of the Board of Directors, in accordance with the Articles of Incorporation and the relevant laws.

For the period that the Hellenic Financial Stability Fund (HFSF) participates in the Share Capital of the Bank, the purchase of own shares is not allowed without its approval, according to the Relationship Framework Agreement (RFA) which has been signed between the Bank and the HFSF.

The capital adequacy ratio compares the Bank's regulatory capital with the risks that the Bank undertakes (Risk Weighted Assets RWAs). Regulatory capital includes Common Equity Tier 1 (CET1) capital (share capital, reserves, minority interests), additional Tier 1 capital (hybrid securities) and Tier 2 capital (subordinated debt). RWAs include the credit risk of the investment portfolio, the market risk of the trading book and the operational risk.

Alpha Bank, as a systemic bank, is supervised by the Single Supervisory Mechanism (SSM) of the European Central Bank (ECB), since November 2014, to which reports are submitted every quarter. The supervision is conducted in accordance with the European Regulation 575/2013 (CRR) and the relevant European Directive 2013/36 (CRD IV), which was incorporated into the Greek Law through the Law 4261/2014. The framework is broadly known as Basel III.



According to the above regulatory framework, for the calculation of capital adequacy ratio the effective transitional arrangements are followed. In addition:

- Besides the 8% capital adequacy limit, there are applicable limits of 4.5% for CET1 ratio and 6% for Tier 1 ratio respectively
- The maintenance of capital buffers additional to the CET1 Capital are required. In particular:
  - Capital conservation buffer stands at 2.5%.
  - Bank of Greece through Executive Committee Acts set the following capital buffers:
    - Countercyclical capital buffer equals to “zero percent” (0%) for 2019.
    - Other systemically important institutions (O-SII) buffer, which will gradually rise to “one percent” (1%) from 1.1.2019 to 1.1.2022. For 2019, the O-SII buffer stands at 0.25%.

These limits should be met both on a standalone and on a consolidated basis.

|                               | 31.12.2019*<br>(estimate) | 31.12.2018   |
|-------------------------------|---------------------------|--------------|
| Common Equity Tier I          | 18.2%                     | 17.8%        |
| Tier I                        | 18.2%                     | 17.8%        |
| <b>Capital Adequacy Ratio</b> | <b>18.3%</b>              | <b>17.8%</b> |

Supervisory disclosures regarding capital adequacy and risk management in accordance with Regulation 575/2013 (Pillar III) will be published on the Bank’s website.

Since 1st March 2019 the minimum limit that shall be met for 2019 for the Overall Capital Requirements (OCR) is 13.75%. On 10 December 2019, the ECB informed Alpha Bank that since 1st January 2020 the minimum limit for the Overall Capital Requirement (OCR) is 14.0%, increased by 0.25%, due to the gradual increase of the O-SII buffer. The OCR is composed by the minimum own funds requirements (8%), according to article 92(1) of the CRR, the additional Pillar II own funds requirements (P2R), according to article 16(2) (a) of the Regulation 1024/2013/EU which corresponds to 3%, and the combined buffer requirements (CBR), according to article 128(6) of the Directive 2013/36/EU which correspond to 3%. The above minimum ratio should be maintained on a phase-in basis under applicable transitional rules of the CRR / CRD IV, at all times. As per the recently announced regulatory measures by EBA and ECB, in view of the COVID-19 outbreak, capital regulatory thresholds for European banking institutions have been relaxed. Specifically, on 12 March, the European Central Bank (ECB) and the European Banking Authority (EBA) announced the following relaxation measures for the minimum capital and liquidity requirements for Banks in the Eurozone:

- Banks are temporarily allowed to operate below the level of capital defined by the Pillar 2 Guidance, the Capital Conservation Buffer and the Countercyclical Buffer.
- Furthermore, the upcoming change under CRD5 regarding the P2R buffer was brought forward allowing the Pillar 2 Requirement (P2R) to be covered by Additional Tier 1 (AT1) capital and Tier 2 (T2) capital and not only by CET 1.

Taking into consideration the recent announcements that allow the Bank to operate temporarily at levels below the abovementioned ones, the minimum limit for the Overall Capital Requirement (OCR) is set at 11.5%. It is noted that the Countercyclical Buffer is 0% for Greek Banks. The above measures increase the Bank’s capital base available to absorb potential losses due to the crisis by € 1.2 billion to reach € 3.5 billion following the Tier 2 issuance. In parallel, the early adoption of the change under CRD5 regarding the P2R buffer allowing the Pillar 2 Requirement (P2R) to be covered by Additional Tier 1 (AT1) capital and Tier 2 (T2) capital offers the Bank additional flexibility regarding its compliance with the minimum limits of the total capital ratio of Pillar 2.

EU-wide stress test is primarily focused on the assessment of the impact of risk drivers on the solvency of banks. Banks are required to stress a common set of risks (credit risk – including securitisations – market risk and counterparty credit risk, operational risk – including conduct risk). The EU – Stress Test is a biannual exercise. However due to the outbreak of COVID – 19 (Coronavirus) and its global spread, EBA decided to postpone until 2021 the EU-wide Stress Test Exercise of 2020 to

\* The above ratios include the audited year end profits.



allow banks to focus on and ensure continuity of their core operations. For 2020, the EBA will carry out an additional EU-wide transparency exercise in order to provide updated information on banks' exposures and asset quality to market participants.

Finally, it is noted that on February 6th 2020, Alpha Bank successfully placed a Euro 500 million, Tier 2 bond with 10-year maturity callable after 5 years at a yield of 4.25%, listed on the Luxembourg Stock Exchange. The transaction is an integral part of Alpha Bank's strategy which optimizes the Bank's capital structure and diversifies its capital sources while further strengthens the Total Capital Ratio by circa 104bps.

The issuance provides Alpha Bank an alternative funding source beyond its existing customer deposits, European Central Bank funding and interbank repos. In addition, it allows reduced reliance on secured funding that requires pledged assets, improving its overall funding and liquidity profile.

## 42. Related-party transactions

The Bank enters into a number of transactions with related parties in the normal course of business. These transactions are performed at arm's length and are approved by the Bank's committees.

a. The outstanding balances of the Bank's transactions with key management personnel consisting of members of the Bank's Board of Directors and Executive Committee, their close family members and the entities controlled by them, as well as, the results related to these transactions are as follows:

|   | 31.12.2019   | 31.12.2018   |
|---|--------------|--------------|
| <b>Assets</b>                                   |              |              |
| Loans and advances to customers                 | 1,758        | 1,299        |
| <b>Liabilities</b>                              |              |              |
| Due to customers                                | 1,017        | 4,211        |
| Employee defined benefit obligations            | 277          | 251          |
| Provisions                                      | 1,253        |              |
| <b>Total</b>                                    | <b>2,547</b> | <b>4,462</b> |
| <b>Letters of guarantee and approved limits</b> | <b>2,059</b> | <b>2,022</b> |

|  | From 1 January to |              |
|--|-------------------|--------------|
|  | 31.12.2019        | 31.12.2018   |
| <b>Income</b>  |                   |              |
| Interest and similar income                                  | 41                | 45           |
| Fee and commission income                                    | 1                 | 1            |
| <b>Total</b>   | <b>42</b>         | <b>46</b>    |
| <b>Expenses</b>  |                   |              |
| Interest expense and similar charges                         | 15                | 19           |
| Remuneration paid to key management and close family members | 5,690             | 3,566        |
| <b>Total</b>   | <b>5,705</b>      | <b>3,585</b> |

According to the decision of the General Meeting of Shareholders held at 29.6.2018, a compensation scheme is operating for the Bank's Senior Management, the terms of which were specified in a regulation issued subsequently. The program is voluntary, does not constitute business practice and the program may be terminated in the future by a competent decision of the General Meeting of Shareholders. It provides incentives for the eligible executives to comply with the terms of departure, proposed by the Bank, thus ensuring the smooth (only during the period and under the terms and conditions approved by the Bank) departure and succession of Senior Management.

b. The outstanding balances with the Bank's subsidiaries, associates and joint ventures as well as the results related to these transactions are as follows:

**i. Subsidiaries**

|   | 31.12.2019       | 31.12.2018       |
|---|------------------|------------------|
| <b>Assets</b>   |                  |                  |
| Due from banks  | 458,950          | 714,813          |
| Derivative financial assets   | 15,290           | 5,063            |
| Loans and advances to customers   | 2,021,018        | 2,017,258        |
| Investment securities measured at fair value through other comprehensive income | 248,536          | 197,337          |
| Investment securities measured at fair value through profit or loss             | 168,412          | 213,759          |
| Right-of-use  | 7,106            |                  |
| Other assets  | 4,949            | 825              |
| Assets held for sale  | 25,056           |                  |
| <b>Total</b>  | <b>2,949,317</b> | <b>3,149,055</b> |
| <b>Liabilities</b>  |                  |                  |
| Due to banks  | 586,054          | 369,058          |
| Due to customers  | 1,089,323        | 793,786          |
| Derivative financial liabilities  | 787              | 1,622            |
| Debt securities in issue and other borrowed funds                               | 148,432          | 324,896          |
| Lease liabilities   | 7,160            |                  |
| Other liabilities   | 10,730           | 5,754            |
| <b>Total</b>  | <b>1,842,486</b> | <b>1,495,116</b> |
| <b>Letters of guarantee and others guarantees</b>                               | <b>435,439</b>   | <b>468,323</b>   |

For the above outstanding balance of letters of guarantee the Bank has recorded as at 31.12.2019 accumulated provisions amounting to € 22.815 (31.12.2018 : € 20.380).

In addition to the financing of the Bank's subsidiaries companies which have issued bonds, from the Bank, guarantees have been given for the issuance of these bond loans on 31.12.2019 amounting to € 15,542 (31.12.2018:€ 15,542).

|   | From 1 January to<br>31.12.2019 | 31.12.2018    |
|---|---------------------------------|---------------|
| <b>Income</b>   |                                 |               |
| Interest and similar income   | 50,278                          | 51,800        |
| Fee and commission income   | 19,123                          | 16,780        |
| Dividend income   | 12,092                          | 8,013         |
| Gains less losses on financial transactions                                       | 226                             |               |
| Gains less losses on derecognition of financial assets measured at amortized cost | 1,431                           | 2,736         |
| Other income  | 4,687                           | 5,485         |
| <b>Total</b>  | <b>87,837</b>                   | <b>84,814</b> |
| <b>Expenses</b>   |                                 |               |
| Interest expense and similar charges  | 23,518                          | 31,429        |
| Commission expense  | 269                             | 359           |
| Amortization of right issues  | 2,664                           |               |
| Gains less losses on financial transactions                                       | 19,319                          | 10,938        |
| General administrative expenses   | 17,743                          | 17,156        |
| Impairment losses and provisions to cover credit risk                             | 55,947                          | 1,461         |
| <b>Total</b>  | <b>119,460</b>                  | <b>61,343</b> |

**ii. Joint ventures**

|                                 | 31.12.2019 | 31.12.2018 |
|---------------------------------|------------|------------|
| <b>Assets</b>                   |            |            |
| Loans and advances to customers | 8,451      | 7,665      |
| <b>Liabilities</b>              |            |            |
| Due to customers                | 14,722     | 14,708     |

|   | From 1 January to |              |
|---|-------------------|--------------|
|   | 31.12.2019        | 31.12.2018   |
| <b>Income</b>                               |                   |              |
| Interest and similar income                 | 835               | 1,790        |
| Gains less losses on financial transactions | 786               |              |
| Other income                                |                   | 29           |
| <b>Total</b>                                | <b>1,621</b>      | <b>1,819</b> |
| <b>Expenses</b>                             |                   |              |
| Interest expense and similar charges        | 17                | 12           |
| Gains less losses on financial transactions |                   | 1,180        |
| <b>Total</b>                                | <b>17</b>         | <b>1,192</b> |

**iii. Associates**

|                                 | 31.12.2019    | 31.12.2018    |
|---------------------------------|---------------|---------------|
| <b>Assets</b>                   |               |               |
| Loans and advances to customers | 52,753        | 53,832        |
| Other assets                    | 905           | 1,921         |
| <b>Total</b>                    | <b>53,658</b> | <b>55,753</b> |
| <b>Liabilities</b>              |               |               |
| Due to customers                | 3,864         | 21,837        |
| Other liabilities               | 2,265         | 4,473         |
| <b>Total</b>                    | <b>6,129</b>  | <b>26,310</b> |

|   | From 1 January to |               |
|---|-------------------|---------------|
|   | 31.12.2019        | 31.12.2018    |
| <b>Income</b>                               |                   |               |
| Interest and similar income                 | 889               | 851           |
| Fee and commission income                   | 36                | 108           |
| Gains less losses on financial transactions | 4,228             |               |
| Other Income                                |                   | 32            |
| <b>Total</b>                                | <b>5,153</b>      | <b>991</b>    |
| <b>Expenses</b>                             |                   |               |
| Interest expense and similar charges        |                   | 8             |
| General administrative expenses             | 16,067            | 16,383        |
| Gains less losses on financial transactions | 757               | 183           |
| <b>Total</b>                                | <b>16,824</b>     | <b>16,574</b> |

For the impairments of participations to subsidiaries, joint ventures and associates there are references in the relevant notes.

c. The Employees Supplementary Fund maintains deposits with the Bank amounting to € 0 (31.12.2018: € 7).



d. The Hellenic Financial Stability Fund (HFSF) exerts significant influence on the Bank. In particular, in the context of Law 3864/2010 and based to Relationship Framework Agreement (RFA) signed on 23.11.2015, which replaced the previous signed in 2013, HFSF has participation in the Board of Directors and other significant Committees of the Bank. Therefore, according to IAS 24, HFSF and its related entities are considered related parties for the Bank.

The outstanding balances and the results related to these transactions are analyzed as follows:

|                           | From 1 January to |            |
|---------------------------|-------------------|------------|
|                           | 31.12.2019        | 31.12.2018 |
| <b>Income</b>             |                   |            |
| Fee and commission income | 8                 | 10         |

### 43. Auditors' fees

The total fees of "Deloitte Certified Public Accountants S.A.", statutory auditor of the Bank, are analyzed below, as stated in accordance with the provisions of paragraph 2 and 32, article 29, of Law 4308/2014.

|  | From 1 January to |              |
|--|-------------------|--------------|
|  | 31.12.2019        | 31.12.2018   |
| Fees for statutory audit*                | 1,447             | 1,404        |
| Fees for other audit services            | 13                | 308          |
| Fees for the issuance of tax certificate | 198               | 195          |
| Fees for other non-audit services        | 288               | 148          |
| <b>Total</b>                             | <b>1,947</b>      | <b>2,055</b> |

### 44. Assets held for sale

|   | 31.12.2019       | 31.12.2018       |
|---|------------------|------------------|
| Investments in subsidiaries, associates and joint venture | 900,974          | 958,377          |
| Fixed Assets  | 14,119           | 29,598           |
| Loans   | 456,744          | 55,925           |
| <b>Total</b>  | <b>1,371,837</b> | <b>1,043,900</b> |

The Bank has commenced the process for the sale of the subsidiary APE Fixed Assets S.A., joint venture APE Investment Property S.A. as well as the sale of retail and wholesale loan portfolios, the balances of which are presented in the table above and described in detail below. In the same context, Bank's real estate have been classified as Held for Sale.

#### Investment in companies APE Commercial Property SA and APE Investment Property SA

During the fiscal year 2016 the liquidation process of the Bank's participation in joint ventures APE Commercial Property A.E. and APE Investment Property A.E. began. The companies are classified as held for sale according to IFRS 5.

As far as APE Investment Property is concerned, the bank is at an advanced stage in the process of selling its participation and, despite the specific characteristics and particularities of the company's assets, it is considered possible, to reach an agreement in the near future. In addition, during 2018, the Bank participated to the share capital increase of APE Investment Property A.E. with an amount of € 71,704, whereas the company repaid the loan which has been granted by the Bank.

\* In fees for statutory audit are included other expenses which amount up to 2% on the agreed fee.



Regarding APE Commercial Property SA, it is noted that, within the fourth quarter of 2017, the liquidation process of selling its participation shares of ELPET Balkan SA was completed, while in 2018 proceeded with a capital repayment of a total of € 11,484. According to IFRS 5 the assets held for sale or disposal groups are valued at the lower of book and fair value less cost to sell and they are presented in the balance sheet separately from other assets and liabilities. The bank measured the fair value of its participation of these companies. From the aforementioned measurement during the financial year 2018 loss amounting to € 9,316 and were recorded in the caption "Gains less losses on financial transactions" in the Income Statement, while for the year of 2019 zero profit arose.

The above mentioned shares are included in "Other / Elimination Centre" for operating segment disclosure purposes. (Note 39).

### Investments in other subsidiaries

The Bank, in order to optimize the Group's corporate structure, has begun in 2018 to reorganize the Group's main subsidiaries through grouping similar business units under three corresponding pillars, which will be controlled by Group companies. The first pillar will include companies operating in the financial sector in Greece, the second one comprises of companies operating in the financial sector in Europe and the third pillar will include real estate related companies.

The companies of the Group that will be included in the first pillar are ABC Factors S.A., Alpha Asset Management A.E.D.A.K., Alpha Finance A.E.P.E.Y., Alpha Leasing S.A. with a total carrying amount of € 254,514 as at 31.12.2019 (31.12.2018:€ 261,445).

In the second pillar Alpha Bank Romania SA, Alpha Bank Cyprus SA, Alpha Bank Albania AHA as well as AGI Cypre Ermis Ltd will be included, with a total carrying amount of € 559,316 as at 31.12.2019(31.12.2018:€ 587,651).

In the third pillar will be included Emporiki Ventures Capital Emerging Markets Ltd, AEP Attikis SA and AEP Attikis II SA with a total carrying amount of € 40,827 as at 31.12.2019(31.12.2018:€ 40,827).

In this context and as they met the requirements of IFRS 5, on 31.12.2018, the Bank transferred to "Assets held for sale" the aforementioned subsidiary companies that fall under the reorganization plan, with the exception of AEP Attikis II S.A., which was classified as held for sale in the preparation of the Annual Financial Statements as at 31.12.2017. During the year 2019 the process of obtaining binding offers for the sale of total amount of shares of AEP Attikis II S.A. was completed and the transaction is expected to be completed within the first quarter of 2020 at an estimated price, which is higher than the Bank's acquisition cost. The investments were valued at the lower of their carrying amount and their fair value less costs to sell, which amounted to a total of € 868,142. The aforementioned valuation resulted in losses of € 184,857 during 2018, which are recognized in "Gains less losses on financial transactions and impairments on Group companies" in the Income Statement, while during 2019 a loss of € 31.177 resulted and were recorded in the caption "Gains less losses on financial transactions" in the Income Statement.

The above mentioned shares are included in "Other / Elimination Centre" for operating segment disclosure purposes. (note 39).

### Investment in associates - Alpha Investment Property I S.A.

During the year 2018, the Bank initiated the process of obtaining binding offers for its participation in the associate company Alpha Investment Property I SA and considering that the requirements of IFRS 5 are met, the Bank's participation in Alpha Investment Property I SA was classified as "Assets held for sale" for the purposes of the preparation of Financial Statements as of 31.12.2018. The participation was valued at the lower of the carrying amount and the fair value less costs to sell. The carrying amount of the participation after the aforementioned valuation amounted to € 22,236 and is included in the "Other/ Elimination Center" operating segment of note 39 "Operating Segments".

In the first semester of 2019, Alpha Investment Property I SA continued with capital repayment of amount € 3,681 while at 11.6.2019 the transaction of sale of the company's shares was completed. The fair value of the transaction, which was formed after the transaction costs, amounted to € 22,271, while a gain of € 3,716 was recorded in the caption "Gains less losses on financial transactions" in the Income Statement





## Loans portfolio

### Loan Portfolio A: Non-performing wholesale loans with collaterals

During 2019, the Bank initiated the process of the sale of Non-performing loans with collaterals in real property, which included receivables from consumer loans, wholesale loans, shipping loans and mortgage loans.

The loans with carrying amount of € 409,118 as at 31.12.2019 met the criteria to be classified as Held for sale according to IFRS 5). From the aforementioned portfolio an amount of € 392,259 is included in the operating segment "Corporate Banking" and an amount of € 16,859 is included in the operating segment "Retail" of note 39 "Operating Segments". The sale of this portfolio is expected to be completed within the year.

### Loan Portfolio B: Non Performing wholesale loans with collaterals

During 2019, the Bank initiated the process of the sale of Non-performing loans which include receivables from wholesale loans.

The loans with carrying amount € 9,618 as at 31.12.2019 (31.12.2018: € 0) met the criteria to be classified as Held for sale according to IFRS 5. These are included in the operating segment "Corporate Banking" of note 39 "Operating Segment". The sale of this portfolio is expected to be completed within the year.

### Loan Portfolio C: Non performing wholesale loans of Greece with collaterals

During 2018, the Group commenced the process of the sale of Greek Non-Performing Wholesale Loans. On 27.12.2018, the transfer of a part of Non Performing Wholesale Loans portfolio was completed. The transaction price as incurred for the disposed portfolio taking into consideration the transaction costs and other liabilities, amounted to € 258,833, while loss of amount € 17,659 was recognized in the caption "Gains less losses from discontinued recognition of financial instruments measured at amortized cost".

The carrying amount of the remaining portfolio for which the completion of disposal depends on certain conditions imposed by the buyer, as at 31.12.2019 amounted to € 38,008 (31.12.2018: € 55,925). The amount of € 12,952 (31.12.2018: € 31,152) is included in the operating segment "Corporate banking", the amount of € 0 (31.12.2018: € 24,773) is included in "Investment Banking/Treasury" and amount of € 25,056 (31.12.2018: € 0) is included in operating segment "Retail" of "Operating Segments" (note 39). These loans are classified as "Assets held for sale" as at 31.12.2019, as the requirements of IFRS 5 have been met.

## Fixed assets

The Bank initiated the process of disposing both investment property, own used property and property owned by auctions. During the year of 2019, the sale of the biggest part of investment property was completed at the transaction price € 24,023, while an amount of gain of € 550 was recognized in caption "Other Income" of Income Statement.

In 2019, fixed assets amounted to € 1,238 classified in "Assets held for sale" transferred to "Other Assets", fixed assets amounted to € 9,920 reclassified from "Property, plant and equipment" and fixed assets amounted to € 84 from "Investment property" to "Assets held for sale".

The remaining properties as at 31.12.2019 met the conditions for their classification as "Held for sale" in accordance with IFRS. 5. The Bank valued these properties at the lower of their carrying amount and fair value less costs to sell. Their carrying value as at 31.12.2019 amounted to € 14,119 and is included in the "Other/Elimination Center" operating segment of note 39 "Operating Segments".

During 2019 the fixed assets' impairment amounted to € 644 presented in the caption of "Other Expenses" of the Income Statement.

Within 2019, in the Non-current assets held for sale, the Bank has classified "Forthnet's SA" participation share of fair value



amounting one euro, as well as “Forthnet’s S.A.” bond of zero carrying amount. They are included in the “Other/Elimination Center” operating segment of note 39 “Operating Segments”.

Finally in 2019, the Bank proceeded with the sale of shares that had been included in prior periods in the Bank’s “Assets held for sale” category. On 18.4.2019 the sale of “Unisoft” was completed for the consideration of € 198, on 5.9.2019 the sale of the Bank’s share in Lion Rental SA was completed for the consideration of € 3, on 27.11.2019 the sale of the companies’ shares “Selonda Fish Farms SA” and “Nireus Fish Farms SA” was completed. for a consideration of € 1 each and on 2.12.2019 the sale of all the Bank’s shares in ATTICA Department Stores SA was completed for the consideration of € 3,244 with a profit of € 10.

The fair value of assets classified in “Assets held for sale” in every reporting day of financial statements are calculated in accordance with the requirements mentioned in note 1.2.6. and are classified in Stage 3 after having collected investigation and hypothesis data concerning fixed assets with similar characteristics and so a wide range of non observable facts is included.

#### 45. Disclosures of Law 4151/2013

The purpose of the provisions of chapter B of Law 4151/2013 is the capitals from dormant deposit accounts that will be used by the Greek State to cover government needs, after the write off of rights of depositors or their legal heirs. According to the aforementioned the provisions of Law 4151/2013:

- i. According to Law 4261/2014 dormant deposit account to credit Institution is an account on which no transaction by depositors has been recorded for a period of 20 years from the day following the last transaction (the crediting or capitalizing of interest to an account will not constitute a transaction and not interrupt the prescription),
- ii. Following the expiry of the 20-year period, the credit institutions in Greece are obliged to transfer to the State the aggregate balance of dormant deposit accounts, including any interest, by the end of April of each year by depositing the relevant amount in a special account in the Bank of Greece, notify the General Accounting Office (GAO) and the General Directorate of Public Property to fulfill the obligations arising from the Law 4151/2013 and to provide information to beneficiaries and heirs after the lapse of 20 years for the transfer of the respective amounts, if asked (the abovementioned amounts will be recorded as income in the Annual State Budget),
- iii. the auditors in the notes to the published annual financial statements of credit institutions will confirm whether or not they complied with the provisions of the law on dormant deposits indicating the amount that was transferred to the State.

For the fiscal year 2018 the Bank proceeded, at the end of April 2019, to the return of the balances of the dormant deposit accounts to the State (principals and relevant interest of deposits) , of total amount € 3,302 on which the rights of depositors / heirs were deferred in favor of the State until 31.12.2018, according to Law 4151/2013 and due to the suspension of the deadline for the completion of this twenty-year limitation period, pursuant to the 18.07.2015 CIP (Government Gazette B 84 / 18.07.2015), as it was in force through all its amendments, combined with no. 257 Civil Code.

For the financial year 2019, the amount of inactive deposit accounts that will be given from the Bank to the State within the year 2020, due to the limitation of these rights, according to Law 4151/2013, until 31.12.2019, is estimated in the amount of € 3,251

#### 46. Restatement of financial statements

Within the current year, the Bank has amended the presentation of the income and expenses incurred for the use of the Visa, Mastercard and Diners trademark, and it has been decided to amend the presentation of the expenses incurred by the use of the Visa trademark , Mastercard and Diners as well as revenue generated from volume-dependent discounts using these trademarks.



These amounts, which are essentially the result of the “Cards” product, have hitherto been included in the “General administrative expenses” of the Income Statement, and are now presented in the “Supplies Expenses” and “Income Supplies” categories, respectively. This change in the presentation of the relevant amounts was chosen because it thus better reflects the nature of the Bank’s results, without varying the outcome of each year.

The restated Income Statement from 1.1 to 31.12.2018 is listed below:

|  | From 1 January to 31.12.2018 |                |                  |
|--|------------------------------|----------------|------------------|
|  | Published Amounts            | Restatement    | Restated Amounts |
| Interest and similar income  | 2,003,984                    |                | 2,003,984        |
| Interest expense and similar charges   | (482,282)                    |                | (482,282)        |
| Net interest income  | 1,521,702                    | -              | 1,521,702        |
| Fee and commission income  | 351,404                      | 1,060          | 352,464          |
| Commission expense   | (65,011)                     | (5,179)        | (70,190)         |
| Net fee and commission income  | 286,393                      | (4,119)        | 282,274          |
| Dividend income  | 62,413                       |                | 62,413           |
| Gains less losses on derecognition of financial assets measured at amortized cost  | 4,715                        |                | 4,715            |
| Gains less losses on financial transactions  | 95,917                       |                | 95,917           |
| Other income   | 29,542                       |                | 29,542           |
| <b>Total income</b>  | <b>2,000,682</b>             | <b>(4,119)</b> | <b>1,996,563</b> |
| Staff costs  | (369,217)                    |                | (369,217)        |
| Expenses for separation schemes  |                              |                |                  |
| General administrative expenses  | (433,256)                    | 4,119          | (429,137)        |
| Depreciation and amortization  | (78,316)                     |                | (78,316)         |
| Other expenses   | (28,631)                     |                | (28,631)         |
| <b>Total expenses</b>  | <b>(909,420)</b>             | <b>4,119</b>   | <b>(905,301)</b> |
| <b>Total expenses before impairment losses and provisions to cover credit risk</b> | <b>1,091,262</b>             | <b>-</b>       | <b>1,091,262</b> |
| Impairment losses and provisions to cover credit risk                              | (1,478,683)                  |                | (1,478,683)      |
| <b>Profit/(loss) before income tax</b>   | <b>(387,421)</b>             | <b>-</b>       | <b>(387,421)</b> |
| Income tax   | 450,825                      |                | 450,825          |
| <b>Profit or loss after income tax</b>   | <b>63,404</b>                | <b>-</b>       | <b>63,404</b>    |
| Earnings/(losses) per share:   |                              |                |                  |
| <b>Basic and diluted (€ per share)</b>   | <b>0.04</b>                  | <b>-</b>       | <b>0.04</b>      |

## 47. Corporate events

- a. On 18.04.2019 the sale of the Bank’s participation in Unisoft was completed for the amount of € 198.
- b. On 23.4.2019, the Bank participated in the share capital increase of its subsidiary Emporiki Development & Real Estate Management S.A for the amount of € 36,307.
- c. On 13.5.2019 the capital repayment of amount of € 3,681 of the associate company of bank, Alpha Investment Property I A.E. was completed.
- d. On 11.6.2019 the sale of the total shares of the associate company of Bank, Alpha Investment Property I A.E. was completed for a total consideration of € 22,271.



- e. On 5.9.2019 the sale of Bank's participation in Lion Rental was completed for an amount of € 3.
- f. On 11.9.2019 the Bank participated in share capital increase of its subsidiary Alpha Group Investments Ltd, by paying the amount of € 70,000.
- g. On 30.10.2019 the Bank participated in the payment of € 100 to supplement proportionally, for the share capital increase of its subsidiary APE Fixed Assets A.E.
- h. On 31.10.2019 the Bank participated in share capital increase of its subsidiary Alpha Group Jersey Ltd, by paying the amount of € 650.
- i. On 8.11.2019 the Bank proceeded to the proportional participation to the share capital increase of the associate entity Olganos A.E. by paying an amount of € 122.
- j. On 18.11.2019 the sale of the total shares of the Bank's participation in Pillarstone Bidco SCA. was completed.
- k. On 19.11.2019 the Bank participated in a percentage of 98.95% in the foundation of Alpha Credit Acquisition Company Ltd, which is a joint venture with Group's subsidiaries EVCEM and EVCDM.
- l. On 27.11.2019 the sale of the total shares owned by Bank of associates Nireus A.E. and Selonda A.E was completed.
- m. On 2.12.2019 the sale of the total shares of Bank's participation in "Attica the Department Store" was completed.
- n. On 11.12.2019 the Bank increased the share capital of its subsidiary company in liquidation Smelter Medical Systems A.E.B.E., by paying the amount of € 400.
- o. On 17.12.2019 the Bank proceeded to the foundation and payment of share capital of company Alpha International Holding Company S.A., for the amount of € 200.
- p. On 24.12.2019 the Bank participated proportionally in share capital increase of joint venture Alpha TANEO A.K.E.S., by paying the amount of € 137.



## 48. Events after the balance sheet date

a. The United Kingdom voted to leave the European Union in June 2016. The formal withdrawal process and the negotiations between the EU and the UK Government began in 2017 and are ongoing. On January 29, 2020 the majority of the European Parliament ratified the withdrawal agreement of the UK from the EU. The transition period was set from February 2, 2020 to December 31, 2020. The Bank has limited activities in the UK and will transfer the activities of the London branch within the EU, also in accordance with ECB expectations. In this context, the establishment of a branch in Luxembourg is in progress and which will assume the aforementioned activities, and is expected to be completed within the first semester of 2020.

b. On 6 February 2020, Alpha Bank completed the issuance of a Tier 2 bond of Euro 500 million. The bond has a maturity of ten years, with a five-year revaluation interest rate of 4.25% and is listed on the Luxembourg Stock Exchange.

c. Alpha Bank and the Group monitors the current situation regarding the rapid transmission of COVID-19 and assesses the impact on the asset quality, the risk model sensitivity in macroeconomic perimeters, as well as the implementation of the Business Plan. We also reassessed the business continuity plan as well as the ability to retain our business operations, in order to support our customers in these harsh times. In addition, we have taken the necessary steps to ensure the security and the prosperity of the employees.

The above efforts are being carried out concurrently with the actions of the Greek Government to address the economic impact of the coronavirus (COVID-19) and to support the economy and entrepreneurship. The Greek Government announced the following emergency measures based on certain Act of Legislative Content: (i) Suspension of payment of tax obligations and contributions to the social insurance fund for 4 months, without penalties and / or surcharges, for undertakings in the sectors which are severely affected by the spread of the coronavirus; (ii) providing direct financing or financing in the form of guarantees to the above affected companies; (iii) compensation for those freelancers, self-employed and merchants who are severely affected by the spread of coronavirus.

In this context, the Bank has already approved appropriate measures to address the current situation of individuals and businesses.

Similar initiatives have also been taken by other countries where there are subsidiaries of the Group. Indicatively, the measures that have been taken in Cyprus to boost the Cypriot economy include, inter alia, inserting to the market € 2 billion worth government guaranteed loans, the temporary suspension of two months of tax obligations, the financial support to affected businesses and the provision of special-purpose compensation for employees of the aforementioned businesses. In this context, the Cypriot financial institutions will be able to derive liquidity from the Eurosystem on substantially favorable terms.

In addition, the European Central Bank announced on 12.3.2020 the implementation of a package of monetary policy measures in order to secure favorable conditions of financing for the economy with the aim to mitigate the effects of the crisis. In addition, on the same date supervisory measures were announced that enabled banks to operate below the capital levels set by the Pillar 2. Specifically, on 12 March, the European Central Bank (ECB) and the European Banking Authority (EBA) announced the following relaxation measures for the minimum capital and liquidity requirements for Banks in the Eurozone:

- Banks are temporarily allowed to operate below the level of capital defined by the Pillar 2 Guidance, the Capital Conservation Buffer and the Countercyclical Buffer.
- Furthermore, the upcoming change under CRD5 regarding the P2R buffer was brought forward allowing the Pillar 2 Requirement (P2R) to be covered by Additional Tier 1 (AT1) capital and Tier 2 (T2) capital and not only by CET 1.

Detailed information for the above measures is given in Note 41 "Capital adequacy". Moreover, the launch of a € 750 billion new temporary asset purchase programme that is connected to the pandemic (Pandemic Emergency Purchase Programme) it was announced on 18.3.2020. A waiver of the eligibility requirements for securities issued by the Greek



government will be granted for purchases under the Programme. On 20.3.2020 new supervisory measures were announced in order to give banks more flexibility as regards the supervisory handling of government guaranteed loans.

At the same time, concerted action is being taken at a European level, with the most important being the decisions taken at the Council of Ministers of the European Union (EU) on Monday, 23 March 2020, to activate the general escape clause, according to which the Member States of the European Union can take any measures necessary to support public health, business liquidity, employment and social cohesion, departing from the medium-term budgetary requirements of the Stability and Growth Pact, as long as the coronavirus crisis lasts.

In the same direction, the European Banking Authority (EBA) in cooperation with European Securities & Markets Authority (ESMA) issued statements on 25.3.2020 to provide guidance to Banks for the estimation of the expected impact on their financial figures from the coronavirus (COVID-19).

Athens, 27 March 2020

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

THE CHIEF  
EXECUTIVE OFFICER

THE GENERAL MANAGER  
AND CHIEF FINANCIAL OFFICER

THE ACCOUNTING  
AND TAX MANAGER

VASILEIOS T. RAPANOS  
ID No AI 666242

VASSILIOS E. PSALTIS  
ID No AI 666591

LAZAROS A. PAPAGARYFALLOU  
ID No AK 093634

MARIANA D. ANTONIOU  
ID No X 694507

## Appendix

According to European Securities and Markets Authority (ESMA) guidelines in relation to Alternative Performance Measures (APMs) which published in October 2015 and were applicable from 3 July 2016, on the following tables are disclosed the definitions and the calculations of the related (APMs) which are included in the Board of Directors' Annual Management Report as at 31.12.2019 and in the note "Disclosures of Law 4261/5.5.2014", of the Annual Report.

(Amounts in millions of Euro)

| Definition   | Relevance of the metric   | Calculation |  | 31.12.2019    | 31.12.2018    |
|--|---|-------------|--|---------------|---------------|
| <b>Loans and advances to customers, before allowance for impairment losses</b> | The balance illustrates the total loans and advances to customers excluding the allowance for impairment losses | +           | Loans and advances to customers  | 39,266        | 40,228        |
|  |   | +           | Allowance for impairment losses  | 8,682         | 10,977        |
|  |   | +           | Accumulated impairments on Receivables from customers measured at amortized cost | 41            | 32            |
|  |   | =           |  | <b>47,989</b> | <b>51,237</b> |

(Amounts in millions of Euro)

| Definition                                    | Relevance of the metric   | Calculation  |   |                                 | 31.12.2019    | 31.12.2018    |
|---|---|--------------|---|---------------------------------|---------------|---------------|
| <b>Loans and Receivables to Deposit Ratio</b> | The indicator reflects the relationship of loans and advances to customers before impairment losses to due to customers | Numerator    | + | Loans and advances to customers | 47,989        | 51,237        |
|   |   | Denominator  | + | Due to customers                | 40,364        | 38,732        |
|   |   | <b>Ratio</b> | = |                                 | <b>118.9%</b> | <b>132.3%</b> |

(Amounts in millions of Euro)

| Definition                   | Relevance of the metric   | Calculation |   | 31.12.2019     | 31.12.2018     |
|------------------------------|---|-------------|---|----------------|----------------|
| <b>Net operating results</b> | The balance illustrates the total income plus the share of profit/loss of associates and joint ventures minus the total expenses before impairment losses and provisions to cover credit risk | +           | Total income  | 2,322.8        | 2,600.8        |
|                              |   | +           | Share of profit/loss of associates and joint ventures                       | (12.6)         | (1.3)          |
|                              |   | -           | Total expenses before impairment losses and provisions to cover credit risk | 1,174.7        | 1,158.2        |
|                              |   | =           |   | <b>1,135.5</b> | <b>1,441.3</b> |

(Amounts in millions of Euro)

| Definition               | Relevance of the metric   | Calculation  |   |   | 31.12.2019   | 31.12.2018   |
|--------------------------|---|--------------|---|---|--------------|--------------|
| <b>Cost/Income Ratio</b> | The indicator reflects the relationship between recurring expenses and income of the period | Numerator    | + | Total expenses before impairment losses and provisions to cover credit risk | 1,174.7      | 1,158.2      |
|                          |   |              | - | Management adjustments  | 93.3         | 76.4         |
|                          |   | Denominator  | + | Total income  | 2,322.8      | 2,600.8      |
|                          |   |              | + | Share of profit/loss of associates and joint ventures                       | (12.6)       | (1.3)        |
|                          |   |              | - | Gains less losses on financial transactions                                 | 414.6        | 462.8        |
|                          |   | <b>Ratio</b> | = |   | <b>57.0%</b> | <b>50.6%</b> |

(Amounts in millions of Euro)

| Definition                | Relevance of the metric  | Calculation  |   | 31.12.2019  | 31.12.2018   |              |
|---------------------------|--|--------------|---|---|--------------|--------------|
| <b>Cost of Risk Ratio</b> | The indicator reflects the relationship between impairment losses to the average balances of loans and advances to customers before impairment losses and fair value adjustments | Numerator    | + | Impairment losses and provisions to cover credit risk on loans and advances to customers    | 800,9        | 1,613,0      |
|                           |  | Denominator  | + | Average loans and advances to customers before impairment losses and fair value adjustments | 50,603       | 54,425       |
|                           |  | <b>Ratio</b> | = |   | <b>1.58%</b> | <b>2.96%</b> |

(Amounts in millions of Euro)

| Definition   | Relevance of the metric   | Calculation  |   | 31.12.2019   | 31.12.2018    |               |
|--|---|--------------|---|--|---------------|---------------|
| <b>Average loans and advances to customers before impairment losses and fair value adjustments</b> | The indicator reflects the calculation of average loans and advances to customers before impairment losses and fair value adjustments | Numerator    | + | Opening balance of loans and advances to customers before impairment losses and fair value adjustments | 52,462        | 56,388        |
|  |   | Numerator    | + | Closing balance of loans and advances to customers before impairment losses and fair value adjustments | 48,743        | 52,462        |
|  |   | Denominator  |   |  | 2             | 2             |
|  |   | <b>Ratio</b> | = |  | <b>50,603</b> | <b>54,425</b> |

(Amounts in millions of Euro)

| Definition                    | Relevance of the metric   | Calculation  |   | 31.12.2019                       | 31.12.2018   |              |
|-------------------------------|---|--------------|---|----------------------------------|--------------|--------------|
| <b>Return on Assets Ratio</b> | The indicator reflects the relationship of profit/(losses) after income tax to average total assets | Numerator    | + | Profit/(losses) after income tax | 97,1         | 53,0         |
|                               |   | Denominator  | + | Average total assets             | 62,232       | 60,907       |
|                               |   | <b>Ratio</b> | = |                                  | <b>0.16%</b> | <b>0.09%</b> |

(Amounts in millions of Euro)

| Definition                  | Relevance of the metric  | Calculation  |   | 31.12.2019                      | 31.12.2018    |               |
|-----------------------------|--|--------------|---|---------------------------------|---------------|---------------|
| <b>Average total assets</b> | The indicator reflects the calculation of average total assets | Numerator    | + | Opening balance of total Assets | 61,007        | 60,808        |
|                             |  | Numerator    | + | Closing balance of total Assets | 63,458        | 61,007        |
|                             |  | Denominator  |   |                                 | 2             | 2             |
|                             |  | <b>Ratio</b> | = |                                 | <b>62,233</b> | <b>60,907</b> |

Management adjustments on expenses include events which do not occur with a certain frequency, and events that are directly affected by the current market conditions and/or present significant variation between the reporting periods.

The aforementioned management adjustments on expenses, as of 31.12.2019 include the indemnities of separation schemes amounting to € 49,615, the contribution calculated on the balance of specific assets of Group's subsidiary amounting to € 4,783 included in "General Administrative Expenses", as well as the balance of "Losses from sales/write-off/ impairments on fixed, intangible assets and right-of-use assets" amounting to € 17,781 and the provision of unsuccessful appeals which was lodged in connection with the payment of insurance contributions amounting to € 21,686, included in caption "Other Expenses".





Respectively, management adjustments on expenses as of 31.12.2018, relate to the cost for the performance incentives scheme and staff rewarding amounting to € 11,559 included in caption “Staff costs”, the “Losses from sales/write-off/ impairments on fixed, intangible assets and right-of-use assets” amounting to € 47,411 and other provisions amounting to € 3,590 included in caption “Other Expenses”, as well as non-recurring charges of the period amounting to € 13,786, included in the caption “General Administrative Expenses”.



## Disclosures of Law 4374/2016

According to article 6 of Law 4374/1.4.2016 “Transparency among credit institutions, media companies and subsidized persons” introduced to all credit institutions established in Greece the obligation to publish annually and on consolidated basis:

- All payments made within the year directly or indirectly to media company and its related parties, according to IAS 24, or communication and advertising company.
- All payments made within the year due to donation, subsidy, grant or other grants to individuals and legal entities.

The information required is presented below, in Euro:

| <b>PAYMENTS TO MEDIA COMPANIES (Article 6 Par.1 of Law 4374/2016)</b> |                             |
|---|-----------------------------|
| <b>Name*</b>  | <b>Amounts before taxes</b> |
| 1984 PRODUCTIONS AE   | 11,056.00                   |
| 24 MEDIA ΨΗΦΙΑΚΩΝ ΕΦΑΡΜΟΓΩΝ ΑΕ  | 51,146.00                   |
| ADWEB LTD ΕΤΑΙΡΕΙΑ ΠΕΡΙΟΡΙΣΜΕΝΗΣ ΕΥΘΥΝΗΣ                              | 26,419.00                   |
| AGRO BROKERS LTD  | 1,500.00                    |
| ALPHA EDITIONS AE   | 11,725.00                   |
| ALPHA ΔΟΥΡΥΦΟΡΙΚΗ ΤΗΛΕΟΡΑΣΗ ΑΕ  | 387,590.61                  |
| ALPHA ΡΑΔΙΟΦΩΝΙΚΗ ΑΕ  | 31,337.81                   |
| ANTENNA TV ΑΕ   | 574,208.62                  |
| ART SAVY MON IKE  | 2,800.00                    |
| ASM PUBLICATIONS PC   | 10,000.00                   |
| AUTO TRITH AE   | 1,500.00                    |
| BANKINGNEWS AE  | 65,000.00                   |
| BETTERMEDIA IKE   | 2,250.00                    |
| CITY CODE ΕΚΔΟΤΙΚΗ ΙΚΕ  | 1,400.00                    |
| CLOCKWORK ORANGE MINDTRAP LIMITED                                     | 6,340.00                    |
| CPAN CONNECT - ED PUPLIC AFFAIRS NETWORK LTD BANKWARSGR               | 13,800.00                   |
| CREATIVE INTERNET SERVICES ΜΟΝΕΠΕ                                     | 4,500.00                    |
| DG NEWSAGENCY AE  | 17,064.00                   |
| DIMERA ΕΚΔΟΤΙΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΙΑ                                       | 38,018.15                   |
| DOCUMENTO MEDIA ΜΟΝΟΠΡΟΣΩΠΗ ΙΚΕ                                       | 46,765.00                   |
| DPG DIGITAL MEDIA AE  | 45,633.00                   |
| EPSILON NET   | 250.00                      |
| ETHOS MEDIA AE  | 10,733.21                   |
| EUROMEDIA ACTION AE   | 4,000.00                    |
| FAROSNET AE   | 20,178.00                   |
| FAST RIVER ΔΗΜΚΕΙΜΕΝΟ CONCEPTI ΕΚΔΕΠΕ                                 | 2,500.00                    |
| FINANCIAL MARKETS VOICE AE ΕΦΗΜΕΡ FM VOICE                            | 11,500.00                   |
| FORTHNET MEDIA AE   | 103,861.16                  |
| FOSS ON AIR AE  | 3,000.00                    |
| FREED AE  | 19,490.88                   |
| FRONTSTAGE ΨΥΧΑΓΩΓΙΚΗ ΑΕ  | 35,937.94                   |
| GARAVELAS G-RADIO MON IKE   | 1,380.00                    |
| GLOMAN AE   | 10,833.24                   |
| GM COMMUNICATION IKE  | 700.00                      |
| GREEN BOX ΕΚΔΟΤΙΚΗ ΑΕ   | 4,900.00                    |
| HELLAS JOURNAL INC  | 4,625.00                    |

\* Names have not been translated into english.



|  |            |
|--|------------|
| HTTPOOL HELLAS MIKE                                | 45,556.47  |
| ICAP AE  | 9,550.00   |
| ICAP GROUP AE                                      | 1,840.00   |
| IDENTITY AE  | 1,000.00   |
| INFINITAS IKE                                      | 900.00     |
| INTERNATIONAL RADIO NETWORKS AE DEE JAY            | 29,766.84  |
| KISS ΑΝΩΝΕΤΑΙΡΕΙΑ ΜΕΣΩΝ ΜΑΖΙΚΗΣ ΕΝΗΜΕΡ             | 19,461.75  |
| KONTRA IKE   | 3,000.00   |
| KONTRA MEDIA ΜΕΣΑ ΜΑΖΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ ΑΕ            | 5,425.76   |
| KOOLWORKS AE                                       | 3,000.00   |
| LEFT MEDIA ΑΝΩΝΥΜΟΣ Ρ/ΦΩΝΙΚΗ-ΤΗΛ/ΚΗ ΑΕ             | 8,574.08   |
| LIQUID MEDIA AE                                    | 41,549.00  |
| LOCOMOTIVA   | 1,200.00   |
| LOVE RADIO BROADCASTING SA                         | 6,314.40   |
| LUFT + STAHL ΜΕΠΕ                                  | 1,200.00   |
| MEDIA DIVERSITY IKE                                | 350.00     |
| MEDIA2DAY ΕΚΔΟΤΙΚΗ ΑΕ EURO2DAY ΜΕΤΟΧΟΣ             | 100,752.50 |
| MINDTHEGAP MEDIA COMMUNICATIONS MON IKE            | 12,000.00  |
| MNMARKETNEWS LIMITED                               | 1,637.00   |
| MONOCLE MEDIA LAB MONONews MIKE                    | 48,365.00  |
| MV PRESS ΜΟΝΟΠΡΟΣΩΠΗ ΙΚΕ ΕΚΔΟΣΕΙΣ                  | 832.90     |
| NAG MEDIA AE                                       | 2,500.00   |
| NEW MEDIA NETWORK SYNOPSIS AE                      | 83,763.57  |
| NEWPOST PRIVATE COMPANY NEWPOSTGR                  | 28,250.00  |
| NEWSFRONT ΝΑΥΤΙΛΙΑΚΕΣ ΕΚΔΟΣΕΙΣ ΙΚΕ                 | 370.00     |
| NEWSIT ΕΠΕ   | 71,721.67  |
| NK MEDIA GROUP ΕΠΕ                                 | 52,162.00  |
| NOTICE CONTENT & SERVICES MON. ΙΚΕ                 | 450.00     |
| ODEON ENTERTAINMENT AE                             | 100,000.00 |
| OLIVE MEDIA AE                                     | 29,907.50  |
| PARALOT MEDIA & MARKETING LIMITED                  | 1,900.00   |
| PERFECT MEDIA ADVERTISING MIKE                     | 85,500.00  |
| PESTAOLA MEDIA ΥΠΗΡΕΣΙΕΣ ΔΙΑΔΙΚΤΥΟΥ ΜΕΠΕ           | 200.00     |
| PHAISTOS NETWORKS AE                               | 20,392.00  |
| PLAN A MON ΙΚΕ                                     | 2,500.00   |
| PLAN A ΤΗΛΕΟΠΤΙΚΕΣ & ΕΚΔΟΤΙΚΕΣ ΕΠΙΧΕΙΡΗΣΕΙΣ ΙΚΕ    | 36,000.00  |
| PREMIUM AE   | 36,375.99  |
| PRIME APPLICATIONS AE                              | 53,246.00  |
| PROJECT AGORA LTD                                  | 15,650.00  |
| PUBLICITAS AE                                      | 28,797.28  |
| R MEDIA ΕΚΔΟΤΙΚΗ ΕΕ                                | 3,000.00   |
| R MEDIA Μ ΕΠΕ                                      | 1,500.00   |
| RADIO PLAN ΒΕΕ ΙΔΙΩΤΙΚΗ ΚΕΦΑΛΑΙΟΥΧΙΚΗ ΕΤΑΙΡΕΙΑ     | 4,108.53   |
| REAL MEDIA ΜΕΣΑ ΜΑΖΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ ΑΕ              | 111,621.45 |
| SABD ΕΚΔΟΤΙΚΗ ΑΕ                                   | 71,713.00  |
| SAMOS BUSINESS DEVELOPMENT ΙΚΕ                     | 11,600.00  |
| SFERA RADIO ΑΝΩΝΥΜΟΣ ΡΑΔ/ΚΗ ΕΤΑΙΡΙΑ                | 13,415.25  |
| SMART PRESS ΕΚΔΟΤΙΚΗ ΔΙΑΦΗΜΙΣΤΙΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ | 600.00     |
| SOL DE GRECIA ΜΟΝΙΚΕ                               | 5,000.00   |
| SOLAR ΡΑΔΙΟΤ/ΚΕΣ & ΨΥΧ/ΚΕΣ ΥΠΗΡΕΣΙΕΣ ΑΕ            | 18,071.00  |
| SONTEVIA LTD                                       | 10,010.00  |
| SPORTNEWS ΥΠΗΡΕΣΙΕΣ ΔΙΑΔΙΚΤΥΟΥ ΑΕ                  | 9,783.00   |
| TELIA COMMUNICATIONS AE                            | 7,193.00   |
| THE TOC DIGITAL MEDIA ΥΠΗΡΕΣΙΕΣ ΕΝΗΜΕΡΩΣΗΣ ΑΕ      | 26,119.25  |
| THESS NEWS ΙΚΕ                                     | 1,500.23   |
| THESSALONIKI 89 RAINBOW ΜΟΝΕΠΕ                     | 660.00     |

\* Names have not been translated into english.



|  |            |
|--|------------|
| ΤΛΙΦΕ ΕΦΑΡΜΟΓΕΣ ΔΙΑΔΙΚΤΥΟΥ ΕΕ                              | 5,750.00   |
| U MEDIA ΕΞΕΙΔΙΚΕΥΜΕΝΕΣ ΔΙΑΦ ΥΠΗΡΕΣΙΕΣ ΙΚΕ                  | 18,964.00  |
| USAY ΣΠΑΥΛΟΠΟΥΛΟΣ ΜΟΝΕΠΕ                                   | 5,900.00   |
| VAGMA MEDIA DEVELOPMENT ΜΟΝΟΠΡΟΣΩΠΗ ΕΠΕ                    | 4,000.00   |
| WSF WALL STREET FINANCE ΙΚΕ                                | 9,000.00   |
| Α ΠΑΠΑΔΟΠΟΥΛΟΥ & ΣΙΑ ΕΕ THEA BY MAKEDONIA PALACE           | 1,400.00   |
| ΑΒΡ ΕΚΔΟΤΙΚΗ ΙΔΙΩΤΙΚΗ ΚΕΦΑΛΑΙΟΥΧΙΚΗ ΕΤΑΙΡΕΙΑ               | 9,300.00   |
| ΑΓΡΟΤΥΠΟΣ ΑΕ   | 2,210.03   |
| ΑΘΑΝΑΣΙΟΣ ΑΛ ΑΡΑΜΠΑΤΖΗΣ ΠΑΝΣΕΡΡΑΪΚΗ ΕΒΔΟΜΑΔΙΑΙΑ            | 5,000.00   |
| ΑΘΕΝΣ ΒΟΙΣ ΕΚΔΟΤΙΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ                       | 55,648.72  |
| ΑΛΗΘΙΝΟ ΡΑΔΙΟΦΩΝΟ ΑΕ ΑΕ                                    | 53,582.25  |
| ΑΛΤΕΡ ΕΓΚΟ ΜΜΕ ΑΕ ΕΠΙΧΕΙΡΗΣΗ ΜΕΣΩΝ ΜΑΖΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ      | 491,283.15 |
| ΑΝΑΣΤΑΣΙΟΣ ΚΑΡΑΜΗΤΣΟΣ & ΣΥΝΕΡΓΑΤΕΣ ΕΞΟΛΙΝΕΜΑΓΑΖΙΝΕΓΡ       | 9,990.00   |
| ΑΝΕΞΑΡΤΗΤΑ ΜΕΣΑ ΜΑΖΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ ΑΕ                      | 70,185.00  |
| ΑΝΤΑΡΗΣ ΙΔΙΩΤΙΚΗ ΚΕΦΑΛΑΙΟΥΧΙΚΗ ΕΤΑΙΡΕΙΑ                    | 4,000.00   |
| ΑΠΕ-ΜΠΕ ΑΕ   | 22,000.00  |
| ΑΤΤΙΚΕΣ ΕΚΔΟΣΕΙΣ ΑΕ  | 9,815.00   |
| Β ΒΟΓΙΑΤΖΗΣ & ΣΙΑ ΟΕ                                       | 685.97     |
| ΒΑΣΙΛΟΠΟΥΛΟΣ Χ - ΠΕΤΡΟΠΟΥΛΟΣ Δ ΟΕ (NEMA PROBLEMA)          | 9,375.00   |
| ΒΛΑΧΑΚΗΣ ΝΕΚΚΩΝΣΤΑΝΤΙΝΟΣ                                   | 800.00     |
| ΓΕΝΙΚΕΣ ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΕΣ ΕΠΙΧΑΕ                            | 13,543.40  |
| ΓΕΡΟΛΥΜΑΤΟΣ ΓΕΡΑΣΙΜΟΣ                                      | 2,600.00   |
| ΓΕΩΡΓΙΟΣ ΠΑΠΑΤΡΙΑΝΤΑΦΥΛΛΟΥ & ΣΙΑ ΕΕ                        | 5,200.00   |
| ΓΙΑΝΝΟΠΟΥΛΟΣ ΧΑΡ. ΝΙΚΟΛΑΟΣ WOMANDOL                        | 1,200.00   |
| Δ ΔΙΑΚΑΤΟΥ- ΠΑΠΑΔΑΤΟΥ & ΣΙΑ ΕΕ                             | 321.75     |
| Δ. ΜΠΟΥΡΑΣ & ΣΙΑ ΕΕ  | 26,000.00  |
| ΔΑΦΝΗ ΕΠΙΚΟΙΝΩΝΙΕΣ ΑΕ                                      | 1,000.00   |
| ΔΕΛΤΙΟ ΕΡΓΑΤΙΚΗΣ ΝΟΜΟΘΕΣΙΑΣ                                | 179.25     |
| ΔΕΣΜΗ ΑΕ ΕΜΠΔΙΑΦΡΑΔΕΤΑΙΡΕΙΑ & ΕΦΔΙΑΔΙΚΤΥΟΥ                 | 13,413.00  |
| ΔΗΜΗΤΡΙΟΣ ΑΛ ΑΡΑΜΠΑΤΖΗΣ ΣΕΡΡΑΪΚΟΝ ΘΑΡΡΟΣ                   | 5,000.00   |
| ΔΗΜΟΤΙΚΗ ΕΠΙΧΕΙΡΙΣΗ ΤΗΛΕΟΡΑΣΗΣ ΔΗΜΟΥ ΑΣΠΡΟΠΥΡΓΟΥ ΑΤΤΙΣΑ TV | 6,138.00   |
| ΔΙΟΓΕΝΗΣ ΜΚΟ ΑΣΤΙΚΗ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΗ ΕΤΑΙΡΕΙΑ               | 1,500.00   |
| ΔΙΦΩΝΟ ΡΑΔΙΟΦΩΝΙΚΕΣ ΕΚΜΕΤΑΛΛΕΥΣΕΙΣ ΑΕ                      | 5,479.16   |
| ΔΟΥΣΗΣ ΑΝΑΣΤΑΣΙΟΣ & ΣΙΑ ΕΕ - DOUSIES COM ΕΕ                | 37,062.50  |
| ΔΥΟ ΔΕΚΑ ΑΝΩΝΕΚΔΟΕΤΑΙΡΕΙΑ                                  | 53,505.00  |
| ΕΘΝΙΚΟΣ ΚΗΡΥΞ ΤΗΣ ΝΕΑΣ ΥΟΡΚΗΣ ΕΛΛΑΣ ΜΟΝΟΠΡΟΣΩΠΗ ΕΠΕ        | 14,440.51  |
| ΕΙΔΗΣΕΙΣ ΝΤΟΤ ΚΟΜ ΑΝΩΝ ΤΗΛΕΟΠ/ΚΗ & ΕΜΠΕΤ ΠΑΡΠΛ             | 500,872.05 |
| ΕΙΔ. ΛΟΓ/ΣΜΟΣ ΚΟΝΔΕΡΕΥΝΑΣ ΤΟΥ ΕΘΝΑΣΤΕΡ ΑΘΗΝΩΝ              | 3,000.00   |
| ΕΚΔ ΣΑΚΚΟΥΛΑ ΟΕ (ΙΔΙΩΤΙΚΟ ΚΑΙ ΔΗΜΟΣΙΟ ΔΙΚΑΙΟ)              | 740.00     |
| ΕΚΔΟΣΕΙΣ 1908 ΙΚΕ  | 10,307.00  |
| ΕΚΔΟΣΕΙΣ ΝΑΣΤΑ ΙΚΕ   | 3,600.00   |
| ΕΚΔΟΣΕΙΣ ΝΕΟ ΧΡΗΜΑ ΑΕΝΕWMONEYGR                            | 37,900.00  |
| ΕΚΔΟΣΕΙΣ ΠΑΠΑΝΙΚΟΛΑΟΥ                                      | 2,239.73   |
| ΕΚΔΟΣΕΙΣ ΠΡΩΤΟ ΘΕΜΑ ΕΚΔΟΤΙΚΗ ΑΕ                            | 439,421.66 |
| ΕΚΔΟΣΕΙΣ ΡΕΥΜΑΤΑ ΑΕ  | 10,000.00  |
| ΕΚΔΟΣΕΙΣ ΣΟΦΙΑ ΜΟΣΧΑΝΔΡΕΟΥ & ΣΙΑ ΕΕ                        | 7,267.50   |
| ΕΚΔΟΣΕΙΣ ΣΤΑΜΟΥΛΗ ΑΕ                                       | 4,000.00   |
| ΕΚΔΟΣΕΙΣ ΤΟΤΣΗ (ΠΕΡΙΟΔΙΚΟ ΛΟΓΙΣΤΗΣ)                        | 179.25     |
| ΕΚΔΟΤΙΚΗ ΕΚΤΥΠΩΤΙΚΗ ΑΕ Μ PRESS ΕΚΔΟΤΙΚΗ                    | 2,306.44   |
| ΕΛΕΥΘΕΡΙΑ ΤΟΥ ΤΥΠΟΥ ΕΚΔΟΤΙΚΗ ΑΕ                            | 83,000.00  |
| ΕΛΛΗΝ.ΕΠΙΧ.ΕΚΔΟΣ & ΟΠΤΙΚΟΑΜΕΣΩΝ ΕΠΙΚ ΑΕ                    | 18,627.62  |
| ΕΛΛΗΝΙΚΕΣ ΡΑΔΙΟΦΩΝΙΚΕΣ ΕΠΙΧΕΙΡΗΣΕΙΣ ΑΕ                     | 3,999.43   |
| ΕΛΛΗΝΙΚΟ ΙΝΣΤΙΤΟΥΤΟ ΕΞΥΠΗΡΕΤΗΣΗΣ ΠΕΛΑΤΩΝ                   | 1,500.00   |
| ΕΝΙΚΟΣ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ                                    | 44,920.00  |
| ΕΝΤΥΠΟΕΚΔΟΤΙΚΗ ΑΕΒΕΤ                                       | 2,500.00   |
| ΕΞΕΡΕΥΝΗΤΗΣ-ΕΞΠΛΟΡΕΡ ΑΕ                                    | 44,892.50  |

\* Names have not been translated into english.



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| ΕΠΙΚΟΙΝΩΝΙΑ ΕΠΕ                                    | 10,000.00  |
| ΕΡΙΝΥΑ ΕΙΔΗΣΕΙΣ Μ ΙΚΕ                              | 11,000.00  |
| ΕΣΤΙΑ ΕΠΕΝΔΥΤΙΚΗ ΜΜΕ ΑΕ                            | 76,000.00  |
| ΕΥΔΟΞΙΑ ΧΑΤΖΗΓΕΩΡΓΙΟΥ & ΣΙΑ ΕΕ                     | 2,000.00   |
| ΕΦΗΜΕΡΙΣ ΕΣΤΙΑ ΑΝΩΝΥΜΗ ΕΚΔΟΤΙΚΗ ΕΤΑΙΡΕΙΑ           | 48,921.13  |
| ΖΑΜΠΟΥΝΗΣ ΒΑΣΙΛΗΣ ΛΕΙΟΝ ΕΚΔΟΤΙΚΗ                   | 800.00     |
| ΖΗΣΗΣ ΠΑΝΑΓΙΩΤΗΣ ΜΟΝ ΕΠΕ                           | 2,000.00   |
| ΖΟΥΓΚΛΑ ΤΖΙ ΑΡ ΑΕ                                  | 99,095.00  |
| ΖΟΥΓΡΗΣ ΔΗΜΗΤΡΙΟΣ ΚΑΙ ΣΙΑ ΕΕ                       | 770.00     |
| Η ΑΛΗΘΕΙΑ ΜΟΝ ΕΠΕ - ΑΜΒΡΟΣΙΟΥ ΓΕΩΡΓΙΟΣ             | 1,000.00   |
| Η ΑΥΓΗ ΑΕ  | 30,868.74  |
| Η ΕΠΙΚΑΙΡΟΤΗΤΑ ΛΕΜΑΣ ΣΩΤ ΕΥΑΓΓΕΛΟΣ                 | 550.56     |
| Η ΘΕΣΠΡΩΤΙΚΗ ΑΛΕΞΑΝΔΡΟΣ ΘΕΜΕΛΗΣ                    | 204.60     |
| Η ΚΑΘΗΜΕΡΙΝΗ ΑΕ                                    | 1,346.16   |
| Η ΝΑΥΤΕΜΠΟΡΙΚΗ Π ΑΘΑΝΑΣΙΑΔΗΣ & ΣΙΑ ΑΕ              | 41,504.46  |
| ΗΛΙΑΣ ΚΑΝΕΛΛΗΣ & ΣΙΑ ΕΕ                            | 3,300.00   |
| ΗΤ PRESS ONLINE ΜΟΝΟΠΡΟΣΩΠΗ ΙΚΕ                    | 7,000.00   |
| ΗΧΟΣ ΚΑΙ ΡΥΘΜΟΣ ΑΕ                                 | 11,854.68  |
| ΘΕΜΑ ΡΑΔΙΟ ΑΕ                                      | 1,333.18   |
| ΘΕΟΧΑΡΗΣ ΣΠΥΡ ΓΕΩΡΓΙΟΣ                             | 4,500.00   |
| ΘΗΤΑ ΕΠΙΚΟΙΝΩΝΙΑ ΕΠΕ Η ΘΕΣΣΑΛΙΑ                    | 253.70     |
| Ι ΤΟΜΕΛΙΤΟΥ - ΚΑΣΤΟΡΙΝΗ                            | 1,556.61   |
| ΙΔΙΟΝΑΤΟΣ & ΣΙΑ ΕΕ                                 | 14,000.00  |
| ΙΚΑΡΟΣ ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΕΣ ΕΠΙΧ/ΣΕΙΣ ΑΕ               | 2,376.00   |
| ΙΝΣΤΙΤΟΥΤΟ ΕΡΕΥΝΩΝ & ΜΕΛ ΤΗΣ ΚΕΝΤΕΝΕΠΙΜΕΛΛ/ΔΟΣ     | 1,990.00   |
| ΙΟΝΙΑΝ ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΕΣ ΕΠΙΧΕΙΡΗΣΕΙΣ ΑΕ            | 2,800.00   |
| ΙΟΝΙΚΕΣ ΕΚΔΟΣΕΙΣ ΑΕ                                | 2,100.00   |
| ΚΑΘΗΜΕΡΙΝΕΣ ΕΚΔΟΣΕΙΣ ΑΕ                            | 349,820.38 |
| ΚΑΠΙΤΑΛ GR/ΥΠΗΡΕΣΙΕΣ ΗΛΕΚΤΡΟΝΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ ΑΕ    | 76,675.76  |
| Κ.Μ. ΧΑΤΖΗΗΛΙΑΔΗΣ & ΣΙΑ ΕΕ                         | 1,680.00   |
| ΚΟΙΝΩΝΙΚΗ ΣΥΝΕΤΑΙΡΙΣΤΙΚΗ ΕΠΙΧΕΙΡΗΣΗ ΠΡΟΤΑΣΙΣ       | 550.00     |
| ΚΟΣΜΟΡΑΔΙΟ ΕΕ                                      | 1,354.63   |
| ΚΥΚΛΟΣ ΑΕ /ΝΕΑ ΚΡΗΤΗ ΗΡΑΚΛΕΙΟΥ                     | 5,000.00   |
| ΚΩΝΣΤΑΝΤΟΠΟΥΛΟΣ ΠΑΝΟΣ GRAMMA BOOKS                 | 3,800.00   |
| ΛΑΚΩΝΙΚΟΣ ΤΥΠΟΣ ΧΡΙΣΤΙΝΑ ΑΝΝΑ ΧΙΩΤΗ                | 150.00     |
| ΛΑΜΨΗ ΕΚΔΟΤΙΚΕΣ & ΡΑΔ/ΚΕΣ ΕΠΙΧΕΙΡΗΣΕΙΣ ΑΕ          | 3,808.52   |
| ΛΕΩΝΙΔΑΣ ΑΝΤΩΝΟΠΟΥΛΟΣ ΜΟΝΟΠΡΟΣΩΠΗ ΕΠΕ              | 4,400.00   |
| Μ ΤΣΑΡΟΥΧΑΣ & ΣΙΑ ΠΡΩΙΝΟΣ ΛΟΓΟΣ                    | 120.00     |
| ΜΑΚΕΔΟΝΙΑ TV ΑΕ                                    | 12,430.95  |
| ΜΑΝΕΣΙΩΤΗΣ ΝΙΚ ΨΩΜΙΑΔΗΣ ΚΩΝ ΟΕ FMVOICEGR           | 29,000.00  |
| ΜΑΡΙΑ ΒΑΣΙΛΑΚΗ ΜΟΝΟΠΡΟΣΩΠΗ ΕΠΕ                     | 8,100.00   |
| ΜΑΡΙΑ ΧΑΛΚΟΥ ΕΚΔΟΣΕΙΣ - ΨΗΦΙΑΚΑ ΜΕΣΑ               | 2,750.00   |
| ΜΑΡΙΝΑ Γ. ΤΟΥΛΑ & ΣΙΑ ΟΕ                           | 3,700.00   |
| ΜΕΛΩΔΙΑ ΑΕ   | 11,081.36  |
| ΜΕΤΡΟΝΤΗΛ ΜΟΝ ΙΚΕ                                  | 16,286.80  |
| ΜΠΟΥΣΙΑΣ ΕΠΙΚΟΙΝΩΝΙΕΣ ΕΠΕ                          | 4,462.03   |
| ΝΕΑ ΤΗΛΕΟΡΑΣΗ ΑΕ                                   | 450,861.76 |
| ΝΕΑ ΤΗΣ ΒΟΙΩΤΙΑΣ ΙΩΑΝΝΗΣ Η ΚΑΝΤΑΣ                  | 795.46     |
| ΝΕΟ ΡΑΔΙΟΦΩΝΟ ΤΩΝ ΔΗΜΟΣΙΟΓΡΑΦΩΝ ΕΠΕ                | 52,681.67  |
| ΝΕΟΥΤΥΠΟΓΡΑΦΙΚΗ ΜΟΝΟΠΡΟΣΩΠΗ ΕΠΕ Ο ΛΟΓΟΣ            | 9,560.77   |
| ΝΙΚΟΛΑΟΣ ΣΤΑΣΙΝΟΣ & ΣΙΑ ΟΕ                         | 1,200.00   |
| ΝΟΗΣΙΣ ΙΚΕ   | 3,888.00   |
| ΞΑΝΘΗΣ ΧΡΥΣΑΝΘΟΣ ΑΠΟΣΤΟΛΟΣ                         | 800.00     |
| ΞΑΝΘΟΠΟΥΛΟΣ - ΟΜΗΡΟΥ - ΕΥΑΓΓΕΛΟΠΟΥΛΟΣ ΟΕ (KITCHEN) | 1,600.00   |
| ΟΡΓΑΝΙΣΜΟΣ ΜΕΓΑΡΟ ΜΟΥΣΙΚΗΣ ΑΘΗΝΩΝ                  | 1,000.00   |
| ΟΡΘΟΔΟΞΗ ΚΙΒΩΤΟΣ ΕΚΔΟΣΕΙΣ ΑΕ                       | 3,000.00   |
| ΟΡΙΖΟΝΤΕΣ ΕΠΕ                                      | 150.00     |
| ΟΤΕ ΑΕ   | 82,930.13  |

\* Names have not been translated into english.



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| Π ΔΕΛΗΓΙΑΝΝΗΣ & ΣΙΑ ΕΕ                              | 2,000.00            |
| Π.ΚΟΥΤΣΟΥΚΟΣ ΑΜΠΟΥΣΤΡΑΣ ΑΕ                          | 10,200.00           |
| ΠΑΛΟ ΕΠΕ ΨΗΦΙΑΚΕΣ ΤΕΧΝΟΛΟΓΙΕΣ                       | 8,112.00            |
| ΠΑΠΑΛΙΟΣ ΚΩΣΤΑΝΤΙΝΟΣ & ΣΙΑ ΕΕ DIRECTION CSR REVIEW  | 7,597.57            |
| ΠΑΠΑΡΟΥΝΗΣ ΦΑΝΜΙΧΑΛΗΣ                               | 250.00              |
| ΠΑΡΑΕΝΑ ΕΠΕ   | 48,975.30           |
| ΠΑΡΑΠΟΛΙΤΙΚΑ ΕΚΔΟΣΕΙΣ ΑΕ                            | 54,542.50           |
| Π.Δ. ΕΚΔΟΣΕΙΣ ΕΠΕ                                   | 11,500.00           |
| ΠΕΛΟΠΟΝΝΗΣΟΣ ΠΑΤΡΩΝ ΕΚΔΟΣΕΙΣ ΑΕ                     | 12,000.00           |
| ΠΟΛΙΤΗ-ΣΙΑΦΑΚΑ ΜΑΡΙΕΛΙΖΕ -ΒΑΣΙΛΙΚΗ (CODEX)          | 1,500.00            |
| ΠΡΟΒΟΛΗ ΠΡΟΩΘΗΣΗ ΠΩΛΗΣΕΩΝ ΑΕ                        | 1,000.00            |
| ΠΡΟΤΑΓΚΟΝ ΑΕ  | 18,700.00           |
| ΠΡΩΙΝΟΣ ΤΥΠΟΣ - ΣΤΕΛΛΑ Ι ΣΤΑΥΡΙΔΟΥ                  | 100.00              |
| ΡΑΔΙΟ ΘΕΣΣΑΛΟΝΙΚΗ ΑΕ                                | 15,337.74           |
| ΡΑΔΙΟΠΛΗΡΟΦΟΡΙΚΗ ΜΜΕ ΑΕ                             | 1,200.02            |
| ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΕΣ ΕΠΙΧΕΙΡΗΣΕΙΣ ΑΕ                    | 10,922.43           |
| ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΗ ΑΕ                                  | 168,504.74          |
| ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΗ ΠΡΟΒΟΛΗ ΑΕ SPORT TV                 | 35,450.75           |
| ΡΑΔΙΟΦΩΝΙΚΕΣ ΕΠΙΧΕΙΡΗΣΕΙΣ RADIO NORTH 98FM ΕΠΕ      | 8,485.00            |
| ΡΑΔΙΟΦΩΝΙΚΕΣ ΠΑΡΑΓΩΓΕΣ ΑΕ                           | 11,440.00           |
| ΡΑΔΙΟΦΩΝΙΚΗ ΕΠΙΚΟΙΝΩΝΙΑ ΑΕ ΔΙΕΣΗ FM                 | 11,963.96           |
| Σ. ΑΝΑΣΤΟΠΟΥΛΟΣ & ΣΙΑ ΕΕ                            | 2,000.00            |
| ΣΑΡΙΣΑ ΜΟΝΟΠΡΟΣΩΠΗ ΕΠΕ                              | 10,360.00           |
| ΣΕΛΑΝΑ ΑΕ   | 2,000.00            |
| ΣΙΝΕ ΝΙΟΥΣ ΑΕ CINE NEWS                             | 57,720.00           |
| ΣΥΓΧΡΟΝΗ ΕΠΟΧΗ - ΕΚΔΟΤΙΚΗ ΑΕΒΕ ΡΙΖΟΣΠΑΣΤΗΣ          | 557.97              |
| ΤΕΚΜΗΡΙΩΣΗ Μ ΕΠΕ ΕΦΗΜΕΡΙΔΑ ΤΑΧΥΔΡΟΜΟΣ               | 165.60              |
| ΤΟ ΚΟΥΤΙ ΤΗΣ ΠΑΝΔΩΡΑΣ MEDIA ΕΕ                      | 23,930.00           |
| ΤΣΙΤΑΣ Χ ΠΡΟΔΡΟΜΟΣ                                  | 3,300.00            |
| ΤΥΠΟΚΥΚΛΑΔΙΚΗ ΑΕ                                    | 130.18              |
| ΤΥΠΟΣ ΘΕΣΣΑΛΟΝΙΚΗΣ ΤΥΡΟΣ MEDIA ΕΠΕ                  | 3,205.50            |
| ΤΥΠΟΣ ΧΑΛΚΙΔΙΚΗΣ-ΘΩΜΑ ΘΕΟΔΩΡΑ - ΕΚΔΟΣΕΙΣ ΕΦΗΜΕΡΙΔΩΝ | 158.50              |
| ΦΕΛΝΙΚΟΣ ΗΛΕΚΤΡ ΜΕΣΩΝ ΕΝΗΜΕΡΩΣΗΣ ΜΕΠΕ               | 9,880.00            |
| ΦΙΛΑΘΛΟΣ ΙΚΕ  | 11,764.00           |
| ΦΙΛΕΛΕΥΘΕΡΟΣ ΕΚΔΟΤΙΚΗ ΑΕ                            | 81,020.00           |
| ΦΩΤΑΓΩΓΟΣ ΕΠΕ                                       | 1,000.00            |
| Χ ΘΕΟΦΡΑΣΤΟΥ ΤΗΛΕΟΠΤΙΚΕΣ ΠΑΡΑΓΩΓΕΣ ΙΚΕ              | 48,000.00           |
| ΧΑΝΔΑΞ ΑΕ   | 1,000.00            |
| ΧΡΥΣΗ ΕΥΚΑΙΡΙΑ ΑΕ                                   | 6,217.00            |
| ΧΡΥΣΟΣ ΟΔΗΓΟΣ ΕΝΤΥΠΗ & ΗΛΕΚΤΡΟΝΙΚΗ ΠΛΗΡΟΦΟΡΗΣΗ ΑΕ   | 4,200.00            |
|   | <b>7.297.697,71</b> |

**PAYMENTS TO MEDIA COMPANIES OF AMOUNTS LESS THAN €100 PER MEDIA COMPANY****Name\***

|   |
|---|
| LOCAL NEWS ΔΗΜΗΤΡΙΟΣ Κ ΤΟΛΗΣ ΜΟΝΟΠΡΟΣΩΠΗ ΙΚΕ  |
| ΓΝΩΜΗ ΜΟΝΟΠΡΟΣΩΠΗ ΕΚΔΟΣΕΙΣ ΕΠΕ                |
| ΖΩΗ ΛΕΥΚΟΦΡΥΔΟΥ ΙΚΕ                           |
| ΘΑΡΡΟΣ ΕΚΔΟΤΙΚΗ ΕΠΕ                           |
| Ι.Δ ΚΟΛΛΑΡΟΥ & ΣΙΑ ΑΕ ΒΙΒΛΙΟΠΩΛΕΙΟ ΤΗΣ ΕΣΤΙΑΣ |
| ΚΥΚΛΑΔΙΚΗ ΕΕ                                  |
| Ν & Ι ΑΓΓΕΛΑΚΗΣ ΚΡΗΤΙΚΑ ΜΕΣΑ ΕΝΗΜΕΡΩΣΗΣ ΕΠΕ   |
| ΝΑΥΤΙΚΑ ΧΡΟΝΙΚΑ - GRATIA ΕΚΔΟΤΙΚΗ ΙΚΕ         |

The above table refers to Media Companies of amounts less than € 100, with total amount equal to € 371.43.

|                                 |                     |
|---------------------------------|---------------------|
| <b>TOTAL FOR MEDIA PAYMENTS</b> | <b>7,298,069.14</b> |
|---------------------------------|---------------------|

\* Names have not been translated into english.



|                            | <b>Amounts</b> |
|----------------------------|----------------|
| TELEVISION TAX PAYMENTS    | 96,214.94      |
| SPECIAL FEE PAYMENTS 0,02% | 1,804.92       |
| MUNICIPAL FEE PAYMENTS 2%  | 15,750.37      |

**PAYMENTS DUE TO DONATIONS, SPONSORSHIP, SUBSIDIES OR OTHER CHARITABLE REASONS  
(Article 6 Par. 2 of L.4374/2016)**

**A) TO LEGAL ENTITIES**

| <b>Name*</b>  | <b>Amounts<br/>before taxes</b> |
|---|---------------------------------|
| 14th AEGEAN AIRLINES PRO AM   | 30,000.00                       |
| 18th CONFERENCE ON RESEARCH ON ECONOMICS AND ECONOMETRICS   | 5,294.38                        |
| 2ο ΕΣΠΕΡΙΝΟ ΕΠΑ.Λ. ΠΕΡΙΣΤΕΡΙΟΥ  | 410.00                          |
| 2ο ΓΥΜΝΑΣΙΟ ΝΕΑΣ ΜΑΚΡΗΣ   | 4,335.39                        |
| 2ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΣΚΙΑΘΟΥ   | 590.00                          |
| 5Η ΥΠΕ ΘΕΣΣΑΛΙΑΣ ΚΑΙ ΣΤΕΡΕΑΣ ΕΛΛΑΔΟΣ  | 45,400.00                       |
| 6/ΘΕΣΙΟ ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΔΙΚΑΙΩΝ ΔΗΜΟΥ ΟΡΕΣΤΙΑΔΑΣ Ν. ΕΒΡΟΥ  | 4,233.87                        |
| 7th CYPRUS BANKING FORUM  | 3,000.00                        |
| ΑΗΕΡΑ ATHENS CHAPTER HJ1 AMERICAN HELLENIC EDUCATIONAL PROGRESSIVE ASSOCIATION  | 2,000.00                        |
| ALACRITY DYNAMICS F1 IN SCHOOLS   | 806.45                          |
| ALBA ΚΟΛΛΕΓΙΟ ΔΙΟΙΚΗΣΗΣ ΕΠΙΧΕΙΡΗΣΕΩΝ  | 3,000.00                        |
| ALBANIAN ASSOCIATION OF BANKS   | 10,780.65                       |
| AMERICAN CHAMBER OF COMMERCE  | 1,020.46                        |
| ASOCIATIA ADMINISTRATORILOR INDEPENDENTI AAI  | 1,500.00                        |
| ASOCIATIA INVINGEM AUTISMUL   | 202.20                          |
| ASOCIATIA PRIETENII MUZEULUI NATIONAL DE ARTA AL ROMANIEI   | 2,984.12                        |
| ASOCIATIA VOLUNTARI PENTRU IDEI SI PROIECTE   | 1,500.00                        |
| CAPITAL LINK INC  | 10,000.00                       |
| CENTER TIRANA 20 (Non Profit Organisation)  | 7,048.46                        |
| CYBER SECURITY INTERNATIONAL INSTITUTE  | 12,000.00                       |
| CYCLOPOLIS IKE  | 15,000.00                       |
| CYPRUS CHAMBER OF COMMERCE & INDUSTRY   | 1,000.00                        |
| DDC FINANCIAL GROUP S.R.O   | 10,000.00                       |
| DIGEA ΨΗΦΙΑΚΟΣ ΠΑΡΟΧΟΣ Α.Ε.   | 3,000.00                        |
| "DIXONS SOUTH-EAST EUROPE-ΑΝΩΝΥΜΗ ΕΜΠΟΡΙΚΗ ΚΑΙ ΒΙΟΜΗΧΑΝΙΚΗ ΕΤΑΙΡΕΙΑ ΗΛΕΚΤΡΙΚΩΝ, ΠΛΗΡΟΦΟΡΙΚΗΣ, ΤΗΛΕΠΙΚΟΙΝΩΝΙΩΝ ΚΑΙ ΑΣΦΑΛΙΣΤΙΚΩΝ ΣΥΜΒΟΥΛΩΝ" | 10,000.00                       |
| DOWN SYNDROME ALBANIA   | 6,035.22                        |
| DURRES COURT  | 3,521.12                        |
| EARTHQUAKE SUPPORT - ALBANIA  | 10,355.07                       |
| EBEN GR ΕΛΛΗΝΙΚΟ ΙΝΣΤΙΤΟΥΤΟ ΕΠΙΧΕΙΡΗΜΑΤΙΚΗΣ ΗΘΙΚΗΣ  | 1,000.00                        |
| EBRD EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT   | 7,500.00                        |
| EMG STRATEGIC CONSULTING  | 6,000.00                        |
| ENGINEERS FOR BUSINESS S.A.   | 5,000.00                        |
| EUROPEAN MONEY QUIZZ  | 500.00                          |
| FIER EDUCATIONAL DIRECTORY  | 798.23                          |
| GLOBAL SUSTAIN A.E.   | 4,500.00                        |
| GR DESIGN   | 1,000.00                        |
| HOTEL RODOS PALACE S.A.   | 4,000.00                        |
| ICONHIC O.E.  | 10,000.00                       |
| ΙΜΗ ΣΥΝΕΔΡΙΟ  | 16,000.00                       |
| MARKETING GREECE ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ ΠΡΟΩΘΗΣΗΣ ΚΑΙ ΑΝΑΠΤΥΞΗΣ ΤΟΥΡΙΣΜΟΥ   | 7,000.00                        |
| MDA HELLAS  | 1,000.00                        |
| MINISTRY OF FINANCE   | 1,642.44                        |
| MUNICIPALITY OF BURREL  | 2,512.93                        |

\* Names have not been translated into english.





|  |            |
|--|------------|
| MUNICIPALITY OF POGRADEC   | 1,011.00   |
| ON TIME CONCEPT / AGNA GROUP                                     | 4,137.97   |
| S.S.A. SOLDOUT LTD   | 270.00     |
| SAFE WATER SPORTS ΝΠΙΔ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΟ ΣΩΜΑΤΕΙΟ                  | 1,500.00   |
| SAFER INTERNET HELLAS  | 1,000.00   |
| THE ALBANIAN INFORMATION AND DATA PROTECTION COMMISSIONER        | 2,979.12   |
| THE CYPRUS LEGAL CONFERENCE                                      | 4,000.00   |
| THE AMERICAN COLLEGE OF GREECE PIERCE DEREΕ ALBA                 | 4,000.00   |
| TIRANA ECONOMIC FORUM  | 6,038.43   |
| UNIUNEA SCRITORILOR DIN ROMANIA                                  | 5,649.36   |
| WORLD VISION   | 5,007.75   |
| ΑΓΓΛΙΚΗ ΣΧΟΛΗ ΛΕΥΚΩΣΙΑΣ  | 150.00     |
| ΑΓΟΝΗ ΓΡΑΜΜΗ ΓΟΝΙΜΗ ΑΜΚΕ   | 1,860.00   |
| ΑΘΛΗΤΙΚΟΣ ΣΥΛΛΟΓΟΣ ΑΤΟΜΩΝ ΜΕ ΑΝΑΠΗΡΙΑ ΚΟΤΙΝΟΣ                    | 500.00     |
| ΑΛΕΞΑΝΔΡΙΝΗ ΠΝΟΗ ΠΝΕΥΜΑΤΙΚΟ ΚΑΙ ΠΟΛΙΤΙΣΤΙΚΟ ΚΕΝΤΡΟ               | 1,000.00   |
| ΑΜΚΕ POLYRHONICA   | 15,000.00  |
| ΑΜΚΕ ΙΑΣΙΣ   | 1,500.00   |
| ΑΜΚΕ ΠΟΛΙΤΙΣΜΟΥ ΚΑΝΤΟ ΜΕΝΤΙΤΕΡΡΑΝΕΟ                              | 1,000.00   |
| ΑΝΤΙΚΑΡΚΙΝΙΚΟΣ ΣΥΝΔΕΣΜΟΣ ΚΥΠΡΟΥ                                  | 300.00     |
| ΑΝΩΤΑΤΗ ΣΧΟΛΗ ΚΑΛΩΝ ΤΕΧΝΩΝ                                       | 4,025.64   |
| ΑΡΧΕΙΟΝ ΤΣΑΚΩΝΙΑΣ  | 9,000.00   |
| ΑΣΤΙΚΗ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΗ ΕΤΑΙΡΙΑ ΚΑΤΟΠΤΡΟΝ                         | 3,000.00   |
| ΓΕ.Λ. ΔΙΚΑΙΩΝ ΕΒΡΟΥ  | 3,225.81   |
| ΓΕΝΙΚΟ ΕΠΙΤΕΛΕΙΟ ΣΤΡΑΤΟΥ   | 50,000.00  |
| ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΑΘΗΝΩΝ ΚΟΡΓΙΑΛΕΝΕΙΟ - ΜΠΕΝΑΚΕΙΟ Ε.Ε.Σ.         | 9,200.00   |
| ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΘΕΣΣΑΛΟΝΙΚΗΣ ΑΓΙΟΣ ΔΗΜΗΤΡΙΟΣ - Γ. ΓΕΝΝΗΜΑΤΑΣ   | 4,572.00   |
| ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΚΟΡΙΝΘΟΥ                                       | 5,630.00   |
| ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΛΑΣΙΘΙΟΥ ΑΠΟΚΕΝΤΡΩΜΕΝΗ ΟΡΓΑΝΙΚΗ ΜΟΝΑΔΑ ΣΗΤΕΙΑΣ | 425.13     |
| ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΝΟΣΗΜΑΤΩΝ ΘΩΡΑΚΟΣ ΑΘΗΝΩΝ ΣΩΤΗΡΙΑ               | 5,000.00   |
| ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΠΑΙΔΩΝ ΠΕΝΤΕΛΗΣ                                | 7,110.03   |
| ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΤΡΙΚΑΛΩΝ                                       | 37,413.35  |
| ΓΙΑΤΡΟΙ ΤΟΥ ΚΟΣΜΟΥ ΕΛΛΗΝΙΚΗ ΑΝΤΙΠΡΟΣΩΠΕΙΑ                        | 2,000.00   |
| ΓΝ ΕΛΕΝΑ ΒΕΝΙΖΕΛΟΥ - ΑΛΕΞΑΝΔΡΑ / Γ.Ν.Α. ΑΛΕΞΑΝΔΡΑ                | 13,393.88  |
| ΓΥΜΝΑΣΙΟ ΚΑΠΑΝΔΡΙΤΙΟΥ  | 350.00     |
| ΓΥΜΝΑΣΙΟ ΠΕΤΡΑΚΗ ΚΥΠΡΙΑΝΟΥ                                       | 200.00     |
| ΔΕΣΠΟΤΙΚΟ ΚΥΚΛΑΔΩΝ ΑΝΑΣΤΗΛΩΣΗ                                    | 8,065.00   |
| ΔΗΜΟΣ ΑΘΗΝΑΙΩΝ ΔΙΕΥΘΥΝΣΗ ΔΗΜΟΤΙΚΗΣ ΑΣΤΥΝΟΜΙΑΣ                    | 241.96     |
| ΔΗΜΟΣ ΗΡΩΙΚΗΣ ΠΟΛΕΩΣ ΝΑΟΥΣΑΣ                                     | 300.00     |
| ΔΗΜΟΣ ΘΕΣΣΑΛΟΝΙΚΗΣ   | 3,000.00   |
| ΔΗΜΟΣ ΚΥΘΝΟΥ   | 490.00     |
| ΔΗΜΟΣ ΝΑΥΠΛΙΕΩΝ  | 1,825.20   |
| ΔΗΜΟΣ ΠΑΠΑΓΟΥ ΧΟΛΑΡΓΟΥ   | 2,000.00   |
| ΔΗΜΟΣ ΣΠΕΤΣΩΝ  | 2,500.00   |
| ΔΗΜΟΣ ΥΔΡΑΣ  | 1,000.00   |
| ΔΗΜΟΤΙΚΗ ΕΠΙΧΕΙΡΗΣΗ ΠΥΡΓΟΥ Α.Ε. ΟΤΑ                              | 2,000.00   |
| ΔΙΑΒΑΖΩ ΓΙΑ ΤΟΥΣ ΑΛΛΟΥΣ  | 8,000.00   |
| ΔΙΑΖΩΜΑ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΟ ΣΩΜΑΤΕΙΟ                                 | 5,000.00   |
| ΔΙΕΠΑΓΓΕΛΜΑΤΙΚΗ ΟΡΓΑΝΩΣΗ ΒΑΜΒΑΚΟΣ                                | 500.00     |
| ΔΙΚΗΓΟΡΙΚΟΣ ΣΥΛΛΟΓΟΣ ΧΑΝΙΩΝ                                      | 1,000.00   |
| ΔΩΔΕΚΑΝΗΣΙΑΚΗ ΕΤΑΙΡΙΑ ΑΝΑΠΤΥΞΗΣ ΚΑΙ ΠΡΟΟΔΟΥ                      | 2,000.00   |
| ΕΘΝΙΚΗ ΛΥΡΙΚΗ ΣΚΗΝΗ  | 150,000.00 |
| ΕΘΝΙΚΗ ΠΙΝΑΚΟΘΗΚΗ ΚΑΙ ΜΟΥΣΕΙΟ ΑΛ. ΣΟΥΤΖΟΥ                        | 42,000.00  |
| ΕΘΝΙΚΟ ΑΣΤΕΡΟΣΚΟΠΕΙΟ ΑΘΗΝΩΝ                                      | 2,000.00   |
| ΕΘΝΙΚΟ ΙΔΡΥΜΑ ΕΡΕΥΝΩΝ  | 2,000.00   |

\* Names have not been translated into english.



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|---|-----------|
| ΕΘΝΙΚΟ ΚΑΙ ΚΑΠΟΔΙΣΤΡΙΑΚΟ ΠΑΝΕΠΙΣΤΗΜΙΟ ΑΘΗΝΩΝ  | 11,157.86 |
| ΕΘΝΙΚΟΣ ΓΥΜΝΑΣΤΙΚΟΣ ΣΥΛΛΟΓΟΣ  | 3,000.00  |
| ΕΙΔΙΚΟ ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΠΙΚΠΑ ΒΟΥΛΑΣ  | 200.25    |
| ΕΙΔΙΚΟ ΚΕΝΤΡΟ ΕΦΟΔΙΑΣΜΟΥ ΜΟΝΑΔΩΝ ΣΤΡΑΤΟΥ ΕΚΕΜΣ  | 2,821.60  |
| ΕΙΔΙΚΟ ΣΧΟΛΕΙΟ ΚΩΦΩΝ ΚΑΙ ΒΑΡΥΚΩΝ ΑΡΓΥΡΟΥΠΟΛΕΩΣ  | 362.86    |
| ΕΙΔΙΚΟΣ ΛΟΓΑΡΙΑΣΜΟΣ ΚΟΝΔΥΛΙΩΝ ΕΡΕΥΝΑΣ Α.Π.Θ.  | 2,500.00  |
| ΕΙΔΙΚΟΣ ΛΟΓΑΡΙΑΣΜΟΣ ΚΟΝΔΥΛΙΩΝ ΕΡΕΥΝΑΣ ΠΑΝΕΠΙΣΤΗΜΙΟΥ ΑΙΓΑΙΟΥ   | 25,000.00 |
| ΕΙΔΙΚΟΣ ΛΟΓΑΡΙΑΣΜΟΣ ΚΟΝΔΥΛΙΩΝ ΕΡΕΥΝΑΣ ΠΑΝΕΠΙΣΤΗΜΙΟΥ ΚΡΗΤΗΣ  | 700.00    |
| ΕΙΔΙΚΟΣ ΛΟΓΑΡΙΑΣΜΟΣ ΚΟΝΔΥΛΙΩΝ ΕΡΕΥΝΑΣ ΠΑΝΤΕΙΟΥ ΠΑΝΕΠΙΣΤΗΜΙΟΥ  | 3,000.00  |
| ΕΚΔΟΣΕΙΣ ΒΙΒΛΙΟΘΗΚΗΣ ΤΗΣ ΕΘΝΙΚΗΣ ΠΙΝΑΚΟΘΗΚΗΣ - ΜΟΥΣΕΙΟ ΑΛΕΞΑΝΔΡΟΥ ΣΟΥΤΣΟΥ   | 703.00    |
| ΕΛΕΤΑΕΝ ΑΜΚΕ  | 2,000.00  |
| ΕΛΙΖΑ ΕΤΑΙΡΙΑ ΚΑΤΑ ΤΗΣ ΚΑΚΟΠΟΙΗΣΗΣ ΤΟΥ ΠΑΙΔΙΟΥ  | 1,500.00  |
| ΕΛΛΑ ΔΙΚΑ ΜΑΣ ΑΣΤΙΚΗ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΗ ΕΤΑΙΡΕΙΑ   | 5,000.00  |
| ΕΛΛΗΝΙΚΑ ΧΡΗΜΑΤΙΣΤΗΡΙΑ ΑΕ   | 21,700.00 |
| ΕΛΛΗΝΙΚΕΣ ΡΙΖΕΣ ΣΩΜΑΤΕΙΟ  | 2,000.00  |
| ΕΛΛΗΝΙΚΗ ΑΙΜΑΤΟΛΟΓΙΚΗ ΕΤΑΙΡΕΙΑ  | 30,000.00 |
| ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ ΥΠΟΥΡΓΕΙΟ ΕΣΩΤΕΡΙΚΩΝ ΚΑΙ ΔΙΟΙΚΗΤΙΚΗΣ ΑΝΑΣΥΓΚΡΟΤΗΣΗΣ ΑΡΧΗΓΕΙΟ ΕΛΛΗΝΙΚΗΣ ΑΣΤΥΝΟΜΙΑΣ                 | 18,828.32 |
| "ΕΛΛΗΝΙΚΗ ΕΤΑΙΡΕΙΑ ΕΠΙΣΤΗΜΟΝΩΝ ΚΑΙ ΕΠΑΓΓΕΛΜΑΤΙΩΝ ΠΛΗΡΟΦΟΡΙΚΗΣ ΚΑΙ ΕΠΙΚΟΙΝΩΝΙΩΝ ΕΠΙΣΤΗΜΟΝΙΚΟ ΣΩΜΑΤΕΙΟ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΟ" | 1,000.00  |
| ΕΛΛΗΝΙΚΗ ΕΤΑΙΡΙΑ ΑΠΕΙΚΟΝΙΣΗΣ ΤΟΥ ΜΑΣΤΟΥ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΗ ΕΤΑΙΡΕΙΑ  | 1,000.00  |
| ΕΛΛΗΝΙΚΗ ΕΤΑΙΡΙΑ ΠΡΟΣΤΑΣΙΑΣ ΤΗΣ ΦΥΣΗΣ   | 4,000.00  |
| ΕΛΛΗΝΙΚΗ ΟΜΑΔΑ ΔΙΑΣΩΣΗΣ ΕΟΔ   | 1,000.00  |
| ΕΛΛΗΝΙΚΗ ΟΜΑΔΑ ΔΙΑΣΩΣΗΣ ΠΑΡΑΡΤΗΜΑ ΣΑΜΟΥ   | 950.00    |
| ΕΛΛΗΝΙΚΗ ΣΧΟΛΗ ΣΚΥΛΩΝ ΟΔΗΓΩΝ ΛΑΡΑ   | 7,500.00  |
| ΕΛΛΗΝΙΚΟ ΑΝΟΙΧΤΟ ΠΑΝΕΠΙΣΤΗΜΙΟ   | 973.82    |
| ΕΛΛΗΝΙΚΟ ΔΙΚΤΥΟ ΓΙΑ ΤΗΝ ΕΤΑΙΡΙΚΗ ΚΟΙΝΩΝΙΚΗ ΕΥΘΥΝΗ   | 3,000.00  |
| ΕΛΛΗΝΙΚΟ ΙΔΡΥΜΑ ΚΑΡΔΙΟΛΟΓΙΑΣ ΝΠΙΔ   | 2,000.00  |
| ΕΛΛΗΝΙΚΟ ΙΔΡΥΜΑ ΟΓΚΟΛΟΓΙΑΣ  | 10,000.00 |
| ΕΛΛΗΝΙΚΟ ΙΝΣΤΙΤΟΥΤΟ ΕΞΥΠΗΡΕΤΗΣΗΣ ΠΕΛΑΤΩΝ  | 2,500.00  |
| ΕΛΛΗΝΙΚΟ ΙΝΣΤΙΤΟΥΤΟ ΠΑΣΤΕΡ  | 1,000.00  |
| ΕΛΛΗΝΙΚΟ ΠΑΙΔΙΚΟ ΧΩΡΙΟ ΣΤΟ ΦΙΛΥΡΟ   | 1,000.00  |
| ΕΛΛΗΝΙΚΟΣ ΕΡΥΘΡΟΣ ΣΤΑΥΡΟΣ   | 660.00    |
| ΕΛΛΗΝΟΑΜΕΡΙΚΑΝΙΚΟ ΕΜΠΟΡΙΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ   | 3,000.00  |
| ΕΛΛΗΝΟΓΑΛΛΙΚΟ ΕΜΠΟΡΙΚΟ ΚΑΙ ΒΙΟΜΗΧΑΝΙΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ   | 12,000.00 |
| ΕΛΛΗΝΟΓΕΡΜΑΝΙΚΟ ΕΜΠΟΡΙΚΟ ΚΑΙ ΒΙΟΜΗΧΑΝΙΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ   | 2,000.00  |
| ΕΜΠΟΡΙΚΗ ΛΕΣΧΗ ΞΑΝΘΗΣ   | 2,500.00  |
| ΕΜΠΟΡΙΚΟΣ ΕΙΣΑΓΩΓΙΚΟΣ ΣΥΛΛΟΓΟΣ ΠΑΤΡΩΝ   | 800.00    |
| ΕΜΠΟΡΙΚΟΣ ΚΑΙ ΕΠΑΓΓΕΛΜΑΤΙΚΟΣ ΣΥΛΛΟΓΟΣ ΙΣΤΙΑΙΑΣ  | 400.00    |
| ΕΜΠΟΡΙΚΟΣ ΣΥΛΛΟΓΟΣ ΑΡΓΟΥΣ   | 500.00    |
| ΕΜΠΟΡΙΚΟΣ ΣΥΛΛΟΓΟΣ ΚΥΠΑΡΙΣΣΙΑΣ  | 500.00    |
| ΕΜΠΟΡΙΚΟΣ ΣΥΛΛΟΓΟΣ ΝΑΥΠΛΙΟΥ   | 300.00    |
| ΕΜΠΟΡΙΚΟΣ ΣΥΛΛΟΓΟΣ ΦΙΛΙΑΤΡΩΝ  | 1,000.00  |
| ΕΜΠΟΡΟΕΠΑΓΓΕΛΜΑΤΙΚΟΣ ΚΑΙ ΒΙΟΤΕΧΝΙΚΟΣ ΣΥΛΛΟΓΟΣ ΤΗΝΟΥ   | 300.00    |
| ΕΝ.Ε.Ε.ΓΥ.-Λ.ΝΑΪΟΥ  | 410.00    |
| ΕΝΙΑΙΟ ΣΩΜΑΤΕΙΟ ΕΡΓΑΖΟΜΕΝΩΝ ΝΟΣΟΚΟΜΕΙΟΥ ΚΟΡΙΝΘΟΥ  | 1,900.00  |
| ΕΝΩΣΗ ΑΣΤΥΝΟΜΙΚΩΝ ΥΠΑΛΛΗΛΩΝ ΖΑΚΥΝΘΟΥ  | 596.00    |
| ΕΝΩΣΗ ΑΣΤΥΝΟΜΙΚΩΝ ΥΠΑΛΛΗΛΩΝ ΚΟΡΙΝΘΙΑΣ   | 300.00    |
| ΕΝΩΣΗ ΚΥΡΙΩΝ ΔΡΑΜΑΣ   | 500.00    |
| ΕΠΙΜΕΛΗΤΗΡΙΑΚΗ ΑΝΑΠΤΥΞΙΑΚΗ ΑΣΤΙΚΗ ΕΤΑΙΡΙΑ Ν. ΣΕΡΡΩΝ   | 1,000.00  |
| ΕΠΙΜΕΛΗΤΗΡΙΟ ΚΑΒΑΛΑΣ  | 500.00    |
| ΕΠΙΜΕΛΗΤΗΡΙΟ ΚΕΦΑΛΟΝΙΑΣ ΚΑΙ ΙΘΑΚΗΣ  | 500.00    |
| ΕΡΕΥΝΗΤΙΚΟ ΚΕΝΤΡΟ ΣΤΡΑΤΗΓΙΚΗΣ ΔΙΟΙΚΗΣΗΣ ΤΩΝ ΕΠΙΧΕΙΡΗΣΕΩΝ ΚΑΙ ΕΠΙΧΕΙΡΗΜΑΤΙΚΟΤΗΤΑΣ ΝΠΙΔ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΟ                 | 7,000.00  |
| ΕΡΕΥΝΗΤΙΚΟ ΠΑΝΕΠΙΣΤΗΜΙΑΚΟ ΙΝΣΤΙΤΟΥΤΟ ΔΙΕΘΝΩΝ ΣΧΕΣΕΩΝ ΠΑΝΤΕΙΟΥ ΠΑΝΕΠΙΣΤΗΜΙΟΥ   | 5,000.00  |
| ΕΤΑΙΡΕΙΑ ΑΞΙΟΠΟΙΗΣΗΣ ΚΑΙ ΔΙΑΧΕΙΡΙΣΗΣ ΤΟΥ ΠΑΝΕΠΙΣΤΗΜΙΟΥ ΚΡΗΤΗΣ   | 9,371.42  |

\* Names have not been translated into english.



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| ΕΤΑΙΡΕΙΑ ΜΑΚΕΔΟΝΙΚΩΝ ΣΠΟΥΔΩΝ   | 4,000.00   |
| ΕΤΑΙΡΕΙΑ ΜΕΣΣΗΝΙΑΚΩΝ ΑΡΧΑΙΟΛΟΓΙΚΩΝ ΣΠΟΥΔΩΝ   | 100,000.00 |
| ΕΤΑΙΡΕΙΑ ΠΕΡΙΦΕΡΕΙΑΚΗΣ ΑΝΑΠΤΥΞΗΣ ΚΑΙ ΨΥΧΙΚΗΣ ΥΓΕΙΑΣ Ε.Π.Α.Ψ.Υ.                                   | 2,000.00   |
| ΕΤΑΙΡΕΙΑ ΠΡΟΣΤΑΣΙΑΣ ΣΠΑΣΤΙΚΩΝ ΠΟΡΤΑ ΑΝΟΙΧΤΗ  | 3,800.00   |
| ΕΤΑΙΡΙΑ ΑΝΑΠΤΥΞΕΩΣ ΚΑΙ ΠΡΟΟΔΟΥ ΛΑΣΙΘΙΟΥ  | 7,200.00   |
| ΕΦΟΡΟΙ ΚΟΛΛΕΓΙΟΥ ΑΝΑΤΟΛΙΑ  | 1,000.00   |
| ΖΩΟΦΙΛΙΚΗ ΕΝΩΣΗ ΗΛΙΟΥΠΟΛΕΩΣ  | 500.00     |
| ΘΕΑΤΡΟ ΤΟΥ ΝΕΟΥ ΚΟΣΜΟΥ ΑΜΚΕ  | 635.00     |
| ΘΕΡΑΠΕΥΤΙΚΟ ΠΑΙΔΑΓΩΓΙΚΟ ΚΕΝΤΡΟ ΠΑΤΡΩΝ ΑΤΟΜΩΝ ΜΕ ΝΟΗΤΙΚΗ ΥΣΤΕΡΗΣΗ «Η ΜΕΡΙΜΝΑ»                     | 500.00     |
| ΘΟΥΚΙΔΙΔΕΙΟΣ ΟΡΓΑΝΙΣΜΟΣ ΠΟΛΙΤΙΣΜΟΥ ΚΑΙ ΑΘΛΗΤΙΣΜΟΥ ΑΛΙΜΟΥ   | 400.00     |
| ΙΔΡΥΜΑ ΓΙΑΝΝΗ ΤΣΑΡΟΥΧΗ   | 4,717.00   |
| ΙΔΡΥΜΑ ΕΥΣΤΑΘΙΑΣ Ι. ΚΩΣΤΟΠΟΥΛΟΥ  | 200,000.00 |
| ΙΔΡΥΜΑ ΙΩΑΝΝΟΥ Φ. ΚΩΣΤΟΠΟΥΛΟΥ  | 200.00     |
| ΙΔΡΥΜΑ ΜΟΥΣΕΙΟΥ ΜΑΚΕΔΟΝΙΚΟΥ ΑΓΩΝΑ  | 7,000.00   |
| ΙΔΡΥΜΑ ΤΟ ΣΠΙΤΙ ΤΟΥ ΗΘΟΠΟΙΟΥ   | 2,000.00   |
| ΙΔΡΥΜΑ ΥΠΟΤΡΟΦΙΩΝ ΑΝΩΤΑΤΩΝ ΣΠΟΥΔΩΝ ΛΑΡΝΑΚΑΣ  | 300.00     |
| ΙΕΡΑ ΓΥΝΑΙΚΕΙΑ ΚΟΙΝΟΒΙΑΚΗ ΜΟΝΗ ΖΩΟΔΟΧΟΥ ΠΗΓΗΣ ΜΟΔΙΟΥ ΦΘΙΩΤΙΔΟΣ                                   | 381.48     |
| ΙΕΡΑ ΜΗΤΡΟΠΟΛΗ ΛΕΥΚΑΔΟΣ ΚΑΙ ΙΘΑΚΗΣ ΝΠΔΔ  | 500.00     |
| ΙΕΡΑ ΜΗΤΡΟΠΟΛΙΣ ΜΕΣΣΗΝΙΑΣ ΕΝΟΡΙΑΚΟΣ ΙΕΡΟΣ ΝΑΟΣ ΑΓΙΩΝ ΘΕΟΔΩΡΩΝ ΑΡΦΑΡΩΝ                            | 500.00     |
| ΙΕΡΑ ΜΗΤΡΟΠΟΛΙΣ ΣΕΡΡΩΝ ΚΑΙ ΝΙΓΡΙΤΗΣ  | 2,308.00   |
| ΙΕΡΑ ΜΟΝΗ ΖΩΟΔΟΧΟΥ ΠΗΓΗΣ ΜΠΑΤΣΙ ΑΝΔΡΟΥ   | 1,000.41   |
| ΙΕΡΑ ΜΟΝΗ ΟΥΡΣΟΥΛΙΝΩΝ ΘΡΗΣΚΕΥΤΙΚΟ ΝΟΜΙΚΟ ΠΡΟΣΩΠΟ   | 1,000.00   |
| ΙΕΡΟΣ ΝΑΟΣ ΑΓ.ΓΕΩΡΓΙΟΥ ΑΓΛΑΝΤΖΙΑΣ  | 300.00     |
| ΙΕΡΟΣ ΝΑΟΣ ΑΓΙΟΥ ΔΗΜΗΤΡΙΟΥ ΠΕΙΡΑΙΩΣ  | 300.00     |
| ΙΕΡΟΣ ΝΑΟΣ ΠΑΝΤΑΝΑΣΣΗΣ ΠΡΟΦ. ΗΛΙΟΥ ΚΑΛΛΙΘΕΑ ΤΖΙΤΖΙΦΙΕΣ   | 2,000.00   |
| ΙΝΣΤΙΤΟΥΤΟ ΕΛΛΗΝΙΚΟΥ ΓΑΛΑΚΤΟΣ  | 3,000.00   |
| ΙΝΣΤΙΤΟΥΤΟ ΕΝΑΛΛΑΚΤΙΚΩΝ ΠΟΛΙΤΙΚΩΝ ΕΝΑ  | 3,000.00   |
| ΙΝΣΤΙΤΟΥΤΟ ΠΟΛΙΤΙΣΤΙΚΩΝ, ΠΕΡΙΒΑΛΛΟΝΤΙΚΩΝ ΚΑΙ ΤΟΥΡΙΣΤΙΚΩΝ ΔΙΑΔΡΟΜΩΝ GEO ROUTES CULTURAL INSTITUTE | 3,000.00   |
| ΚΑΝΕ ΜΙΑ ΕΥΧΗ ΕΛΛΑΔΟΣ ΑΣΤΙΚΗ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΗ ΕΤΑΙΡΕΙΑ  | 3,300.00   |
| ΚΑΠΙΤΑΛ ΛΙΝΚ ΕΛΛΑΣ ΜΟΝ ΕΠΕ   | 5,000.00   |
| ΚΑΡΙΕΡΑ ΑΕ   | 4,590.00   |
| ΚΑΡΙΤΑΣ ΑΘΗΝΑΣ ΣΩΜΑΤΕΙΟ  | 800.00     |
| ΚΑΤΑΛΟΓΟΣ ΕΚΘΕΣΗΣ: ΑΦΑΙΡΕΣΗ. ΤΑ ΗΡΩΪΚΑ ΧΡΟΝΙΑ ΣΤΟ ΜΟΥΣΕΙΟ ΜΟΜus- 'ΑΛΕΞ ΜΥΛΩΝΑ                    | 1,881.00   |
| ΚΑΤΑΣΚΗΝΩΣΕΙΣ ΧΑΡΟΥΜΕΝΑ ΠΑΙΔΙΑ ΧΑΡΟΥΜΕΝΑ ΝΙΑΤΑ ΣΩΜΑΤΕΙΟ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΟ                          | 500.00     |
| ΚΕΝΘΕΑ ΛΑΡΝΑΚΑ - ΚΕΝΤΡΟ ΕΝΗΜΕΡΩΣΗΣ ΓΙΑ ΤΑ ΝΑΡΚΩΤΙΚΑ  | 100.00     |
| ΚΕΝΤΡΟ ΕΡΕΥΝΩΝ ΠΑΝΕΠΙΣΤΗΜΙΟΥ ΠΕΙΡΑΙΩΣ  | 3,000.00   |
| ΚΕΝΤΡΟ ΥΓΕΙΑΣ ΚΙΑΤΟΥ   | 310.00     |
| ΚΙΒΩΤΟΣ ΤΟΥ ΚΟΣΜΟΥ   | 700.00     |
| ΚΙΝΗΣΗ ΠΟΛΙΤΩΝ ΓΙΑ ΤΗΝ ΑΝΟΙΧΤΗ ΚΟΙΝΩΝΙΑ  | 3,000.00   |
| ΚΥΠΡΙΑΚΟΣ ΕΡΥΘΡΟΣ ΣΤΑΥΡΟΣ - ΚΛΑΔΟΣ ΛΑΡΝΑΚΑΣ  | 300.00     |
| ΚΥΡΙΑΚΟΣ ΣΚΟΥΡΑΣ ΕΜΠΟΡΙΚΗ ΤΟΥΡΙΣΤΙΚΗ Α.Ε. "The Ranch"  | 15,000.00  |
| ΛΕΣΧΗ ΑΝΔΡΙΩΝ ΣΩΜΑΤΕΙΟ   | 500.00     |
| ΛΥΚΕΙΟ ΑΚΡΟΠΟΛΕΩΣ  | 200.00     |
| ΛΥΚΕΙΟ ΕΘΝΟΜΑΡΤΥΡΑ ΚΥΠΡΙΑΝΟΥ ΣΤΡΟΒΟΛΟΥ   | 200.00     |
| ΛΥΚΕΙΟ ΕΛΛΗΝΙΔΩΝ ΒΟΛΟΥ   | 150.00     |
| ΛΥΚΕΙΟ ΤΩΝ ΕΛΛΗΝΙΔΩΝ   | 2,151.00   |
| ΜΑΖΙ ΓΙΑ ΤΟ ΠΑΙΔΙ  | 2,500.00   |
| ΜΑΙΚΡΟΣΟΦΤ ΕΛΛΑΣ ΑΒΕΕ  | 10,000.00  |
| ΜΑΡΓΑΡΙΤΑ-ΕΡΓΑΣΤΗΡΙ ΕΙΔΙΚΗΣ ΑΓΩΓΗΣ   | 800.00     |
| ΜΕΑΠ ΠΕΡΑ ΧΩΡΙΟ ΝΗΣΟΥ  | 300.00     |
| ΜΕΛΑΘΡΟΝ ΑΓΩΝΙΣΤΩΝ ΤΗΣ ΕΟΚΑ  | 400.00     |
| ΜΟΝΑΔΑ ΦΡΟΝΤΙΔΑΣ ΗΛΙΚΙΩΜΕΝΩΝ ΣΩΣΣΙΔΕΙΟ ΓΗΡΟΚΟΜΕΙΟ ΒΕΡΟΙΑΣ  | 1,612.82   |
| ΜΟΥΣΕΙΟ ΑΡΧΑΙΑΣ ΕΛΕΥΘΕΡΝΑΣ   | 4,148.93   |
| ΜΟΥΣΕΙΟ ΓΟΥΛΑΝΔΡΗ ΦΥΣΙΚΗΣ ΙΣΤΟΡΙΑΣ   | 10,500.00  |

\* Names have not been translated into english.



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| ΜΟΥΣΕΙΟ ΜΠΕΝΑΚΗ  | 39,000.00  |
| ΜΟΥΣΙΚΟΣ ΚΑΙ ΔΡΑΜΑΤΙΚΟΣ ΣΥΛΛΟΓΟΣ "ΩΔΕΙΟ ΑΘΗΝΩΝ 1871"   | 20,000.00  |
| ΜΠΟΥΣΙΑΣ ΕΠΙΚΟΙΝΩΝΙΕΣ ΕΠΕ  | 4,500.00   |
| ΝΑΥΤΙΚΟΣ ΑΘΛΗΤΙΚΟΣ ΣΥΛΛΟΓΟΣ ΣΑΛΑΜΙΝΟΣ  | 300.00     |
| ΝΑΥΤΙΚΟΣ ΟΜΙΛΟΣ ΕΛΛΑΔΟΣ  | 5,452.18   |
| ΝΑΥΤΙΚΟΣ ΟΜΙΛΟΣ ΚΑΛΑΜΑΚΙΟΥ   | 2,000.00   |
| ΝΟΜΙΣΜΑΤΙΚΟ ΜΟΥΣΕΙΟ  | 32,730.00  |
| ΝΟΣΗΛΕΙΑ ΑΝΕΞΑΡΤΗΤΗ ΚΟΙΝΩΦΕΛΗΣ ΟΡΓΑΝΩΣΗ ΥΠΗΡΕΣΙΩΝ ΥΓΕΙΑΣ Η ΠΑΜΜΑΚΑΡΙΣΤΟΣ                               | 1,000.00   |
| ΝΟΣΟΚΟΜΕΙΟ ΑΙΤΩΛΟΑΚΑΡΝΑΝΙΑΣ ΝΟΣΗΛΕΥΤΙΚΗ ΜΟΝΑΔΑ ΑΓΡΙΝΙΟΥ  | 4,032.26   |
| ΟΙ ΦΙΛΟΙ ΤΗΣ ΤΗΝΟΥ ΚΟΙΝΩΦΕΛΕΣ ΣΩΜΑΤΕΙΟ   | 1,000.00   |
| ΟΙ ΦΙΛΟΙ ΤΟΥ ΑΜΥΚΛΑΙΟΥ   | 4,000.00   |
| ΟΙΚΟΝΟΜΙΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ ΕΛΛΑΔΟΣ  | 3,500.00   |
| ΟΙΚΟΝΟΜΙΚΟ ΠΑΝΕΠΙΣΤΗΜΙΟ ΑΘΗΝΩΝ ΕΙΔΙΚΟΣ ΛΟΓΑΡΙΑΣΜΟΣ ΚΟΝΔΥΛΙΩΝ ΕΡΕΥΝΑΣ                                   | 500.00     |
| ΟΙΚΟΝΟΜΙΚΟ ΣΥΝΕΔΡΙΟ ΔΕΛΦΩΝ ΑΜΚΕ  | 15,000.00  |
| ΟΙΚΟΥΜΕΝΙΚΗ ΟΜΟΣΠΟΝΔΙΑ ΚΩΝΣΤΑΝΤΙΝΟΥΠΟΛΙΤΩΝ   | 3,000.00   |
| ΟΙΚΟΥΜΕΝΙΚΟ ΠΑΤΡΙΑΡΧΕΙΟΝ ΓΡΑΦΕΙΟΝ ΕΚΠΡΟΣΩΠΗΣΕΩΣ ΕΝ ΑΘΗΝΑΙΣ   | 5,000.00   |
| ΟΡΓΑΝΙΣΜΟΣ ΜΕΓΑΡΟΥ ΜΟΥΣΙΚΗΣ ΑΘΗΝΩΝ   | 127,400.00 |
| ΟΡΧΗΣΤΡΑ ΙΝΤΡΑΡΤΙ ΑΘΗΝΑΪΚΗ ΜΑΝΔΟΛΙΝΑΤΑ ΝΙΚΟΛΑΟΣ ΛΑΒΔΑΣ   | 7,500.00   |
| ΟΦΘΑΛΜΙΑΤΡΕΙΟ ΑΘΗΝΩΝ   | 15,150.66  |
| Π.Ε.Α.Ν.Δ. ΣΩΜΑΤΕΙΟ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΟΥ ΧΑΡΑΚΤΗΡΑ   | 1,500.00   |
| ΠΑΓΚΥΠΡΙΑ ΟΡΓΑΝΩΣΗ ΑΠΟΚΑΤΑΣΤΑΣΕΩΣ ΑΝΑΠΗΡΩΝ ΛΕΜΕΣΟΥ (Π.Ο.Α.Α)   | 200.00     |
| ΠΑΓΚΥΠΡΙΑ ΟΡΓΑΝΩΣΗ ΤΥΦΛΩΝ  | 200.00     |
| ΠΑΓΚΥΠΡΙΟΣ ΣΥΝΔΕΣΜΟΣ ΓΙΑ ΠΑΙΔΙΑ ΜΕ ΚΑΡΚΙΝΟ ΚΑΙ ΣΥΝΑΦΕΙΣ ΠΑΘΗΣΕΙΣ ΕΝΑ ΟΝΕΙΡΟ ΜΙΑ ΕΥΧΗ                   | 2,000.00   |
| ΠΑΓΚΥΠΡΙΟΣ ΣΥΝΔΕΣΜΟΣ ΕΦΕΔΡΩΝ ΚΑΤΑΔΡΟΜΕΩΝ   | 150.00     |
| ΠΑΓΚΥΠΡΙΟΣ ΣΥΝΔΕΣΜΟΣ ΠΟΛΛΑΠΛΗΣ ΣΚΛΗΡΥΝΣΗΣ  | 200.00     |
| ΠΑΙΔΙΚΑ ΧΩΡΙΑ ΣΟΣ ΕΛΛΑΔΟΣ  | 2,000.00   |
| ΠΑΙΔΙΚΟ ΦΕΣΤΙΒΑΛ ΚΙΝΗΜΑΤΟΓΡΑΦΟΥ ΑΘΗΝΑΣ ΑΜΚΕ  | 550.00     |
| ΠΑΜΜΑΚΑΡΙΣΤΟΣ ΝΟΣΟΚΟΜΕΙΟ ΘΕΙΑΣ ΠΡΟΝΟΙΑΣ  | 7,155.00   |
| ΠΑΝΕΛΛΑΔΙΚΟΣ ΣΥΛΛΟΓΟΣ ΓΙΑ ΠΑΙΔΙΑ ΜΕ ΑΙΜΑΤΟΛΟΓΙΚΕΣ ΠΑΘΗΣΕΙΣ ΚΑΙ ΣΥΝΔΡΟΜΟ DOWN ΠΑΙΔΙ ΚΑΙ ΔΗΜΙΟΥΡΓΙΑ      | 200.25     |
| ΠΑΝΕΛΛΗΝΙΟΣ ΣΥΛΛΟΓΟΣ ΠΡΟΣΤΑΣΙΑΣ ΕΝΗΜΕΡΩΣΗΣ ΚΑΙ ΒΟΗΘΕΙΑΣ ΚΑΡΔΙΟΠΑΘΩΝ ΠΑΙΔΙΩΝ Η ΚΑΡΔΙΑ ΤΟΥ ΠΑΙΔΙΟΥ       | 2,000.00   |
| ΠΑΝΕΠΙΣΤΗΜΙΑΚΟ ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΛΑΡΙΣΗΣ   | 201,829.85 |
| ΠΑΝΕΠΙΣΤΗΜΙΟ ΚΥΠΡΟΥ  | 1,000.00   |
| ΠΑΝΕΠΙΣΤΗΜΙΟ ΠΑΤΡΩΝ ΕΛΚΕ ΕΙΔΙΚΟΣ ΛΟΓΑΡΙΑΣΜΟΣ ΚΟΝΔΥΛΙΩΝ ΕΡΕΥΝΑΣ   | 2,000.00   |
| ΠΕΙΡΑΪΚΗ ΕΝΩΣΗ ΓΟΝΕΩΝ ΚΗΔΕΜΟΝΩΝ ΚΑΙ ΦΙΛΩΝ ΑΜΕΑ   | 310.00     |
| ΠΙΝΑΚΟΘΗΚΗ Ε. ΑΒΕΡΩΦ   | 4,000.00   |
| ΠΟΛΙΤΙΣΤΙΚΟ ΙΔΡΥΜΑ ΙΟΝΙΚΗΣ ΤΡΑΠΕΖΗΣ  | 12,000.00  |
| ΠΟΛΙΤΙΣΤΙΚΟΣ ΣΥΛΛΟΓΟΣ ΓΥΝΑΙΚΩΝ ΘΟΛΑΡΙΩΝ ΑΜΟΡΓΟΥ  | 800.00     |
| ΠΡΟΓΡΑΜΜΑ ΚΟΙΝΩΝΙΚΗΣ ΠΡΟΣΦΟΡΑΣ   | 75,800.00  |
| ΠΡΟΓΡΑΜΜΑ ΜΑΖΙ ΜΕ ΣΤΟΧΟ ΤΗΝ ΠΑΙΔΕΙΑ  | 124,200.00 |
| ΠΡΟΓΡΑΜΜΑ ΜΑΖΙ ΜΕ ΣΤΟΧΟ ΤΗΝ ΥΓΕΙΑ (ΑΓΟΡΑ ΙΑΤΡΙΚΩΝ ΜΗΧΑΝΗΜΑΤΩΝ ΚΑΙ ΑΝΑΛΩΣΙΜΩΝ ΓΙΑ ΠΕΡΙΦΕΡΕΙΑΚΑ ΙΑΤΡΕΙΑ) | 28,464.00  |
| ΠΡΟΓΡΑΜΜΑ ΟΙ ΦΘΟΡΕΣ ΠΟΥ ΠΛΗΓΝΟΥΝ ΣΤΗΝ ΑΘΗΝΑ ΚΑΙ ΣΤΗ ΘΕΣΣΑΛΟΝΙΚΗ  | 14,776.56  |
| ΠΡΟΛΗΨΙΣ ΑΣΤΙΚΗ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΗ ΕΤΑΙΡΕΙΑ ΠΡΟΛΗΠΤΙΚΗΣ ΠΕΡΙΒΑΛΛΟΝΤΙΚΗΣ ΚΑΙ ΕΡΓΑΣΙΑΚΗΣ ΙΑΤΡΙΚΗΣ           | 3,000.00   |
| ΠΥΡΟΣΒΕΣΤΙΚΟ ΣΩΜΑ ΕΛΛΑΔΟΣ  | 950.00     |
| ΠΥΡΟΣΒΕΣΤΙΚΟ ΣΩΜΑ ΠΟΛΥΓΥΡΟΥ ΧΑΛΚΙΔΙΚΗΣ   | 1,262.90   |
| Σ.ΑΥΓΟΥΛΕΑ - ΛΙΝΑΡΔΑΤΟΥ ΑΝΩΝΥΜΗ ΕΚΠΑΙΔΕΥΤΙΚΗ ΕΤΑΙΡΕΙΑ  | 1,000.00   |
| ΣΕΒ ΣΥΝΔΕΣΜΟΣ ΕΠΙΧΕΙΡΗΣΕΩΝ ΚΑΙ ΒΙΟΜΗΧΑΝΙΩΝ   | 66,500.00  |
| ΣΘΕΒ ΣΥΝΔΕΣΜΟΣ ΘΕΣΣΑΛΙΚΩΝ ΕΠΙΧΕΙΡΗΣΕΩΝ ΚΑΙ ΒΙΟΜΗΧΑΝΙΩΝ   | 500.00     |
| ΣΚΑΚΙΣΤΙΚΟΣ ΟΜΙΛΟΣ ΗΡΑΚΛΕΙΟΥ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΟ ΣΩΜΑΤΕΙΟ  | 1,000.00   |
| ΣΚΕΠ ΣΥΝΔΕΣΜΟΣ ΚΟΙΝΩΝΙΚΗΣ ΕΥΘΥΝΗΣ ΓΙΑ ΠΑΙΔΙΑ ΚΑΙ ΝΕΟΥΣ   | 500.00     |
| ΣΥΛΛΟΓΟΣ ΑΘΛΗΤΙΣΜΟΥ ΠΟΛΙΤΙΣΜΟΥ ΔΙΚΗΓΟΡΩΝ ΑΓΡΙΝΙΟΥ ΚΑΙ ΦΙΛΩΝ  | 2,000.00   |
| ΣΥΛΛΟΓΟΣ ΑΠΟΦΟΙΤΩΝ ΟΥΡΣΟΥΛΙΝΩΝ ΑΘΗΝΩΝ  | 1,500.00   |
| ΣΥΛΛΟΓΟΣ ΓΟΝΕΩΝ ΚΑΙ ΚΗΔΕΜΟΝΩΝ ΑΤΟΜΩΝ ΜΕ ΑΝΑΠΗΡΙΑ ΤΟ ΕΡΓΑΣΤΗΡΙ  | 3,000.00   |
| ΣΥΛΛΟΓΟΣ ΓΟΝΕΩΝ ΠΑΙΔΙΩΝ ΜΕ ΝΕΟΠΛΑΣΜΑΤΙΚΕΣ ΑΣΘΕΝΕΙΕΣ ΒΟΡΕΙΑΣ ΕΛΛΑΔΑΣ Η ΛΑΜΨΗ                            | 500.00     |

\* Names have not been translated into english.



|  |                     |
|--|---------------------|
| ΣΥΛΛΟΓΟΣ ΕΡΓΑΖΟΜΕΝΩΝ ΝΟΣΟΚΟΜΕΙΟΥ ΑΓΡΙΝΙΟΥ  | 600.00              |
| ΣΥΛΛΟΓΟΣ ΚΩΦΩΝ ΘΕΣΣΑΛΟΝΙΚΗΣ  | 500.00              |
| ΣΥΛΛΟΓΟΣ ΝΕΟΧΩΡΙΤΩΝ ΝΑΥΠΑΚΤΙΑΣ   | 500.00              |
| ΣΥΛΛΟΓΟΣ ΠΡΟΩΘΗΣΗΣ ΤΗΣ ΕΛΛΗΝΙΚΗΣ ΤΕΧΝΟΛΟΓΙΚΗΣ ΕΠΙΧΕΙΡΗΜΑΤΙΚΟΤΗΤΑΣ ΜΗ ΚΕΡΔΟΣΚΟΠΙΚΟ ΣΩΜΑΤΕΙΟ | 10,000.00           |
| ΣΥΛΛΟΓΟΣ ΣΚΕΛΕΤΙΚΗΣ ΥΓΕΙΑΣ ΠΕΤΑΛΟΥΔΑ   | 300.00              |
| ΣΥΛΛΟΓΟΣ ΤΩΝ ΑΠΑΝΤΑΧΟΥ ΔΟΞΙΩΤΩΝ ΑΡΚΑΔΙΑΣ ΑΝΑΣΤΥΛΩΣΗ ΛΑΟΓΡΑΦΙΚΟΥ ΜΟΥΣΕΙΟΥ                   | 4,032.28            |
| ΣΥΛΛΟΓΟΣ ΥΔΑΤΟΚΑΛΛΙΕΡΓΗΤΩΝ ΘΕΣΠΡΩΤΙΑΣ  | 1,000.00            |
| ΣΥΛΛΟΓΟΣ ΦΙΛΩΝ ΑΜΕΡΙΚΑΝΙΚΗΣ ΓΕΩΡΓΙΚΗΣ ΣΧΟΛΗΣ   | 65,000.00           |
| ΣΥΛΛΟΓΟΣ ΦΙΛΩΝ ΤΩΝ ΠΑΙΔΙΩΝ ΜΕ ΧΡΟΝΙΕΣ ΡΕΥΜΑΤΟΠΑΘΕΙΕΣ ΠΑΙΔΙΚΟΣ ΑΝΤΙΡΕΥΜΑΤΙΚΟΣ ΑΓΩΝΑΣ        | 1,500.00            |
| ΣΥΛΛΟΓΟΣ ΦΙΛΩΝ ΨΥΧΙΑΤΡΙΚΟΥ ΝΟΣΟΚΟΜΕΙΟΥ ΘΕΣΣΑΛΟΝΙΚΗΣ  | 294.00              |
| ΣΥΜΠΛΕΥΣΗ ΑΜΚΕ   | 1,000.00            |
| ΣΥΝΔΕΣΜΟΣ EUROPA DONNA ΚΥΠΡΟΥ  | 1,000.00            |
| ΣΥΝΔΕΣΜΟΣ ΒΑΓΟΝΙ ΑΓΑΠΗΣ  | 1,000.00            |
| ΣΥΝΔΕΣΜΟΣ ΒΙΟΜΗΧΑΝΙΩΝ ΘΕΣΣΑΛΙΑΣ ΚΑΙ ΚΕΝΤΡΙΚΗΣ ΕΛΛΑΔΟΣ                                      | 500.00              |
| ΣΥΝΔΕΣΜΟΣ ΓΙΑ ΤΑ ΔΙΚΑΙΩΜΑΤΑ ΤΗΣ ΓΥΝΑΙΚΑΣ   | 800.00              |
| ΣΥΝΔΕΣΜΟΣ ΓΟΝΕΩΝ ΚΑΙ ΚΗΔΕΜΟΝΩΝ ΔΗΜΟΤΙΚΟΥ ΣΧΟΛΕΙΟΥ ΚΑΤΩ ΠΟΛΕΜΙΔΙΩΝ ΙΕ΄ - ΑΓΙΟΥ ΝΕΟΦΥΤΟΥ     | 200.00              |
| ΣΥΝΔΕΣΜΟΣ ΔΙΑΦΗΜΙΖΟΜΕΝΩΝ ΕΛΛΑΔΟΣ   | 5,000.00            |
| ΣΥΝΔΕΣΜΟΣ ΕΠΕΝΔΥΤΩΝ ΚΑΙ ΔΙΑΔΙΚΤΥΟΥ ΣΕΔ   | 1,000.00            |
| ΣΥΝΔΕΣΜΟΣ ΘΕΡΑΠΕΥΤΙΚΗΣ ΙΠΠΑΣΙΑΣ ΕΛΛΑΔΑΣ  | 2,500.00            |
| ΣΥΝΔΕΣΜΟΣ ΘΕΣΣΑΛΙΚΩΝ ΕΠΙΧΕΙΡΗΣΕΩΝ ΚΑΙ ΒΙΟΜΗΧΑΝΙΩΝ ΣΘΕΒ                                     | 500.00              |
| ΣΥΝΕΔΡΙΟ CYPRUS INTERNATIONAL TAX CONFERENCE   | 9,000.00            |
| ΣΥΝΕΔΡΙΟ RENEWABLE AND STORAGE FORUM   | 5,000.00            |
| ΣΩΜΑ ΟΜΟΤΙΜΩΝ ΚΑΘΗΓΗΤΩΝ ΠΑΝΕΠΙΣΤΗΜΙΟΥ ΑΘΗΝΩΝ   | 300.00              |
| ΣΩΜΑΤΕΙΟ ΓΙΑ ΤΗΝ ΑΝΤΙΜΕΤΩΠΙΣΗ ΤΟΥ ΠΑΙΔΙΚΟΥ ΤΡΑΥΜΑΤΟΣ                                       | 5,000.00            |
| ΣΩΜΑΤΕΙΟ ΔΙΑΖΩΜΑ   | 1,500.00            |
| ΣΩΜΑΤΕΙΟ ΚΟΙΝΩΝΙΚΗ ΜΕΡΙΜΝΑ ΑΓΙΩΝ ΟΜΟΛΟΓΗΤΩΝ  | 1,500.00            |
| ΣΩΜΑΤΕΙΟ ΜΙΧΑΗΛ ΟΛΥΜΠΙΟΣ ΙΔΑΛΙΟΥ   | 200.00              |
| ΤΟ ΧΑΜΟΓΕΛΟ ΤΟΥ ΠΑΙΔΙΟΥ  | 2,000.00            |
| ΤΟΠΙΚΗ ΔΙΟΙΚΟΥΣΑ ΕΠΙΤΡΟΠΗ ΠΑΡΑΡΤΗΜΑΤΟΣ ΕΛΕΠΑΠ ΑΓΡΙΝΙΟΥ                                     | 250.00              |
| ΦΕΣΤΙΒΑΛ ΚΙΝΗΜΑΤΟΓΡΑΦΟΥ ΘΕΣΣΑΛΟΝΙΚΗΣ ΝΠΙΔ  | 45,000.00           |
| ΦΙΛΑΝΘΡΩΠΙΚΟ ΔΕΙΠΝΟ ΚΥΠΡΟ-ΓΑΛΛΙΚΟΥ ΕΠΙΧΕΙΡΗΜΑΤΙΚΟΥ ΣΥΝΔΕΣΜΟΥ 2019                          | 1,500.00            |
| ΦΙΛΟΔΑΣΙΚΗ ΕΝΩΣΗ ΑΘΗΝΩΝ  | 10,000.00           |
| ΦΙΛΟΙ ΚΟΙΝΩΝΙΚΗΣ ΠΑΙΔΙΑΤΡΙΚΗΣ ΙΑΤΡΙΚΗΣ ΑΝΟΙΧΤΗ ΑΓΚΑΛΙΑ                                     | 5,000.00            |
| ΦΙΛΟΠΤΩΧΟ ΙΔΡΥΜΑ ΚΟΙΝΩΝΙΚΗΣ ΑΛΛΗΛΕΓΓΥΗΣ ΚΑΙ ΠΡΟΝΟΙΑΣ ΤΗΣ ΙΕΡΑΣ ΜΗΤΡΟΠΟΛΗΣ ΡΟΔΟΥ            | 500.00              |
| ΧΡΙΣΤΙΑΝΙΚΗ ΕΝΩΣΗ ΑΓΡΙΝΙΟΥ   | 1,000.00            |
|  | <b>2,398,853.33</b> |

**PAYMENTS DUE TO DONATIONS, SPONSORSHIP, SUBSIDIES OR OTHER CHARITABLE REASONS TO LEGAL ENTITIES, OF AMOUNTS LESS THAN € 100 PER LEGAL ENTITY**

| Name*   |
|---|
| ΕΛΛΗΝΙΚΟ ΣΩΜΑ ΕΡΕΥΝΑΣ ΚΑΙ ΔΙΑΣΩΣΗΣ  |
| ΠΑΓΚΥΠΡΙΟΣ ΑΝΤΙΝΑΡΚΩΤΙΚΟΣ ΣΥΝΔΕΣΜΟΣ   |
| ΠΑΝΕΛΛΗΝΙΟΣ ΣΥΛΛΟΓΟΣ ΣΤΗΡΙΞΗΣ ΑΛΛΗΛΕΓΓΥΗΣ ΠΡΟΣΤΑΣΙΑΣ ΚΑΡΚΙΝΟΠΑΘΩΝ ΠΑΙΔΙΩΝ ΑΓΑΠΗ |
| ΣΥΛΛΟΓΟΣ ΠΡΟΣΤΑΣΙΑΣ ΠΑΙΔΙΩΝ ΠΡΑΞΗ ΑΓΑΠΗΣ  |

The above table refers to donations, sponsorship, subsidies of other charitable reasons to legal entities, of amounts less than € 100, with total amount equal to € 50.

|   |                     |
|---|---------------------|
| <b>TOTAL PAYMENTS DUE TO DONATIONS, SPONSORSHIP, SUBSIDIES OR OTHER CHARITABLE REASONS A) TO LEGAL ENTITIES</b> | <b>2,398,903.33</b> |
| <b>B) TO INDIVIDUALS - SIX (6) BENEFICIARIES</b>  | <b>39,320.35</b>    |

\* Names have not been translated into english.



| <b>DONATIONS OF FIXED ASSETS</b>     |
|--------------------------------------|
| <b>Name*</b>                         |
| 103ο ΝΗΠΙΑΓΩΓΕΙΟ ΘΕΣΣΑΛΟΝΙΚΗΣ        |
| 10ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΕΛΕΥΣΙΝΑΣ       |
| 10ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΚΑΡΔΙΤΣΗΣ       |
| 10ο ΕΙΔΙΚΟ ΔΗΜ.ΣΧΟΛ. ΒΑΡΗΚΟΩΝ ΘΕΣ/ΚΗ |
| 11ο ΔΗΜ.ΣΧΟΛΕΙΟ ΕΛΕΥΣΙΝΑΣ            |
| 12ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΖΩΓΡΑΦΟΥ        |
| 14ο ΔΗΜΟΤΙΚΟ ΑΓ ΔΗΜΗΤΡΙΟΥ            |
| 14ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΝΕΑΣ ΙΩΝΙΑΣ     |
| 14ο ΝΗΠΙΑΓΩΓΕΙΟ ΚΙΛΚΙΣ               |
| 15ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΕΥΟΣΜΟΥ         |
| 16ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΤΡΙΚΑΛΩΝ        |
| 17ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΓ. ΔΗΜΗΤΡΙΟΥ   |
| 17ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΙΓΑΛΕΩ         |
| 17ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΝΙΚΑΙΑΣ         |
| 17ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΣΕΡΡΩΝ          |
| 181 ΜΟΙΡΑ Κ/Β (ΧΩΚ)                  |
| 18ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΧΑΡΝΩΝ         |
| 1ο ΔΗΜ.ΣΧΟΛΕΙΟ ΠΕΡΑΜΑΤΟΣ ΙΩΑΝΝΙΝΩΝ   |
| 1ο & 14ο ΔΗΜ.ΣΧΟΛΕΙΟ ΕΥΟΣΜΟΥ         |
| 1ο ΖΘΕΣΙΟ ΝΗΠΙΑΓ.ΔΙΑΒΑΤΩΝ ΘΕΣ/ΝΙΚΗΣ  |
| 1ο ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΝΕΑΣ ΜΑΚΡΗΣ         |
| 1ο ΓΥΜΝΑΣΙΟ ΕΛ. ΒΕΝΙΖΕΛΟΥ            |
| 1ο ΓΥΜΝΑΣΙΟ ΘΕΣΣΑΛΟΝΙΚΗΣ             |
| 1ο ΓΥΜΝΑΣΙΟ ΙΛΙΟΥ                    |
| 1ο ΓΥΜΝΑΣΙΟ ΠΕΤΡΟΥΠΟΛΗΣ              |
| 1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΙΓΙΟΥ           |
| 1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΖΑΧΑΡΩΣ          |
| 1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΚΙΑΤΟΥ ΚΟΡΙΝΘΙΑ  |
| 1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΜΕΓΑΛΟΠΟΛΕΩΣ     |
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| 1ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΝΕΑΣ ΜΑΓΝΗΣΙΑΣ   |
| 1ο ΕΠΑ.Λ. ΑΓΙΑΣ ΠΑΡΑΣΚΕΥΗΣ           |
| 1ο ΕΠΑ.Λ. ΑΓΙΩΝ ΑΝΑΡΓΥΡΩΝ            |
| 1ο ΕΠΑ.Λ. ΕΥΟΣΜΟΥ                    |
| 1ο ΕΠΑ.Λ. ΝΕΑΣ ΣΜΥΡΝΗΣ               |
| 1ο ΕΡΓΑΣΤΗΡΙΑΚΟ ΚΕΝΤΡΟ ΚΟΖΑΝΗΣ       |
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| 1ο ΝΗΠΙΑΓΩΓΕΙΟ ΑΜΦΙΣΣΑΣ              |
| 1ο ΝΗΠΙΑΓΩΓΕΙΟ ΕΛΛΗΝΙΚΟΥ             |
| 20ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΙΛΙΟΥ           |
| 23ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΕΥΟΣΜΟΥ         |
| 23ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΘΕΣΣΑΛΟΝΙΚΗΣ    |
| 24ο ΝΗΠΙΑΓΩΓΕΙΟ ΠΕΙΡΑΙΑ              |
| 26ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΝΙΚΑΙΑΣ         |
| 27ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΠΕΙΡΑΙΑ         |
| 2ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΖΕΦΥΡΙΟΥ         |
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| 2θ/μια ΣΧΟΛΙΚΗ ΕΠΙΤΡ.ΔΗΜΟΥ ΔΙΟΝΥΣΟΥ  |

\* Names have not been translated into english.



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| 2ο ΓΕΛ. Ν. ΣΜΥΡΝΗΣ *ΟΜΗΡΕΙΟ*        |
| 2ο ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΑΘΗΝΩΝ             |
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| 2ο ΝΗΠΙΑΓΩΓΕΙΟ ΚΟΥΦΑΛΛΟΥ            |
| 3 ΔΗΜ.ΣΧΟΛΕΙΟ ΛΑΓΟΝΗΣΙΟΥ-ΚΑΛΥΒΙΩΝ   |
| 306 ΕΡΓΟΣΤΑΙΟ ΒΑΣΕΩΣ Δ.Ε.Π.Ε.       |
| 36ο ΝΗΠΙΑΓΩΓΕΙΟ ΒΟΛΟΥ               |
| 3ο ΓΥΜΝΑΣΙΟ ΑΙΓΑΛΕΩ                 |
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| 3ο ΕΡΓΑΣΤΗΡΙΑΚΟ ΚΕΝΤΡΟ Γ' ΑΘΗΝΑΣ    |
| 3ο ΝΗΠΙΑΓΩΓΕΙΟ ΚΑΛΛΙΘΕΑΣ            |
| 44ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΠΕΙΡΑΙΑ        |
| 4ο ΓΥΜΝΑΣΙΟ ΤΡΙΚΑΛΩΝ                |
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| 4ο ΓΥΜΝΑΣΙΟ ΛΑΓΚΑΔΑ                 |
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| 4ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΧΑΛΑΝΔΡΙΟΥ      |
| 52ο ΓΥΜΝΑΣΙΟ ΑΘΗΝΩΝ                 |
| 57ο - 61ο ΔΗΜΟΤΙΚΑ ΣΧΟΛΕΙΑ ΑΘΗΝΩΝ   |
| 5ο ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΚΑΛΑΜΑΡΙΑΣ         |
| 5ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΝΑΥΠΑΚΤΟΥ       |
| 5ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΝΑΥΠΛΙΟΥ        |
| 63 ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΑΘΗΝΩΝ             |
| 6ο ΓΥΜΝΑΣΙΟ ΚΕΡΑΤΣΙΝΙΟΥ             |
| 6ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΓΙΟΥ ΔΗΜΗΤΡΙΟΥ |
| 6ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΣΕΡΡΩΝ          |
| 77ο και 16ο ΝΗΠΙΑΓΩΓΕΙΑ ΑΘΗΝΩΝ      |
| 7ο ΓΥΜΝΑΣΙΟ ΚΟΥΦΑΛΛΟΥ               |

\* Names have not been translated into english.



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| 7ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΑΡΓΥΡΟΥΠΟΛΗΣ    |
| 7ο ΓΥΜΝΑΣΙΟ ΧΑΝΙΩΝ                  |
| 7ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΛΙΒΑΔΕΙΑΣ       |
| 7ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΝΕΑΣ ΣΜΥΡΝΗΣ    |
| 7ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΠΑΛ.ΦΑΛΗΡΟΥ     |
| 8ο ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΠΕΙΡΑΙΑ            |
| 8ο ΓΥΜΝΑΣΙΟ ΚΟΡΥΔΑΛΛΟΥ              |
| 8ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΠΕΤΡΟΥΠΟΛΕΩΣ    |
| 98S ΑΝΩΤΕΡΑ ΔΙΟΙΚΗΣΗ ΤΑΓΜΑΤΩΝ       |
| 98ο ΤΑΓΜΑ ΕΘΝΟΦΥΛΑΚΗΣ               |
| 9ο ΔΗΜΟΤΙΚΟ ΣΧΟΛΕΙΟ ΜΥΤΙΛΗΝΗΣ       |
| 9ο ΝΗΠΙΑΓΩΓΕΙΟ ΑΧΑΡΝΩΝ              |
| kid-family-ΠΑΙΔΙ ΚΑΙ ΟΙΚΟΓΕΝΕΙΑ     |
| Α.Τ. ΑΓΙΟΥ ΠΑΝΤΕΛΕΗΜΩΝΑ             |
| ΑΓΡΟΤΙΚΟ ΙΑΤΡΕΙΟ-Τ.ΚΟΙΝΟΤ.ΜΑΣΤΡΟ    |
| ΑΓΡΟΤΙΚΟ ΚΑΤ/ΜΑ ΚΡΑΤΗΣΗΣ ΕΝΗΛΙΚΩΝ   |
| ΑΘΗΝΑΙΚΟΣ ΑΘΛ.ΣΥΛΛΟΓΟΣ ΒΥΡΩΝΑ       |
| ΑΘΛ.ΓΥΜΝΑΣΤΙΚΟΣ ΟΜΙΛΟΣ ΡΕΘΥΜΝΟΥ     |
| ΑΘΛΗΤΙΚΗ ΕΝΩΣΗ ΧΟΛΑΡΓΟΥ             |
| ΑΘΛΗΤΙΚΟΣ ΟΜΙΛΟΣ ΕΚΑΛΗΣ             |
| ΑΝΑΠΤΥΞΙΑΚΟΣ ΠΟΛΙΤΙΣΤΙΚΟΣ ΣΥΛΛΟΓΟΣ  |
| ΑΝΩΤΑΤΗ ΣΥΝΟΜΟΣΠΟΝΔΙΑ ΠΟΛΥΤΕΚΝΩΝ    |
| ΑΡΧΗΓΕΙΟ ΕΛΛΗΝΙΚΗΣ ΑΣΥΝΟΜΙΑΣ        |
| ΑΣΤΥΝΟΜΙΚΗ ΔΙΟΙΚΗΣΗ ΣΑΜΟΥ           |
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| ΑΣΤΥΝΟΜΙΚΟ ΤΜΗΜΑ ΔΙΣΤΟΜΟΥ-ΑΡΑΧΩΒΑΣ  |
| ΑΣΤΥΝΟΜΙΚΟ ΤΜΗΜΑ ΚΙΛΕΛΕΡ            |
| ΑΣΤΥΝΟΜΙΚΟ ΤΜΗΜΑ ΚΙΛΚΙΣ             |
| ΑΣΤΥΝΟΜΙΚΟ ΤΜΗΜΑ ΛΑΓΚΑΔΑ            |
| ΑΣΤΥΝΟΜΙΚΟ ΤΜΗΜΑ ΧΑΛΚΙΔΑΣ           |
| ΑΣΤΥΝΟΜΙΚΟΣ ΣΤΑΘΜΟΣ ΑΣΤΥΠΑΛΛΙΑΣ     |
| ΒΑΣΗ ΥΠΟΒΡΥΧΙΩΝ ΚΑΤΑΣΤΡΟΦΩΝ         |
| Γ.Α.Δ.Α. / ΔΑΕΕΒ / ΤΜΗΜΑ 5          |
| Γ.Ν.Α. ΕΥΑΓΓΕΛΙΣΜΟΣ                 |
| ΓΕΝ.ΠΕΡ/ΚΗ ΑΣΤ/ΚΗ Δ/ΝΣΗ Κ.ΜΑΚΕΔΟΝΙΑ |
| ΓΕΝΙΚΗ ΠΕΡΙΦ. ΑΣΤΥΝ. Δ/ΝΣΗ ΗΠΕΙΡΟΥ  |
| ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΑΙΤΩΛΙΚΟΥ             |
| ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΔΙΑΠΟΛ/ΚΗΣ ΕΚΠΑΙΔ.ΑΝΑ |
| ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΕΥΗΝΟΧΩΡΙΟΥ           |
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| ΓΥΜΝΑΣΙΟ ΚΑΡΕΑ                      |
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| ΓΥΜΝΑΣΙΟ ΝΕΑΠΟΛΕΩΣ ΚΡΗΤΗΣ           |
| ΓΥΜΝΑΣΙΟ ΠΑΡΟΥ                      |

\* Names have not been translated into english.





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| ΓΥΜΝΑΣΙΟ/ΓΕΝΙΚΟ ΛΥΚΕΙΟ ΓΑΣΤΟΥΝΗΣ    |
| ΓΥΜΝΑΣΤΙΚΟΣ ΣΥΛΛΟΓΟΣ ΚΕΡΑΤΣΙΝΙΟΥ    |
| Δ' ΣΩΜΑ ΣΤΡΑΤΟΥ-40 ΜΟΝ.ΕΠΙΣ/ΣΕΩΣ    |
| Δ. ΙΕΚ ΑΡΓΟΥΣ                       |
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| ΔΗΜΟΣ ΙΛΙΟΥ                         |
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| ΔΟΥ ΝΕΑΣ ΙΩΝΙΑΣ                     |
| Ε.Ε.Ε.Ε.Κ. ΑΡΙΔΑΙΑΣ                 |
| Ε.Ε.Ε.Ε.Κ. ΕΔΕΣΣΗΣ                  |
| Ε.Ε.Ε.Ε.Κ. ΠΑΥΛΟΥ ΜΕΛΑ              |
| Ε.Π.Α.Ψ.Υ.                          |
| Ε.Σ./487 ΤΑΓΜΑ ΔΙΑΒΙΒΑΣΕΩΝ          |
| ΕΘΝΙΚΟ ΚΕΝΤΡΟ ΚΟΙΝΩΝΙΚΗΣ ΑΛΛ/ΓΓΥΗΣ  |
| ΕΙΔΙΚΟ ΕΠΑΛ ΙΛΙΟΥ                   |
| ΕΙΔΙΚΟ ΣΧΟΛΕΙΟ ΕΡΜΟΥΠΟΛΗΣ           |
| ΕΚΠΑ ΣΧΟΛΗ ΟΙΚΟΝΟΜΙΚΩΝ ΚΑΙ          |
| ΕΛ.ΑΣ/ ΔΝΣΗ ΑΣΦΑΛΕΙΑΣ ΑΤΤΙΚΗΣ       |
| ΕΛ.ΑΣ/ΑΤ ΛΕΡΟΥ                      |
| ΕΝ.Ε.Ε.ΓΥ.-Λ. ΦΙΛΩΤΙΟΥ ΝΑΪΟΥ        |
| ΕΝΙΑΙΟ ΕΙΔ.ΕΠΑΓ. ΓΥΜΝ-ΛΥΚΕΙΟ ΚΟΡΩΠΙ |
| ΕΝΩΣΗ ΑΣΤΥΝΟΜΙΚΩΝ ΥΠΑΛ/ΛΩΝ ΣΕΡΡΩΝ   |
| ΕΝΩΣΗ ΓΟΝΕΩΝ ΝΟΗΤΙΚΩΣ ΥΣΤΕΡΟΥΝΤΩΝ   |
| ΕΝΩΣΗ ΚΑΡΔΙΟΠΑΘΩΝ ΠΟΛ. ΝΑΥΤ         |
| ΕΠΑ.Λ. ΑΡΝΑΙΑΣ                      |
| ΕΠΑ.Λ. ΚΙΣΣΑΜΟΥ                     |
| ΕΣΤΙΑ ΜΗΤΕΡΑΣ                       |

\* Names have not been translated into english.



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| ΕΥΡΩΠΑΙΚΟ ΙΝΣΤΙΤΟΥΤΟ                |
| ΙΕΡΑ ΜΗΤΡΟΠΟΛΗ ΠΕΡΙΣΤΕΡΙΟΥ          |
| ΙΕΡΟΣ ΝΑΟΣ ΠΑΝΑΓΙΑΣ ΑΕΤΟΥ ΚΑΡΥΣΤΟΥ  |
| ΙΕΡΟΣ ΝΑΟΣ ΑΓ.ΤΡΙΑΔΑΣ ΚΑΡΠΕΝΗΣΙΟΥ   |
| Κ.Ε.Κ. ΚΑΜΑΤΕΡΟΥ                    |
| Κ.Ε.Σ.Υ. ΕΥΡΥΤΑΝΙΑΣ                 |
| ΚΑΤΑΣΤΗΜΑ ΚΡΑΤΗΣΗΣ ΚΟΡΥΔΑΛΛΟΥ       |
| ΚΕΝΤΡΟ ΥΓΕΙΑΣ ΛΑΥΡΙΟΥ               |
| ΚΕΝΤΡΟ ΥΓΕΙΑΣ ΞΥΛΟΚΑΣΤΡΟΥ           |
| ΚΕΝΤΡΟ ΥΓΕΙΑΣ ΡΟΔΟΠΟΛΕΩΣ            |
| ΚΟΙΝΟΤΗΤΑ ΠΑΛΑΙΟΜΑΝΙΝΑΣ             |
| ΚΡΑΤΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΝΙΚΑΙΑΣ          |
| ΛΙΜΕΝΑΡΧΕΙΟ ΙΘΑΚΗΣ                  |
| ΜΟΥΣΙΚΟΣ-ΓΥΜΝ/ΚΟΣ ΣΥΛΛΟΓΟΣ ΕΘΝΙΚΟΣ  |
| ΝΗΠΙΑΓΩΓΕΙΟ & ΔΗΜ. ΣΧΟΛ. ΑΣΤΡΟΥΣ    |
| ΝΟΣΗΛΕΥΤΙΚΗ ΜΟΝΑΔΑ ΝΑΥΠΛΙΟΥ         |
| Ο.Α.Ε.Δ. - Κ.Π.Α.2 ΛΑΓΚΑΔΑ          |
| ΟΜΙΛΟΣ ΓΙΑΤΗΝ UNESCO ΠΕΙΡΑΙΩΣ/ΝΗΣΩΝ |
| ΟΡΘΟΔΟΞΟΣ ΧΡΙΣΤΙΑΝΙΚΗ ΑΔΕΛΦΟΤΗΤΑ    |
| ΠΑ.Α.Π.Α. ΒΟΥΛΑΣ                    |
| ΠΑΙΔΙ ΚΑΙ ΔΗΜΙΟΥΡΓΙΑ                |
| ΠΑΝ.ΣΥΛΛΟΓΟΣ ΣΥΝΤΑΞ/ΧΩΝ ΑΣΤΥΝ/ΚΩΝ   |
| ΠΑΝΕΛΛΗΝΙΟΣ ΓΥΜΝΑΣΤΙΚΟΣ ΣΥΛΛΟΓΟΣ    |
| ΠΑΝΕΠΙΣΤΗΜΙΟ ΙΩΑΝΝΙΝΩΝ              |
| ΠΕΡΙΦΕΡΕΙΑΚΟ ΙΑΤΡΕΙΟ ΨΑΡΩΝ          |
| ΠΕΡΙΦΕΡΙΑΚΟ ΙΑΤΡΕΙΟ ΑΣΤΥΠΑΛΛΙΑΣ     |
| ΠΝΕΥΜ.ΚΕΝΤΡΟ"ΕΥΑΓΓΕΛ.ΘΕΟΤΟΚΟΥ"      |
| ΠΟΛ/ΚΟΣ ΣΥΛΛ. ΑΠΑΝΤΑΧΟΥ ΣΚΑΛΙΩΤΩΝ   |
| ΠΥΡΟΣΒΕΣΤΙΚΟ ΚΛΙΜΑΚΙΟ ΠΑΡΟΥ         |
| Σ.Ε.Τ.Α.Υ.                          |
| ΣΥΛ. ΓΟΝ&ΚΗΔ. 52ου ΓΥΜΝ. ΑΘΗΝΩΝ     |
| ΣΥΛ.ΓΟΝ.& ΚΗΔΕΜ.60ου ΔΗΜ.ΣΧ.ΑΘΗΝΩΝ  |
| ΣΥΛΛ.ΓΟΝ.&ΚΗΔΕΜ.101οΔ.ΣΧΟΛ.ΘΕΣ/ΝΙΚΗ |
| ΣΥΛΛ.ΓΟΝΕΩΝ ΜΑΘΗΤΩΝ ΔΗΜ.ΣΧ.ΚΑΜΠΟΥ   |
| ΣΥΛΛ.ΓΟΝΕΩΝ/ΚΗΔΕΜΟΝΩΝ 162ο ΔΗΜΚΟ    |
| ΣΥΛΛΟΓΟΣ "ΙΟΝΙΚΗ ΕΝΟΤΗΤΑ"           |
| ΣΥΛΛΟΓΟΣ ΓΟΝΕΩΝ ΚΑΙ ΚΗΔΕΜΟΝΩΝ 3ου   |
| ΣΥΛΛΟΓΟΣ ΕΡΓΑΖΟΜΕΝΩΝ Γ.Ν.ΛΑΡΙΣΑΣ    |
| ΣΥΛΛΟΓΟΣ ΙΟΝΙΚΗ ΕΝΟΤΗΤΑ             |
| ΣΥΛΛΟΓΟΣ Ο ΑΓΙΟΣ ΣΥΜΕΩΝ             |
| ΣΧΟΛ.ΕΠΙΤΡ.ΜΟΝΑΔΩΝ 1)ΘΜΙΑΣ-2)ΘΜΙΑΣ  |
| ΣΧΟΛΕΙΟ ΔΕΥΤΕΡΗΣ ΕΥΚΑΙΡΙΑΣ ΑΛΙΒΕΡΙ  |
| ΣΧΟΛΕΙΟ ΔΕΥΤΕΡΗΣ ΕΥΚΑΙΡΙΑΣ ΒΟΛΟΥ    |
| ΣΧΟΛΗ ΝΑΥΤΙΚΩΝ ΔΟΚΙΜΩΝ              |
| ΣΧΟΛΗ Π.Σ.Ε.Α.                      |
| ΣΩΜ.ΕΘΕΛΟΝΤΩΝ ΠΟΛΙΤΙΚΗΣ ΠΡΟΣΤΑΣΙΑΣ  |
| ΤΖΑΝΕΙΟ ΝΟΣΟΚΟΜΕΙΟ                  |
| ΤΜΗΜΑ ΑΛΛΟΔΑΠΩΝ ΑΘΗΝΩΝ              |
| ΤΜΗΜΑ ΑΛΛΟΔΑΠΩΝ ΑΤΤΙΚΗΣ             |
| ΤΜΗΜΑ ΑΣΦΑΛΕΙΑΣ ΑΓΙΑΣ ΒΑΡΒΑΡΑΣ      |
| ΤΜΗΜΑ ΑΣΦΑΛΕΙΑΣ ΖΩΓΡΑΦΟΥ            |
| ΤΜΗΜΑ ΑΣΦΑΛΕΙΑΣ ΙΛΙΟΥ               |

\* Names have not been translated into english.



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| ΤΜΗΜΑ ΑΣΦΑΛΕΙΑΣ ΚΥΨΕΛΗΣ         |
| ΤΜΗΜΑ ΑΣΦΑΛΕΙΑΣ ΥΜΗΤΤΟΥ         |
| ΤΜΗΜΑ ΤΡΟΧΑΙΑΣ ΛΗΤΗΣ            |
| ΥΠΟΔ/ΝΣΗ ΕΠΙΧ.& ΠΡΟΣΤ. ΜΑΡΤΥΡΩΝ |
| ΥΠΟΔ/ΝΣΗ ΑΣΦΑΛΕΙΑΣ ΒΟΛΟΥ        |
| ΥΠΟΔ/ΝΣΗ ΑΣΦΑΛΕΙΑΣ ΔΥΤ.ΑΤΤΙΚΗΣ  |
| ΥΠΟΔ/ΝΣΗ ΑΣΦΑΛΕΙΑΣ ΜΥΤΙΛΗΝΗΣ    |

The above table refers to donations of fully amortised fixed assets of the Bank with total residual value € 34.51.

|   |              |
|---|--------------|
| TOTAL FOR MEDIA PAYMENTS  | 7,298,069.14 |
| TOTAL PAYMENTS DUE TO DONATIONS, SPONSORSHIP, SUBSIDIES OR OTHER CHARITABLE REASONS TO LEGAL ENTITIES | 2,398,903.33 |
| TOTAL PAYMENTS DUE TO DONATIONS, SPONSORSHIP, SUBSIDIES OR OTHER CHARITABLE REASONS TO INDIVIDUALS    | 39,320.35    |

\* Names have not been translated into english.



## Availability of Annual Financial Report

The Annual Financial Report as at 31.12.2019, which includes:

- The Statement by the Members of Board of Directors
- The Board of Directors' Annual Management Report
- The Explanatory Report of the Board of Directors
- The Corporate Governance Statement
- The Independent Auditors' Report
- The Annual Financial Statements of the Bank and the Group

are available on the website address: <https://www.alpha.gr/en/group/investor-relations/group-results-and-reporting/financial-statements-bank-and-group>.

The Annual Financial Statements, the Independent Auditors' report and the Board of Directors' Report of consolidated companies are available on the website: <https://www.alpha.gr/el/omilos/enimerosi-ependuton/oikonomika-stoixeia/oikonomikes-katastaseis-etairion-omilou>.