attica bank

2019
ANNUAL REPORT

2019 Annual Report

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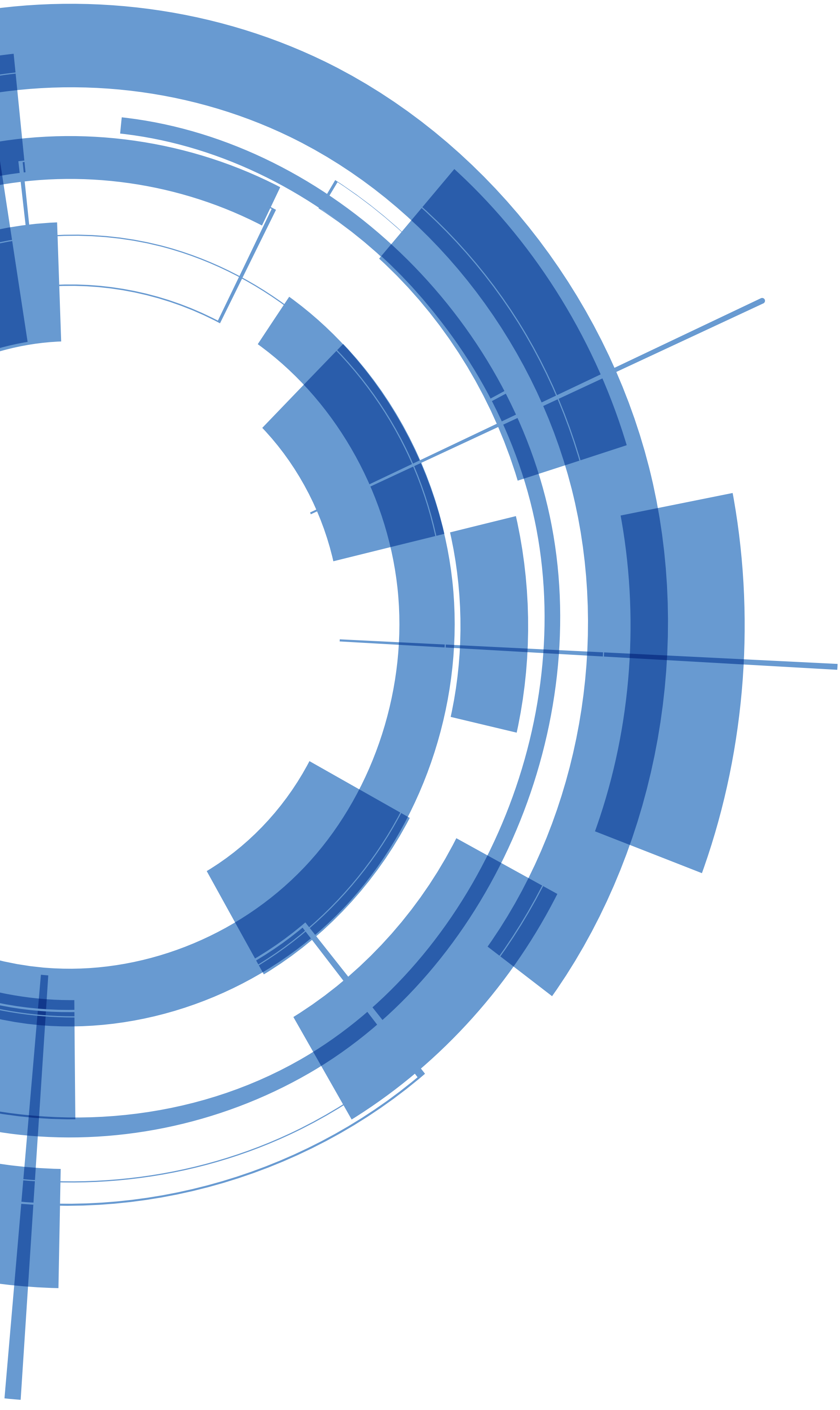


History

2019

The restructuring of the Bank is completed and the Bank starts to grow substantially and improve its efficiency.

2018
Completion of a fiscal stability program and lifting of capital restrictions

2015
Enforcement of capital restrictions on the Greek Banking System

2011-15
Greek Economic Crisis

2008
Collapse of Lehman Brothers International Financial Crisis

2001
Greece enters Eurozone

1981
Greece becomes member of the European Economic Community

1967-74
Military Dictatorship in Greece

1946-49
Civil War

1940-44
World War II

1936
Dictatorship of the 4th of August

2017-18
Restructuring of the Bank

The Bank concluded 2 securitizations of Non Performing Exposures of a total amount of €2 bln, completed a Share Capital Increase of €88.9 mln and repaid the Preference Shares, held b the Greek State of €100.2 mln. Operating cost has been reduced significantly.

2015
Share Capital Increase

Following the announcement of the capital shortfall of the AQR tests conducted by the BoG, Attica Bank completed a Share Capital of € 681 mln without the participa-tion of the HFSF.

2013
Share Capital Increase

Attica Bank completed a Share Capital Increase of €199.4 mln and issued a Convertible Bond Loan of €199.4 mln.

2006
Attica Bank

The registered trademark of the Bank changes from **“Bank of Attica”** to **“Attica Bank”.**

2002
Postbank

Emporiki Bank Group transfers the 16.9% of the Bank’s shares to the Postbank.

1997
TSMEDE

Emporiki Bank Group transfers though ASE 34% of the Bank’s shares to the Engineers' and Public Contractors' Pension Fund (TSMEDE) and 15.5% to Deposit and Loans Fund (TPD).

1981
Emporiki bank

Emporiki Bank Group acquired 39% of Bank of Attica from Banque Natiolale de Paris.

1972
Banque Nationale de Paris

The French Banque Nationale de Paris acquires 39% of Bank of Attica from Emporiki Bank Group and takes over the management of the Bank.

1964
Emporiki bank & ASE

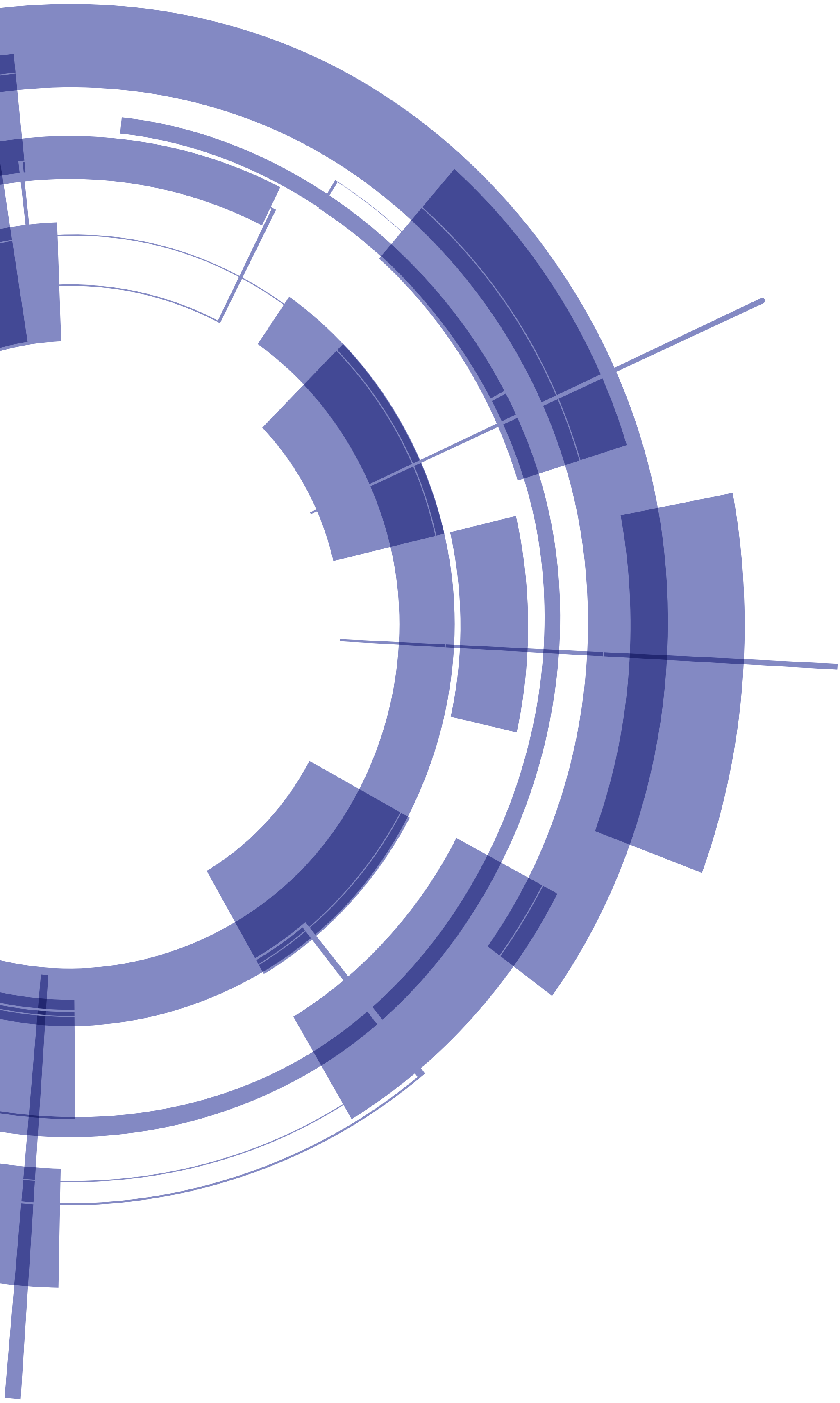
The Bank is acquired by Emporiki Bank Group and is listed in ASE. Mr. Stratis Andreadis is appointed as Chairman of the Bank.

1935
Suspension of activities

The French Banque Nationale de Paris acquires 39% of Bank of Attica from Emporiki Bank Group and takes over the management of the Bank.

1924
Establishment of Bank of Attica

Andreas Spirakis establishes with other merchants and manufacturers on 5th November 1924 the Bank of Attica with registered offices in Piraeus.



2019 at a glance

attica bank

January 2019

Renewal of interbank transaction of repos bond pillar II, with a nominal value of €350 million with the achievement of additional liquidity of €177 million.

March 2019

Zero Funding through ELA.

October 2019

Issuance of Pillar II Bond of €320 mln and concurrent annulment of Pillar II Bond of €350 mln.

November 2019

Following the decision of the Ministry of Finance, Ms Aikaterini Onoufriadou of Odysseas, was appointed as Representative of the Greek State to the BoD of the Bank in replacement of the resigned Mrs. Zacharoula Papatheodorou.

Engraving of a new strategy and implementation of a new business plan by the BoD of the Bank in order to increase investors' efficiency.

Inception of cooperation with two special negotiators of the domestic stock market, who carry out daily transactions on the Bank's securities for the same account.

February 2019

According to the letter 3832 / 14.2.2019 of the Fund for Engineers of Public Works Contractors (T.M.E.D.E.) and according to the european and national law, it was approved by the European Central Bank (ECB-SSM-2019 decision- GR-1 / QLF-2018-0064), the special participation of T.M.E.D.E. (Legal Entity Under Private Law) in the share capital of the Bank with a percentage of more than 30%.

July 2019

The Board of Directors of the Bank elected six new members and was formed in a body by the adjourned Ordinary General Meeting of Shareholders of 22nd July 2019.

December 2019

Inception of a ten-year cooperation with the Interamerican Group, with the aim of providing exclusively to the Bank's customers competitive insurance products and services.

Commencement of cooperation with of Euronet Greece concerning its ATM network. With this cooperation, Attica Bank strengthens its presence nationwide, providing its customers with the ability to access and use Euronet's ATM network with no cost.

Letter by the Chairman of the BoD

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Letter by the Chairman of the BoD

Dear Shareholders,

2019 was a year of positive developments both for the Greek economy and the banking system. The acceleration of reforms, the increased disposable income of households and the increased investments by non-financial businesses created positive perspectives. GDP growth rate was steady and amounted to 1.9%, same as in 2018, while growth rate in the Euro Area slowed down to 1.2% compared to 1.9% in 2018. The labor market continued to improve and unemployment rate was 16.5% in November 2019 (according to ELSTAT) compared to 18.6% in the corresponding period in 2018.

Despite the slowdown in global trade in 2019, the country's export performance, in particular in the sectors of tourism, services and internationally traded goods, remained strong, as shown by the increase of exports as a share of GDP. However, the limited competitiveness of Greek businesses, the tax system, the high interest rates and the institutional framework constitute obstacles to the business environment in general as well as to the development of export activity in particular.

The coronavirus outbreak in the first quarter of 2020, which soon became a pandemic, is an important additional factor of uncertainty as regards both the trend in macroeconomic figures and the ability of businesses to operate while respecting the restrictive measures imposed. The coronavirus caused an unprecedented health crisis for societies worldwide. Financial consequences will depend on the duration of the health crisis, until a medicine and a vaccine are ready.

In 2020, the growth of the Greek economy shall be determined to a great extent by the consequences of the coronavirus on the global and the European economy and, in particular, by the decline in Greek exports and in tourism due to a reduction in domestic consumption and the subsequent decrease in investments.

In 2019, Attica Bank completed the first round of important changes and is now aiming to rapidly develop its activities and to improve return for its shareholders.

It is clear that investors have appreciated Attica Bank's efforts so far, since the price of its share increased by 253% in 2019. This was the second biggest increase in the price of a share in Athens Stock Exchange, while the share's capitalization was steadily over 180 million Euro in 2019.

Immediately after its election in July 2019, the Bank's Board of Directors drafted a new strategy in order to increase return for shareholders. This strategy has three main objectives:

- To double the balance sheet by 2022
- To rapidly remove all non performing loans (NPLs) from the balance sheet
- To fully digitalize the Bank's operations

Implementing this strategy, the Bank adopted the principles of sustainable banking and drafted a Business Plan. The Bank shall focus on the main strategic sectors of Environment, Energy and Infrastructure as well as small enterprises and the self-employed.

Within the framework of the new Business Plan, the Bank shall undertake actions in order to:

- Improve the quality of services provided and satisfy the needs of its clients
- Create new retail products (deposit and loan)
- Prepare new financing solutions for businesses that are active in the sectors of Energy, Environment and Infrastructures
- Assign the management of NPL portfolio to a servicer, and, subsequently, securitize them
- Install a comprehensive technological platform and digitalize all products and procedures in 2020.
- Limit operational costs mostly through incorporating a number of external partners into the Bank's permanent employees.
- Adapt the organizational structure, the staffing and training of the employees so that the latter can meet the strategic objectives and requirements of a modern banking institution.
- Sell all its investment properties.
- Implement a new targeted communication strategy.

Organizational changes and upgrading infrastructure remain the first priority since the Bank wishes the public to consider it as the "oldest" modern Bank and the Bank of the environment, energy, infrastructures and the self-employed.

Since the coronavirus outbreak, and in line with the recent measures announced by the Greek Government, the Bank redefined its operational procedures and adapted its budget for 2020. We expect a gradual normalization of the market in the third quarter of 2020 and a recovery from that point onwards. In the face of the new perspectives that shall open up after the coronavirus crisis ends and the measures to fight it, Attica Bank plans to take a dynamic approach.

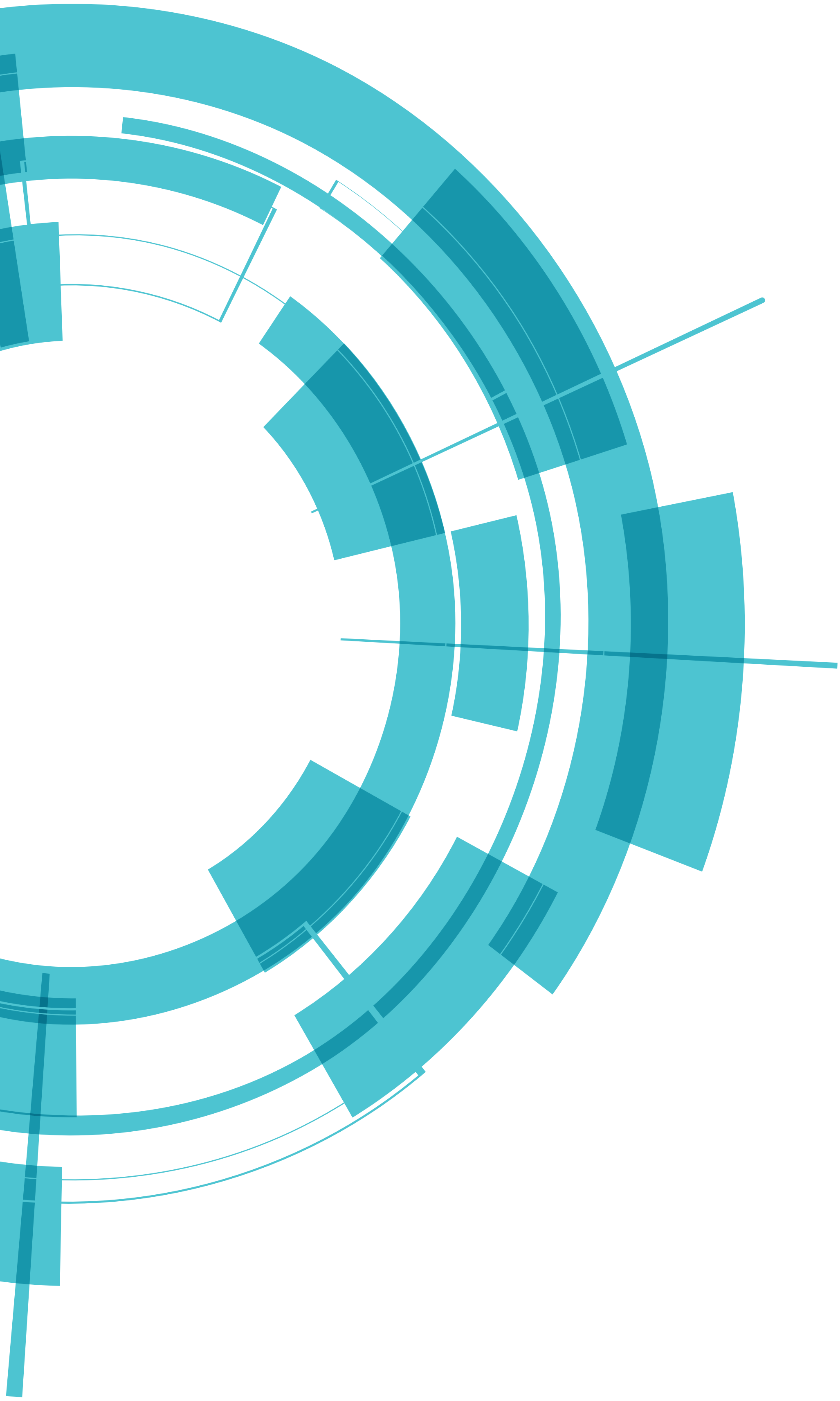
Lastly, Attica Bank considers corporate governance to be a fundamental requirement for successful business operation. The Board of Directors is continuously monitoring and assessing corporate governance and is promoting the full implementation thereof as well as the integration of its principles in corporate culture, which constitutes the most effective way to reinforce it.

Attica Bank remains focused on its clients, its shareholders and its employees, whom I would like to thank for their continued support. The Board of Directors believes that the Bank shall be able to respond to new challenges created by the coronavirus crisis and the expected slowdown of the Greek economy's growth rate and wishes to play a substantial role in financing businesses and professionals.

In these difficult times, swiftness, flexibility, adaptability and efficiency are emerging as our new values. However, the most important element for this transition towards the future is our character.

Thank you,

Kostas S. Mitropoulos
Chairman of the Board of Directors



Letter by the Chief Executive Officer

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Letter by the Chief Executive Officer

Dear Shareholders,

In 2019, Greece continued growing, with a steady GDP growth rate equal to 1.9%. This upward trend also characterized the beginning of 2020; however, estimates for the Greek economy forecast a slowdown in growth rate due to the consequences of the coronavirus crisis on a global and European level that cannot be quantified yet since the pandemic is still in progress.

Since the coronavirus outbreak in our country, Attica Bank has made the safety of its employees a priority. Within a short time, the Bank adopted a new way of operation with 40% of its employees and more than 60% of the member of the Management working remotely. At the same time, it seeks to continuously improve its technological infrastructure ensuring the smooth operation of the Bank. Furthermore, it implements the appropriate preventive measures in order to protect its employees and its clients (such as frequent disinfection, distribution of disinfectant gel, etc.)

The Bank's Board of Directors and I, personally, are following closely all developments regarding the coronavirus pandemic, implementing responsibly and carefully all necessary measures in order to protect and facilitate our clients while supporting the real economy through targeted financing.

Attica Bank is there for the Greek society in a common effort to face the pandemic. This is why, in collaboration with the Archdiocese of Athens and its charitable organization "Apostoli", the Bank supports financially and through the opening of a bank account the initiative "A mission for the homeless", expressing in this way the Management's and the employees' concerns about the recent situation in our country due to the spread of the coronavirus and actively supporting initiatives aimed at relieving those who suffer the most.

Dear Shareholders,

At this point, I would like to briefly focus on the most important developments in 2019.

In 2019, the Greek financial system showed limited operational profitability and credit growth, an increase in deposits and a further reduction in non-performing loans (NPLs).

As regards the Bank's performance, Attica Bank's liquidity significantly increased in 2019, with bank deposits amounting to €2.6 billion on 31 December 2019 compared to €2.3 billion on 31 December 2018, which equals to an increase of 14% on annual basis, i.e. a percentage almost three times the percentage of the increase in deposits in the Greek financial sector (4.6%). This increase resulted mostly from the deposits of individuals that increased by 22.4%.

This significant increase in deposits, combined with the access to the interbank repo market, contributed to reducing to zero funding from the Emergency Liquidity Assistance (ELA) of the Bank of Greece in March 2019. The continuous increase in deposits at a rate greater than the average rate in the Greek banking system and the improvement of liquidity reflect the full recovery of the depositors' trust in Attica Bank Group.

On 31 December 2019, the Total Capital Adequacy Ratio amounted to 14.5% and the Common Equity Tier 1 ratio (CET1) to 11.4%. The banking system is still facing two challenges. The first one is the large number of Non Performing Loans (amounting to €67.5 billion or 42% of total loans on 31 December 2019), and the second one is the fact that deferred tax assets (DTA) amounting to €22 billion correspond to a disproportionately large amount of the Greek banks' total equity (around 81% of total equity on 31 December 2019).

These challenges require a comprehensive solution for the Greek banking system, but the coronavirus pandemic and its consequences on the Greek economy make it difficult to respond to them using the existing tools.

However, I would like to focus particularly on the actions undertaken by Attica Bank in order to reduce credit risk. Attica Bank has been a pioneer in this field since two cases of securitization of non performing exposures amounting to €2.032 billion were planned in September 2016 and realized in August 2017 and in October 2018. The said transactions are based on the real transfer and derecognition of non performing exposures from the Bank's balance sheet. Today, the structure and the technique used for these transactions have been recognized as an effective tool by the competent local and supranational institutional and supervisory bodies.

In order to definitively clean its balance sheet and with the aim to reduce to zero old non performing loans by 2020, the Bank's Management shall use the tool of securitization once more.

On 22 March 2020, the Bank concluded an agreement regarding the assignment of the management of NPLs amounting to €435 million to a loan and credit management company. This agreement is part of the Bank's Business Plan aiming to better manage and subsequently reduce to zero all non performing exposures, as already said.

As regards the Bank's profitability, 2019 is characterized by the deleveraging of its loan portfolio and the subsequent reduction in income from interests. Operational costs (not including depreciations) were reduced by 12% annually on a repetitive basis. The continuing reduction in operational costs as well as repetitive profit from financial operations compensated partly for the reduced income during the year.

As regards income, I would like to mention a strategic partnership of the Bank. On 17.12.19, Interamerican Group and Attica Bank concluded a commercial partnership agreement. The collaboration between the two Groups shall have a duration of ten years and shall include insurance, commercial, operational and financial issues. It aims to offer exclusively to the Bank's clients competitive products and services provided by the three companies of Interamerican Group -Life, Damage, Help- and to achieve business profits for both parties. Insurance products shall be distributed through the Bank's branch network and the insurance and brokerage company of Attica Bank Group.

Attica Bank, driven by the principle of meritocracy and with the aim to adequately staff its network and Management departments, renewed its personnel by recruiting new specialized officers in 2019 and 52 employees from companies collaborating with the Bank under contracts in 2020. The Bank is investing in its human resources and the continuous training of its personnel since their contribution into the common efforts for the achievement of the Bank's objectives is a crucial success factor.

Lastly, in February 2020, Attica Bank completed the sale of its subsidiary Attica Wealth Management transferring 100% of the company's shares to Ypsilon Group. Attica Bank sold its subsidiaries Attica Wealth Management, Attica Ventures and Attica Finance within the framework of implementing its original business plan, including reviewing its participations and focusing its activities on purely banking operations. The sale of its subsidiary Attica Properties is a decision in the same direction; the relevant procedure has already begun.

Dear Shareholders,

The new Management took up its duties in September 2016 and achieved such performance thanks to its dedication to implementing a transformation program aimed at adapting the Bank to modern requirements as well as cleaning its balance sheet. Attica Bank Group, with a strong capital position and increased liquidity, has an important role to play regarding the Greek economy in 2020.

Since the end of 2019, the Bank has been implementing its new three-year-long business plan. However, it reviewed it for 2020 in light of the extraordinary circumstances and the high level of uncertainty in which both the banking system and the real economy have to function today. We hope that the consequences of the coronavirus pandemic will be medium-term and manageable thanks to the prompt and targeted fiscal measures taken to boost the real economy and the facilitating measures announced by the European Central Bank.

Attica Bank's strategy for the period ending in 2023 can be summarized as follows:

- Doubling of the Bank's assets through increased loans in the sectors of infrastructures/construction, energy and environment. The aim is to finance the project's ecosystem as well as all self-employed professionals who are involved in the implementation thereof. The increase of loans budgeted for 2020 amounts to €336 million, out of which €200 million represent business loans through European programs, €100 million represent new business loans and €36 million represent retail banking.

- A further increase in the depositor base through competitive pricing, an increase in points of sales and the utilization of the provision of digital services to the wide public, including the ATM network.

- An expansion of current sources of income. The Bank places particular emphasis on the conclusion of strategic alliances, i.e. its expansion in the sector of banking-insurance products in collaboration with the companies of Interamerican Group.

- Full cleaning of the Bank's portfolio through the management of the remaining portfolio of non performing exposures, with the aim to reduce to zero old non performing exposures in 2021 while the relevant actions shall begin in 2020.

- The digital transformation of the Bank. The Bank has already undertaken actions regarding the digitalization of services provided to its clients as well as the automation of procedures so that the Bank may offer customized and high quality services quickly and safely. The coronavirus outbreak in our country has significantly accelerated Attica Bank's progress in this sector as well, which can proven by the increased use of digital transactions in Attica Bank, since the pandemic outbreak. This is confirmation of the fact that the Bank has an adequate infrastructure that was systemically developed since the end of 2016, so that Attica Bank may respond to its customers' needs.

- Lastly, I hope that the favorable circumstances regarding liquidity and the significant and targeted development of new loans in combination with a reasonable management of cost base shall lead to a strong return on capital for shareholders.

Dear Shareholders,

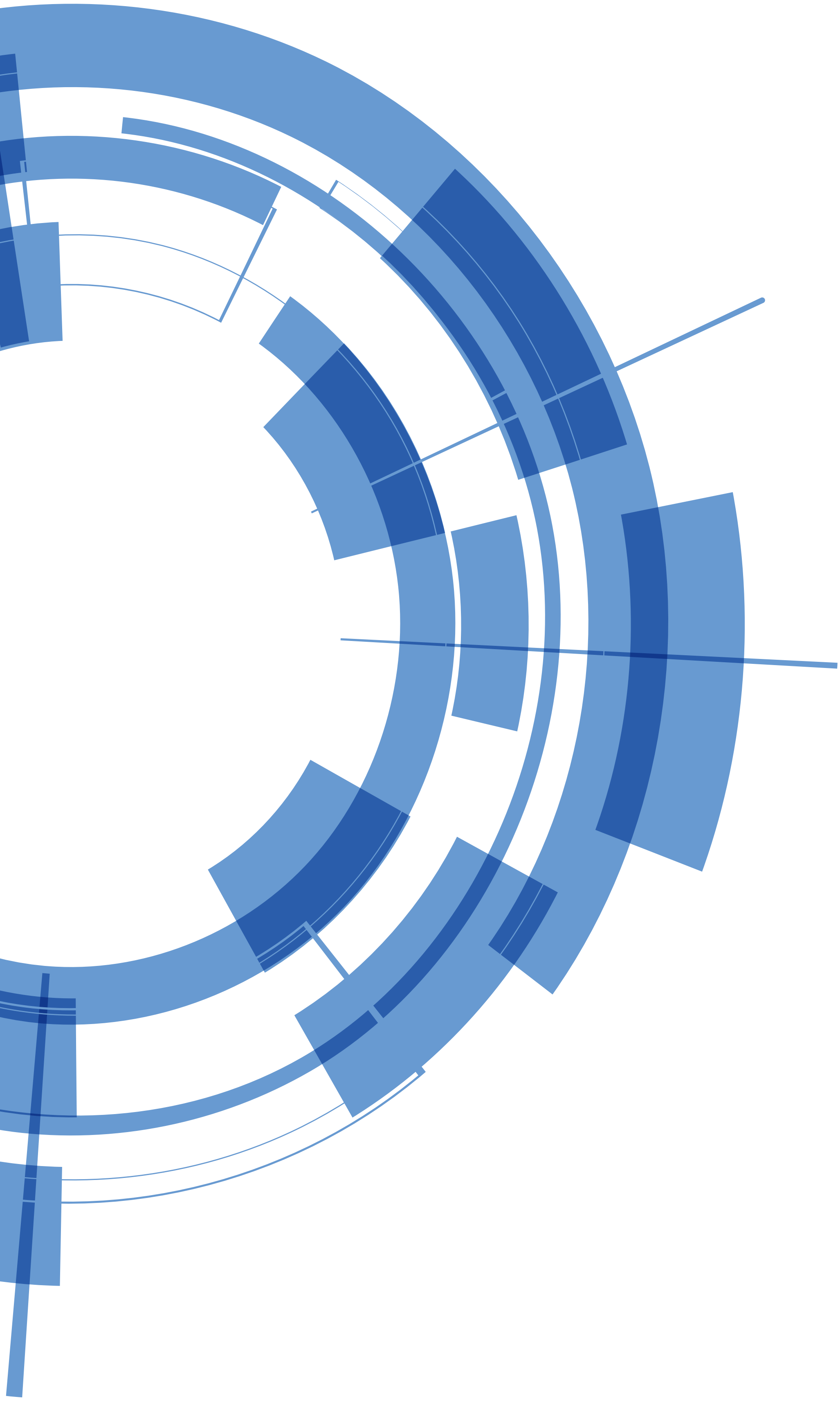
In 2020, the Bank, having achieved the cleaning of its Balance Sheet, stable high levels of liquidity and adequate capital, is going to fully implement its business plan regarding its development and its return to sustainable organic profitability while addressing the negative impact of the pandemic.

At this point, I would like to thank all members of the Bank's human resources for the consistency, ethics and efficiency they showed in these unprecedented times contributing substantially to the Bank's smooth operation.

The Bank's Management and I, personally, having served the country's banking sector from high ranking positions for many years, we believe that every crisis is an opportunity in disguise. Attica Bank's Management and employees are committed to make every effort so that, when the coronavirus crisis ends, the Bank may be flexible, independent and competitive and able to play a substantial role in Greek economy's growth, offering high level digital services and innovative products in the interest of clients, shareholders and Greek society in general.

Thank you,

Theodoros Pantalakis
CEO



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Group Figures

Group Figures

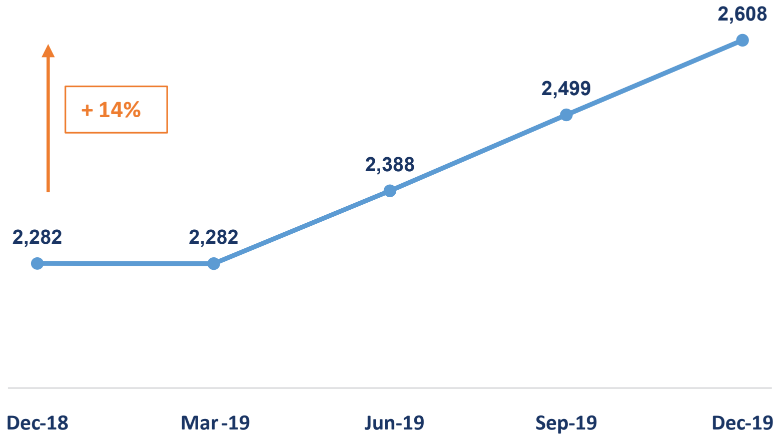
In 2019, the Group continued implementing administrative and organizational changes within the framework implementing the new Business Plan since the last quarter of 2019. The main axes of the Group's strategy are generating capital and increasing income, reducing cost and reinforcing the Group's technological infrastructures. Substantial and interactive communication with clients and shareholders is always at the heart of the Group's strategy.

The Group aims to finance the sectors of energy, environment and infrastructures, self-employed professionals and small-medium enterprises while ensuring the Bank's profitable growth and a strong return on capital for shareholders.

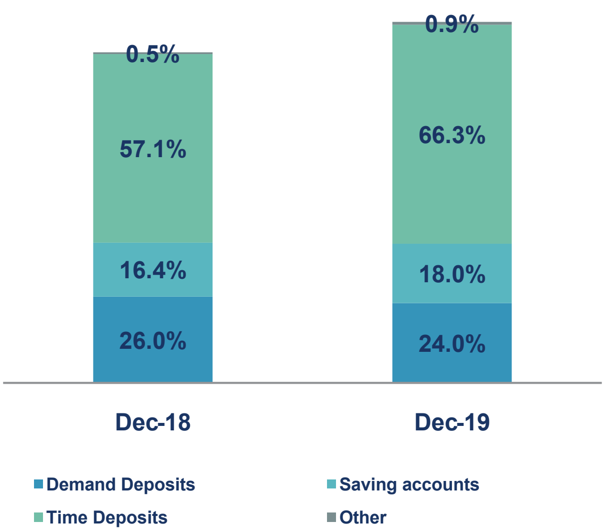
The Group's liquidity significantly increased in 2019, with bank deposits amounting to €2.608 billion on 31.12.2019 compared to € 2.281 billion on 31.12.2018, which equals to an increase of 14% compared to the previous fiscal year. This increase resulted mostly from the deposits of individuals that increased by 22.4% on an annual basis.

The significant increase in deposits, combined with the access to the interbank repo market and further deleveraging, led to reducing to zero funding from the Emergency Liquidity Assistance (ELA) of the Bank of Greece in March 2019. The improvement of liquidity reflects the full restoration of the depositors' confidence in the Group.

Evolution of deposits, 31.12.18 – 31.12.19



Evolution of demand deposits and other deposits, 31.12.18 – 31.12.19



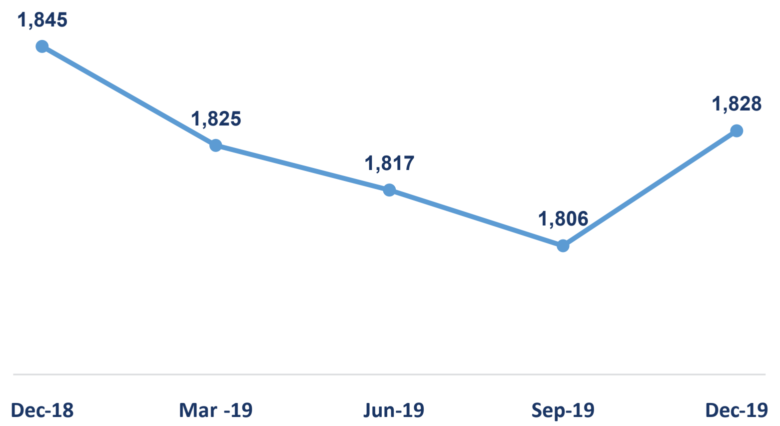
Loans

The Group's total assets on 31.12.2019 amounted to €3.528 billion, i.e. an increase of 5.3% compared to 31.12.2018 when they amounted to €3.350 billion.

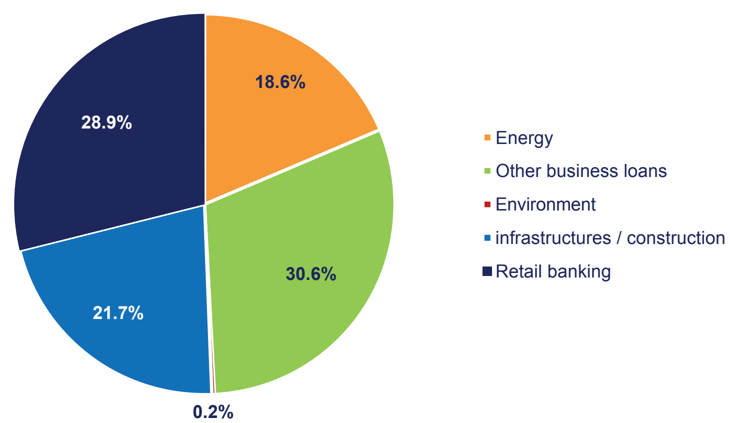
Loans before provisions for 2019 amounted to €1.828 billion for the Group, i.e. marginally unchanged compared to 31.12.18. 40% of business loans provided by the Bank are loans to businesses operating in the sectors of infrastructures/construction and energy.

Loan to deposits ratio (after provisions) amounted to 59.3%, i.e. a decrease compared to FY 2018 (69,8%). Loan to deposits ratio (before provisions) for the Group amounted to 70.1% on 31.12.2019, i.e. a significant decrease compared to 31.12.2018 (80.9%).

Evolution of loans, 31.12.18 – 31.12.19



Loan Portfolio Breakdown, 31.12.2019



For 2019, Non Performing Exposures ratio, including the bank's off-balance sheet assets, amounted to 39.0% compared to 33.5% for FY 2018. Respectively, total coverage ratio for Non Performing Exposures (NPEs) from provisions amounted to 32.8% (2018: 34%).

Results 2019

The pre-tax result for FY 2018 for the Group amounted to a loss of €23.6 million compared to profits of €4.7 million in the corresponding period in the previous year due to a reduction in income from operating activities and due to the fact that operating results of the corresponding period in 2018 included non-repetitive profit from the portfolio transfer through securitization (Metexelixis) amounting to €47 million.

In 2019, the Group's total income amounted to €71.6 million compared to €128 million for FY 2018, mostly due to a reduction in income from interests by 37%, which was the result of the deleveraging of the Bank's loan portfolio because of two cases of securitization of non performing loans.

Income from fees and commissions increased by 7.4% compared to 31.12.2018 and amounted to €17.2 million. The results from financial operations in FY 2019 were affected by the successful sale of the Bank's participation (100%) in the Mutual Fund Management Company S.A. ("Attica Wealth Management Mutual Fund Management Company S.A.").

Operational costs (not including depreciations) decreased by 15% annually on a repetitive basis. The continuing reduction in operational costs as well as continued profit from financial operations compensated for the reduced income during the year.

Pillars of Activity

Retail Banking

Deposits

The expansion of the depositor base through products covering the needs of existing and potential customers as well as the acquisition of a larger market share were among Attica Bank's strategic priorities in 2019. The restoration of the depositors' confidence in the Greek banking system after capital controls were fully lifted was reflected in the ledger balances of deposits in the Bank that amounted to €2.62 billion in the end of 2019 compared to €2.31 billion in the end of 2018.

Putting special emphasis on serving the complex needs of the market, Attica Bank launched a new series of innovative deposit products (attica My Account) aiming to provide comprehensive banking solutions to clients.

Like in previous years, Attica Bank continues working towards attracting and supporting the professionals of the country (engineers, doctors, lawyers, pharmacists) offering them specialized products.

In particular, in 2019 the Bank started enriching and redesigning its deposit portfolio as a result of the estimates for a further recovery of the economy, an increase of disposable income and of households' saving ability. The said planning is expected to be completed in 2020 when two new standardized products of term deposits will be offered to the public aiming to cover a wide spectrum of the customer base's investment needs.

Credit

Placing a strategic emphasis on the sector of financing individuals within the framework of its development plan, the Bank launched a new series of products for housing and consumer lending, designed according to the clients' current needs and the possibilities emerging in the Greek market. Attica Bank's new loan products are innovative since they reward the clients' eco-conscience offering them lower interest rates.

Moreover, with its new loan products the Bank promotes a new concept about the management of its relationship with the clients rewarding in practice borrowers who pay on time during the loan repayment period. Thus, all the aforementioned programs offer to borrowers who pay on time, after the completion of 2/3 of the loan duration, a direct decrease of 10% in the interest rate for the remaining repayment period.

In collaboration with the National Entrepreneurship and Development Fund (ETEAN S.A.), the Bank participated again in 2019 in the program "Saving Energy at Home II" offering loans on favorable terms in order to support interventions aimed at the improvement of houses' energy performance for energy saving.

For 2020, the Bank reassessed the products it offers to various client categories and is planning to develop specialized loan and deposit products for the self-employed (civil engineers, architects, doctors, lawyers etc.) and small enterprises. At first, these categories will include self-employed professionals and sole proprietorship companies, general companies, limited partnerships and Single Member Private Companies with an annual or rolling 12-month turnover up to €150,000.

Aiming to increase the participation of small enterprises in its business model, Attica Bank is planning flexible financing solutions with modern procedures, competitive pricing and high quality customer experience placing these client categories at the heart of the Bank's interest. New loan products are expected to cover the needs of self-employed professionals and small enterprises regarding working capital, purchasing equipment and purchasing/renovating professional properties.

E-banking

In 2019, the total number of e-banking users was 63.5 thousand, out of which 7.6 thousand were new users (6,000 natural persons and 1.6 thousand legal persons). 624 thousand money transactions (payments/money transfer within the Bank, payments to organizations and third parties, payments/money transfers to other banks) amounting to €1 billion were carried out via this service.

ATM

Attica Bank has a modern network of 73 ATMs, with 55 of them installed in its Branch network (On-Site ATMs) and 18 installed in third parties' locations (Off-Site ATMs).

In 2019, 1.08 million cash withdrawals amounting to €251.71 million were carried out from the Bank's ATM network.

In 2019, the Bank's collaboration with the ATM network of Euronet and Cooperative Banks was completed and supported through the Bank's digital communication channels and the ATMs' screens. Furthermore, the Bank's clients were given the option to carry out transactions free of charge on at least 160 additional locations thanks to the Bank's collaboration with Cooperative Banks and to use EURONET's ATM network free of charge.

Τερματικά Αποδοχής Καρτών Πληρωμών (POS)

The Bank is active in the sector of POS Acquiring and achieved the following results in 2019:

- The total number of POS devices in use amounted to 32,694, broken down into 53% and 47% among the Bank and the collaborating Cooperative Banks .
- Transactions amounting to €823.45 million (+10.68% compared to the previous year) were cleared through this network, with total commissions amounting to €5.65 million (+12%).

Portfolio Management

In March 2019 and within the framework of implementing its Business Plan, the Bank proceeded to its disengagement from financing through the Emergency Liquidity Assistance (ELA), which contributed to a significant cost reduction in liquidity acquisition and in the scaling down of deposits interest rates. Furthermore, in October 2019, the Bank issued a bond amounting to 320 million within the framework of Law 3723/2008 (Pillar II) guaranteed by the Greek State, enhancing the Bank's liquidity through repo transaction. Lastly, significant profitability was achieved through the management of the bond portfolio, contributing strongly in the Bank's results for 2019.

IT

In 2019, the Bank continued its efforts for a further development and modernization of procedures and services provided to its clients regarding central technological infrastructure. The Bank also continued gradually developing IT infrastructures regarding data storage as well as central telecommunications infrastructure.

In the sector of IT applications, important work was done in order to support business activities regarding non performing loans portfolio management, the upgrade of existing digital services as well as the provision of new services via alternative digital networks (Internet and Mobile Banking). At the same time, special emphasis was placed on the development and provision of new banking products, the collaboration with a provider of banking-insurance solutions, the upgrade of the central banking system as well as the development of specialized IT solutions in conformance with the requirements of the Payment Services Directive 2 – PSD2, etc.

Important IT projects also include projects regarding the extension of automated procedures, the expansion and further utilization of Data Hub through which important information is provided both to business and administrative Departments of the Bank, the installation and operation of a new real-time suspicious transaction identification system pursuant to the requirements of the regulatory framework on money laundering and financing of international terrorism. The Bank started collaborating with an international specialized consultants company that will help it in its transition to the digital era within the framework of the Bank's strategy for the next three years.

In 2020, the Bank shall place significant emphasis on developmental projects that will contribute in achieving its business objectives in accordance to its strategic planning for the next three years. Special attention will also be paid to the digital transformation projects that will represent a great part of this effort.

Human Resources

In 2019, the Bank employed 731 persons and the Group 741, compared to 697 and 707 persons respectively in 2018. In 2019, 48 persons were recruited and 15 permanent employees departed. On 31.12.2019, the number of persons employed through collaborating companies was 98 compared to 10 today.

Corporate Communication

In 2019, the Bank continued promoting its upgraded digital services under Attica Digital category with the use of printed material, advertising screens on the Bank's ATMs, an audio message via call center and stands in its branches. Free Wi-Fi service on all the Bank's points of presence was especially promoted.

As regards Business Loans, the Bank communicated via an online campaign its activities as a financial intermediary for Small-Medium Enterprises through the program Business Financing – Entrepreneurship Fund II. Furthermore, it participated in the 2nd Cycle of "Saving Energy at Home II" loan scheme for individuals, and it communicated this action by sending emails and sms texts to its clients, as well as with the use of information material on its digital means of communication.

Towards the end of the year, new deposit and loan products for individuals were created and communicated through below the line activities. Furthermore, Contactless Payment cards were launched for the first time and promoted with the use of printed material and via the digital communication channels.
Attica Bank, with a sense of responsibility towards the people and the society, supported a series of initiatives where contribution to the society was the principal criterion. Throughout the year, it supported targeted actions in culture, health, technology and social contribution, acknowledging the important contribution thereof in the country's financial growth.

Capital Adequacy

The Group's main priorities are to maintain its capital adequacy and align it with the requirements set by the regulatory framework in force, to ensure that the Bank can continue its operations without problems and to ensure that its capital base is adequate to allow it to implement its business plan successfully.

The regulatory capital of credit institutions is divided into:

- Tier 1 Capital which is further subdivided into
    - Common Equity Tier 1 capital (CET 1)
    - Additional Tier 1 capital.
- Tier 2 capital.

Law 4261/2014 (Directive 2013/36/EU) provides also to member states the discretionary power to impose the following capital buffers. The following apply to Greece

- Countercyclical capital buffer (2.5%).
- Systemic risk capital buffer (0%).

The Capital Adequacy ratio is defined as the ratio of regulatory capital to assets and assets not included in the statement of financial position, weighted for the risk they entail. The Tier 1 Capital ratio is defined as the ratio of Tier 1 Capital to weighted assets (on and off-balance sheet items), while the Core Equity Tier 1 capital ratio is defined in a similar way. Below you will find a table with the evolution of these figures over time and the Group's capital adequacy ratios for the last five years.

Capital Adequacy Table

	2019	2018	2017	2016	2015
Risk-Weighted Assets					
Credit Risk	3,042,398	3,012,769	3,206,912	3,277,277	3,174,082
Market risk	4,390	1,584	4,129	3,100	20,635
Operational Risk	176,152	197,722	209,965	185,677	148,682
Total Risk-Weighted Assets	**3,222,940**	**3,212,075**	**3,421,006**	**3,466,054**	**3,343,399**
Regulatory Capital					
CET 1 Capital	366,609	421,797	499,984	508,084	564,363
Core Tier 1 Capital					
Tier 1 Capital	366,609	421,797	499,984	508,084	564,363
Total Regulatory Capital	466,337	521,473	499,984	508,084	564,363
Capital Adequacy ratios					
CET 1 Ratio	**11.38%**	**13.13%**	**14.62%**	**14.66%**	**16.88%**
Core Tier 1 Ratio					
Tier 1 Ratio	**11.38%**	**13.13%**	**14.62%**	**14.66%**	**16.88%**
Total Capital Adequacy Ratio	**14.45%**	**16.23%**	**14.62%**	**14.66%**	**16.88%**

Since 01.01.2018, the Bank has been implementing the new accounting standard IFRS9 for the recognition of expected credit loss. The full implementation thereof required a significant reduction in Regulatory Capital and this is why the Bank uses the transitional provisions stipulated in the Regulation EU 2395/2017 as regards the progressive integration of expected loss in its Regulatory Capital.

Furthermore, within the framework of Pillar II, the Group has put in place reliable, effective and integrated strategies and procedures to assess, on a constant basis, the level, the composition and the allocation of capital which is considered necessary to cover the type and extent of risks assumed (internal capital). Pillar II includes the following processes for the Group: a) Internal Capital Adequacy Assessment Process (ICAAP) and b) Internal Liquidity Adequacy Assessment Process (ILAAP).

Within the framework of the ICAAP, both quantitative and qualitative data is examined, such as the level and structure of regulatory capital, market risk, interest rate risk, concentration risk, the level and allocation of internal capital, etc. An evaluation of this data indicates the level of capital required to cover:

- Underestimation of Credit Risk according to the standardized method.
- Assessment of Concentration Risk impact
- Assessment of Interest Rate Risk impact on the banking portfolio.
- Assessment of the implementation of transitional provisions IFRS9 impact on regulatory capital.
- Other risks, such as market risk, liquidity risk, leverage, profitability risk, capital risk and reputation risk.

Within the framework of the ILAAP, the Group evaluates its internal management of liquidity risk, including measurements of liquidity ratios, stress tests, the description of governance regarding liquidity management, the Contingency Funding Plan and the general Business Plan funding strategy.

Provided that the aforementioned reports are approved and submitted to the Bank of Greece, the latter implements the Supervisory Review and Evaluation Process (SREP) under Pillar II. SREP results in the obligation to maintain minimum ratios higher than the ones stipulated under the supervisory framework of Pillar II, depending on the current situation and the specific risk characteristics of the Group. It has been established that the Bank of Greece (BoG) shall implement SREP for the Group on annual basis.

On 21.1.2019, the Bank of Greece informed Attica Bank under a relevant decision that the minimum Total Tier 1 Ratio for 2019 is 12.92%. The said ratio consists of the minimum Total Tier 1 Ratio (8%), pursuant to article 92(1) of CRR, the additional supervisory requirements for Pillar II, as well as capital requirements to hold a capital buffer pursuant to the stipulations of Law 4261/2014. The minimum ratio shall be respected on a continuous base, taking into account the transitional provisions of CRR/CRD IV. Until the time of publication of this document we had not received a relevant letter for 2020.

We have received a relevant letter for 2020 on 13.04.2020 determining that the minimum Total Tier 1 Ratio is 13.21% along with an additional percentage-target of 1% in order to cover weaknesses identified by the BoG's stress test last year. However, in the same letter, the BoG, taking into account the current developments regarding coronavirus, allows the Group to maintain a minimum Total Tier 1 Ratio of 10.71%, based on reasons related to financial consequences and operational difficulties due to the pandemic.

Attica Bank's share price evolution

Attica Bank's share (Symbol in Athens Stock Exchange: ATT) is traded on the Athens Exchange and is included in the following indexes:

SYMBOL	DESCRIPTION
GD	ATHEX General Index
DOM	ATHEX All Share Index
FTSEM	FTSE/ATHEX Mid Cap
CITR	ATHEX Composite Index Total Return
DTR	FTSE/ATHEX Banks
FTSEB	FTSE/ATHEX-CSE Banking Index
FTSEA	FTSE/ATHEX Banks Index Market Index

2019 was a crucial year in this decade for Athens Stock Exchange because of the greatest market return in the last 20 years. Athens Stock Exchange increased significantly "with the best performance worldwide", as Bloomberg reported in a publication. Athex General Index increased to 51.4%, with shares being particularly attractive and total capitalization being reinforced by 16.4 billion Euro.

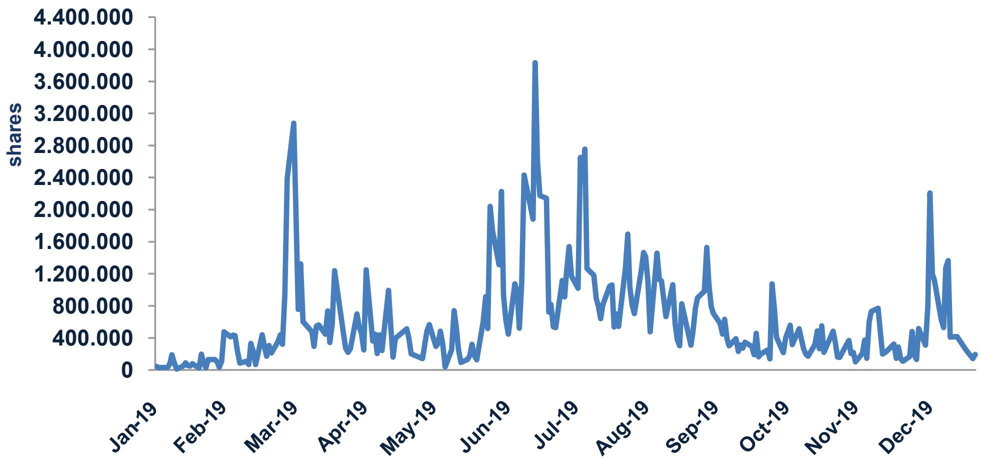
Respectively, the banking index leaped to 101.34%, leading the stock market's amazing performance, while bank shares capitalization increased by 6.4 billion Euro from 4.3 billion Euro in the end of 2018.

Attica Bank's share had the best performance among all bank shares, with an increase of 252.6% in 2019 (391.4% greater of the general index), with investors rewarding the Bank Management's efforts to clean its balance sheet and to achieve better results for its shareholders. The Athex general index increased by 51.4% in 2019, and Attica Bank's maintained the best performance in the stock exchange compared to other banks (with the 2nd best performance) and among the first ones in general in the Greek stock exchange.

Change in the price of the share of Attica Bank compared to the ATHEX General index and the ATHEX Banking sector index, 2019

The Bank's capitalization on 31.12.2019 was 182.2 million Euro compared to 51.6 Euro on 31.12.2018. Respectively, average capitalization for 2019 amounted to 146.3 million Euro compared to 82.2 million Euro in 2018. The average daily volume of transactions for the share of Attica Bank in 2019 was 625,379 shares, with a year-high at 3,831,341 shares and a year low at 11,198 shares on 19.06.2019.

Change in the daily volume of transactions for the share of Attica Bank (shares), 2019

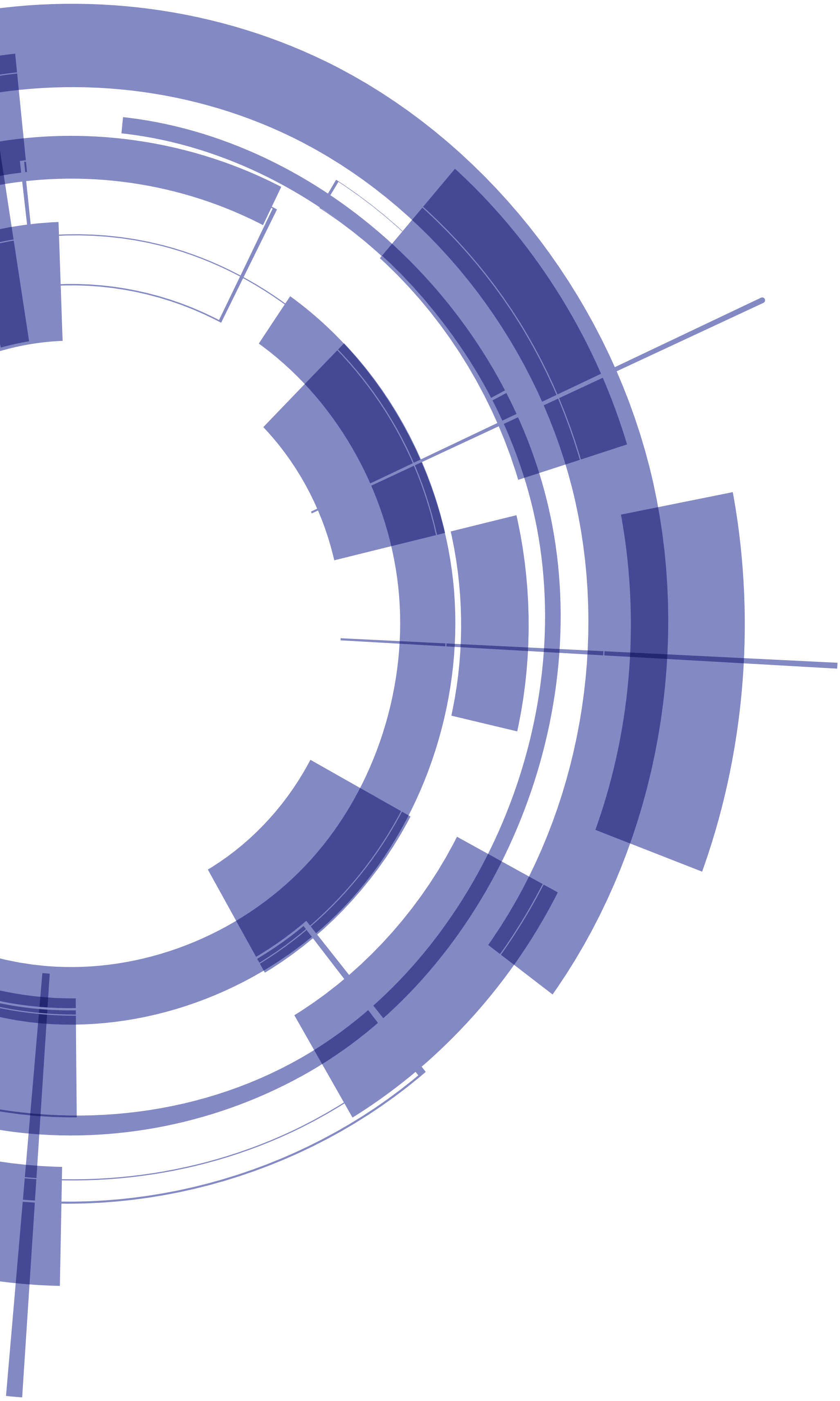


In FY 2019, there was a significant increase in the marketability of the Bank's share, from 11% of total common listed shares traded in Athens Stock Exchange in 2018, to 33.61% in 2019.

This resulted mainly from the increase in investors' activity in Greek stock exchange (the Athens Stock Exchange total turnover in 2019 was +19.91%) but mostly from the activity of two market makers in every day transactions on the Bank's securities. In particular, the Bank entered into collaboration with the two biggest market makers in the Greek stock exchange who perform for their own account 26% of daily transactions on the Bank's securities on average

Selected Balance Sheet and Profit and Loss Account for FY 2019

Key Financial Figures of the Group (amount in million of Euro)	2019	2018	Δ%
BALANCE SHEET FIGURES			
Total Assets	3,528	3,350	5.3%
Loans and Advance Payments to Clients (before provisions)	1,828	1,845	-0.9%
Provisions for Credit Risks	281	253	11.0%
Deposits	2,608	2,282	14.3%
Total Equity	494	491	0.6%
PROFIT AND LOSS ACCOUNT FIGURES			
Profit (Loss) before taxes	-23.65	4.75	
Net Profit/Loss after income tax	4.99	-2.36	
Total Operating Income	71.61	127.99	-44.1%
Total Operating Expenses	70.04	71.98	-2.7%
CAPITAL ADEQUACY RATIOS			
Total Capital Adequacy Ratio	14.5%	16.6%	
TIER 1 Ratio	11.4%	13.5%	
Common Equity Ratio (CET 1)	11.4%	13.5%	
INFORMATION			
Branches	55	55	-
Number of employees	741	707	4.80%



02

Board of Directors' Annual Management Report

attica bank

Board of Directors' Annual Management Report

Dear shareholders,

We present to you the annual report of the Board of Directors for the fiscal year 01.01.2019 to 31.12.2019.

This report summarizes financial information about the Group and the Bank, "ATTICA BANK S.A.", aiming at briefing, in general terms, shareholders and investors, on the financial position and the results, the overall course of action and the changes that were initiated during the period (01.01.2019-31.12.2019), as well as, significant events that took place and their impact on the financial statements of the year. It also describes the main risks and uncertainties that the Group and the Bank may face in the future and lists the most important transactions that have been taken place between the Bank and its affiliates.

For 2019, the economic environment was as follows:

Global Economy

Global GDP growth for 2019 significantly slowed down at 2.9%, which is the lowest level of the decade, compared to 3.6% on 2018. The international economic environment was characterized by increased instability and insecurity during 2019. The unpredictable behavior of governments, mainly in the international trade, the social turbulences, the impact of the climate change, along with the intense weather conditions affected negatively the economic activity of certain countries. During 2019 the deceleration of the global economy was similar for both emerging and developed economies. The industrial production has suffered by the conflicts and the war in the international trade along with the arisen decrease of its volume. Nonetheless, the preservation of the volume in the services sector, especially in the developed economies, has set off by a percentage the negative impact from the industrial production and exports and contributed to the increase of employment.

Eurozone

In the euro area, for the year 2019, GDP growth amounted to1.2%, compared to 1.9% on 2018, mainly due to the decrease in the global trade and the fall of the fuel prices globally.

The resilience of the domestic demand, which was based on the job market, contributed to the containment of the negative figures (e.g. external demand) to the growth rate of Eurozone on 2019. The private consumption was the power of the growth during 2019, based on the increase of employment, along with the favorable terms of bank loans due to the assisting monetary policy of ECB. Furthermore, investments increased by 3.1% on 2019, compared to 2.3% on 2018, even if corporate investments decreased during the same period.

The increase in employment continued during 2019, with slower rate compared to 2018, which consists a compatible development with the deceleration of the economic activity. Unemployment rates fall to 7.4% of the total workforce on December 2019 and to 7.7% on average during 2019 (2018: 8.2%).

The gradual recovery of loans disbursements to corporations in euro area continued up to August 2019 and to households up to December 2019. The loan production growth rate towards non – financial corporations decreased to 3.2% on December 2019 compared to 4.0% on December 2018 and towards households amounted to 3.7% on December 2019, compared to 3.2% on December 2018. During 2019, the fiscal developments in euro area as a total have been described by the continued de-escalation of the public debt as a percentage of GDP, whereas the declining course of the fiscal deficit stopped. Thus, the fiscal deficit, in Eurozone increased to 0.6% of GDP on 2019, compared to 0.5% during 2018 and in the EU – 27 to 0.6% from 0.4% mainly due to the lower growth rate and the tax reliefs in certain countries members.

USA

The annual GDP growth rate maintained as a percentage of over 2.0% per quarter during 2019, showing resilience to the challenges faced by the American economy (trade war, deceleration of global economic expansion). The increase was driven mainly through the increase of consumption along with the respective low unemployment rate. FED on the same time lowered the basic rates during the second semester of 2019, thus contributing to the stabilization of the economic activity.

Asia

The annual GDP variance in terms of volume decreased to 6.1% on 2019 compared to 6.6% on 2018. This consists one of the lowest growth rates since 1990, mainly due to trade wars. During the last quarter of 2019, Chinese economy managed to stabilize, following the lowest deceleration of almost three decades, due to the increase of investments (5.4% on an annual basis

United Kingdom

GDP growth rate increased by 1.1% during the fourth quarter of 2019 on an annual basis, compared to 1.2% on the respective third quarter, based on the increase of exports, as a result of the weakening of the British pound, along with the domestic demand which resulted from increase in wages and the expansive fiscal policy. Nonetheless, the increase of investments was particularly weak, since insecurity was in place regarding the timing of United Kingdom's exit from the EU, which was finalized on 31.01.2020.

Greek Economy

GDP increase in stable prices amounted to 1.9% on 2019, unchanged since 2018, while in current prices amounted to 187.5 billion euros, compared to 184.7 billion in 2018. The basic pillars of the economic recovery was the exports of goods, tourism along with public and private consumption.

During 2019, the gross added value of the economy increased by 0.9% in stable prices, due to the performance of the tertiary sector and more specifically to the sectors of trade, hotel and restaurant industries and construction. A similar image arises from the available current figures regarding the turnover in services in current prices for 2019, while the corporations' expectations in the services sectors are marginally positive.

Regarding the figures in the tourism sector, the positive course of this sector the recent years had a favorable impact in the tourism's figures both in the side of demand an in the respective side of supply. More specifically, the following points were observed:

- Increase in the arrivals of non – residents
- Increase for the seventh consecutive year of overnight
- Increase for the third consecutive year of travel receipts
- Increase in the hotel capacity of Greece
- Increase in employment of hotels

Exports sector contributed significantly once again in the Greek economy. Regardless the deceleration in certain of the main export markets in Greece, exports continue to increase. The total value of exports during the period January – December 2019 amounted to 33,800 million euros, increased marginally by 1.0% compared to the respective period of 2018.

As far as the industrial sector is concerned a reduction in production of 0.6% arose during 2019 compared to an increase of 1.8% during 2018, mainly due to the shrinkage of electricity production.

The implementation of the fiscal policy during 2019, was characterized by the compliance in applying the agreed in the context of the enhanced supervision, the commitment in implementing the fiscal reforms and the relief of the tax burden, following the elections of 2019. The emphasis in the reforms resulted in the fast de-escalation of the Greek Government Bond yields, to historic low rates, which allowed the comfortable access to global financial markets for the Greek Government regarding liquidity and fund raise.

Banking System

As far as the banking system is concerned, 2019 was a positive year. Based on the Intermediary Report for the Monetary Policy published by the Bank of Greece (November 2019), profits were increased compared to 2018 mainly due to expenses containment and to the significant raise achieved in profits from investment transactions. The liquidity conditions continue to ameliorate, with the deposits balance to present an increase of 4.6% year on year, thus reflecting the reset of confidence of the depositors to the banking system and the outlook of the Greek economy.

The retain of the high NPL reserve is the basic challenge of the banking system. More specifically, during 2019, a further reduction of NPLs took place, the balance of which amounts to circa 68 billion euros as at the end of 2019, reduced by 13.8 billion euros compared to 2018.

The annual variance rate of corporate lending presented a positive sign during 2019. The financing provided by the financial institutions during 2019 was guided towards corporations operating in developing sectors of the economy, such as transportation (excluding maritime sector), energy and tourism. The financing towards non – financial corporations rose by 2.2% on an annual basis, compared to a decrease by 0.6% during 2018. Based on the analysis performed by the Bank of Greece, the annual variance rate is calculated on the basis of the net flows of banking lending, which arise from the variances on the loan balances, with the impact of the loan write offs along with possible reclassifications/loan transfers not taken into consideration.

As far as the deposits rates are concerned, based on the figures provided by the Bank of Greece, the savings deposits rate fall at the end of 2019 to 0.04% from 0.05% at the start of the year. The reduction in the term deposits rate was even greater and amounted to 0.35% from 0.58%. The total deposits average rate reduced to 0.18% from 0.28%.

As far as the loan rates are concerned, the most recent figures of Bank of Greece show that the floating rate of mortgage loan amounted to 2.78% from 3.13%. On the contrary, the floating rate of consumer loans marginally increased to 14.60% from 14.59%. The increase in consumer loans was even greater, where the rate increased to 10.94% from 9.89%. The credit card rate marginally decreased to 16.62% from 16.68% on the beginning of 2019. The marginal rate amounted to 4.16% from 4.35% respectively.

Financial Development and Progress of the Fiscal Year

Key figures and Results for the Group

For the year ended 31.12.2019, the key figures and results of the Group, as well as their respective variations were as follows:

- The Group's total assets amounted to € 3,528 million, increased by 5.3% compared to the year ended 31.12.2018.
- Total loans (loans and corporate bonds) amounted, before provisions for impairment amounted to €1,828.4 million, marginally decreased by 1.0% compared to 2018.

Group's loans and advances to customers are analyzed in the table below:

(in million €)	31.12.2019 (1)	31.12.2018 (2)	Variance % (1)/(2)
Loans	1,385	1,387	0%
From which:			
- Consumer Loans	95	95	0%
- Credit Cards	23	22	5%
- Mortgages	398	411	-3%
- Leasing	73	89	-18%
- Public Sector	28	30	-7%
- Legal Entities	761	735	4%
- Other	6	5	23%
Corporate Bond Loans	**444**	**458**	**-3%**
Total Loans	**1,828**	**1,845**	**-1%**

- Deposits as at 31.12.2019 amounted to €2,608.2 million increased approximately by 14% compared to 31.12.2018. More specifically, as far as the year ended 31.12.2019 is concerned, term deposits amounted to €1,583 million, increased by 21.6% compared to 31.12.2018 (€1,302 million). Respectively, sight deposits amounted to €1,023 million increase by 4.6% compared to 31.12.2018 (€977 million).

Group's deposits are presented in the following table:

(in million €)	31/12/2019 (1)	31/12/2018 (2)	Μεταβολή % (1)/(2)
Deposits	2,608	2,282	14%
- Sight Deposits	1,095	979	5%
- Term Deposits	1,583	1,302	22%
Total deposits	**2,608**	**2,282**	**14%**

- Provisions for credit risk in the year 2019 amounted to €24.2 million, which can be further analyzed into expected credit losses of loans and advances to customers of €31.1 million, off-balance sheet provisions for impairment reversal of €7.0 million and reversal of provisions for impairment of investment securities amounting to € 0.1 million, forming the credit risk ratio of the year to total revenues to 36.3%. The coverage ratio of total non – performing exposures (NPEs EBA Definition) amounted to 39.01%.

- Accumulated provisions cover 15.4% of the loan portfolio without taking into account tangible collateral.

Results on a consolidated basis (in thousand €)	31.12.2019	31.12.2018	Variance %
Net interest Income	43,852	69,290	-37%
Net Fee and Commission Income	6,540	6,956	-6%
Profit / (Loss) from Financial Activities	13,579	2,108	544%
Gain from the transfer of loansthrough securitisation	0	47,000	-100%
Other income	7,635	2,634	190%
Operating Income	**71,606**	**127,987**	**-44%**
Personnel Expenses	(33,568)	(33,704)	0%
General Administrative Expenses	(23,095)	(30,494)	-24%
Depreciation	(13,308)	(7,708)	72%
Total Operating Expenses before Provisions	**(70,043)**	**(71,978)**	**-3%**
Profit / (Loss) before Provisions	**1,563**	**56,009**	**-97%**
Allowance from Impairment	(24,202)	(27,527)	-12%
Other Assets Provisions	2,050	(3,191)	-36%
Personnel Retirement Sheme compensation cost	0	(17,214)	-100%
Loss from investment in associates	1,042	(3,329)	-131%
Profit before income tax	**(23,648)**	**4,748**	**-598%**
Profit after income tax	**4,998**	**(2,357)**	**-312%**
Total comprehensive income after tax	**3,203**	**(30,311)**	**-111%**

- The net interest income amounted to €43.8 million presenting a decrease of 36.7% compared to 2018, mainly due to the decrease of the total loan portfolio and mainly of the IFRS 9 Stages 1 and 2 loans and due to the increased interest expense.

- The net commission income amounted to €6.5 million reduced by 5.8% compared to 31.12.2018

- Profits from financial activities during the financial year of 2019 were positively affected by the profits generated by the sale of Greek Government Bonds. In 2019 total financial gains amounted to €13.6 million (31.12.2019: €2.1 million).

- Total operating income amounted to €72 million, decreased by 44% compared to 2018. In the comparative figures of 31.12.2018 non - recurring profits of €47 million from the sale of the junior note in the context of Metexelixis transaction are included. Should the effect of the securitization transaction is excluded from the comparative figures, total operating income is decreased by 11.6%.

- "Personnel expenses" amounted to €33.6 million, decreased by 0.4% compared to the previous year. Total number of employees on 31.12.2019 amounted to 741 (31.12.2018: 707 employees).

- The branch network of the Bank as at 31.12.2019 amounts 55 branches.

- Depreciation expense is increased by 72%, as a result of the implementation of the new reporting standard regarding the operating leases (IFRS 16), based on which the Group recognized Right of Use asset on leased properties.

- General Operating Expenses amounted to €23.1 million as at 31.12.2019, decreased by 24.3% compared to 31.12.2018 (31.12.2018: €30.5 million). Should the rental expense is excluded from the comparative figures, due to the implementation of the new leases standard IFRS 16, the decrease amounts to 9.2%.

- The relative expense ratio, excluding the non – recurring profits for each year, to total income, stood at 105%, compared to 88.9% for 31.12.2018. Non – recurring profits for the year 2018 and 2019 are as follows:

	Description	31.12.2019	31.12.2018
Non reccuring profit	Profit from securitization transaction	0	47,000
	Receivable from Greek State regarding witheld taxes for coupons of Greek Goverment Bonds	2,439	0
	Reversal of provision for income taxed under special purpose	2,444	0
	Total non recurring profit	**4,882**	**47,000**

- Basic earnings / (losses) per share amounted to €0.0108 compared to €(0,0022) for the respective twelve-month period in 2018.

- The Group's return on Equity after taxes on 31.12.2019 stood at 1.0% compared to (0.5 % in 2018.

Results before and after income tax for the Group companies are presented in the following table:

		Profit / (Loss) before income tax		Profit / (Loss) after income tax and non-controlling interest	
Company (in thousand €)	Consolidation Method	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Attica Bank S.A.		(28,208)	7,837	351	567
Attica Wealth Management Mutual Funds	Subsidiary (Full consolidation)	(15)	(17)	(15)	(59)
Attica Bank Properties S.A.	Subsidiary (Full consolidation)	218	35	304	34
Zaitech Innovation Venture Capital Fund	Associate (Equity method consolidation)	911	(3,326)	911	(3,326)
Attica Bancassurance Agency S.A.	Subsidiary (Full consolidation)	(43)	223	(43)	70
Thea Artemis Societe Anonyme for Management of Loans and Appropriations	Associate (Equity method consolidation)	130	(3)	130	(3)

Events that took place during the fiscal year and had a significant effect on the financial statements

A) The new standard for leases IFRS 16 was implemented on 01.01.2019, based on which the recognition of rental expenses will not be accounted through operating expenses but through the depreciation of the recognized right of use asset along with the interest expense from the repayment of the lease liability. The Group, based on IFRS 16 recognized depreciation expense for the right of use asset of €4,968 thousand and interest expense of €1,183 thousand for the year under review. Furthermore, at initial recognition the Group recognized right of use asset of €21,090 thousand and an equal lease liability. As at 31.12.2019, right of use asset amounted to €22,079 thousand, while lease liability amounted to €19,198 thousand.

B) On 01.03.2019 a new employee regulation was signed by Bank and the Attica Bank Employee Union, which changes the amount of compensation after the exit of service of the employees. As a result of the agreement between the two parties, the Bank recognized a relief of €1 million euros in its financial position.

Γ) The Bank on 21.03.2019 zeroed its exposure to Emergency Liquidity Assistance (ELA).

Δ) Based on 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 withheld 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 net-off procedure also includes any amounts refunded by virtue of court decisions, for which the obligation to return them to the Greek State is born at the time and proportionally to the amount of the income tax recognized.
- 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.

On the basis of the above, the Group recognized income of approximately €4.9 million, which have been charged as an expense in prior years. This income arises from reversal of provision for tax purposes of €2.4 million for income taxed under special purpose and €2.5 million for the reversal of receivables regarding withheld taxes on income taxed under special purpose.

D) The Group on the first semester of 2019 proceeded to the sale of Greek Government Bonds of nominal amount €40,800 thousand, purchased in the context of the PSI transaction on 05.12.2017.

E) Within the framework of article 2 of L. 3723/2008 and regarding the 2nd pillar of the support measures for the enhancement of the liquidity of the economy and for the maintenance of the liquidity stability of the Bank, the Bank issued on 24.10.2019 a bond loan of a total nominal value of 320 million euros, with simultaneous early redemption on the same date of the Greek government guaranteed bond of 350 million euros, which had reissued on 25.05.2018 with a duration of two years, following the relevant decisions of the Board of Directors meeting on 27 June 2019. The new bond loan of 320 million euros has a duration of two years and a floating Euribor rate of 3 months plus a margin of 7% and is divided into 3,200 bearer bonds with a nominal value of 100 thousand euros each. The above bond can be used as a collateral for raising. The bond matures on 24.10.2021.

F) Attica Bank on 17.12.2019 signed a commercial cooperation agreement with the insurance company Interamerican. The duration of the cooperation is 10 years and concerns insurance, commercial, operational and financial matters. Through this cooperation the Bank's customers are provided competitive and exclusive products and services from the three companies of the Interamerican Group. The provision of those products will take place through the Bank's branches and the Bank's bancassurance subsidiary.

Important events that occurred after 31st December 2019

A) The Bank on 05.02.2020 following the relevant approval from the Capital Market Commission announced the completion of the transfer of its 100% participation to its subsidiary Attica Wealth Management Mutual Funds to Ypsilon Capital Ltd for the price of €2.35 million.

B) Attica Bank, following the procedure for submission of competitive offers and by executing the decisions of the Board of Directors dated 26.09.2019 and 29.01.2020, signed on 24.03.2020 a contract with the company "QQUANT MASTER SERVICER SOCIETE ANONYME", a servicer of non – performing loans, based on Amarousion – Attica Region, as licensed and supervised by the Bank of Greece, regarding the servicing of a loan portfolio of 435 million euros ("legal" balance), which remains on Bank's books. The portfolio's servicing will begin two months after the sign of the contract. In the intermediary period all necessary transition procedures regarding the servicing and updating of information will be performed. This agreement is part of the Bank's business plan for the better management and ultimately zeroing of the non – performing portfolio of the past, following the two successful securitization transactions. Furthermore, this agreement will allow the Bank to focus in further developing its banking operations, by emphasizing in providing liquidity in the Greek market, targeting the support of businesses in the present financial conjuncture.

C) World Health Organization announces on March 2020 that COVID – 19 is a pandemic virus. As a result the Greek Government sets the country gradually to lockdown, as far as the transportation and the business operation are concerned. In the context of the financial support of the sectors injured by COVID – 19, the ministers in charge announced the following measures for the aforementioned sectors:

- Suspension of installment payments by the Banks up to 30.09.2020 for the borrowers consistent in the performance of their obligations affected by the impact of COVID – 19
- Interest rate subsidy for the performing corporate loans for 3 months, up to 30.06.2020, for the sectors of the economy affected by the impact of COVID – 19
- Suspension of all tax and social security obligations for the sectors affected by the impact of COVID – 19

Furthermore, ECB on its turn announced the following support measures for the European Banks:

- On 12.03.2020, ECB announced the easing of conditions for targeted longer-term refinancing operations (TLTRO III) and more specifically: a) Interest rate on TLTRO III is reduced by 25 basis points and can be as low as 25 basis points below average deposit facility rate during period from June 2020 to June 2021 for all TLTRO III operations outstanding during that period, b) Borrowing allowance raised to 50% of eligible loans, c) Lending performance threshold reduced to 0%.

- On 12.03.2020, ECB announced measures to support bank liquidity conditions and money market activity

- On 18.03.2020, ECB announced the launch of a new temporary asset purchase programme of private and public sector securities to counter the serious risks to the monetary policy transmission mechanism and the outlook for the euro area posed by the outbreak and escalating diffusion of the coronavirus, COVID-19. This new Pandemic Emergency Purchase Programme (PEPP) will have an overall envelope of €750 billion. Purchases will be conducted until the end of 2020 and will include all the asset categories eligible under the existing asset purchase programme (APP). Furthermore, it is explicitly mentioned that a waiver of the eligibility requirements for securities issued by the Greek government will be granted for purchases under PEPP. Finally ECB with its decisions will ease the collateral standards by adjusting the main risk parameters of the collateral framework and more particularly will expand the scope of Additional Credit Claims (ACC) to include claims related to the financing of the corporate sector.

- Additionally, ECB announced a series of measures in the context of the treatment of the financial impacts from the spread of coronavirus, so for the Banks to continue to fulfill their role in financing the real economy. More specifically, ECB will allow the Banks to temporarily operate below the capital level as defined by the requirements of Pillar 2 guidance, the capital conservation buffer and the liquidity coverage ratio. Furthermore, Banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital to meet the Pillar 2 Requirements (P2R).

Finally, on the Eurogroup meeting held on 9th April 2020, it was decided that 540 billion euros will be used to help the affected by COVID – 19 countries members through the following three pillars:

- €240 billion, corresponding to the 2% of the GDP of the country members of EU, through the establishment of a precautionary credit line (ECCL) based on the existing credit line in light of the challenge of the crisis caused by the pandemic of COVID – 19. This Pandemic Crisis Support would be available to all euro area Member States, with standardised terms agreed in advance by the ESM Governing Bodies.

- €200 billion, through the creation of 25 billion euros fund from European Investment Bank which could support the financing for companies with a focus on SMEs, throughout the EU, including through national promotional banks.

- €100 billion, through the establishment of a temporary European financing tool for the financial assistance during the time of the crisis, in the form of loans granted on favourable terms from the EU to Member States from the EU budget. The instrument would primarily support the efforts to protect workers and jobs, while respecting the national competences in the field of social security systems, and some health-related measures

Risk and Uncertainties

Description of the most significant risks and uncertainties

The Group is exposed to different risks, the management of which is an indispensable part of the strategy, business planning and risk undertaking policy procedures.

Credit Risk

Credit risk is the risk of the Bank suffering losses in case its counterparties are unable to meet their contractual obligations. This risk mainly arises from loans, collaterals, guarantees and cash management.

Credit Risk is the most important source of risk for the Bank and its systematic observation and the effective management is considered to be the primary target of the Group.

The Bank in the context of improving the quality of its portfolio, does not seek new financing for low rating customer's(lower than E). Furthermore, the Bank performs sectorial analyses regarding the grade of credit vulnerability, in order for high risk sectors to be identified.

The determination of the credit limits in the Banking Portfolio is based on the rational dispersion of the Bank's capital and the avoidance of high concentrations or percentages in various sectors of the economy, in geographies or in related counterparties.

An assessment of the concentration risk that may arise from exposures to specific customers or groups of Group clients and / or exposures to counterparties whose default risk is affected by common factors such as: macroeconomic environment, geographic location, industry, currency and used collateral.

The Bank gives high priority to the development of internal risk assessment tools which are based on specific characteristic per type of credit exposure and performs Stress Tests, the results of which are used in forming the boundary system.

Further disclosure is provided in note 43.3 of the Annual Financial Statements.

Market risk

The Bank is exposed to market risks arising from the change in the fair value of its financial products due to adverse changes in market variables, such as changes in interest rates, stock exchange rates and exchange rates.

The Bank's targets are:

- Low exposure to market risk and the definition of internal management and control procedures within the policy and management of the limits set by the Asset and Liability Management Committee (ALCO).

- The development of investment strategy consistent with the Bank's risk profile, which will move within the limits of the context of risk undertaking.

- Ensuring the interests of the Bank through the effective management of the interest rate of the exposures from its banking portfolios (IRRBB). In particular, the objective is to be able to manage the impact of a possible increase in interest rates at pre-crisis levels.

Further disclosure is provided in note 43.2 of the Annual Financial Statements.

Interest rate risk on Banking Book

The Interest Rate Risk in the Banking Portfolio arises from the time differentials in the interest rates adjustments on the Bank's assets and liabilities.

The main objective of the Bank is to assess the effect of potential interest rate changes on net interest income (NII).

In the context of the Bank's effort to manage more effectively the credit risk in conjunction with profitability risk, loan rates are differentiated on the basis of the credit assessment of borrowers and the collateral received.

Further disclosure is provided in note 43.2 of the Annual Financial Statements.

Liquidity Risk

Liquidity Risk is defined as the Group's inability to fully or promptly repay current and future financial liabilities when they become due because of lack of the necessary liquidity.

The Bank's objective in managing liquidity risk is to ensure, to the best of its ability, the existence of satisfactory liquidity in order to meet its obligations, both in normal and in extreme situations, without disproportionate additional costs.

The Bank's targets are:

- The intensification of efforts to maintain the Bank's liquidity (Zero ELA Plan) and the fulfillment of supervisory requirements for the LCR and NSFR indicators.
- The development of a financing plan designed to maintain liquidity buffers that adequately limit the liquidity risk and reduce the possibility of using emergency funds.
- The diversification of sources of funding and the utilization of the directorates responsible for liquidity management.
- Strengthening and expanding sources of funding by increasing customer deposits, issuing securities and accessing interbank markets for secured finance.

Finally, for the effective management and monitoring of liquidity, the Bank performs stress testing scenarios, at least twice a year, based on the Bank's specific characteristics and changes in market characteristics and conditions.

Further disclosure is provided in note 43.1 of the Annual Financial Statements.

Operational Risk

As Operational Risk is defined as the risk of loss resulting from inadequate internal processes or violations of those processes, people and systems, or from external events (fire, earthquake or other natural disasters). The scope of operational risk includes risks arising from the legal coverage of the Bank's issues as well as the broader application of legal and regulatory frameworks.

The Bank aims to zero exposure to losses from internal fraud and the minimization of exposure to damage caused by employees. In order to achieve the above objectives of the Bank, it is necessary to fully comply with the guides and its procedures, as well as to cover, where appropriate, guides and / or procedures in all the Bank's operations.

Measures taken concern the following:

- Insurance contracts
- Business Continuity
- Internal audit for fraud and inadequacy of procedures, systems, etc.
- Legal and regulatory framework compliance
- Training / Education
- Chart of Authorities

Finally, the Bank has undertaken actions to integrate systems and automate procedures for the recognition, measurement, monitoring and management of operational risk, by using new systems, in combination with the existing IT equipment of the Bank.

Further disclosure is provided in note 43 of the Annual Financial Statements.

Future outlook and prospects

Prospects

Attica Bank primary target is the increase of its operational efficiency, operating profitability achievement and capital creation.

The strategy for the next three years forecasts the doubling of the Bank's financial position through the increase of loans and advances and deposits, either through the creation of new cooperation or through the activation of existing. This demands the significant expansions of the customer base through a new double focus: the professional's market (engineers, doctors, doctors, large farmers) and the ecosystem around environment, energy and infrastructure. Furthermore, emphasis is given to the small and small – medium entities and professionals, the backbone sector of the Greek economy. Additionally, the Board of Directors adopted sustainable banking policies, through the adjustment of the Bank's strategy as demanded by the orders regarding environment protection.

Ongoing digital transformation will play a significant part in the implementation of the Bank's business plan. Digital transformation's dimensions include simpler and digital processes, digital interface with the clients, fully centralized support and strict corporate governance.

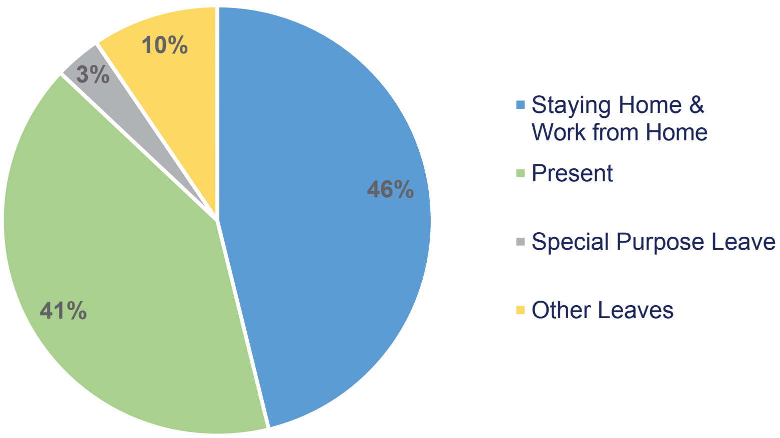
The resolution of the Bank's financial position is a strategic target of Attica Bank's business plan. Towards this direction, the Bank signed on 24.03.2020 a contract regarding the servicing of a loan portfolio of 435 million euros ("legal" balance). This agreement will allow the Bank to further focus on the development of its banking procedures.

It should be noted that the implementation of the Bank's business plan will be supported by the Bank's employees effort. Attica Bank invests in continuous training and upgrade of its employees skills, who will supported by specialized executives. Bank's branch network will be upgraded and transformed, so that it will be the main sales and customer relationship maintenance mechanism.

The Group, in the context of the challenged of the pandemic of coronavirus both globally and domestically along with the extraordinary economic conditions created, has set as priority the safeguard of its employees' health and safety and the preparation of the post coronavirus era.

The Bank's Management formed the Risk Management Committee on 4th March 2020 which:

- monitors all updates through the national and global organizations in charge and supervises the implementation of all guidance and orders issued by the WHO and other government authorities
- constantly communicates and gets informed from doctors, special scientists and experts
- achieved gradually and fast better hygienic and safety conditions with constant decontaminations and cleaning, provision of protective measures for all, forbiddance of visitors entry to the Management premises and strict entry control for the customers in the branches
- analyzes and evaluates under documented way the general condition on a daily basis and decides for all the necessary actions for the health preservation of all employees and protection of all customers in the branches.



The Bank's management achieved through its actions for the 87% of its workforce to continue to provide their work either through physical presence or through distant presence with basic concern the preservation of the uninterrupted operation of the Bank.

Attica Bank Group implements the new business plan for the 3 years period of 2020-2022. Attica Bank taking into consideration the continuous changing domestic and international environment, proceeded in revising its business plan in 2020, to reflect the new challenges of the economic environment due to the pandemic of coronavirus and simultaneously to provide meaningful support to employees and companies of the affected sectors of economic operation.

Transactions with Related Parties

All transactions with related parties were carried out in the ordinary course of business and on an arm's length basis. The aforementioned transactions for the period ended 31.12.2019 are presented in the tables below distinguished between transactions with related companies and transactions with members of management:

Transactions with Related Companies

Receivables

Company (amounts in thousand €)	Attica Bank's participation as at 31.12.2019	Participation	Loans	Other
Attica Wealth Management Mutual Funds	502	100%		
Attica Bancassurance Agency S.A.	100	100%		332
Attica Bank Properties S.A.	500	100%		4
Zaitech Innovation Venture Capital Fund	4,323	50%		
Thea Artemis Societe Anonyme for Management of Loans and Appropriations	20	20%	5,196	
Total	**5,444**		**5,196**	**336**

Payables

Company (amounts in thousand €)	Time Deposits	Sight Deposits	Expenses Payables
Attica Wealth Management Mutual Funds	966		
Attica Bancassurance Agency S.A.	4,535		
Attica Bank Properties S.A.	507		162
Zaitech Innovation Venture Capital Fund	69		
Thea Artemis Societe Anonyme for Management of Loans and Appropriations	1,546		
T.M.E.D.E. (Civil Engineer Contradors Fund)	36,000	5,905	
E.F.K.A. (Single Social Security Body)		182,699	
Total	**43,623**	**188,604**	**162**

Income			
Company (amounts in thousand €)	Ενοίκια	Προμήθειες	Τόκοι Χορηγήσεων
Attica Wealth Management Mutual Funds		4	
Attica Bancassurance Agency S.A.	1	141	
Attica Bank Properties S.A.		1	
Zaitech Innovation Venture Capital Fund			
Thea Artemis Societe Anonyme for Management of Loans and Appropriations			73
Total	**1**	**145**	**73**

Expenses		
Company (amounts in thousand €)	Χρεωστικοί τόκοι καταθέσεων	Παροχή υπηρεσιών
Attica Wealth Management Mutual Funds	10	
Attica Bancassurance Agency S.A.	11	
Attica Bank Properties S.A.	1	797
T.M.E.D.E. (Civil Engineer Contradors Fund)	703	
E.F.K.A. (Single Social Security Body)	2,737	
Total	**3,461**	**797**

Letters of Guarantee	
Company (amounts in thousand €)	Εγγυητικές επιστολές
Attica Wealth Management Mutual Funds	56
Attica Bank Properties S.A.	2
Total	**58**

Transactions with members of the management

The table below lists the transactions with members of the Management (Chairman and Chief Executive Officer, members of the Board of Directors, members of the Executive Committee) at 31.12.2019 at Bank and Group level.

Transactions with members of the management		
(amounts in thousand €)	Τράπεζα	Όμιλος
Receivables	342	342
Payables	1,582	1,583
Interest Income	10	10
Interest Expenses	6	6
Wages and Salaries	1,711	1,844
Board of Directors' fees	562	678

03

Non-Financial Information Report

attica bank

Non-Financial Information Report

Attica Bank has a clear strategy for developing and continuously improving its potential. Its strategy and business model are governed by the principles set out in the Code of Conduct and Ethics, and strategic decisions take into account the principles of corporate governance. Attica Bank is constantly adapting and improving its strategy and ensuring the harmonization of its individual business actions to achieve its long-term and short-term goals, through regular review and monitoring of key performance indicators.

Internal Audit

The Internal Audit Division, through the audits it conducts, evaluates the correct planning (adequacy) and finds the effective operation of the audit mechanisms that make up the Internal Audit System, providing its independent evaluation to the Audit Committee, and through it to of Attica Bank. It also provides advice on improving the design and operation of the Internal Audit System, both through its audit work and, through its advisory role, in its participation in project committees.

The Internal Audit Division, as a Service independent from the other Attica Bank units, is part of, and reports to, as regards its operation, directly to the Audit Committee and, through it, to the Board of Directors of Attica Bank, for the purpose of preserving its independence. For administrative matters, only the Internal Audit Division reports to the Chief Executive Officer.

Regulatory Compliance & Corporate Governance

The purpose of the Regulatory Compliance & Corporate Governance Division lies in the prevention and effective management of non-compliance risks by Attica Bank with the regulatory framework that governs their operation each time, by establishing appropriate policies and processes and adopting risk identification, control and monitoring mechanisms. Particular emphasis is placed on compliance with the regulatory framework for preventing and tackling money laundering and terrorist financing. In addition, its purpose is to monitor compliance with the principles and practices under which Attica Bank is organized, operated and managed, in order to safeguard and satisfy the legitimate interests of all those associated with the Bank.

Sustainable banking operations

Attica Bank aims to reduce the environmental footprint of its operations and infrastructure. During the years 2018-2019, the Bank has already proceeded to the following actions:

- recycling of paper, plastic cards, toner of photocopiers and printing machines, lamps, electrical & electronic devices and security systems materials;
- use of organic detergents in the Bank's buildings;
- replacing simple bulbs with energy-saving bulbs;
- issuance of energy certificates for a number of stores and buildings.

To further develop environmental and social responsibility, policies are applied to:

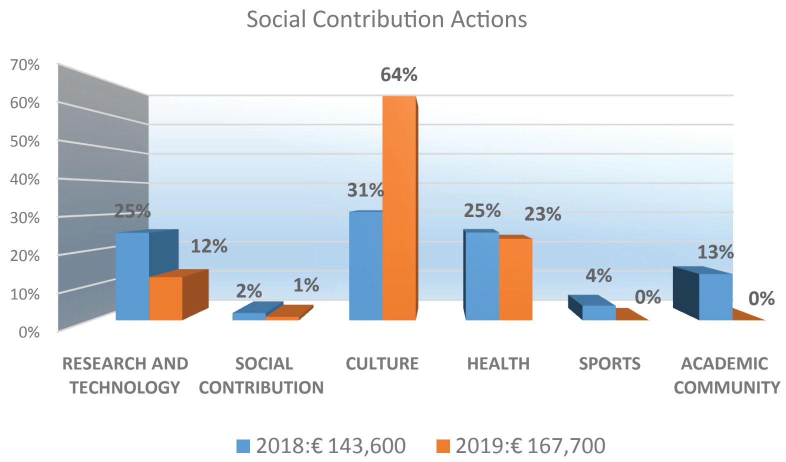
- extend the no paper policy throughout the bank's production process, by providing special incentives to the customers and by accelerating the implementation of electronic copies for accounts (E-Statement);
- use biodegradable materials throughout the bank's product chain, such as plastic for cards (from corn), forms, flyers, etc.
- implement systematic waste management;
- evaluate mechanical equipment to reduce energy consumption, by means of targeted maintenance, replacements, upgrades;
- reduce energy consumption (operating time of air conditioners and other machines, lighting with LED lamps);
- install photocells for lighting in all common areas and warehouses;
- implement energy upgrade of buildings;
- use electric or hybrid cars
- promote environmental education and environmental awareness;
- adopt International Standards (Corporate Social Responsibility ISO 26000, Environmental Management System ISO 14001, Business Continuity ISO 22301).

Society

Contribution to society is an integral part of Attica Bank's corporate identity, which features a high sense of responsibility towards society and fellow human beings, by helping to address social problems, supporting humanitarian initiatives and supporting the work of recognized organizations and social actors. Attica Bank, having embraced the long-term success and increase in its value, is intertwined with the development and prosperity of the societies in which it operates.

In 2019, in the framework of the corporate social responsibility program, Attica Bank contributed to important actions in the fields of Research and Technology, Social Offering, Health and Culture. It supports social, intellectual and artistic life and contributes to the preservation and promotion of cultural heritage, subsidizes intellectual works, artistic and cultural events, as well as to the development of sports.

- In the field of culture, Attica Bank was a sponsor of the National Opera in a musical tribute to Manos Hadjidakis. Furthermore, the Bank supported the actions of the Association "DIAZOMA" which promotes the protection and promotion of ancient theaters in our country, while supporting cultural activities of Municipalities, Public Benefit Enterprises and Chambers of the country, aimed at the spiritual cultivation of our fellow citizens in various areas throughout Greece.
- In the field of health, Attica Bank was a sponsor of a medical program, carried out by the Hellenic Institute of Cardiology (EL.I.KAR) and at the same time completed a donation to the General Hospital of Athens "Laiko".
- In the field of research and technology, Attica Bank supported several sponsorship conferences and workshops organized within 2019.
- In the context of social support, Attica Bank offered donations to several vulnerable social groups.



Attica Bank complies with decisions that require that it must not cooperate with countries, companies or individuals who support terrorism or violate human rights. It does not, directly or indirectly, support political parties and organizations.

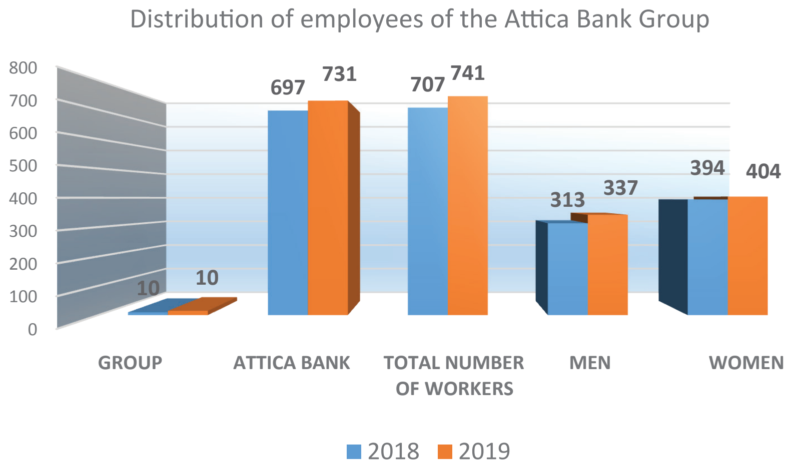
Also, Attica Bank, in the context of its initiatives on matters that benefit employees and society in general, has taken the following actions:

- Installation of special corridors (ramps) for the access of people with special needs, at six (6) branches and one (1) administration building,
- Entrance with accessible wheelchair at twenty five (25) branches and three (3) administration buildings,
- Creation of a "Blood Bank" by organizing two blood donations per year, in collaboration with the relevant Association of Bank Employees,
- Establishment of an internship program following the completion of studies for obtaining a degree, and
- Establishment of a training program for senior undergraduates / graduates and/or postgraduate students, to provide them with the necessary skills for their smooth integration in the labor market.

Work-related Matters

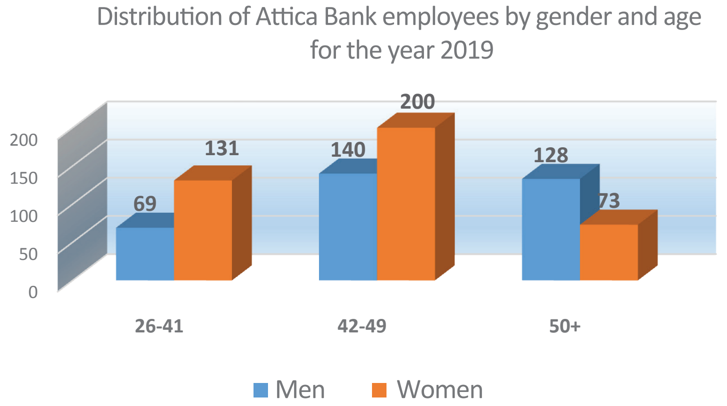
The employees of Attica Bank are the most important asset for the Bank's success and development. Attica Bank ensures the following in accordance with the Personnel Work Regulations and taking into account the guidelines of the Organization for Economic Co-operation and Development (OECD) on the operations and key employment contracts of the International Labor Organization (ILO):

- Equal treatment and respect for staff diversity
- Professional development and training of staff
- Safe working conditions.



On December 31, 2019, Attica Bank employed 741 people. The gender distribution of staff reflects the defense of equal opportunities advocated by Attica Bank, as the percentage of women is about 54% of the total number of employees.

Regarding the age distribution of the majority of the human resources gathered at Attica Bank, about 72% of the human resources are under 50 years old, while about 28% are up to 42 years old.



Attica Bank hired forty-eight (48) people in 2019, whereas 15 people left.

As Attica Bank comprehends the importance of the development and evolution of human resources in the implementation of its strategic objectives:

- It implements a meritocratic system for evaluating the performance, promotions and rewards of human resources. The aim is to recognize and reward the effort made by each employee.
- It invests in the continuous improvement of human resource skills and encourages lifelong learning and training, by organizing training and development programs and providing educational opportunities based on current policies.
- It ensures good and safe working conditions, providing equal rights and opportunities for all, in order to achieve a balance between working time and the personal life of employees.

Assessment

The implementation of employee evaluation systems has a positive effect on rewarding good professional performance and encouraging their effort to continuously improve their performance and enhance their skills. Attica Bank implements a performance evaluation process for all employees, on an annual basis. Especially for the year 2019, and based on the conclusions drawn from a corporate culture survey, Attica Bank proceeded to redesign the performance evaluation system. It will henceforth implement a new process following a modern model of governance on the basis of which evaluation is evolving into an ongoing development process.

Equal opportunities

Attica Bank, with a sense of responsibility and taking into account the guidelines of the Organization for Economic Co-operation and Development (OECD) for the operations and key employment contracts of the International Labor Organization (ILO), supports and defends human rights and is committed to protecting them through of the Code of Conduct and Ethics.

Attica Bank promotes equal opportunities, equal treatment and freedom of expression for its staff. It recognizes that diversity is a key component of a responsible business strategy and excludes all forms of discrimination, harassment or unprofessional behavior at work, while prohibiting the employment of minors under the age of eighteen (18), as well as any form of forced labor (e.g. compulsory overtime and threats of dismissal).

Respect for human rights is fundamental to the sustainable development of both Attica Bank and the societies in which it operates. Recognizing the risk of human rights violations, Attica Bank encourages the reporting thereof by establishing a confidential communication channel, the operation of which has been communicated to everyone in the staff, where any reports are evaluated and investigated by the Internal Audit Division.

Moreover, recognizing the risk of human rights abuses by third parties, Attica Bank fully complies with decisions prohibiting cooperation with countries, companies or individuals that support violence and terrorism.

Framework of fees and benefits

Recognizing the dedication and contribution of human resources, Attica Bank implements modern reward systems. Specifically, the Revenue Policy has been established, which is harmonized with the overall operating policy of the Group and is part of its corporate governance. This policy is reviewed on an annual basis with the aim of attracting and retaining human resources, as well as achieving compliance with any legislative and supervisory restrictions, and aims to the following:

- Promoting Attica Bank's business strategy, goals and long-term interests and mobilizing human resources in this direction.
- Promoting good and effective management and covering future or future risks while encouraging Attica Bank to take excessive risks.
- Contributing to the prevention or minimization of situations of conflict of interest or influence, which are to the detriment of risk management.

As part of providing an attractive payroll package, Attica Bank provides:

- Life and hospital insurance through a Group Insurance Policy for the employee and protected members (spouse and children),
- Complementary Medical Care Policy, which includes a wide range of medical and dental procedures as well as examinations,
- Rechargeable electronic feeding order,
- Possibility to grant loans to staff, with a maximum amount of up to five (5) gross monthly salaries to cover emergencies,
- Financial awards to employees' children when they excel, as well as those admitted to Greek universities and technology institutes, and
- Books for the children of employees before the start of each new school year.

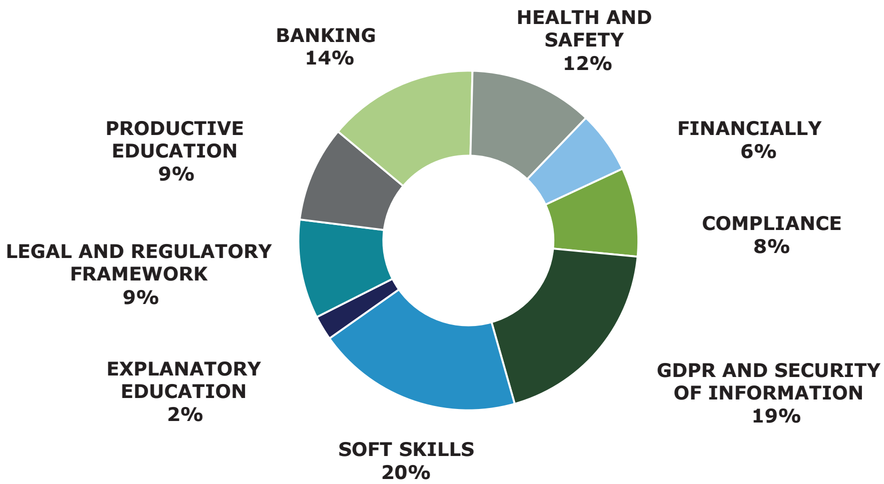
Education

Attica Bank monitors, manages and evaluates the educational needs of all employees, aiming to the following:

- Expanding the education of its human resources,
- development of vocational training and experience, and
- timely and smooth adaptation of knowledge and specialties to the new requirements of technology, organization and modern banking practice.

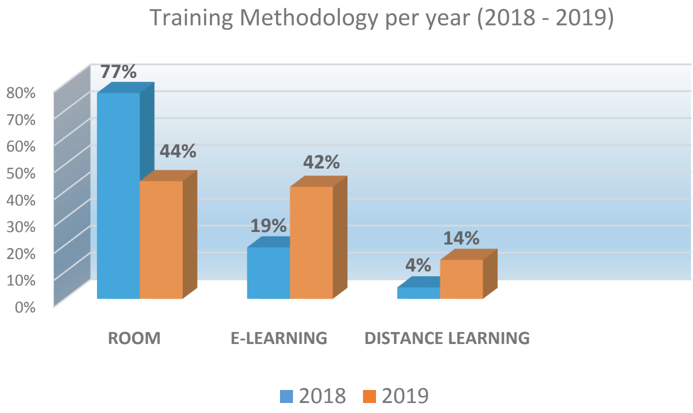
As defined in the Staff Work Regulations, the training concerns all human resources and is continuous and proportionate to the training needs of each employee. For the implementation of the annual educational plan, it is preceded by the diagnosis of educational needs and then the submission of the prepared plan in an approval process of prioritization and control of the expediency of the educational actions in order to be launched for implementation.

In the year 2019, there was a27.32% increase in educational work. Attica Bank's training program covered a wide range of educational needs with both live and e-learning training with the following topics:



In addition to the above training programs, Attica Bank ensures that the level of competence required for Certificates of Professional Competence is fully complied with in accordance with its institutional obligations. In this context, the coverage of professional competence certifications in the roles of service units is ensured, the subject of which is the provision of Investment Advice or Services for the Distribution of Insurance and Reinsurance Products or Products of Housing Loyalty. Attica Bank also encourages the acquisition of professional certifications in various other subjects, such as Auditing, Fraud, Informatics, Accounting, Regulatory Compliance, etc.

The following is a picture of the educational activity per methodology used for the years 2018 and 2019 in comparison.



In addition, the Training and professional development policy for the members of the Board of Directors has been established, through which the members of the Board of Directors are given the opportunity to enrich their knowledge in the business model of the Group and further develop their professional skills, with the ultimate objective of making a substantial contribution to the administration.

Health and safety

With the main goal of improving professional life and recognizing the importance of good physical and mental health among employees, Attica Bank has ensured a modern, healthy and safe work environment, applying the legal provisions laid down for the health and safety of employees.

To this end, it monitors and controls the relevant risks and takes the necessary precautionary measures, such as:

- Educational programs for the Health and Safety of employees on an annual basis, as reflected in the topics of the educational programs,
- Carrying out building evacuation drills on a quarterly basis, preparing for the cases of fire, earthquake, terrorist acts, etc. For this purpose, a Circular has been issued regarding the "Emergency Response and Building Evacuation Plan". In 2019, three evacuation drills took place in Administration buildings.
- Visits of the Safety Technician and the Occupational Physician in accordance with the applicable laws.

In 2019, and in order to protect the health and safety of the Bank's employees, the following training was carried out:

- E-learning seminars on First Aid issues, for newly hired employees, as well as for employees who were not included in the 2018 trainings (until all Bank employees participated)
- E-learning seminars on Fire Safety & the Evacuation of Office Areas, for newly hired employees, as well as for employees who were not included in the 2018 trainings (until all Bank employees participated)
- Special Fire Safety seminars, in a room, consisting of theory and practice, and carried out in real fire conditions (with all the necessary precautions). The training was carried out by the Athens Fire Academy for the members of the fire protection teams (leaders / deputy chiefs), for all the building facilities of the Bank.
- Special seminars in a room, on the Protection of Human Resources in Cases of Illegal Situations & Threats to Human Life / Dealing with Robbery, for all the Heads of the Network, as well as for the human resources in the front line. The training was carried out by the Hellenic Police.

Moreover, in 2019, three evacuation drills took place in buildings of the Administration, while for the same period two incidents of accidents were recorded.

Associations

As defined in the Staff Regulations, in the industry and business Collective Work Contracts, in national and EU laws, as well as in international protocols, Attica Bank respects the constitutional right of every employee to participate in trade unions.

Attica Bank operates the Attica Bank Employees' Association (SYTA), the only statutory Workers' Union for its employees, which represents 674 registered members, i.e. more than 90% of all regular staff.

Relationships with Customers and Suppliers

Attica Bank, in the context of its responsible operation, has established policies and procedures which define the principles and rules for the effective management of procurement and the outsourcing of activities to third parties. In particular, it has enacted a Cost Approval Policy and an Outsourcing Policy, which promote transparency and impartiality and ensure proper risk management through the establishment of specific criteria and procedures. Also, based on the Outsourcing Policy, regular inspections of the relations with the providers are carried out regularly, while the risks arising from such relations are also evaluated based on predetermined criteria and are monitored on a regular basis.

The main suppliers of Attica Bank are computer service providers, customer service and network support companies. Three contracts have been signed for the main suppliers concerning IT service companies, and there is one contract for suppliers that provide customer services and network support services. According to the Code of Conduct and Ethics, staff members must comply with all procedures provided for the examination, evaluation and selection of suppliers on behalf of Attica Bank, applying objective criteria, thus safeguarding the Group's reputation and interests.

In order to manage the risk of breach of the existing legislation by third parties to whom the execution of projects has been outsourced, a special term is included in all contracts regarding the obligation of third parties to comply with the provisions of labor and insurance legislation, legislation for the health and safety of employees and legislation for the prevention of occupational risk, while the payment of remuneration, any compensation and insurance contributions is monitored on a regular basis, in accordance with Law 4554/2018.

Fight against corruption

Attica Bank's Management adopts a policy of zero tolerance for fraudulent, and generally illegal, actions. These actions are contrary to the fundamental values and principles (which are mentioned in Attica Bank's Code of Conduct and Ethics) that govern Attica Bank's business activities and pose a significant risk to it, with a serious impact on its reputation and the interests of customers, shareholders and employees.

In this context, and taking into account the guidelines of the Organization for Economic Co-operation and Development (OECD) for businesses, Attica Bank has established the following policies to prevent and tackle corruption and bribery.

Please note that no cases of corruption were recorded in Attica Bank in 2019.

Conduct and Ethics

The Code of Conduct and Ethics establishes values and principles and sets standards of conduct and rules for tackling corruption and bribery, phenomena which could jeopardize Attica Bank's reputation and interests. According to the Code of Conduct and Ethics, no member of the staff of Attica Bank or first-degree relatives thereof may be involved in bribery / money laundering in any form, either directly or indirectly.

Conflict of Interest

Attica Bank acknowledges the risk of conflict of interest when conducting business and providing investment and banking services. In this context, it has established the Policy for Conflict of Interest and the Policy for the Prevention of Conflict of Interest for the Members of the Board of Directors and the top executives of the Bank, defining a series of organizational measures, procedures and systems for preventing and/or managing real or potential cases of conflict of interest.

Preventing and Tackling Money Laundering and Terrorist Financing

The Anti-Money Laundering and Terrorist Financing Revenue Policy defines due diligence procedures regarding customers, in full compliance with the Financial Action Task Force (Financial Action Task Force) and its recommendations. The due diligence measures include the certification and verification of the identity of the customer and the actual beneficiary, the exercise of continuous supervision over the business relationship, the thorough examination of transactions and the immediate notification of the competent Commission and the Bank of Greece, when there are serious indications or suspicions that money laundering or financing of terrorism is being committed or attempted, has been committed or attempted.

Dealing with Fraud

To ensure effective and safe operation and to prevent fraud, Attica Bank is going to introduce the Anti-Fraud Policy in 2020, which defines the concept of fraud, describes the organization and the structures to deal with it. It also defines the obligations of all staff and the responsibilities and actions to be followed when fraud or attempted fraud is detected or suspected, as well as the relevant actions of the competent authorities.

In order to raise awareness among the staff and to formulate a unified behavior for preventing and tackling corruption and bribery, educational programs are carried out on a regular basis, related to the legal framework and including training on Preventing and Tacking Money Laundering & Terrorist Financing.

Complaints

Attica Bank has established a Complaints Management Policy which sets out the rules for the effective management of customer complaints / complaints / grievances / complaints regarding the services offered to them.

Reports/Complaints

Attica Bank has set up a confidential communication channel, which provides an opportunity for the staff to report anonymously serious irregularities, omissions, criminal acts and illegal practices that came to their notice during the performance of their duties. All reports are evaluated and investigated by the Internal Audit Division in complete confidentiality, and the Division immediately informs the Management and the Audit Committee.

Dealing with emergencies

Attica Bank aims to protect the health and safety of workers to reduce the risks associated with the spread of Covid-19, and having as its immediate priority the protection of Human Resources is in constant contact with the competent state authority, i.e. the National Public Health Organization (EODY) and the cooperating company EXYPP, which provides Occupational Physician and Safety Technician services.

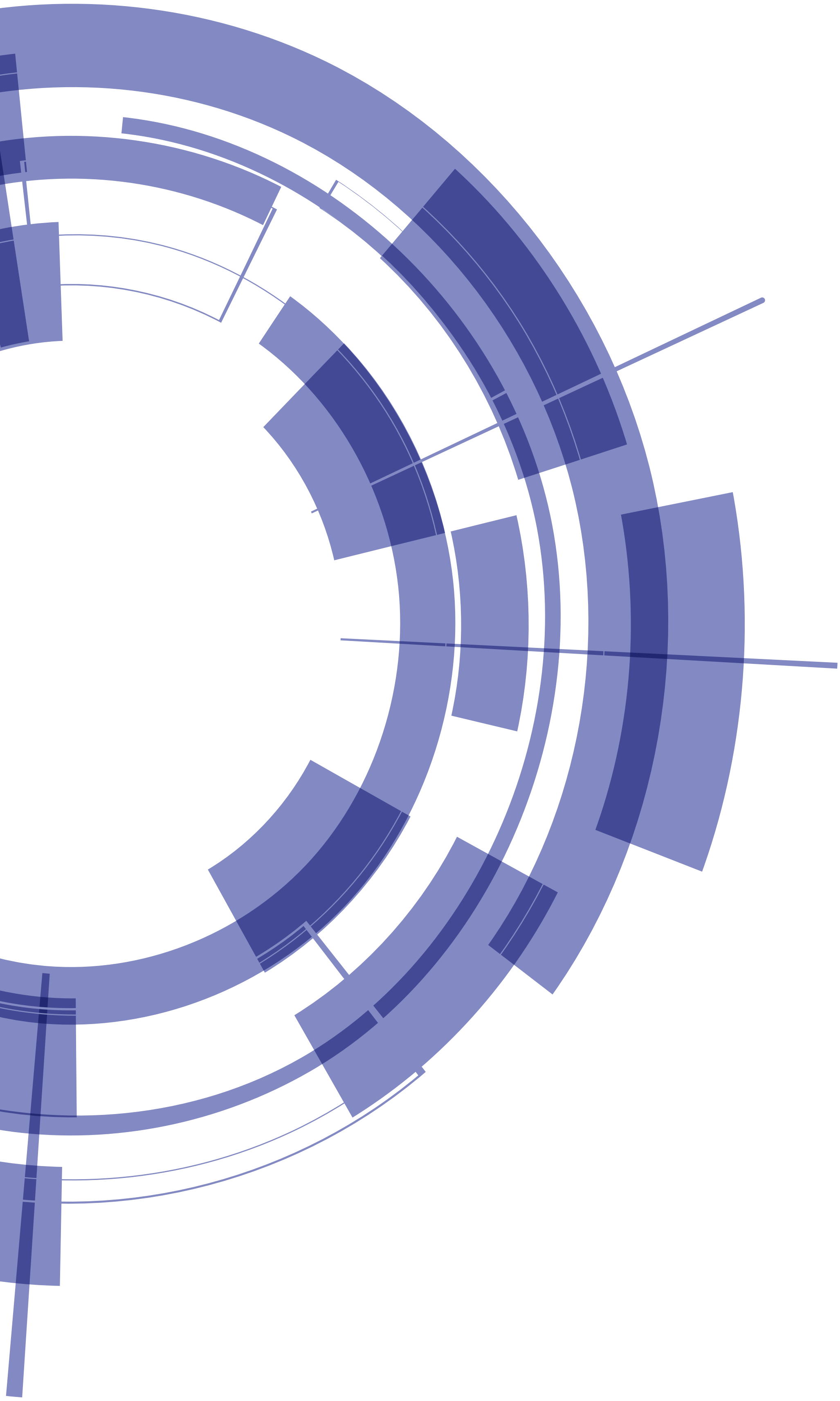
In this context, a competent Crisis Management Committee has been set up, which is responsible for coordinating actions to address the issue of Covid-19. In the context of the above, it was decided to issue specific instructions and to take precautionary measures. More specifically:

- Building coordinators have been appointed.
- Technical and procedural measures have been taken to remotely employ Bank officials, in order for the jobs critical for the Bank to continue, in the case that buildings are closed down and/or people are required to stay at home.

Attica Bank has been quick to create a fully functional model for distance working to protect the health of its employees, by adapting the Bank's procedures for ensuring "remote access" to its employees and customers, and taking action aimed at meeting the immediate needs of customers.

- Attica Bank has started supplying the necessary disinfectants for use by staff, customers and for the cleaning of its facilities.
- The cleaning of all work areas of the Bank (Administrative Units and Branches) has been intensified, with an additional visit of the cleaning crews in the mid of the working hours and an additional, upgraded, cleaning visit after the end of the works.
- Disinfections were planned in prefectures where the problem is severe (Achaia and Ilia). Also, preventive disinfections will be carried out in all the facilities of the Bank - Management Buildings and Branches
- Instructions were given to the Heads of Units to completely avoid scheduling large gatherings, except in exceptional cases, to limit small meetings and to use the method of teleconference as much as possible.
- Travelling for professional reasons is banned and it was recommended to avoid travelling for personal reasons to areas where the Covid-19 virus has been transmitted. It was also recommended to avoid unnecessary travel by public transport.
- The Human Resources Department shall send to the entire Personnel any new information from competent official bodies.

Please note that this paragraph does not pertain to the reference period (2019).



04

Declaration of Corporate Governance

attica bank

Corporate Governance Statement

The bank has adopted and implements a Corporate Governance Code in accordance with Greek law and corporate governance best practices.

The Code has been posted on the Bank's website.

General Meeting

The General Meeting is the supreme body of the bank, representing the shareholders and is entitled to decide on every corporate affair. Its decisions on all issues are binding for all shareholders, even for those who were absent from the meeting or who disagree with the decisions made.

The procedures and rules on the General Meeting convocation, participation and decision-making, as well as its responsibilities, are regulated in detail by the provisions of the Bank's Articles of Association as amended and in force by Codified Law 4548/2018.

The General Meeting shall be the only competent body to decide on the following:

- The amendments to the Articles of Association, including any increases, regular or exceptional, or decreases in the Bank's share capital.
- The election or replacement of members of the BoD and auditors, except in the case of Article 18(1) of the Articles of Association on the election of members of the BoD to replace resigned, or deceased members, or members who are relieved due to any other reason.
- The approval of the Company's annual and consolidated financial statements.
- The allocation of annual profits.
- The merger, split, transformation, revival, duration extension or dissolution of the Bank.
- The appointment of liquidators.
- The approval of payments or advance payments of fees.
- The approval of payroll policy and payroll reports.
- The approval of the overall management, and the relief of the auditors and
- Any other matter provided for in the Bank's Articles of Association.

The rights of the shareholders in the General Meetings of the Bank are set out in Articles 124, 127 and 128 of Law 4548/2018, in conjunction with the Bank's Articles of Association.

Board of Directors (BoD)

The Board of Directors is collectively responsible for setting the strategic objectives of the Group, overseeing top and higher management executives, as well as for the ensuring the adequate and effective control of the Bank in order to secure its general corporate interests and achieve the maxi- mum long-term value under the law.

The current Board of Directors is composed of twelve (12) members of which three (3) are executive, four (2) non-executive, four (6) independent non executive and one (1) is a representative of the Greek State designated pursuant to the relevant provisions of Law 3723/2008.

The appointment of the independent members of the Board according to Law 3016/2002, as amended and applied to corporate governance, is carried by the General Meeting of Shareholders.

On March 13, 2019, the Chairman of the Board of Directors, Mr. Panagiotis Roumeliotis, resigned and Mr. Georgios Michelis was elected Member and Chairman of the Board of Directors on March 26, 2019.

On July 17, 2019, Mr. K. Mitropoulos was appointed Chairman of the Board of Directors with the following composition:

1. Konstantinos Mitropoulos, Chairman, Non-Executive Member
2. Konstantinos Makedos, Vice-Chairman, Non-Executive Member
3. Theodoros Pantalakis, Chief Executive Officer, Executive Member
4. Antonis Vartholomeos, Deputy Chief Executive Officer, Executive Member
5. Ioannis Tsakirakis, Deputy Chief Executive Officer, Executive Member
6. Dimitris Tzanninis, Independent Non-Executive Member
7. Stavros Papagiannopoulos, Independent Non-Executive Member
8. Eleni Koliopoulou, Independent Non-Executive Member
9. Georgios Doukidis, Independent Non-Executive Member
10. Andreas Taprantzis, Independent Non-Executive Member
11. Chariton Kyriazis, Independent Non-Executive Member
12. Zacharoula Papatheodorou, Adjunct, Non-Executive Member and representative of the Greek State pursuant to the provisions of Law 3723/2008.

At the meeting of the Board of Directors of November 27, 2019, Mrs. Aikaterini Onoufriadou of Odysseus was appointed representative of the Greek State and additional, Non-Executive Member of the Board of Directors of the Bank in replacement of the resigned Mrs. Zacharoula Papatheodorou, pursuant to the provisions of n. 3723/2008 (Government Gazette A' 250).

It is the Board of Directors responsibility to decide on any act relating to the management of the company, the management of its property and, generally, the pursuit of corporate goals, with the exception of matters which, by an express provision of the Law or the Articles of Association, fall within the jurisdiction of the General Meeting.

Moreover, pursuant to Law 4261/2014, the Board of Directors:

- Has the overall responsibility for the management and operation of the credit institution and approves and oversees the implementation of the credit institution's strategic objectives, risk strategy and internal governance.
- Ensures the integrity of accounting and financial reporting systems, including financial and operational controls and compliance with the law and related standards.
- Oversees the process of statutory disclosures and announcements.
- Is responsible for the effective supervision of top management executives within the scope of Article 3(1)(9) of Law 4261/2014.
- Monitors and evaluates periodically the effectiveness of the institution's corporate governance framework and takes appropriate action to address any shortcomings.
- The responsibilities of the Board of Directors of the Bank are detailed in its Articles of Association and Operational Regulation.

The composition of the Board of Directors of the Bank is in line with the requirements of the current regulatory framework regarding the experience and skills of its members.

ts members have internationally recognized experience and expertise in strategically important areas such as banking, auditing, risk management, problem loan management and restructuring, financial administration, etc.

Moreover, the Bank recognizes the need to strengthen the female participation proportion in the Board of Directors, and will work in that direction, taking into account the range of candidates available.

The achieved diversity of the members of the Board contributes effectively to the expression of different opinions, the avoidance of "consensual group thinking" and to constructive dialogue among its members, so that final decisions are subject to a critical review of the Management by the non-executive members of the Board of Directors.

In the context of Corporate Governance structure and procedures, the Board of Directors adopted the following policies:
- BoD Candidate Members Nomination Policy
- BoD Remuneration Policy
- Customer Asset Safe-Keeping Policy
- Operational Regulation of BoD Committees
- Corporate Governance Code

Operation of the BoD

The Operational Regulation of the Board of Directors was approved on 29.01.2020 and replaced the regulation approved on 31.01.2019. The regulation ensures full compliance with the law governing public limited companies (Law 4548/2018), the specific legislation applicable to credit institutions (Law 4261/2014, Law 3723/2008) and the publicly listed limited companies (Law no. 3016/2002), the guidelines of the European Banking Authority on corporate governance issues, the principles of corporate governance of the Royal Commission on Banking Supervision and in general, the best practices of corporate governance at the international, European and Greek level.

According to the Operational Regulation, the Board of Directors shall meet at the registered office of the Bank at least once every calendar month, at the date and time and on the agenda items to be set and communicated by written invitation to the other members by the Chairman or his Deputy at least two (2) working days before the meeting. The BoD shall meet urgently when the Chairman or his Deputy deems it appropriate or necessary, or at the request of at least two of its members in writing (electronic means included) to the Chairman or his Deputy. The BoD must meet within seven (7) days from the filing of the request to be admissible, the request must clearly state the issues that the BoD will discuss.

BoD meetings shall be convened by the BoD Secretariat within the aforementioned timeframe and following a call by the Chairman of the BoD.

The agenda items shall be clearly stated in the invitation. The agenda of each BoD meeting shall be determined by the Chairman and forwarded to the members of the Board of Directors. The agenda and the relevant documents shall be distributed within reasonable time, at least two working days before the meeting. Their distribution by electronic means is considered valid. Suggestions should be clear and include, where appropriate, a concise description of the subject.

The Board of Directors shall be in quorum and meet validly when half plus one of its Members are present or represented.

The decisions of the Board of Directors are valid if taken by an absolute majority of the present and represented Members.

Each Member has one vote and each Member can validly represent another Member only with a specific proxy addressed to the Board of Directors or with a Statement recorded in the minutes. Representation of a Member of the Board of Directors is prohibited by a person who is not a Member.

The minutes of the BoD are signed by the members who are present. In the event of a refusal of any member to sign, this shall be recorded in the minutes. Copies and extracts of the BoD minutes shall be ratified by the Chairman or his Deputy.

The drawing up and signing of minutes by all members of the BoD or their representatives shall be equivalent to a BoD decision, even if no meeting has preceded.
During 2019, the Board of Directors held 26 meetings and its meeting attendance rate reached 94,5%.

The main issues addressed by the Board of Directors in 2019 comprise the following:

a) Corporate Governance:

- Preparation and convocation of the Annual General Meeting of the Bank's Shareholders
- Planning and progress achieved in the BoD Committees work
- Approval of the Board of Directors regulation
- Remuneration of top executives and BoD members
- Restructuring and changes in the composition of the BoD Committees
- Updating the corporate governance code
- Implementation of the Compliance Monitoring Program
- Updating the Code of Conduct and Ethics
- Updating the Complaints Management Policy
- Updating the Fight against Money Laundering Policy
- Updating the Diversification of Board Members Policy

In the context of the upgrading Corporate Governance structure and procedures, the Board of Directors adopted the following policies:

- BoD Candidate Members Nomination Policy
- BoD Remuneration Policy
- Customer Asset Safe-Keeping Policy
- Operational Regulation of BoD Committees
- Corporate Governance Code

b) Monitoring of Business Activities:

- Approval of the 2020 budget
- Approval of the financial statements
- Approval of the Bank Group's Strategy Guidelines
- Monitoring the Bank's key indicators and figures
- Approval of the Bank's Business Plan 2019-2023
- IFRS9 Policy Approval
- Approval of Strategic Corporate Communication
- Real estate development planning

c) Risk Management:

- Non-performing exposures of the Bank.
- Regular monitoring of the Bank's liquidity.
- Approval of the Internal Capital Adequacy Assessment Procedure (DAEEK) and the Internal Liquidity Adequacy Assessment Procedure (DAEER).
- Approval of the Bank's Recovery Plan 2019.
- Approval of the Finalized Risk Framework for the year 2019.
- Approval of Credit Risk Management Policy.
- Update of Default Regulation.
- Approval of Strategy, Framework and Risk Management Policies.

Fees and compensation of BoD Members

Any fees paid by the Bank to BoD Members, as well as the Bank's overall remuneration policy shall be determined by a decision of the Board of Directors and approved by a special decision of the General Meeting, as required by law.

All the fees and any compensation of the members of the Board of Directors shall be reported in a separate section of the Bank's financial statements.

The duties, responsibilities and obligations of BoD members are detailed in the Board of Directors' Operational Regulation, as approved by the Bank's Board of Directors. In addition, it is noted that, at the Ordinary General Meeting of 22.07.2019, the Policy for Remuneration of Members of the Board of Directors was approved.

BoD Committees

The Board of Directors shall be assisted in its work by Committees to which it may delegate responsibilities for the Internal Audit System, clearly identifying their duties, composition and operating procedures, and always ensuring their internal coherence, complementarity and coordination.

The Board of Directors at its meeting on July 22, 2019 (Minutes of the Board of Directors 1303) unanimously decided to abolish the Committee on Strategic Planning and Communication as well as the merger of the Committees for the Promotion of Candidate Members of the Board of Directors and Remuneration.

The Board recommended the following committees[1]:
1. BoD Candidate Members Nomination and Remuneration Committee
2. Risk Management Committee

Moreover, it shall also be supported in its work by the Audit Committee, whose members are elected by the General Meeting of Shareholders.

All the above committees shall report their activities to the Board of Directors.

1.1 Audit Committee

The purpose of the Audit Committee of the Bank is to assist the Board of Directors (BoD) in the exercise of its duties in the area of developing and ensuring the operation of an adequate and effective Internal Audit System at the Bank and Group level and, in particular, to ensure:

- the integrity of the financial statements of the Bank and the Group;
- the independence of internal and external audit of the Bank and the Group; and
- the compliance with the legal and regulatory framework, internal regulations and best practices to which the Bank and the Group are subject.

The Audit Committee is composed of at least three (3) non-executive members of the Bank's Board of Directors, at least two (2) of whom are independent non-executive members. The Members of the Audit Committee are elected by the General Meeting of Shareholders.

The term of office of the Audit Committee's members is three years. Renewal of the mandate or modification of the composition of the Audit Committee shall always be decided by the Bank's General Meeting. In case of resignation of a member of the Audit Committee, the vacant post shall be filled upon decision of the Bank's Board of Directors, which shall be submitted to the next General Meeting of Shareholders for approval. The General Meeting shall also appoint the Chairman of the Audit Committee, who may not be the same person as the Chairman of the Board of Directors or the Chairman of the Risk Management Committee. The Audit Committee may invite to its meetings any member of the Board of Directors, an executive of the Bank or any subsidiaries of its Group or another person (employee or associate) who, in its opinion, can assist in the execution of its work.

The secretary of the Audit Committee shall be an officer of the Bank, who works in a department of the Bank that is not controlled by the Internal Audit Division (hereinafter referred to as "IAD"). The secretary shall be appointed by decision of the Audit Committee.

By decision of the Ordinary General Meeting of Shareholders of 22/07/2019, the composition of the Committee was defined as follows:

Chairman: Dimitrios Tzanninis, Independent Non-Executive Board Member.
Member: Stavros Papagiannopoulos, Vice-Chairman, Non-Executive Member.
Member: Eleni Koliopoulou, Independent Non-Executive Member of the Board.

The responsibilities of the Audit Committee as described in its Operational Regulation (the update of which was approved on 22/11/2018 by the Bank's Board of Directors) shall also include:

[1] The duties, responsibilities and operation of the BoD Committees are included in the Operational Regulation of the respective Committee, as approved by the Bank's Board of Directors.

External audit and financial reporting procedure.

- It monitors the procedure and implementation of the certified audit of the individual and consolidated financial statements of the Bank and the Group pursuant to 6 of Article 26 of the Regulation (European Union) no. 537/2014 of the European Parliament, informs the Bank's BoD of the outcome of the certified audit and explains how the certified audit contributed to the quality and integrity of financial reporting.

- It monitors, reviews and evaluates the financial reporting procedure, i.e. the mechanisms and production systems, the flow and dissemination of financial information produced by the Bank's organizational units, and makes recommendations or proposals to ensure its integrity, if appropriate.

- It reviews the annual financial statements of the Bank and the Group, the annual report of the Board of Directors and the consolidated quarterly and six-month statements of the Bank and the Group before submitting them for approval to the Board of Directors.

Internal Audit System

- It monitors, reviews and evaluates the adequacy and effectiveness of the Bank's overall policies, procedures and safeguards of the Bank's Internal Audit System, quality assurance and risk management concerning financial reporting issues.

- It evaluates annually the adequacy and effectiveness of the Money Laundering and Terrorist Financing Policy and the report of the competent executive manager, it reports to the Board of Directors and generally supervises the proper implementation of this policy.

- It studies and evaluates the Reports of the IAD and informs the Board of Directors of:
  - the adequacy and effectiveness of the Internal Audit System at Bank and Group level,
  - the effectiveness and adherence to the risk management procedures and associated credit procedures, including im pairment policy,
  - the adequacy of procedures in relation to the internal assessment of the Bank's capital adequacy,
  - the completeness of the procedure or methodology for calculating the impairment of loans and other assets and regi stering any changes during the financial year,
  - the information systems,
  - the effectiveness of procedures for the prevention and suppression of money laundering and terrorist financing,
  - the matters within the competence of the Regulatory Compliance & Corporate Governance (DK SED) Division.

External auditors

- It reviews and monitors the independence of certified auditors-accountants or audit firms in accordance with Articles 6, 21-23 and 26-27 of Regulation (EU) No 537/2014 and in particular the appropriateness of providing non-audit services to the Bank (in accordance with Article 5 of the same Regulation).

- It is responsible for the procedure for the selection of certified auditors-accountants or audit firms and proposes the certified auditors-accountants or the audit firms to be appointed (in accordance with Article 16 of Regulation (EU) No 537/2014.

Other responsibilities and duties

- The Audit Committee accepts confidential or even anonymous written or oral reports and complaints on the inappropriate actions or omissions of Executives and Officers or on breaches of accounting and auditing practices.

- It is informed by the Head of the Internal Audit of the Bank, by the certified auditors-accountants and audit companies, of the audits carried out at every stage of the proceedings, on the computerized procedures and the information and accounting systems, on the safeguards that are determined to prevent mistakes, misuse of systems and fraudulent actions.

- In addition, it receives, through the appropriate Business Units, the reports of the Bank of Greece's Supervision Department and the audit findings by other Authorities (e.g. tax audits).

During 2019, the Audit Committee held 11 meetings. The participation of its members amounted to 100%. In 2019, the Audit Committee, inter alia:

- Monitored the Bank's Internal Audit System (IAS) through the reports of the IAD's regular, exceptional and specific audits, the annual audits of external associates and the annual audit (and quarterly inspections) of the certified auditors. Discussed the main issues raised as well as the corrective measures. Evaluated the 2018 IAS, based on the corresponding annual report prepared by the IAD.
- Discussed in detail with the EY executives (who conducted the Evaluation of the Internal Audit System Adequacy) their findings and made relevant observations. Drafted a text on remarks and recommendations on the Evaluation of the IAS Adequacy, which it submitted to the BoD.
- Discussed the actions for strengthening the IAS based on EY's findings.
- Discussed with the CFO, the Director of the Financial Management Division and the Certified Auditors issues concerning the interim and annual financial statements of the Bank and the Group.
- Monitored the procedure and implementation of the certified audit of the individual and consolidated financial statements of the Bank and the Group. Reviewed and evaluated the process of drafting the interim (March 31, June 30 and September 30, 2019) and annual financial statements (December 31, 2018), as well as the work of the Certified Auditors.
- Discussed with the Certified Auditors the auditing areas included in the plan for the regular audit of the financial statements for 2019, and approved the audit plan.
- Recommended to the BoD the renewal of the appointment and the remuneration of the Certified Auditors.
- Monitored the Bank's compliance with ELTE's directive on the ceilings of KPMG's non-audit fees in 2019.
- Discussed the quarterly work reports of the IAD with the Head thereof and formulated its observations.
- Examined the updated IAD operating regulations.
- Discussed with the Head of the IAD the reasons for the revision of the annual audit plan for 2019 and approved the revised plan.
- Discussed with the Head of the IAD the methodology for elaborating an audit schedule and approved IAD's 2020 audit schedule.
- Examined the IAD's report on the Audit & Operation of IT Systems and approved its submission to the Board of Directors and the Bank of Greece.
- Examined the Annual Report of the competent Executive Manager of Attica Bank on the prevention of money laundering and terrorist financing, as well as the Annual Report of DKSED for 2018, and prepared an assessment on these issues, which it submitted to the BoD.
- Examined and discussed the quarterly reports of DKSED and requested and received from the Head of DKSED regular updates on the issues of his unit.
- Was briefed on the progress of the Great Non-Performing Steps and the strategy for dealing with them.
- Met with the Heads of Divisions (Transformation Office, DKSED, Financial Management Division, Risk Management Unit) and was informed about important issues relating to the operation of the Bank.
- Was informed about the simulation of extreme situations of the TEKE systems.
- In the context of informing and submitting recommendations to the Board of Directors, it made remarks and proposals which are recorded in its quarterly reports to the Board of Directors, in its evaluations on intermediate and annual financial statements, the Evaluation of SEE Competence and the evaluation of the Annual Report. Attica Bank's Chief Executive Officer for the prevention and deterrence of money laundering and terrorist financing. The evaluation of the adequacy and effectiveness of the Internal Audit System for the reporting year (2019) will be reflected in the annual report submitted by the Commission, in accordance with the provisions of PDTE 2577 (ch. IV B 2.a 2.3.1).

Remuneration Committee (abolished from 22.07.2019)

The Board of Directors at its meeting on July 22, 2019 (Minutes of the Board of Directors 1303) unanimously decided to merge the Committees for the Promotion of Candidate Members of the Board and Remuneration. The Committee for the Promotion of Candidate Members of the Board of Directors and of Remuneration has now been set up and following the decision of the Board of Directors of the Bank during its meeting on 28/08/2019, the regulation that regulates its operation was issued. It is understood that the responsibilities of the new Committee are a consolidation of the responsibilities of the now abolished Committees. It is noted that both the Remuneration Committee and the Committee for the Promotion of Candidate Board Members continued to operate until 22.07.2019.

The Remuneration Committee has been set up and operates in accordance with the applicable regulatory framework and oversees the activities of both the credit institution and its subsidiaries.

The main responsibilities of the Committee are to provide a specialized and independent opinion on remuneration policies and their implementation and to ensure the effective alignment of staff remuneration with the risks incurred by the Bank in its overall operation and its capital and liquidity management.

The Committee's duties include the following:
- to submit proposals on the remuneration of the Bank's and the Group's staff, including those that have an impact on the risks undertaken, and to manage such risks and submit to the Board of Directors its suggestions for the latter to decide on them; It shall also make suggestions to the Board of Directors about the remuneration of the Management, in particular the Board of Directors' executive members, as well as the highest remunerated employees of the Bank and the Group, in accordance with its applicable Policy.
- to directly supervise the remuneration of the senior executives of the Risk Management Division, the Regulatory Compliance Division and the Internal Audit Department;
- to assess the achievement of performance targets and the need for ex-post risk-based adjustment;
- to ensure the adequacy of the information provided to shareholders on remuneration policies and practices, particularly in relation to the ratio between fixed and variable remuneration, if any;

By the Board of Directors decision of 21 May 2018, the Committee shall be composed of five members, who are non-executive members of the Board of Directors, four of whom are independent, and one is a permanent observer who is representative of the Greek State, and is regularly attended by executives of the Human Resources Department. The Committee's composition is as follows:

Chairman : Georgios Vlahakis, Independent Non-Executive BoD Member.
Member : Ioannis Marmangiolis, Independent Non-Executive BoD Member.
Member : Charalambos Brilakis, Independent Non-Executive BoD Member.
Member : Dimitris Tzanninis, Non-Executive BoD Member.
Member : Georgios Panagiotou, Independent Non-Executive BoD Member.
Gr. St. Rep. : Zacharoula Papatheodorou

During 2019, the Remuneration Committee held 5 working meetings, and the participation of the members amounted to 100%. The most important issues that occupied the Commission for 2019 were, among others:

- Summary of benefits and earnings per main staff category
- Peer review by the European Banking Authority
- Board Members Remuneration Policy
- Changes in the regulatory framework on remuneration Policy
- Renewal of insurance policies
- Issues of special employer insurance contributions

Following the meeting of the Board of Directors of 22-7-2019 (Minutes of the Board of Directors. 1303 / 22.7.2019) by which it was decided to merge the Remuneration Committee and the Committee for the Pro- motion of Candidate Members of the Board of Directors. to a Committee and the meeting of 31.07.2019, the new composition of the Committee for the Promotion of Candidate Board Members and Remuneration.

Chairman : Kyriazis Chariton, Independent Non-Executive Member of the Board
Member : Georgios Vlahakis, Independent Non-Executive BoD Member.
Member : Eleni Koliopoulou, Independent Non-Executive Member of the Board

The new Committee for the rest of the year 2019 held two (2) meetings and the participation of its members amounted to 100%.

Committee for the Promotion of Candidate Members of the Board (repealed from 22.07.2019)

The Board of Directors at its meeting on July 22, 2019 (Minutes of the Board of Directors 1303) unanimously decided to merge the Committee for the Promotion of Candidate BoD Members with the Remuneration Committee. The Committee for the Promotion of Candidate BoD Members and Remuneration has now been set up and following the decision of the BoD of the Bank during its meeting on 28/08/2019, the regulation that sets its operation was issued. It is understood that the responsibilities of the new Committee constitute the consolidated responsibilities of the now abolished Committees. It is noted that both the Remuneration Committee and the Committee for the Promotion of Candidate BoD Members continued to operate until 22.07.2019.

The BoD Candidate Members Nomination Committee's duties are (a) to identify, nominate and submit candidates for the Board of Directors, and (b) to assess the adequacy, efficiency and effectiveness of the BoD.

The Committee consists of at least three (3) non-executive members of the Board of Directors of which at least its Chairman is an independent non-executive member.

The term of office of the Committee's members is the same as their term of office as Board of Directors' members.

The Committee's Chairman and its members as well as the exact number of its members are appointed and determined, respectively, by decision the Bank's Board of Directors.

Responsibilities of the Committee:

The Committee's responsibilities, among others, include:

- Planning and coordinating the implementation of the process of identifying and selecting candidates for the Board of Directors and its committees.
- Describing the individual skills and qualifications required to fill the positions of the Board of Directors' members and the estimated term to be devoted to the corresponding position.
- Assessing periodically and at least annually:
  - the structure, size, composition and performance of the BoD and making recommendations to it regarding any changes it deems appropriate;
  - the combination of broadness, knowledge, skills and experience per subject of the members of the Board of Directors on an individual and collective level and submitting a relevant report to the Board of Directors;
- reviewing periodically and at least annually:
  - the Bank's Policy on the Nomination of BoD Candidates
  - the Bank's Policy on the Selection and Appointment of Top Executives
- validating the appointment of top executives
- submitting proposals to the Board of Directors concerning its diversity policy;
- reviewing on a six-month basis the independence of the independent non-executive members of the Board of Directors;
- monitoring, on a quarterly basis, the members' participation in the BoD and its committees;
- reviewing on an annual basis any other significant commitments of the members of the Board of Directors outside the Bank;
- assessing existing or potential conflicts of interests of the members of the Board of Directors with those of the Bank, including transactions of members of the Board of Directors with the Group, and submitting relevant proposals to the BoD;
- preparing and implementing an induction program for the new members of the Board of Directors, and providing periodic training to the existing members of the Board of Directors;
- reviewing periodically the succession planning for top executives and submitting relevant information to the Board of Directors.

By decision of the Board of Directors of May 21, 2018, the composition of the Board of Directors was amended as follows:

Chairman : Ioannis Marmangiolis, Independent Non-Executive BoD Member.
Member : Georgios Vlahakis, Independent Non-Executive BoD Member.
Member : Athanasios Stathopoulos, Non-Executive BoD Member.
Member : Charalambos Brilakis, Independent Non-Executive BoD Member.
Member : Dimitris Tzanninis, Non-Executive BoD Member.

The Committee for the Promotion of Candidate Members of the Board of Directors, held in 2019, six (6) meetings and the participation of its members amounted to 100%. The most important issues that occupied the Committee for 2019 were among others:

1. Update of the Board of Directors
2. Drafting of Political Diversification of Board Members
3. Preparation of Annual Evaluation of Board Members
4. Selection of BoD Evaluation Advisor
5. Update of the corporate governance code
6. Election of Board Members to the bodies provided for in the Bank's staffing regulations

Following the meeting of the Board of Directors of 22-7-2019 (Minutes of the Board of Directors. 1303 / 22.7.2019) by which it was decided to merge the Remuneration Committee and the Committee for the Promotion of Candidate Members of the Board of Directors. to a Committee and the meeting of 31.07.2019, the new composition of the Committee for the Promotion of Candidate Board Members and Remuneration.

Chairman : Kyriazis Chariton, Independent Non-Executive Member of the Board.
Member : Georgios Vlahakis, Independent Non-Executive BoD Member.
Member : Eleni Koliopoulou, Independent Non-Executive Member of the Board.

The new Committee for the rest of the year 2019 held two (2) meetings and the participation of its members amounted to 100%.

Strategic Planning and Communication Committee (abolished on 22 July 2019)

The Commission was abolished following a decision of the Board of Directors on July 22, 2019 and the issues of its competence are presented and discussed directly to the Board of Directors of the Bank.

The Strategic Planning and Communication Committee shall aim to assist the Board of Directors in drawing up guidelines for the Bank's strategy to improve the efficiency of its operations.

In this context, it shall supervise the implementation of the Business Plan and propose and decide on any issue of strategic importance to the Bank.

In addition, it shall be responsible for the elaboration of the Communication Policy and the notification of the investors.

The Strategic Planning and Communication Committee shall support the Board of Directors in relation to the preparation and implementation of the strategic planning of the Group.

The Strategic Planning and Communication Committee shall consist of at least five (5) BoD members (execu- tive and non-executive) as well as by any advisory members with voting rights The Chairman of the Commit- tee shall be the Chairman of the Board. The number of members, the Chairman and the composition of the Committee shall be determined by the Board of Directors of the Bank.

Mr. Dimitris Anagnostopoulos, Director of the Risk Management Division, resigned on 31 January 2019 and the Chairman of the Board of Directors Mr. Panagiotis Roumeliotis resigned on 13 March 2019.

Following these changes, the current composition of the Strategic Planning and Communication Committee is as follows:

Chairman : Georgios Michelis, Chairman of the Board of Directors, Non-Executive BoD Member.
Member : Theodoros Pantalakis, Chief Executive Officer, Executive BoD Member.
Member : Athanasios Tsadaris, Deputy Chief Executive Officer, Executive BoD Member.
Member : Ioannis Tsakirakis, Deputy Chief Executive Officer, Executive BoD Member.
Member : Georgios Vlahakis, Independent Non-Executive BoD Member.
Member : Stavros Papagiannopoulos, Non-Executive BoD Member.
Member : Ioannis Marmangiolis, Independent Non-Executive BoD Member.
Member : Georgios Triantafyllopoulos, Head of the Transformation Office.
Member : Psyllas Francis, Chief Risk Officer.
Member : Nikolaos Koutsogiannis, Chief Financial Officer.
Member : Konstantinos Liapis, Financial Adviser to the Chairman.
Secretary : Theodora Vlassopoulou, Director of the Secretariat of Administration.

After the death of the Chairman of the Board. G. Michelis and his replacement by Mr. K. Mitropoulos, the Committee on Strategic Planning and Communication was abolished by a decision of the Board of Directors which took place on July 22, 2019 and the issues of its competence are presented and discussed directly to the Board of Directors of the Bank.

During 2019, the Strategic Planning and Communication Committee held 2 meetings, in full quorum, with the following main issues:

1. Budget 2019
2. Business Plan 2019 – 2023
3. Presentation of alternative problem management loan plans
4. Analysis of Basic Indicators of Bank and Competition with data for 12 months 2018

Risk Management Committee

The Risk Management Committee shall be responsible for monitoring the risks that the Group undertakes through its activity and assists the BoD with regard to the achievement of the following objectives:

- compliance of the Group with the legal and regulatory framework governing risk management;
- formulation of a strategy on undertaking of all kind of risks and asset management that responds to the Group's business objectives and the adequacy of the resources available in technical means and personnel;
- control of the adequacy, independence and effectiveness of the Group Risk Management Unit; and
- ensuring that risk management is disclosed to all the Group's business units and forms the basis for setting risk control limits.

As part of its mission, the Committee performs, among others, the following actions:

- Advises and supports the Board of Directors regarding the monitoring of the Bank's overall present and future risk-taking strategy, taking into account all types of risks, to ensure that they are consistent with the Bank's business strategy, objectives, corporate culture and corporate values.
- It develops, on the recommendation of the Head of the Group Risk Management Unit (hereinafter "CRO"), a strategy of undertaking any form of risk and capital management that meets the Bank's business objectives, both individually and at Group level, and the adequacy of the technical means and human resources available.
- Promotes to the Board, after evaluation, the annual report of the CRO.
- ensures the development of an internal risk management system which incorporates the business decision-making process in the whole range of the Group's activities.
- It proposes to the Board of Directors with respect to the CRO.
- It informs the Board of Directors at least quarterly on the activities of the Committee and the major risks assumed at the Group level, reassures the Board of Directors of their effective response and proposes any actions that it deems necessary.
- It examines, without prejudice to the Remuneration Committee's duties, whether the incentives provided by the Bank's and the Group's remuneration policies and practices take into account risk, capital, liquidity, as well as the probability and timing of profitability.
- It assesses the recommendations of internal or external auditors and monitors the proper implementation of the measures taken.
- Addresses issues related to the Group's relationship with Affiliated Persons.

The Risk Management Committee is composed of at least 3 (three) non-executive members of the Board of Directors, of whom at least one (1) is an independent non-executive member of the Board of Directors. The Chairman and the composition of the Committee shall be determined by the Board of Directors of the Bank. The Chairman of the Committee may not be the Chairman of the Audit Committee.

Members of the Committee, both at individual and collective level, must have sufficient knowledge and experience in the area of risk management and in particular in risk management and control practices to effectively cover all forms of risk, including operational risk and to ensure their unified control, their specialized treatment and the required coordination at the level of the Bank and the Group.

The Chairman and the members of the Committee are appointed by the Board of Directors of the Bank. Members of the Committee may not hold parallel positions or properties or carry out transactions which could be considered incompatible to the mission of the Committee. Given this, their participation in the Committee does not exclude the possibility of participating in other Board of Directors' committees.

The term of office of the members of the Committee is three years and may be changed by decision of the Board of Directors. Any member of the Board of Directors deemed necessary or Executive Officers of the Bank depending on the matter of discussion which falls under their responsibility may be called to the meetings of the Committee for the purpose of informing the latter and facilitating its work.

Duties of the Secretary of the Committee are executed by an Executive of the Group Risk Management Unit appointed by the Chairman of the Committee.

The Committee meets regularly at least every three months or even exceptionally when required by the circumstances, at the discretion of its Chairman, or if immediate decision-making is required. The Commission is in quorum when all three members are present at the meeting and if it is composed of more members, when half of them and one additional member are present.

By decision of the Board of Directors of May 21, 2018, the composition of the Board of Directors was amended as follows:

Chairman : Dimitris Tzanninis, Non-Executive BoD Member.
Member : Ioannis Marmangiolis, Independent Non-Executive BoD Member.
Member : Stavros Papagiannopoulos, Non-Executive BoD Member.
Member : Charalambos Brilakis, Independent Non-Executive BoD Member.
Member : Georgios Vlahakis, Independent Non-Executive BoD Member.
Gr. St. Rep. : Zacharoula Papatheodorou

By decision of the Board of Directors of July 31, 2019, the composition of the Board of Directors was amended as follows:

Chairman : Taprantzis Andreas, Independent Non-Executive Member of the Board.
Member : Kyriazis Chariton, Independent Non-Executive Member of the Board.
Member : Doukidis Georgios, Non-Executive Member of the Board.

During 2019, the Risk Management Committee held 15 meetings and the members' attendance rate amounted to 94%.

As part of its mission for 2019, the Committee performed, among others, the following actions:

- It approved and monitored the implementation of the Risk-Taking Framework for 2019..
- It approved the Reports on the Internal Capital Adequacy Assessment Procedure (DAEEK) and the Internal Liquidity Adequacy Assessment Procedure (DAEER).
- It attended and updated the BoD with regards to the levels and the evolution of the main risks faced by the Bank, as well as the results of the Surveillance Evaluation Process (SREP) 2019 and the Stress Test.
- It approved the Policies & Methodologies in the context of the Bank's adaptation to the IFRS 9 Accounting Standard, as well as the Credit Regulations.
- It was updated on the liquidity of the Bank and the achievement of the goal of reducing dependence on ELA.
- It was updated on the progress of the implementation of the Bank's budget.
- It was updated on the progress made in the implementation of the ARTEMIS Business Plan.
- It evaluated the Chief Risk Officer and selected a new Chief Risk Officer.
- It monitored the progress of the Bank's relationship with big customers.
- It was updated on the Bank's Recovery Plan 2019 and it expressed its views to the BoD.

Management Committees[2]

Executive committee

The Executive Committee monitors and ensures the smooth and efficient operation of the Bank in implementing its strategy, business plan and budget, as approved by the Board of Directors. It consists of at least eight (8) members, one of whom is the Chief Executive Officer, who is appointed as Chairman. Among other things, the Commission has the following duties:

- to prepare the strategy and elaborate the proposed Operational Plan and the annual budget before they are discussed in the Strategic Planning and Communication Committee;
- to specify the implementation of the strategy, by coordinating the actions of the Bank's Units;
- to monitor the achievement of the objectives set at Bank and Unit level, to examine any deviations, to decide on corrective measures and to provide guidance to the appropriate corporate structures;
- to decide on the development policy of the networks and the Group;
- to ensure that the risk management guidelines are incorporated into the Bank's operations and budget;
- to decide on the approval limits for investments and expenditure that apply to the relevant units;

To meet regularly at least twice a month or exceptionally when required by the circumstances, at the discretion of its Chairman, or if immediate decision-making is required.

The Committee shall be in quorum if the number of members present at the meeting exceeds half of its ap- pointed members and provided that in each case the number of members present is not less than 5 (five), including the Chairman and his substitute, in case there is a need to be replaced. The Committee's decisions shall be made by the majority of its present members, subject to the agreement of its Chairman. In the event of a tie, the Chairman's vote shall prevail.

During 2019, the Executive Committee held 44 meetings.
The main issues that occupied the Commission during the year 2019 concern, inter alia, mainly all kinds of approvals of expediency for collaborations with third parties as well as assignment of projects to companies, updates on budget issues, progress of projects, approvals of Policies and Regulations, are introduced for approval by the Board. Indicatively, the following topics follow.

- Unit Staffing
- Evaluation System
- Approval of implementation of conferences and special trainings
- New Products
- Options for managing non-performing loans and actions' approval
- Approval of policies and regulations
- Approval of actions related to digital transformation
- Update on monthly and quarterly basis concerning the progress of the Bank and the execution of the Budget
- Approval of supply program actions

Administrative Body on Default

In the context of harmonization with the Act of the Executive Committee of the Bank of Greece No under Act 47 of 9.2.2015 of the Executive Committee of the Bank of Greece, and under Act 102 of 30.8.2015 of the Executive Committee of the Bank of Greece, 102/30.08.2016, Attica Bank has set up and operates an administrative body for the monitoring of defaults (DOK). This body consists of three executive members and has the appropriate degree of independence in relation to the other operating units of the Bank and in particular in relation to the credit operations and the management of the smoothly performing part of the portfolio. Its responsibilities are described in the Regulatory Framework for the Management of Exposures in Default and Non-Performing Exposures, as applicable, which include, but are not limited to:

[2]Information on the duties, responsibilities and procedures of the Management Committees and Councils are included in their Operational Regulation, as approved by the Board of Directors of the Bank.

- centralized processing of all internal reports related to defaults;
- determining the available types of settlement and final settlement per sub-portfolio of loans and monitoring their effectiveness through appropriate performance indicators;
- defining and documenting the criteria to be used to determine the long-term viability of each type of settlement or final settlement (development and use of specific tree charts);
- defining the parameters and scope of responsibilities of the bodies and persons involved in assessing the viability and suitability of the proposed type of settlement and in the subsequent monitoring of its implementation;
- planning, monitoring and evaluation of pilot schemes, in cooperation with the business units;
- receiving information on the content of the reports to be submitted to the Bank of Greece before submitting them and reviewing their content;

DOK shall meet, following consultation with its members, once a quarter, or exceptionally whenever it is deemed appropriate on specific matters, and upon invitation from its President. Sittings shall be valid if there is a quorum of two of its three members, either by attending personally at its meetings or from another place by setting up conference/ telephone calls. Moreover, DOK can also invite to his meetings executives of the Bank who are not members of its composition to facilitate its work.

Throughout 2019, four (4) meetings of the Default Administrative Body were held, in which the following issues were discussed:

- Overview of the COR25 data submitted to the Bank of Greece, in accordance with the provisions of Act 42 of the Executive Committee.
- Update on the Bank's technological support project, through QUALCO's platform, and on the policy of arrangements and write-offs of overdue debts.
- Update on the procedure and course of the Code of Ethics.
- Update on the new Interbank cooperation in the framework of Law 4605/19 for the protection of the main residence and Out-of-Court Workout (OCW).
- Update on the Implementation of the Non-Performing Portfolio Strategy.
- Update on the decisions of the Impairment, Write-Off and Depreciation Committee, in the presentations of the Default Management Division.

Asset-Liability Committee (ALCO)

The Asset-Liability Committee (ALCO) consists of at least three (3) members, one of whom is the Bank's Chief Executive Officer, who is designated as its Chairman, and non-voting advisers. The principal members may be either executive members of the Board of Directors or executives of the Bank. It establishes the policy of the Bank and the Group's companies in matters concerning the structure, pricing and management of Assets and Liabilities, and sets out risk limits, taking into account the Bank's strategy resulting from decisions of the competent governing bodies (BoD, Executive Committee), the applicable regulatory framework, corporate governance rules, current conditions in the money and capital markets, and the risk limits set by the Bank. It monitors their implementation and makes decisions on the necessary corrective and improvement measures.

The Asset-Liability Committee (ALCO) takes, among other things, the following actions:

- It decides on the framework for liquidity and interest rate risk taking and hedging using the appropriate tools.
- It shapes the broader interest rate policy of the Bank and the Group's companies.
- It defines and supervises the application of the Bank's internal pricing system and establishes internal pricing policy between deposit/lending units.
- It approves the liquidity contingency plan and ensures diversification of the Bank's sources of liquidity.
- It approves the stress test program and examines the results from the application of scenarios for extreme changes in capital markets.
- It evaluates and approves the release of new deposit or loan products as well as the potential offering by the Bank of new products or services that are consistent with its strategic planning.

The Committee meets regularly on a monthly basis or more frequently, on an exceptional basis, when required by the market circumstances, at the discretion of its Chairman, or if immediate decision-making is required. The Committee shall be quorum if the number of members present at the meeting exceeds half of its appointed members, including its Chairman, and provided that in each case the number of members present is not less than three (3). The Committee's decisions shall be made by the majority of its present members, subject to the agreement of its Chairman. In the event of a tie, the Chairman's vote shall prevail.

During 2019, the Commission held 17 meetings.

The issues that have been of concern to the Commission during the year 2019 are the following:

- Monthly update on ALCO PACK.
- Signing of Private Contract Support for Transfer Management Works.
- Liquidity Coverage Restoration Plan.
- Financial Markets & Capital Markets Management Limits.
- Information in relation to the Funding Plan Process.

Loans Committee

The Loans Committee comprises the following: Senior Task Force for Business and Retail Banking I, Senior Task Force for Banking II, Medium-Level Business Banking III, which are staffed by suitable Bank executives, as described in Circular 104/21.6.19 of the Chief Executive Officer.

During 2019, approximately 123 meetings of accreditation lending scales were held (Top Business and Retail Bank I, Higher Retail Bank II, Medium Level Business Bank III).

Task Forces for Approving Business Default and Private Individuals' Default I and II

The task forces for approving default comprise the following: Task Force for Approving Business Default I, Task Force for Approving Business Default II: Task Force for Approving Private Individuals' Default I, and Task Force for Approving Private Individuals' Default II, staffed by suitable executives of the Bank, as those are described in Circular 106/4.7.19 of the Chief Executive Officer and Circular 105/4.7.19 of the Chief Executive Officer.

During 2019, 105 meetings were held.

IT

The IT is the official body of the Bank whose purpose is to determine, prioritize, evalu- ate, approve the implementation of IT projects, supervise them based on the Bank's strategy and objectives, central coordination of the execution of IT projects, as well as and the supervision of the smooth and efficient operation of the Bank's infrastructure and systems and the management of the operational risk arising from the information systems. In addition, in the context of its responsibilities regarding approval, it is responsible for approving the costs relating to implementing IT projects or forwarding them to a higher approval level.

During 2019, 3 meetings were held.

Expenditure Committee

The purpose of the Committee shall be to examine and approve the feasibility and execution of expenditure which is within its approval limits. The Commission operates within the framework of the Policy Procurement and Approvals and is inserted as an approving step before the final step of the Executive Committee. Its approval is required in all cases where the expenditure exceeds the maximum amount per expenditure of previous approval scales or if their annual approval limit has been exhausted. During 2019, 9 meetings of the Commission were held.

Internal Audit System (IAS)

A major concern of the Bank is the development and continuous upgrading of its Internal Audit System, which is a set of sufficiently documented and detailed audit mechanisms and procedures, incorporates the best principles of corporate governance and continuously covers every activity and transaction of the Bank, contributing to its efficient and safe operation.

The establishment of the Internal Audit Scheme aims in particular at:

- implementing consistently the Bank's and Group's business strategy with the effective use of the available resources;
- identifying and handling the underlying or potential risks;
- ensuring the completeness and reliability of data that are necessary for the preparation of reliable financial statements in accordance with the International Accounting Standards and in general for the accurate and timely determination of the Bank's financial position;
- bringing the Bank in line with the applicable laws and regulations, as well as with the provisions of its applicable policies and procedures;
- identifying, addressing monitoring systematic all kinds of risks incurred, including operational risk;
- safeguarding the assets of the Bank, ensuring the separate and detailed maintenance and safekeeping of the assets of its clients and safeguarding the interests of the Bank, its shareholders and those with whom it operates;
- ensuring the ongoing control of the operations and activities outsourced in accordance with the provisions of the Outsourcing Policy;
- ensuring that the relevant departments of the Internal Audit Division carry out periodic and/or extraordinary audits to determine the consistent application of the stipulated rules and procedures by all the Bank's business units, while allowing the development of self-assessment methods by the business units.

The Internal Control System is implemented in multiple levels:

- The first level includes all the control mechanisms/safeguards that have been placed in the Bank's workflow, as well as the mechanisms for monitoring their compliance. These control mechanisms have been integrated into the Bank's procedures
- to ensure that operations are carried out smoothly, the underlying risks are effectively addressed and the outcome of the business is in line with the Bank's objectives. The responsibility for the observance of the existing procedures and their proper functioning at the first level rests with the executive officers of the Bank.
  The second level includes actions aimed at objectively assessing the efficient and effective operation of control mechanisms by personnel independent of the one responsible for tasks such as compliance, risk and back office support.
- The third level is implemented by the Bank's Board of Directors, which has the ultimate responsibility for the implementation, maintenance and supervision of the Internal Audit System. The Management and the Board of Directors of the Bank are responsible for the design, implementation and operation of an IAS which will support the Bank's strategic goals.

The Bank's Internal Audit System is supported, in accordance with the current institutional framework, by a Management Information System (MIS) and a communication system, the operation of which shall ensure that data are collected and processed consistently based on recorded data collection and processing procedures and the timely availability, accuracy, reliability and completeness of information, and hence the provision of effective, timely and valid information to each Bank's governing body. The Bank shall place particular emphasis on the design and ongoing development of the Administrative Information System, the effective- ness of which is deemed necessary for making decisions on the management of the risks assumed.

Audit Units

The Bank has independent audit units operating in accordance with the law and in line with the best international practices, aiming at maximum transparency in the operation of the Organization.

Internal Audit Department

The IAD reports administratively to the Audit Committee on its operations, and to the CEO on management issues. It operates independently, without the interference/involvement of anybody else, in the selection, handling and communication of its audit work. Among other things, the Audit Committee and the Board of Directors approve all decisions concerning the recruitment or replacement of the Internal Audit Director, evaluate (in terms of efficiency and quality) the quality and effectiveness of the IAD's work and are informed by the Group's Internal Audit Director about the progress and the results of the audit work.

The Group's Internal Audit Division (IAD) has unlimited and unannounced access to hard-copy and electronic data and information, functions, information systems, assets and staff at all levels of the Bank, including those relating to subsidiaries.

Its activities are organized in five (5) audit areas:

- Central Services & Subsidiaries (including the coordination and supervision of Internal Auditors of the Subsidiaries): 12 audits were carried out in 2019,
- Functional Network Store Work: In 2019, 23 inspections were carried out
- Credits, focusing on the Credit Risk Taking and Management Areas at the level of Branches and/or Central Departments of the Bank: 14 audits were carried out in 2019
- Banking Information Systems: 9 audits were carried out in 2019 ,
- Remote Control, Data Analysis & Support Services of the IAD (remote controls using electronic means, management of the re-audit process in cooperation with the auditors involved in the audits and production of reports to the Audit Committee, Management and Supervisory Authorities).

The IAD has adopted and maintains a Code of Conduct, which includes the Principles relating to the Internal Audit Practice and Rules of Conduct to be followed by internal auditors. The IAD shall refrain from approving any kind of transaction other than those stipulated for its own operation.

The IAD has detailed and documented audit objectives, audit plans and procedures and an appropriate methodology for conducting such audits in order to form an independent and documented opinion on the adequacy and effectiveness of the IAS at Bank and Group level. It draws up an annual audit program, based on risk assessment, and has follow-up mechanisms to verify compliance with the recommendations of all kinds of audits (by internal auditors, external auditors, supervisory authorities, tax authorities, etc.) and to provide in- formation to the Management of the Bank on the course of the corrective actions. The implementation of the corrective actions is the responsibility of the Executive Management and the relevant executives and officers. It also takes part in a consultative capacity in the design of new products, systems and procedures to ensure that the appropriate audit mechanisms are integrated. Finally, the IAD shall monitor, investigate and process with particular confidentiality any anonymous reports recorded through the whistle-blowing channel, and must have notified all its staff of the operation of this channel.

The IAD may cooperate with third parties (inside or outside the Bank) when it deems it necessary to carry out its work (e.g. because of a lack of professional staff, technical expertise, etc.). Any cooperation with third parties shall be approved in accordance with the Bank's regulations, taking into account the professional qualifications and the reliability of the third party. In any event, the Head of the IAD shall have the ultimate responsibility for the audit reports.

In performing its role, the IAD shall inform the Board of Directors in writing, through the Audit Committee and the Management at least every three months, on the main findings of the audits carried out and its recommendations. It shall also submit an annual evaluation report on the adequacy and effectiveness of the IAS to the Bank and its subsidiaries, as well as on effectiveness and adherence to the risk management procedures and associated credit procedures, including the impairment policy. Upon completing the above, it shall submit the annual report to the Bank of Greece. Moreover, the IAD shall submit to the Management and, through the Audit Committee, to the Board the annual report on the operation of Information Technology Systems un- der Bank of Greece Governor's Act No 2651/20.01.2012, which shall also be submitted to the Bank of Greece.

Regulatory Compliance and Corporate Governance Department

The Regulatory Compliance and Corporate Governance Division prevents and manages the risks of non-compliance by the Bank and its Group companies with the legal and regulatory framework governing their operation. For this reason, it shall have uninterrupted access to all data, accounts and information of the Bank and its Group which are deemed necessary for discharging its mission.

The Division is administratively independent of all other Bank's administrative bodies and reports to the Chief Executive Officer, and its composition and structure as well as the nomination of its Director/Head are decided by the Board of Directors.

In legal matters (such as interpretation of laws, application of a regulatory provision, disclosure of information or not, sanctions to the bank, etc.), the Division shall be supported by the Bank's Legal Services Division, the Legal Advisor and Associate Lawyers. Among other things, it shall work with the Human Resources and Organization Divisions on personnel training and the adoption of policies, regulations, procedures, circulars and other guidelines.

The Compliance Officer and its staff can not hold any other position and/or engage in any activity within and outside the bank that conflicts with their obligations, roles and duties.

The main functions of the Division are the following:
- It suggests the development and implementation of the Bank's and Group's policy in the field of Regulatory Compliance & Corporate Governance, taking into account the existing institutional framework.
- It publishes relevant instructions for adjusting the procedures and the Operational Regulation of the Group to the legal and regulatory framework.
- It monitors and verifies regulatory compliance of the individual Units and informs the Management and the BoD of the Bank of any significant violations or failures that may arise.
- It ensures timely and ongoing communication to employees of any developments in the regulatory framework that applies to their scope of work, by establishing appropriate procedures and training programs.
- It adopts and implements appropriate procedures and prepares an annual program aiming at the full compliance of the Bank and the Group's companies with the applicable regulatory framework, the Articles of Association and the Operational Regulation and prepares an Activity Report.
- It ensures, through appropriate procedures, that the deadlines for the fulfillment of the obligations under the applicable regulatory framework are met and provides assurance to the BoD.
- It coordinates the work of the Regulatory Compliance Officers of the Internal Services and Units and the Group Companies in order to comply fully with the applicable provisions.
- It ensures that the Bank develops appropriate Policies and complies with the legal framework for the prevention and suppression of money laundering and terrorist financing.
- It ensures that the Bank complies with personal data protection rules.
- It is responsible for providing information and safeguarding the interests of the State in cases of tax evasion according to the current framework.
- It recommends the establishment of internal Codes of Ethics and ensures that they are faithfully applied by everyone.
- It monitors the approval of new systems, products, contracts, regulations, circulars and procedures to ensure their compatibility with applicable rules and the Codes of Conduct. It collects from and provides information and data to Supervisory, Regulatory, Judicial, Tax or other Authorities.

In 2019, the Division dealt with the following, among others:
- Update Outsourcing Policy.
- Update Policy Related Parties.
- Preparation of a Non-Financial Information Report.
- Creating an automated application for monitoring the timely submission of supervisory reports.
- Update of the regulatory compliance policy
- Update of the asset safekeeping policy
- Complaints Policy Update.
- Updating the Code of Conduct and Ethics.
- Training in Market Policy Abuse.
- Compliance Manual training.
- Training of Attica Bank Policy for the Prevention of Money Laundering and Terrorism Financing, which incorporates Customer Acceptance Policies, AML Approach with Risk Based, RDP, Public Security Management Services in favor of the Public &.
- Launch of the Compliance Monitoring Program for the year 2019, with a focus on "Mifid II", "Related Parties", "Code of Conduct and Ethics /Bribery Issues", "GDPR", "Transaction Transparency", "File Keeping", "Purchase /Privilege Information Abuse", "Telephone Conversations", "Conflict of Interest".

Group Risk Management

The Group Risk Management Unit (GRM) operates in accordance with international practices, the provisions of Act 2577/06 of the Chief of the Bank of Greece and the amendments thereto, as part of the monitoring and assessment of all the risks to the Bank's Assets and Liabilities and off-balance sheet items.

The GRM's object is to identify, analyze and develop effective systems for measuring, managing and controlling all types of risks inherent in any work undertaken by the Bank and, on a consolidated basis, by the Group.

The GRM Head is the Chief Risk Officer (CRO), who reports to the Risk Management Committee and the Chief Executive Officer. CRO's participation in supreme committees and boards has been institutionalized.
The CRO is appointed by the Board of Directors upon recommendation by the Risk Management Committee and his nomination, as well as his eventual replacement, shall be communicated to the Bank of Greece.

The key tasks of the CRO are the following:

- He defines the principles that should govern the management of the Group's risks in terms of their identification, evaluation, quantification/measurement, monitoring, control and treatment in line with the current business plan and within the limits of available resources.
- He ensures the development of an internal risk management system and integrates it into the business decision-making process (e.g. decisions concerning the introduction of new products and services, risk-adjusted pricing of products and services, as well as the calculation of profitability and risk-sharing) across the whole range of the Group's activities.
- He makes proposals and suggests corrective actions to the Risk Management Committee and the BoD if he finds that it is impossible to implement the credit institution's risk management strategy or any deviations from said strategy.
- He ensures appropriate supervisory and control mechanisms for the identification, monitoring and efficient management of exposures in default and non-performing exposures.
- He makes arrangements for the development of appropriate early warning systems and supervisory and control mechanisms for the monitoring and efficient management of high-risk lending. Early warning systems cover all the risks to which the Group is exposed and include specific quantitative and qualitative risk indicators, the violation of which involves taking specific actions to restore them to the acceptable level identified by the Risk-Taking Framework.
- He receives disclosures from the Director of the Credit Risk Management Division and the Director of Group Operational, Functional and Market Risk Management regarding any deviation from adherence to the approved risk margins, non-compliance with the minimum capital adequacy levels, and adverse developments concerning the approved Business Plan of the Group.
- He forwards to the Risk Management Committee the annual report of the Divisions to which he reports, together with his own fitness report, after having evaluated them.
- He participates or authorizes representatives of the Risk Division of the Group (DKO) to participate in various top-level committees such as the following: Executive Committee, ALCO, Credit Approval Committees, Impairment & Write-Off Committee, IT Committee, etc.

The Organogram Structures under the CRO are the Division of Credit Risk Management (DAPK), the Division of Operational, Functional and Market Risk of the Group (DELK & KAO), the Credit Policy and Credit Risk Control Division of the Group (DPP & EPKO) and the Validation & Back Testing Department, which constitute Group Risk Management.

The **Division of Credit Risk Management** monitors on an individual and consolidated basis the Credit Risk faced by the Group. The Division is tasked with assessing the requests for up-to-date credit facilities and debt arrangements of natural and legal persons, as well as preparing an opinion on the proposed credit risk to be accepted, by pro- posing the acceptance thereof with or without additional terms, or non-acceptance thereof.

The **Division of Operational, Functional and Market Risk of the Group** monitors on an individual and consolidated basis the Capital Adequacy, the Provisions & Impairments, the Liquidity Risk, the Operational Risk and the Market Risk faced by the Group, and covers the units related to Assessment models for techno- logical systems, analyses and Management Information Systems (MIS).

The object of this Division is to draw up Policies, Regulations, Methodologies and Procedures related to the Operational, Functional and Market Risk of the Group. This Division is responsible for drawing up the Frame- work and the methodologies for the simulation of the extreme conditions created by the various risks that it monitors, and for the respective implementation of such Framework and methodologies.

Credit Policy and Credit Risk Control Division of the Group (DPP & EPKO)
The object of this Division is to prepare the Group's policy on credit risk and credit policy matters, as well as a framework for controlling said policy. The Division participates in the elaboration of the default debt man- agement policy and forms the framework for controlling said policy. It is responsible for proposing the prepa- ration and updating of the Loan Regulation, as well as the credit policy guidelines. It is the responsibility of this Division to validate the calculations of individualized impairments and to monitor the operation of credit risk methods and models. In addition, the Division monitors the Bank's Non-Banking Book risk.

Risk management in relation to the preparation of financial statements

The Bank has an adequately documented Policy and Procedures for the accounting of financial events and the preparation of financial statements.

Transactions are conducted through specialized computerized applications, per business activity of the Bank and the Group, which support the responsibility limits of the officers, the double-checking of transactions and the automatic generation of the required accounting records.

The Bank's and the Group's accounting system is supported by custom information systems, which have been adapted to the Bank's operational requirements.

Instruction manuals for the T24 systems by TEMENOS and EBS by Oracle, which support the Bank's opera- tions, have been issued and are followed.

Audit procedures and accounting arrangements have been established to ensure the correctness and legality of entries in the books and the completeness and validity of the financial statements.

Brief CVs of the members of the Board of Directors

CHAIRMAN OF THE BOARD OF DIRECTORS (Non-Executive Member)

KONSTANTINOS MITROPOULOS

Konstantinos Mitropoulos is an electrical engineer, graduate of the National Technical University of Athens. He has completed postgraduate studies in business administration and finance and has an MSC from Imperial College and a PhD from London Business School. From 2013 to June 2019, he was a PwC Executive Advisor in Greece, responsible for the development of the Advisory Department's work. Between 2016 and 2017, he was also the CEO of PQH, the Single Special Liquidator SA, which has taken over the liquidation of 16 Greek banks. From July 2011 to August 2012, Kostas Mitropoulos was CEO of the Hellenic Republic Asset Development Fund (HRADF). Until July 2011 he was the Executive Chairman of the Board of Directors of Eurobank EFG Equities SA and Head of Global Equity Investment Banking, Brokerage & Private Equity of the Eurobank EFG group. He was the founder and, until 2008, Executive Chairman of the Board of Directors of KANTOR Management Consulting SA, one of the largest business consulting companies in Greece, with offices in Brussels, Warsaw, Bucharest and Sofia. He began his career as a business consultant at Coopers & Lybrand in England.

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS (Non-Executive Member)

KONSTANTINOS MAKEDOS

The Vice-Chairman of Attica Bank, Konstantinos Makedos, is a civil engineer with a Bachelor's degree from the University of Aristotle in Thessaloniki, and President of the Engineers and Public Works Contractors Fund (TMEDE) since that was established on 1 January 2017. During his presidency, TMEDE became a full member of the European Association of Guarantee Institutions, and following a positive recommendation from the Bank of Greece, the Fund was evaluated and approved by the European Central Bank (ECB) as a suitable shareholder in financial institutions in Greece and throughout Europe. Please note that TMEDE ensures conditions of maximum transparency, and International Financial Reporting Standards are implemented in its financial operation. Furthermore, the Fund is a leader in terms of digital transformation at a European level, and shows extremely satisfactory results, with significant annual surpluses. Mr. Makedos is an elected member of the Pan-Hellenic Committee of the Technical Chamber of Greece (TEE), and for a number of years, and until 2016, he was Vice-president of the Unified Self-Employed Social Insurance Fund (ETAA) and Head of the Actuarial Observatory of the Technical Chamber of Greece. Mr. Konstantinos Makedos is a freelance professional and designer of public works. He is the Chief Executive Officer and shareholder of CONCEPT CONSULTING ENGINEERS CONSULTANTS S.A.

CHIEF EXECUTIVE OFFICER (Executive Member)

THEODOROS PANTALAKIS

Mr. Pantalakis has a degree in Business Management from the Higher Industrial School of Piraeus (AVSP). From 1980 to 1991, he worked at ETEVA (National Bank for Investments and Industrial Development) and, during the same period, from 1983 to 1985, he was a collaborator of the Alternate Minister for National Economy, Mr. Vaitsos, and from 1985 to 1988 the Head of the office of the Deputy Minister for National Economy, Th. Karatzas. From 1991 to 1996, he worked as Assistant CEO in the Interamerican Group. From 1996 to 2004 he was Deputy Head of the NBG, Vice-Chairman of ATHEX, Chairman of the Central Securities Depository, and Chairman of the Executive Committee of the Hellenic Bank Association. In 2004, he became Vice-Chairman of the Board of Directors of Piraeus Bank, and in 2009, Vice-Chairman and Alternate CEO of the Group. From 2009 to 2012 he was Chairman of the Board of Directors - Chief of ATE Bank, member of the BoD of the Hellenic Bank Association. He has been Chairman and member of the BoD of Apollonios Kyklos SA, Vice-Chairman of SAE-EPE, executive of DEMKO SA, and member of the BoD of the companies of the ELLAKTOR Group, of ELPE, Retail World and MAD DOG SA (2012-2016). From September 2016 to date, he is CEO of ATTICA BANK, advisor to the BoDs of ELPE SA and R.E.D.S. SA and Vice-Chairman of SAE-EPE.

DEPUTY CHIEF EXECUTIVE OFFICER (Executive Member)

IOANNIS TSAKIRAKIS

He studied Economics at the Athens University of Economics and Business and holds a postgraduate degree in Economic Statistics & Econometrics from the Athens University of Economics and Business. He has had over 30 years of work experience in banking, having worked in various banks as well as holding companies. In May 2015 he was appointed Deputy General Manager and Head of the Attica Bank's Credit Restructuring Directorate General and in September 2016 he was elected executive member of the Board of Directors of the Bank and took up the duties of Deputy Chief Executive Officer. He has worked at the National Bank (8.2013
-12.2013), at Probank (1.2002 - 7.2013), at EUROBANK FINANCE SA (8.2000 - 12.2002) and in the Labor
Bank (Trapeza Ergasias) (9.1990 - 7.2000).

DEPUTY CHIEF EXECUTIVE OFFICER (Executive Member)

ANTONIS VARTHOLOMEOS

Antonis M. Vartholomeos is a graduate of the Higher Industrial School of Piraeus (1980) and a Ph.D. Candi- date in Finance & International Economics at Fordham University, New York (1986). His career includes the following collaborations: Atlantic Bank of New York (1981), Olympian Bank (1986), Interbank (1992), Egnatia Bank (1996), Euro Capital & Investment Shares SA (2000), EYDAP SA (2004: as an Executive Member of the Board of Directors), the company Pegasus Securities SA (2010-2012), the Hellenic Republic Asset Development Fund (HRADF) (2011-2013) and EYDAP SA (2013-2015: as Chairman of the BoD and CEO). In July 2019 he was elected Executive Member of the Board of Directors and Deputy CEO of Attica Bank.

NON-EXECUTIVE INDEPENDENT MEMBERS

STAVROS PAPAGIANNOPOULOS

He has a Master's degree in Finance M.Sc. (ECON) from University College London and a BA from the Finance Department of Pierce College (now Deree), Athens. He has almost 40 years of work experience in the private sector as a business consultant, and has worked as a financial manager in private companies, mainly industrial. He has served as Financial Management Consultant, Accounting Support (2000), Financial Management Consultant, Industrial Enterprises in Bulgaria (1998-2000), Financial Controller at P.N. Gerolymatos SA (1996-1998), Chief Financial Officer and Accounting Manager at ALUCANCO SA (1989-1996), External Associate of ELKEPA as Rapporteur of Management and Production Management Seminars in Associations of Agricultural Cooperatives (1983-1989), and responsible for production planning at MINERVA SA (1981-1983). He has also worked in the accounting department and the Department for Statistical Support of the Sales Division at ELSA SA (1979-1981).

DIMITRIS TZANNINIS

He is an economist. He graduated summa cum laude from the Department of Economics of the National and Kapodistrian University of Athens, he holds a Master's degree in Economics from McMaster University and has a Doctorate in Economics from the University of Western Ontario. He is an independent financial consultant and a member of the Audit Committee of Allianz, Greece. In July 2019, he was re-elected as member of the Bank's Board of Directors. He has served as Chairman of the Council of Economic Experts, member of the Economic and Financial Committee and the European Union's Eurogroup Working Group, Deputy Minister to the Eurogroup and ECOFIN, member of the OECD Economic Policy Committee, Alternate Governor for Greece on the Board of Governors of the World Bank Group, PPC Management Advisor, member of the Board of Directors of the Public Debt Management Agency of Greece and member of the Board of Directors of the Audit Committee of the National Bank of Greece. He taught Economics at the University of Western Ontario. For 15 years he was a member of the International Monetary Fund. He has served as advisor to investment banks, hedge funds, and private equity.

ELENI KOLIOPOULOU

Eleni Koliopoulou graduated from Deree, the American College of Greece, and has a Bachelor's degree in Business Management. Until 2018, she was CEO of "AN. VL. KOLIOPOULOS PAKO SA". Since May 2013, she has been Vice-Chairman of the Association of Industries in Thessaly and in Central Greece (SVTHSE), and since May 2016, she has been Chairman of the Board of Directors and the Executive Committee thereof. She has served as Chairman of SE.VI.CHA. (Association of Greek Paper Industries) and Vice-Chairman of the Hellenic Association of Corrugated Cardboard and Cardboard Manufacturers. She was a Founding Member of the "ELLINIKI PARAGOGI" Council for Industry for Development. She has been a Member of the BoD of the Hellenic Federation of Enterprises (SEV) since 2018.

GEORGIOS DOUKIDIS

Georgios Doukidis is a mathematician. He graduated from the University of Thessaloniki and holds an MSc in Business Research and a PhD in Artificial Intelligence from the London School of Economics (LSE), where he also taught in the 1980s. He is a professor of e-business at the Department of Management Science and Technology of the Athens University of Economics and Business, and director of the E-Business Research Center ELTRUN, one of the leading research centers of European Business Schools, which has completed successfully 40 international R&D projects in collaboration with over 150 top universities and international companies. He has consulting experience in business development, innovation and reorganization, e-commerce and digital transformation. He has served as Chairman of TANEO.

ANDREAS TAPRANTZIS

Dr. Andreas Taprantzis is a Chemical Engineer, with a PhD Degree in AI Systems from NTUA, as well as an MBA and an AMP from INSEAD. Since 2014, he is the CEO and Vice-Chairman of the multinational Avis Greece, the leading car rental company in Greece, with a fleet of more than 38,000 vehicles, a balance sheet of about €500 million and EBITDA in excess of €90 million. Prior to his current position, he was the Executive Director of the Hellenic Republic Asset Development Fund, Chairman of the Postal Operations Council (POC) of the Universal Postal Union (UPU), CEO of the Hellenic Post Office (ELTA), Deputy CEO of T Bank, Chief Operating Officer and Retail Banking Managing Director of the Hellenic Postbank (TT), and a member of the Board of Directors of many companies and organizations.

CHARITON (HARRY) KYRIAZIS

He has studied civil engineering, and has an MBA and a Ph.D. Initially he worked in the industrial sector and has served as Secretary General at the Ministry of National Economy (1992-1993). From 1994 to 2011 he was Tax and then Advisory Senior Partner of Arthur Andersen and the Advisory Department of PwC, gaining diverse experience in private and public sector projects. He was an elected member of the Board of Directors of SEV (Hellenic Federation of Industries) for 21 years, where he served as Executive Vice-Chairman (2011- 2015) and as a Management Consultant (until Sep. 2019). Now he is a business consultant and serves as Chairman or member in Audit Committees of listed and non-listed companies (currently Lamda Development, Ellaktor, Attica Bank, PQH, Skama). He is also a member of the Board of the International Labor Organization ("ILO").

KATERINA ONOUFRIADOU

She has a degree from the Department of Finance of the School of Law of the University of Athens. She was granted a postgraduate degree in Factoring, following a 6-month seminar, and also has an Inspection Certificate from TUV. She speaks English and French. She has worked in the Agricultural Bank of Greece (1980-2010), as Head of various Branches and Divisions, as well as in the Educational and Training Center of AteBank, and was promoted up to the position of Deputy Director. From 2010 to 2019 she volunteered at the office of the current Prime Minister Mr. Kyriakos Mitsotakis. Since 2014, she has been in charge of his political office. She is also the Head of the Mentoring Alive Committee of the European Union of Women-Greece, as well as a member of the Board of Directors of HEDNO. She is also a member of the Corporate Governance Committee of HEDNO.

Information pursuant to Article 10 (1) of Directive 2004/25/EC of the European Parliament

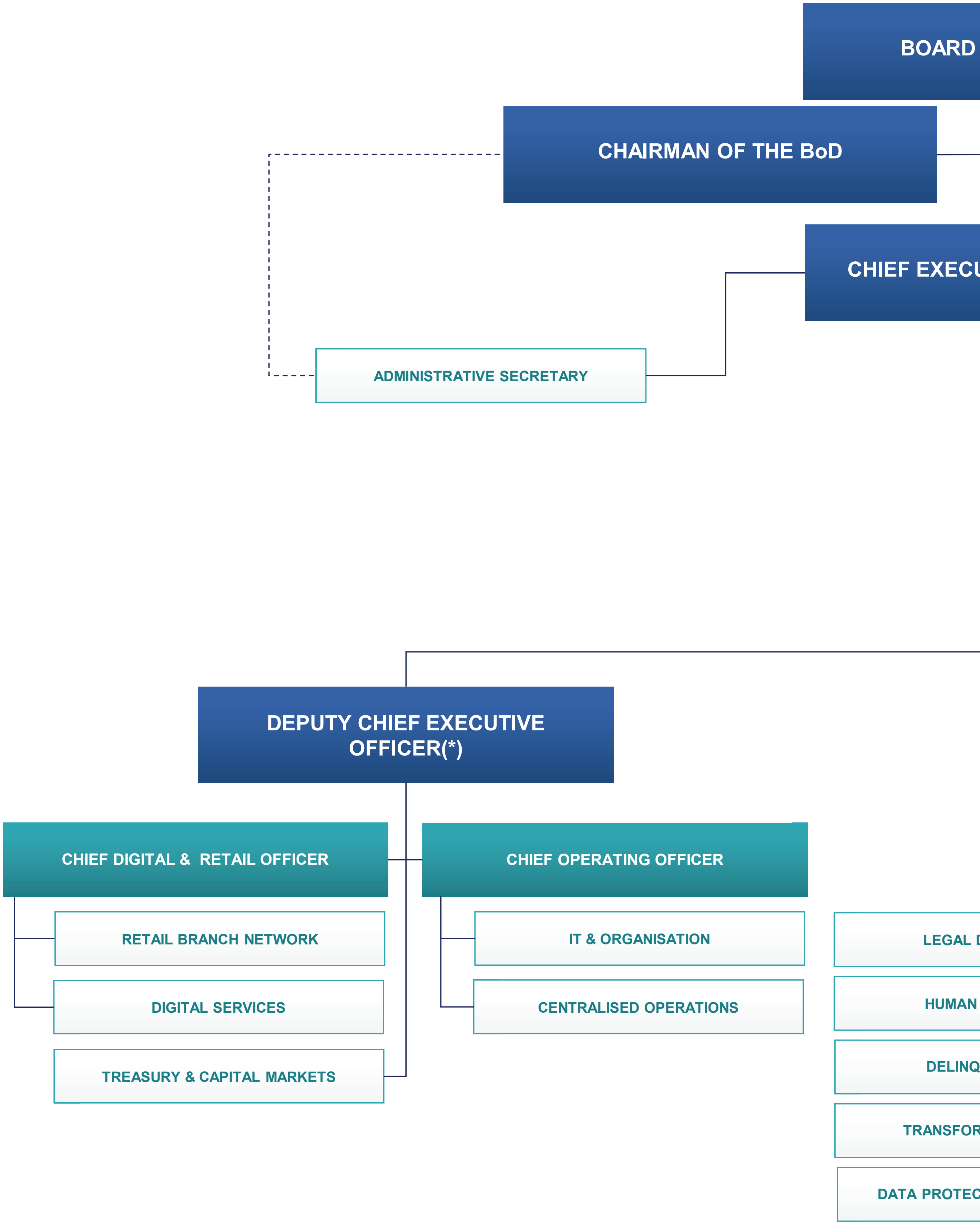
Pursuant to Article 10 (1) of Directive 2004/25/EC of the European Parliament and the Council, the following information is provided with 31.12.2019 as reference date:

- The table with the most significant direct holdings in the Bank's share capital within the meaning of the provisions of the articles of Law 3556/07 is as follows on 31 December 2018:

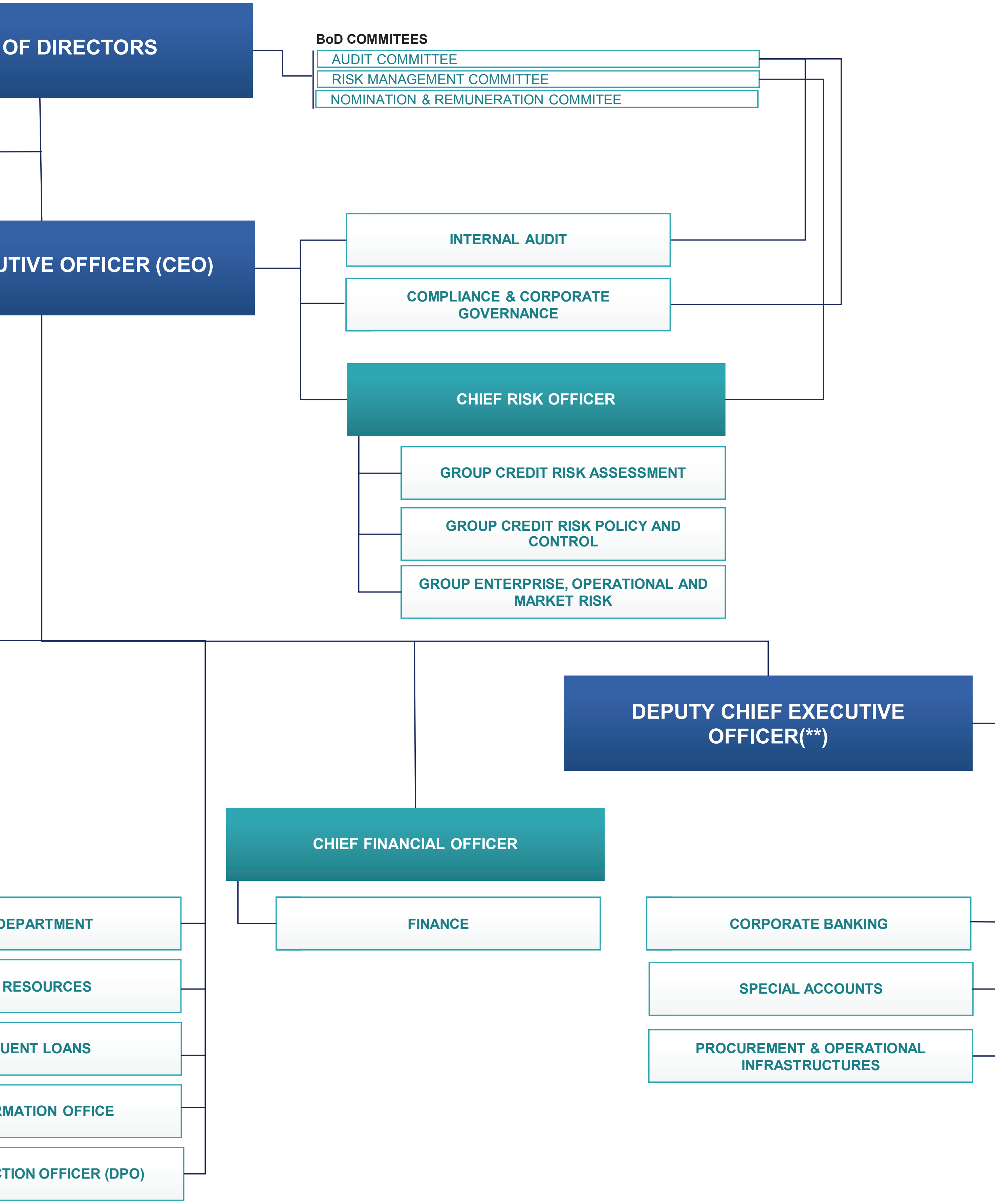
	SHARES	HOLDING
SINGLE SOCIAL SECURITY AGENCY	212,918,027	46.16%
ENGINEERS AND PUBLIC WORKS CONTRACTORS FUND	149,907,554	32.5%
TAPILTAT	13,046,573	2.83%

The Bank has been subject to the provisions of L. 3723/2008 as it stands, with all the privileges it provides to the Greek State, and preferential shares were issued for that purpose, the status of which was governed by the provisions of Law 3723/2008, in conjunction with Decision No 54201/B/2884/26-11-2008 of the Minister for Economy and Finance. What is more, in October 2017, the Bank issued, in the context of the provisions of Law 3723/08 (Article 2), a Greek Government bond of EUR 380 million (duration: one year), to receive liquidity from the emergency liquidity assistance (ELA) and to be used as an eligible collateral for Eurosystem refinancing operations. On 25 May 2018, the Bank made an early repayment of the above bond, and at the same time, in the context of Law 3723/2008 (Pillar II), it issued a bond guaranteed by the Greek State amounting to 350 million euros, for a duration of two years (expiration: 25 May 2020), which is used as a cover for pumping liquidity in the interbank market.

Information on the Remuneration of the Members of the Board of Directors for the year 2019 (1.1-31.12.2019), pursuant to Regulation 575/2013, Article 450	Members of the Board of Directors	
	Non-Executive	Executive
Number of beneficiaries	13	4
Total fixed remuneration	**460,497.00€**	**671,729.72€**
Total variable remuneration split in:	-	-
Cash	-	-
Shares	-	-
Financial instruments linked to shares	-	-
Other categories	-	-
Amounts of deferred earnings split in:	-	-
Registered	-	-
Unregistered	-	-
Amounts of deferred earnings that have been determined to be paid and decreased through performance adjustments	-	-
Number of beneficiaries receiving payment for recruitment	-	-
Total payment for recruitment	-	-
Number of beneficiaries receiving leaving pay	-	**1**
Total amount of leaving pay	-	**56,918.40**
Highest amount paid as indemnity to an individual	-	-



(*) Supervision of: Attica Wealth Management, Attica Bancassurance
(**) Supervision of: Attica Properties and Thea Artemis S.A


OF DIRECTORS
BoD COMMITEES
AUDIT COMMITTEE
RISK MANAGEMENT COMMITTEE
NOMINATION & REMUNERATION COMMITEE
UTIVE OFFICER (CEO)
INTERNAL AUDIT
COMPLIANCE & CORPORATE GOVERNANCE
CHIEF RISK OFFICER
GROUP CREDIT RISK ASSESSMENT
GROUP CREDIT RISK POLICY AND CONTROL
GROUP ENTERPRISE, OPERATIONAL AND MARKET RISK
DEPUTY CHIEF EXECUTIVE OFFICER(**)
CHIEF FINANCIAL OFFICER
FINANCE
CORPORATE BANKING
SPECIAL ACCOUNTS
PROCUREMENT & OPERATIONAL INFRASTRUCTURES
DEPARTMENT
RESOURCES
UENT LOANS
RMATION OFFICE
TION OFFICER (DPO)

05

Appendix

ANNUAL FINANCIAL REPORT

From 1st January to 31st December 2019

(In accordance with Law 3556/2007)

TABLE OF CONTENTS OF ANNUAL FINANCIAL REPORT

Annual Individual and Consolidated Financial Information of ATTICA BANK S.A is available on:
https://www.atticabank.gr/el/investors/investor-financial-results/periodical-financial-data

I. STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS

To the best of our knowledge and belief, it is stated that:

- The Annual Financial Statements of "ATTICA BANK S.A." and the Group for the year ended on 31st of December 2019, have been prepared according to the existing accounting standards and present fairly the assets and liabilities, the equity as well as the income statement of the Bank and the entities that are included in the consolidation.

- The annual Directors' report, presents fairly the progress, the performance and the financial position of the Bank as well as the entities that are included in the consolidation, including a description of the main risks and uncertainties that they face.

Athens, 29 April 2020

For the Board of Directors

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE DEPUTY CHIEF EXECUTIVE OFFICER
COSTAS S. MITROPOULOS **ID No. AB 065426**	**THODOROS N. PANTALAKIS** **ID No. AE 119288**	**IOANNIS EM. TSAKIRAKIS** **ID No. Λ 024276**

Board of Directors' Annual Management Report

II. BOARD OF DIRECTORS' ANNUAL MANAGEMENT REPORT (According to L. 3556/2007)

INTRODUCTION

Dear shareholders,

We present to you the annual report of the Board of Directors for the fiscal year 01.01.2019 to 31.12.2019.

This report summarizes financial information about the Group and the Bank, "ATTICA BANK S.A.", aiming at briefing, in general terms, shareholders and investors, on the financial position and the results, the overall course of action and the changes that were initiated during the period (01.01.2019-31.12.2019), as well as, significant events that took place and their impact on the financial statements of the year. It also describes the main risks and uncertainties that the Group and the Bank may face in the future and lists the most important transactions that have been taken place between the Bank and its affiliates.

For 2019, the economic environment was as follows:

Global Economy

Global GDP growth for 2019 significantly slowed down at 2.9%, which is the lowest level of the decade, compared to 3.6% on 2018. The international economic environment was characterized by increased instability and insecurity during 2019. The unpredictable behavior of governments, mainly in the international trade, the social turbulences, the impact of the climate change, along with the intense weather conditions affected negatively the economic activity of certain countries. During 2019 the deceleration of the global economy was similar for both emerging and developed economies. The industrial production has suffered by the conflicts and the war in the international trade along with the arisen decrease of its volume. Nonetheless, the preservation of the volume in the services sector, especially in the developed economies, has set off by a percentage the negative impact from the industrial production and exports and contributed to the increase of employment.

Eurozone

In the euro area, for the year 2019, GDP growth amounted to1.2%, compared to 1.9% on 2018, mainly due to the decrease in the global trade and the fall of the fuel prices globally.

The resilience of the domestic demand, which was based on the job market, contributed to the containment of the negative figures (e.g. external demand) to the growth rate of Eurozone on 2019. The private consumption was the power of the growth during 2019, based on the increase of employment, along with the favorable terms of bank loans due to the assisting monetary policy of ECB. Furthermore, investments increased by 3.1% on 2019, compared to 2.3% on 2018, even if corporate investments decreased during the same period.

The increase in employment continued during 2019, with slower rate compared to 2018, which consists a compatible development with the deceleration of the economic activity. Unemployment rates fall to 7.4% of the total workforce on December 2019 and to 7.7% on average during 2019 (2018: 8.2%).

The gradual recovery of loans disbursements to corporations in euro area continued up to August 2019 and to households up to December 2019. The loan production growth rate towards non – financial corporations decreased to 3.2% on December 2019 compared to 4.0% on December 2018 and towards households amounted to 3.7% on December 2019, compared to 3.2% on December 2018. During 2019, the fiscal developments in euro area as a total have been described by the continued de-escalation of the public debt as a percentage of GDP, whereas the declining course of the fiscal deficit stopped. Thus, the fiscal deficit, in Eurozone increased to 0.6% of GDP on 2019, compared to 0.5% during 2018 and in the EU – 27 to 0.6% from 0.4% mainly due to the lower growth rate and the tax reliefs in certain countries members.

USA

The annual GDP growth rate maintained as a percentage of over 2.0% per quarter during 2019, showing resilience to the challenges faced by the American economy (trade war, deceleration of global economic expansion). The increase was driven mainly through the increase of consumption along with the respective low unemployment rate. FED on the same time lowered the basic rates during the second semester of 2019, thus contributing to the stabilization of the economic activity.

Asia

The annual GDP variance in terms of volume decreased to 6.1% on 2019 compared to 6.6% on 2018. This consists one of the lowest growth rates since 1990, mainly due to trade wars. During the last quarter of 2019, Chinese economy managed to stabilize, following the lowest deceleration of almost three decades, due to the increase of investments (5.4% on an annual basis.

United Kingdom

GDP growth rate increased by 1.1% during the fourth quarter of 2019 on an annual basis, compared to 1.2% on the respective third quarter, based on the increase of exports, as a result of the weakening of the British pound, along with the domestic demand which resulted from increase in wages and the expansive fiscal policy. Nonetheless, the increase of investments was particularly weak, since insecurity was in place regarding the timing of United Kingdom's exit from the EU, which was finalized on 31.01.2020.

Greek Economy

GDP increase in stable prices amounted to 1.9% on 2019, unchanged since 2018, while in current prices amounted to 187.5 billion euros, compared to 184.7 billion in 2018. The basic pillars of the economic recovery was the exports of goods, tourism along with public and private consumption.

During 2019, the gross added value of the economy increased by 0.9% in stable prices, due to the performance of the tertiary sector and more specifically to the sectors of trade, hotel and restaurant industries and construction. A similar image arises from the available current figures regarding the turnover in services in current prices for 2019, while the corporations' expectations in the services sectors are marginally positive.

Regarding the figures in the tourism sector, the positive course of this sector the recent years had a favorable impact in the tourism's figures both in the side of demand an in the respective side of supply. More specifically, the following points were observed:

- Increase in the arrivals of non – residents
- Increase for the seventh consecutive year of overnight
- Increase for the third consecutive year of travel receipts
- Increase in the hotel capacity of Greece
- Increase in employment of hotels

Exports sector contributed significantly once again in the Greek economy. Regardless the deceleration in certain of the main export markets in Greece, exports continue to increase. The total value of exports during the period January – December 2019 amounted to 33,800 million euros, increased marginally by 1.0% compared to the respective period of 2018.

As far as the industrial sector is concerned a reduction in production of 0.6% arose during 2019 compared to an increase of 1.8% during 2018, mainly due to the shrinkage of electricity production.

The implementation of the fiscal policy during 2019, was characterized by the compliance in applying the agreed in the context of the enhanced supervision, the commitment in implementing the fiscal reforms and the relief of the tax burden, following the elections of 2019. The emphasis in the reforms resulted in the fast de-escalation of the Greek Government Bond yields, to historic low rates, which allowed the comfortable access to global financial markets for the Greek Government regarding liquidity and fund raise.

Banking System

As far as the banking system is concerned, 2019 was a positive year. Based on the Intermediary Report for the Monetary Policy published by the Bank of Greece (November 2019), profits were increased compared to 2018 mainly due to expenses containment and to the significant raise achieved in profits from investment transactions. The liquidity conditions continue to ameliorate, with the deposits balance to present an increase of 4.6% year on year, thus reflecting the reset of confidence of the depositors to the banking system and the outlook of the Greek economy.

The retain of the high NPL reserve is the basic challenge of the banking system. More specifically, during 2019, a further reduction of NPLs took place, the balance of which amounts to circa 68 billion euros as at the end of 2019, reduced by 13.8 billion euros compared to 2018.

The annual variance rate of corporate lending presented a positive sign during 2019. The financing provided by the financial institutions during 2019 was guided towards corporations operating in developing sectors of the economy, such as transportation (excluding maritime sector), energy and tourism. The financing towards non – financial corporations rose by 2.2% on an annual basis, compared to a decrease by 0.6% during 2018. Based on the analysis performed by the Bank of Greece, the annual variance rate is calculated on the basis of the net flows of banking lending, which arise from the variances on the loan balances, with the impact of the loan write offs along with possible reclassifications/loan transfers not taken into consideration.

As far as the deposits rates are concerned, based on the figures provided by the Bank of Greece, the savings deposits rate fall at the end of 2019 to 0.04% from 0.05% at the start of the year. The reduction in the term deposits rate was even greater and amounted to 0.35% from 0.58%. The total deposits average rate reduced to 0.18% from 0.28%.

As far as the loan rates are concerned, the most recent figures of Bank of Greece show that the floating rate of mortgage loan amounted to 2.78% from 3.13%. On the contrary, the floating rate of consumer loans marginally increased to 14.60% from 14.59%. The increase in consumer loans was even greater, where the rate increased to 10.94% from 9.89%. The credit card rate marginally decreased to 16.62% from 16.68% on the beginning of 2019. The marginal rate amounted to 4.16% from 4.35% respectively.

A. Financial Development and Progress of the Fiscal Year

Key figures and Results for the Group

For the year ended 31.12.2019, the key figures and results of the Group, as well as their respective variations were as follows:

- The Group's total assets amounted to € 3,528 million, increased by 5,3% compared to the year ended 31.12.2018.

- Total loans (loans and corporate bonds) amounted, before provisions for impairment amounted to €1,828.4 million, marginally decreased by 1.0% compared to 2018.

  Group's loans and advances to customers are analyzed in the table below:

(in million €)	**31.12.2019 (1)**	**31.12.2018 (2)**	**Variance % (1)/(2)**
Loans	**1,385**	**1,387**	**0%**
From which:			
- Consumer loans	95	95	0%
- Credit cards	23	22	5%
- Mortgages	398	411	-3%
- Leasing	73	89	-18%
- Public sector	28	30	-7%
- Legal entities	761	735	4%
- Other	6	5	23%
Corporate Bond Loans	**444**	**458**	**-3%**
Total Loans	**1,828**	**1,845**	**-1%**

- Deposits as at 31.12.2019 amounted to €2,608.2 million increased approximately by 14% compared to 31.12.2018. More specifically, as far as the year ended 31.12.2019 is concerned, term deposits amounted to €1,583 million, increased by 21.6% compared to 31.12.2018 (€1,302 million). Respectively, sight deposits amounted to €1,023 million increase by 4.6% compared to 31.12.2018 (€977 million).

  Group's deposits are presented in the following table:

(In million euros)	**31.12.2019 (1)**	**31.12.2018 (2)**	**Variance % (1)/(2)**
Deposits	**2,608**	**2,282**	**14%**
- Sight Deposits	1,025	979	5%
- Term Deposits	1,583	1,302	22%
Total Deposits	**2,608**	**2,282**	**14%**

- Provisions for credit risk in the year 2019 amounted to €24.2 million, which can be further analyzed into expected credit losses of loans and advances to customers of €31.1 million, off-balance sheet provisions for impairment reversal of €7.0 million and reversal of provisions for impairment of investment securities amounting to € 0.1 million, forming the credit risk ratio of the year to total revenues to 36.3%. The coverage ratio of total non – performing exposures (NPEs EBA Definition) amounted to 39.01%.

- Accumulated provisions cover 15.4% of the loan portfolio without taking into account tangible collateral.

Results on a consolidated basis

(in thousand €)	31.12.2019	31.12.2018	Variance %
Net Interest Income	43,852	69,290	-37%
Net Fee and Commission Income	6,540	6,956	-6%
Profit/(Loss) from Financial Activities	13,579	2,108	544%
Gain from the transfer of loans through securitisation	0	47,000	-100%
Other income	7,635	2,634	190%
Operating Income	**71,606**	**127,987**	**-44%**
Personnel Expenses	(33,568)	(33,704)	0%
General Administrative Expenses	(23,095)	(30,494)	-24%
Depreciation	(13,380)	(7,780)	72%
Total Operating Expenses before provisions	**(70,043)**	**(71,978)**	**-3%**
Profit / (Loss) before provisions	**1,563**	**56,009**	**-97%**
Allowance for impairment purposes	(24,202)	(27,527)	-12%
Other Assets Provisions	(2,050)	(3,191)	-36%
Personnel Retirement Sheme compensation cost	0	(17,214)	-100%
Loss from investment in associates	1,042	(3,329)	-131%
Profit before income tax	**(23,648)**	**4,748**	**-598%**
Profit after income tax	**4,998**	**(2,357)**	**-312%**
Total comprehensive income after tax	**3,203**	**(30,311)**	**-111%**

- The net interest income amounted to €43.8 million presenting a decrease of 36.7% compared to 2018, mainly due to the decrease of the total loan portfolio and mainly of the IFRS 9 Stages 1 and 2 loans and due to the increased interest expense.

- The net commission income amounted to €6.5 million reduced by 5.8% compared to 31.12.2018

- Profits from financial activities during the financial year of 2019 were positively affected by the profits generated by the sale of Greek Government Bonds. In 2019 total financial gains amounted to €13.6 million (31.12.2018: €2.1 million).

- Total operating income amounted to €72 million, decreased by 44% compared to 2018. In the comparative figures of 31.12.2018 non - recurring profits of €47 million from the sale of the junior note in the context of Metexelixis transaction are included. Should the effect of the securitization transaction is excluded from the comparative figures, total operating income is decreased by 11.6%.

- "Personnel expenses" amounted to €33.6 million, decreased by 0.4% compared to the previous year. Total number of employees on 31.12.2019 amounted to 741 (31.12.2018: 707 employees).

- The branch network of the Bank as at 31.12.2019 amounts 55 branches.

- Depreciation expense is increased by 72%, as a result of the implementation of the new reporting standard regarding the operating leases (IFRS 16), based on which the Group recognized Right of Use asset on leased properties.

- General Operating Expenses amounted to €23.1 million as at 31.12.2019, decreased by 24.3% compared to 31.12.2018 (31.12.2018: €30.5 million). Should the rental expense is excluded from the comparative figures, due to the implementation of the new leases standard IFRS 16, the decrease amounts to 9.2%.

- The relative expense ratio, excluding the non – recurring profits for each year, to total income, stood at 105%, compared to 88.9% for 31.12.2018. Non – recurring profits for the year 2018 and 2019 are as follows:

	Description	31.12.2019	31.12.2018
Non recurring profit	Profit from securitization transaction	0	47,000
	Receivable from Greek State regarding witheld taxes for coupons of Greek Government Bonds	2,439	0
	Reversal of provision for income taxed under special purpose	2,444	0
	Total non recurring profit	**4,882**	**47,000**

- Basic earnings / (losses) per share amounted to €0.0108 compared to €(0,0022) for the respective twelve-month period in 2018.

- The Group's return on Equity after taxes on 31.12.2019 stood at 1.0% compared to (0.5%) in 2018.

Results before and after income tax for the Group companies are presented in the following table:

(in thousand €)		**Profit/(loss) before income tax**		**Profit/(loss) after income tax and non-controlling interest**	
Company	**Consolidation Method**	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Attica Bank S.A.		(28,208)	7,837	351	567
Attica Wealth Management Mutual Funds	Subsidiary (Full consolidation)	(15)	(17)	(15)	(59)
AtticaBank Properties S.A.	Subsidiary (Full consolidation)	218	35	304	34
Zaitech Innovation Venture Capital Fund	Associate (Equity method consolidation)	911	(3,326)	911	(3,326)
Attica Bancassurance Agency S.A.	Subsidiary (Full consolidation)	(43)	223	(43)	70
Thea Artemis Societe Anonyme for Management of Loans and Appropriations	Associate (Equity method consolidation)	130	(3)	130	(3)

● ***The amounts in the above table are presented before eliminations.***

Events that took place during the fiscal year and had a significant effect on the financial statements

A) The new standard for leases IFRS 16 was implemented on 01.01.2019, based on which the recognition of rental expenses will not be accounted through operating expenses but through the depreciation of the recognized right of use asset along with the interest expense from the repayment of the lease liability. The Group, based on IFRS 16 recognized depreciation expense for the right of use asset of €4,986 thousand and interest expense of €1,193 thousand for the year under review. Furthermore, at initial recognition the Group recognized right of use asset of €21,090 thousand and an equal lease liability. As at 31.12.2019, right of use asset amounted to €22,079 thousand, while lease liability amounted to €19,198 thousand.

B) On 01.03.2019 a new employee regulation was signed by Bank and the Attica Bank Employee Union, which changes the amount of compensation after the exit of service of the employees. As a result of the agreement between the two parties, the Bank recognized a relief of €1 million euros in its financial position.

C) The Bank on 21.03.2019 zeroed its exposure to Emergency Liquidity Assistance (ELA).

D) Based on 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 withheld 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 net-off procedure also includes any amounts refunded by virtue of court decisions, for which the obligation to return them to the Greek State is born at the time and proportionally to the amount of the income tax recognized.
- 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.

On the basis of the above, the Group recognized income of approximately €4.9 million, which have been charged as an expense in prior years. This income arises from reversal of provision for tax purposes of €2.4 million for income taxed under special purpose and €2.5 million for the reversal of receivables regarding withheld taxes on income taxed under special purpose.

D) The Group on the first semester of 2019 proceeded to the sale of Greek Government Bonds of nominal amount €40,800 thousand, purchased in the context of the PSI transaction on 05.12.2017.

E) Within the framework of article 2 of L. 3723/2008 and regarding the 2nd pillar of the support measures for the enhancement of the liquidity of the economy and for the maintenance of the liquidity stability of the Bank, the Bank issued on 24.10.2019 a bond loan of a total nominal value of 320 million euros, with simultaneous early redemption on the same date of the Greek government guaranteed bond of 350 million euros, which had reissued on 25.05.2018 with a duration of two years, following the relevant decisions of the Board of Directors meeting on 27 June 2019. The new bond loan of 320 million euros has a duration of two years and a floating Euribor rate of 3 months plus a margin of 7% and is divided into 3,200 bearer bonds with a nominal value of 100 thousand euros each. The above bond can be used as a collateral for raising. The bond matures on 24.10.2021.

F) Attica Bank on 17.12.2019 signed a commercial cooperation agreement with the insurance company Interamerican. The duration of the cooperation is 10 years and concerns insurance, commercial, operational and financial matters. Through this cooperation the Bank's customers are provided competitive and exclusive products and services from the three companies of the Interamerican Group. The provision of those products will take place through the Bank's branches and the Bank's bancasssurance subsidiary.

Important events that occurred after 31st December 2019

A) The Bank on 05.02.2020 following the relevant approval from the Capital Market Commission announced the completion of the transfer of its 100% participation to its subsidiary Attica Wealth Management Mutual Funds to Ypsilon Capital Ltd for the price of €2.35 million.

B) Attica Bank, following the procedure for submission of competitive offers and by executing the decisions of the Board of Directors dated 26.09.2019 and 29.01.2020, signed on 24.03.2020 a contract with the company "QQUANT MASTER SERVICER SOCIETE ANONYME", a servicer of non – performing loans, based on Amarousion – Attica Region, as licensed and supervised by the Bank of Greece, regarding the servicing of a loan portfolio of 435 million euros ("legal" balance), which remains on Bank's books. The portfolio's servicing will begin two months after the sign of the contract. In the intermediary period all necessary transition procedures regarding the servicing and updating of information will be performed. This agreement is part of the Bank's business plan for the better management and ultimately zeroing of the non – performing portfolio of the past, following the two successful securitization transactions. Furthermore, this agreement will allow the Bank to focus in further developing its banking operations, by emphasizing in providing liquidity in the Greek market, targeting the support of businesses in the present financial conjuncture.

C) World Health Organization announces on March 2020 that COVID – 19 is a pandemic virus. As a result the Greek Government sets the country gradually to lockdown, as far as the transportation and the business operation are concerned. In the context of the financial support of the sectors injured by COVID – 19, the ministers in charge announced the following measures for the aforementioned sectors:

- Suspension of installment payments by the Banks up to 30.09.2020 for the borrowers consistent in the performance of their obligations affected by the impact of COVID – 19

- Interest rate subsidy for the performing corporate loans for 3 months, up to 30.06.2020, for the sectors of the economy affected by the impact of COVID – 19

- Suspension of all tax and social security obligations for the sectors affected by the impact of COVID – 19

Furthermore, ECB on its turn announced the following support measures for the European Banks:

- On 12.03.2020, ECB announced the easing of conditions for targeted longer-term refinancing operations (TLTRO III) and more specifically: a) Interest rate on TLTRO III is reduced by 25 basis points and can be as low as 25 basis points below average deposit facility rate during period from June 2020 to June 2021 for all TLTRO III operations outstanding during that period, b) Borrowing allowance raised to 50% of eligible loans, c) Lending performance threshold reduced to 0%.

- On 12.03.2020, ECB announced measures to support bank liquidity conditions and money market activity

- On 18.03.2020, ECB announced the launch of a new temporary asset purchase programme of private and public sector securities to counter the serious risks to the monetary policy transmission mechanism and the outlook for the euro area posed by the outbreak and escalating diffusion of the coronavirus, COVID-19. This new Pandemic Emergency Purchase Programme (PEPP) will have an overall envelope of €750 billion. Purchases will be conducted until the end of 2020 and will include all the asset categories eligible under the existing asset purchase programme (APP). Furthermore, it is explicitly mentioned that a waiver of the eligibility requirements for securities issued by the Greek government will be granted for purchases under PEPP. Finally ECB with its decisions will ease the collateral standards by adjusting the main risk parameters of the collateral framework and more particularly will expand the scope of Additional Credit Claims (ACC) to include claims related to the financing of the corporate sector.

Additionally, ECB announced a series of measures in the context of the treatment of the financial impacts from the spread of coronavirus, so for the Banks to continue to fulfill their role in financing the real economy. More specifically, ECB will allow the Banks to temporarily operate below the capital level as defined by the requirements of Pillar 2 guidance, the capital conservation buffer and the liquidity coverage ratio. Furthermore, Banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital to meet the Pillar 2 Requirements (P2R).

Finally, on the Eurogroup meeting held on 9th April 2020, it was decided that 540 billion euros will be used to help the affected by COVID – 19 countries members through the following three pillars:

- €240 billion, corresponding to the 2% of the GDP of the country members of EU, through the establishment of a precautionary credit line (ECCL) based on the existing credit line in light of the challenge of the crisis caused by the pandemic of COVID – 19. This Pandemic Crisis Support would be available to all euro area Member States, with standardised terms agreed in advance by the ESM Governing Bodies.

- €200 billion, through the creation of 25 billion euros fund from European Investment Bank which could support the financing for companies with a focus on SMEs, throughout the EU, including through national promotional banks.
- €100 billion, through the establishment of a temporary European financing tool for the financial assistance during the time of the crisis, in the form of loans granted on favourable terms from the EU to Member States from the EU budget. The instrument would primarily support the efforts to protect workers and jobs, while respecting the national competences in the field of social security systems, and some health-related measures

B. Risk and Uncertainties

Description of the most significant risks and uncertainties

The Group is exposed to different risks, the management of which is an indispensable part of the strategy, business planning and risk undertaking policy procedures.

Management of the major risks

Credit Risk

Credit risk is the risk of the Bank suffering losses in case its counterparties are unable to meet their contractual obligations. This risk mainly arises from loans, collaterals, guarantees and cash management.

Credit Risk is the most important source of risk for the Bank and its systematic observation and the effective management is considered to be the primary target of the Group.

The Bank in the context of improving the quality of its portfolio, does not seek new financing for low rating customer's(lower than E). Furthermore, the Bank performs sectorial analyses regarding the grade of credit vulnerability, in order for high risk sectors to be identified.

The determination of the credit limits in the Banking Portfolio is based on the rational dispersion of the Bank's capital and the avoidance of high concentrations or percentages in various sectors of the economy, in geographies or in related counterparties.

An assessment of the concentration risk that may arise from exposures to specific customers or groups of Group clients and / or exposures to counterparties whose default risk is affected by common factors such as: macroeconomic environment, geographic location, industry, currency and used collateral.

The Bank gives high priority to the development of internal risk assessment tools which are based on specific characteristic per type of credit exposure and performs Stress Tests, the results of which are used in forming the boundary system.

Further disclosure is provided in note 43.3 of the Annual Financial Statements.

Market risk

The Bank is exposed to market risks arising from the change in the fair value of its financial products due to adverse changes in market variables, such as changes in interest rates, stock exchange rates and exchange rates.

The Bank's targets are:

- Low exposure to market risk and the definition of internal management and control procedures within the policy and management of the limits set by the Asset and Liability Management Committee (ALCO).
- The development of investment strategy consistent with the Bank's risk profile, which will move within the limits of the context of risk undertaking.
- Ensuring the interests of the Bank through the effective management of the interest rate of the exposures from its banking portfolios (IRRBB). In particular, the objective is to be able to manage the impact of a possible increase in interest rates at pre-crisis levels.

Further disclosure is provided in note 43.2 of the Annual Financial Statements.

Interest rate risk on Banking Book

The Interest Rate Risk in the Banking Portfolio arises from the time differentials in the interest rates adjustments on the Bank's assets and liabilities.

The main objective of the Bank is to assess the effect of potential interest rate changes on net interest income (NII).

In the context of the Bank's effort to manage more effectively the credit risk in conjunction with profitability risk, loan rates are differentiated on the basis of the credit assessment of borrowers and the collateral received.

Further disclosure is provided in note 43.2 of the Annual Financial Statements.

Liquidity Risk

Liquidity Risk is defined as the Group's inability to fully or promptly repay current and future financial liabilities when they become due because of lack of the necessary liquidity.

The Bank's objective in managing liquidity risk is to ensure, to the best of its ability, the existence of satisfactory liquidity in order to meet its obligations, both in normal and in extreme situations, without disproportionate additional costs.

The Bank's targets are:

- The intensification of efforts to maintain the Bank's liquidity (Zero ELA Plan) and the fulfillment of supervisory requirements for the LCR and NSFR indicators.
- The development of a financing plan designed to maintain liquidity buffers that adequately limit the liquidity risk and reduce the possibility of using emergency funds.
- The diversification of sources of funding and the utilization of the directorates responsible for liquidity management.
- Strengthening and expanding sources of funding by increasing customer deposits, issuing securities and accessing interbank markets for secured finance.

Finally, for the effective management and monitoring of liquidity, the Bank performs stress testing scenarios, at least twice a year, based on the Bank's specific characteristics and changes in market characteristics and conditions.

Further disclosure is provided in note 43.1 of the Annual Financial Statements.

Operational Risk

As Operational Risk is defined as the risk of loss resulting from inadequate internal processes or violations of those processes, people and systems, or from external events (fire, earthquake or other natural disasters). The scope of operational risk includes risks arising from the legal coverage of the Bank's issues as well as the broader application of legal and regulatory frameworks.

The Bank aims to zero exposure to losses from internal fraud and the minimization of exposure to damage caused by employees. In order to achieve the above objectives of the Bank, it is necessary to fully comply with the guides and its procedures, as well as to cover, where appropriate, guides and / or procedures in all the Bank's operations.

Measures taken concern the following:

- Insurance contracts
- Business continuity
- Internal audit for fraud and inadequacy of procedures, systems, etc.
- Legal and regulatory framework compliance
- Training/education
- Chart of Authorities

Finally, the Bank has undertaken actions to integrate systems and automate procedures for the recognition, measurement, monitoring and management of operational risk, by using new systems, in combination with the existing IT equipment of the Bank.

Further disclosure is provided in note 43 of the Annual Financial Statements.

C. Future outlook and prospects

Prospects

Attica Bank primary target is the increase of its operational efficiency, operating profitability achievement and capital creation.

The strategy for the next three years forecasts the doubling of the Bank's financial position through the increase of loans and advances and deposits, either through the creation of new cooperation or through the activation of existing. This demands the significant expansions of the customer base through a new double focus: the professional's market (engineers, doctors, doctors, large farmers) and the ecosystem around environment, energy and infrastructure. Furthermore, emphasis is given to the small and small – medium entities and professionals, the backbone sector of the Greek economy. Additionally, the Board of Directors adopted sustainable banking policies, through the adjustment of the Bank's strategy as demanded by the orders regarding environment protection.

Ongoing digital transformation will play a significant part in the implementation of the Bank's business plan. Digital transformation's dimensions include simpler and digital processes, digital interface with the clients, fully centralized support and strict corporate governance.

The resolution of the Bank's financial position is a strategic target of Attica Bank's business plan. Towards this direction, the Bank signed on 24.03.2020 a contract regarding the servicing of a loan portfolio of 435 million euros ("legal" balance). This agreement will allow the Bank to further focus on the development of its banking procedures.

It should be noted that the implementation of the Bank's business plan will be supported by the Bank's employees effort. Attica Bank invests in continuous training and upgrade of its employees skills, who will supported by specialized executives. Bank's branch network will be upgraded and transformed, so that it will be the main sales and customer relationship maintenance mechanism.

The Group, in the context of the challenged of the pandemic of coronavirus both globally and domestically along with the extraordinary economic conditions created, has set as priority the safeguard of its employees' health and safety and the preparation of the post coronavirus era.

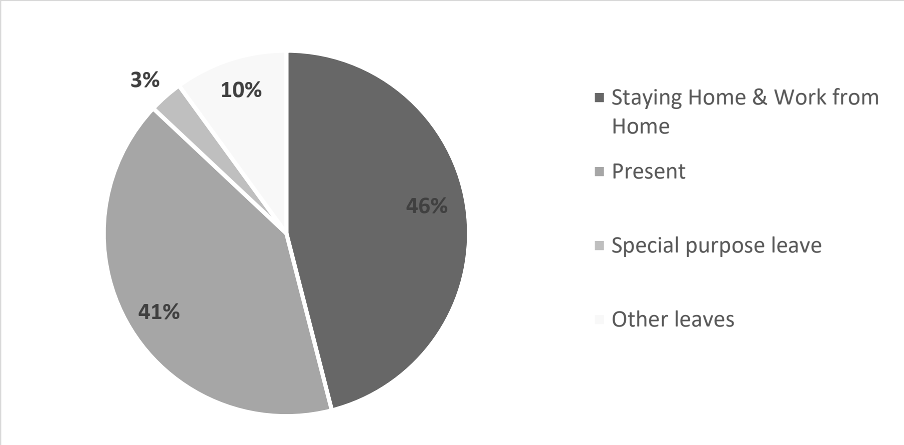
The Bank's Management formed the Risk Management Committee on 4th March 2020 which:

- monitors all updates through the national and global organizations in charge and supervises the implementation of all guidance and orders issued by the WHO and other government authorities

- constantly communicates and gets informed from doctors, special scientists and experts

- achieved gradually and fast better hygienic and safety conditions with constant decontaminations and cleaning, provision of protective measures for all, forbiddance of visitors entry to the Management premises and strict entry control for the customers in the branches

- analyzes and evaluates under documented way the general condition on a daily basis and decides for all the necessary actions for the health preservation of all employees and protection of all customers in the branches.



The Bank's management achieved through its actions for the 87% of its workforce to continue to provide their work either through physical presence or through distant presence with basic concern the preservation of the uninterrupted operation of the Bank.

Attica Bank Group implements the new business plan for the 3 years period of 2020-2022. Attica Bank taking into consideration the continuous changing domestic and international environment, proceeded in revising its business plan in 2020, to reflect the new challenges of the economic environment due to the pandemic of coronavirus and simultaneously to provide meaningful support to employees and companies of the affected sectors of economic operation.

D. TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties were carried out in the ordinary course of business and on an arm's length basis. The aforementioned transactions for the period ended 31.12.2019 are presented in the tables below distinguished between transactions with related companies and transactions with members of management:

D1. Transactions with Related Companies

Receivables

Company (amounts in thousasnd €)	Attica Bank's Participation as at 31.12.2019	Participation	Loans	Other
Attica Wealth Management Mutual Funds	502	100.00%		
Attica Bancassurance Agency S.A.	100	100.00%		332
AtticaBank Properties S.A.	500	100.00%		4
Zaitech Innovation Venture Capital Fund	4,323	50.00%		
Thea Artemis Societe Anonyme for Management of Loans and Appropriations	20	20.00%	5,196	
Total	**5,444**		**5,196**	**336**

Payables

Company (amounts in thousasnd €)	Time Deposits	Sight Deposits	Expenses payables
Attica Wealth Management Mutual Funds	966		
Attica Bancassurance Agency S.A.	4,535		
AtticaBank Properties S.A.	507		162
Zaitech Innovation Venture Capital Fund	69		
Thea Artemis Societe Anonyme for Management of Loans and Appropriations	1,546		
T.M.E.D.E (Civil Engineer Contractors Fund)	36,000	5,905	
E.F.K.A. (Single Social Security Body)		182,699	
Total	**43,623**	**188,604**	**162**

Income

Company (amounts in thousasnd €)	Rents	Commission Income	Loan Interest
Attica Wealth Management Mutual Funds		4	
Attica Bancassurance Agency S.A.	1	141	
AtticaBank Properties S.A.		1	
Thea Artemis Societe Anonyme for Management of Loans and Appropriations			73
Total	**1**	**145**	**73**

Expenses

Company (amounts in thousasnd €)	Interest Payable on Deposits	Service rendering
Attica Wealth Management M.F.M.C	10	
Attica Bancassurance Agency S.A.	11	
AtticaBank Properties S.A	1	797
T.M.E.D.E (Civil Engineer Contractors Fund)	703	
E.F.K.A (Single Social Security Body)	2,737	
Total	**3,461**	**797**

Letters of guarantee

Company (amounts in thousasnd €)	Letters of Guarantee
Attica Wealth Management Mutual Funds	56
AtticaBank Properties S.A.	2
Total	**58**

D2. Transactions with members of the management

The table below lists the transactions with members of the Management (Chairman and Chief Executive Officer, members of the Board of Directors, members of the Executive Committee) at 31.12.2019 at Bank and Group level.

Transactions with members of the management

(amounts in thousand €)	Bank	Group
Receivables	342	342
Payables	1,582	1,583
Interest Income	10	10
Interest Expense	6	6
Wages and Salaries	1,711	1,844
Board of Directors' fees	562	678

E. Non-financial information

Attica Bank has a clear strategy for developing and continuously improving its potential. Its strategy and business model are governed by the principles set out in the Code of Conduct and Ethics, and strategic decisions take into account the principles of corporate governance. Attica Bank is constantly adapting and improving its strategy and ensuring the harmonization of its individual business actions to achieve its long-term and short-term goals, through regular review and monitoring of key performance indicators.

A. Control and Compliance

Internal Audit

The Internal Audit Division, through the audits it conducts, evaluates the correct planning (adequacy) and finds the effective operation of the audit mechanisms that make up the Internal Audit System, providing its independent evaluation to the Audit Committee, and through it to of Attica Bank. It also provides advice on improving the design and operation of the Internal Audit System, both through its audit work and, through its advisory role, in its participation in project committees.

The Internal Audit Division, as a Service independent from the other Attica Bank units, is part of, and reports to, as regards its operation, directly to the Audit Committee and, through it, to the Board of Directors of Attica Bank, for the purpose of preserving its independence. For administrative matters, only the Internal Audit Division reports to the Chief Executive Officer.

Regulatory Compliance & Corporate Governance

The purpose of the Regulatory Compliance & Corporate Governance Division lies in the prevention and effective management of non-compliance risks by Attica Bank with the regulatory framework that governs their operation each time, by establishing appropriate policies and processes and adopting risk identification, control and monitoring mechanisms. Particular emphasis is placed on compliance with the regulatory framework for preventing and tackling money laundering and terrorist financing. In addition, its purpose is to monitor compliance with the principles and practices under which Attica Bank is organized, operated and managed, in order to safeguard and satisfy the legitimate interests of all those associated with the Bank.

B. Sustainable banking operations

Attica Bank aims to reduce the environmental footprint of its operations and infrastructure. During the years 2018-2019, the Bank has already proceeded to the following actions:

- recycling of paper, plastic cards, toner of photocopiers and printing machines, lamps, electrical & electronic devices and security systems materials;
- use of organic detergents in the Bank's buildings;
- replacing simple bulbs with energy-saving bulbs;
- issuance of energy certificates for a number of stores and buildings.

To further develop environmental and social responsibility, policies are applied to:

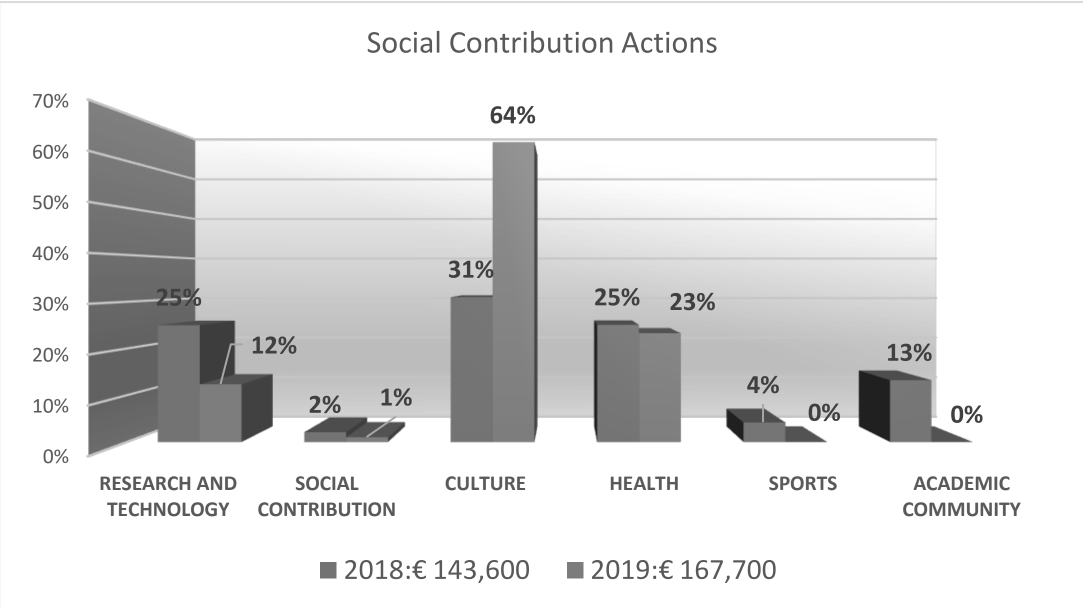
- extend the no paper policy throughout the bank's production process, by providing special incentives to the customers and by accelerating the implementation of electronic copies for accounts (E-Statement);
- use biodegradable materials throughout the bank's product chain, such as plastic for cards (from corn), forms, flyers, etc.
- implement systematic waste management;
- evaluate mechanical equipment to reduce energy consumption, by means of targeted maintenance, replacements, upgrades;
- reduce energy consumption (operating time of air conditioners and other machines, lighting with LED lamps);
- install photocells for lighting in all common areas and warehouses;

- implement energy upgrade of buildings;
- use electric or hybrid cars
- promote environmental education and environmental awareness;
- adopt International Standards (Corporate Social Responsibility ISO 26000, Environmental Management System ISO 14001, Business Continuity ISO 22301).

C. Society

Contribution to society is an integral part of Attica Bank's corporate identity, which features a high sense of responsibility towards society and fellow human beings, by helping to address social problems, supporting humanitarian initiatives and supporting the work of recognized organizations and social actors. Attica Bank, having embraced the long-term success and increase in its value, is intertwined with the development and prosperity of the societies in which it operates.

In 2019, in the framework of the corporate social responsibility program, Attica Bank contributed to important actions in the fields of Research and Technology, Social Offering, Health and Culture. It supports social, intellectual and artistic life and contributes to the preservation and promotion of cultural heritage, subsidizes intellectual works, artistic and cultural events, as well as to the development of sports.



Attica Bank complies with decisions that require that it must not cooperate with countries, companies or individuals who support terrorism or violate human rights. It does not, directly or indirectly, support political parties and organizations.

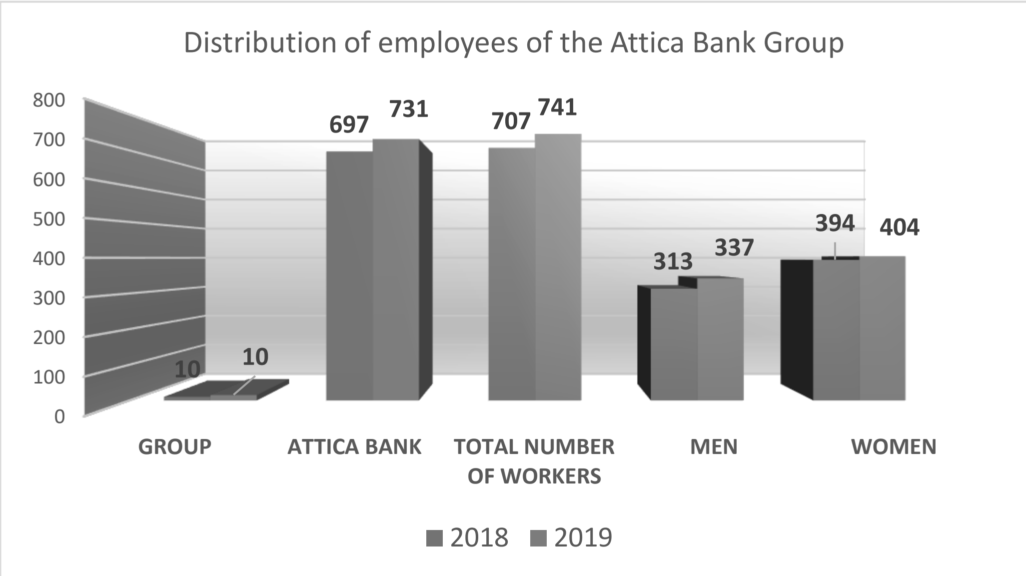
Also, Attica Bank, in the context of its initiatives on matters that benefit employees and society in general, has taken the following actions:

- Installation of special corridors (ramps) for the access of people with special needs, at six (6) branches and one (1) administration building,
- Entrance with accessible wheelchair at twenty five (25) branches and three (3) administration buildings,
- Creation of a "Blood Bank" by organizing two blood donations per year, in collaboration with the relevant - Association of Bank Employees,
- Establishment of an internship program following the completion of studies for obtaining a degree, and
- Establishment of a training program for senior undergraduates / graduates and/or postgraduate students, to provide them with the necessary skills for their smooth integration in the labor market.

D. Work-related Matters

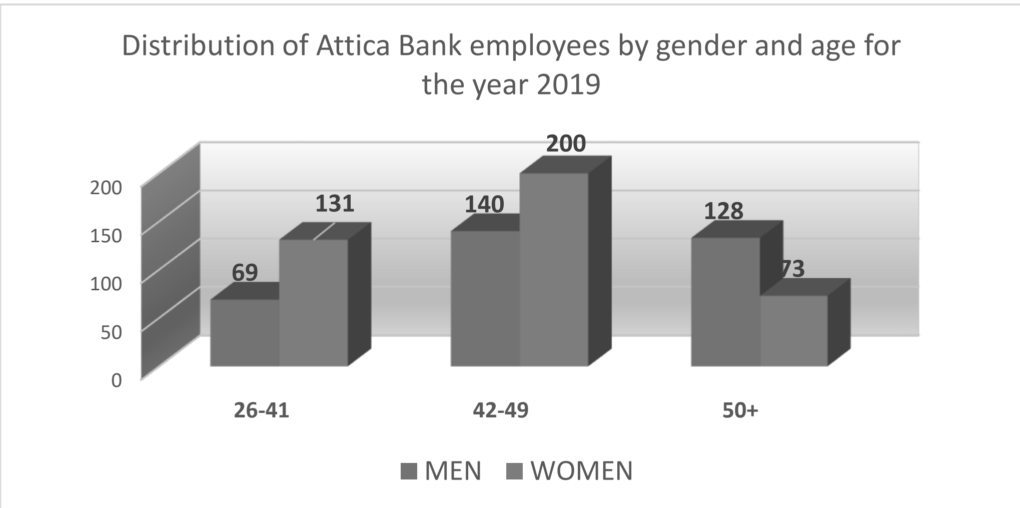
The employees of Attica Bank are the most important asset for the Bank's success and development. Attica Bank ensures the following in accordance with the Personnel Work Regulations and taking into account the guidelines of the Organization for Economic Co-operation and Development (OECD) on the operations and key employment contracts of the International Labor Organization (ILO):

- Equal treatment and respect for staff diversity
- Professional development and training of staff
- Safe working conditions.



On December 31, 2019, Attica Bank employed 741 people. The gender distribution of staff reflects the defense of equal opportunities advocated by Attica Bank, as the percentage of women is about 54% of the total number of employees.

Regarding the age distribution of the majority of the human resources gathered at Attica Bank, about 72% of the human resources are under 50 years old, while about 28% are up to 42 years old.



Attica Bank hired forty-eight (48) people in 2019, whereas 15 people left.

As Attica Bank comprehends the importance of the development and evolution of human resources in the implementation of its strategic objectives:

- It implements a meritocratic system for evaluating the performance, promotions and rewards of human resources. The aim is to recognize and reward the effort made by each employee.
- It invests in the continuous improvement of human resource skills and encourages lifelong learning and training, by organizing training and development programs and providing educational opportunities based on current policies.
- It ensures good and safe working conditions, providing equal rights and opportunities for all, in order to achieve a balance between working time and the personal life of employees.

Assessment

The implementation of employee evaluation systems has a positive effect on rewarding good professional performance and encouraging their effort to continuously improve their performance and enhance their skills. Attica Bank implements a performance evaluation process for all employees, on an annual basis. Especially for the year 2019, and based on the conclusions drawn from a corporate culture survey, Attica Bank proceeded to redesign the performance evaluation system. It will henceforth implement a new process following a modern model of governance on the basis of which evaluation is evolving into an ongoing development process.

Equal opportunities

Attica Bank, with a sense of responsibility and taking into account the guidelines of the Organization for Economic Co-operation and Development (OECD) for the operations and key employment contracts of the International Labor Organization (ILO), supports and defends human rights and is committed to protecting them through of the Code of Conduct and Ethics.

Attica Bank promotes equal opportunities, equal treatment and freedom of expression for its staff. It recognizes that diversity is a key component of a responsible business strategy and excludes all forms of discrimination, harassment or unprofessional behavior at work, while prohibiting the employment of minors under the age of eighteen (18), as well as any form of forced labor (e.g. compulsory overtime and threats of dismissal).

Respect for human rights is fundamental to the sustainable development of both Attica Bank and the societies in which it operates. Recognizing the risk of human rights violations, Attica Bank encourages the reporting thereof by establishing a confidential communication channel, the operation of which has been communicated to everyone in the staff, where any reports are evaluated and investigated by the Internal Audit Division.

Moreover, recognizing the risk of human rights abuses by third parties, Attica Bank fully complies with decisions prohibiting cooperation with countries, companies or individuals that support violence and terrorism.

Framework of fees and benefits

Recognizing the dedication and contribution of human resources, Attica Bank implements modern reward systems. Specifically, the Revenue Policy has been established, which is harmonized with the overall operating policy of the Group and is part of its corporate governance. This policy is reviewed on an annual basis with the aim of attracting and retaining human resources, as well as achieving compliance with any legislative and supervisory restrictions, and aims to the following:

Promoting Attica Bank's business strategy, goals and long-term interests and mobilizing human resources in this direction.

Promoting good and effective management and covering future or future risks while encouraging Attica Bank to take excessive risks.

Contributing to the prevention or minimization of situations of conflict of interest or influence, which are to the detriment of risk management.

As part of providing an attractive payroll package, Attica Bank provides:

- Life and hospital insurance through a Group Insurance Policy for the employee and protected members (spouse and children),
- Complementary Medical Care Policy, which includes a wide range of medical and dental procedures as well as examinations,
- Rechargeable electronic feeding order,
- Possibility to grant loans to staff, with a maximum amount of up to five (5) gross monthly salaries to cover emergencies,
- Financial awards to employees' children when they excel, as well as those admitted to Greek universities and technology institutes, and
- Books for the children of employees before the start of each new school year.

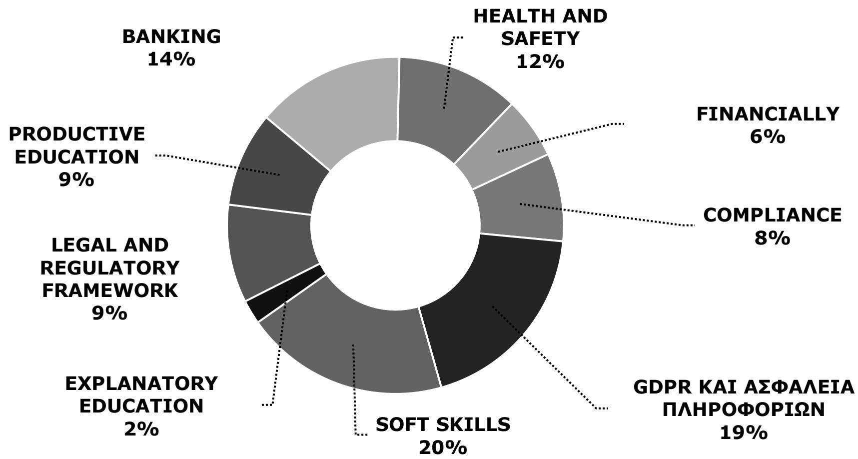
Education

Attica Bank monitors, manages and evaluates the educational needs of all employees, aiming to the following:

- Expanding the education of its human resources,
- Development of vocational training and experience, and
- Timely and smooth adaptation of knowledge and specialties to the new requirements of technology, organization and modern banking practice.

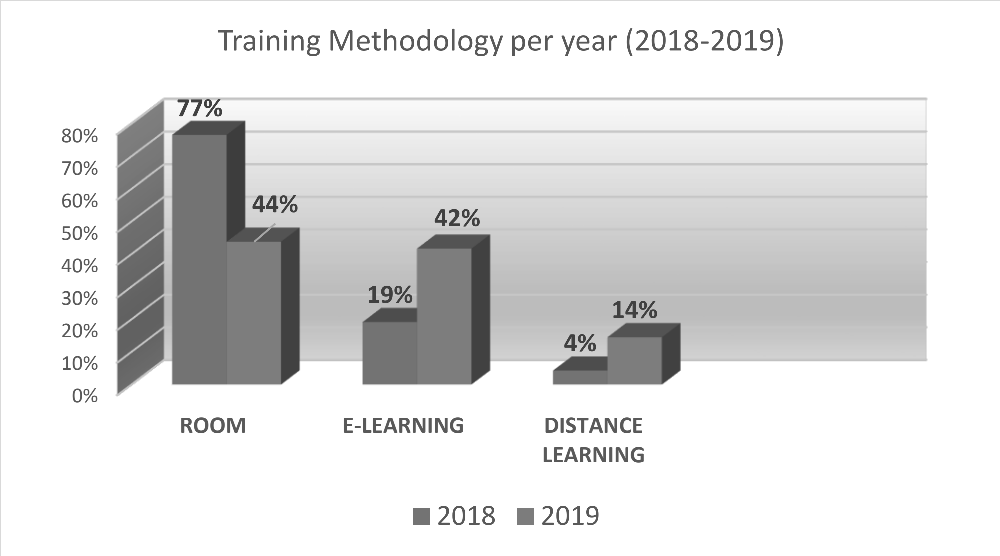
As defined in the Staff Work Regulations, the training concerns all human resources and is continuous and proportionate to the training needs of each employee. For the implementation of the annual educational plan, it is preceded by the diagnosis of educational needs and then the submission of the prepared plan in an approval process of prioritization and control of the expediency of the educational actions in order to be launched for implementation.

In the year 2019, there was a 27.32% increase in educational work. Attica Bank's training program covered a wide range of educational needs with both live and e-learning training with the following topics:



In addition to the above training programs, Attica Bank ensures that the level of competence required for Certificates of Professional Competence is fully complied with in accordance with its institutional obligations. In this context, the coverage of professional competence certifications in the roles of service units is ensured, the subject of which is the provision of Investment Advice or Services for the Distribution of Insurance and Reinsurance Products or Products of Housing Loyalty. Attica Bank also encourages the acquisition of professional certifications in various other subjects, such as Auditing, Fraud, Informatics, Accounting, Regulatory Compliance, etc.

The following is a picture of the educational activity per methodology used for the years 2018 and 2019 in comparison.



In addition, the Training and professional development policy for the members of the Board of Directors has been established, through which the members of the Board of Directors are given the opportunity to enrich their knowledge in the business model of the Group and further develop their professional skills, with the ultimate objective of making a substantial contribution to the administration.

Health and safety

With the main goal of improving professional life and recognizing the importance of good physical and mental health among employees, Attica Bank has ensured a modern, healthy and safe work environment, applying the legal provisions laid down for the health and safety of employees.

To this end, it monitors and controls the relevant risks and takes the necessary precautionary measures, such as:

- Educational programs for the Health and Safety of employees on an annual basis, as reflected in the topics of the educational programs,
- Carrying out building evacuation drills on a quarterly basis, preparing for the cases of fire, earthquake, terrorist acts, etc. For this purpose, a Circular has been issued regarding the "Emergency Response and Building Evacuation Plan". In 2019, three evacuation drills took place in Administration buildings.
- Visits of the Safety Technician and the Occupational Physician in accordance with the applicable laws.

In 2019, and in order to protect the health and safety of the Bank's employees, the following training was carried out:

- E-learning seminars on First Aid issues, for newly hired employees, as well as for employees who were not included in the 2018 trainings (until all Bank employees participated)
- E-learning seminars on Fire Safety & the Evacuation of Office Areas, for newly hired employees, as well as for employees who were not included in the 2018 trainings (until all Bank employees participated)
- Special Fire Safety seminars, in a room, consisting of theory and practice, and carried out in real fire conditions (with all the necessary precautions). The training was carried out by the Athens Fire Academy for the members of the fire protection teams (leaders / deputy chiefs), for all the building facilities of the Bank.
- Special seminars in a room, on the Protection of Human Resources in Cases of Illegal Situations & Threats to Human Life / Dealing with Robbery, for all the Heads of the Network, as well as for the human resources in the front line. The training was carried out by the Hellenic Police.

Moreover, in 2019, three evacuation drills took place in buildings of the Administration, while for the same period two incidents of accidents were recorded.

Associations

As defined in the Staff Regulations, in the industry and business Collective Work Contracts, in national and EU laws, as well as in international protocols, Attica Bank respects the constitutional right of every employee to participate in trade unions.

Attica Bank operates the Attica Bank Employees' Association (SYTA), the only statutory Workers' Union for its employees, which represents 674 registered members, i.e. more than 90% of all regular staff.

E. Relationships with Customers and Suppliers

Attica Bank, in the context of its responsible operation, has established policies and procedures which define the principles and rules for the effective management of procurement and the outsourcing of activities to third parties. In particular, it has enacted a Cost Approval Policy and an Outsourcing Policy, which promote transparency and impartiality and ensure proper risk management through the establishment of specific criteria and procedures. Also, based on the Outsourcing Policy, regular inspections of the relations with the providers are carried out regularly, while the risks arising from such relations are also evaluated based on predetermined criteria and are monitored on a regular basis.

The main suppliers of Attica Bank are computer service providers, customer service and network support companies. Three contracts have been signed for the main suppliers concerning IT service companies, and there is one contract for suppliers that provide customer services and network support services. According to the Code of Conduct and Ethics, staff members must comply with all procedures provided for the examination, evaluation and selection of suppliers on behalf of Attica Bank, applying objective criteria, thus safeguarding the Group's reputation and interests.

In order to manage the risk of breach of the existing legislation by third parties to whom the execution of projects has been outsourced, a special term is included in all contracts regarding the obligation of third parties to comply with the provisions of labor and insurance legislation, legislation for the health and safety of employees and legislation for the prevention of occupational risk, while the payment of remuneration, any compensation and insurance contributions is monitored on a regular basis, in accordance with Law 4554/2018.

F. Fight against corruption

Attica Bank's Management adopts a policy of zero tolerance for fraudulent, and generally illegal, actions. These actions are contrary to the fundamental values and principles (which are mentioned in Attica Bank's Code of Conduct and Ethics) that govern Attica Bank's business activities and pose a significant risk to it, with a serious impact on its reputation and the interests of customers, shareholders and employees.

In this context, and taking into account the guidelines of the Organization for Economic Co-operation and Development (OECD) for businesses, Attica Bank has established the following policies to prevent and tackle corruption and bribery.

Please note that no cases of corruption were recorded in Attica Bank in 2019.

Conduct and Ethics

The Code of Conduct and Ethics establishes values and principles and sets standards of conduct and rules for tackling corruption and bribery, phenomena which could jeopardize Attica Bank's reputation and interests. According to the Code of Conduct and Ethics, no member of the staff of Attica Bank or first-degree relatives thereof may be involved in bribery / money laundering in any form, either directly or indirectly.

Conflict of Interest

Attica Bank acknowledges the risk of conflict of interest when conducting business and providing investment and banking services. In this context, it has established the Policy for Conflict of Interest and the Policy for the Prevention of Conflict of Interest for the Members of the Board of Directors and the top executives of the Bank, defining a series of organizational measures, procedures and systems for preventing and/or managing real or potential cases of conflict of interest.

Preventing and Tackling Money Laundering and Terrorist Financing

The Anti-Money Laundering and Terrorist Financing Revenue Policy defines due diligence procedures regarding customers, in full compliance with the Financial Action Task Force (Financial Action Task Force) and its recommendations. The due diligence measures include the certification and verification of the identity of the customer and the actual beneficiary, the exercise of continuous supervision over the business relationship, the thorough examination of transactions and the immediate notification of the competent Commission and the Bank of Greece, when there are serious indications or suspicions that money laundering or financing of terrorism is being committed or attempted, has been committed or attempted.

Dealing with Fraud

To ensure effective and safe operation and to prevent fraud, Attica Bank is going to introduce the Anti-Fraud Policy in 2020, which defines the concept of fraud, describes the organization and the structures to deal with it. It also defines the obligations of all staff and the responsibilities and actions to be followed when fraud or attempted fraud is detected or suspected, as well as the relevant actions of the competent authorities.

In order to raise awareness among the staff and to formulate a unified behavior for preventing and tackling corruption and bribery, educational programs are carried out on a regular basis, related to the legal framework and including training on Preventing and Tacking Money Laundering & Terrorist Financing.

Complaints

Attica Bank has established a Complaints Management Policy which sets out the rules for the effective management of customer complaints / complaints / grievances / complaints regarding the services offered to them.

Reports/Complaints

Attica Bank has set up a confidential communication channel, which provides an opportunity for the staff to report anonymously serious irregularities, omissions, criminal acts and illegal practices that came to their notice during the performance of their duties. All reports are evaluated and investigated by the Internal Audit Division in complete confidentiality, and the Division immediately informs the Management and the Audit Committee.

Dealing with emergencies

Attica Bank aims to protect the health and safety of workers to reduce the risks associated with the spread of Covid-19, and having as its immediate priority the protection of Human Resources is in constant contact with the competent state authority, i.e. the National Public Health Organization (EODY) and the cooperating company EXYPP, which provides Occupational Physician and Safety Technician services.

In this context, a competent Crisis Management Committee has been set up, which is responsible for coordinating actions to address the issue of Covid-19. In the context of the above, it was decided to issue specific instructions and to take precautionary measures. More specifically:

- Building coordinators have been appointed.

- Technical and procedural measures have been taken to remotely employ Bank officials, in order for the jobs critical for the Bank to continue, in the case that buildings are closed down and/or people are required to stay at home.

Attica Bank has been quick to create a fully functional model for distance working to protect the health of its employees, by adapting the Bank's procedures for ensuring "remote access" to its employees and customers, and taking action aimed at meeting the immediate needs of customers.

- Attica Bank has started supplying the necessary disinfectants for use by staff, customers and for the cleaning of its facilities.

- The cleaning of all work areas of the Bank (Administrative Units and Branches) has been intensified, with an additional visit of the cleaning crews in the mid of the working hours and an additional, upgraded, cleaning visit after the end of the works.

- Disinfections were planned in prefectures where the problem is severe (Achaia and Ilia). Also, preventive disinfections will be carried out in all the facilities of the Bank - Management Buildings and Branches

- Instructions were given to the Heads of Units to completely avoid scheduling large gatherings, except in exceptional cases, to limit small meetings and to use the method of teleconference as much as possible.

- Travelling for professional reasons is banned and it was recommended to avoid travelling for personal reasons to areas where the Covid-19 virus has been transmitted. It was also recommended to avoid unnecessary travel by public transport.

- The Human Resources Department shall send to the entire Personnel any new information from competent official bodies.

Please note that this paragraph does not pertain to the reference period (2019).

F. EXPLANATORY REPORT ART. 4, par. 7 & 8, LAW 3556/2007

The present explanatory report of the Board of Directors (in compliance with Article 4 of Law 3556/2007), to the Ordinary General Meeting of the Shareholders contains information pertaining to 31.12.2019.

a. Share Capital

The total share capital of the Bank, as at 31.12.2019, amounted to €138,376,203.90, divided into 461,254,013 common registered shares with a nominal value of €0.30 each.

Common shares are listed in Athens Stock Exchange. The Bank's shares are common registered shares with voting rights. Each Bank's share incorporates all the rights and obligations defined by the Legislation and the Articles of Incorporation of the Bank. The possession of securities/shares, according to law; implies automatically the acceptance of the Bank's Articles of Incorporation and the legal decisions of the General Assembly of the Bank. The shareholders liability is limited to the General Meeting of shareholders of the Bank, defined by the legislation and Articles of Incorporation of the Bank. Rights and obligations arising from each share are outstanding pertaining to every general or special share successor. Moreover, the shareholders participate in distribution of profits or other distributions according to legislation and Articles of Incorporation. Shareholders exercise their rights pertaining to the bank's Management through General Meetings and in compliance with the Legislation.

- **Treasury Shares**

As at 31.12.2019, the bank held 26 treasury shares at the cost €97,332.30. These shares represent a rate of 0.00000563680732681235% of the total common shares with voting rights at the same date . The other Group companies included in the consolidation did not hold any shares of the Bank as of 31.12.2019.

According to Article 28 of Law 3756/2009 "Depository Securities System, capital markets regulations, tax and other provisions", all banks participating under the terms of the liquidity plan of the Ministry of Economy and Finance, are not allowed to purchase treasury shares during the period of their participation in the program. For this reason, the last purchase of treasury shares took place on 18.2.2009 and since then there has been no change in the number held by the Bank.

According to decision 1/503/13.03.2009 of the Board of Directors of the Hellenic Capital Market Commission, the purchase of own shares and their holding with a view to acquire shares in another company in the future is considered as an acceptable market practice.

b. Limitations to transfer of Bank's shares

Transfers of Bank's shares are carried out as prescribed by Law and there are no limitations stated in its Articles of Incorporation.

c. Significant direct or indirect participating interests as defined by P.D. 51/1992

Significant direct participating interests in the share capital of the Bank as these are defined in Articles 9-11 of Law 3556/07, as at 31.12.2019 were as follows:

	Shares	Participation Percentage
SINGLE SOCIAL SECURITY BODY	212,918,027	46.16%
CIVIL ENGINEER CONTRACTORS FUND	149,907,554	32.5%
TAPILTAT	13,046,573	2.829%

Law 4387/2016 provides for the incorporation of E.T.A.A./T.S.M.E.D.E. to the Single Social Security Body (E.F.K.A.) as of 01.01.2017. In accordance with the decision 61662/3406/30.12.2016 issued by the Minister of Labor, Social Security and Solidarity, 5.63% of the Bank's ordinary shares that were held by E.T.A.A./T.S.M.E.D.E. was transferred to the Public Constructions' Engineering Contractors Fund (T.M.E.D.E.), while the remaining 50.64% was transferred to E.F.K.A.

In accordance with the decision no. B / 7 / ec.24635 / 2013 / 30.04.2018 (Government Gazette B1587 / 08.05.2018) issued by the Minister and decision 388 of the BoD meeting. EFKA 21 / 10.05.2018, on 16.05.2018 8,354,559 common shares of the Bank were transferred, as well as the corresponding preference rights, from the portfolio of EFKA, to the portfolio of T.M.E.D. E. Thus the participation of EFKA in the share capital of the Bank was 45.58% and T.M.ED.E. was 10.69%.

Following the increase in share capital of the Bank with the decision of Extraordinary General Meeting of Shareholders held on 22.12.2017, in conjunction with the decision of the Board of Directors held on 21.05.2018, the participation of EFKA in share capital of the Bank stood at percentage of 66.89%, TMEDE at 11.78% and T.A.P.I.L.T.A.T at 2.83% (30.05.2018 trading date of new shares in the Athens Stock Exchange).

In accordance with the Ministerial Decision No. 33379/2703 / 15.06.2018 (Government Gazette B2280 / 15.06.2018), on 27.07.2018 were transferred 95,606,341 common shares of the Bank from the portfolio of EFKA to the portfolio of T.M.E.D.E. Thus, the participation of EFKA in the share capital of the Bank stood at 46.16% and T.M.E.D.E. at 32.50%

Following the disclosure of E.FK.A to the Capital Market Commission (No 7961 / 02.08.2018) according to voting rights deriving from ordinary shares of EFKA to the Bank are exercised by the Financial Stability Fund, if the share capital of the Bank exceeds 33% and only in relation to the excess percentage, the percentage of the total voting rights held by EFKA at the Bank now stands at 33.00% and the Financial Stability Fund has the 13.16% of the voting rights resulting from the common shares of the EFKA in the share capital of the Bank in accordance with article 70 par.14 of Law 4387/2016 (Government Gazette A 85/2016), as amended by article 114, par.8 of Law 4549 / 2018 (Government Gazette A 105/2018), and the special agreement of article 114, par. 8 of Law 4549/2018, signed between the EFKA and the Financial Stability Fund July 31, 2018 regarding the voting rights in Attica Bank without any transfer of ownership of the aforementioned shares to the Financial Stability Fund.

d. Owners of shares granting special control rights

There are no holders of ordinary shares of the Bank that provide special control rights. The Bank was subject to the provisions of L. 3723/2008 as it stands, with all the privileges it provides to the Greek State and for that purpose were issued preferential shares , the regime of which was governed by the provisions of Law 3723/2008, in combination and with no. Cf. 54201 / B / 2884 / 26.11.2008 Decision of the Minister of Economy and Finance.

The Bank during the ordinary General Meeting held on 25.07.2018 decided to acquire all the preference shares of the Greek State in exchange for the issuance to the Greek State of a subordinated bond in accordance with Law 3723/2008, following its total share capital, as well as the amendment of article 5 on the share capital of the Articles of Incorporation, which was approved by the Extraordinary General Meeting of the preferential shareholders on 25.07.2018.In accordance with the decision with No. ΜΑΔΚΑΕΣ 0003791 ΕΞ 2018/10.02.2018 issued by the Minister of Finance (Government Gazette 5589/12.12.2018),the above acquisition in exchange was approved and withdrawal by the Hellenic Republic of category 2, according to the regulation 575/2013 of the Bank. The amendment of Article 5 on the share capital of the Bank's Articles of Incorporation, which was the consequence of the reduction of the share capital, was approved by the decision of the Ministry of Economy and Development No. 14951 / 05.02.2019 which was registered with the General Secretariat announcement with no. 14944 / 05.02.2019.

e. Limitations to voting rights

There are no restrictions on voting rights.

f. Agreements among the shareholders of the Bank (known to the issuer) that entail limitations in the transfer of shares/exercise of voting rights.

In accordance with the no. protocol 7961 / 02.08.2018 disclosure to the Hellenic Capital Market Commission, EFKA announced that the voting rights deriving from ordinary shares of EFKA to Attica Bank are exercised by the Financial Stability Fund, since the participation of EFKA in the share capital of the Bank exceeds 33% and only in relation to the excess percentage, in accordance with article 70 par. 14 of Law No. 4387/2016 (Official Gazette A 85/2016) as amended by the Article 114, paragraph 8 of Law 4549/2018 (Government Gazette A 105/2018), and the special agreement of article 114, par. 8 of Law 4549/2018, signed between E.F.K.A and the Financial Stability Fund on 31 July 2018 regarding the voting rights in Attica Bank.

Thus, the percentage of the total voting rights held by EFKA to the Bank now stands at 33.00% and the Financial Stability Fund exercises the 13.16% of the voting rights resulting from the common shares of the EFKA in the share capital of the Bank.

The agreement above does not entail the transfer of the ownership of EFKA excess shares to the Financial Stability Fund.There are no other shareholder agreements which are disclosed to the Bank and entail restrictions on the transfer of share/exercise of voting rights.

g. Regulations on appointment and replacement of members of the Board of Directors and amendments to the Articles of Incorporation.

There are no regulations on appointment/replacement of BoD members or amendments to the Articles of Incorporation that do not fall within Law 4548/2018.

h. Authorization of the Board of Directors or certain members for issuance of new shares or acquisition of treasury shares.

Authorization for the issuance of shares exists only under the conditions of Article 6 of the Bank's Articles of Incorporation.

Regarding treasury shares, according to Article 28 of Law 3756/2009 "Depository Securities System, capital markets regulations, tax and other provisions", all banks participating in the liquidity enhancement plan of the Ministry of Economy and Finance, are not allowed to purchase treasury shares during the period of their participation in the program. For this reason, the Bank has neither set any treasury shares purchase program in progress nor acquired any treasury shares during 2018.

i. Significant agreements made by the Bank that become effective, are amended or cease to be in effect in case of a change in the control of the issuer following a public offering and its related results, unless the disclosure of such information to the public would incur heavy losses to the issuer (the exemption for the disclosure is not valid if it is required by other provisions).

There is no agreement that would become effective, or amended or would cease to be in effect in case there is a change in the controlling interests for the Bank due to a public offering.

j. Agreements made by the Bank with members of the Board of Directors or with members of personnel, foreseeing reimbursement in case of resignation or dismissal without cause or termination of their service tenure or employment due to a public offering.

There are agreements with the BoD members pertaining to reimbursement in case of termination without cause.

There are no agreements with the BoD members pertaining to reimbursement in case of termination of their service tenure or employment due to a public offering.

Alternative Performance measures

According to European Securities and Markets Authority (ESMA) guidelines in relation to Alternative Performance Measures (APMs) which published in October 2015 and came into force on 3 July 2016, on the following tables are disclosed the definitions and the calculations of the related (APMs) which are included to Board of Directors annual Financial Report 2019.

	Definition	Calculation			31.12.2019	31.12.2018
Accumulated Provisions to cover Credit Risk / Loans and advances to customers before provisions	The ratio reflects the relationship between the total provisions to cover credit risk to total loans and advances	Numerator	+	Accumulated provisions to cover credit risk	280,885	252,994
		Denominator	+	Loans and advances to customers before provisions	1,828,379	1,845,138
		Ratio	=		**15.4%**	**13.7%**

	Definition	Calculation			31.12.2019	31.12.2018
Provisions to cover Credit Risk of the current year / Income from Operating Activities	The ratio reflects the relationship between the provisions to cover credit risk carried out in the current year to total income	Numerator	+	Provisions to cover credit risk	24,202	27,527
		Denominator	+	Income from Operating Activities	71,606	127,987
			-	Non-recurring Income *	4,882	47,000
		Ratio	=		**36.3%**	**34.0%**

	Definition	Calculation			31.12.2019	31.12.2018
Profit / (Losses) after taxes / Income from Operating Activities	The ratio reflects the relationship between the Profit or Loss after tax and the Total Income	Numerator	+	Profit / (Losses) after taxes	4,998	(2,357)
		Denominator	+	Income from Operating Activities	71,606	127,987
			-	Non-recurring Income *	4,882	47,000
		Ratio	=		**7.5%**	**-2.9%**

	Definition	Calculation			31.12.2019	31.12.2018
Expenses / Income Ratio	The ratio reflects the relationship between recurring expenses and income of the period	Numerator	+	Personnel expenses	33,568	33,704
			+	General operating expenses	23,095	30,494
			+	Depreciation	13,380	7,780
		Denominator	+	Income from operating activities	71,606	127,987
			-	Non-recurring Income *	4,882	47,000
		Ratio	=		**105.0%**	**88.9%**

	Definition	Calculation			31.12.2019	31.12.2018
Loans and Advances to customers (before provisions) to Deposit Ratio	The ratio reflects the relationship of loans and advances to customers before provisions to due to customers	Numerator	+	Loans and advances to customers (before provisions)	1,828,379	1,845,138
		Denominator	+	Due to customers	2,608,157	2,281,875
		Ratio	=		**70.1%**	**80.9%**

	Definition	Calculation			31.12.2019	31.12.2018
Return on Equity (after taxes)	The ratio reflects the relationship of Profit or Loss (after taxes) to Equity	Numerator	+	Profit / (Loss) after taxes	4,998	(2,357)
		Denominator	+	Equity	494,081	490,897
		Ratio	=		**1.0%**	**-0.5%**

** Non - recurring income for 2018 is the profit that arose as the price of the sale transaction of the junior note to the investor, while for 2019 as non – recurring income are considered the income that arose from reversal of provision for tax purposes of €2.4 million for income taxed under special purpose and €2.5 million for the reversal of receivables regarding withheld taxes on income taxed under special purpose.*

Declaration of Corporate Governance

Declaration of corporate governance for the fiscal year 2019

Introduction

The bank has adopted and implements a Corporate Governance Code in accordance with Greek law and corporate governance best practices.
The Code has been posted on the Bank's website. General Meeting
The General Meeting is the supreme body of the bank, representing the shareholders and is entitled to decide on every corporate affair. Its decisions on all issues are binding for all shareholders, even for those who were absent from the meeting or who disagree with the decisions made.

The procedures and rules on the General Meeting convocation, participation and decision-making, as well as its responsibilities, are regulated in detail by the provisions of the Bank's Articles of Association as amended and in force by Codified Law 4548/2018.

The General Meeting shall be the only competent body to decide on the following:

- The amendments to the Articles of Association, including any increases, regular or exceptional, or decreases in the Bank's share capital.
- The election or replacement of members of the BoD and auditors, except in the case of Article 18(1) of the Articles of Association on the election of members of the BoD to replace resigned, or deceased members, or members who are relieved due to any other reason.
- The approval of the Company's annual and consolidated financial statements.
- The allocation of annual profits.
- The merger, split, transformation, revival, duration extension or dissolution of the Bank.
- The appointment of liquidators.
- The approval of payments or advance payments of fees.
- The approval of payroll policy and payroll reports.
- The approval of the overall management, and the relief of the auditors and
- Any other matter provided for in the Bank's Articles of Association.

The rights of the shareholders in the General Meetings of the Bank are set out in Articles 124, 127 and 128 of Law 4548/2018, in conjunction with the Bank's Articles of Association.

1. Board of Directors (BoD)

The Board of Directors is collectively responsible for setting the strategic objectives of the Group, overseeing top and higher management executives, as well as for the ensuring the adequate and effective control of the Bank in order to secure its general corporate interests and achieve the maxi- mum long-term value under the law.

The current Board of Directors is composed of twelve (12) members of which three (3) are executive, four (2) non-executive, four (6) independent non - executive and one (1) is a representative of the Greek State designated pursuant to the relevant provisions of Law 3723/2008.

The appointment of the independent members of the Board according to Law 3016/2002, as amended and applied to corporate governance, is carried by the General Meeting of Shareholders.

On March 13, 2019, the Chairman of the Board of Directors, Mr. Panagiotis Roumeliotis, resigned and Mr. Georgios Michelis was elected Member and Chairman of the Board of Directors on March 26, 2019.

On July 17, 2019, Mr. K. Mitropoulos was appointed Chairman of the Board of Directors following the death of G. Michelis.

On the General Assembly held at July 22, 2019 the new composition of the Board of Directors is:

1. Konstantinos Mitropoulos, Chairman, Non-Executive Member
2. Konstantinos Makedos, Vice-Chairman, Non-Executive Member
3. Theodoros Pantalakis, Chief Executive Officer, Executive Member
4. Antonis Vartholomeos, Deputy Chief Executive Officer, Executive Member
5. Ioannis Tsakirakis, Deputy Chief Executive Officer, Executive Member

6. Dimitris Tzanninis, Independent Non-Executive Member

7. Stavros Papagiannopoulos, Independent Non-Executive Member

8. Eleni Koliopoulou, Independent Non-Executive Member

9. Georgios Doukidis, Independent Non-Executive Member

10. Andreas Taprantzis, Independent Non-Executive Member

11. Chariton Kyriazis, Independent Non-Executive Member

12. Zacharoula Papatheodorou, Adjunct, Non-Executive Member and representative of the Greek State pursuant to the provisions of Law 3723/2008.

At the meeting of the Board of Directors of November 27, 2019, Mrs. Aikaterini Onoufriadou of Odysseus was appointed representative of the Greek State and additional, Non-Executive Member of the Board of Directors of the Bank in replacement of the resigned Mrs. Zacharoula Papatheodorou, pursuant to the provisions of n. 3723/2008 (Government Gazette A' 250).

It is the Board of Directors responsibility to decide on any act relating to the management of the company, the management of its property and, generally, the pursuit of corporate goals, with the exception of matters which, by an express provision of the Law or the Articles of Association, fall within the jurisdiction of the General Meeting.

Moreover, pursuant to Law 4261/2014, the Board of Directors:

- Has the overall responsibility for the management and operation of the credit institution and

approves and oversees the implementation of the credit institution's strategic objectives, risk strategy and internal governance.

- Ensures the integrity of accounting and financial reporting systems, including financial and operational controls and compliance with the law and related standards.
- Oversees the process of statutory disclosures and announcements.
- Is responsible for the effective supervision of top management executives within the scope of Article 3(1)(9) of Law 4261/2014.
- Monitors and evaluates periodically the effectiveness of the institution's corporate governance framework and takes appropriate action to address any shortcomings.
- The responsibilities of the Board of Directors of the Bank are detailed in its Articles of Association and Operational Regulation.

The composition of the Board of Directors of the Bank is in line with the requirements of the current regulatory framework regarding the experience and skills of its members.

Its members have internationally recognized experience and expertise in strategically important areas such as banking, auditing, risk management, problem loan management and restructuring, financial administration, etc.

Moreover, the Bank recognizes the need to strengthen the female participation proportion in the Board of Directors, and will work in that direction, taking into account the range of candidates available.

The achieved diversity of the members of the Board contributes effectively to the expression of different opinions, the avoidance of "consensual group thinking" and to constructive dialogue among its members, so that final decisions are subject to a critical review of the Management by the non-executive members of the Board of Directors.

In the context of Corporate Governance structure and procedures, the Board of Directors adopted the following policies:

- BoD Candidate Members Nomination Policy
- BoD Remuneration Policy
- Customer Asset Safe-Keeping Policy
- Operational Regulation of BoD Committees
- Corporate Governance Code

1.1. Operation of the Board of Directors

The Operational Regulation of the Board of Directors was approved on 29.01.2020 and replaced the regulation approved on 31.01.2019. The regulation ensures full compliance with the law governing public limited companies (Law 4548/2018), the specific legislation applicable to credit institutions (Law 4261/2014, Law 3723/2008) and the publicly listed limited companies (Law no. 3016/2002), the guidelines of the European Banking Authority on corporate governance issues, the principles of corporate governance of the Royal Commission on Banking Supervision and in general, the best practices of corporate governance at the international, European and Greek level.

According to the Operational Regulation, the Board of Directors shall meet at the registered office of the Bank at least once every calendar month, at the date and time and on the agenda items to be set and communicated by written invitation to the other members by the Chairman or his Deputy at least two (2) working days before the meeting. The BoD shall meet urgently when the Chairman or his Deputy deems it appropriate or necessary, or at the request of at least two of its members in writing (electronic means included) to the Chairman or his Deputy. The BoD must meet within seven (7) days from the filing of the request to be admissible, the request must clearly state the issues that the BoD will discuss.

BoD meetings shall be convened by the BoD Secretariat within the aforementioned timeframe and following a call by the Chairman of the BoD.

The agenda items shall be clearly stated in the invitation. The agenda of each BoD meeting shall be determined by the Chairman and forwarded to the members of the Board of Directors. The agenda and the relevant documents shall be distributed within reasonable time, at least two working days before the meeting. Their distribution by electronic means is considered valid. Suggestions should be clear and include, where appropriate, a concise description of the subject.

The Board of Directors shall be in quorum and meet validly when half plus one of its Members are present or represented.

The decisions of the Board of Directors are valid if taken by an absolute majority of the present and represented Members.

Each Member has one vote and each Member can validly represent another Member only with a specific proxy addressed to the Board of Directors or with a Statement recorded in the minutes. Representation of a Member of the Board of Directors is prohibited by a person who is not a Member.

The minutes of the BoD are signed by the members who are present. In the event of a refusal of any member to sign, this shall be recorded in the minutes. Copies and extracts of the BoD minutes shall be ratified by the Chairman or his Deputy.

The drawing up and signing of minutes by all members of the BoD or their representatives shall be equivalent to a BoD decision, even if no meeting has preceded. During 2019, the Board of Directors held 26 meetings and its meeting attendance rate reached 94,5%.

The main issues addressed by the Board of Directors in 2019 comprise the following:

a) Corporate Governance:

Preparation and convocation of the Annual General Meeting of the Bank's Shareholders
Planning and progress achieved in the BoD Committees work
Approval of the Board of Directors regulation
Remuneration of top executives and BoD members
Restructuring and changes in the composition of the BoD Committees
Updating the corporate governance code
Implementation of the Compliance Monitoring Program
Updating the Code of Conduct and Ethics
Updating the Complaints Management Policy
Updating the Fight against Money Laundering Policy
Updating the Diversification of Board Members Policy

In the context of the upgrading Corporate Governance structure and procedures, the Board of Directors adopted the following policies:

- BoD Candidate Members Nomination Policy
- BoD Remuneration Policy
- Customer Asset Safe-Keeping Policy
- Operational Regulation of BoD Committees
- Corporate Governance Code

b) Monitoring of Business Activities:

Approval of the 2020 budget
Approval of the financial statements
Approval of the Bank Group's Strategy Guidelines
Monitoring the Bank's key indicators and figures
Approval of the Bank's Business Plan 2019-2023
IFRS9 Policy Approval
Approval of Strategic Corporate Communication
Real estate development planning

c) Risk Management:

Non-performing exposures of the Bank.
Regular monitoring of the Bank's liquidity.
Approval of the Internal Capital Adequacy Assessment Procedure (ICAAP) and the Internal Liquidity Adequacy Assessment Procedure (ILAAP).
Approval of the Bank's Recovery Plan 2019.
Approval of the Finalized Risk Framework for the year 2019.
Approval of Credit Risk Management Policy.
Update of Default Regulation.
Approval of Strategy, Framework and Risk Management Policies

1.2. Fees and compensation of BoD Members

Any fees paid by the Bank to BoD Members, as well as the Bank's overall remuneration policy shall be determined by a decision of the Board of Directors and approved by a special decision of the General Meeting, as required by law.

All the fees and any compensation of the members of the Board of Directors shall be reported in a separate section of the Bank's financial statements.

The duties, responsibilities and obligations of BoD members are detailed in the Board of Directors' Operational Regulation, as approved by the Bank's Board of Directors. In addition, it is noted that, at the Ordinary General Meeting of 22.07.2019, the Policy for Remuneration of Members of the Board of Directors was approved.

2. BoD Committees

The Board of Directors shall be assisted in its work by Committees to which it may delegate responsibilities for the Internal Audit System, clearly identifying their duties, composition and operating procedures, and always ensuring their internal coherence, complementarity and coordination.

The Board of Directors at its meeting on July 22, 2019 (Minutes of the Board of Directors 1303) unanimously decided to abolish the Committee on Strategic Planning and Communication as well as the merger of the Committees for the Promotion of Candidate Members of the Board of Directors and Remuneration.

The Board recommended the following committees :

1. BoD Candidate Members Nomination and Remuneration Committee
2. Risk Management Committee

Moreover, it shall also be supported in its work by the Audit Committee, whose members are elected by the General Meeting of Shareholders.

All the above committees shall report their activities to the Board of Directors.

2.1. Audit Committee

The purpose of the Audit Committee of the Bank is to assist the Board of Directors (BoD) in the exercise of its duties in the area of developing and ensuring the operation of an adequate and effective Internal Audit System at the Bank and Group level and, in particular, to ensure:

- the integrity of the financial statements of the Bank and the Group;
- the independence of internal and external audit of the Bank and the Group; and
- the compliance with the legal and regulatory framework, internal regulations and best practices to which the Bank and the Group are subject.

The Audit Committee is composed of at least three (3) non-executive members of the Bank's Board of Directors, at least two (2) of whom are independent non-executive members. The Members of the Audit Committee are elected by the General Meeting of Shareholders.

The term of office of the Audit Committee's members is three years. Renewal of the mandate or modification of the composition of the Audit Committee shall always be decided by the Bank's General Meeting. In case of resignation of a member of the Audit Committee, the vacant post shall be filled upon decision of the Bank's Board of Directors, which shall be submitted to the next General Meeting of Shareholders for approval. The General Meeting shall also appoint the Chairman of the Audit Committee, who may not be the same person as the Chairman of the Board of Directors or the Chairman of the Risk Management Committee. The Audit Committee may invite to its meetings any member of the Board of Directors, an executive of the Bank or any subsidiaries of its Group or another person (employee or associate) who, in its opinion, can assist in the execution of its work.

The secretary of the Audit Committee shall be an officer of the Bank, who works in a department of the Bank that is not controlled by the Internal Audit Division (hereinafter referred to as "IAD"). The secretary shall be appointed by decision of the Audit Committee.

By decision of the Ordinary General Meeting of Shareholders of 22/07/2019, the composition of the Committee was defined as follows:

Chairman : Dimitrios Tzanninis, Independent Non-Executive Board Member.
Member : Stavros Papagiannopoulos, Vice-Chairman, Non-Executive Member.
Member : Eleni Koliopoulou, Independent Non-Executive Member of the Board.

The responsibilities of the Audit Committee as described in its Operational Regulation (the update of which was approved on 22/11/2018 by the Bank's Board of Directors) shall also include:

External audit and financial reporting procedure.

- It monitors the procedure and implementation of the certified audit of the individual and consolidated financial statements of the Bank and the Group pursuant to 6 of Article 26 of the Regulation (European Union) no. 537/2014 of the European Parliament, informs the Bank's BoD of the outcome of the certified audit and explains how the certified audit contributed to the quality and integrity of financial reporting.
- It monitors, reviews and evaluates the financial reporting procedure, i.e. the mechanisms and production systems, the flow and dissemination of financial information produced by the Bank's organizational units, and makes recommendations or proposals to ensure its integrity, if appropriate.
- It reviews the annual financial statements of the Bank and the Group, the annual report of the Board of Directors and the consolidated quarterly and six-month statements of the Bank and the Group before submitting them for approval to the Board of Directors.

Internal Audit System.

- It monitors, reviews and evaluates the adequacy and effectiveness of the Bank's overall policies, procedures and safeguards of the Bank's Internal Audit System, quality assurance and risk management concerning financial reporting issues.
- It evaluates annually the adequacy and effectiveness of the Money Laundering and Terrorist Financing Policy and the report of the competent executive manager, it reports to the Board of Directors and generally supervises the proper implementation of this policy.
- It studies and evaluates the Reports of the IAD and informs the Board of Directors of:
    - the adequacy and effectiveness of the Internal Audit System at Bank and Group level,
    - the effectiveness and adherence to the risk management procedures and associated credit procedures, including impairment policy,
    - the adequacy of procedures in relation to the internal assessment of the Bank's capital adequacy,
    - the completeness of the procedure or methodology for calculating the impairment of loans and other assets and registering any changes during the financial year,
    - the information systems,
    - the effectiveness of procedures for the prevention and suppression of money laundering and terrorist financing,
    - the matters within the competence of the Regulatory Compliance & Corporate Governance (DK SED) Division.

External auditors.

- It reviews and monitors the independence of certified auditors-accountants or audit firms in accordance with Articles 6, 21-23 and 26-27 of Regulation (EU) No 537/2014 and in particular the appropriateness of providing non-audit services to the Bank (in accordance with Article 5 of the same Regulation).
- It is responsible for the procedure for the selection of certified auditors-accountants or audit firms and proposes the certified auditors-accountants or the audit firms to be appointed (in accordance with Article 16 of Regulation (EU) No 537/2014.

Other responsibilities and duties.

- The Audit Committee accepts confidential or even anonymous written or oral reports and complaints on the inappropriate actions or omissions of Executives and Officers or on breaches of accounting and auditing practices.
- It is informed by the Head of the Internal Audit of the Bank, by the certified auditors-accountants and audit companies, of the audits carried out at every stage of the proceedings, on the computerized procedures and the information and accounting systems, on the safeguards that are determined to prevent mistakes, misuse of systems and fraudulent actions.
- In addition, it receives, through the appropriate Business Units, the reports of the Bank of Greece's Supervision Department and the audit findings by other Authorities (e.g. tax audits).

During 2019, the Audit Committee held 11 meetings. The participation of its members amounted to 100%. In 2019, the Audit Committee, inter alia:

- Monitored the Bank's Internal Audit System (IAS) through the reports of the IAD's regular, exceptional and specific audits, the annual audits of external associates and the annual audit (and quarterly inspections) of the certified auditors. Discussed the main issues raised as well as the corrective measures. Evaluated the 2018 IAS, based on the corresponding annual report prepared by the IAD.
- Discussed in detail with the EY executives (who conducted the Evaluation of the Internal Audit System Adequacy) their findings and made relevant observations. Drafted a text on remarks and recommendations on the Evaluation of the IAS Adequacy, which it submitted to the BoD.
- Discussed the actions for strengthening the IAS based on EY's findings.
- Discussed with the CFO, the Director of the Financial Management Division and the Certified Auditors issues concerning the interim and annual financial statements of the Bank and the Group.
- Monitored the procedure and implementation of the certified audit of the individual and consolidated financial statements of the Bank and the Group. Reviewed and evaluated the process of drafting the interim (March 31, June 30 and September 30, 2019) and annual financial statements (December 31, 2018), as well as the work of the Certified Auditors.
- Discussed with the Certified Auditors the auditing areas included in the plan for the regular audit of the financial statements for 2019, and approved the audit plan.
- Recommended to the BoD the renewal of the appointment and the remuneration of the Certified Auditors.
- Monitored the Bank's compliance with ELTE's directive on the ceilings of KPMG's non-audit fees in 2019.
- Discussed the quarterly work reports of the IAD with the Head thereof and formulated its observations.
- Examined the updated IAD operating regulations.
- Discussed with the Head of the IAD the reasons for the revision of the annual audit plan for 2019 and approved the revised plan.
- Discussed with the Head of the IAD the methodology for elaborating an audit schedule and approved IAD's 2020 audit schedule.

- Examined the IAD's report on the Audit & Operation of IT Systems and approved its submission to the Board of Directors and the Bank of Greece.
- Examined the Annual Report of the competent Executive Manager of Attica Bank on the prevention of money laundering and terrorist financing, as well as the Annual Report of DKSED for 2018, and prepared an assessment on these issues, which it submitted to the BoD.
- Examined and discussed the quarterly reports of DKSED and requested and received from the Head of DKSED regular updates on the issues of his unit.
- Was briefed on the progress of the Great Non-Performing Steps and the strategy for dealing with them.
- Met with the Heads of Divisions (Transformation Office, DKSED, Financial Management Division, Risk Management Unit) and was informed about important issues relating to the operation of the Bank.
- Was informed about the simulation of extreme situations of the TEKE systems.
- In the context of informing and submitting recommendations to the Board of Directors, it made remarks and proposals which are recorded in its quarterly reports to the Board of Directors, in its evaluations on intermediate and annual financial statements, the Evaluation of SEE Competence and the evaluation of the Annual Report. Attica Bank's Chief Executive Officer for the prevention and deterrence of money laundering and terrorist financing. The evaluation of the adequacy and effectiveness of the Internal Audit System for the reporting year (2019) will be reflected in the annual report submitted by the Commission, in accordance with the provisions of PDTE 2577 (ch. IV B 2.a 2.3.1).

2.2. Remuneration Committee (abolished from 22.07.2019)

The Board of Directors at its meeting on July 22, 2019 (Minutes of the Board of Directors 1303) unanimously decided to merge the Committees for the Promotion of Candidate Members of the Board and Remuneration. The Committee for the Promotion of Candidate Members of the Board of Directors and of Remuneration has now been set up and following the decision of the Board of Directors of the Bank during its meeting on 28/08/2019, the regulation that regulates its operation was issued. It is understood that the responsibilities of the new Committee are a consolidation of the responsibilities of the now abolished Committees. It is noted that both the Remuneration Committee and the Committee for the Promotion of Candidate Board Members continued to operate until 22.07.2019.

The Remuneration Committee has been set up and operates in accordance with the applicable regulatory framework and oversees the activities of both the credit institution and its subsidiaries. The main responsibilities of the Committee are to provide a specialized and independent opinion on remuneration policies and their implementation and to ensure the effective alignment of staff remuneration with the risks incurred by the Bank in its overall operation and its capital and liquidity management. The Committee's duties include the following:

- to submit proposals on the remuneration of the Bank's and the Group's staff, including those that have an impact on the risks undertaken, and to manage such risks and submit to the Board of Directors its suggestions for the latter to decide on them; It shall also make suggestions to the Board of Directors about the remuneration of the Management, in particular the Board of Directors' executive members, as well as the highest remunerated employees of the Bank and the Group, in accordance with its applicable Policy.
- to directly supervise the remuneration of the senior executives of the Risk Management Division, the Regulatory Compliance Division and the Internal Audit Department;
- to assess the achievement of performance targets and the need for ex-post risk-based adjustment;
- to ensure the adequacy of the information provided to shareholders on remuneration policies and practices, particularly in relation to the ratio between fixed and variable remuneration, if any;

By the Board of Directors decision of 21 May 2018, the Committee shall be composed of five members, who are non-executive members of the Board of Directors, four of whom are independent, and one is a permanent observer who is representative of the Greek State, and is regularly attended by executives of the Human Resources Department. The Committee's composition is as follows:

Chairman	: Georgios Vlahakis, Independent Non-Executive BoD Member.
Member	: Ioannis Marmangiolis, Independent Non-Executive BoD Member.
Member	: Charalambos Brilakis, Independent Non-Executive BoD Member.
Member	: Dimitris Tzanninis, Non-Executive BoD Member.
Member	: Georgios Panagiotou, Independent Non-Executive BoD Member.
Gr. St. Rep.	: Zacharoula Papatheodorou

During 2019, the Remuneration Committee held 5 working meetings, and the participation of the members amounted to 100%. The most important issues that occupied the Commission for 2019 were, among others:

- Summary of benefits and earnings per main staff category
- Peer review by the European Banking Authority
- Board Members Remuneration Policy
- Changes in the regulatory framework on remuneration Policy
- Renewal of insurance policies
- Issues of special employer insurance contributions

Following the meeting of the Board of Directors of 22-7-2019 (Minutes of the Board of Directors. 1303 / 22.7.2019) by which it was decided to merge the Remuneration Committee and the Committee for the Promotion of Candidate Members of the Board of Directors. to a Committee and the meeting of 31.07.2019, the new composition of the Committee for the Promotion of Candidate Board Members and Remuneration.

Chairman	: Kyriazis Chariton, Independent Non-Executive Member of the Board
Member	: Georgios Vlahakis, Independent Non-Executive BoD Member.
Member	: Eleni Koliopoulou, Independent Non-Executive Member of the Board

The new Committee for the rest of the year 2019 held two (2) meetings and the participation of its members amounted to 100%.

2.3. Committee for the promotion of candidate members of the Board (repealed from 22.07.2019)

The Board of Directors at its meeting on July 22, 2019 (Minutes of the Board of Directors 1303) unanimously decided to merge the Committee for the Promotion of Candidate BoD Members with the Remuneration Committee. The Committee for the Promotion of Candidate BoD Members and Remuneration has now been set up and following the decision of the BoD of the Bank during its meeting on 28/08/2019, the regulation that sets its operation was issued. It is understood that the responsibilities of the new Committee constitute the consolidated responsibilities of the now abolished Committees. It is noted that both the Remuneration Committee and the Committee for the Promotion of Candidate BoD Members continued to operate until 22.07.2019.

The BoD Candidate Members Nomination Committee's duties are (a) to identify, nominate and submit candidates for the Board of Directors, and (b) to assess the adequacy, efficiency and effectiveness of the BoD.

The Committee consists of at least three (3) non-executive members of the Board of Directors of which at least its Chairman is an independent non-executive member.

The term of office of the Committee's members is the same as their term of office as Board of Directors' members.

The Committee's Chairman and its members as well as the exact number of its members are appointed and determined, respectively, by decision the Bank's Board of Directors.

Responsibilities of the Committee:

- The Committee's responsibilities, among others, include:
- Planning and coordinating the implementation of the process of identifying and selecting candidates for the Board of Directors and its committees.
- Describing the individual skills and qualifications required to fill the positions of the Board of Directors' members and the estimated term to be devoted to the corresponding position.
- Assessing periodically and at least annually:
    - the structure, size, composition and performance of the BoD and making recommendations to it regarding any changes it deems appropriate;
    - the combination of broadness, knowledge, skills and experience per subject of the members of the Board of Directors on an individual and collective level and submitting a relevant report to the Board of Directors;
- reviewing periodically and at least annually:
    - the Bank's Policy on the Nomination of BoD Candidates
    - the Bank's Policy on the Selection and Appointment of Top Executives
- validating the appointment of top executives
- submitting proposals to the Board of Directors concerning its diversity policy;
- reviewing on a six-month basis the independence of the independent non-executive members of the Board of Directors;
- monitoring, on a quarterly basis, the members' participation in the BoD and its committees;
- reviewing on an annual basis any other significant commitments of the members of the Board of Directors outside the Bank;
- assessing existing or potential conflicts of interests of the members of the Board of Directors with those of the Bank, including transactions of members of the Board of Directors with the Group, and submitting relevant proposals to the BoD;
- preparing and implementing an induction program for the new members of the Board of Directors, and providing periodic training to the existing members of the Board of Directors;
- reviewing periodically the succession planning for top executives and submitting relevant information to the Board of Directors.

By decision of the Board of Directors of May 21, 2018, the composition of the Board of Directors was amended as follows:

Chairman : Ioannis Marmangiolis, Independent Non-Executive BoD Member.

Member : Georgios Vlahakis, Independent Non-Executive BoD Member.

Member : Athanasios Stathopoulos, Non-Executive BoD Member.

Member : Charalambos Brilakis, Independent Non-Executive BoD Member.

Member : Dimitris Tzanninis, Non-Executive BoD Member.

The Committee for the Promotion of Candidate Members of the Board of Directors, held in 2019, six meetings and the participation of its members amounted to 100%. The most important issues that occupied the Committee for 2019 were among others:

- Update of the Board of Directors
- Drafting of Political Diversification of Board Members
- Preparation of Annual Evaluation of Board Members
- Selection of BoD Evaluation Advisor
- Update of the corporate governance code
- Election of Board Members to the bodies provided for in the Bank's staffing regulations

Following the meeting of the Board of Directors of 22-7-2019 (Minutes of the Board of Directors. 1303 / 22.7.2019) by which it was decided to merge the Remuneration Committee and the Committee for the Promotion of Candidate Members of the Board of Directors. to a Committee and the meeting of 31.07.2019, the new composition of the Committee for the Promotion of Candidate Board Members and Remuneration.

Chairman : Kyriazis Chariton, Independent Non-Executive Member of the Board.

Member : Georgios Vlahakis, Independent Non-Executive BoD Member.

Member : Eleni Koliopoulou, Independent Non-Executive Member of the Board.

The new Committee for the rest of the year 2019 held two (2) meetings and the participation of its members amounted to 100%.

2.4. Strategic Planning and Communication Committee (abolished on 22.07.2019)

The Commission was abolished following a decision of the Board of Directors on July 22, 2019 and the issues of its competence are presented and discussed directly to the Board of Directors of the Bank.

The Strategic Planning and Communication Committee shall aim to assist the Board of Directors in drawing up guidelines for the Bank's strategy to improve the efficiency of its operations.

In this context, it shall supervise the implementation of the Business Plan and propose and decide on any issue of strategic importance to the Bank.

In addition, it shall be responsible for the elaboration of the Communication Policy and the notification of the investors.

The Strategic Planning and Communication Committee shall support the Board of Directors in relation to the preparation and implementation of the strategic planning of the Group.

The Strategic Planning and Communication Committee shall consist of at least five (5) BoD members (executive and non-executive) as well as by any advisory members with voting rights The Chairman of the Committee shall be the Chairman of the Board. The number of members, the Chairman and the composition of the Committee shall be determined by the Board of Directors of the Bank.

Mr. Dimitris Anagnostopoulos, Director of the Risk Management Division, resigned on 31 January 2019 and the Chairman of the Board of Directors Mr. Panagiotis Roumeliotis resigned on 13 March 2019.

Following these changes, the current composition of the Strategic Planning and Communication Committee is as follows:

Chairman	: Georgios Michelis, Chairman of the Board of Directors, Non-Executive BoD Member.
Member	: Theodoros Pantalakis, Chief Executive Officer, Executive BoD Member.
Member	: Athanasios Tsadaris, Deputy Chief Executive Officer, Executive BoD Member.
Member	: Ioannis Tsakirakis, Deputy Chief Executive Officer, Executive BoD Member.
Member	: Georgios Vlahakis, Independent Non-Executive BoD Member.
Member	: Stavros Papagiannopoulos, Non-Executive BoD Member.
Member	: Ioannis Marmangiolis, Independent Non-Executive BoD Member.
Member	: Georgios Triantafyllopoulos, Head of the Transformation Office.
Member	: Psyllas Francis, Chief Risk Officer.
Member	: Nikolaos Koutsogiannis, Chief Financial Officer.
Member	: Konstantinos Liapis, Financial Adviser to the Chairman.
Secretary	: Theodora Vlassopoulou, Director of the Secretariat of Administration.

After the death of the Chairman of the Board. G. Michelis and his replacement by Mr. K. Mitropoulos, the Committee on Strategic Planning and Communication was abolished by a decision of the Board of Directors which took place on July 22, 2019 and the issues of its competence are presented and discussed directly to the Board of Directors of the Bank.

During 2019, the Strategic Planning and Communication Committee held 2 meetings, in full quorum, with the following main issues:

- Budget 2019
- Business Plan 2019 – 2023
- Presentation of alternative problem management loan plans
- Analysis of Basic Indicators of Bank and Competition with data for 12 months 2018

2.5. Risk Management Committee
The Risk Management Committee shall be responsible for monitoring the risks that the Group undertakes through its activity and assists the BoD with regard to the achievement of the following objectives:

- compliance of the Group with the legal and regulatory framework governing risk management;
- formulation of a strategy on undertaking of all kind of risks and asset management that responds to the Group's business objectives and the adequacy of the resources available in technical means and personnel;
- control of the adequacy, independence and effectiveness of the Group Risk Management Unit; and
- ensuring that risk management is disclosed to all the Group's business units and forms the basis for setting risk control limits.

As part of its mission, the Committee performs, among others, the following actions:

- Advises and supports the Board of Directors regarding the monitoring of the Bank's overall present and future risk-taking strategy, taking into account all types of risks, to ensure that they are consistent with the Bank's business strategy, objectives, corporate culture and corporate values.
- It develops, on the recommendation of the Head of the Group Risk Management Unit (hereinafter "CRO"), a strategy of undertaking any form of risk and capital management that meets the Bank's business objectives, both individually and at Group level, and the adequacy of the technical means and human resources available.
- Promotes to the Board, after evaluation, the annual report of the CRO.
- Ensures the development of an internal risk management system which incorporates the business decision-making process in the whole range of the Group's activities.
- It proposes to the Board of Directors with respect to the CRO.
- It informs the Board of Directors at least quarterly on the activities of the Committee and the major risks assumed at the Group level, reassures the Board of Directors of their effective response and proposes any actions that it deems necessary.
- It examines, without prejudice to the Remuneration Committee's duties, whether the incentives provided by the Bank's and the Group's remuneration policies and practices take into account risk, capital, liquidity, as well as the probability and timing of profitability.
- It assesses the recommendations of internal or external auditors and monitors the proper implementation of the measures taken.
- Addresses issues related to the Group's relationship with Affiliated Persons.

The Risk Management Committee is composed of at least 3 (three) non-executive members of the Board of Directors, of whom at least one (1) is an independent non-executive member of the Board of Directors. The Chairman and the composition of the Committee shall be determined by the Board of Directors of the Bank. The Chairman of the Committee may not be the Chairman of the Audit Committee.

Members of the Committee, both at individual and collective level, must have sufficient knowledge and experience in the area of risk management and in particular in risk management and control practices to effectively cover all forms of risk, including operational risk and to ensure their unified control, their specialized treatment and the required coordination at the level of the Bank and the Group.

The Chairman and the members of the Committee are appointed by the Board of Directors of the Bank. Members of the Committee may not hold parallel positions or properties or carry out transactions which could be considered incompatible to the mission of the Committee. Given this, their participation in the Committee does not exclude the possibility of participating in other Board of Directors' committees.

The term of office of the members of the Committee is three years and may be changed by decision of the Board of Directors.

Any member of the Board of Directors deemed necessary or Executive Officers of the Bank depending on the matter of discussion which falls under their responsibility may be called to the meetings of the Committee for the purpose of informing the latter and facilitating its work.

Duties of the Secretary of the Committee are executed by an Executive of the Group Risk Management Unit appointed by the Chairman of the Committee.

The Committee meets regularly at least every three months or even exceptionally when required by the circumstances, at the discretion of its Chairman, or if immediate decision-making is required. The Commission is in quorum when all three members are present at the meeting and if it is composed of more members, when half of them and one additional member are present.

By decision of the Board of Directors of May 21, 2018, the composition of the Board of Directors was amended as follows:

Chairman	: Dimitris Tzanninis, Non-Executive BoD Member.
Member	: Ioannis Marmangiolis, Independent Non-Executive BoD Member.
Member	: Stavros Papagiannopoulos, Non-Executive BoD Member.
Member	: Charalambos Brilakis, Independent Non-Executive BoD Member.
Member	: Georgios Vlahakis, Independent Non-Executive BoD Member.
Gr. St. Rep.	: Zacharoula Papatheodorou

By decision of the Board of Directors of July 31, 2019, the composition of the Board of Directors was amended as follows:

Chairman	: Taprantzis Andreas, Independent Non-Executive Member of the Board.
Member	: Kyriazis Chariton, Independent Non-Executive Member of the Board.
Member	: Doukidis Georgios, Non-Executive Member of the Board.

During 2019, the Risk Management Committee held 15 meetings and the members' attendance rate amounted to 94%.

As part of its mission for 2019, the Committee performed, among others, the following actions:
- It approved and monitored the implementation of the Risk-Taking Framework for 2019..
- It approved the Reports on the Internal Capital Adequacy Assessment Procedure (ICAAP) and the Internal Liquidity Adequacy Assessment Procedure (ILAAP).
- It attended and updated the BoD with regards to the levels and the evolution of the main risks faced by the Bank, as well as the results of the Surveillance Evaluation Process (SREP) 2019 and the Stress Test.
- It approved the Policies & Methodologies in the context of the Bank's adaptation to the IFRS 9 Accounting Standard, as well as the Credit Regulations.
- It was updated on the liquidity of the Bank and the achievement of the goal of reducing dependence on ELA.
- It was updated on the progress of the implementation of the Bank's budget.
- It was updated on the progress made in the implementation of the ARTEMIS Business Plan.
- It evaluated the Chief Risk Officer and selected a new Chief Risk Officer.
- It monitored the progress of the Bank's relationship with big customers.
- It was updated on the Bank's Recovery Plan 2019 and it expressed its views to the BoD.

3. Management Committees and Councils

3.1. Executive committee

The Executive Committee monitors and ensures the smooth and efficient operation of the Bank in implementing its strategy, business plan and budget, as approved by the Board of Directors. It consists of at least eight members, one of whom is the Chief Executive Officer, who is appointed as Chairman. Among other things, the Commission has the following duties:

- to prepare the strategy and elaborate the proposed Operational Plan and the annual budget before they are discussed in the Strategic Planning and Communication Committee;
- to specify the implementation of the strategy, by coordinating the actions of the Bank's Units;
- to monitor the achievement of the objectives set at Bank and Unit level, to examine any deviations, to decide on corrective measures and to provide guidance to the appropriate corporate structures;
- to decide on the development policy of the networks and the Group;

- to ensure that the risk management guidelines are incorporated into the Bank's operations and budget;
- to decide on the approval limits for investments and expenditure that apply to the relevant units;

To meet regularly at least twice a month or exceptionally when required by the circumstances, at the discretion of its Chairman, or if immediate decision-making is required.

The Committee shall be in quorum if the number of members present at the meeting exceeds half of its appointed members and provided that in each case the number of members present is not less than 5 (five), including the Chairman and his substitute, in case there is a need to be replaced. The Committee's decisions shall be made by the majority of its present members, subject to the agreement of its Chairman. In the event of a tie, the Chairman's vote shall prevail.

During 2019, the Executive Committee held 44 meetings.

The main issues that occupied the Commission during the year 2019 concern, inter alia, mainly all kinds of approvals of expediency for collaborations with third parties as well as assignment of projects to companies, updates on budget issues, progress of projects, approvals of Policies and Regulations. are introduced for approval by the Board. Indicatively, the following topics follow.

Human Resources Management Issues

- Bank Units Execution Project.
- Approval of the implementation of a conference on "New Technologies and Sales Transformation.
- Approval of a New Performance Evaluation and Management System for the Bank.

Sub-Division of Works, Products & Programs

- Creation of a microcredit loan portfolio with guarantees from the European Investment Fund (EIF) (EaSI Microfinance Guarantee Program).
- Announcement of the 2nd cycle of the "Saving at Home II" Program Signing of the Additional Act of the existing Business Agreement.

Sub-Division of Corporate Communication

- Approval of expediency for the advertising of the New Deposit Product My Account Plus.
- Approval of feasibility for a Rebranding project.
- Approval for the annual maintenance of the Bank's site.

Regulatory Compliance & Corporate Governance Division

- Issuance of AML Policy & data provision.
- Information on the updating of the Code of Conduct.

Default Management Division

- Default Regulation.
- Signing of Private Contract Support for the Transfer of Metexelixis Portfolio Management between Attica Bank and QQuant Master Servicer.

Division of Information & Organization

- Annual renewal of licenses for the Enterprise Vault e-mail archiving application.
- Purchase of development services of the Bank's Data Hub system.

Digital Services Division

- Approval of the feasibility of implementation of the project "e-Guarantee System", Issuance & Guarantee Management and its connection with Attica e-banking and Core Banking System T24.
- Recommendation for the approval of the review of the fees for withdrawals and change / disengagement of Pin through DIAS, with Attica Bank issuance cards, in ATMs of other Greek banks in remote areas.
- Information on the accounting data of the Retail Store Network for Q4 / 2019 (October – November).

Division of Supplies & Operating Group Infrastructure

- Proposal for the approval of the feasibility of control and study of Electromechanical installations of the Bank's facilities for the relocation of the Administration services and each property for rent.
- Proposal for the approval of the feasibility of installing new ATMs in the Bank's Network.

Head of Strategic & Financial Planning

- Presentation in the context of the 2019 Budget in relation to the amount of Loans to the Bank's staff.

Chief Financial Officer

- Information on the innovative solution that aims to optimize the Bank's revenue.
- Quarterly results.
- Bank results and key figures per month.
- 2020 Budget Plan & 3-Year Business Plan.
- Approval of international financial advisor fees in the context of the implementation of the Bank's 2020-2024 strategy.

Chief Risk Officer

- New Organizational Structure Risk & New Credit Regulation.
- New Personalized Accounting Tool.
- Update of the Retail Bank Loan Regulations.
- Quarterly report "Q3 2019" to the Risk Management Committee.
- Information regarding the Bank's answers to the first conclusions of CMP 2019 (Supervisory Evaluation Procedure - SREP 2019.

Business Banking Division

- Presentation of the Business Banking Division regarding the course and actions of the implementation of the 2019 Budget.
- Temporary suspension of application of the provision of the credit regulation (CC) for the interim view of the credit limits of customers.
- Adjust minimum interest rates for high credit rating companies.

BANCASSURANCE & Leasing - Factoring WORK SUPPORT SUPPORT

- Providing Consulting Services for the strengthening of the Community Directive IDD 2016/97 in the Bank's procedures.

3.2. Administrative Body on Default

In the context of harmonization with the Act of the Executive Committee of the Bank of Greece No under Act 47 of 9.2.2015 of the Executive Committee of the Bank of Greece, and under Act 102 of 30.8.2015 of the Executive Committee of the Bank of Greece, 102/30.08.2016, Attica Bank has set up and operates an administrative body for the monitoring of defaults (DOK). This body consists of three executive members and has the appropriate degree of independence in relation to the other operating units of the Bank and in particular in relation to the credit operations and the management of the smoothly performing part of the portfolio. Its responsibilities are described in the Regulatory Framework for the Management of Exposures in Default and Non-Performing Exposures, as applicable, which include, but are not limited to:

- centralized processing of all internal reports related to defaults;
- determining the available types of settlement and final settlement per sub-portfolio of loans and monitoring their effectiveness through appropriate performance indicators;
- defining and documenting the criteria to be used to determine the long-term viability of each type of settlement or final settlement (development and use of specific tree charts);
- defining the parameters and scope of responsibilities of the bodies and persons involved in assessing the viability and suitability of the proposed type of settlement and in the subsequent monitoring of its implementation;
- planning, monitoring and evaluation of pilot schemes, in cooperation with the business units;
- receiving information on the content of the reports to be submitted to the Bank of Greece before submitting them and reviewing their content;

DOK shall meet, following consultation with its members, once a quarter, or exceptionally whenever it is deemed appropriate on specific matters, and upon invitation from its President. Sittings shall be valid if there is a quorum of two of its three members, either by attending personally at its meetings or from another place by setting up conference/ telephone calls. Moreover, DOK can also invite to his meetings executives of the Bank who are not members of its composition to facilitate its work.

Throughout 2019, four (4) meetings of the Default Administrative Body were held, in which the following issues were discussed:

- Overview of the COR25 data submitted to the Bank of Greece, in accordance with the provisions of Act 42 of the Executive Committee.
- Update on the course of the second securitization.
- Update on the Bank's technological support project, through QUALCO's platform, and on the policy of arrangements and write-offs of overdue debts.
- Update on the course of Interbank cooperation in the context of Law 3869/2010.
- Update on the procedure and course of the Code of Ethics.
- Update on the new Interbank cooperation in the framework of Law 4605/19 for the protection of the main residence and Out-of-Court Workout (OCW).
- Update on the progress of the project in collaboration with the consulting company "PLANET SA".
- Update on the MITOS system progress.
- Update on the transfer of loan accounts in the framework of monitoring arrangements through the Loan Manager (LM) system.
- Update on the Implementation of the Non-Performing Portfolio Strategy.
- Update on the project of technological support of the Bank, through the platform of the company QUALCO and for the Publication of the Default Regulation.

- Update on the decisions of the Impairment, Write-Off and Depreciation Committee, in the presentations of the Default Management Division.

3.3. Asset-Liability Committee (ALCO)

The Asset-Liability Committee (ALCO) consists of at least three (3) members, one of whom is the Bank's Chief Executive Officer, who is designated as its Chairman, and non-voting advisers. The principal members may be either executive members of the Board of Directors or executives of the Bank. It establishes the policy of the Bank and the Group's companies in matters concerning the structure, pricing and management of Assets and Liabilities, and sets out risk limits, taking into account the Bank's strategy resulting from decisions of the competent governing bodies (BoD, Executive Committee), the applicable regulatory framework, corporate governance rules, current conditions in the money and capital markets, and the risk limits set by the Bank. It monitors their implementation and makes decisions on the necessary corrective and improvement measures.

The Asset-Liability Committee (ALCO) takes, among other things, the following actions:

- It decides on the framework for liquidity and interest rate risk taking and hedging using the appropriate tools.
- It shapes the broader interest rate policy of the Bank and the Group's companies.
- It defines and supervises the application of the Bank's internal pricing system and establishes internal pricing policy between deposit/lending units.
- It approves the liquidity contingency plan and ensures diversification of the Bank's sources of liquidity.
- It approves the stress test program and examines the results from the application of scenarios for extreme changes in capital markets.
- It evaluates and approves the release of new deposit or loan products as well as the potential offering by the Bank of new products or services that are consistent with its strategic planning.

The Committee meets regularly on a monthly basis or more frequently, on an exceptional basis, when required by the market circumstances, at the discretion of its Chairman, or if immediate decision-making is required. The Committee shall be quorum if the number of members present at the meeting exceeds half of its appointed members, including its Chairman, and provided that in each case the number of members present is not less than three (3). The Committee's decisions shall be made by the majority of its present members, subject to the agreement of its Chairman. In the event of a tie, the Chairman's vote shall prevail.

During 2019, the Commission held 17 meetings.

The issues that have been of concern to the Commission during the year 2019 are the following:

- Monthly update on ALCO PACK.
- Certificate Scale and Discount Limits on the Procurement Invoice-Approval of Interest Deposit Terms and Other Forms of Deposits.
- Signing of Private Contract Support for Transfer Management Works.
- Liquidity Coverage Rehabilitation Plan.
- Review of the Invoice for Procurement and Special Terms of Banking Transactions - Establishment of ATM cash withdrawals by the Bank with issuance cards of other Banks (Direct Access Fee) - Revision of debit card procurement.
- Creation of a New Uncontrolled Account for the Protection of the First Residence according to L.4605/2019.
- Financial Markets & Capital Markets Management Limits.
- Pricing of new deposit products: Attica my value & Attica dynamic value & Risk Compensation (i) Attica dynamic value, (ii) Fixed Interest Loan.
- New Retail Banking Products - Revision of Procurement Tariff and Special Terms of Banking Transactions Termination of liquidity approval process for Private loans.

- Re-determination of interest rates on loans granted under the 'Business Financing - TEPIX II' Action.
- Information in relation to the Funding Plan Training Process.
- Distribution of Deposit Product 'attica EARLY PROFIT' with Advance Interest.

3.4. Loans Committee

The Loans Committee comprises the following: Senior Task Force for Business and Retail Banking I, Senior Task Force for Banking II, Medium-Level Business Banking III, which are staffed by suitable Bank executives, as described in Circular 104/21.6.19 of the Chief Executive Officer.

During 2019, approximately 123 meetings of accreditation lending scales were held (Top Business and Retail Bank I, Higher Retail Bank II, Medium Level Business Bank III), which approved the following:

Sub-Division of Private and Individual Business Credit:

- Consumer loans	209
- Housing Loans	25
- VISA	1.183
- SBL (Credit Limit Renewals and Definitions)	87

Sub-Division of Large and Small and Medium Enterprises:

- Defining credit limits	88
- Credit limit renewals	310
- Other (corporate credit card issuance, list of mass certifications, waiver provision on bond loans, etc.)	142

Special Account Topics:

- Credit Limitations/Modifications
- Issuance of Guaranteed Letters / Guarantee Letter Extensions
- Waiver
- Granting a Forbearance Period for Long-Term Loans
- Loan Restructuring
- Loan deductions after Loan repayment
- File Transfers (either in the updated portfolio or in the lagged portfolio)
- Debt Settlements

3.5. Task force for approving business default and private individuals' default I and II

The task forces for approving default comprise the following: Task Force for Approving Business Default I, Task Force for Approving Business Default II: Task Force for Approving Private Individuals' Default I, and Task Force for Approving Private Individuals' Default II, staffed by suitable executives of the Bank, as those are described in Circular 106/4.7.19 of the Chief Executive Officer and Circular 105/4.7.19 of the Chief Executive Officer.

During 2019, 105 meetings were held in which the following were examined:

- Debt settlements - proposals & counter-proposals
- Account complaints
- Instructions after the complaint

- Payment proposals
- Weightlifting
- Auctions
- Requirements concerning procedural issues of Credit Management through OCW,
- Cases of customers subject to the provisions of N. 3869 and L.4605
- E / E (issuance - extension - payment due to deduction request)
- Amendments to approvals
- Settings extensions
- Funding (e.g. to cover inelastic costs)
- Debt write-offs
- Extension of E / E
- Selection of consultants and external associates in Credit cases
- Approval of issues on the agenda of the General Assembly of the Faithful, selection of members of the Board of Directors, participation in the General Assembly of the Faithful
- Various legal actions or modifications of approvals that do not constitute debt settlement /restructuring.

3.6. Informatics Committee

The Informatics Committee is the official body of the Bank whose purpose is to determine, prioritize, evalu- ate, approve the implementation of IT projects, supervise them based on the Bank's strategy and objectives, central coordination of the execution of IT projects, as well as and the supervision of the smooth and efficient operation of the Bank's infrastructure and systems and the management of the operational risk arising from the information systems. In addition, in the context of its responsibilities regarding approval, it is responsible for approving the costs relating to implementing IT projects or forwarding them to a higher approval level.

During 2019, 3 meetings were held in which the following issues were examined:

- Services of protection of the Bank's Information Systems from DDos (denial of service) type attacks.
- Supply of HID SMS adapter software development services, for the needs of PSD2.
- Presentation of BIA (Business Impact Analysis) in the framework of the IT Risk Assessment project.
- Supply of software development services in the context of the implementation of the new N. 4605/2019 (protection of the 1st house).
- Supply of services for the integration into e-banking of the new transaction authentication functionality, according to the requirements of the framework of the revised Directive 2015/2366 / EU (PSD2).
- Software supply (TEMENOS software module) for T24, which covers new SWIFT requirements.
- Procurement of a system of "automation of tasks" performed in the computer center of the Bank (Data Center Job Automation).
- Digital Services Division Support Project in the design and development of digital systems.
- Compliance project with the regulatory framework L.924 / 2009, regarding the harmonized imposition of a fee on ATM withdrawals with foreign issuance cards (International Access Fee).
- 3DS Issuing and Contactless POS Acquiring compliance projects with the new PSD2 configuration framework.
- Operation of Informatics and Organization Units and Digital Services on a project basis.
- Integration of all Informatics, Organization and Digital Services projects in Master plan with uniform prioritization and allocation of resources by the Informatics Committee.
- Services of protection of the Bank's Information Systems from DDos (denial of service) type attacks.
- Supply of HID SMS adapter software development services, for the needs of PSD2.

- Supply of services for the integration into e-banking of the new transaction authentication functionality, according to the requirements of the framework of the revised Directive 2015/2366 / EU (PSD2).
- Supply of a system of “automation of tasks” performed in the computer center of the Bank (Data Center Job Automation).
- Digital Services Division Support Project in the design and development of digital systems.
- Purchase of services for the development of a new Investment Product Guaranteed Capital & Deadline Deposit in the central banking system T24.
- Business Plan 2020-2022 of the Divisions of Informatics and Organization and Digital Services.
- 2020 Budget of the Divisions of Informatics and Organization and Digital Services.
- Control report - Evaluate the adequacy and effectiveness of the security valves of the U-Switchware application.
- Management of accounting records from a Branch network.
- Customer Account Management.
- Update on Investment Accounting and Processing Solution.
- Results of BIA working group for the ownership of information systems.
- Regular Report of Attica Bank Information Systems Security Incidents.
- Information on cooperation with TEMENOS.
- Renewal of licenses for the use of the back-up system of administration buildings.

4. Internal Audit System (IAS)

A major concern of the Bank is the development and continuous upgrading of its Internal Audit System, which is a set of sufficiently documented and detailed audit mechanisms and procedures, incorporates the best principles of corporate governance and continuously covers every activity and transaction of the Bank, contributing to its efficient and safe operation.

The establishment of the Internal Audit Scheme aims in particular at:

- implementing consistently the Bank’s and Group’s business strategy with the effective use of the available resources;
- identifying and handling the underlying or potential risks;
- ensuring the completeness and reliability of data that are necessary for the preparation of reliable financial statements in accordance with the International Accounting Standards and in general for the accurate and timely determination of the Bank’s financial position;
- bringing the Bank in line with the applicable laws and regulations, as well as with the provisions of its applicable policies and procedures;
- identifying, addressing monitoring systematic all kinds of risks incurred, including operational risk;
- safeguarding the assets of the Bank, ensuring the separate and detailed maintenance and safekeeping of the assets of its clients and safeguarding the interests of the Bank, its shareholders and those with whom it operates;
- ensuring the ongoing control of the operations and activities outsourced in accordance with the provisions of the Outsourcing Policy;
- ensuring that the relevant departments of the Internal Audit Division carry out periodic and/or extraordinary audits to determine the consistent application of the stipulated rules and procedures by all the Bank’s business units, while allowing the development of self-assessment methods by the business units.

The Internal Control System is implemented in multiple levels:

- The first level includes all the control mechanisms/safeguards that have been placed in the Bank's workflow, as well as the mechanisms for monitoring their compliance. These control mechanisms have been integrated into the Bank's procedures to ensure that operations are carried out smoothly,
- the underlying risks are effectively addressed and the outcome of the business is in line with the Bank's objectives. The responsibility for the observance of the existing procedures and their proper functioning at the first level rests with the executive officers of the Bank.
- The second level includes actions aimed at objectively assessing the efficient and effective operation of control mechanisms by personnel independent of the one responsible for tasks such as compliance, risk and back office support.
- The third level is implemented by the Bank's Board of Directors, which has the ultimate responsibility for the implementation, maintenance and supervision of the Internal Audit System. The Management and the Board of Directors of the Bank are responsible for the design, implementation and operation of an IAS which will support the Bank's strategic goals.

The Bank's Internal Audit System is supported, in accordance with the current institutional framework, by a Management Information System (MIS) and a communication system, the operation of which shall ensure that data are collected and processed consistently based on recorded data collection and processing procedures and the timely availability, accuracy, reliability and completeness of information, and hence the provision of effective, timely and valid information to each Bank's governing body. The Bank shall place particular emphasis on the design and ongoing development of the Administrative Information System, the effective- ness of which is deemed necessary for making decisions on the management of the risks assumed.

5. Audit Units

The Bank has independent audit units operating in accordance with the law and in line with the best international practices, aiming at maximum transparency in the operation of the Organization.

5.1. Internal Audit Department

The IAD reports administratively to the Audit Committee on its operations, and to the CEO on management issues. It operates independently, without the interference/involvement of anybody else, in the selection, handling and communication of its audit work. Among other things, the Audit Committee and the Board of Directors approve all decisions concerning the recruitment or replacement of the Internal Audit Director, evaluate (in terms of efficiency and quality) the quality and effectiveness of the IAD's work and are informed by the Group's Internal Audit Director about the progress and the results of the audit work.

The Group's Internal Audit Division (IAD) has unlimited and unannounced access to hard-copy and electronic data and information, functions, information systems, assets and staff at all levels of the Bank, including those relating to subsidiaries.

Its activities are organized in five (5) audit areas:

- **Central Services & Subsidiaries** (including the coordination and supervision of Internal Auditors of the Subsidiaries): **12 audits** were carried out in **2019**,
- **Functional** Network **Store Work**: In 2019, **23 inspections** were carried out
- **Credits**, focusing on the Credit Risk Taking and Management Areas at the level of Branches and/or Central Departments of the Bank: **14 audits were carried out in 2019**
- Banking **Information Systems**: 9 audits were carried out in 2019 ,
- Remote Control, Data Analysis & Support Services of the IAD (remote controls using electronic means, management of the re-audit process in cooperation with the auditors involved in the audits and production of reports to the Audit Committee, Management and Supervisory Authorities).

The IAD has adopted and maintains a Code of Conduct, which includes the Principles relating to the Internal Audit Practice and Rules of Conduct to be followed by internal auditors. The IAD shall refrain from approving any kind of transaction other than those stipulated for its own operation.

The IAD has detailed and documented audit objectives, audit plans and procedures and an appropriate methodology for conducting such audits in order to form an independent and documented opinion on the adequacy and effectiveness of the IAS at Bank and Group level. It draws up an annual audit program, based on risk assessment, and has follow-up mechanisms to verify compliance with the recommendations of all kinds of audits (by internal auditors, external auditors, supervisory authorities, tax authorities, etc.) and to provide in- formation to the Management of the Bank on the course of the corrective actions. The implementation of the corrective actions is the responsibility of the Executive Management and the relevant executives and officers. It also takes part in a consultative capacity in the design of new products, systems and procedures to ensure that the appropriate audit mechanisms are integrated. Finally, the IAD shall monitor, investigate and process with particular confidentiality any anonymous reports recorded through the whistle-blowing channel, and must have notified all its staff of the operation of this channel.

The IAD may cooperate with third parties (inside or outside the Bank) when it deems it necessary to carry out its work (e.g. because of a lack of professional staff, technical expertise, etc.). Any cooperation with third parties shall be approved in accordance with the Bank's regulations, taking into account the professional qualifications and the reliability of the third party. In any event, the Head of the IAD shall have the ultimate responsibility for the audit reports.

In performing its role, the IAD shall inform the Board of Directors in writing, through the Audit Committee and the Management at least every three months, on the main findings of the audits carried out and its recommendations. It shall also submit an annual evaluation report on the adequacy and effectiveness of the IAS to the Bank and its subsidiaries, as well as on effectiveness and adherence to the risk management procedures and associated credit procedures, including the impairment policy. Upon completing the above, it shall submit the annual report to the Bank of Greece. Moreover, the IAD shall submit to the Management and, through the Audit Committee, to the Board the annual report on the operation of Information Technology Systems un- der Bank of Greece Governor's Act No 2651/20.01.2012, which shall also be submitted to the Bank of Greece.

5.2. Regulatory Compliance and Corporate Governance Division

The Regulatory Compliance and Corporate Governance Division prevents and manages the risks of non-compliance by the Bank and its Group companies with the legal and regulatory framework governing their operation. For this reason, it shall have uninterrupted access to all data, accounts and information of the Bank and its Group which are deemed necessary for discharging its mission.

The Division is administratively independent of all other Bank's administrative bodies and reports to the Chief Executive Officer, and its composition and structure as well as the nomination of its Director/Head are decided by the Board of Directors.

In legal matters (such as interpretation of laws, application of a regulatory provision, disclosure of information or not, sanctions to the bank, etc.), the Division shall be supported by the Bank's Legal Services Division, the Legal Advisor and Associate Lawyers. Among other things, it shall work with the Human Resources and Organization Divisions on personnel training and the adoption of policies, regulations, procedures, circulars and other guidelines.

The Compliance Officer and its staff can not hold any other position and/or engage in any activity within and outside the bank that conflicts with their obligations, roles and duties.

The main functions of the Division are the following:

- It suggests the development and implementation of the Bank's and Group's policy in the field of Regulatory Compliance & Corporate Governance, taking into account the existing institutional framework.
- It publishes relevant instructions for adjusting the procedures and the Operational Regulation of the Group to the legal and regulatory framework.
- It monitors and verifies regulatory compliance of the individual Units and informs the Management and the BoD of the Bank of any significant violations or failures that may arise.
- It ensures timely and ongoing communication to employees of any developments in the regulatory framework that applies to their scope of work, by establishing appropriate procedures and training programs.
- It adopts and implements appropriate procedures and prepares an annual program aiming at the full compliance of the Bank and the Group's companies with the applicable regulatory framework, the Articles of Association and the Operational Regulation and prepares an Activity Report.

- It ensures, through appropriate procedures, that the deadlines for the fulfillment of the obligations under the applicable regulatory framework are met and provides assurance to the BoD.
- It coordinates the work of the Regulatory Compliance Officers of the Internal Services and Units and the Group Companies in order to comply fully with the applicable provisions.
- It ensures that the Bank develops appropriate Policies and complies with the legal framework for the prevention and suppression of money laundering and terrorist financing.
- It ensures that the Bank complies with personal data protection rules.
- It is responsible for providing information and safeguarding the interests of the State in cases of tax evasion according to the current framework.
- It recommends the establishment of internal Codes of Ethics and ensures that they are faithfully applied by everyone.
- It monitors the approval of new systems, products, contracts, regulations, circulars and procedures to ensure their compatibility with applicable rules and the Codes of Conduct. It collects from and provides information and data to Supervisory, Regulatory, Judicial, Tax or other Authorities.

In 2019, the Division dealt with the following, among others:
- Update Outsourcing Policy.
- Update Policy Related Parties.
- Preparation of a Non-Financial Information Report.
- Creating an automated application for monitoring the timely submission of supervisory reports.
- Update of the regulatory compliance policy
- Update of the asset safekeeping policy
- Complaints Policy Update.
- Updating the Code of Conduct and Ethics.
- Training in Market Policy Abuse.
- Compliance Manual training.
- Training of Attica Bank Policy for the Prevention of Money Laundering and Terrorism Financing, which incorporates Customer Acceptance Policies, AML Approach with Risk Based, RDP, Public Security Management Services in favor of the Public &.
- Launch of the Compliance Monitoring Program for the year 2019, with a focus on “Mifid II”, “Related Parties”, “Code of Conduct and Ethics /Bribery Issues”, “GDPR”, “Transaction Transparency”, “File Keeping”, “Purchase /Privilege Information Abuse”, “Telephone Conversations”, “Conflict of Interest”.

5.3. Group Risk Management

The Group Risk Management Unit (GRM) operates in accordance with international practices, the provisions of Act 2577/06 of the Chief of the Bank of Greece and the amendments thereto, as part of the monitoring and assessment of all the risks to the Bank’s Assets and Liabilities and off-balance sheet items.
The GRM’s object is to identify, analyze and develop effective systems for measuring, managing and controlling all types of risks inherent in any work undertaken by the Bank and, on a consolidated basis, by the Group.
The GRM Head is the Chief Risk Officer (CRO), who reports to the Risk Management Committee and the Chief Executive Officer. CRO’s participation in supreme committees and boards has been institutionalized.
The CRO is appointed by the Board of Directors upon recommendation by the Risk Management Committee and his nomination, as well as his eventual replacement, shall be communicated to the Bank of Greece.

<u>The key tasks of the CRO are the following:</u>

- He defines the principles that should govern the management of the Group’s risks in terms of their identification, evaluation, quantification/measurement, monitoring, control and treatment in line with the current business plan and within the limits of available resources.
- He ensures the development of an internal risk management system and integrates it into the business decision-making process (e.g. decisions concerning the introduction of new products and services, risk-adjusted pricing of products and services, as well as the calculation of profitability and risk-sharing) across the whole range of the Group’s activities.
- He makes proposals and suggests corrective actions to the Risk Management Committee and the BoD if he finds that it is impossible to implement the credit institution’s risk management strategy or any deviations from said strategy.
- He ensures appropriate supervisory and control mechanisms for the identification, monitoring and efficient management of exposures in default and non-performing exposures.

- He makes arrangements for the development of appropriate early warning systems and supervisory and control mechanisms for the monitoring and efficient management of high-risk lending. Early warning systems cover all the risks to which the Group is exposed and include specific quantitative and qualitative risk indicators, the violation of which involves taking specific actions to restore them to the acceptable level identified by the Risk-Taking Framework.
- He receives disclosures from the Director of the Credit Risk Management Division and the Director of Group Operational, Functional and Market Risk Management regarding any deviation from adherence to the approved risk margins, non-compliance with the minimum capital adequacy levels, and adverse developments concerning the approved Business Plan of the Group.
- He forwards to the Risk Management Committee the annual report of the Divisions to which he reports, together with his own fitness report, after having evaluated them.
- He participates or authorizes representatives of the Risk Division of the Group (DKO) to participate in various top-level committees such as the following: Executive Committee, ALCO, Credit Approval Committees, Impairment & Write-Off Committee, IT Committee, etc.

The Organogram Structures under the CRO are the Division of Credit Risk Management (DAPK), the Division of Operational, Functional and Market Risk of the Group (DELK & KAO), the Credit Policy and Credit Risk Control Division of the Group (DPP & EPKO) and the Validation & Back Testing Department, which constitute Group Risk Management.

The **Division of Credit Risk Management** monitors on an individual and consolidated basis the Credit Risk faced by the Group.
The Division is tasked with assessing the requests for up-to-date credit facilities and debt arrangements of natural and legal persons, as well as preparing an opinion on the proposed credit risk to be accepted, by proposing the acceptance thereof with or without additional terms, or non-acceptance thereof.

The **Division of Operational, Functional and Market Risk of the Group** monitors on an individual and consolidated basis the Capital Adequacy, the Provisions & Impairments, the Liquidity Risk, the Operational Risk and the Market Risk faced by the Group, and covers the units related to Assessment models for technological systems, analyses and Management Information Systems (MIS).

The object of this Division is to draw up Policies, Regulations, Methodologies and Procedures related to the Operational, Functional and Market Risk of the Group. This Division is responsible for drawing up the Framework and the methodologies for the simulation of the extreme conditions created by the various risks that it monitors, and for the respective implementation of such Framework and methodologies.

Credit Policy and Credit Risk Control Division of the Group (DPP & EPKO)
The object of this Division is to prepare the Group's policy on credit risk and credit policy matters, as well as a framework for controlling said policy. The Division participates in the elaboration of the default debt management policy and forms the framework for controlling said policy. It is responsible for proposing the preparation and updating of the Loan Regulation, as well as the credit policy guidelines. It is the responsibility of this Division to validate the calculations of individualized impairments and to monitor the operation of credit risk methods and models. In addition, the Division monitors the Bank's Non-Banking Book risk.

6. Risk management in relation to the preparation of financial statements

The Bank has an adequately documented Policy and Procedures for the accounting of financial events and the preparation of financial statements.

Transactions are conducted through specialized computerized applications, per business activity of the Bank and the Group, which support the responsibility limits of the officers, the double-checking of transactions and the automatic generation of the required accounting records.

The Bank's and the Group's accounting system is supported by custom information systems, which have been adapted to the Bank's operational requirements.

Instruction manuals for the T24 systems by TEMENOS and EBS by Oracle, which support the Bank's operations, have been issued and are followed.

Audit procedures and accounting arrangements have been established to ensure the correctness and legality of entries in the books and the completeness and validity of the financial statements.

7. Brief CVs of the members of the Board of Directors

CHAIRMAN OF THE BOARD OF DIRECTORS (Non-Executive Member)

KONSTANTINOS MITROPOULOS

Konstantinos Mitropoulos is an electrical engineer, graduate of the National Technical University of Athens. He has completed postgraduate studies in business administration and finance and has an MSC from Imperial College and a PhD from London Business School. From 2013 to June 2019, he was a PwC Executive Advisor in Greece, responsible for the development of the Advisory Department's work. Between 2016 and 2017, he was also the CEO of PQH, the Single Special Liquidator SA, which has taken over the liquidation of 16 Greek banks. From July 2011 to August 2012, Kostas Mitropoulos was CEO of the Hellenic Republic Asset Development Fund (HRADF). Until July 2011 he was the Executive Chairman of the Board of Directors of Eurobank EFG Equities SA and Head of Global Equity Investment Banking, Brokerage & Private Equity of the Eurobank EFG group. He was the founder and, until 2008, Executive Chairman of the Board of Directors of KANTOR Management Consulting SA, one of the largest business consulting companies in Greece, with offices in Brussels, Warsaw, Bucharest and Sofia. He began his career as a business consultant at Coopers & Lybrand in England.

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS (Non-Executive Member)

KONSTANTINOS MAKEDOS

The Vice-Chairman of Attica Bank, Konstantinos Makedos, is a civil engineer with a Bachelor's degree from the University of Aristotle in Thessaloniki, and President of the Engineers and Public Works Contractors Fund (TMEDE) since that was established on 1 January 2017. During his presidency, TMEDE became a full member of the European Association of Guarantee Institutions, and following a positive recommendation from the Bank of Greece, the Fund was evaluated and approved by the European Central Bank (ECB) as a suitable shareholder in financial institutions in Greece and throughout Europe. Please note that TMEDE ensures conditions of maximum transparency, and International Financial Reporting Standards are implemented in its financial operation. Furthermore, the Fund is a leader in terms of digital transformation at a European level, and shows extremely satisfactory results, with significant annual surpluses. Mr. Makedos is an elected member of the Pan-Hellenic Committee of the Technical Chamber of Greece (TEE), and for a number of years, and until 2016, he was Vice-president of the Unified Self-Employed Social Insurance Fund (ETAA) and Head of the Actuarial Observatory of the Technical Chamber of Greece. Mr. Konstantinos Makedos is a freelance professional and designer of public works. He is the Chief Executive Officer and shareholder of CONCEPT CONSULTING ENGINEERS CONSULTANTS S.A.

CEO (Executive Member)

THEODOROS PANTALAKIS

Mr. Pantalakis has a degree in Business Management from the Higher Industrial School of Piraeus (AVSP). From 1980 to 1991, he worked at ETEVA (National Bank for Investments and Industrial Development) and, during the same period, from 1983 to 1985, he was a collaborator of the Alternate Minister for National Economy, Mr. Vaitsos, and from 1985 to 1988 the Head of the office of the Deputy Minister for National Economy, Th. Karatzas. From 1991 to 1996, he worked as Assistant CEO in the Interamerican Group. From 1996 to 2004 he was Deputy Head of the NBG, Vice-Chairman of ATHEX, Chairman of the Central Securities Depository, and Chairman of the Executive Committee of the Hellenic Bank Association. In 2004, he became Vice-Chairman of the Board of Directors of Piraeus Bank, and in 2009, Vice-Chairman and Alternate CEO of the Group. From 2009 to 2012 he was Chairman of the Board of Directors - Chief of ATE Bank, member of the BoD of the Hellenic Bank Association. He has been Chairman and member of the BoD of Apollonios Kyklos SA, Vice-Chairman of SAE-EPE, executive of DEMKO SA, and member of the BoD of the companies of the ELLAKTOR Group, of ELPE, Retail World and MAD DOG SA (2012-2016). From September 2016 to date, he is CEO of ATTICA BANK, advisor to the BoDs of ELPE SA and R.E.D.S. SA and Vice-Chairman of SAE-EPE.

DEPUTY CHIEF EXECUTIVE OFFICER (Executive Member)

IOANNIS TSAKIRAKIS

He studied Economics at the Athens University of Economics and Business and holds a postgraduate degree in Economic Statistics & Econometrics from the Athens University of Economics and Business. He has had over 30 years of work experience in banking, having worked in various banks as well as holding companies. In May 2015 he was appointed Deputy General Manager and Head of the Attica Bank's Credit Restructuring Directorate General and in September 2016 he was elected executive member of the Board of Directors of the Bank and took up the duties of Deputy Chief Executive Officer. He has worked at the National Bank (8.2013-12.2013), at Probank (1.2002 - 7.2013), at EUROBANK FINANCE SA (8.2000 - 12.2002) and in the Labor Bank (Trapeza Ergasias) (9.1990 - 7.2000).

DEPUTY CHIEF EXECUTIVE OFFICER (Executive Member)

ANTONIS VARTHOLOMEOS

Antonis M. Vartholomeos is a graduate of the Higher Industrial School of Piraeus (1980) and a Ph.D. Candidate in Finance & International Economics at Fordham University, New York (1986). His career includes the following collaborations: Atlantic Bank of New York (1981), Olympian Bank (1986), Interbank (1992), Egnatia Bank (1996), Euro Capital & Investment Shares SA (2000), EYDAP SA (2004: as an Executive Member of the Board of Directors), the company Pegasus Securities SA (2010-2012), the Hellenic Republic Asset Development Fund (HRADF) (2011-2013) and EYDAP SA (2013-2015: as Chairman of the BoD and CEO). In July 2019 he was elected Executive Member of the Board of Directors and Deputy CEO of Attica Bank.

NON-EXECUTIVE INDEPENDENT MEMBERS

STAVROS PAPAGIANNOPOULOS

He has a Master's degree in Finance M.Sc. (ECON) from University College London and a BA from the Finance Department of Pierce College (now Deree), Athens. He has almost 40 years of work experience in the private sector as a business consultant, and has worked as a financial manager in private companies, mainly industrial. He has served as Financial Management Consultant, Accounting Support (2000), Financial Management Consultant, Industrial Enterprises in Bulgaria (1998-2000), Financial Controller at P.N. Gerolymatos SA (1996-1998), Chief Financial Officer and Accounting Manager at ALUCANCO SA (1989-1996), External Associate of ELKEPA as Rapporteur of Management and Production Management Seminars in Associations of Agricultural Cooperatives (1983-1989), and responsible for production planning at MINERVA SA (1981-1983). He has also worked in the accounting department and the Department for Statistical Support of the Sales Division at ELSA SA (1979-1981).

DIMITRIS TZANNINIS

He is an economist. He graduated summa cum laude from the Department of Economics of the National and Kapodistrian University of Athens, he holds a Master's degree in Economics from McMaster University and has a Doctorate in Economics from the University of Western Ontario. He is an independent financial consultant and a member of the Audit Committee of Allianz, Greece. In July 2019, he was re-elected as member of the Bank's Board of Directors. He has served as Chairman of the Council of Economic Experts, member of the Economic and Financial Committee and the European Union's Eurogroup Working Group, Deputy Minister to the Eurogroup and ECOFIN, member of the OECD Economic Policy Committee, Alternate Governor for Greece on the Board of Governors of the World Bank Group, PPC Management Advisor, member of the Board of Directors of the Public Debt Management Agency of Greece and member of the Board of Directors of the Audit Committee of the National Bank of Greece. He taught Economics at the University of Western Ontario. For 15 years he was a member of the International Monetary Fund. He has served as advisor to investment banks, hedge funds, and private equity.

ELENI KOLIOPOULOU

Eleni Koliopoulou graduated from Deree, the American College of Greece, and has a Bachelor's degree in Business Management. Until 2018, she was CEO of "AN. VL. KOLIOPOULOS PAKO SA". Since May 2013, she has been Vice-Chairman of the Association of Industries in Thessaly and in Central Greece (SVTHSE), and since May 2016, she has been Chairman of the Board of Directors and the Executive Committee thereof. She has served as Chairman of SE.VI.CHA. (Association of Greek Paper Industries) and Vice-Chairman of the Hellenic Association of Corrugated Cardboard and Cardboard Manufacturers. She was a Founding Member of the "ELLINIKI PARAGOGI" Council for Industry for Development. She has been a Member of the BoD of the Hellenic Federation of Enterprises (SEV) since 2018.

GEORGIOS DOUKIDIS

Georgios Doukidis is a mathematician. He graduated from the University of Thessaloniki and holds an MSc in Business Research and a PhD in Artificial Intelligence from the London School of Economics (LSE), where he also taught in the 1980s. He is a professor of e-business at the Department of Management Science and Technology of the Athens University of Economics and Business, and director of the E-Business Research Center ELTRUN, one of the leading research centers of European Business Schools, which has completed successfully 40 international R&D projects in collaboration with over 150 top universities and international companies. He has consulting experience in business development, innovation and reorganization, e-commerce and digital transformation. He has served as Chairman of TANEO.

ANDREAS TAPRANTZIS

Dr. Andreas Taprantzis is a Chemical Engineer, with a PhD Degree in AI Systems from NTUA, as well as an MBA and an AMP from INSEAD. Since 2014, he is the CEO and Vice-Chairman of the multinational Avis Greece, the leading car rental company in Greece, with a fleet of more than 38,000 vehicles, a balance sheet of about

€500 million and EBITDA in excess of €90 million. Prior to his current position, he was the Executive Director of the Hellenic Republic Asset Development Fund, Chairman of the Postal Operations Council (POC) of the Universal Postal Union (UPU), CEO of the Hellenic Post Office (ELTA), Deputy CEO of T Bank, Chief Operating Officer and Retail Banking Managing Director of the Hellenic Postbank (TT), and a member of the Board of Directors of many companies and organizations.

CHARITON (HARRY) KYRIAZIS

He has studied civil engineering, and has an MBA and a Ph.D. Initially he worked in the industrial sector and has served as Secretary General at the Ministry of National Economy (1992-1993). From 1994 to 2011 he was Tax and then Advisory Senior Partner of Arthur Andersen and the Advisory Department of PwC, gaining diverse experience in private and public sector projects. He was an elected member of the Board of Directors of SEV (Hellenic Federation of Industries) for 21 years, where he served as Executive Vice-Chairman (2011-2015) and as a Management Consultant (until Sep. 2019). Now he is a business consultant and serves as Chairman or member in Audit Committees of listed and non-listed companies (currently Lamda Development, Ellaktor, Attica Bank, PQH, Skama). He is also a member of the Board of the International Labor Organization (“ILO”).

KATERINA ONOUFRIADOU

She has a degree from the Department of Finance of the School of Law of the University of Athens. She was granted a postgraduate degree in Factoring, following a 6-month seminar, and also has an Inspection Certificate from TUV. She speaks English and French. She has worked in the Agricultural Bank of Greece (1980-2010), as Head of various Branches and Divisions, as well as in the Educational and Training Center of AteBank, and was promoted up to the position of Deputy Director. From 2010 to 2019 she volunteered at the office of the current Prime Minister Mr. Kyriakos Mitsotakis. Since 2014, she has been in charge of his political office. She is also the Head of the Mentoring Alive Committee of the European Union of Women-Greece, as well as a member of the Board of Directors of HEDNO. She is also a member of the Corporate Governance Committee of HEDNO.

8. Information pursuant to Article 10 (1) of Directive 2004/25/EC of the European Parliament

Pursuant to Article 10 (1) of Directive 2004/25/EC of the European Parliament and the Council, the following information is provided with reference date as of 31.12.2019:

- The table with the most significant direct holdings in the Bank’s share capital within the meaning of the provisions of the articles of Law 3556/07 is as follows on 31 December 2019:

	Shares	Holding
SINGLE SOCIAL SECURITY AGENCY	212,918,027	46.16%
ENGINEERS AND PUBLIC WORKS CONTRACTORS FUND	149,907,554	32.5%
TAPILT	13,046,573	2.829%

The Bank has been subject to the provisions of L. 3723/2008 as it stands, with all the privileges it provides to the Greek State, and preferential shares were issued for that purpose, the status of which was governed by the provisions of Law 3723/2008, in conjunction with Decision No 54201/B/2884/26-11-2008 of the Minister for Economy and Finance. What is more, in October 2017, the Bank issued, in the context of the provisions of Law 3723/08 (Article 2), a Greek Government bond of EUR 380 million (duration: one year), to receive liquidity from the emergency liquidity assistance (ELA) and to be used as an eligible collateral for Eurosystem refinancing operations. On 25 May 2018, the Bank made an early repayment of the above bond, and at the same time, in the context of Law 3723/2008 (Pillar II), it issued a bond guaranteed by the Greek State amounting to 350 million euros, for a duration of two years (expiration: 25 May 2020), which is used as a cover for pumping liquidity in the interbank market.

Information on the Remuneration of the Members of the Board of Directors for the year 2019 (1.1-31.12.2019), pursuant to Article 450 of Regulation (EU) No 575/2013

	Members of the Board of Directors	
	Non Executive	Executive
Number of beneficiaries	13	4
Total fixed remuneration	460,497.00	671,729.72
Total variable remuneration split in:	-	-
Cash	-	-
Shares	-	-
Financial instruments linked to shares	-	-
Other categories	-	-
Amounts of deferred earnings split in:	-	-
Registered	-	-
Unregistered	-	-
Amounts of deferred earnings that have been determined to be paid and decreased through performance adjustments	-	-
Number of beneficiaries receiving payment for recruitment	-	-
Total payment for recruitment	-	-
Number of beneficiaries receiving leaving pay	-	1
Total amount of leaving pay	-	56,918.40
Highest amount paid as indemnity to an individual	-	-

Athens

THE CHAIRMAN OF THE BOARD OF DIRECTORS

COSTAS S. MITROPOULOS

ID CARD NO 065426

ANNUAL FINANCIAL INFORMATION

FOR THE YEAR ENDED

31 DECEMBER 2019

In accordance with the International Financial Reporting Standards

as adopted by the European Union

Annual Financial Report for the year ended 31 December 2019

III. ANNUAL STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT 31 DECEMBER 2019

(INCLUDING INDEPENDENT AUDITORS' REPORT)

The Annual Separate and Consolidated Financial Statement for the year ended as at 31 December 2019, as well as the notes attached, have been approved by the Board of Directors at the meeting held on 29 April 2020 and have been published on the Bank's website, as well as on the website of A.S.E., where they will remain at the disposal of investors for at least ten (10) years from the date they were issued and published.

Athens, 29 April 2020

THE CHAIRMAN OF THE BOARD	THE CHIEF EXECUTIVE OFFICER	THE DEPUTY CHIEF EXECUTIVE OFFICER	THE C.F.O.	THE DIRECTOR OF FINANCIAL MANAGEMENT
COSTAS S. MITROPOULOS ID No. AB 065426	THEODOROS N. PANTALAKIS ID No. AE 119288	IOANNIS EM. TSAKIRAKIS ID No Λ 024276	NIKOLAOS L. KOUTSOGIANNIS ID No. AE 241810	EVAGGELOS G. RIZOS ID No Ξ 989060

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Independent Auditors' Report

(Translated from the original in Greek)

To the Shareholders of
ATTICA 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 ATTICA BANK S.A. (the "Bank") which comprise the Separate and Consolidated Statement of Financial Position as at 31 December 2019, the Separate and Consolidated Profit or Loss and Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Separate and Consolidated Financial Statements present fairly, in all material respects, the financial position of ATTICA BANK S.A. (the "Bank") as at 31 December 2019 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), which have been incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Bank and its consolidated subsidiaries in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, as it has been incorporated into Greek legislation, and the ethical requirements that are relevant to our audit of the separate and consolidated financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with the requirements of the applicable legislation and the aforementioned 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 judgment, were of most significance in our audit of the Separate and Consolidated Financial Statements of the current period. These matters and the relevant significant assessed risks of material misstatement 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

Impairment losses for loans and advances to customers at amortized cost

See Note 18 to the Separate and Consolidated Financial Statements.

The key audit matter	How the matter was addressed in our audit
The measurement of the expected credit losses in accordance with IFRS 9 requires significant judgements and estimates by the Management that contain significant degree of complexity. The Bank and the Group recognize an impairment provision from loans and advances to customers at amortized cost on both a standalone and a consolidated basis. The Group has recorded in its consolidated financial statements as of 31 December 2019 an amount of EUR 1 828 million (2018: EUR 1 845 million) as loans and advances to customers at amortized cost as well as EUR 281 million (2018: 253 million) for impairment losses. Impairment losses for loans and advances to customers at amortized cost were considered a key audit matter because: — It is based on an accounting principle that requires estimates and judgments which contain significant degree of complexity. — Judgment is required to properly classify a loan in the proper category and the way it is measured. — Calculation of impairment requires significant judgement by the Management on the macroeconomic criteria to be used to estimate expected credit losses. — Judgment is required to properly design synthetic mathematical equations and data required to calculate the ECL. — Judgment is required by the Management to identify the criteria of what constitutes a significant increase in credit risk. — Judgement is required by the Management to the results of models of measurement of expected credit risk that contain a significant degree of complexity. The disclosures required by IFRS 9 are equally important for understanding the estimates required for the calculation of ECL.	Our audit approach included among others: **Control design, observation and operation:** — We examined the appropriateness of material models used by the Bank as well as procedures for verifying them — We evaluated that the assumptions and decisions made by management on classification and measurement of financial instruments are appropriate and reasonable. — We evaluated the processes and implementation as well as the relevant internal controls for classification and measurement. — We tested the design, implementation and operating effectiveness of key controls relating to the assessment and calculation of material indicators (SICR) and criteria. — We assessed the accuracy and relativity of data used for classification and measurement purposes. We focused our Audit on the control process for the completeness and accuracy of the data included in the impairment calculation models as well as on the evaluation carried out by the Management for the validation of the abovementioned results. **Substantive procedures:** The substantive procedures related to the estimation of expected credit losses included: — For a specific sample of loans we tested the procedures used by the Bank and Group to estimate the significant increase in credit risk. — With respect to individually assessed loans we selected a sample of loans based on remaining credit exposure and assessed the adequacy of impairment losses that was recorded. As part of this procedure we have implemented

	procedures for assessing the data and the reliability of the expected cash flows used as part of the individually assessed loans. — With respect to the impairment calculated collectively, we evaluated the methodology used by the Bank and Group, assessing the integrity of the data required for the calculation of impairment from Bank's and Group's systems. **Assessing application of methodology:** We involved our financial risk management specialists to assist us in assessing the appropriateness of material models used by the bank. For these models we proceeded as follows: For a sample we recalculated certain key inputs to the models. — For certain portfolios we evaluated the existence and value of the collaterals used for impairment purposes. Finally, we evaluated the adequacy of the Separate and Consolidated Financial Statements., including disclosures of key assumptions and judgments.

Recoverability of deferred tax assets

See Note 32 to the Separate and Consolidated Financial Statements.

The key audit matter	How the matter was addressed in our audit
The Group and the Bank recognized deferred tax assets of EUR 450 million (2018: EUR 420 million) on temporary differences and unused tax losses that are considered recoverable or can be utilized. In Note 32 of the Separate and Consolidated Financial Statements an analysis of these temporary differences and unused tax losses is included. The recoverability of deferred tax assets is considered a key audit matter as management's assessment of the recoverability is complex and judgmental. The recoverability of deferred tax assets is dependent on whether the Bank can produce future tax profits that can be utilized against	**Control design, observation and operation:** — We assessed the assumptions made by management to estimate the possibility of recovering deferred tax assets recorded to the Statement of Financial Position as at 31 December 2019. — We assessed the reasonableness of managements key assumptions in its business plan as follows: – Comparing to our own independently developed expectations derived from our industry knowledge and our

temporary tax differences and tax losses (before they expire). Management's assessment regarding whether there will be sufficient tax profits requires significant judgments and estimates such as: — Assumptions based on the business plan of the Bank regarding estimates of future performance that will generate tax profits in the future. — Estimates that must cover the time period until the legal expiration of the period within which the deferred tax assets can be recovered. Adjustments required to calculate estimated future taxable profits from the accounting profits (as estimated in the business plan), in order to conclude to the deferred tax assets that can be recovered in the future.	understanding obtained during our audit. **Substantive procedures:** For the purpose of our recoverability assessment, we proceeded as follows: — we tested the adjustments applied by management to calculate taxable profits from accounting profits, with the support of our tax specialists, and we checked their consistency with prior years including historical accuracy of budgeted data. — we assessed management's interpretations of current tax legislation with respect to the accounting write offs and the gradual amortisation of the crystallised tax loss arising from the sale of non performing loans and definite write - offs. We evaluated the adequacy of the Separate and Consolidated Financial Statements disclosures, including disclosures of key assumptions and judgments.

Fair Value calculation - Stage 3

See Note 20 to the Separate and Consolidated Financial Statements.

The key audit matter	How the matter was addressed in our audit
In the category of financial assets measured at fair value through other total revenues (Note 20), is included the bond resulting from 2017 securitization with a nominal value (EUR 525 million) The determination of fair value for the bond (stage 3) (Note 43.7) resulting from this securitization involves significant estimates from management and requires specialized knowledge as well as the assistance of specialists. Due to the aforementioned, we consider this issue to be as a key audit matter.	Our audit procedures regarding the Bond valuation included the use of specialists in respect to valuation issues. In addition we assessed the assumptions that management took into consideration regarding the valuation procedures for the collectability of future cash flows that are used for the valuation. Finally, we evaluated the adequacy of the Separate and Consolidated Financial statements, including disclosures of key assumptions and judgements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, for which reference is made in the "Report on Other Legal and Regulatory Requirements" and the Declarations of the Members of the Board of Directors but does not include the Separate and Consolidated Financial Statements and our Auditors' Report thereon.

Our opinion on the Separate and Consolidated Financial Statements does not cover the other information and we do 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 otherwises appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of 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 these Separate and Consolidated Financial Statements in accordance with International Financial Reporting Standards as adopted 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 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 L. 4449/2017) of the Bank is responsible for overseeing the Bank's and the 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 auditors' 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 which have been incorporated in 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, which have been incorporated in 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 the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Bank and Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the 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 these Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Bank and its subsidiaries. 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 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 period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement that is included in this report. Pursuant to the provisions of paragraph 5 of Article 2 (part B) of Law 4336/2015, we note that:

(a) The Board of Directors' Report includes a Corporate Governance Statement which provides the information set by Article 152 of L. 4548/2018.

(b) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Article 150 and 151 and 153 and 154 and of paragraph 1 (cases c and d) of article 152 of L. 4548/2018 and its contents correspond with the accompanying Separate and Consolidated Financial Statements for the year ended 31 December 2019.

(c) Based on the knowledge acquired during our audit, relating to the Attica Bank S.A. and its environment, we have not identified any material misstatements in the Board of Directors' 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 of the Bank dated 28 April 2020, pursuant to the requirements of article 11 of the Regulation 537/2014 of the European Union (EU).

3. Provision of non Audit Services

We have not provided to the Bank and its subsidiaries any prohibited non-audit services (NASs) referred to in article 5 of Regulation (EU) 537/2014.

The permissible non-audit services that we have provided to the Bank and its subsidiaries during the year ended 31 December 2019 are disclosed in the Note 11 of the Separate and Consolidated Financial Statements.

4. Appointment of Auditors

We were appointed for the first time as Certified Auditors of the Bank based on the decision of the Annual General Shareholders' Meeting dated 28 April 2009. From then onwards our appointment has been renewed uninterruptdly for a total period of 11 years based on the annual decisions of the General Shareholders' Meeting.

Athens, 29 April 2020

KPMG Certified Auditors S.A.
AM SOEL 114

Harry Sirounis,
Certified Auditor Accountant
AM SOEL 19071

Anastasios Kyriacoulis
Certified Auditor Accountant
AM SOEL 39291

Income Statement

(Amounts in thousand €)	Note	Group From 1 January to 31.12.2019	Group From 1 January to 31.12.2018	Bank From 1 January to 31.12.2019	Bank From 1 January to 31.12.2018
Interest and similar income	4	93,615	115,454	93,615	115,454
Less : Interest expense and similar expenses	5	(49,764)	(46,164)	(49,776)	(46,195)
Net interest income		**43,852**	**69,290**	**43,840**	**69,259**
Fee and commission income	6	17,155	15,984	15,967	14,638
Less : Fee and commission expense	7	(10,615)	(9,028)	(10,615)	(9,028)
Net fee and commission income		**6,540**	**6,956**	**5,353**	**5,610**
Profit / (loss) from financial transactions	8	6,163	1,418	6,163	1,418
Profit / (loss) from investment portfolio	9	7,416	690	7,416	690
Gain from the transfer of loans through securitization		0	47,000	0	47,000
Other income / (expenses)	10	7,635	2,634	7,637	2,657
Operating income		**71,606**	**127,987**	**70,408**	**126,634**
Personel expenses	11	(33,568)	(33,704)	(33,107)	(33,290)
General operating expenses	11	(23,095)	(30,494)	(22,947)	(30,133)
Depreciation	11	(13,380)	(7,780)	(13,301)	(7,754)
Total operating expenses		**(70,043)**	**(71,978)**	**(69,355)**	**(71,178)**
Profit before tax and provisions		**1,563**	**56,009**	**1,053**	**55,456**
Impairment charge for losses on loans	19	(24,202)	(27,527)	(24,202)	(27,527)
Provision for impairment of other assets	11	(2,050)	(3,191)	(1,700)	(2,878)
Compensation cost for the voluntary retirement scheme		0	(17,214)	0	(17,214)
Impairment charge in investments in associates		0	0	(3,359)	0
Results from investments in associates	23	1,042	(3,329)	0	0
Profit / (loss) before income tax		**(23,648)**	**4,748**	**(28,208)**	**7,837**
Less : income tax	**12, 32**	28,645	(7,105)	28,560	(7,270)
Profit / (loss) for the period		**4,998**	**(2,357)**	**351**	**567**
Attributable to:					
Equity owners of the Bank		4,998	(2,357)	-	-
Basic and diluted earnings / (losses) per share (in €)	13	**0.0108**	**(0.0022)**	**0.0008**	**0.0005**

The attached notes (pages 27 to 143) form an integral part of these Annual Financial Statements of 31 December 2019

Statement of Comprehensive Income

(Amounts in thousand €)	Group From 1 January to 31.12.2019	Group From 1 January to 31.12.2018	Bank From 1 January to 31.12.2019	Bank From 1 January to 31.12.2018
Profit / (Loss) for the period after income tax recognized in the Income Statement	**4,998**	**(2,357)**	**351**	**567**
Amounts that may be reclassified in the income statement				
Financial assets at Fair Value through Other Comprehensive Income (FVOCI)				
Change in fair value (before tax)	2,776	(37,664)	2,776	(37,664)
Transfer to Income Statement (before Tax)	(5,627)	(1,293)	(5,627)	(1,293)
Income Tax	827	11,297	827	11,297
Actuarial gains / (losses) on defined benefit obligations	325	(415)	329	(409)
Income Tax	*(95)*	*120*	*(95)*	*119*
Total other comprehensive income recognized directly in equity, after income tax	**(1,794)**	**(27,954)**	**(1,791)**	**(27,950)**
Total comprehensive income/expenses, after income tax	**3,203**	**(30,311)**	**(1,440)**	**(27,383)**

The attached notes (pages 27 to 143) form an integral part of these Annual Financial Statements of 31 December 2019

Statement of Financial Position

(Amounts in thousand €)		Group		Bank	
Assets	**Note**	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Cash and balances with Central Bank	**14**	138,097	60,860	138,096	60,858
Due from other financial institutions	**15**	67,437	9,429	67,429	9,422
Derivative financial instruments - assets	**17**	114	87	114	87
Financial assets at fair value through profit or loss	**16**	12,008	2,950	12,008	2,950
Loans and advances to customers (net of impairment)	**18**	1,547,494	1,592,144	1,547,494	1,592,144
Financial assets at fair value through other comprehensive income (FVOCI)	**20**	590,046	909,288	590,046	909,288
Financial assets at amortized cost	**21**	353,146	9,879	353,146	9,879
Investments in subsidiaries	**22**	0	0	600	1,102
Investments in associates	**23**	4,469	3,427	4,343	7,702
Property, plant and equipment	**26**	48,468	31,646	48,297	31,581
Investment property	**27**	58,340	57,862	58,340	57,862
Intangible assets	**25**	52,893	50,413	52,877	50,390
Deferred tax assets	**12, 32**	449,734	420,357	449,646	420,355
Assets held for sale	**24**	0	0	502	0
Other assets	**28**	205,490	202,162	204,898	202,050
Total Assets		**3,527,734**	**3,350,505**	**3,527,836**	**3,355,671**
Liabilities					
Due to financial institutions	**29**	262,456	424,649	262,456	424,649
Due to customers	**30**	2,608,157	2,281,875	2,614,165	2,288,350
Derrivative financial instruments - liabilities	**17**	2	34	2	34
Issued bonds	**31**	99,729	99,676	99,729	99,676
Defined benefit obligations	**33**	11,667	12,925	11,614	12,874
Other provisions	**34**	15,048	21,575	15,048	21,575
Other liabilities	**35**	36,594	18,874	35,985	18,235
Total Liabilities		**3,033,653**	**2,859,609**	**3,038,999**	**2,865,395**
Equity					
Share capital (common shares)	**36**	138,376	138,376	138,376	138,376
Reserves	**37**	448,750	450,545	448,548	450,339
Retained earnings	**36**	(93,045)	(98,024)	(98,087)	(98,439)
Equity attributable to equity owners of the Bank		**494,081**	**490,897**	**488,837**	**490,276**
Total Equity		**494,081**	**490,897**	**488,837**	**490,276**
Total Liabilities and Equity		**3,527,734**	**3,350,505**	**3,527,836**	**3,355,671**

The attached notes (pages 27 to 143) form an integral part of these Annual Financial Statements of 31 December 2019

Consolidated Statement of Changes in Equity

Group

(Amounts in thousand €)	Share capital (common shares)	Share capital (preference shares)	Other reserves	Reserves	Retained earnings	Total Equity
Balance 01.01.2018	**701,806**	**100,200**	**(6,014)**	**252,623**	**(415,910)**	**632,705**
IFRS 9 implementation as at 01.01.2018					(96,717)	**(96,717)**
Balance 01.01.2018, restated	**701,806**	**100,200**	**(6,014)**	**252,623**	**(512,627)**	**535,988**
Profit for the period					(2,357)	**(2,357)**
Other comprehensive income						
Financial assets measured at fair value through other comprehensive income (FVOCI): Change in fair value			(37,664)			**(37,664)**
Financial assets measured at fair value through other comprehensive income (FVOCI): net amount			(1,293)			**(1,293)**
Actuarial gains / (losses) on defined benefit obligations			(415)			**(415)**
Income Tax			11,418			**11,418**
Total comprehensive income, after income tax	**0**	**0**	**(27,954)**	**0**	**(2,357)**	(30,311)
Preference shares buyback		(100,200)			(87)	**(100,287)**
Share capital increase with common shares	88,884					**88,884**
Reduction of share capital by offesetting losses	(419,253)				419,253	**0**
Reduction of share capital for the creation of special reserve	(233,060)			233,060		**0**
Change from actuarial programs				(1,171)	1,171	**0**
Expenses of share capital increase					(3,376)	**(3,376)**
Balance as at 31.12.2018	**138,376**	**0**	**(33,968)**	**484,513**	**(98,024)**	490,897

The attached notes (pages 27 to 143) form an integral part of these Annual Financial Statements of 31 December 2019

Group

(Amounts in thousand €)	Share capital (common shares)	Share capital (preference shares)	Other reserves	Reserves	Retained earnings	Total equity
Balance 01.01.2019	**138,376**	**0**	**(33,968)**	**484,513**	**(98,024)**	**490,897**
Profit for the period					4,998	**4,998**
Other comprehensive income						
Financial assets measured at fair value through other comprehensive income (FVOCI): Change in fair value			2,776			**2,776**
Financial assets measured at fair value through other comprehensive income (FVOCI): net amount transferred to profit or loss			(5,627)			**(5,627)**
Actuarial gains / (losses) on defined benefit obligations			325			**325**
Income Tax			732			**732**
IFRS 16 implementation					(19)	**(19)**
Total comprehensive income/(expence), after income tax	**0**	**0**	**(1,794)**	**0**	**4,979**	3,185
Balance 31.12.2019	**138,376**	**0**	**(35,762)**	**484,513**	**(93,045)**	494,081

The attached notes (pages 27 to 143) form an integral part of these Annual Financial Statements of 31 December 2019

Statement of Changes in Equity

Bank

(Amounts in thousand €)	Share capital (common shares)	Share capital (preference shares)	Other reserves	Reserves	Retained earnings	Total
Balance 01.01.2018	**701,806**	**100,200**	**(5,946)**	**252,345**	**(419,368)**	**629,037**
IFRS 9 implementation as at 01.01.2018					(96,685)	**(96,685)**
Balance 01.01.2018, restated	**701,806**	**100,200**	**(5,946)**	**252,345**	**(516,053)**	**532,352**
Profit for the period					567	**567**
Other comprehensive income						
Financial assets measured at fair value through other comprehensive income (FVOCI): Change in fair value			(37,664)			**(37,664)**
Financial assets measured at fair value through other comprehensive income (FVOCI): net amount			(1,293)			**(1,293)**
Actuarial gains / (losses) on defined benefit obligations			(409)			**(409)**
Income Tax			11,416			**11,416**
Total comprehensive income, after income tax	**0**	**0**	**(27,950)**	**0**	**567**	**(27,383)**
Preference shares buyback		(100,200)				**(100,200)**
Share capital increase with common shares	88,884			0		**88,884**
Reduction of share capital by offesetting losses	(419,253)			0	419,253	**0**
Reduction of share capital for the creation of special reserve	(233,060)			233,060		**0**
Change from actuarial programs			(1,171)		1,171	**0**
Expenses of share capital increase				0	(3,376)	**(3,376)**
Balance as at 31.12.2018	**138,376**	**0**	**(35,066)**	**485,405**	**(98,439)**	**490,276**

The attached notes (pages 27 to 143) form an integral part of these Annual Financial Statements of 31 December 2019

Bank

(Amounts in thousand €)	Share capital (common shares)	Share capital (preference shares)	Other reserves	Reserves	Retained earnings	Total equity
Balance 01.01.2019	**138,376**	**0**	**(35,066)**	**485,405**	**(98,439)**	**490,277**
Profit for the period					351	**351**
Other comprehensive income						
Financial assets measured at Fair Value through Other Comprehensive Income (FVOCI): Change in fair value			2,776			**2,776**
Financial assets measured at Fair Value through Other Comprehensive Income (FVOCI): Net amount transferred to profit or loss			(5,627)			**(5,627)**
Actuarial gains / (losses) on defined benefit obligations			329			**329**
Income Tax			732			**732**
Total comprehensive income/(expence), after income tax	**0**	**0**	**(1,791)**	**0**	**351**	**(1,441)**
Balance 31.12.2019	**138,376**	**0**	**(36,858)**	**485,405**	**(98,087)**	**488,837**

The attached notes (pages 27 to 143) form an integral part of these Annual Financial Statements of 31 December 2019

Statement of Cash Flows

(Amounts in thousand €)	Group 31.12.2019	Group 31.12.2018	Bank 31.12.2019	Bank 31.12.2018
Cash flows from operating activities				
Interest and similar income received	80,929	81,804	80,929	81,804
Interest expense paid	(46,561)	(44,838)	(46,582)	(44,869)
Dividends received	40	14	40	14
Commission received	17,360	17,611	16,186	16,264
Commission paid	(11,211)	(10,561)	(11,211)	(10,561)
Profit from financial transactions	(2,488)	1,338	(2,488)	1,338
Other income	7,428	3,522	7,429	3,545
Cash payments to employees and suppliers	(56,700)	(88,187)	(55,722)	(87,109)
Tax paid	0	(154)	0	(0)
Cash flows from operating activities before changes in operating assets and liabilities	(11,204)	(39,452)	(11,420)	(39,574)
Changes in operating assets and liabilities				
Net (increase) / decrease in trading securities	(4,718)	655	(4,718)	655
Net (increase) / decrease in loans and advances to customers	(347,291)	479,002	(347,291)	479,002
Net (increase) / decrease from transfer of loans	360,875	0	360,875	0
Net (increase) / decrease in other assets	4,446	289	4,773	626
Net (increase) / decrease in amounts due to financial institutions	(162,193)	(518,802)	(162,193)	(518,802)
Net (increase) / decrease in amounts due to customers and similar liabilities	326,283	357,744	325,815	355,925
Net (increase) / decrease in other liabilities	(7,041)	(2,096)	(7,272)	(2,320)
Total changes in operating assets and liabilities of the statement of financial position	170,361	316,791	169,989	315,086
Net cash flow from operating activities	**159,157**	**277,339**	**158,569**	**275,512**
Cash flows from investing activities				
Purchases of intangible assets	(8,358)	(8,824)	(8,357)	(8,824)
Purchases of Property and Equipment	(1,221)	(5,642)	(1,218)	(5,640)
Disposals of Property and Equipment	0	1	0	1
Purchase of financial assets measured at fair value through other comprehensive income (FVOCI	(227,042)	(708,734)	(227,035)	(708,734)
Sales / redemptions of financial assets measured at fair value through other comprehensive income (FVOCI)	209,426	389,995	209,426	389,995
Investments in subsidiaries	0	0	502	1,824
Investments in associates	3,359	0	3,359	0
Net cash flow from investing activities	**(23,835)**	**(333,204)**	**(23,323)**	**(331,377)**
Cash flow from financing activities				
Issue of subordinated bond loan	0	99,676	(0)	99,676
Proceeds from issuance of shares or other equity instruments	0	88,884	0	88,884
Share capital increase expenses	0	(3,376)	0	(3,376)
Rental expenses paid under IFRS 16	(77)			
Repayment of preferrence shares	0	(100,200)	0	(100,200)
Net cash flow from financing activities	**(77)**	**84,984**	**(0)**	**84,984**
Net increase / (decrease) in cash and cash equivalents	**135,245**	**29,120**	**135,246**	**29,118**
Cash and cash equivalents at the beginning of the period	70,289	41,170	70,280	41,161
Cash and cash equivalents at the end of the period	**205,534**	**70,290**	**205,525**	**70,280**

The attached notes (pages 27 to 143) form an integral part of these Annual Financial Statements of 31 December 2019

1. General Information

The Attica Bank A.E. Group, ("the Group"), operates mainly in the financial sector, providing a wide range of financial and banking services to individuals and companies.

The Attica Bank Group, besides the parent company , includes (3) subsidiaries and two (2) associated companies, which operate in Greece and has 741 employees as at 31.12.2019. The number of Bank's branches as at 31.12.2019 is 55.

The parent company of the Group is Attica Bank A.E., (the "Bank"). "Attica Bank A.E." is a societé anonyme with General Commercial Number 255501000 (ex-Registration Number (ARMAE) 6067/06/B/86/06). The Bank is listed in the Athens Stock Exchange. The address of the Bank's registered office is 23, Omirou Street, Postal Code 106-72, Athens.

The separate and consolidated financial statements (the "financial statements") have been approved for issue by the Board of Directors on 29th April 2020, and are subject to approval by the annual Ordinary General Meeting of Shareholders.

The Board of Directors of the Bank that approved the financial statements of the Bank as at 31 December 2019 consists of:

Constantinos S. Mitropoulos	Chairman of Board of Directors, non-executive member
Konstantinos G. Makedos	Vice-Chairman of Board of Directors, non-executive member
Theodoros N. Pantalakis	Chief Executive Officer, executive member
Ioannis Em. Tsakirakis	Deputy Chief Executive Officer, executive member
Antonios M. Vartholomaios	Deputy Chief Executive Officer, executive member
Stavros G. Papagiannopoulos*	Independent non-executive member
Dimitrios G. Tzanninis*	Independent non-executive member
Eleni A. Kolliopoulou */**/****	Independent non-executive member
Georgios I. Doukidis **/***/****	Independent non-executive member
Andreas B. Taprantzis ***	Independent non-executive member
Chariton D. Kyriazis **/***/****	Independent non-executive member
Aikaterini Od. Onoufriadou	Additional Non-executive member, Greek state representative under the provisions of L. 3723/2008

The members of the Boards of Directors of the other companies of the Group that are also included in the Financial Statements are referred in the individual Financial Statements of the companies. In the same financial statements are also mentioned the independent auditors that have been elected to conduct the audit of the financial statements for the year 2019, as well as the website addresses of the Group's companies.

The Bank's share, apart from the Athex Composite Share Price Index, is also included in the following indices of the Athens Stock Exchange: Athex All Share Index (DOM), FTSE/ASE-CSE Banking Index, FTSE/ASE Banks, FTSE/ASE Mid Cap Index and FTSE/ASE Market Index and Performance Index (SAGD).

For the Group's subsidiaries, information on the published Financial Statements by fiscal year can be obtained from the following websites:

Company	Website of publication of the Financial Statements
AtticaBank Properties S.A	http://www.atticabankproperties.gr/index.php/topics/category/36
Attica Wealth Management M.F.M.C	http://www.atticawealth.gr/Default.asp?Static=110
Attica Bancassurance Agency S.A	https://www.atticabank.gr/el/investors/investor-financial-results/group-companies

Amounts are presented in thousand euros, unless otherwise stated 27

2. Principal Accounting Policies

(2.1) Basis of Presentation of the Financial Statements

The annual Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Statements (IFRS) as adopted by the E.U.

The Financial Statements have been prepared under the historical cost basis, except for assets at Fair Value through Other Comprehensive Income (FVOCI), financial assets and liabilities held at fair value through profit or loss, all derivative contracts, property and equipment (land and buildings) and investment property which are measured at fair value. Furthermore, defined benefit obligations are measured at present value.

The amounts included in these Consolidated Financial Statements are expressed in thousands of euro, which is the functional currency of the Group, unless otherwise stated in the respective notes.

The preparation of the Consolidated Financial Statements according to the International Financial Reporting Standards (IFRS) requires the use of estimates and assumptions which can affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of preparation of the Financial Statements as well as the reported amounts of income and expenses recognized during the reporting period. For further analysis please refer to note 2.32.

(2.2) Going Concern

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 the current economic developments as well as the risks deriving from the unstable financial environment in order to form projections for future economic conditions of the environment in which it operates. The main factors that may affect the application of this principle relate mainly to the economic environment in Greece and internationally, the evolution of the non – performing loans, the liquidity levels of the Greek economy and the banking system along with the aftermath of the pandemic (COVID – 19) both in the Greek economy and internationally

Based on the projections of Bank of Greece, the growth rate of the Greek economy is estimated to significantly slow down on 2020, given the impacts of the spread of COVID – 19 which can't be quantified reliably. Bank's Management monitors the current developments and the most recent announcements concerning the projections for the estimated impact of COVID – 19 to the GDP variance for the year 2020.

COVID – 19 pandemic

At the end of February 2020, the pandemic of the SARS – CoV – 2 virus appears in Greece. During the first fifteen days of March, the World Health Organization declares COVID – 19 as pandemic, with the Greek Government gradually setting the country up to end of April to temporary lockdown, as far as the transportation and the companies' operation are concerned. In the context of financially supporting the sectors injured by the COVID – 19, the ministers of Finance, Labour and Development & Investments announced measures for those sectors. These measures include:

- Suspension from the Banks of the capital repayments up to 30 September 2020 for all the borrowers consistent in the performance of their obligations that are affected by the impact of COVID – 19.
- Interest rate subsidy of all performing business loans for 3 months, up to 30 June 2020, for all the sectors directly affected by COVID – 19
- Suspension of all tax and social security obligations for all the sectors affected by COVID – 19

Furthermore, ECB on its turn announced the following support measures for the European Banks:

- On 12.03.2020, ECB announced the easing of conditions for targeted longer-term refinancing operations (TLTRO III) and more specifically: a) Interest rate on TLTRO III is reduced by 25 basis points and can be as low as 25 basis points below average deposit facility rate during period from June 2020 to June 2021 for all TLTRO III operations outstanding during that period, b) Borrowing allowance raised to 50% of eligible loans, c) Lending performance threshold reduced to 0%.
- On 12.03.2020, ECB announced measures to support bank liquidity conditions and money market activity

- On 18.03.2020, ECB announced the launch of a new temporary asset purchase programme of private and public sector securities to counter the serious risks to the monetary policy transmission mechanism and the outlook for the euro area posed by the outbreak and escalating diffusion of the coronavirus, COVID-19. This new Pandemic Emergency Purchase Programme (PEPP) will have an overall envelope of €750 billion. Purchases will be conducted until the end of 2020 and will include all the asset categories eligible under the existing asset purchase programme (APP). Furthermore, it is explicitly mentioned that a waiver of the eligibility requirements for securities issued by the Greek government will be granted for purchases under PEPP. Finally ECB with its decisions will ease the collateral standards by adjusting the main risk parameters of the collateral framework and more particularly will expand the scope of Additional Credit Claims (ACC) to include claims related to the financing of the corporate sector.

Additionally, ECB announced a series of measures in the context of the treatment of the financial impacts from the spread of coronavirus, so for the Banks to continue to fulfill their role in financing the real economy. More specifically, ECB will allow the Banks to temporarily operate below the capital level as defined by the requirements of Pillar 2 guidance, the capital conservation buffer and the liquidity coverage ratio. Furthermore, Banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital to meet the Pillar 2 Requirements (P2R).

Finally, on the Eurogroup meeting held on 9th April 2020, it was decided that 540 billion euros will be used to help the affected by COVID – 19 countries members through the following three pillars:

- €240 billion, corresponding to the 2% of the GDP of the country members of EU, through the establishment of a precautionary credit line (ECCL) based on the existing credit line in light of the challenge of the crisis caused by the pandemic of COVID – 19. This Pandemic Crisis Support would be available to all euro area Member States, with standardised terms agreed in advance by the ESM Governing Bodies.
- €200 billion, through the creation of 25 billion euros fund from European Investment Bank which could support the financing for companies with a focus on SMEs, throughout the EU, including through national promotional banks.
- €100 billion, through the establishment of a temporary European financing tool for the financial assistance during the time of the crisis, in the form of loans granted on favourable terms from the EU to Member States from the EU budget. The instrument would primarily support the efforts to protect workers and jobs, while respecting the national competences in the field of social security systems, and some health-related measures

Conclusion

Based on the aforementioned and taking into consideration that the Group will continue to monitor carefully the developments relating to the impacts of the pandemic to the economy taking all necessary actions for the stable and orderly implementation of its business plan along with:

- The capital adequacy ratios for the Group as at 31.12.2019, which exceed the minimum requirements (note 44)
- The low level of Loans to Deposits ratio and the power that this offers to the credit expansion of the Bank,
- The increase and stabilization in high level of the deposits other than Eurosystem (14% compared to 31.12.2018).
- The existence of collaterals that may be used for liquidity raise from Eurosystem or other mechanisms (Note 42)
- The implementation of actions for the further decrease of Group operating expenses
- The decrease of Non - Performing Loans following the two loans securitizations (cumulative decrease by 71%) in combination with the preparation of a revised plan with a plan to minimize them in three years.
- The seamless implementation of the above plan with the assignment of the servicing part of the remaining non – performing portfolio to an independent servicer, based on the relating announcement of 24th March 2020.
- The results of the recent stress test conducted by the Bank of Greece. It should be noted that Attica Bank participated and concluded successfully the Stress Test on non – systemic Greek Financial Institutions, conducted by the Bank of Greece under the supervision of European Central Bank. This exercise was conducted based on the methodology of the respective exercise of the European Banking Authority (EBA) on 2018, which was concluded on November 2019 and its results are part of the supervisory dialogue with the Bank of Greece and will be incorporated in the Supervisory Review Process 2019.

- The recent approval of the revised business plan 2020 – 2022 by the Board of Directors, based on which a significant increase on the volume of business of the Bank is expected through a new business model and,
- The announcements regarding the reliefs for tackling the impact of the pandemic provided to the European and Greek Banks in relation with non – performing loans and the demands regarding supervisory capital.

The Group estimates that the going concern principle for the preparation of the financial statements is fulfilled.

(2.3) Consolidation

The consolidated financial statements include the financial statements of the Bank, the subsidiary companies, associates and joint ventures, hereafter referred to as the "Group". The financial statements of the subsidiaries have been prepared as at the parent company's balance sheet date.

Subsidiaries are entities, in which the Bank holds either directly or indirectly more than 50% of the voting rights or has significant influence and control over the business decisions taken. Subsidiaries are those companies that are controlled by the Group. Control exists when the Bank is exposed and has rights over the variable returns from its investment in the subsidiary. The Group reassesses the degree of control whenever there is a change in the terms that affect the control.

The Group participates in special purpose entities mainly for securitization purposes, where these companies have a defined mode of operation. The Group examines these terms to decide whether it is exposed to, or warrants against, any changing yields. The key decisions are made when there is a question of replacing an asset. Consequently, the decision as to which of these vehicles will be included or not in the Group depends on who determines the administrative decisions that will affect the performance of these companies.

The acquisition method is applied in the consolidation of subsidiaries. Subsidiaries are consolidated in the financial statements from the date that control commences until the date that control ceases. Intercompany transactions and balances are eliminated from the consolidated financial statements. Moreover, in respect of the unconsolidated structure entities, the Group assesses whether it acts as an agent or principal on the basis of the level of its decision-making authority over the company's activities, the rights of third parties as well as the degree of its exposure to the volatility of returns deriving from its involvement with the Company.

(2.4) Associates and Joint Ventures

Associates are those entities in which the Group holds 20% to 50% of the voting rights and over which it has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. According to this method, investments in associates are initially recognized at cost.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement and its share of post-acquisition changes in reserves is recognized in reserves. The cumulative post-acquisition changes are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its investment in the associate, the Group does not recognize further losses, unless there are relevant obligations undertaken or payments are made on behalf of the associate.

The Group applies IFRS 11, which covers the accounting of participations in jointly controlled entities (joint arrangements). All the jointly controlled entities in which the Group participates and has the joint control are joint ventures, valued by the equity method.

(2.5) Transactions in foreign currency

The functional currency of the Group is Euro (€).

Foreign currency transactions are translated into the functional currency using the exchange rates applying on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the closing exchange rates at the balance sheet date. Foreign exchange differences are recognized in the financial position.

Foreign exchange differences arising from the translation of non-monetary assets are part of the change in their fair value. Differences arising from the translation of non-monetary assets, such as securities held at fair value through profit or loss, are recognized in the income statement. Foreign exchange differences arising from the translation of non-monetary assets, such as shares and which are classified as available-for-sale, are recognized directly in equity until the sale of the asset.

(2.6) Investments in financial assets

The Group recognizes a financial asset or liability in its financial statements at the time of the creation of the contractual obligation or liability arising from the item (that is, the day the transaction took place). In recognition, the Group identifies the business model to which it belongs.

Financial assets are measured in three categories:

Assets measured at amortized cost (AC):

Financial assets are measured at amortized cost if they meet the two following conditions:

- The item is retained within an operating model whose objective is to hold assets for the purpose of collecting their conventional cash flows (HTC).
- The terms of the item's contract produce cash flows on predefined dates that consist exclusively of capital and interest payments on the residual capital.

Financial assets that do not meet the second criterion are measured at fair value through Income Statement (FVTPL).

As noted above, the amortized cost measurement is made on the recognition date and consists of the transaction value plus any management costs.

Exceptions to this calculation include:

- Assets that are already impaired upon acquisition or issue (POCI), in which the effective interest rate is calculated on the amortized cost of the asset from the date of recognition.
- Assets that were not impaired upon acquisition but have been impaired during their lifetime. In this case, the Bank estimates the effective interest rate on its amortized cost from the moment of its impairment and onward.

In the event of a change in the conventional cash flows, the Bank re-calculates the gross balance of the item and recognizes a gain or loss on adjustment accordingly. This is not the case if the amendment results in the item being withdrawn.

Assets Measurable at Fair Value through the Statement of other Comprehensive Income (FVOCI), reclassified at fair value through the Income Statement during their declassification:

Financial assets are measured at Fair Value through Other Comprehensive Income when the following conditions are met and the Fair Value through Income Statement is not chosen during the recognition:

- The item falls under the business model whose objective is either the collection of cash flows or their sale.
- The terms of the asset contract produce cash flows on predefined dates that are only repayments on the principal and interest on the remaining capital.

Assets Measurable at Fail value through profit and loss (FVTPL):

Financial assets that are not measured at amortized cost and at Fair Value through Other Comprehensive Income (FVTOCI) may be measured at Fair Value through Profit or Loss (FVTPL). Such assets are measured at fair value without impairment due to a sale or disposal event.

Assets that are classified at Fair value through profit or loss include financial derivatives, equity securities (other than those under the "Held for collection" model), mutual funds and other assets under "Held for trading" business models.

All financial assets that are not endorsed by the SPPI are recognized at fair value through profit or loss (FVTPL).

However, the Group may, at its initial recognition, irrevocably classify any financial asset at Fair Value through the Income Statement. The logic of this ability meets the need to limit or eliminate accounting deviations that may result either from measuring items or liabilities on different bases or because of profit or loss recognition on different bases.

In case of impairment, the cumulative loss transferred to profit or loss amounts to the difference between the acquisition cost (less any capital repayments and amortization) and the fair value less any impairment loss previously recognized.

Impairment losses previously recognized in profit or loss concerning investments in equity instruments classified as available for sale cannot be reversed through profit or loss. Impairment losses recognized in financial statements of previous years and concerning debt securities can be reversed through profit or loss, if the increase (reversal of impairment loss) is related to events taking place after the recognition of impairment in the income statement.

Business Model Assessment

The business model refers to the way in which the Group manages its financial assets by classifying them in portfolios that fall within its respective business models. In this context, the Group maintains the following business models:

- “Hold to collect” (HTC)
- “Hold to collect and sale” (HTCS)
- “Non-holding assets» (Non-Holding) or Hold to sale

– **Hold to collect**

The portfolio of assets «Hold to Collect», is attributed to loan products for which the Group collects their conventional cash flows. Under this business model, the objective is to maintain the loan until its expiration, without actively seeking the opportunity to sell.

– **Hold to collect and sale**

This business model is applied by the Group to loan portfolios where it receives revenue from both cash flows and sales. These loans are measured at Fair Value through the Statement of Comprehensive Income (FVOCI), provided that the SPPI criterion is met. Otherwise, the asset is measured at fair value through Profit or Loss.

– **Non-Holding Assets or Hold for Sale**

This business model is applied by the Group to loan portfolios where it receives revenue from both cash flows and short term loan transactions. Loans assessed through the Non-Holding business model are measured at Fair Value through Profit and Loss (FVTPL).

Adopted business models determine the source of revenue as it arises from the individual portfolios either through the collection of the conventional cash flows or the sale of the financial assets or a combination of the above.

The assessment of the business model reflects the Bank's strategy during normal times. The assessment is not affected by actions required in "emergency" situations (e.g. liquidity needs, non-inherent capital requirements for credit risk, etc.). Also, management decisions taken in compliance with new regulatory guidelines are not included in the assessment.

In general, the Bank has included the majority of its loan portfolios in the Hold-to-Collect business model with the following exceptions:

- Loans whose cash flows are expected to be maximized through their sale.
- Loans to which the Bank chooses to measure at fair value (Fair value option).

The evaluation of a business model is made within the definition of operational objectives, as defined by the Bank's Management, as well as in the context of the operational management of its assets. The valuation is at portfolio level rather than individual assets level.

Assessment SPPI (the assessment of conventional cash flows Solely Payments of Principal and Interest)

An assessment of whether contractual cash flows are purely payments of capital and interest on outstanding capital takes into account the existence of features such as contractual terms, extension rights, prepayments, conversion to share capital, leveraging conditions and other terms, which may limit the Bank's cash flow requirements from specific assets or modify the time value of money.

(2.7) Sale and Repurchase Agreements (Repos)

Securities sold which are subject to a linked repurchase agreement (Repos) are disclosed in the financial statements as available-for-sale investments, while the respective liability is disclosed, depending on the counterparty, as amounts due to credit institutions, amounts due to customers or other deposits. Securities purchased under agreements to resell (Reverse Repos) are recorded in the financial statements as due from credit institutions. The difference between sale and repurchase price is recognized in the income statement as interest and is accrued over the term of the agreement using the effective interest rate method.

(2.8) Property, plant and equipment

Property, plant and equipment include land, buildings, leasehold improvements, furniture and other equipment and vehicles, held by the Group either for operational or for administrative purposes. The acquisition cost includes expenses directly pertaining to the acquisition of property, plant and equipment. Land and buildings are carried at fair value. The fair value as well as the residual value is determined based on valuations carried out by independent valuators at regular intervals. The leasehold improvements, furniture and other equipment, as well as vehicles are carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item, or is recognized as a separate asset, only when future economic benefits are expected to flow to the Group and the aforementioned expenditure can be reliably estimated.

Other expenditure on repairs and maintenance are recognized in the income statement of the year in which they are incurred.

Depreciation: Land is not depreciated. Depreciation on other property, plant and equipment assets is calculated using the straight-line method over their estimated useful lives, which is reviewed annually. The useful lives of items consisting property, plant and equipment per category are as follows:

Buildings	30-50 years
Hardware	10 years
Furniture and other equipment	12 years
Vehicles	6-9 years

“Third party leasehold improvements” are depreciated over the shortest period between the useful life of the improvement or the duration of the lease.

Impairment: The Group reviews annually its property, plant and equipment for signs of impairment. If there are indications of impairment the carrying value of the asset is reduced to its recoverable amount and the decrease is recognized in the income statement. However, in cases where a revaluation reserve exists, impairment is charged directly against the related reserve to the extent that the impairment loss does not exceed the amount recorded in the revaluation reserve in respect of that same asset. Gains or losses arising from disposal of assets are recognized in profit or loss and are determined as the difference between the disposal price and the carrying amount of the asset.

(2.9) Investment Property

Investment property acquired mainly through foreclosure for the settlement of uncollected receivables from loans and advances are initially measured at cost, which includes transaction costs. After initial recognition, investment property is carried at fair value. The difference between the fair value and cost of acquisition is recorded in profit and loss. The fair value measurement is performed by independent valuators annually.

(2.10) Intangible Assets

“Intangible assets” include computer software. Computer software which is acquired and can be clearly identified is capitalized at the cost of acquisition. Expenses that improve or extend the performance of the software beyond the initial technical specifications are incorporated in the acquisition cost of intangible assets. The acquisition cost of intangible assets is increased by any direct cost required for its creation, development and sound operation. Such direct costs are:

- Employee fees which are directly related to the particular intangible asset and can be reliably estimated
- The fees of free lancers related to the creation and development of intangible assets
- Administration expenses that are directly related and can be reliably estimated at the stage of creating and developing the intangible assets.

Subsequently, intangible assets are carried at cost less any accumulated amortization and any impairment losses. Software is amortized over its useful life which cannot exceed 20 years. Group’s management reviews the fair value of intangible assets on an annual basis so as to assess whether an indication of impairment exists or whether the useful life should be amended. In cases where the carrying value of an intangible asset exceeds its recoverable value, an impairment loss of an equal amount is charged to the income statement.

(2.11) Cash and cash equivalents

Cash and cash equivalents include monetary assets with original maturity of three months or less from the acquisition date.

(2.12) Loans and advances to customers

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near future.

In cases where the Group is the lessee in financial leases and all risks and rewards associated with the leased asset have been transferred, the transaction is accounted for as a loan.

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset on a future date, the underlying asset is not recognized in the Bank's financial statements. The amounts paid are recognized as amounts due from credit institutions or loans and advances to customers.

Loans and advances are initially measured at fair value including direct transaction costs, and subsequently measured at their amortized cost using the effective interest method

(2.13) Provisions for credit risk

Loans and advances to customers are presented on the statement of financial position after deducting impairment losses.

The recoverability of loans and advances is reviewed on an individual basis for those loans, which the Bank considers as significant. The evaluation takes into account the financial position, credit standing, past repayment pattern, the transaction behavior, the credit worthiness of guarantors and the realizable value of collaterals.

Loans and advances which are not considered significant as well as those which are considered significant but there are no impairment indications, are grouped in classes of assets with similar credit risk characteristics, such as consumer loans, mortgage loans, credit card loans etc. The Group examines provisions for loan losses on a collective basis for each group. During the evaluation of each category the factors which are taken into account are the amount of non-performing or doubtful loans, the aging of overdue loans, the collectability of the loans from the time of their classification as doubtful, the existing financial status, the market conditions and historical losses.

When a loan is assessed as doubtful, its carrying amount is reduced to its estimated recoverable amount, which is the present value of estimated future cash flows, including the amounts to be recovered from collaterals and guarantees held, discounted with the effective interest rate of the loan.

Subsequent changes in the recoverable amounts and in the periods in which they are expected to be collected are compared with previous calculations and when a difference arises it is recorded to the income statement. A reversal of provision for loan losses occurs only in the case where the credit standing of the customer has improved to an extent that it is assessed that the capital and interest will be collected according to the contractual terms of the loan agreement.

Loans and other advances are written off against the related provision, if they are considered uncollectible.

(2.14) Leases

The Group as the lessee

Operating Leases

Prior to the implementation of IFRS 16

The Group has entered into operating lease contracts where risks and rewards of ownership of the assets are retained by the lessor. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Post the implementation of IFRS 16

The Group recognizes a right of use asset and a lease liability on the day of the commencement of a lease.

Right of use asset

The right of use asset is initially recognized at cost, thus the sum of discounted future cash flows, lease payments before the commencement of the lease, direct costs paid by the Group and estimates for restoration or retirement costs less any lease incentives received. After initial recognition, the right of use asset is valued at cost less accumulated depreciation, which are calculated on a straight line basis, and the impairment losses, while its value is adjusted with the amount of the revaluation of the lease liability, if any. Right of use asset is presented at Property and Equipment.

Lease Liability

Lease liability is recognized at the amount of the sum of discounted future cash flows less any lease incentives received, which include fixed and variable lease payments (lease payments which are based in indices, e.g. Consumer Price Index), the exercise price of the purchase option if that is virtually certain that will be exercised, along with payments that are certain that will paid in case of lease termination. After initial recognition, lease liability is revalued only at the case of change of the discount rate, the lease duration or the contractual lease payment, with arising differences adjusting with the same amount the lease liability and the right of use asset. Furthermore, lease liability is increased by the interest expense calculated and decreased by the contractual payments to the defined time intervals. Lease liability is presented at Other Liabilities.

Finance Leases

The Group may enter into finance lease contracts where risks and rewards of ownership of the leased assets have been transferred to the Group.

Finance leases are initially measured at the lower between the fair value of the lease and the present value of the minimum lease payments. Subsequently, the leased land and buildings are measured at fair value.

The leased assets are depreciated over the shorter period between the term of the lease and their useful life, unless it is almost certain that the Group will assume the property of the asset upon the termination of the contract. If according to the lease agreement the ownership of the asset is transferred upon the termination of the contract or if there is the option of purchase at a lower price, then the depreciable period is the asset's useful life.

Lease payments are divided into the amount referring to interest payment and capital repayment. The distinction is made in order to achieve a fixed repayment schedule. Interest payments are charged to the income statement.

The Group as the lessor

The Group operates as a lessor and the classification of the lease is based on the extent to which risks and rewards of ownership of the leased assets belong to the lessor or the lessee. A lease is classified as a finance lease if it transfers substantially all risks and rewards of ownership. A lease is classified as an operating lease in case it does not transfer all risks and rewards of ownership.

Finance Leases: In the Balance Sheet, the Group records all assets held which are under finance lease as assets whose value is equal to that of net lease investment.

Lease payments are carried as capital repayment and as financial income.

The recognition and allocation of financial income is based on a model that reflects a stable periodic return of the net investment over the outstanding portion of the finance lease.

Operating Leases: The leases of this category in which the Group participates pertain to investment property of the Group.

Lease payment income less cost of services is recognized in the income statement on a straight-line basis over the period of the lease. The costs, including depreciation, incurred for the acquisition of lease payments income, are charged to the expenses.

(2.15) Derivative financial instruments and hedging

Derivative financial instruments include forward foreign exchange contracts, interest rate swaps, foreign exchange swaps and other derivative financial instruments.

Derivatives for trading purposes: Derivatives that do not qualify as instruments held for hedging purposes are considered as entered into for trading purposes. Initially, derivatives are recognized in the statement of financial position at fair value (which is essentially the transaction cost) on the date on which the contract is entered into. Subsequently they are re-measured at fair value. Fair values are determined by quoted market prices, discounted cash flow models and options pricing models as appropriate. Derivatives instruments are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

A derivative may be embedded in other financial instruments. The resulting hybrid financial instrument includes both a derivative and a host contract and is known as embedded derivative. An embedded derivative is separated from the host contract and accounted for as a distinct derivative if all of the following conditions are met: a) the characteristics and financial risks of the embedded derivative are not closely related to the characteristics and financial risks of the host contract, b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and c) the host contract is not measured at fair value with changes in fair value recognized in the income statement.

Changes in the fair value of derivatives are recognized in the income statement.

(2.16) Offsetting Assets - Liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements when there is a legal right to set off the recognized amounts and there is an intention to realize the asset and settle the liability simultaneously or on a net basis.

(2.17) Interest Income and Expenses

For all financial assets and liabilities, interest income and expense are recognized in the income statement using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of the financial asset or financial liability and of allocating the interest income or expense over the reported period. The effective interest rate is the rate that discounts the estimated future cash receipts or payments over the expected estimated life of the financial instrument.

When a financial asset or a group of similar financial assets excluding loans and advances to customers, has been written down as a result of an impairment loss, interest income is recognized using the interest rate applied in discounting the future cash flows for the purpose of determining the impairment loss.

(2.18) Fee and Commission Income

Fees and commissions are recognized in the income statement in the period that the relevant service has been provided. Commissions and fees arising from transactions on behalf of third parties, are recognized in the income statement upon the completion of the underlying transaction. Portfolio management fees and other management advisory and service fees are recognized in the income statement according to the applicable service contracts, usually on a proportional basis.

(2.19) Provisions

The Group recognizes a provision for contingent liabilities and risks when:

- there is a present legal or constructive obligation as a result of past events,
- a reliable estimate of the amount of the obligation can be made and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(2.20) Income Tax

Deferred income tax is calculated based on the temporary differences arising between the carrying amount of assets and liabilities included in the financial statements and the respective amounts as measured for tax purposes, according to tax legislation.

Deferred tax is determined using tax rates that are in effect at the balance sheet date or will be in effect at a later date provided that these are clearly stated by a law that has already been in force.

The Group recognizes deferred tax assets when it is probable that sufficient future taxable profits will be available against which the deferred tax asset can be offset.

Deferred tax is also recognized in cases where temporary differences arise from investments in subsidiaries and associates, except when the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Income tax payable on profits for the period, based on the applicable tax law, is recognized as an expense in the income statement of the year. Tax losses to be carried forward for offsetting are recognized as an asset when it is probable that future taxable profits will be available and they will exceed the accumulated tax losses.

Deferred tax assets or liabilities related to the re-measurement of fair value of assets measured at fair value through comprehensive income (FVOCI), cash flow hedges, actuarial gains and losses as well as from changes in the fair value of property, plant and equipment, which are recognized directly in equity, is also recognized directly in equity.

(2.21) Employee Benefits

The companies of the Group participate in various post-employment benefit plans for their employees. These include both defined benefit and defined contribution plans.

Regarding defined contribution plans, the Group has no legal or constructive obligations to pay further contributions in cases where the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan in which the obligation of the Group is determined by the amount to be received by the employee upon retirement which depends on factors such as age, years of service and salary. The liability in respect of a defined benefit pension plan that is recognized in the statement of financial position, is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets after adjustments made for actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the liability is calculated by discounting the future cash flows using a discount rate based on the average yield of iBoxx AA Corporate Overall 10+ EUR indices for 2018.

The Group recognizes any actuarial gain or loss from adjustments made based on experience or a change in the actuarial assumptions, directly to equity through other comprehensive income. Other costs are recognized in profit or loss. In cases of compensations paid to personnel due to early retirement, the recorded liability is reduced by the total amount of the compensation. In the following period, during which an actuarial study is prepared for estimating the defined benefit obligations related to the staff employed, any resulting differences are smoothed out and settled.

(2.22) Recognition of a financial instrument

The Bank initially recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities are initially recognized on the trade date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus (for an item not classified as trading) transaction costs that are directly attributable to its acquisition or issuance.

(2.23) Derecognition of a financial instrument

The Bank stops to recognize a financial asset when the contractual rights to the cash flows arising from that financial asset have expired or when the financial asset and substantially all the risks and rewards associated with its ownership is transferred to another contracting party. If the Bank has not transferred or substantially retained all risks and rewards of ownership and continues to control the transferred financial asset, the Bank recognizes the retained right to the asset and the related liability for any amounts it may be required to pay. If the Bank retains substantially all the risks and rewards of ownership of the transferred financial asset, it continues to recognize the financial asset.

When an asset is fully derecognized, the difference between the carrying amount of the asset and the sum of the consideration received or receivable and the cumulative gain or loss recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

(2.24) Operating segments

Information disclosed on operating segments is information that management uses for internal reporting to assess the effectiveness of each segment, as well as the manner in which resources are allocated. Such information might differentiate from information used during the preparation of the statement of financial position and the income statement.

Furthermore, explanatory notes are required for disclosing the basis of preparation of segment reporting. Reconciliations to entries in financial statements should also be disclosed.

The operating segments assessed internally by the Group's Management are the following:

Retail banking

This segment includes all individuals and freelancers. Through its network of branches as well as through the relevant central services, the Group provides its clients with the whole range of traditional services as well as specialized investment services and products.

Corporate banking

This segment includes all the credit services offered to enterprises and corporations. The Group provides clients in this category with a wide range of products and services related to consulting, financial and investment nature of business as well as foreign exchange transactions.

Capital management / Treasury

This segment includes activities relevant to the Group's cash management and treasury function, management of Group's investment and trading portfolio as well as intermediary services on mutual fund units disposals, and portfolio management services for individuals.

Other income which includes income on real estate property management, interest on loans to employees, interest on subordinated debt in issue etc., has been allocated proportionally to the three aforementioned segments.

(2.25) Related party transactions

Related parties are entities, in which the Bank holds either directly or indirectly are 50% of their share capital or has significant influence in making financial and operating decisions. Also, related parties are considered to be the members of the Group's companies managing boards, their close relatives, companies owned or controlled by them and companies over which they have significant influence in making business decisions.

All transactions between the Bank and its related parties are carried out under the same conditions that similar transactions are carried out with non-related parties, at the same time.

(2.26) Earnings per share

Basic earnings per share (EPS) ratio is calculated by dividing the net profit or loss for the period attributable to the Bank's common shareholders by the weighted average number of common shares outstanding during the year.

The diluted earnings per share ratio is computed using the same method as for basic EPS, but with the net profit or loss being adjusted to reflect the potential dilution that could occur if convertible debt securities, options, warrants or other contracts to issue common shares were converted or exercised into common shares.

(2.27) Custody services

The Group offers custody services to individuals and companies for their assets. These assets are not owned by the Group. The assets as well as the gains or losses arising from their investment are not presented in the financial statements of the Group. Commissions which are collected from custody services are recognized in the income statement.

(2.28) Dividends

Dividend income is recognized when the right to receive the income is established.

(2.29) Financial guarantees

Financial guarantees are contracts that require the Group to make fixed payments to compensate the warrant for damage suffered when the debtor fails to meet his obligations. They are recognized at fair values where the original fair value is amortized over the warranty period. They are then recognized at the highest value between the present value of any payments and the unamortized balance.

(2.30) Share capital

(a) Share capital issue costs

The direct costs related to issuance of new shares or rights issue or the acquisition of another company are presented net of taxes and proceedings deducted from equity and more specifically from share premium or failing this to retained earnings.

(b) Ordinary and preferred shares dividends

Ordinary and preferred shares dividends are recognized as a liability in the fiscal year they are approved by the Group's shareholders and appears as a reduction of equity. Respectively, interim dividends appear in the same way, as a reduction of equity, after the approval of Board of Directors.

(c) Treasury shares

Shares of the Bank held by the Bank itself or by another company of the Group are recorded at acquisition cost plus transaction costs and are depicted as a deduction from the net equity of the Group until they are canceled. If the shares are sold or reissued, the consideration received will not be included in the income statement but will be recognized directly in the equity.

(2.31) Financial liabilities and equity instruments

Classification as liabilities or equity

Debt and equity instruments issued by the Bank are classified either as financial liabilities or as equity in accordance with the substance of the contractual terms and the definitions of the financial liability and the equity instrument.

Equity instruments

Equity instrument is any contract that demonstrates a right to the outstanding balance of an entity's assets after deducting all of its liabilities. The equity instruments issued by the Bank are recognized at the cost that is received after the deduction of the direct issue costs.

The repurchase of the Bank's own equity instruments is recognized and deducted directly from equity. No gain or loss is recognized in the results for the purchase, sale, issue or cancellation of the Bank's own equity instruments.

Structured financial instruments

The components of structured financial instruments (convertible securities) issued by the Bank are classified separately as financial liabilities and equity in accordance with the substance of the contractual terms and the definitions of the financial liability and the equity instrument. Any exercise of a conversion right settled by the exchange of a specified amount of cash or another financial asset with a specified number of own equity instruments of the Bank is an equity instrument.

Financial liabilities

Financial liabilities are classified either as financial liabilities “at fair value through profit or loss” (FVTPL) or as "other financial liabilities".

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are measured at fair value through profit or loss (FVTPL) when the financial liability is (i) a contingent liability that may be paid by the buyer as part of a business combination to which IFRS 3 applies; (ii) classified as held for trading or (iii) designated at its initial recognition at fair value through profit or loss (FVTPL).

A financial liability is classified as held for trading if:

- it was acquired primarily for the purpose of its repurchase in the near future, or
- during initial recognition is part of a portfolio of personalized financial instruments that the Bank manages jointly and for which there are documented indications of a recent short-term profits plan; or
- is a derivative that is not defined and is not considered effective as a hedging instrument.

Financial liabilities that are measured at fair value through profit or loss FVTPL are presented at fair value, and any profit or loss arising from the measurement is recognized in profit or loss. The net profit or loss recognized in profit or loss includes any dividends or interest paid and related to the financial liability instrument and included in "Other profits and losses".

Other financial liabilities

Other financial liabilities (including loans and trade and other liabilities) after initial recognition are measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Bank ceases to recognize financial liabilities when, and only when, the Bank's liabilities have been fulfilled, canceled or expired. The difference between the carrying amount of the financial liability and the consideration paid or payable is recognized in profit or loss.

(2.32) New Standards and Interpretations

The following new standards, amendments to standards and new interpretations as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IC) and endorsed by the European Union (EU), apply from 1 January 2019:

IFRS 9, Amendments–Prepayment Features with Negative Compensation

The amendments in IFRS 9 requirements allow the measurement of a financial asset at amortised cost, or at fair value through other comprehensive income (FVOCI), depending on the business model, even in the case of prepayment options which could result in the party that triggers the early termination, receiving compensation from the other party (negative compensation). Therefore, these financial assets can now be measured at amortised cost or at FVOCI, regardless of the event or circumstance that caused the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination. Applying IFRS 9 before the amendments would probably result in these financial assets failing the "Solely Payments of Principal and Interest" criterion and thus being measured at FVTPL.

The amendments also confirm the modification accounting of financial liabilities under IFRS 9. Specifically, when a financial liability measured at amortised cost is modified without this to result in derecognition, a gain or loss, calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, should be recognized in profit or loss.

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

IFRIC 23, Uncertainty over Income Tax Treatments

The interpretation clarifies the application of the recognition and measurement requirements of IAS 12 'Income Taxes' when there is uncertainty over income tax treatments. In such a circumstance, recognition and measurement of current or deferred tax asset or liability according to IAS 12 is based on taxable profit (tax loss), tax bases, unused tax losses and tax credits and tax rates as determined by applying IFRIC 23.

According to the interpretation, each uncertain tax treatment is considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty. The entity also assumes that the taxation authority that will examine these uncertain tax amounts has a right to examine has full knowledge of all related information when making those examinations.

If an entity concludes that it is probable that the taxation authority will accept an uncertain tax treatment, it will determine its taxable profits, tax bases, tax losses, tax credits and tax rates consistently with that treatment. If it concludes that it is not probable that the uncertain tax treatment will be accepted, the effect of the uncertainty in its income tax accounting should be reflected in the period in which that determination is made, using the method that best predicts the resolution of the uncertainty (i.e. the single most likely amount, or the expected value method which follows a probability weighted approach).

Judgments and estimates that are made for the recognition and measurement of the effect of uncertain tax treatments should be reassessed whenever circumstances change or new information that affects those judgments arise (e.g. actions by the tax authority, evidence that it has taken a particular position in connection with a similar item or the expiry of its right to examine a particular tax treatment).

The adoption of the interpretation had no impact on the consolidated financial statements.

IFRS 16, Leases

IFRS 16, which supersedes IAS 17 'Leases' and related interpretations, introduces a single, on-balance sheet lease accounting model for lessees, under which the classification of leases for a lessee, as either operating leases or finance leases, is eliminated and all leases are treated similarly to finance leases under IAS 17.

The definition of a lease under IFRS 16 mainly relates to the concept of control. The new standard distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and

- The right to direct the use of that asset.

IFRS 16 provides for the recognition of a 'right-of-use-asset' and a 'lease liability' upon lease commencement in case that there is a contract, or part of a contract, that conveys to the lessee the right to use an asset for a period of time in exchange for a consideration.

The right-of-use-asset is, initially, measured at cost, consisting of the amount of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee and, subsequently, at cost less accumulated depreciation and impairment. The lease liability is initially recognized at an amount equal to the present value of the lease payments during the lease term that are not yet paid.

Consequently, the typical straight line operating lease expense of operating leases under IAS 17 is replaced by the depreciation charge of the 'right-of-use-asset' and the interest expense on the 'lease liability'. The recognition of assets and liabilities by lessees, as described above, is not required for certain short-term leases and leases of low value assets. The accounting treatment for lessors is not substantially affected by the requirements of IFRS 16.

IFRS 16 adoption

The Group applied the Standard using the modified retrospective approach, where the right of use assets are set equal to the lease liabilities, without restating the comparative information.

The Group by using the practical expedient, did not reassess on transition date whether a contract is, or contains, a lease and applied the standard to contracts that were previously identified as leases under IAS 17.

Additionally, the Group made use of the following practical expedients on the transition:

- applied a single discount rate to all leases
- excluded initial direct costs from the measurement of the right-of-use asset
- used hindsight to determine the lease term if the contract contains options to extend or terminate the lease.

In order to discount the liabilities of existing operating leases, the Bank and the Group used the relevant incremental borrowing rate which was 6.41%.

As a result of the implementation of IFRS 16 the Bank and the Group on 01.01.2019 recognized Right of Use Assets and Lease Liability of approximately 21.09 million euro. The impact on equity is zero and on capital adequacy ratio about 9 basis points.

The reconciliation of the operating lease commitments, as published in the Annual Financial Statements of 31.12.2018 in accordance with IAS 17, with the recognized lease liabilities in accordance with IFRS 16 on transition date (01.01.2019) is presented on the following table:

(Amounts in € thousand)	**Group**
Description	
Non-cancellable operating lease rental payments under IAS 17	**19,836**
Plus: Re-estimation of lease term	6,272
Adjusted total operating lease rental payments as at 1st January 2019	**26,108**
Less: Discounting effect of lease liabilities using incremental borrowing rate as at 1st January 2019	(5,018)
Total Lease Liabilities as at 1st January 2019 under IFRS 16	**21,090**

The re-estimation of lease term included mainly:

- Lease contracts that expire in 2019 but the Group expects to renew and has readjusted their terms
- Lease contracts with indefinite term for which the Group has determined their lease term

There was no impact from adoption of IFRS 16 for the leases in which the Group is the lessor.

Right of Use asset and Lease Liability are included in Property and Equipment and Other Liabilities respectively.

Specifically, for the year ended 31.12.2019, the Group has recognized a Right of Use asset, Lease Liabilities, depreciation and interest expense of 22,079 thousand euro, 19,200 thousand euro, 4,986 thousand euro and 1,193 thousand euro respectively.

The impact in the income statement for the Group and the Bank pre and post implementation of the lease standard is presented in the following table:

(Amounts in thousand €)	**Group**		**Bank**	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Interest expense from operating leases	1,193	0	1,183	0
Depreciation of right of use asset	4,986	0	4,968	0
Rentals	0	5,063	0	5,000

IAS 28, Amendments – Long-Term Interests in Associates and Joint Ventures

The amendments clarify that IFRS 9 'Financial Instruments' including its impairment requirements, applies to long-term interests in associates or joint ventures that form part of the entity's net investment in the associate or joint venture but are not accounted for using the equity method of accounting.

According to the amendments, an entity should not take into account any adjustments to the carrying amount of long-term interests (net investment in the associate or joint venture), resulting from the application of IAS 28 'Investments in Associates and Joint Ventures' when applying IFRS 9.

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

IAS 19, Amendments –Plan Amendment, Curtailment or Settlement

The amendments clarify that when a change to a defined benefit plan i.e. an amendment, curtailment or settlement takes place and a remeasurement of the net defined benefit liability or asset is required, the updated actuarial assumptions from the remeasurement should be used to determine current service cost and net interest for the remainder of the reporting period after that event. Additionally, the amendments include clarifications about the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The amendments applies prospectively to plan amendments, curtailments or settlements that occur on or after the adoption date 1 January 2019.

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

Annual Improvements to IFRSs 2015-2017 Cycle

The improvements introduce key changes to several standards as set out below:

The amendments to IFRS 3 'Business Combinations' and IFRS 11 'Joint Arrangements' clarified how an entity accounts for increasing its interest in a joint operation that meets the definition of a business. Specifically, when an entity obtains control of a business that is a joint operation, then the transaction constitutes a business combination achieved in stages and the acquiring party re-measures the entire previously held interest in the assets and liabilities of the joint operation at fair value. In case when a party that participates in, but does not have joint control of, a joint operation obtains joint control of the joint operation, then the previously held interest is not re-measured.

The improvement to IAS 12 'Income Taxes' clarified that all income tax consequences of dividends, including payments on financial instruments classified as equity, should be recognized in profit or loss, other comprehensive income or equity, according to where the originating transaction or event that generated distributable profits giving rise to the dividend, was recognized.

IAS 23 'Borrowing costs' amendments clarified that any borrowing originally performed to develop a qualifying asset should be treated as part of the funds that the entity borrowed generally, when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

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

New standards, amendments to standards and interpretations not yet adopted by the Company

A number of new standards, amendments to existing standards and interpretations are effective after 2019, as they have not yet been endorsed by the European Union, or have not been early applied by the Company. Those that may be relevant to the company are set out below:

Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7 (effective 1 January 2020)

In September 2019, the IASB issued amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' to address the implications for certain hedge accounting requirements related to the uncertainties arising from the market-wide reform of several interest rate benchmarks (referred to as 'IBOR reform'). As a result of the IBOR reform, there may be uncertainties about: a) the interest rate benchmark designated as a hedged risk and/or b) the timing or amount of the benchmark-based cash flows of the hedged item or the hedging instrument, during the period before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an 'RFR'). The amendments modify certain hedge accounting requirements under IAS 39 or IFRS 9 to provide temporary reliefs from the potential effect of uncertainty, during the transition period. These reliefs are related mainly to the highly probable requirement for the cash flows hedges, the compliance with the identifiable nature of the risk component and the application of prospective and retrospective effectiveness tests.

The IASB addresses the IBOR reform and its potential effects on financial reporting in two phases. These amendments conclude phase one that focuses on hedge accounting issues affecting financial reporting in the period before the interest rate benchmark reform, while the second phase focuses on potential issues that might affect financial reporting once the existing rate is replaced with an RFR.

As described in accounting policies, the company elected, as a policy choice permitted under IFRS 9, to continue to apply hedge accounting in accordance with IAS 39. Therefore, the amendments to IAS 39 and IFRS 7 will be applicable for the company.

The Company has set up an IBOR transition program to implement the transition to alternative interest rates that focuses on key areas of impact on customers’ contracts, systems and processes, financial reporting, valuation, capital and liquidity planning and communication.

The Company is currently assessing the amendments in order to define the extent to which the reliefs provided will be applied in its hedging relationships.

Amendments to the Conceptual Framework for Financial Reporting, including amendments to references to the Conceptual Framework in IFRS Standards (effective 1 January 2020)

In March 2018, the IASB issued its revised “Conceptual Framework for Financial Reporting” (Conceptual Framework). The revised Conceptual Framework is not a standard nor overrides any requirements of individual standards. This replaces the previous version of the Conceptual Framework issued in 2010. Revisions performed by IASB introduced guidance on measurement, presentation and disclosure on derecognition concepts. In addition, the revision includes updated definitions of an asset/liability and of recognition criteria, as well as clarifications on important areas.

The adoption of the amended Framework is not expected to impact the consolidated financial statements.

Amendments to IFRS 3 Business Combinations (effective 1 January 2020, not yet endorsed by EU)

The IASB issued amendments to the definition of a business in IFRS 3 “Business Combinations” to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements and add guidance to help entities assess whether an acquired process is substantive. In addition, with the introduction of the amendments the definitions of a business and of outputs are narrowed, while an optional fair value concentration test is introduced.

The adoption of the amendments is not expected to impact the consolidated financial statements.

Amendments to IAS 1 and IAS 8: Definition of Material (effective 1 January 2020)

The amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” aim to align the definition of ‘material’ across the standards and to clarify certain aspects of the definition. According to the new definition, 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. The amendments clarify that materiality will depend on the nature or magnitude of information, or both.

The adoption of the amendments is not expected to impact the consolidated financial statements.

IAS 1, Amendments, Classification of Liabilities as Current or Non-Current (effective 1 January 2022, not yet endorsed by EU)

The amendments affect only the presentation of liabilities in the balance sheet and provide clarifications over the definition of the right to defer the settlement of a liability, while they make clear that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. In addition, it is clarified that the assessment for liabilities classification made at the end of the reporting period is not affected by the expectations about whether an entity will exercise its right to defer settlement of a liability. The Board also clarified that when classifying liabilities as current or non-current, an entity can ignore only those conversion options that are recognized as equity.

The adoption of the amendments is not expected to impact the consolidated financial statements.

(2.33) Significant accounting judgments, estimates and assumptions

Use of available information and application of subjective judgment are inherent in producing estimates. Actual results in the future could differ from such estimates, while differences may be material to the Financial Statements.

The primary judgments made by the Group management and having the most significant effect on amounts recognized in the financial statements mainly pertain to:

- **Classification of investments**

  The classification of financial assets in the different categories of IFRS 9 depends on two important factors: a) the Group's business model for these assets; and b) the characteristics of the contractual cash flows of financial assets ('SPPI test').

  The adopted business models determine the source of revenue as it arises from individual portfolios either through the collection of contractual cash flows or from the sale of financial assets or the combination of the above. The assessment of the business model reflects the Bank's strategy under normal circumstances and therefore a judgment is required as to whether the classification of financial assets corresponds to the Group's business model.

  In relation to SPPI, the Group uses the "Solely payments of principal and interest" assessment as a criterion to determine whether the assets will be measured at amortized cost or at fair value through other comprehensive income or at fair value through profit or loss. The criterion focuses on whether only capital and interest payments are made from each class of financial assets by examining the characteristics and terms of each class in order to determine whether the asset in question generates cash flows similar to those of a "typical loan agreement " when it is held until its maturity.

  A "typical loan contract" arises either from the creation or takeover of debt, on terms and characteristics that compensate for the provision of money. A "typical loan agreement" generates cash flows that are solely principal and interest repayments (SPPIs). Further analysis can be found in Note 2.6.

- **Impairment losses of financial assets**

  The Group, when performing impairment tests on loans and advances to customers, makes estimates regarding the amount and timing of future cash flows. Given that these estimates are affected by a number of factors such as the financial position of the borrower, the net realizable value of any collateral or the historical loss ratios per portfolio, actual results may differ from those estimated. Similar estimates are used in the assessment of impairment losses of securities measured at fair value through other comprehensive income or measured at amortized cost (further analysis is provided in note 2.13).

- **Impairment losses on non-financial assets**

  The Group, at each reporting date, assesses for impairment non – financial assets, and in particular property, plant and equipment, investment property, goodwill and other intangible assets, as well as its investments in associates and joint ventures. 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 the value in use.

- **Recoverability of deferred tax assets**

  The Group recognizes deferred tax assets to the extent that it is probable that it will have sufficient future taxable profits available, against which, temporary differences and tax losses carried forward can be offset. The main categories of deferred tax assets which have been recognized by the Group relate to the following:

  1. Temporary differences arising from loans' impairment as well as from the final write-off / transfer of loans.
  2. Losses resulting on the Greek government bonds exchange program (PSI).
  3. From the change of reserves of assets measurable in Fair Value through Other Comprehensive Income (FVOCI)
  4. Tax losses carried forward and other temporary differences.

  The recoverability of these tax assets was assessed on the basis of a specific tax plan regarding future taxable profits, as estimated on the basis of the size of the Bank's business plan and the evolution of the macroeconomic factors of the Greek economy, as well as the relevant provisions of Law 4465 / 04.04.2017. Temporary differences arising from the impairment of loans are not subject to any time-limit for their recovery, as is the case with the other categories of deferred tax assets created by temporary differences.

Deferred tax assets associated with tax losses incurred by the Greek government bonds exchange program and recognized as a debit difference, provisions of Law 4046/14.02.2012 and Law 4110/23.01.2013 apply. According to Law 4110/23.01.2013, the debit difference is deductible for tax purposes, gradually and in equal installments, within 30 years, a fact which, according to the Group's estimation, provides a sufficient time period for its utilization against future taxable profits.

Deferred tax assets on tax losses carried forward arise from the Bank and they relate to the years 2017-2019. Tax losses arising from the Group's operating results can be offset against taxable profits within five years from their formation. The amount of this loss, based on the Groups tax plan, is recoverable in the next five years.

At the end of each period, the Group estimates and reassesses the recoverability of deferred tax assets taking into account the economic environment and the evolution of its results. The main uncertainties associated with the future taxable profits and the confirmation of the Bank's estimates relate to the achievement of the Bank's business objectives and implementation, which is influenced by the domestic and international economic environment.

- **Income Taxes**

The Group recognizes current and deferred income tax assets and liabilities on the basis of estimates of the amounts to be collected from or payable to the tax authorities in the current and future financial years. Estimates are based on factors such as the application of relevant legislation, the expectations about future taxable profits and, finally, the resolution of any differences with the tax authorities. When actual results related to these estimates differ from amounts initially recognized in the financial statements, the differences affect the income tax and the provisions for deferred taxation of the period in which the aforementioned amounts are finalized.

- **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. On the contrary, in cases where the outflow is possible or it cannot be reliably estimated, the Group does not recognize a provision but discloses the contingent liability taking into account its significance. The estimated probability and amount of the outflow is dependent on factors not controllable by the Group such as court decisions, application of legislative provisions and the probability of default of a counterparty for exposures in off-balance sheet items. Estimations, assumptions and criteria applied by the Group for making decisions and which affect the preparation of the financial statements, are based on historical facts and on assumptions that are deemed logical under present conditions. Estimates and decision making criteria are re-assessed in order to account for current developments and effects arising from changes in them are recognized in the financial statements of the period in which they take place.

- **Going concern basis**

At each reporting date, the Group assesses whether the going concern assumption is appropriate. Reference to the management's assessment and assumptions used as regards to the applied basis for the presentation of the financial statements is made in note 2.2.

- **Fair value of assets and liabilities**

The fair value of assets and liabilities, traded in an active market, is determined based on available quoted market prices. In all other cases, the fair value is determined based on valuation techniques which, to the maximum possible extent make use of observable market inputs. If observable inputs are not available, use is made of inputs which are based on estimations and assumptions, i.e. determination of expected cash flows, discount rates, probability of counterparty default and prepayments. Reference to estimates and assumptions made by management regarding the fair value of financial instruments is made in note 43.7.

3. Operating Segments

Group

(Amounts in thousand €)	Retail Banking	Corporate Banking	Treasury	Total
From 1 January to 31 December 2019				
Net income				
- interest	(11,290)	53,429	1,713	**43,852**
- commission	5,330	5,101	(3,891)	**6,540**
- trading results and other income	419	10,761	10,034	**21,214**
- intersegment results	13,332	(6,026)	(7,306)	**0**
Net Total Income	**7,792**	**63,265**	**549**	**71,606**
Income from investments in associates	162	404	475	**1,042**
Profit / (losses) before income tax	**24,266**	**(21,936)**	**(25,977)**	**(23,648)**
Income tax				28,645
Profit/(Loss) for the period				**4,998**
Other segment items				
Allowance for credit risk	29,555	(53,665)	(92)	**(24,202)**
Depreciation	(2,363)	(5,979)	(5,037)	**(13,380)**
Total Assets 31.12.2019	456,246	1,143,650	1,927,838	**3,527,734**
Total Liabilities 31.12.2019	(1,976,660)	(957,262)	(99,731)	**(3,033,653)**

Bank

(Amounts in thousand €)	Retail Banking	Corporate Banking	Treasury	Total
From 1 January to 31 December 2019				
Net income				
- interest	(11,300)	53,427	1,713	**43,840**
- commission	4,765	4,479	(3,891)	**5,353**
- trading results and other income	419	7,403	13,393	**21,216**
- intersegment results	13,332	(6,026)	(7,306)	**0**
Net Total Income	**7,217**	**59,283**	**3,909**	**70,408**
Profit / (losses) before income tax	**24,147**	**(25,903)**	**(26,452)**	**(28,208)**
Income tax				28,560
Profit / (losses) for the period				**351**
Other segment items				
Allowance for credit risk	29,555	(53,665)	(92)	**(24,202)**
Depreciation	(2,363)	(5,901)	(5,037)	**(13,301)**
Total Assets 31.12.2019	456,180	1,143,959	1,927,697	**3,527,836**
Total Liabilities 31.12.2019	(1,980,262)	(959,006)	(99,731)	**(3,038,999)**

Group

(Amounts in thousand €)	Retail Banking	Corporate Banking	Treasury	Total
From 1 January to 31 December 2018				
Net income				
- interest	(7,607)	57,781	19,115	**69,290**
- commission	1,614	9,017	(3,674)	**6,956**
- trading results and other income	8,662	23,822	19,258	**51,742**
- intersegment results	7,417	(8,161)	743	**(0)**
Net Total Income	**10,086**	**82,459**	**35,442**	**127,987**
Income from investments in associates	(609)	(1,503)	(1,217)	**(3,329)**
Profit / (losses) before income tax	**2,425**	**1,258**	**1,065**	**4,748**
Income tax				(7,105)
Profit/(Loss) for the period				**(2,357)**
Other segment items				
Allowance for credit risk	10,293	(38,068)	248	**(27,527)**
Depreciation	(1,421)	(3,522)	(2,838)	**(7,780)**
Total Assets 31.12.2018	444,251	1,096,467	1,809,787	**3,350,505**
Total Liabilities 31.12.2018	(1,727,730)	(1,032,168)	(99,711)	**(2,859,609)**

Bank

(Amounts in thousand €)	Retail Banking	Corporate Banking	Treasury	Total
From 1 January to 31 December 2018				
Net income				
- interest	(7,617)	57,761	19,115	**69,259**
- commission	777	8,507	(3,674)	**5,610**
- trading results and other income	8,662	23,844	19,258	**51,765**
- intersegment results	7,417	(8,161)	743	**(0)**
Net Total Income	**9,240**	**81,951**	**35,442**	**126,634**
Profit / (losses) before income tax	**2,812**	**2,743**	**2,282**	**7,837**
Income tax				(7,270)
Profit / (losses) for the period				**567**
Other segment items				
Allowance for credit risk	10,293	(38,068)	248	**(27,527)**
Depreciation	(1,421)	(3,495)	(2,838)	**(7,754)**
Total Assets 31.12.2018	444,213	1,101,748	1,809,710	**3,355,671**
Total Liabilities 31.12.2018	(1,731,352)	(1,034,332)	(99,711)	**(2,865,395)**

4. Interest and Similar Income

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Loans and advances to customers (excluding finance leases) at amortized cost	45,548	59,761	45,548	59,761
Due from credit Institutions	545	242	545	242
Securities held at fair value through profit or loss	143	86	143	86
Securities measured at fair value through other comprehensive income (FVOCI)	27,105	32,912	27,105	32,912
Securities measured at amortized cost	458	458	458	458
Interest from corporate bond loans	17,220	19,748	17,220	19,748
Finance lease (Lessor)	2,303	2,072	2,303	2,072
Interest from deposit accounts	47	70	47	70
Factoring	246	105	246	105
Interest and Similar Income	**93,615**	**115,454**	**93,615**	**115,454**

5. Interest Expense and Similar Charges

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Customers' deposits	(36,708)	(34,712)	(36,730)	(34,742)
Due to credit institutions	(3,982)	(10,227)	(3,982)	(10,227)
Bond loans	(7,880)	(1,225)	(7,880)	(1,225)
Interest expense from operating leases	(1,193)	0	(1,183)	0
Interest Expense and Similar Charges	**(49,764)**	**(46,164)**	**(49,776)**	**(46,195)**

6. Fee and Commission Income

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Loans and advances to customers	1,437	1,821	1,437	1,821
Credit cards	1,178	466	1,178	466
Custody services	89	50	91	50
Import - Export	203	180	203	180
Letters of guarantee	3,238	4,224	3,238	4,225
Cash transfers	663	811	663	811
Foreign exchange transactions	26	30	26	30
Mutual Funds	709	695	0	0
Securities	416	779	416	779
Commissions on deposit account transaction	41	33	41	33
Other commissions	9,155	6,896	8,674	6,244
Commission Income	**17,155**	**15,984**	**15,967**	**14,638**

Other Commissions include commissions of amount €1.4 million in the context of the cooperation of the Bank with local financial institutions, along with an amount of €1.4 million regarding commissions of the Bank in the context of bancassurance cooperation with an insurance company.

7. Fee and Commission Expense

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Loans	(14)	(12)	(14)	(12)
Visa & Visa International commissions	(6,437)	(4,614)	(6,437)	(4,614)
Commissions paid for portfolio management	(18)	(48)	(18)	(48)
Commissions paid for special Greek Government Bond	(3,825)	(4,047)	(3,825)	(4,047)
Other	(321)	(308)	(321)	(308)
Commission Expenses	**(10,615)**	**(9,028)**	**(10,615)**	**(9,028)**

8. Profit/(Loss) on Financial Transactions

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Financial assets at fair value through profit or loss				
Profit less Losses				
· Derivative financial instruments	(8)	306	(8)	306
Foreign exchange differences				
·From foreign currency transactions	825	1,140	825	1,140
From sales				
·Debt securities	113	(81)	113	(81)
·Other	0	0	0	0
From valuation				
·Shares	4,043	0	4,043	0
·Debt securities	1,189	52	1,189	52
Profit / (Losses) on Financial Transactions	**6,163**	**1,418**	**6,163**	**1,418**

9. Profit/(Loss) From Investment Portfolio

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Securities measured at fair value through other comprehensive income (FVOCI)				
-Shares	107	(89)	107	(89)
-Bonds	7,835	780	7,835	780
-Other	(526)	0	(526)	0
Profit / (Loss) from Investment Portfolio	**7,416**	**690**	**7,416**	**690**
Profit / (Loss) from Investment Portfolio	**7,416**	**690**	**7,416**	**690**

10. Other Income/(Expenses)

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Judicial court expenses	0	21	0	21
Subsidies on training programs	31	47	31	47
Amounts collected from written-off receivables	10	13	10	13
Rents on assets (including foreclosed assets)	164	180	165	182
Receipt of communication fees	39	58	39	58
Fair value adjustments for investment property, land and buildings	(594)	(185)	(594)	(185)
Dividend Income	40	14	40	14
Other expense related to defined plans	759	(902)	762	(902)
Other Income	7,188	3,388	7,184	3,409
Other Income / (Expenses)	**7,635**	**2,634**	**7,637**	**2,657**

The fair value of investment properties has been determined by independent certified estimators (Note 27).

The increase of "Other Income" during 2019 relates to income incurred from reversed provisions for tax purposes.

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Shares measured at Fair value through other comprehensive income (FVOCI)	40	14	40	14
Dividend Income	**40**	**14**	**40**	**14**

11. Operating Expenses

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Salaries and wages	(24,307)	(24,731)	(23,953)	(24,418)
Social security contributions (defined contribution plans)	(6,425)	(6,371)	(6,327)	(6,282)
Other charges	(2,162)	(2,019)	(2,153)	(2,008)
Other provisions for post employment benefits obligations	(674)	(582)	(674)	(582)
Personnel Expenses	**(33,568)**	**(33,704)**	**(33,107)**	**(33,290)**
	0		0	
Third party fees and expenses	(8,015)	(10,409)	(7,501)	(10,370)
Advertising and promotion expenses	(286)	(220)	(285)	(220)
Telecommunication expenses	(1,437)	(1,629)	(1,434)	(1,621)
Insurance premium fees	(1,153)	(1,106)	(1,128)	(1,106)
Repair and maintenance	(3,599)	(3,918)	(3,598)	(3,914)
Travelling expenses	(632)	(655)	(632)	(655)
Printing and stationery	(298)	(277)	(296)	(275)
Utility services	(989)	(1,077)	(975)	(1,060)
Rentals	(0)	(5,063)	(0)	(5,000)
Subscriptions - Memberships	(494)	(435)	(401)	(341)
Legal and out-of-court expenses	(4)	(3)	(4)	(3)
Donations - Grants	(176)	(234)	(175)	(234)
Teiresias systems expenses	(709)	(585)	(709)	(585)
Cleaning staff expenses	(637)	(609)	(637)	(607)
Building security expenses	(870)	(930)	(870)	(930)
Non-embedded taxes	(752)	(1,158)	(681)	(1,083)
Third party fees	(1,337)	(586)	(1,967)	(590)
Commission on the amount of deferred tax asset under Greek State's guarantee	(464)	(494)	(464)	(494)
Other	(1,243)	(1,106)	(1,189)	(1,046)
General Operating Expenses before Provisions	**(23,095)**	**(30,494)**	**(22,947)**	**(30,133)**
Provision for impairment of other assets	(2,050)	(3,191)	(1,700)	(2,878)
Total General Operating Expenses	**(25,145)**	**(33,684)**	**(24,647)**	**(33,011)**
Depreciation of property and equipment	(2,516)	(2,702)	(2,463)	(2,685)
Amortization of intangible assets	(5,878)	(5,079)	(5,870)	(5,069)
Depreciation of right of use asset	(4,986)	0	(4,968)	0
Depreciation	**(13,380)**	**(7,780)**	**(13,301)**	**(7,754)**
	0		0	
Total Operating Expenses	**(72,093)**	**(75,169)**	**(71,055)**	**(74,055)**

Number of employees	**Group**		**Bank**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
The average number of employees is:	730	684	720	674
The number of employees is:	741	707	731	697

During the years 2019 and 2018 the fees of statutory auditors (including VAT) were as follows:

(Amount in thousand €)

Description	**31.12.2019**	**31.12.2018**
For the statutory audit of financial statements and the compliance report	200	195
For other audit services	35	246

Personnel expenses for the year 2019 are decreases by 0.4% compared to 2018 for Group purposes.

The average number of employees for 2019 is 720 compared to 674 for 2018 as far as the Bank is concerned and 730 for 2019 and 684 respectively for 2018 for the Group.

As far as the general operating expenses are concerned, these are decreased by 9.2% compared to 31.12.2018, should the rental expenses be excluded from the comparative period due to the implementation of the new lease standard IFRS 16, while depreciation expense is increased compared to 31.12.2018. More specifically, in the period under review the new lease standard IFRS 16 implemented, under which the expense is not recognized through operating expense, but through the depreciation of the right of use asset and the interest expense from the repayment of lease liability. The Group under IFRS 16 recognized right of use asset depreciation expense €4,986 thousand in the period under review, while under the same standard adjusted the useful life of assets concerning improvements in leasehold assets to the useful life of the lease agreements that those leasehold improvements concern. Through this adjustment an additional impact of 454 thousand euros had been recognized through depreciation expense at first implementation.

12. Taxes

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Current income tax	0	(152)	0	0
Deferred income tax	28,645	(6,952)	28,560	(7,270)
Total	**28,645**	**(7,105)**	**28,560**	**(7,270)**

The reconciliation between the tax arising based on the effective tax rate expense recognized in the income statement for the year is summarized as follows:

Profit / (loss) before tax	(23,648)	4,748	(28,208)	7,837
Tax rate	29%	29%	29%	29%
Income tax	6,858	(1,377)	8,180	(2,273)
Non tax deductible expenses	0	(870)	0	(870)
Provisions for tax audit arisen differences	(725)	0	(725)	0
Other adjustments	34,345	15,193	32,937	15,923
Deferred tax asset write off	(11,833)	(20,051)	(11,833)	(20,051)
Total	**28,645**	**(7,105)**	**28,560**	**(7,270)**

	Group		Bank	
Deferred Tax	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Amortization of credit risk provisions of L. 4465/2017	(13,793)	(13,809)	(13,793)	(13,809)
Allowance for impairment of loans	7,019	6,602	7,019	6,602
Adjustment for debit difference of L. 4046/2012	(1,410)	(1,410)	(1,410)	(1,410)
Tax losses carried forward and other temporary differences	36,830	1,664	36,745	1,347
Deferred tax assets	**28,645**	**(6,952)**	**28,560**	**(7,270)**

The amount of € 13.79 million relating to the amortization of credit risk provisions of Law 4465/2017 resulted from the transfer of non-performing loans. In accordance with the current legal framework, it is recognized for deduction from gross revenue and will be amortized over twenty (20) years.

Group

(Amounts in thousand €)	31.12.2019			31.12.2018		
Description	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Amounts reclassified in income statement						
Financial assets at fair value through other comprehensive income (FVTOCI)	(2,851)	827	(2,024)	(38,957)	11,297	(27,659)
Amounts not reclassified in income statement						
Change in actuarial gains / (losses) of defined benefit obligations	325	(95)	230	(415)	120	(295)
Total	**(2,526)**	**732**	**(1,794)**	**(39,372)**	**11,418**	**(27,954)**

Income tax of other comprehensive income recognized directly in equity

Bank

(Amounts in thousand €)	31.12.2019			31.12.2018		
Description	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Amounts reclassified in income statement						
Financial assets at fair value through other comprehensive income (FVTOCI)	(2,851)	827	(2,024)	(38,957)	11,297	(27,659)
Amounts not reclassified in income statement						
Change in actuarial gains / (losses) of defined benefit obligations	329	(95)	233	(409)	119	(290)
Total	**(2,523)**	**732**	**(1,791)**	**(39,366)**	**11,416**	**(27,950)**

13. Earnings/ (losses) per share - basic and dilluted

(Amounts in thousand €)	Group		Bank	
Description	**1.1-31.12.2019**	**1.1-31.12.2018**	**1.1-31.12.2019**	**1.1-31.12.2018**
Profit / (loss) for the year attributable to equity owners of the Bank	4,998	(2,357)	351	567
Earnings / (Losses) for the year attributable to ordinary equity owners of the Bank	**4,998**	**(2,357)**	**351**	**567**
Weighted average number of ordinary shares during the year	461,253,987	1,049,214,071	461,253,987	1,049,214,071
Adjusted weighted average number of ordinary shares during the year	461,253,987	1,049,214,071	461,253,987	1,049,214,071
Earnings / (Losses) per share - basic (in €)	**0.0108**	**(0.0022)**	**0.0008**	**0.0005**

Basic earnings per share are calculated based on the weighted average number of outstanding ordinary shares during the period, as this is determined by applying time weights on the number of outstanding common shares at the beginning of the period after taking into account the reduction in the total number of common shares.

It is noted that in 31.12.2019 as well as in the comparative period there are no potential stock titles for the adjustment of the weighted average number of common shares of the period and therefore there is no differentiation in reduced profits.

Numbers for the year 2017 have been reformed for comparability purposes.

14. Cash and Balances with Central Bank

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Cash in hand	21,552	22,764	21,551	22,762
Cheques receivable	22,185	28,273	22,185	28,273
Balances with Central Bank	94,360	9,822	94,360	9,822
Cash and balances with Central Bank	**138,097**	**60,860**	**138,096**	**60,858**

15. Due from other Financial Institutions

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Domestic Financial Institutions	184	120	176	112
Foreign Financial Institutions	7,946	1,774	7,946	1,774
Sight Deposits with Financial Institutions	**8,129**	**1,894**	**8,122**	**1,886**
Domestic Financial Institutions	50,230	0	50,230	0
Foreign Financial Institutions	0	0	0	0
Term Deposits with Financial Institutions	**50,230**	**0**	**50,230**	**0**
Repos agreements	9,069	7,526	9,069	7,526
Other claims from financial institutions	8	9	8	9
Other claims from financial institutions	**9,077**	**7,535**	**9,077**	**7,535**
Due from other Financial Institutions	**67,437**	**9,429**	**67,429**	**9,422**

The increase in Due from other financial institutions compared to 31.12.2018, is due to the increase of interbank deposits.

16. Financial Assets at Fair Value through Profit or Loss

	Group		Bank	
(Amounts in thousand €)	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Government Bonds - Greek	7,965	2,950	7,965	2,950
Foreign listed shares	4,043	0	4,043	0
Financial assets at fair value through profit or loss	**12,008**	**2,950**	**12,008**	**2,950**

Within 2019, the Group proceeded to purchases of Greek Government's bonds with a fair value of €13.7 million, to sales of Greek Government's bonds with a fair value of €8.1 million, while maturities for the period amounted to € 0.23 million.

17. Derivative Financial Instruments

(Amounts in thousand €)	Group and Bank		
31.12.2019		**Assets**	**Liabilities**
Classification per type	**Nominal Value**	**Fair Value Profit**	**Fair Value Loss**
Swaps	4,647	0	(2)
Forwards	0	0	0
Greek GDP linked security	38,042	114	0
Derivative financial instruments held for trading	**42,689**	**114**	**(2)**

31.12.2018		**Assets**	**Liabilities**
Classification per type	**Nominal Value**	**Fair Value Profit**	**Fair Value Loss**
Swaps	44,314	0	(34)
Forwards	1,993	0	0
Greek GDP linked security	38,042	87	0
Derivative financial instruments held for trading	**84,350**	**87**	**(34)**

"Greek GDP linked security" refers to detachable GDP-linked securities provided to the Bank through the Greek government bonds exchange PSI program.

18. Loans and Advances to Customers at Amortized Cost

18.1 Loans and Advances to Customers

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Credit cards	23,075	21,745	23,075	21,745
Consumer loans	95,303	95,290	95,303	95,290
Mortgages	398,170	411,032	398,170	411,032
Other	6,315	5,147	6,315	5,147
Loans to individuals	**522,863**	**533,214**	**522,863**	**533,214**
Agricultural sector	1,140	884	1,140	884
Commercial	135,058	145,092	135,058	145,092
Industrial sector	119,890	121,419	119,890	121,419
Small industries	5,588	6,510	5,588	6,510
Tourism	85,280	87,745	85,280	87,745
Shipping	24,759	27,022	24,759	27,022
Construction sector	436,989	400,307	436,989	400,307
Other	395,963	403,423	395,963	403,423
Loans to corporate entities	**1,204,668**	**1,192,403**	**1,204,668**	**1,192,403**
Public sector	**28,036**	**30,212**	**28,036**	**30,212**
Net investment in finance lease	**72,812**	**89,309**	**72,812**	**89,309**
Loans and advances to customers (before impairment)	**1,828,379**	**1,845,138**	**1,828,379**	**1,845,138**
Provisions for credit risk (impairment losses on loans)	**(280,885)**	**(252,994)**	**(280,885)**	**(252,994)**
Loans and advances to customers (net of impairment)	**1,547,494**	**1,592,144**	**1,547,494**	**1,592,144**

(Amounts in thousand €)	Group	Bank
Loans under Greek State guarantee		
31.12.2019	33,357	33,357
31.12.2018	33,394	33,394
Loans to the Greek State		
31.12.2019	28,036	28,036
31.12.2018	30,212	30,212

Loans and advances to customers (net of impairment)

Group and Bank

(Amounts in thousand €)	31.12.2019 12 month expected credit losses (Stage 1)	Lifetime expected credit losses of non impaired assets (Stage 2)	Lifetime expected credit losses of impaired assets (Stage 3)	Carrying amount
Retail Lending				
Gross Carrying Amount	150,138	21,524	351,201	**522,863**
Impairment Losses	(1,166)	(1,190)	(66,621)	**(68,977)**
Carrying Amount	148,973	20,334	284,580	**453,886**
Corporate Lending				
Gross Carrying Amount	571,600	206,383	499,498	**1,277,480**
Impairment Losses	(2,328)	(3,741)	(205,708)	**(211,777)**
Carrying Amount	569,272	202,641	293,790	**1,065,703**
Public Sector Lending				
Gross Carrying Amount	17,026	11,010	0	**28,036**
Impairment Losses	(60)	(71)	0	**(131)**
Carrying Amount	16,966	10,939	0	**27,905**
Loans and advances to customers				
Total Gross Carrying Amount	**738,764**	**238,917**	**850,698**	**1,828,379**
Total Impairment Losses	**(3,553)**	**(5,003)**	**(272,329)**	**(280,885)**
Total Carrying Amount	**735,210**	**233,914**	**578,370**	**1,547,494**

(Amounts in thousand €)	31.12.2018 12 month expected credit losses (Stage 1)	Lifetime expected credit losses of non impaired assets (Stage 2)	Lifetime expected credit losses of impaired assets (Stage 3)	Carrying amount
Retail Lending				
Gross Carrying Amount	160,503	33,325	339,386	533,214
Impairment Losses	(1,454)	(2,388)	(94,689)	(98,532)
Carrying Amount	159,049	30,937	244,696	434,682
Corporate Lending				
Gross Carrying Amount	531,038	334,061	416,613	1,281,712
Impairment Losses	(1,980)	(9,993)	(142,264)	(154,236)
Carrying Amount	529,058	324,068	274,349	1,127,476
Public Sector Lending				
Gross Carrying Amount	18,586	11,626	0	30,212
Impairment Losses	(11)	(215)	0	(226)
Carrying Amount	18,575	11,411	0	29,986
Loans and advances to customers				
Total Gross Carrying Amount	**710,127**	**379,012**	**755,999**	**1,845,138**
Total Impairment Losses	**(3,445)**	**(12,596)**	**(236,953)**	**(252,994)**
Total Carrying Amount	**706,682**	**366,416**	**519,046**	**1,592,144**

18.2 Finance Lease Receivables (Lessor)

Classification by Category

(Amounts in thousand €)	Group and Bank 31.12.2019	31.12.2018
Contract Value		
Land	23,312	30,816
Buildings	37,856	46,725
Machinery	9,873	11,358
Transport vehicles	1,111	387
Technical equipment	659	24
Total	**72,812**	**89,309**

Net investment in finance lease

(Amounts in thousand €)	Group and Bank 31.12.2019			31.12.2018		
Duration	Gross investment (Future lease payments)	Non accrued finance income	Net investment in finance lease	Gross investment (Future lease payments)	Non accrued finance income	Net investment in finance lease
Up to 1 year	18,292	(1,119)	17,173	21,512	(669)	20,843
From 1 to 5 years	24,714	(4,065)	20,649	25,346	(2,379)	22,967
Over 5 years	42,809	(7,820)	34,990	50,701	(5,202)	45,499
Total	**85,815**	**(13,004)**	**72,812**	**97,559**	**(8,249)**	**89,309**

18.3 Allowance for impairment losses on loans

Movement of credit risk impairment — Group and Bank

(Amounts in thousand €)	Stage 1	Stage 2	Stage 3	Total
Opening balance 01.01.2019	(3,445)	(12,596)	(236,953)	**(252,994)**
Credit risk impairment losses for the 12 month period 2019	(1,843)	(2,455)	(104,533)	**(108,830)**
Reversal of credit risk impairment losses for the 12 month period 2019	8,710	5,569	63,485	**77,764**
Write offs	0	0	3,175	**3,175**
Movements between stages	(6,977)	4,479	2,497	**0**
Credit risk impairment for the 12 month period 2019	**(3,553)**	**(5,003)**	**(272,329)**	(280,885)

Movement of credit risk impairment — Group and Bank

(Amounts in thousand €)	Stage 1	Stage 2	Stage 3	Total
Opening balance 01.01.2018	(20,362)	(57,508)	(494,957)	**(572,827)**
Credit risk impairment losses for the 12 month period 2018	16,918	44,912	(84,596)	**(22,767)**
Write offs	0	0	3,225	**3,225**
Write offs due to securitization	0	0	339,375	**339,375**
Credit risk impairment for the 12 month period 2018	**(3,445)**	**(12,596)**	**(236,953)**	(252,994)

19. Impairment Losses on Financial Assets

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Impairment charge / (Reversal of impairment charge) on loans and advances to customers	(31,066)	(22,767)	(31,066)	(22,767)
Impairment charge / (Reversal of impairment charge) on off balance sheet items	6,957	(5,008)	6,957	(5,008)
Impairment charge / (Reversal of impairment charge) on financial assets measured at fair value through other comprehensive income (FVOCI)	(88)	194	(88)	194
Impairment charge / (Reversal of impairment charge) on financial assets measured at amortised cost	(4)	54	(4)	54
Total	**(24,202)**	**(27,527)**	**(24,202)**	**(27,527)**

20. Financial Assets at Fair Value through other Comprehensive Income (FVOCI)

(Amounts in thousand €)	Group		Bank	
Financial assets measured at fair value through other comprehensive income (FVOCI)	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Greek Government Bonds	48,517	39,279	48,517	39,279
IFRS 9 impairment allowance	(166)	(156)	(166)	(156)
Government Bonds	**48,351**	**39,123**	**48,351**	**39,123**
Domestic issuer	131	691	131	691
Foreign issuer	18,899	5,716	18,899	5,716
IFRS 9 impairment allowance	(86)	(9)	(86)	(9)
Listed Corporate Bonds	**18,944**	**6,398**	**18,944**	**6,398**
Foreign issuer	547,253	888,394	547,253	888,394
IFRS 9 impairment allowance	(26,270)	(26,270)	(26,270)	(26,270)
Non Listed Corporate	**520,983**	**862,124**	**520,983**	**862,124**
Bonds	**588,278**	**907,645**	**588,278**	**907,645**
Listed shares-(Domestic)	355	235	355	235
Listed shares-(Foreign)	7	6	7	6
Non-Listed Shares-(Domestic)	1,406	1,401	1,406	1,401
Shares	**1,768**	**1,643**	**1,768**	**1,643**
Financial assets measured at fair value through other comprehensive income (FVOCI)	**590,046**	**909,288**	**590,046**	**909,288**

The Bank during 2019 reevaluated its business model regarding the management of the financial assets, through reevaluating the specific characteristics of each asset taking into consideration the broader updates, conditions and practices in the banking sector. Through this reevaluation the Bank decided the reclassification of the bond from the securitization transaction of ABS Metexelixis of 343.25 million euros from the portfolio of financial assets at fair value through other comprehensive income to the portfolio of investment securities value at amortized cost.

From this reclassification no impact arose on the Bank's equity or profit or loss.

21. Investment securities at amortized cost

(Amounts in thousand €)	Group		Bank	
Investments Securities	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Greek Government Bonds	9,941	9,919	9,941	9,919
Corporate - Non Listed - Foreign	343,250	0	343,250	0
IFRS 9 impairment allowance	(45)	(41)	(45)	(41)
Investment securities at amortized cost	**353,146**	**9,879**	**353,146**	**9,879**

The Bank during 2019 reevaluated its business model regarding the management of the financial assets, through reevaluating the specific characteristics of each asset taking into consideration the broader updates, conditions and practices in the banking sector. Through this reevaluation the Bank decided the reclassification of the bond from the securitization transaction of ABS Metexelixis of 343.25 million euros from the portfolio of financial assets at fair value through other comprehensive income to the portfolio of investment securities value at amortized cost.

From this reclassification no impact arose on the Bank's equity or profit or loss.

The fair value of financial assets at amortized cost as at 31.12.2019 is €354.3 million while their fair value as at 31.12.2018 was € 10.4 million respectively.

22. Investment in subsidiaries

(Amounts in thousand €) **31.12.2019**

Company Name	**Country of incorporation**	**Number of shares**	**Ownership interest %**	**Equity**	**Acquisition Cost**	**Carrying amount**
1. Attica Wealth Management M.F.M.C.	Greece	198,300	100.00%	1,247	0	0
2. Attica Bancassurance Agency S.A.	Greece	10,000	100.00%	4,309	100	100
3. AtticaBank Properties S.A.	Greece	5,000	100.00%	664	500	500
Investment in subsidiaries					**600**	**600**

(Amounts in thousand €) **31.12.2018**

Company Name	**Country of incorporation**	**Number of shares**	**Ownership interest %**	**Equity**	**Acquisition Cost**	**Carrying amount**
1. Attica Wealth Management M.F.M.C.	Greece	198,300	100.00%	1,285	502	502
2. Attica Bancassurance Agency S.A.	Greece	10,000	100.00%	4,353	100	100
3. AtticaBank Properties S.A.	Greece	5,000	100.00%	359	500	500
Investment in subsidiaries					**1,102**	**1,102**

Exposure to unconsolidated structured entities

Through its subsidiary, ATTICA WEALTH MANAGEMENT M.F.M.C., the Group manages 5 mutual funds of €39.82 million in total net assets as at 31 December 2019 which meet the definition of a structured entity. At each reporting date, the Group assesses whether it exercises any control over these entities according to provisions of IFRS 10. The Group, as the manager of the mutual funds, has the ability to direct the activities which significantly affect their rates of return by selecting the investments made by the funds always within the framework of eligible investments as described in the regulation of each fund. As a result, the Group has control over the mutual funds under management but within a clearly defined decision making framework. Moreover, the Group is exposed to variable returns, through its investment in the mutual funds as it receives fees for subscriptions, redemptions of mutual fund units as well as for the management of the funds. These fees range within normal market levels for similar services.

From the examination of the above factors, the Group assesses that, in all cases of the funds it manages, it exercises the decision-making rights assigned to it in favor of the unit-holders, acting as agent that does not exercise control over the funds.

It should be noted that there is no contractual obligation for the Group to provide financial support to any of the funds under management neither does it guarantee their rate of return.

The Bank has listed its investment in Attica Wealth subsidiary as at 31.12.2019 as held for sale under IFRS 5 (Note 24).

23. Investments in associates and joint ventures

Group companies, consolidated under the equity method are:

- Zaitech Innovation Venture Capital Fund I
- Thea Artemis Societe Anonyme for Management of Loans and Appropriations

The main unit holders of Zaitech I are the Bank and the New Economy Development Fund (TANEO). Taking into account the nature of the investments, control is exercised jointly by the unit holders. As a result, the Group's investment in these Funds is measured using the equity method of accounting (IAS 28).

Zaitech Innovation Venture Capital Fund I aims to invest in innovative capital companies that have a registered and effective head office in Greece, preferably in companies operating in the food, beverage, retail, organic, industrial, energy, telecommunication and IT sectors. The activities' location of the company does not differ from its headquarters.

The subsidiary, "Attica Ventures S.A.", in which the Bank is a shareholder of 10%, has been appointed as the management company for the closed-end mutual fund Zaitech I.

The acquisition cost for Bank's investments in Zaitech Fund I as at 31.12.2019 amounted to € 4,323 thousand.

It is noted that the valuation of the venture capital fund holdings is carried out in accordance with the guidelines of the European Private Equity & Venture Capital Association – EVCA and the provisions of L. 4141/2013. From the aforementioned participations in the consolidated income statement for the year 2019, a gain from the valuation of the companies amounting to approximately € 1,042 thousand has been recorded.

In the context of the transaction on non-performing loans amounting to € 1,331.2 million, the Bank on 16.03.2017 proceeded with the establishment of the company under the name "Thea Artemis Societe Anonyme for Management of Loans and Appropriations", for the purpose of managing receivables from loans or credit agreements that are not serviced and the payment of a share capital of € 100,000.00. On 07.08.2017, in the context of the agreements with the investor, 80% of the Bank's shareholding to "Thea Artemis Societe Anonyme for Management of Loans and Appropriations" was transferred to Aldridge EDC Specialty Finance (AEDC) for the amount of € 80,000 and was paid to the Bank on 04.08.2017 by the above company. The Bank remains a shareholder of "Thea Artemis Societe Anonyme for Management of Loans and Appropriations" with a percentage of 20%, i.e. acquisition cost of € 20 thousand. The Group consolidates it using the equity method.

Attica Bank's participation in the capital structure of the Closed-End Mutual Fund for both the current and the comparative period is presented below:

31.12.2019

Company Name (Amounts in thousand €)	**Country of Incorporation**	**% Participation**	**Acquisition Cost**
Zaitech Innovation Venture Capital Fund I	Greece	50.00%	4,323
Thea Artemis Societe Anonyme for Management of Loans and Appropriations	Greece	20.00%	20

31.12.2018

Company Name (Amounts in thousand €)	**Country of Incorporation**	**% Participation**	**Acquisition Cost**
Zaitech Innovation Venture Capital Fund I	Greece	50.00%	7,682
Thea Artemis Societe Anonyme for Management of Loans and Appropriations	Greece	20.00%	20

Among the companies consolidated under the equity method, the most significant investment for the Group is Zaitech Fund I, which invests primarily in innovative enterprises incorporated in Greece and operating mainly in the sectors of food and beverages, retail, organic products, manufacturing, energy, telecommunications and IT. The location of the company does not differ from its place of establishment.

Financial information regarding the Zaitech Fund I is summarized below. All the following information relates to amounts presented in its financial statements, prepared in the context of the annual report of A.K.E.S. (Zaitech Fund I), which is audited by independent statutory auditors:

Zaitech Fund I Financial Information

(Amounts in thousand €)	31.12.2019	31.12.2018
Total income / (loss)	1,772	(6,594)
Total expenses	(52)	(153)
Profit / (Loss) for the period	**1,720**	**(6,747)**
Net Assets	**8,645**	**6,823**

Financial information regarding Thea Artemis Societe Anonyme for Management of Loans and Appropriations is summarized below:

Thea Artemis Societe Anonyme for Management of Loans and Appropriations Financial Information

(Amounts in thousand €)	31.12.2019	31.12.2018
Total income / (loss)	6,286	6,104
Total expenses	(5,584)	(6,104)
Profit / (Loss) for the period	**701**	**0**
Net Assets	**732**	**81**

24. Assets held for sale

The Bank has classified as asset held for sale its investment in the subsidiary Attica Wealth, based on IFRS 5. As at 31.12.2019, the Bank was at the final stage of negotiations with the interested investor, while waiting for the final necessary approvals from the respective authorities. In February 2020, the Bank completed the sale of its subsidiary, following the approval of the Capital Market Authority, for a total price of €2.35 million.

25. Intangible Assets

(Amounts in thousand €)

Software and other intangible assets	Group	Bank
Cost	85,769	84,905
Accumulated Amortization and Impairment Losses	(39,101)	(38,270)
Net Book Value as at 01.01.2018	**46,668**	**46,635**
Plus:		
Acquisitions	8,824	8,824
Less:		
Amortization charge for the year	(5,079)	(5,069)
Net book value as at 31.12.2018	**50,413**	**50,390**
Cost	94,593	93,729
Accumulated Amortization and Impairment Losses	(44,180)	(43,339)
Net book value 01.01.2019	**50,413**	**50,390**
Plus:		
Acquisitions	8,358	8,357
Less:		
Amortization charge for the year	(5,878)	(5,870)
Net book value as at 31.12.2019	**52,893**	**52,877**
Cost	102,951	102,086
Accumulated Amortization and Impairment Losses	(50,058)	(49,209)
Net book value as at 31.12.2019	**52,893**	**52,877**

Intangible assets of the Group consist mainly of software programs, which as at 31.12.2019 amounted to € 52,893 thousand compared to € 50,413 thousand as at 31.12.2018,while for the Bank, the respective amounts are € 50,390 thousand as at 31.12.2018 and € 52,877 thousand as at 31.12.2019.

26. Property, Plant and Equipment

(Amounts in thousand €)

Description	Land	Buildings	Motor Vehicles	Furniture and other Equipment	Group Leasehold improvement on third party's property	Machinery	Under Construction	Right of use asset	Total
Cost	11,885	10,793	82	35,255	24,276	0	0	0	**82,291**
Accumulated Depreciation and Impairment Losses	0	(2,353)	(36)	(30,932)	(20,254)	0	0	0	**(53,576)**
Net Book Value as at 01.01.2018	**11,885**	**8,441**	**46**	**4,323**	**4,022**	**0**	**0**	**0**	28,716
Plus:									
Acquisitions		1	39	3,907	1,694				**5,641**
Sales			(2)	(1,183)					**(1,185)**
Less:									
Depreciation charge		(229)	(11)	(1,483)	(987)				**(2,710)**
Depreciation of written off and sold assets			1	1,183					**1,183**
Net Book Value as at 31.12.2018	**11,885**	**8,213**	**72**	**6,747**	**4,729**	**0**	**0**	**0**	31,646
Cost	11,885	10,795	119	37,979	25,970	0	0	0	**86,748**
Accumulated Depreciation and Impairment Losses	0	(2,581)	(47)	(31,232)	(21,241)	0	0	0	**(55,102)**
Net Book Value as at 01.01.2019	**11,885**	**8,213**	**72**	**6,747**	**4,729**	**0**	**0**	**0**	31,646
Recognition of right of use asset under IFRS 16								29,297	**29,297**
Net Book Value as at 01.01.2019 - Restated	**11,885**	**8,213**	**72**	**6,747**	**4,729**	**0**	**0**	**29,297**	60,942
Plus:									
Acquisitions	0	39	0	1,182	0	0	0		**1,221**
Transfers from investment	0	257	0	0	(257)	0	0		**0**
Sales	0	0	0	(50)	(19)	0	0		**(69)**
Transfer to right of use asset (IFRS 16)	0	0	0	0	(9,878)	0	0		**(9,878)**
Less:	0	0	0	0	0	0	0		
Depreciation charge	0	(234)	(13)	(1,659)	(575)	0	0	(4,986)	**(7,468)**
Accumulated depreciation of right of use asset						0		(2,232)	**(2,232)**
Depreciation of transferred assets	0	(94)	0		94	0	0		**0**
Depreciation of written off and sold assets	0	0	0	13	107	0	0		**120**
Depreciation of transferred assets to RoU assets (IFRS 16)	0	0	0	0	5,831	0	0		**5,831**
Net Book Value as at 31.12.2019	**11,885**	**8,181**	**58**	**6,233**	**31**	**0**	**0**	**22,079**	48,468
Cost	11,885	11,091	119	39,111	15,816	0	0	29,297	107,318
Accumulated Depreciation and Impairment Losses	0	(2,909)	(61)	(32,878)	(15,785)	0	0	(7,218)	(58,850)
Net Book Value as at 31.12.2019	**11,885**	**8,181**	**58**	**6,233**	**31**	**0**	**0**	**22,079**	48,468

(Amounts in thousand €)

Description	Land	Buildings	Motor Vehicles	Furniture and other Equipment	Bank Leasehold improvement on third party's property	Right of use asset	Total
Cost	11,885	10,793	82	35,057	24,086	0	**81,904**
Accumulated Depreciation and Impairment Losses	0	(2,353)	(36)	(30,759)	(20,126)	0	**(53,274)**
Net Book Value as at 01.01.2018	**11,885**	**8,441**	**46**	**4,298**	**3,960**	**0**	28,629
Plus:							
Acquisitions		1	39	3,905	1,694		**5,639**
Revaluation							**0**
Less:							
Depreciation charge		(229)	(11)	(1,475)	(971)		**(2,685)**
Depreciation of revaluation							**0**
Net Book Value as at 31.12.2018	**11,885**	**8,213**	**72**	**6,728**	**4,684**		31,581
Cost	11,885	10,795	119	37,779	25,781	0	**86,358**
Accumulated Depreciation and Impairment Losses	0	(2,581)	(47)	(31,051)	(21,097)	0	**(54,776)**
Net Book Value as at 01.01.2019	**11,885**	**8,213**	**72**	**6,728**	**4,684**	**0**	31,581
Recognition of right of use asset under IFRS 16	0	0	0	0	0	29,123	**29,123**
Net Book Value as at 01.01.2019 - Restated	**11,885**	**8,213**	**72**	**6,728**	**4,684**	**29,123**	60,704
Plus:							
Acquisitions	0	39	0	1,179	0		**1,218**
Transfers from investment	0	257	0		(257)		**0**
Sales	0	0	0	(50)	0		**(50)**
Transfer to right of use asset (IFRS 16)	0	0	0	0	(9,897)		**(9,897)**
Less:	0	0	0	0	0		
Depreciation charge	0	(234)	(13)	(1,655)	(561)	(4,968)	**(7,431)**
Accumulated depreciation of right of use asset	0	0	0	0	0	(2,198)	**(2,198)**
Depreciation of transferred assets	0	(94)	0	0	94		**0**
Depreciation of written off and sold assets	0	0	0	13	107		**120**
Depreciation of transferred assets to RoU assets (IFRS 16)	0	0	0		5,831		**5,831**
Net Book Value as at 31.12.2019	**11,885**	**8,181**	**58**	**6,215**	**0**	**21,957**	48,297
Cost	11,885	11,091	119	38,908	15,627	29,123	106,752
Accumulated Depreciation and Impairment Losses	0	(2,909)	(61)	(32,692)	(15,627)	(7,166)	(58,455)
Net Book Value as at 31.12.2019	**11,885**	**8,181**	**58**	**6,215**	**0**	**21,957**	48,297

The fair value of property is determined based on the three approaches followed by certified independent valuers with appropriate professional qualifications and experience related to the locations and types of the property under assessment, which are the market approach, the income approach and the replacement cost approach. Regarding the hierarchy of fair value, it is calculated by a combination of the three methods and classified as Level 3, given the use of market research and data and assumptions relating to properties of similar characteristics which constitute a wide range of non-observable inputs.

The fair value and residual value is estimated by independent valuers on a regular and on a case-by-case basis at the end of each year. The date of the revaluation commencement is the date of entry in the Bank’s books, which cannot differ from the date of the valuation of the real estate.

As a result of the implementation of IFRS 16 the Group and the Bank recognized on 01.01.2019 right of use asset and lease liability approximately 21.09 million euros.

27. Investment Property

(Amounts in thousand €)	Group		Bank	
Description	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Opening Balance	**57,862**	**58,047**	**57,862**	**58,047**
Additions	1,072	0	1,072	0
Adjustment to fair value	(594)	(185)	(594)	(185)
Closing balance	**58,340**	**57,862**	**58,340**	**57,862**

The value of investment property is adjusted based on appraisals carried out by certified independent valuers with appropriate professional qualifications and experience related to the locations and types of the property under assessment. Investment property concerns property that was acquired through suctions and which the Bank intends to sell or lease in the near future. The fair value of investment properties is determined based on three approaches followed by certified independent valuers with appropriate professional qualifications and experience related to the locations and types of the property under assessment, which are the market approach, the income approach and the replacement cost approach.

During this process, assumptions are used which relate to variables such as indicatively, discount rates, estimates of future rental growth rates and representative benchmarks.

Regarding the hierarchy of fair value, it is calculated by the combination of the three methods and classified as Level 3, given the use of market research and data and assumptions relating to properties of similar characteristics which constitute a wide range of non-observable inputs. (see Note 43.7).

The fair value and residual value is estimate by independent valuers on a regular and on a case-by-case basis at the end of each year. The date of the revaluation commencement is the date of entry in the Bank's books, which cannot differ from the date of the valuation of the real estate. For the period ended 31.12.2019, the fair value of investment property does not differ from carrying amount in Groups' books.

The change in the fair value of investment property for the closing year 2019, as well as for 2018 is presented in "Other income / (expenses)" in the consolidated income statement (Note 10).

Rentals received from leased investment property for the year 2019 amounted to € 164 thousand and to € 180 thousand for the year 2017 respectively and are presented in "Other income / (expenses)" (Note 10). Direct operating expenses of investment property for the year 2019 amounted to approximately € 74.2 thousand. (31.12.2018: 51.1 thousand euros)

28. Other Assets

(Amounts in thousand €)	Group		Bank	
Description	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Prepaid expenses	2,335	2,200	2,334	2,199
Tax advances and other tax receivables	10,315	7,254	10,163	7,104
Accrued interest and commissions	69,893	73,452	70,220	74,641
Other receivables from Greek state	170	976	170	976
Orders payable	1,627	1,158	1,627	1,158
Guarantees	4,127	3,867	4,127	3,867
Advances to employees	175	173	175	173
Advances for finance lease investment products	143	6	143	6
Doubtful receivables other than loans	2,879	9,984	2,879	9,984
Doubtful receivables other than loans	30,569	17,663	30,569	17,663
Contributions to HDIGF	71,880	71,869	71,880	71,869
Prepaid interest on term deposits	86	30	86	30
Due from clients	9	8	9	8
Provision for impairment of other assets	(17,923)	(23,043)	(16,949)	(22,420)
Other	29,205	36,565	27,466	34,792
Other Assets	**205,490**	**202,162**	**204,898**	**202,050**

The increase in "Tax advances and other tax receivables" was due to the reinstatement of receivable for withheld taxes for income taxed under special purposes for the years 2010, 2011 and 2012 of 2.5 million euros.

“Doubtful receivables other than loans” includes an amount of € 2.8 million, which relates to cases of embezzlement from the Bank’s network branches that have taken place in previous years and which are in the process of a legal claim. The judicial outcome of these cases to date is in favor of the Bank, however, the court decisions have not yet been finalized. For the amount that the Bank considers as non-receivable, a special provision has been formed in accordance with a legal opinion.

“Receivables from securitization” includes claims from the managers of the portfolios of non-performing exposures transferred which relate to transactions that took place until the accounting date for the derecognition of these exposures, as well as accrued interest of the bonds received under the non – performing exposures securitzation transaction.

In 2019 the Bank did not pay a contribution to HDIGF (T.E.K.E.) regarding the deposits, taking into account the fact that the objective provided in par. 25 of article 27 of Law 4370/2016 has been achieved.

The change in “Other” is mainly due to claims from debit-credit card liquidation transactions by Visa and MasterCard.

The following table analyzes the provisions for impairment of other assets:

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Provisions for withholding taxes and other assets	(508)	(2,979)	(485)	(2,955)
Provisions for extraordinary losses	(1,754)	(5,754)	(1,754)	(5,754)
Other Provisions	(15,660)	(14,310)	(14,710)	(13,710)
Provision for impairment of other assets	**(17,923)**	**(23,043)**	**(16,949)**	**(22,420)**

“Provisions for withholding taxes and other assets” concerns provision related to “Tax advances and tax receivables” of Other assets. Further analysis is given in the Note 42.2

“Provisions for extraordinary losses” relates to bank frauds of the Bank's network amounting to € 1,754.2 thousand, which is included in the line "Debt receivables other than loans" of Other assets.

“Other assets” includes provisions that are analysed in caption “Other” of Other assets and is analyzed as follows:

- Provision €6.362 thousand for impairment of the Bank’s property claim of the former Insurance Scheme of employees and retired employees of the Bank (LAK I), which, according to the legal framework and final court decisions, has been included in the country's social security system. The requirement arises from the payment of the entire obligation of the Bank to the insurance company (ETAT), as determined by a special economic study of the Ministry of Finance. The repayment of the entire liability to the insurer brought the requirement of the already established property of the program (LAC I) which was deposited to the Ethniki AEEGA. The relative provision has resulted from decrease in the fair value of the part of the property relating to securities - equity securities which charged for the income statement of the fiscal year.
- Provision €9.298 thousand which relates to potential defaults on receivables from customers.

29. Due to Financial Institutions

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Sight deposits	28,414	33,993	28,414	33,993
Interbank term deposits	51,000	170,400	51,000	170,400
Time deposits other than the interbank market	0	2,700	0	2,700
Repos	183,042	217,556	183,042	217,556
Due to financial institutions	**262,456**	**424,649**	**262,456**	**424,649**

The Group as at 31.12.2019 has received funding from the European Central Bank of 51 million euros. In the comparative year ended 31.12.2018, Interbank term deposits include 58.4 million euros funding from the Eurosystem (ECB), withdrawals of 95 million euros from Emergency Liquidity Assistance (ELA) mechanism and withdrawals from other financial institutions of 17 million euros.

The Group has zeroed its dependence from ELA as at 21.03.2019 and since then no liquidity has been raised from that mechanism.

30. Due to Customers

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Current accounts	22,338	19,117	22,338	19,117
Savings accounts	427,987	371,911	427,987	371,911
Term deposits	1,291,843	1,032,145	1,291,843	1,032,145
Blocked	2	1	2	1
Deposits of individuals	**1,742,170**	**1,423,175**	**1,742,170**	**1,423,175**
Sight deposits	180,516	195,995	186,524	202,470
Term deposits	143,101	119,190	143,101	119,190
Blocked	1,859	2,825	1,859	2,825
Deposits of corporations	**325,476**	**318,010**	**331,484**	**324,485**
Sight deposits	320,811	324,273	320,811	324,273
Term deposits	148,518	151,106	148,518	151,106
Public sector deposits	**469,330**	**475,379**	**469,330**	**475,379**
Sight deposits	50,550	53,842	50,550	53,842
Savings accounts	1,570	2,108	1,570	2,108
Other deposits	**52,120**	**55,951**	**52,120**	**55,951**
Other due to customers	**19,061**	**9,360**	**19,061**	**9,360**
Due to customers	**2,608,157**	**2,281,875**	**2,614,165**	**2,288,350**

Article 6 of L. 4151/2013 provides the use of funds from dormant deposit accounts to cover the needs of the Greek State after the expiry of the depositor rights or his legal heirs. As a dormant deposit account at a credit institution within the meaning of N.4261 / 2014 is one in which no real transaction has been proven by the beneficial depositors for a period of twenty (20) years. The day after the last transaction constitute the beginning of the 20 years period. The credit of interest-bearing deposits, as well as their capitalization, do not constitute a transaction and do not interrupt the lapse. Every credit institution operating in Greece is obliged immediately after the expiration of the twenty-year period:

a) to deposit to the Greek State, by the end of April each year, the balance of the dormant deposits, plus interest, by depositing the relevant amount in the special account of the Bank of Greece,
b) Simultaneously inform the relevant Directorates of the Greek State Treasury and the General Directorate of Public Property for the fulfillment of the obligations arising from this law, and
c) to inform the beneficiaries / heirs of the amount transferred after the expiry of the twenty-year period if a question arises.

The auditors will perform predefined procedures reviewing the compliance of the provisions for the Dormant Deposits Accounts, indicating also the amount attributed to the Greek State.

The Bank, gives the suspension of the deadline of Articles 7 and 8 of Law 4151/2013 of dormant accounts, from the entry into force, ratified by L. 4350/2015 of 18.07.2015 ALC (Government Gazette B '84 / 18.7.2015 and Government Gazette A 90 / 31.07.2015), on 20.07.2015, until 13.11.2017, under the Ministerial Decision (GG B '3976 / 14.11.2017, as well as the application of article 257 of the Civil Code, for the calculation of the limitation period after suspension, proceeded to the repayment of balances of dormant accounts to the Greek State for the financial year 2018 of € 48,695.77.

For the financial year 2019, the Bank will remit to the Greek State, at the end of April 2020, a balance of dormant accounts totaling approximately to € 44 thousand. The aforementioned amount as a whole will be recorded as revenue in the annual Greek State Budget.

31. Debt Securities in Issue

Issues guaranteed by the Greek State (N.3723/2008)

Within the framework of article 2 of L. 3723/2008 and regarding the 2nd pillar of the support measures for the enhancement of the liquidity of the economy and for the maintenance of the liquidity stability of the Bank, the Bank issued on 24.10.2019 a bond loan of a total nominal value of € 320 million, with the simultaneous early repayment of the 350 million bond issued with the guarantee of Hellenic Republic on 25.05.2018 with a maturity of two years following the decisions of the Bank's Board of Directors on 27 June 2019. The new bond of € 320 million has a 2-year maturity with a floating Euribor rate of 3 months plus a margin of 7%, divided into 3,200 bearer bonds with a nominal value of €100 thousand each. The respective bond can be used as a collateral for raising liquidity if necessary and has a maturity date of 24.10.2021.

The total cost, which is included in the Group's financial statements of the year 2019 for the € 350 million bond up to 24.10.2019, amounts to € 3.15 million, while for the €320 million bond the respective amount stands at €0.659 million, for the period between 24.10.2019 and 31.12.2019.

According to the provisions of article 80 of L. 4484/2017, the Bank issued on 21 December 2018 a subordinated bond (TIER II) for the repayment of preference shares of the Greek State amounting to € 100,199,999.90 million. Based on the terms of the "Redemption and Coverage Agreement" between the Bank and the Greek State, the capital instruments of Category 2 have a maturity of ten years (until 20 December 2028) and pay a fixed nominal rate of 6.41%. On 21 December 2018 the share capital of the Bank decreased by 100,199,999.90 with the cancellation of the 286,285,714 preference shares which have been issued under Law 3723/2008 and since that date the Greek State does not hold any preference shares of the bank. At 31 December 2019, the aforementioned capital assets amounted to € 99.7 million, including € 0.5 million issuing costs.

(Amounts in thousand €)	Group and Bank			
	31.12.2019		31.12.2018	
Description	**Average Interest Rate**	**Carrying Value**	**Average Interest Rate**	**Carrying Value**
LOWER TIER II	6.41%	99,729	6.41%	99,676
Issued bonds		**99,729**		**99,676**

32. Deferred tax assets-liabilities

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Impairment on loans and advances to customers	46,971	39,952	46,971	39,952
Impact of transition to IFRS 9 as at 01.01.2018:	39,491	39,491	39,491	39,491
Amortization of debit difference of L. 4465/2017	236,608	250,678	236,608	250,678
Impairment of Greek government bonds	31,022	32,432	31,022	32,432
Amortization of financial assets at fair value through other comprehensive income (FVTOCI)	10,088	9,262	10,088	9,262
Tax losses carried forward & other temporary differences	95,636	57,110	95,549	57,108
Deferred Tax Assets	**459,817**	**428,926**	**459,730**	**428,924**
Revaluation of intangible assets	(8,396)	(7,652)	(8,396)	(7,652)
Revaluation of property, plant and equipment	(859)	(917)	(859)	(917)
IFRS 16	(829)	0	(829)	0
Deferred Tax Liabilities	**(10,084)**	**(8,569)**	**(10,084)**	**(8,569)**
Net Deferred Tax Assets	**449,734**	**420,357**	**449,646**	**420,355**

The income tax for the year ended 31/12/2019 was calculated based of the examination of the items and nature of revenues and expenses, in accordance with the tax provisions in force. As regards the temporary differences between tax and accounting base, a deferred tax has been calculated in accordance with IAS 12.

The Group’s deferred tax is calculated, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or deferred tax liability is settled. If the tax rate changes at the year that deferred tax asset is realized or deferred tax liability is settled, then the difference is recognized in the income statement, except from the temporary tax differences that are recorded directly in equity.

In accordance with the provisions of paragraph 4 of Article 1 of Law 4334/2015 "Emergency arrangements for the negotiation and conclusion of an agreement with the European Stability Mechanism (ESM)", the rate of income tax on the profits of legal persons increased from 26% to 29%. These provisions apply to earnings arising in tax years beginning on or after 1 January 2015.

In accordance with the provisions of Article 5 of Law 4303/17.10.2014 “Ratification of the Legislative Content Act "Urgent regulation for the replacement of the Secretary General of Public Revenues due to the early termination of his mandate” (A’ 136) and other provisions”, as amended by Law 4340/2015 and in force by 4465/2017, the deferred tax assets of the supervised by the Bank of Greece legal persons of the paragraphs 5, 6, and 7 of Articles 26 of Law 4172/2013 that have been or will be recognized and which derive from the debit difference of PSI+ and the accumulated provisions and other general losses due to credit risk regarding claims formed until 30.06.2015, are converted into final and liquidated claims against the State, in case that the accounting, after tax, profit or loss is loss, in accordance with the audited and approved by the Ordinary General Assembly, financial statements.

According to article 43 of Law 4465/04.04.2017 “Integration of Directive 2014/92/EU of the European Parliament and Council held on 23rd of July 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, into national law” the articles 27 and 27A of the Income Tax Code were amended (Law 4172/2013). According to the new legislation, the debit difference, 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 recognized as a deduction from gross income and is amortized 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, which relate to write-offs or disposals are converted into a definite and cleared claim against the State, based on the abovementioned terms and conditions. This arrangement ensures that write-offs and loan transfers in order to reduce non-performing loans will not lead to the loss of regulatory capital. The new provisions are applicable as of 1 January 2016.

As at 31.12.2019, the amount of Deferred Tax Assets that is included with the scope of the aforementioned Law, include also the unamortized debit difference of PSI, which amounts to €268 million (31.12.2018: €283 million).

According to article 82 of Law 4472/19.05.2017 “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” a new paragraph is added to Article 27A, which states that for the excess amount of the deferred tax asset guaranteed by the Greek State, as derived from the positive difference between the tax rate currently in force (29%) and the tax rate that was in force before L.4334/2015 (26%) the legal entities as mentioned above pay to the Greek State an annual commission. For the year ended 31/12/2018 the amount of the commission is € 494 thousand and is included in "General operating expenses" in the income statement.

Based on Article 22 of Law 4646/2019 “Tax reform with a growth context for the Greece of tomorrow”, which modifies article 58 of Tax Code, reduces income tax rate for income from business activity for legal entities from 29% before the implementation of the aforementioned law provisions, to 24% for income obtained from tax year 2019 onwards. With specific reference of the law, this reduction does not concern financial institutions, for which income tax rate remains at 29%. Based on the provisions of article 10 of the same law, income from business activities is defined to be an entity’s benefit arising from the waiver of a creditor from debt collection in the context of a mutual agreement or legal settlement, which takes place in the context of their professional cooperation. This law provision is implemented from the publication of the specific law and does not occupy partial or complete write off to a credit or financial institution or an entity of L. 4354/2015 (A’ 176) in the context of an off court settlement or in an execution of a judicial decision. Furthermore, for the dividends paid from 01.01.2020 onwards, withheld tax rate is reduced from 10% to 5%.

Based on 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 withheld 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 net-off procedure also includes any amounts refunded by virtue of court decisions, for which the obligation to return them to the Greek State is born at the time and proportionally to the amount of the income tax recognized.
- 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.

On the basis of the above, the claims of the Bank against the Greek State in respect to withheld taxes amount to approximately 4.9 million euro and concern the financial years 2011, 2012 and 2013 (i.e. fiscal years 2010, 2011 and 2012).

As a result of the above, it is estimated that the total of the deferred tax asset recognized at 31.12.2019 is recoverable either within a period considered reasonable or within the time period provided for by the applicable legislation.

In particular, the recently approved business plan for the period 2020 – 2022, outlines the Bank's new business model, which is based on targeted financing, conservative credit expansion and deposit growth, but mainly rationalization of the cost base and strategic partnerships. Based on the business plan, it is possible to generate future profits as the restructuring of the Bank and the Group will be completed. Based on the business plan, it is deducted that profit creation in the future, while the Group’s and Bank’s trasnformation completes, is feasible. Bank’s management estimates that the impact from COVID – 19 will not affect the targets of the business plan, mainly due to the measures taken by the government and the supervisory authorities. Nonetheless, Bank’s and Group’s estimates may change in the future, subject to the impact of COVID – 19 to the economy.

33. Employee Defined benefit obligation

The table below presents the total amount of the employee defined benefit obligation which is recognized in the Financial Statements:

		Group			
(Amounts in thousand €)		Statement of Financial Position	Statement of Comprehensive Income	Statement of Financial Position	Statement of Comprehensive Income
Description	Note	**31.12.2019**	**01.01-31.12.2019**	**31.12.2018**	**01.01-31.12.2018**
Defined benefit plan (supplementary pension)	33.1	-	-	-	-
Defined benefit plan (lump-sum payment)	33.2	2,835	(722)	3,557	(474)
Retirement benefits according to employment regulation	33.3	8,831	(351)	9,368	1,794
Total		**11,667**	**(1,073)**	**12,925**	**1,320**

		Bank			
(Amounts in thousand €)		Statement of Financial Position	Statement of Comprehensive Income	Statement of Financial Position	Statement of Comprehensive Income
Description	Note	**31.12.2019**	**01.01-31.12.2019**	**31.12.2018**	**01.01-31.12.2018**
Defined benefit plan (supplementary pension)	33.1	-	-	-	-
Defined benefit plan (lump-sum payment)	33.2	2,835	(722)	3,557	(474)
Retirement benefits according to employment regulation	33.3	8,779	(369)	9,317	1,786
Total		**11,614**	**(1,091)**	**12,874**	**1,311**

33.1 Defined benefit plan (Supplementary Pension)

The Extraordinary General Meeting of the shareholders of the Bank, held on 16 September 2005, as it arises from its minutes decided the rescission of the Group's insurance contract between the Bank, the Employees' Association and Ethniki General Insurance Co. S.A., concerning the section Capital Management of Additional Insurance and Complementary Pension Benefits (L.A.K.), and its subject to the regulations of Law 3371/2005. In the context of this decision, the Bank had recognized in its Financial Statements as of 1 January 2004 (making use of the relevant option of I.F.R.S. 1), a liability of € 26,958 thousand, which was directly charged to Equity. During the period from 1.1 to 31.12.2004 the additional charge of the Bank through the Income Statement amounted to €644 thousand. For the six month period of 2005, the plan existing at the Bank for defined benefits, the charge of the results amounted to €220 thousand.

The above amounts arose from a special financial study realized by a group of independent actuaries. The accounting treatment followed is in accordance with L. 3371/2005, which enabled the credit institutions to present in the financial statements of 2005 the financial result of the subject to these provisions of law.

Upon resolution of the aforementioned Extraordinary General Meeting, the BoD of the Bank at its session held on 14.12.2005, proceeded in an appeal against the relative contract. Afterwards, in accordance with its appeal of 28.4.2006, the Bank required the subject of the account for Insurance Cover of the employees of the Bank to the Unified Fund of Bank Employees Insurance (E.T.A.T.) as well as to Law 3371/2005, as it is applied following the amendment of the Law 3455/2006.

The Law 3554/2007,as taking into account the content of Article 9,published on April 2007, regulated in the particular way the requirements due concerning the insured and retired employees of Attica Bank. In compliance with the aforementioned Article, those insured until 31.12.1992, as well as those retired who are subject to the same category belonging to Capital Management of Additional Insurance and Complementary Pension Benefits (L.A.K.), are introduced as from 1.1.2007 to the Unified Fund of Bank Employees Insurance (E.T.A.T.) and the relevant decision of E.T.A.T. numbered 67 of the 61st session as at 08.05.2007 was publicized.

Concerning the introduction of Complementary Pension Benefits (L.A.K.) into E.T.A.T., there was made a reversal claim No. 4686/2006 by the Association of Attica Bank Employees as against the No. 22/23/17.05.2006 decision of E.T.A.T..

Furthermore, there were made reversal claims No. 4693/2007 by the Greek Association of Attica Bank Pensioners as against the decision of E.T.A.T. 61/08.05.2007 and 4635/2007 reversal claim by the Capital Management of Additional Insurance and Complementary Pension Benefits as against the decision of E.T.A.T. 61/08.05.2007. The aforementioned reversal claims were heard in the Supreme Court of the Council of State on 26.09.2008.

Furthermore, there are pending reversal claims made by the associations of employees of third party banks as against the P.D. 209/2006 making provisions for the E.T.A.T. operation. The Bank has exercised the claim in favor of the P.D. on E.T.A.T. The aforementioned claims were also heard in the Supreme Court of the Council of State on 26.09.2008.

For the aforementioned legal cases, the Supreme Court of the Council of State publicized the 2197-2202/2010 decision. According to the provisions of the decision, the introduction of Complementary Pension Funds (including L.A.K. I) in E.T.A.T has been finalized as legally sound and constitutional, provided that it is a temporary measure for the management of insurance and pension cases until the civil courts to decide upon the decomposition of Complementary Pension Funds and release the Banks from their relative obligations. Consequently, the decision of the Council of State is considered as temporary and the permanent decision will be heard by the civil courts.

In the civil courts to which the matter was essentially referred by the State Council regarding the above-mentioned decisions, a lawsuit against the Bank concerning the incorporation of LAK into ETAT was filled by the Bank of Attica Employees Association, the Insurance Coverage Account of Attica Bank Employees and other bodies and individuals. The lawsuit was overruled following No. 2970/2008 decision of the First Instance Court of Athens. An appeal (Num. 10508/2010) against the decision 2970/2008 has been made, after the decision heard by the Supreme Court of the Council of State, with identification number 2954/2010. This appeal was discussed at a hearing of 16.4.2013 and thereon the decision 6168/2013 of the Athens Court of Appeals was published by which the appeal is rejected entirely. This decision is immediately enforceable, but is subject to appeal to Supreme Court of the Council of State within the prescribed period.

In accordance with the aforementioned developments, the Bank had deposited to E.T.A.T., up to 31.12.2013, the amount of its seven first installments, an amount of €7,625,000 for each year. An additional deposit was made by the Bank to E.T.A.T., of the lump sum amount of €770 thousand that pertains to the return of insurance contributions of those insured in L.A.K. after 01.01.1993. In the first quarter of 2014 the

Bank deposited to E.T.A.T the eighth installment. The aforementioned amounts were determined by a special financial study carried out by the Ministry of Economy and Finance. The remaining two installments of €7,625,000.00 each and totaling €15,250,000.00, that were scheduled to be paid in years 2015 and 2016 respectively, were prepaid in June 2014 using a discount rate of 5.03% and the Bank deposited the total amount of €14,524,032.00 fully settling its obligation to E.T.A.T.. Following the above deposit, the Bank has no further obligation to E.T.A.T. regarding the introduction of its insured and pensioned employees in the program.

After the full and complete payoff of the Bank's liability to ETAT, the equity of Insurance Coverage Account (L.A.K.) with a balance of about € 35 million managed by Ethniki A.E.E.G.A., that now belongs to the Bank and is a Bank's asset, according to the Ministry of Finance financial study and the reproductions of Law 3554/2007. This equity has already been transferred to the Bank by virtue of the decision No. 8044/15 of the one-member Athens First Instance Court, issued on 28.09.2015, and designates the Bank as an associate until the trial of the main diagnostic trial. On the basis of the above, certainty is given about the final outcome of the trial.

33.2 Defined benefit plan (Lump-sum payment)

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Statement of Financial Position				
Present value of defined benefit obligation	14,509	14,209	14,509	14,209
(Fair value of plan assets)	(11,674)	(10,652)	(11,674)	(10,652)
Total Net Liability in the Statement of Financial Position	**2,835**	**3,557**	**2,835**	**3,557**

The change in the present value of the liability is analyzed as follows:

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Opening balance	**14,209**	**16,725**	**14,209**	**16,725**
Service cost	614	619	614	619
Interest expenses	193	227	193	227
Settlement cost	0	249	0	249
Actuarial (gains) / losses	(492)	(720)	(492)	(720)
Expenses	0	0	0	0
Benefits paid within the year	(15)	(2,891)	(15)	(2,891)
Closing Balance	**14,509**	**14,209**	**14,509**	**14,209**

The change in the present value of the liability is analyzed as follows:

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Opening balance	**10,652**	**12,694**	**10,652**	**12,694**
Expected return	145	173	145	173
Contributions	756	865	756	865
Actuarial (gains) / losses	137	(187)	137	(187)
Expenses	(1)	(1)	(1)	(1)
Benefits paid within the year	(15)	(2,891)	(15)	(2,891)
Closing Balance	**11,674**	**10,652**	**11,674**	**10,652**
Total Net Liability in the Settlement of Financial Position	**2,835**	**3,557**	**2,835**	**3,557**

The fair value of the plan's assets consists of cash by 98.4% and of shares of listed companies by 1.6%.

The amounts charged in the Statement of Comprehensive Income are as follows:

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Service cost	614	619	614	619
Interest expenses	194	229	194	229
Settlement cost	0	249	0	249
Expected return	(145)	(173)	(145)	(173)
Contributions paid	(756)	(865)	(756)	(865)
Amount charged in Income Statement	**(93)**	**59**	**(93)**	**59**
Actuarial gains / losses recognized through Other Comprehensive Income	(629)	(533)	(629)	(533)
Total amount charged in Statement of Comprehensive Income	**(722)**	**(474)**	**(722)**	**(474)**

It concerns a lump sum benefit plan, which is granted by the Account Insurance Cover. According to the resolution of the Extraordinary General Meeting held on 16th September 2005, the plan, which concerns lump sum benefit plans that are granted to the Bank's employees during the time of their retirement, continues to operate as a defined benefit plan according to that set in IAS 19 and is guaranteed by the Bank.

32.3 Retirement benefit according to employment regulation

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Statement of Financial Position				
Present value of unfunded benefit obligation	8,831	9,368	8,779	9,317
Total	**8,831**	**9,368**	**8,779**	**9,317**

The change in the present value of the liability is analyzed as follows:

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Opening balance	**9,368**	**10,237**	**9,317**	**10,196**
Service cost	(850)	697	(851)	696
Interest expenses	131	140	127	139
Settlement cost	65	9	55	9
Actuarial (gains) / losses	303	948	300	942
Benefits paid within the year	(185)	(2,664)	(170)	(2,664)
Closing balance	**8,831**	**9,368**	**8,779**	**9,317**

The amounts charged in the Statement of Comprehensive Income are as follows:

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Service cost	(850)	697	(851)	696
Interest expenses	131	140	127	139
Settlement cost	65	9	55	9
Total amount charged in Income Statement	**(654)**	**846**	**(669)**	**843**
Actuarial gains / losses recognized through Other Comprehensive Income	303	948	300	942
Total amount charged in Statement of Comprehensive Income	**(351)**	**1,794**	**(369)**	**1,786**

The above items concern the expected employee retirement benefits obligation, based on the Bank's Regulations, as well as the liability arising from L. 2112/1920. The results of the actuarial study do not include the part of the Bank's liability which relates to a specific class of senior executives for whom retirement benefits which has already been recognized as a provision in prior periods, will be paid by an insurance company in accordance with current employee regulations.

Benefits paid during the year concern retirement benefits as determined by the employment regulations and relate to employees who retired through the Voluntary Retirement Scheme undertaken within the restructuring process of the Bank.

The amount of the obligation for the above benefit plans was determined according to an actuarial study, which has been prepared by independent actuaries.

The principal assumptions used in the actuarial valuations are presented on the following table:

Description	31.12.2019	31.12.2018
Discount rate	1.2%	1.4%
Expected return on plan assets	1.5%	1.5%
Expected wage growth rate	0.0%	0.0%

On 01.03.2019, a new employment regulation act was signed between the Bank and the Association of Employees of Attica Bank, which changes the amount of compensation upon employees' retirement. The positive effect for the Bank was approximately 1 million euro.

Bank

(Amounts in thousand €)	31.12.2019		31.12.2018	
Description	Defined benefit plan (lump-sum payment)	Retirement benefits according to employment regulation	Defined benefit plan (lump-sum payment)	Retirement benefits according to employment regulation
Actuarial (gains) / losses of the liability due to financial judgment	282	177	0	0
Actuarial (gains) / losses of the liability due to demographic judgment	0	0	0	0
Actuarial (gains) / losses of the liability due to prior experience	(774)	123	(720)	942
Actuarial (gains) / losses of the assets	(137)	0	187	0
Amount charged in Other Comprehensive Income	**(629)**	**300**	**(533)**	**942**

Group

(Amounts in thousand €)	31.12.2019		31.12.2018	
Description	Defined benefit plan (lump-sum payment)	Retirement benefits according to employment regulation	Defined benefit plan (lump-sum payment)	Retirement benefits according to employment regulation
Actuarial (gains) / losses of the liability due to financial judgment	282	182	0	0
Actuarial (gains) / losses of the liability due to demographic judgment	0	0	0	0
Actuarial (gains) / losses of the liability due to prior experience	(774)	121	(720)	948
Actuarial (gains) / losses of the assets	(137)	0	187	0
Amount charged in Other Comprehensive Income	**(629)**	**303**	**(533)**	**948**

Sensitivity Analysis for the retirement benefits plan according to Employment Regulation

For the year ended 31 December 2019 the use of a discount rate 0.5% increase would result in about 6% decreased actuarial liability, while the exact opposite move, that is the use of a discount rate 0.5% decreased, would result in about 4% increased actuarial liability.

As regards the comparative year ended 31 December 2018 the use of a discount rate 0.5% increased would result in 5% decreased actuarial liability while the exact opposite move, that is the use of a discount rate of 0.5% decreased, would result in 6% increased actuarial liability.

Sensitivity Analysis for the defined benefit plan (lump-sum payment)

For the year ended 31 December 2019 an increase of 0.5% to the discount rate applied, would result in a reduction of the liability by about 5%, while in a reverse scenario that is a 0.5% decrease in the discount rate, the resulting increase for the liability would be 5%.

Regarding the comparative year ended 31 December 2018, an increase of 0.5% to the discount rate applied, would result in a reduction of the liability by 4%, while in a reverse scenario, that is 0.5% decrease in the discount rate, the resulting increase for the liability would be 4%.

34. Other Provisions

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Provisions for litigious claims	5,704	5,274	5,704	5,274
Provisions for credit risk coverage from off balance sheet items	9,344	16,301	9,344	16,301
Total Other Provisions	**15,048**	**21,575**	**15,048**	**21,575**

"Provisions for litigious claims" is described in Note 42.3.

As at 31.12.2019, “Provisions for credit risk coverage from off balance sheet items”, following the application of IFRS 9, amounted to € 9,344 thousand.

35. Other liabilities

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Taxes and duties payable	2,160	2,175	2,124	1,983
Creditors and suppliers	5,201	3,480	4,867	3,079
Liabilities to insurance institutions	2,159	2,077	2,148	2,064
Expenses payable	1,469	1,611	1,408	1,601
Commissions and interest payable	4,578	3,995	4,578	3,995
Liabilities due to collection on behalf of third parties	1,111	15	1,111	15
Lease liability	19,198	0	19,097	0
Other liabilities	716	5,521	653	5,499
Total Other Liabilities	**36,594**	**18,874**	**35,985**	**18,235**

Other liabilities are increased compared to 31.12.2018, due to the implementation of IFRS 16.

In the following table, the lease liability movement from 01.01.2019 to 31.12.2019 is presented:

(Amounts in thousand €)	31.12.2019	
Description	**Group**	**Bank**
Lease liability recognition due to IFRS 16 initial implementation	21,090	21,017
Lease adjustments	95	95
New lease agreements recognized during the perio	1,302	1,302
Leases termination during the period	(269)	(269)
Interest expnse for the period	1,193	1,183
Leases repayments	(4,213)	(4,232)
Lease liability ending balance	**19,198**	**19,097**

36. Equity

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Paid up (common shares)	138,376	138,376	138,376	138,376
Share Capital	**138,376**	**138,376**	**138,376**	**138,376**
Reserves	448,750	450,545	448,548	450,339
Retained Earnings	(93,045)	(98,024)	(98,087)	(98,439)
Total Equity	**494,081**	**490,897**	**488,837**	**490,276**

Share Capital

Following the decision of the Extraordinary General Assembly of the Bank on 22.12.2017 the following took place:

1. The increase of the nominal value of each registered share with a voting right from € 0.30 to € 4.2539999922534 per share and a reverse split with a ratio of 14.1799999741806 of existing shares for every new one thus decreasing the number of common shares from 2,339,353,394 to 164,975,557 new shares. Following this increase in the nominal value of each common share of the Bank, the common share capital will remain unchanged and it will be € 802,006,018.10 divided into 164.975.557 common registered shares with a nominal value of €4.2539999922534 per common share and 286,285,714 preference shares with a nominal value of €0.35 each.
2. The reduction of the share capital through the reduction of the nominal value of each common share with a voting right of the Bank (as formed after the reverse split) from 4.2539999922534 per share to € 0.30 per share up to the total amount of € 652,313,351.10 for the purpose of writing off, the accumulated losses amounted to € 419,253,000 resulting from the Annual Financial Statements for the year ended 2016 which were approved by the General Assembly of the Bank held on 08.07.2017 and the formation of a special reserve amounted to € 233,060.351.10 according to article 4 par.4a of C.L 2190/1920. Following the above reduction of share capital, the nominal value of the share is € 0.30 while the total number of shares has not changed.
3. The increase in the share capital of the Bank by the issuance of up to 659,902,228 new common registered shares under the Law 3604/2007 (as in force) up to the amount of one hundred and ninety seven million nine hundred and seventy thousand six hundred and sixty eight euros and forty cents (€ 197,970,668.40) in cash and in favor of the existing shareholders. Following the above increase, and if it is fully covered, the total share capital of the Bank will amount to € 247,463,335.50 divided into 824,877,785 ordinary shares of a nominal value of € 0.30 each.

Regarding the increase of the share capital of the 3rd paragraph by cash payment, the Board of Directors of the Bank at its meeting on 21 May 2018 declared that the share capital increase was covered partially by € 88,883,536.80, which represents the 44.9%. At the same time, it proceeded with the issuance of 296,278,456 new common registered shares with nominal value € 0.30 each and approved the distribution and disposal of the new shares.

On 21.05.2018 the Board of Directors certified the payment of the amount of the share capital increase following the partial coverage.

According to the above the total share capital of the Bank as at 30.06.2018 amounts to € 238,576,203.80 divided into:

a) 461,254,013 common registered shares with voting rights, with nominal value of € 0.30 each and

b) 286,285,714 preference shares with nominal value € 0.35 each, which are redeemable.

Following the above the Bank, pursuant to the provisions of Article 80 of Law 4484/2017, on 21 December 2018 the Bank issued a subordinated bond (TIER II) for the repayment of the Greek State's preference shares amounting to € 100,199,999.90 million. According to the terms of their issuance, the above Tier 2 capital instruments have a maturity of ten years (until 20 December 2028) and pay a fixed nominal interest rate of 6.41%. On 21 December 2018 the Bank's Share Capital was reduced by € 100,199,999.90 with the cancellation of 286,285,714 preference shares which had been issued under the provisions of Greek Law 3723/2008 and since that date onwards the Greek State does not hold any preference shares of the Bank. Following the redemption of the preference shares held by the Greek State, the Bank's Common Share

Capital amounted to € 138,376,203.90 divided into 461,254,013 common, registered shares with voting rights and a nominal value of € 0.30 each.

Based on decision No 7023/4910 of 27th August 2019, published in Government Gazette 3399 of 5th September 2019, which is a supplement to the decision No 61662/3406 30.12.2018 (G.G. B' 4413) of the Minister of Labor, with the subject of "Transfer of a portion of the assets of the former TSMEDE of ETAA to the private law legal entity TMEDE", it was decided the transfer of 63,758,540 shares of Attica Bank, which have been obtained by Single Body of Social Security (EFKA) through TSMEDE of ETAA, to TMEDE.

Treasury Shares

As at 31.12.2019, the Bank owned a total of 26 treasury shares of "Attica Bank S.A." at acquisition cost of € 97,332.30. These shares resulted from the reverse split of the 380 common registered shares held on 30.04.2018, which took place within the framework of the share capital increase. These shares represent a percentage of 0.0000056% the total common shares with voting right the same date. The other Group companies included in the consolidation did not hold any shares of the Bank as at 31.12.2019.

37. Reserves

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Statutory reserve	6,948	6,948	6,773	6,773
Taxable reserves	15,234	15,234	15,234	15,234
Intra-group dividend tax exemption special reserve	300	300	300	300
Share capital decrease 2015 special reserve	229,941	229,941	229,941	229,941
Special reserve for the reduction of the share capital of the year 2018	233,060	233,060	233,060	233,060
Reserve for revaluation of assets at fair value through the statement of comprehensive income	(24,699)	(22,675)	(24,699)	(22,675)
Treasury shares reserve	97	97	97	97
Reserve from actuarial gains / (losses) on defined benefit plans	(12,130)	(12,361)	(12,159)	(12,392)
Reserves	**448,750**	**450,545**	**448,548**	**450,339**

According to article 44 of the C. L. 2190/1920 as amended and in force by article 158 of the law 4548/2018 the Bank is required to deduct annually 5% of its net annual profits for the formation of a Statutory Reserve. The obligation to form a statutory reserve ceases when it reaches one third of the Bank's share capital according to the Bank's Article of Association (similar arrangement refers to Article 28of the Bank's Articles of Association).

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Opening balance for the year	**(22,675)**	**4,984**	**(22,675)**	**4,984**
Net gains / (losses) from changes in fair value	1,971	(26,741)	1,971	(26,741)
Amounts transferred to profit or loss	(3,995)	(918)	(3,995)	(918)
Closing balance for the year	**(24,699)**	**(22,675)**	**(24,699)**	**(22,675)**

38. Cash and cash equivalents

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Cash and balances with Central Bank	138,097	60,860	138,096	60,858
Due from other financial institutions	67,437	9,429	67,429	9,422
Cash and cash equivalents	**205,534**	**70,289**	**205,525**	**70,280**

39. Leases

The Group's obligations arising from contracts for leased property, either relate to buildings which are used by the Bank as branches or for administrative purposes, or leased buildings used by the other companies of the Group for administrative purposes.

IFRS 16 application

The Group applied the Standard using the modified retrospective approach, where the right of use assets are set equal to the lease liabilities, without restating the comparative information.

The Group by using the practical expedient, did not reassess on transition date whether a contract is, or contains, a lease and applied the standard to contracts that were previously identified as leases under IAS 17.

Additionally, the Group made use of the following practical expedients on the transition:

- applied a single discount rate to all leases
- excluded initial direct costs from the measurement of the right-of-use asset
- used hindsight to determine the lease term if the contract contains options to extend or terminate the lease.

In order to discount the liabilities of existing operating leases, the Bank and the Group used the relevant incremental borrowing rate which was 6.41%. As a result of the implementation of IFRS 16 the Bank and the Group on 01.01.2019 recognized Right of Use Assets and Lease Liability of approximately 21.09 million euro. The impact on equity is zero and on capital adequacy ratio about 9 basis points.

The reconciliation of the operating lease commitments, as published in the Annual Financial Statements of 31.12.2018 in accordance with IAS 17, with the recognized lease liabilities in accordance with IFRS 16 on transition date (01.01.2019) is presented on the following table:

(Amounts in € thousand)	**Group**
Description	
Non-cancellable operating lease rental payments under IAS 17	**19,836**
Plus: Re-estimation of lease term	6,272
Adjusted total operating lease rental payments as at 1st January 2019	**26,108**
Less: Discounting effect of lease liabilities using incremental borrowing rate as at 1st January 2019	(5,018)
Total Lease Liabilities as at 1st January 2019 under IFRS 16	**21,090**

The re-estimation of lease term included mainly:

- Lease contracts that expire in 2019 but the Group expects to renew and has readjusted their terms
- Lease contracts with indefinite term for which the Group has determined their lease term

There was no impact from adoption of IFRS 16 for the leases in which the Group is the lessor.

Right of Use asset and Lease Liability are included in Property and Equipment and Other Liabilities respectively.

Specifically, for the year ended 31.12.2019, the Group has recognized a Right of Use asset, Lease Liabilities, depreciation and interest expense of 22.079 thousand euro, 19,198 thousand euro, 4,986 thousand euro and 1.193 thousand euro respectively.

The impact in profit and loss for the Bank and the Group pre and post IFRS 16 implementation is presented in the following table:

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Interest expense from operating leases	1,193	0	1,183	0
Depreciation of right of use asset	4,986	0	4,968	0
Rentals	0	5,063	0	5,000

The average residual lease duration per leased asset category in years is presented in the following table:

Description	31.12.2019
Average lease maturity duration per category of leased asset (in years):	
Building	8
Cars	2
Machinery	11

40. Related party Transactions

(Amounts in thousand €)	Group		Bank	
Transactions with related companies	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Receivables	5,196	6,000	10,976	15,999
Liabilities	226,219	203,181	232,389	209,657
Off Balance Sheet Items	0	0	58	59
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Income	73	118	219	329
Expenses	3,440	2,357	4,258	2,759
Transactions with Members of the Management	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Receivables (Loans)	342	612	342	612
Liabilities (Deposits)	1,583	723	1,582	723
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Interest income	10	23	10	23
Interest expenses	6	5	6	6
Salaries and wages	1,844	1,924	1,711	1,854
Directors' fees	678	708	562	563
Total fees of Members of Management	**2,521**	**2,632**	**2,273**	**2,416**

Transactions with related companies include subsidiaries and associates of the Group, as presented in note 22 and 23, as well as the Bank's main shareholder, Single Social Security Body (E.F.K.A.).

Transactions with Members of the Group's Management concern the Members of the Board, the Deputy Managing Directors and the members of the Executive Committee, as well as the members of the Assets & Liabilities Management Committee. All loans to members of management a) were granted in the course of usual business operations b) carried the same terms, including interest rates and collateral, as similar loans granted to third parties in the same period, and c) do not involve a higher than normal degree of credit risk or other unfavorable features.

It is noted that transactions with members of the Board of Directors also include the remaining transactions of the members of the Management Board until the period of their tenure.

41. Companies of the Group

The following table present the companies of the Group, included in the consolidated financial statements under full consolidation method for the closing period, as well as for the comparative year ended 31.12.2018.

31.12.2019

Company	Country of incorporation	% Participation
1. Attica Wealth Management M.F.M.C.	Greece	100.00%
2. Attica Bancassurance Agency S.A.	Greece	100.00%
3. AtticaBank Properties S.A.	Greece	100.00%

31.12.2018

Company	Country of incorporation	% Participation
1. Attica Wealth Management M.F.M.C.	Greece	100.00%
2. Attica Bancassurance Agency S.A.	Greece	100.00%
3. AtticaBank Properties S.A.	Greece	100.00%

42. Contingent Liabilities and Commitments

42.1 Off balance sheet liabilities and pledged assets

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Contingent Liabilities				
Letters of Guarantee	269,137	307,008	269,137	307,008
Letters of Credit	674	1,591	674	1,591
Contingent liabilities from forward contracts	4,647	46,342	4,647	46,342
Total Contingent Liabilities	**274,457**	**354,941**	**274,457**	**354,941**
Undrawn Credit Limits				
- Up to 1 year maturity	137,732	128,009	137,732	128,009
- Over 1 year maturity	28,043	37,333	28,043	37,333
Total Undrawn Credit Limits	**165,775**	**165,342**	**165,775**	**165,342**
Pledged Assets				
Emergency Liquidity Assistance (E.L.A.)				
Securities of Loans and Receivables	59,631	72,850	59,631	72,850
Bond from reverse repo	0	7,900	0	7,900
Total commitments to E.C.B.	**59,631**	**80,750**	**59,631**	**80,750**
Emergency Liquidity Assistance (E.L.A.)				
- Other Loans	0	1,123,714	0	1,123,714
Total commitments to E.L.A.	**0**	**1,123,714**	**0**	**1,123,714**
Total of Pledged Assets	**59,631**	**1,204,463**	**59,631**	**1,204,463**
Total off-balance sheet liabilities and pledged assets	**499,863**	**1,724,746**	**499,863**	**1,724,746**

The following table analyzes the nominal and adjusted value of the pledged collaterals eligible for liquidity raise by the Group as at 31.12.2019:

Description	E.C.B	E.L.A.	Total
Nominal Value of pledged Collaterals	59,631	0	59,631
Adjusted Value of pledged Collaterals	51,311	0	51,311
Liquidity	**0**	**0**	**0**

42.2 Tax liabilities

Pursuant to the provisions of Article 65 A of Law 4174/2013 from 2011 the statutory auditors and audit firms that carry out statutory audits in public companies are required to issue an annual tax certificate on the application of tax provisions to tax items. This certificate shall be submitted both to the audited company by submitting the income tax return and at the latest within the first 10 days of the tenth month of the end of the audited year, and electronically to the Ministry of Finance not later than the end of the tenth month of the expiry of the audited period. Pursuant to article 56 of Law 4410/ 03.08.2016 for the fiscal years starting as of 01.01.2016, the issuance of a tax certificate becomes optional However, the intention of the Bank is to continue to obtain the tax certificate.

The years 2011, 2012 and 2013 are considered barred according to the provisions of Circular POL.1208 / 20.12.2017 of the Independent Public Revenue Authority. For fiscal years 2014 up to 2018 the Bank has obtained the relevant tax certificate without any qualifications on the tax issues covered. As far as the fiscal year of 2019 the tax audit is still ongoing.

As at 31.12.2019, the Group has recorded provisions for tax purposes of a total amount of 0.46 million euros for the annual commission to the Greek State for the amount of the guaranteed deferred tax asset resulting from the difference in the current tax rate (29% today) and the tax rate in force until 31.12.2014 (26%) for 2019.

With respect to the other companies of the Group, the unaudited period for tax purposes is 2010 which has become final in accordance with the limitation provisions. The unaudited tax periods for Attica Bank Properties SA are the years 2014 and 2016, which in those years did not meet the turnover requirements of the law, in order to receive a tax compliance report from the statutory auditors.

42.3 Legal cases

All litigation claims against the Group are recorded and examined for the probability of success, as well as the possible outcome. For cases where a negative outcome is probable and can be reliably estimated the Group records a provision which is included in the Group and Bank’s Statement of Financial Position under “Provisions for litigious cases” in line “Other Provisions”. For the year ended 31.12.2019, based on the Legal Department’s assessment, the estimated amount for the Group’s present obligations arising from cases under litigation is €5,704 thousand (31.12.2018: €5,274thousand), which concerns only the Bank and a provision of equal amount has been recorded in its books.

43. Risk Management

The Group is exposed to a variety of risks, the most important of which are credit risk, market risk which refers to risks arising from fluctuations in foreign exchange rates, interest rates and market prices, operational risk and liquidity risk. Risk management is an integral part of the business strategy development process, including the business planning process and risk taking policy, as it determines the admissible risk caps for each type of risk.

The Group Risk Management operates according to the provisions of PDTE 2577/06 and modifications at each time, in the context of monitoring and evaluating the Assets and Liabilities and off balance sheet total risks and the participation of its Head, Chief Risk Officer, to senior committees and boards is institutionalized.

CRO is designated by the BoD, following the proposal of the Risk Management Committee, and its placement along with possible replacement are disclosed to Bank of Greece.

The chart of authorities structures under the CRO are the following:

- Credit Risk Evaluation Division
- Credit Policy and Group Credit Risk Monitoring Division
- Group Business, Operational and Market Risk Division
- Validation and Back Testing Department

Recognition, analysis and development of effective measuring, managing and controlling systems of every form of risk existing in every task undertaken by the Bank and the Group, on consolidated level, is the object of the Unit and the Risk Management Division as a result.

The review of the risk undertaking context is performed annually and ad hoc whenever special conditions require that in relation with internal facts, broader economic environment or supervisory framework based on best practices and in any case based on the legal and regulatory framework in place. The aforementioned review is performed in cooperation between Group Risk Management and the units that undertake the various risk, the Risk Committee, the Executive Committee and the Board of Directors.

The Risk Management Committee and the Board of Directors are responsible for the approval and the periodic review of the risk profile that the Group undertakes.

Group Risk Management is responsible for the risk monitoring that the Group undertakes and helps Risk Committee and Board of Directors regarding the following targets:

- Group compliance with legislative and regulatory framework concerning risk management
- Risk undertaking strategy forming and capital management that corresponds to the business targets of the Group and the adequacy of capital resources to technical means and staff
- Monitoring of the adequacy, independence and effectiveness of the Group Risk Management Division
- Assuring that the risk undertaking appetite has been disclosed to all the range of the operational units of the Group and is the base for determining risk limits.

In the context of the effort for a more effective management of the risks to which the Group is exposed and also to avoid a departure from the risk limits as defined by the Risk Assurance Framework, the Group has designed an Early Warning System to address such purpose.

The Early Warning System is divided into three separate sections:

- Bank Level Monitoring;
- Customer Level Monitoring;
- Implementation of procedures for appropriate containment and restoration measures by competent bodies.

Credit Risk

Credit risk is defined to be the risk for the Bank to suffer losses due to default of the contractual obligations of its customers or counterparties. This particular risk is created mainly by debtors, guarantees and cash management.

Credit risk is the most significant source of risk for the Bank and its systemic monitoring along with its effective management is considered primary target for the Group and the Bank.

The Bank, in the context of the improvement of the quality of its loan portfolio, does not seek new loans to customers of low credit quality (lower than E). Furthermore, the Bank conducts sectorial analyses regarding the credit risk rate, in order to identify high risk sectors.

Credit limits are determined based on the criteria the rational capital dispersion of the Bank and the avoidance of high concentration or percentages in various sectors of the economy, in geographical locations or to related parties.

The Bank rates the concentration risk that could rise from exposures to specific clients or customer groups and/or exposures to counterparty groups whose probability of default is affected by common factors like macroeconomic environment, geographical location, operating sector and guarantees.

Great emphasis is given to portfolio quality assessment in the segments of corporate loans as well as consumer and mortgage loans. Through the use of developed systems of credit risk measurement and assessment of the borrowers based on qualitative and quantitative criteria, the credit risks involved are evaluated and met in a timely and efficient way.

At the end of year 2019, the Group's Business Credit Regulation was updated and reconfigured the Group’s Retail Credit Regulation, since the Group performed update and systems reconfiguration and score cards for individuals (credit cards, mortgage and consumer loans) through incorporating internal behavioral client data. The above mentioned credit assessment models (score cards) have already been incorporated to the production environment, while Corporate Credit is about to incorporate those imminently.

As far as corporate loans are concerned, concerning enterprises with C Class accounting books, external credit evaluations of the ICAP Group S.A. which was recognized by the Bank of Greece following the decision 262/8/26.6.2008, are taken into account. Through this system, debtors are ranked based on their credit rating into one of eleven credit rating classes (AA/A/BB/B/C/D/E/F/G/H/NR/NC/NT), by giving them a Probability of Default, thus assisting in determining the appropriate pricing in view of the level of risk undertaken.

Moreover, the Bank proceeded to the development of both a Credit Assessment Model (score card) for small and very small entities (B level accounting records) and an Internal Rating for entities keeping B and C level accounting records, to which Behavioral Quality Assessment jointly is incorporated.

The approval responsibility for the loan portfolio of the Bank is executed by the Approval Levels based on the loan balance and the undertaken uncovered risk. The Retail Credit Lending Subdivision and the Large & SME Subdivision submit relative opinion for each loan in the specific Approval Levels. For loans above 15 million euros the decisions are transferred to the Large Exposures Committee for comments/remarks. For special purposes – with restrictive mention to the Credit Lending Regulation – Group's Credit Risk Assessment Division has been given approval rights.

The Bank uses various methods to contain the exposure to credit risk like collaterals and guarantees. Through tangible collaterals the Bank has a right on the debtor's asset (tangible or intangible asset) with the purpose the privileged satisfaction from the sale outcome of the asset. Tangible collaterals are distinguished to mortgages and charges on properties, along with guarantees on securities or other receivables. Guarantees concern contractual agreements through which an individual or an entity takes over the responsibility to pay the debts of another individual.

The main types of guarantees that the Group accepts under the credit policy can be further analyzed in the following categories:

- Mortgages and charges on urban or rural properties in a percentage based on the assurance margin defined by the Bank
- Cash, cheques, receivables, inventory, credit card receivables pledge
- Greek government, bank, ETEAN and high credit quality entities guarantees

Impairment risk

The Group carries out regular impairment tests of its portfolios, whether loans or not, on a quarterly basis for each financial statement date, but also extraordinarily for stress testing purposes.

The Group has performed all the necessary actions for the full compliance to the demands of IFRS 9 guidance, where the Bank is obliged to estimate and identify expected credit losses for all the lifecycle of the financial assets, regardless or not of the existence of a credit event.

The Group performs the calculation of ECL at each reporting date, in order to assess the changes in the financial instrument's credit risk since its initial recognition. To this regard, the calculation incorporates current, historical and forward-looking information related to the Group's financial instruments.
For relevant information, please refer to Note 2.34

Concentration Risk

The Bank estimates the concentration risk that can arise from exposures to particular customers or groups of customers and/or exposures to groups of counterparties whose probability of default is affected by common factors such as: macroeconomic environment, geographical position, operating market segment, currency, use of risk mitigating techniques.

The Group recognizes the concentration risk that arises from:

- Large exposures to a counterparty or a group of connected clients
- Concentration to an economic activity sector connected to the emergence of increased probability of default of counterparties operating to this sector or complementary(ies) sector(s)

According to the new organizational structure, the monitoring and management of the concentration risk is performed in the context of the credit risk. Furthermore, quantitative monitoring ratios have been set in the context of risk undertaking framework, its calculation method and internal acceptable limits.

Market risk

Market risk is defined to be the probability of loss from the management of Assets and Liabilities instruments, along with the management of various transactions portfolios due to opposite prices movements of the assets included in those portfolios.

The Bank is exposed to market risk arising from the variation of the fair value of financial instruments due to unfavorable movements in the market, such as changes in interest rates, changes in stock prices and changes in exchange rates.

The Bank's intention is:

- The low exposure to market risk and the implementation of internal management and control procedures in the context of the policy and the limits management set by the Assets and Liabilities Committee
- The development of an investment strategy compatible with the Bank's risk profile, which will move inside the approved from the Risk Undertaking Framework limits.
- The assurance of the Bank's interests through the effective management of the rate of exposure from its loan book. More specifically this target should be in place to manage the aftershock of a possible interest rate rise to pre - crisis levels.

Additionally, through the Risk Undertaking Framework quantitative monitoring ratios have been established for this particular risk along with their calculation method and the internal acceptable limits.

In the context of the operating and systemic updates of the Risk Management Division, the Bank has developed relevant policies and procedures, has programmed the implementation of up to date methods for calculating market risk of investing portfolios (Value at Risk, Scenario Analysis and Stress Test) to fully comply with the European supervisory demands and the market's best practices.

Finally, the Bank has developed procedures and tools to monitor the trade limits of the Treasury Division regarding the control of market risk, in a total position level and P&L in the various product categories (Money Market – FX – Bonds etc.), as these are set and approved by the Assets and Liability Committee (ALCO).

Liquidity risk

The Group monitors the liquidity risk by using quantitative indicators and sets specific risk limits according to the current Risk Appetite Framework.

The monitoring of liquidity risk is carried out by the Group and is focused on the cash flows management. More specifically in the context of examining the qualitative data, the following are evaluated in Bank and Group Level:

- Variation of deposits with an emphasis on large depositors
- The relation between deposits to total assets – liabilities and loans
- The calculation and monitoring of the cost for covering open positions
- The diversification of funding sources
- The evolution of the basic liquidity risk ratios
- The percentage of the available portfolio to be pledged to ECB
- The percentage of the securitized loans per portfolio

In the context of the Internal Liquidity Adequacy Assessment Process (ILAAP), the Group evaluates the management procedure for the liquidity risk including the liquidity ratios calculation, stress test, the description of the relative with the liquidity management governance, the Contingency Funding Plan and the general funding strategy of the Business Plan.

In 2019, the revised and updated policies regarding liquidity management, liquidity risk management, contingency funding plan, recovery plan and ILAAP have been approved.

Taking into consideration the above and in line with the provisions of the Risk Assurance Framework and the decisions of the ALCO and the Risk Management Committee, the optimal level of liquidity is formulated for the Group's operation and its maintenance at tolerable risk levels.

Capital Adequacy

The Capital Adequacy Ratio is defined as the ratio of regulatory equity capital to assets and off-balance sheet items, weighted by the risk they incorporate. As TIER I ratio is defined the ratio of Tier I capital to the risk weighted assets (on and off balance sheet), while with a similar way Common Equity Tier I ratio is calculated.

The main objective for the Group is to maintain its capital receivables to levels complying with the regulatory framework as this is established by the country's regulatory authorities, so that the Group is able to continue the course of its normal operations and to maintain its capital base to a level which would not prevent the realization of its business plan.

The Group Risk Management Division monitors capital adequacy in regular intervals and reviews its quarterly submitted calculations to Bank of Greece.

Apart from meeting minimum capital requirements, the Group, in accordance with Law 4261/2014, has reliable, effective and complete strategies and procedures for assessing and continuously maintaining the size, structure and allocation of its capital base to a level which is considered adequate relative to the nature and level of risks undertaken (internal capital). In particular, regarding credit risk within the ICAAP, the Group applies the Internal Ratings-Based Approach for the calculation of the expected and unexpected losses in the portfolio and of the regulatory capital required to cover the above losses.

Within the framework of the Internal Capital Adequacy Assessment Process (ICAAP) the following items are examined in both quantitative and qualitative scopes:

1. Level, structure and stability of regulatory capital;
2. Profitability and its sustainability;
3. Credit risk component of concentration risk;
4. Market risk;
5. Interest rate risk;.
6. Liquidity risk;
7. Securitization risk;
8. Operational risk;
9. Leverage risk;
10. Compliance risk;
11. Level and allocation of internal capital.

The assessment of how the above items have developed over time and the consideration of executives' qualitative perspectives on them, leads into determining further capital requirements against the following:

- Underestimation of Credit Risk using the standardized approach;
- Underestimation of Market Risk;
- Underestimation of Operational Risk using the Basic Indicator approach;
- Other risks such as interest rate risk, concentration risk, liquidity risk, profitability risk, capital risk and reputation risk.

Internal capital is calculated as the sum of the individual assessments on coverage of all forms of risk.

43.1 Liquidity risk

Liquidity risk is the risk that the Group is unable to fully meet payment obligations and potential payment obligations as and when they fall due because of lack of liquidity.

Bank's purpose regarding the management of liquidity risk is securing the necessary liquidity for satisfying its liabilities in both normal and extreme situations, without additional cost.

Bank's intent is:

- To intensify the efforts to preserve Bank's liquidity and fulfilment of its supervisory requirements for the LCR and NSFR ratios.
- The development of a funding plan which aims to preserve liquidity reserves that limit adequately the liquidity risk
- The differentiation of funding sources and the active management of cash
- The enhancement and extension of funding sources through concentrating customer deposits, issuing securities and accessing to interbank markets for secured funding.

Finally, for the effective management of liquidity, the Bank performs twice per year at least stress test scenarios.

The Group monitors liquidity risk with the use of quantitative ratios and sets specific risk undertaking limits based on the Risk Undertaking Framework.

The monitoring of the Group's liquidity risk focuses on the cash inflow and outflow management. More specifically in the framework of examining qualitative data the following are evaluated in Bank and Group level:

- Monitoring the deposits variability with great emphasis on large depositors
- The deposits to assets – liabilities and loans ratio
- The calculation and monitoring of the cost for covering open positions
- The dispersion of funding sources
- The evolution of the basic ratios for calculating liquidity risk
- The percentage of the available portfolio to be pledged to ECB
- The percentage of the securitized loans per portfolio

For the better monitoring of liquidity, daily automated reports are produced and sent to the Units in charge for the monitoring of variances to the basic liquidity sources and the possibility of timely taking appropriate measures.

The supervisory authorities have set liquidity evaluation ratios, in order to control the net liquidity gap. More specifically, based on regulation 575/2013 the above mentioned liability is quantified through Liquidity Coverage Ratio which is defined as the quotient of available cash to net cash outflows of the Bank. Furthermore, the Bank should secure that the long term liabilities should be covered by an appropriate way with broad measures of stable funding, both in normal and extreme conditions. The above mentioned liability is quantified through Net Stable Funding Ratio which is the quotient of the instruments providing stable funding to the instruments which require stable funding and the Bank is forced to monitor these new ratios with the minimum supervisory limits to be 100% for both of them.

The Treasury Division is in charge for the coordination of the access to capital markets in order for the Group to respond to the liquidity needs arising at each time. All the information regarding Group's capital inflows and outflows is directed to the responsible units of each Division, with an aim to manage more effectively the liquidity arising from the units and their operations. Furthermore, it defines the specific level of liquidity reserve under the form of non – pledged directly liquefied assets (liquidity buffer) which can be sold taking into consideration the realizable value under crisis conditions.

The Bank developed and submits to Bank of Greece, in the context of applying PDTE 2614/07.04.2009 regarding liquidity risk, the Contingency Funding Plan taking into consideration the impact on the funding cost of a liquidity reduction on a market total or to a Group's downgrading.

The Group evaluates the process for managing liquidity risk, in the context of ILAAP, including the calculation of liquidity ratios, stress test, the description of the liquidity management governance, contingency funding plan and the general funding strategy for the business plan.

In 2019, the revised and updated policies regarding liquidity management, liquidity risk management, contingency funding plan, recovery plan and ILAAP have been approved.

In the first quarter of 2019 ELA use has been zeroed.

A liquidity gap analysis follows which arise from the Assets and Liabilities per period. In terms of liabilities or assets without a contractual maturity date, those are listed in the time band of up to one month. For the liquidity raise of additional funding the Bank pledges financial instruments as a collateral to Bank of Greece (Note 41.1 of Financial Statements).

Liquidity Risk

(Amounts in thousand €)

	Group 31.12.2019					
Description	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**More than 5 years**	**Total**
Cash and balances with Central Bank	138,097					**138,097**
Due from other financial institutions	67,437					**67,437**
Derivative financial instruments - assets					114	**114**
Financial assets at fair value through profit or loss	4,043			513	7,452	**12,008**
Loans and advances to customers (net of impairment)	165,409	59,205	52,353	251,941	1,018,585	**1,547,494**
Financial assets measured at fair value through other comprehensive income (FVOCI)	2,451		489	26,962	560,144	**590,046**
Investment securities measured at amortised cost			9,896	343,250		**353,146**
Investments in associates					4,469	**4,469**
Property, plant and equipment					48,468	**48,468**
Investment property				58,340		**58,340**
Intangible assets					52,893	**52,893**
Deferred tax assets			(1,199)	184,539	266,394	**449,734**
Other assets	37,492	5,900	20,156	35,537	106,405	**205,490**
Total Assets	**414,929**	**65,106**	**81,694**	**901,082**	**2,064,925**	3,527,734
Due to other financial institutions	262,456					**262,456**
Due to customers	1,519,351	570,849	517,957			**2,608,157**
Derivative financial instruments - liabilities		2				**2**
Issued bonds					99,729	**99,729**
Defined benefit obligations				4,646	7,021	**11,667**
Other provisions				15,048		**15,048**
Other liabilities	9,982	6,348	3,680	9,942	6,642	**36,594**
Total Liabilities	**1,791,789**	**577,199**	**521,637**	**29,635**	**113,392**	3,033,653
Liquidity Gap	**(1,376,861)**	**(512,093)**	**(439,943)**	**871,446**	**1,951,533**	494,081

Liquidity Risk

(Amounts in thousand €)

	Group 31.12.2018					
Description	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**More than 5 years**	**Total**
Cash and balances with Central Bank	60,860					**60,860**
Due from other financial institutions	9,429					**9,429**
Derivative financial instruments - assets					87	**87**
Financial assets at fair value through profit or loss			236	895	1,818	**2,950**
Loans and advances to customers (net of impairment)	106,959	80,499	86,600	225,272	1,092,816	**1,592,144**
Financial assets measured at fair value through other comprehensive income (FVOCI)		85	1,015	25,391	882,797	**909,288**
Investment securities measured at amortised cost				9,879		**9,879**
Investments in associates					3,427	**3,427**
Property, plant and equipment					31,646	**31,646**
Investment property				57,862		**57,862**
Intangible assets					50,413	**50,413**
Deferred tax assets			(1,093)	139,202	282,248	**420,357**
Other assets	49,675	5,988	21,210	28,214	97,074	**202,162**
Total Assets	**226,923**	**86,572**	**107,968**	**486,716**	**2,442,327**	**3,350,505**
Due to other financial institutions	248,902	175,747				**424,649**
Due to customers	1,426,583	364,312	452,105	38,876		**2,281,875**
Derivative financial instruments - liabilities		34				**34**
Issued bonds					99,676	**99,676**
Defined benefit obligations				5,150	7,775	**12,925**
Other provisions				21,575		**21,575**
Other liabilities	13,101	4,757	961	16	40	**18,874**
Total Liabilities	**1,688,586**	**544,850**	**453,066**	**65,616**	**107,491**	**2,859,609**
Liquidity Gap	**(1,461,662)**	**(458,279)**	**(345,098)**	**421,100**	**2,334,836**	**490,897**

Liquidity Risk

(Amounts in thousand €)

	Bank					
	31.12.2019					
Description	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**More than 5 years**	**Total**
Cash and balances with Central Bank	138,096					**138,096**
Due from other financial institutions	67,429					**67,429**
Derivative financial instruments - assets					114	**114**
Financial assets at fair value through profit or loss	4,043			513	7,452	**12,008**
Loans and advances to customers (net of impairment)	165,409	59,205	52,353	251,941	1,018,585	**1,547,494**
Financial assets measured at fair value through other comprehensive income (FVOCI)	2,451		489	26,962	560,144	**590,046**
Investment securities measured at amortised cost			9,896	343,250		**353,146**
Investments in subsidiaries					600	**600**
Investments in associates					4,343	**4,343**
Property, plant and equipment					48,297	**48,297**
Investment property				58,340		**58,340**
Intangible assets					52,877	**52,877**
Deferred tax assets			(1,199)	184,451	266,394	**449,646**
Assets held for sale	502					**502**
Other assets	37,066	5,734	20,156	35,537	106,405	**204,898**
Total Assets	**414,997**	**64,940**	**81,694**	**900,994**	**2,065,212**	3,527,836
Due to other financial institutions	262,456					**262,456**
Due to customers	1,525,359	570,849	517,957			**2,614,165**
Derivative financial instruments - liabilities		2				**2**
Issued bonds					99,729	**99,729**
Defined benefit obligations				4,646	6,968	**11,614**
Other provisions				15,048		**15,048**
Other liabilities	9,954	5,803	3,680	9,907	6,642	**35,985**
Total Liabilities	**1,797,769**	**576,654**	**521,637**	**29,600**	**113,339**	3,038,999
Liquidity Gap	**(1,382,772)**	**(511,714)**	**(439,943)**	**871,394**	**1,951,873**	488,837

Liquidity Risk
(Amounts in thousand €)

	Bank 31.12.2018					
Description	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**More than 5 years**	**Total**
Cash and balances with Central Bank	60,858					**60,858**
Due from other financial institutions	9,422					**9,422**
Derivative financial instruments - assets					87	**87**
Financial assets at fair value through profit or loss			236	895	1,818	**2,950**
Loans and advances to customers (net of impairment)	106,959	80,499	86,600	225,272	1,092,816	**1,592,144**
Financial assets measured at fair value through other comprehensive income (FVOCI)		85	1,015	25,391	882,797	**909,288**
Investment securities measured at amortised cost				9,879		**9,879**
Investments in subsidiaries					1,102	**1,102**
Investments in associates					7,702	**7,702**
Property, plant and equipment					31,581	**31,581**
Investment property				57,862		**57,862**
Intangible assets					50,390	**50,390**
Deferred tax assets			(1,093)	139,201	282,248	**420,355**
Other assets	49,569	5,982	21,210	28,214	97,074	**202,050**
Total Assets	**226,807**	**86,566**	**107,968**	**486,714**	**2,447,616**	**3,355,671**
Due to other financial institutions	248,902	175,747				**424,649**
Due to customers	1,433,058	364,312	452,105	38,876		**2,288,350**
Derivative financial instruments - liabilities		34				**34**
Issued bonds					99,676	**99,676**
Defined benefit obligations				5,150	7,725	**12,874**
Other provisions				21,575		**21,575**
Other liabilities	13,015	4,205	961	16	40	**18,235**
Total Liabilities	**1,694,975**	**544,298**	**453,066**	**65,616**	**107,441**	**2,865,395**
Liquidity Gap	**(1,468,167)**	**(457,732)**	**(345,098)**	**421,098**	**2,340,175**	**490,276**

43.2 Market risk

43.2.1 SHARE PRICE RISK

The risk concerning stocks and other securities in Group's possessions, arises from potential adverse changes in current prices of stocks and other securities. As a rule, the Group invests in Stock Exchange securities which are classified according to investment purposes into the corresponding portfolio (trading or investing).

The Group estimates the risk by calculating the adverse effects on annual financial results by any change in equity prices. The parameters used in the sensitivity analysis are similar to those used in the reporting to the Regulatory Bodies.

According to the relevant calculations of the Group on the account balances as at 31.12.2019, it was estimated that a decrease in equity prices per 30% implies a loss of €1,322 thousand for both the Group and the Bank.

Correspondingly, concerning the comparative year 2018, in the event of a share price decrease by 30%, the Group would have suffered losses amounting to €55 thousand for both the Group and the Bank.

There are no changes in the management, the exposure and the methodology of the risk for the current period compared to the comparative period of 2018.

43.2.2 FOREIGN EXCHANGE RISK

As "foreign exchange risk" is defined the investment risk that arises from the exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group/ Bank has set limits on the level of exposure on each currency, which are monitored daily. The Group often hedges the largest part of this risk, by maintaining corresponding liabilities in the same currency. In the tables below is shown, categorized by currency, the level of exposure of the Group to foreign exchange risk.

Foreign Exchange Risk
(Amounts in thousand €)

	Group 31.12.2019					
Description	**EUR**	**USD**	**GBP**	**JPY**	**OTHER**	**Total**
Cash and balances with Central Bank	137,768	220	60	4	45	**138,097**
Due from other financial institutions	14,116	43,249	2,724	7	7,341	**67,437**
Derivative financial instruments - assets	114					**114**
Financial assets at fair value through profit or loss	12,008					**12,008**
Loans and advances to customers	1,546,962	401			130	**1,547,494**
Financial assets measured at fair value through other comprehensive income (FVOCI)	590,039		7			**590,046**
Investments securities measured at amortised cost	353,146					**353,146**
Investments in associates	4,488		(19)			**4,469**
Property, plant and equipment	48,468					**48,468**
Investmemt property	58,340					**58,340**
Intangible assets	52,893					**52,893**
Deferred tax assets	449,734					**449,734**
Other assets	204,006	1,477	6	2	(0)	**205,490**
Total Assets	**3,472,081**	**45,347**	**2,778**	**12**	**7,516**	3,527,734
Due to other financial institutions	262,456					**262,456**
Due to customers	2,551,774	46,171	2,770	3	7,439	**2,608,157**
Derivative financial instruments - liabilities	1,150	(1,248)			100	**2**
Issued bonds	99,729					**99,729**
Defined benefit obligations	11,667					**11,667**
Other provisions	15,048					**15,048**
Other liabilities	35,954	489	77	4	71	**36,594**
Total Liabilities	**2,977,778**	**45,412**	**2,847**	**6**	**7,610**	3,033,653
Net Exchange Position	**494,303**	**(65)**	**(69)**	**6**	**(94)**	494,081

The Group estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31.12.2019 a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result in a loss of €1 thousand for the Group.

Foreign Exchange Risk
(Amounts in thousand €)

Description			Group 31.12.2018			
Description	**EUR**	**USD**	**GBP**	**JPY**	**OTHER**	**Total**
Cash and balances with Central Bank	60,438	241	36	0	145	**60,860**
Due from other financial institutions	8,184	263	117	34	831	**9,429**
Derivative financial instruments - assets	87					**87**
Financial assets at fair value through profit or loss	2,950					**2,950**
Loans and advances to customers (net of impairment)	1,591,623	394			127	**1,592,144**
Financial assets measured at fair value through other comprehensive income (FVOCI)	909,282		6			**909,288**
Investments securities measured at amortised cost	9,879					**9,879**
Investments in associates	3,427					**3,427**
Property, plant and equipment	31,646					**31,646**
Investmemt property	57,862					**57,862**
Intangible assets	50,413					**50,413**
Deferred tax assets	420,357					**420,357**
Other assets	200,686	1,469	6	1	(0)	**202,162**
Total Assets	**3,346,835**	**2,367**	**165**	**36**	**1,103**	**3,350,505**
Due to other financial institutions	424,649					**424,649**
Due to customers	2,237,670	36,103	2,307	1	5,795	**2,281,875**
Derivative financial instruments - liabilities	41,250	(34,002)	(2,198)		(5,015)	**34**
Defined benefit obligations	12,925					**12,925**
Other provisions	21,575					**21,575**
Other liabilities	18,137	525	48	(0)	164	**18,874**
Total Liabilities	**2,855,881**	**2,626**	**156**	**1**	**945**	**2,859,609**
Net Exchange Position	**490,953**	**(259)**	**8**	**35**	**159**	**490,897**

The Group estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31.12.2018 in case of a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result to a loss of € 182 thousand for the Group.

Foreign Exchange Risk
(Amounts in thousand €)

Description	EUR	USD	Bank 31.12.2019 GBP	JPY	OTHER	Total
Cash and balances with Central Bank	137,767	220	60	4	45	**138,096**
Due from other financial institutions	14,108	43,249	2,724	7	7,341	**67,429**
Derivative financial instruments - assets	114					**114**
Financial assets at fair value through profit or loss	12,008					**12,008**
Loans and advances to customers (net of impairment)	1,546,962	401			130	**1,547,494**
Financial assets at fair value through other comprehensive income (FVOCI)	590,039		7			**590,046**
Investment securities at amortised cost	353,146					**353,146**
Investments in subsidiaries	600					**600**
Investments in associates	4,343					**4,343**
Property, plant and equipment	48,297					**48,297**
Investmemt property	58,340					**58,340**
Intangible assets	52,877					**52,877**
Deferred tax assets	449,646					**449,646**
Assets held for sale	502					**502**
Other assets	203,414	1,477	6	2	(0)	**204,898**
Total Assets	**3,472,163**	**45,347**	**2,798**	**12**	**7,516**	3,527,836
Due to other financial institutions	262,456					**262,456**
Due to customers	2,557,782	46,171	2,770	3	7,439	**2,614,165**
Derivative financial instruments - liabilities	1,150	(1,248)			100	**2**
Issued bonds	99,729					**99,729**
Defined benefit obligations	11,614					**11,614**
Other provisions	15,048					**15,048**
Other liabilities	35,345	489	77	4	71	**35,985**
Total Liabilities	**2,983,124**	**45,412**	**2,847**	**6**	**7,610**	3,038,999
Net Exchange Position	**489,039**	**(65)**	**(49)**	**6**	**(94)**	488,837

The Bank estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Bank on the balances of the accounts as at 31.12.2019 a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result to a loss of €1 thousand for the Bank.

Foreign Exchange Risk (Amounts in thousand €)			Bank 31.12.2018			
Description	**EUR**	**USD**	**GBP**	**JPY**	**OTHER**	**Total**
Cash and balances with Central Bank	60,436	241	36	0	145	**60,858**
Due from other financial institutions	8,176	263	117	34	831	**9,422**
Derivative financial instruments - assets	87					**87**
Financial assets at fair value through profit or loss	2,950					**2,950**
Loans and advances to customers (net of impairment)	1,591,623	394			127	**1,592,144**
Financial assets at fair value through other comprehensive income (FVOCI)	909,282		6			**909,288**
Investments securities measured at amortised cost	9,879					**9,879**
Investments in subsidiaries	1,102					**1,102**
Investments in associates	7,702					**7,702**
Property, plant and equipment	31,581					**31,581**
Investmemt property	57,862					**57,862**
Intangible assets	50,390					**50,390**
Deferred tax assets	420,355					**420,355**
Other assets	200,574	1,469	6	1	(0)	**202,050**
Total Assets	**3,352,000**	**2,367**	**165**	**36**	**1,103**	**3,355,671**
Due to other financial institutions	424,649					**424,649**
Due to customers	2,244,145	36,103	2,307	1	5,795	**2,288,350**
Derivative financial instruments - liabilities	41,250	(34,002)	(2,198)		(5,015)	**34**
Issued bonds	99,676					**99,676**
Defined benefit obligations	12,874					**12,874**
Other provisions	21,575					**21,575**
Other liabilities	17,498	525	48	(0)	164	**18,235**
Total Liabilities	**2,861,667**	**2,626**	**156**	**1**	**945**	**2,865,395**
Net Exchange Position	**490,333**	**(259)**	**8**	**35**	**159**	**490,276**

The Bank estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Bank on the balances of the accounts as at 31.12.2018 a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result to a loss of €182 thousand for the Bank.

43.2.3 INTEREST RATE RISK

As “interest rate risk” is defined the investment risk that arises from the changes in market interest rates.

Such changes in interest rates can affect the financial position of the Group/the Bank, since it can change also:

- The net interest rate result.
- The value of income and expenses, sensitive to interest rate changes.
- The value of Assets and Liabilities, since the present value of future cash flows (and often the cash flows itself) varies as the interest rates change.

Basic intent of the Bank is the estimation of the impact on possible variances of interest rates to net interest income.

In the context of the Bank’s effort to effectively manage its credit risk, the loans rates differentiate based on the credit rating of the borrowers and the guarantees received.

For the interest rate risk, different methods of calculating interest rate risk which concern repricing risk, yield curve risk, basis risk and optionality.

Interest rate risk
(Amounts in thousand €)

	Group 31.12.2019						
Description	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**More than 5 years**	**Assets not subject to interest rate risk**	**Total**
Cash and balances with Central Bank	96,030					42,068	**138,097**
Due from other financial institutions	59,483					7,954	**67,437**
Derivative financial instruments - assets						114	**114**
Financial assets at fair value through profit or loss	1,797	5,955	213			4,043	**12,008**
Loans and advances to customers	889,881	170,598	699,682	16,370	51,848	(280,885)	**1,547,494**
Financial assets measured at fair value through other comprehensive income (FVOCI)	29,066	35,768	523,445			1,768	**590,046**
Investment securities measured at amortised cost				353,146			**353,146**
Investments in associates						4,469	**4,469**
Property, plant and equipment						48,468	**48,468**
Investmemt property						58,340	**58,340**
Intangible assets						52,893	**52,893**
Deferred tax assets						449,734	**449,734**
Other assets	18,052	103,499	516	795	1,129	81,500	**205,490**
Total Assets	**1,094,308**	**315,820**	**1,223,855**	**370,310**	**52,977**	**470,464**	3,527,734
Due to other financial institutions	258,132					4,324	**262,456**
Due to customers	1,500,290	570,849	517,957			19,061	**2,608,157**
Derivative financial instruments - liabilities						2	**2**
Issued Bonds					99,729		**99,729**
Defined benefit obligations						11,667	**11,667**
Other provisions						15,048	**15,048**
Other liabilities	2,979	717	2,603	9,926	6,603	13,765	**36,594**
Total Liabilities	**1,761,401**	**571,566**	**520,560**	**9,926**	**106,332**	**63,868**	3,033,653
Interest Rate Risk Gap	**(667,093)**	**(255,746)**	**703,294**	**360,384**	**(53,354)**	**406,597**	494,081

The Group estimates the extent of interest rate risk by measuring the negative effect that a parallel shift in the yield curves for all currencies will have on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31.12.2019, in case of a parallel shift in the yield curves by 100 basis points, the gains for the Group will decrease by € 3,652 thousand.

Interest rate risk
(Amounts in thousand €)

Group
31.12.2018

Description	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Assets not subject to interest rate risk	Total
Cash and balances with Central Bank	9,698					51,161	**60,860**
Due from other financial institutions	7,646					1,783	**9,429**
Derivative financial instruments - assets						87	**87**
Financial assets at fair value through profit or loss			236	895	1,818		**2,950**
Loans and advances to customers (net of impairment)	794,599	238,992	794,258	17,290		(252,994)	**1,592,144**
Financial assets measured at fair value through other comprehensive income (FVOCI)	20,508	865,055	21,392		691	1,643	**909,288**
Investments securities measured at amortised cost				9,879			**9,879**
Investments in associates						3,427	**3,427**
Property, plant and equipment						31,646	**31,646**
Investment property						57,862	**57,862**
Intangible assets						50,413	**50,413**
Deferred tax assets						420,357	**420,357**
Other assets	22,054	90,518	1,795	529	468	86,799	**202,162**
Total Assets	**854,505**	**1,194,565**	**817,680**	**28,592**	**2,977**	**452,186**	**3,350,505**
Due to other financial institutions	246,037	175,747				2,865	**424,649**
Due to customers	1,417,222	364,312	452,105	38,876		9,360	**2,281,875**
Derivative financial instruments - liabilities						34	**34**
Issued Bonds					99,676		**99,676**
Defined benefit obligations						12,925	**12,925**
Other provisions						21,575	**21,575**
Other liabilities	2,671	596				15,607	**18,874**
Total Liabilities	**1,665,930**	**540,655**	**452,105**	**38,876**	**99,676**	**62,366**	**2,859,609**
Interest Rate Risk Gap	**(811,425)**	**653,909**	**365,575**	**(10,284)**	**(96,699)**	**389,820**	**490,897**

The Group estimates the extent of interest rate risk by measuring the negative effect that a parallel shift in the yield curves for all currencies will have on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31.12.2018, in case of a parallel shift in the yield curves by 100 basis points, the gains for the Group will decrease by € 2,090 thousand.

Interest rate risk
(Amounts in thousand €)

Bank
31.12.2019

Description	Up to 1 month	From 1 to 3 months	from 3 months to 1 year	From 1 to 5 years	More than 5 years	Assets not subject to interest rate risk	Total
Cash and balances with Central Bank	96,030					42,067	**138,096**
Due from other financial institutions	59,475					7,954	**67,429**
Derivative financial instruments - assets						114	**114**
Financial assets at fair value through profit or loss	1,797	5,955	213			4,043	**12,008**
Loans and advances to customers (net of impairment)	889,881	170,598	699,682	16,370	51,848	(280,885)	**1,547,494**
Financial assets measured at fair value through other comprehensive income (FVOCI)	29,066	35,768	523,445			1,768	**590,046**
Investments securities measured at amortised cost				353,146			**353,146**
Investment in subsidiaries						600	**600**
Investments in associates						4,343	**4,343**
Property, plant and equipment						48,297	**48,297**
Investmemt property						58,340	**58,340**
Intangible assets						52,877	**52,877**
Deferred tax assets						449,646	**449,646**
Assets held for sale	502						**502**
Other assets	16,626	103,333	516	795	1,129	82,500	**204,898**
Total Assets	**1,093,376**	**315,654**	**1,223,855**	**370,310**	**52,977**	**471,664**	**3,527,836**
Due to other financial institutions	258,132					4,324	**262,456**
Due to customers	1,506,298	570,849	517,957			19,061	**2,614,165**
Derivative financial instruments - liabilities						2	**2**
Issued Bonds					99,729		**99,729**
Defined benefit obligations						11,614	**11,614**
Other provisions						15,048	**15,048**
Other liabilities	2,950	648	2,603	9,891	6,603	13,290	**35,985**
Total Liabilities	**1,767,380**	**571,497**	**520,560**	**9,891**	**106,332**	**63,339**	**3,038,999**
Interest Rate Risk Gap	**(674,004)**	**(255,843)**	**703,294**	**360,419**	**(53,354)**	**408,325**	**488,837**

The Bank estimates the extent of interest rate risk by measuring the negative effect that a parallel shift in the yield curves for all currencies will have on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31.12.2019, in case of a parallel shift in the yield curves by 100 basis points, the gains for the Bank will decrease by € 3,652 thousand.

Interest Rate Risk
(Amounts in thousand €)

Bank 31.12.2018							
Description	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**More than 5 years**	**Accounts not subject to interest rate risk**	**Total**
Cash and balances with Central Bank	9,698					51,160	**60,858**
Due from other financial institutions	7,639					1,783	**9,422**
Derivative financial instruments - assets						87	**87**
Financial assets at fair value through profit or loss			236	895	1,818		**2,950**
Loans and advances to customers (net of impairment)	794,599	238,992	794,258	17,290		(252,994)	**1,592,144**
Financial assets measured at fair value through other comprehensive income (FVOCI)	20,508	865,055	21,392		691	1,643	**909,288**
Investments securities measured at amortised cost				9,879			**9,879**
Investments in subsidiaries						1,102	**1,102**
Investments in associates						7,702	**7,702**
Property, plant and equipment						31,581	**31,581**
Investmemt property						57,862	**57,862**
Intangible assets						50,390	**50,390**
Deferred tax assets						420,355	**420,355**
Other assets	20,744	90,512	1,795	529	468	88,002	**202,050**
Total Assets	**853,187**	**1,194,559**	**817,680**	**28,592**	**2,977**	**458,675**	**3,355,671**
Due to other financial institutions	246,037	175,747				2,865	**424,649**
Due to customers	1,423,698	364,312	452,105	38,876		9,360	**2,288,350**
Derivative financial instruments - liabilities						34	**34**
Issued Bonds					99,676		**99,676**
Defined benefit obligations						12,874	**12,874**
Other provisions						21,575	**21,575**
Other liabilities	2,585	562				15,088	**18,235**
Total Liabilities	**1,672,319**	**540,621**	**452,105**	**38,876**	**99,676**	**61,797**	**2,865,395**
Interest Rate Risk Gap	**(819,132)**	**653,938**	**365,575**	**(10,284)**	**(96,699)**	**396,878**	**490,276**

The Bank estimates the extent of interest rate risk by measuring the negative effect that a parallel shift in the yield curves for all currencies will have on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31.12.2018, in case of a parallel shift in the yield curves by 100 basis points, the gains for the Bank will decrease by € 2,090 thousand.

43.3 Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts partially or in full when due according to contractual terms. Credit exposures from related accounts are monitored on a consolidated basis. The methods for evaluating the credit rating of the counterparties differ depending on the categories of the borrowers and rely on quantitative and qualitative data. Group's portfolio monitoring is carried out on the basis of customers' creditworthiness, sector of the economy and guarantees held by the Group. The Group's credit risk is spread out in various sectors of the economy.

The Bank applies various techniques to mitigate credit risk to which it is exposed, such as receiving collaterals and guarantees. Tangible collaterals provide the Bank with seniority right from an asset (movable or immovable) whose ownership remains with the obligor. Tangible collaterals are distinguished between mortgages and pre-notation of mortgages which are registered over immovable properties and pledges on movable assets (e.g., commodities, checks) or on claims. Respectively, the collaterals refer to contractual agreements with an individual or an entity which undertakes responsibility of someone else's debts.

The main types of collateral accepted by the Group in accordance with the policy of lending can be divided in the following categories.

- Mortgages to real estate of a value covering the amount of funding.
- Cash or Deposits.
- Guarantees from the Greek government, banks, ETEAN and companies with a high credit rating.
- Bills of exchange and checks from customers.
- Assigned export shipping documents.
- Pledged goods in the State Repositories.
- Pledged accrued claims based on invoices from contracts with the government, public organizations, or public entities.
- Maritime liens.
- Pledge on securities: Bank shares, Bank bonds, Government bonds and treasury-bills, Corporate bonds, Shares of listed large companies, Mutual funds units.

Collaterals are monitored on a regular basis, thus ensuring that they remain legally valid, enforceable and of adequate value while their administration and evaluation is based on reliable estimations. The process of monitoring collaterals covers their legal recognition, current status and value as well as their insurance. The frequency of the reassessment depends mainly on the volatility of the value of the collateral, the significant changes in the market or the significant reduction in the counterparty's creditworthiness.

Valuation frequency consists a primary factor in impairment loss calculation. In cases of collateralized loans, the current net realizable value of collaterals is taken into account when estimating the need for an impairment allowance. Furthermore, cash flows assessment takes into account all relevant costs for the sale of collaterals as well as other inflows such as resorting to other assets. The extent of any resulting reduction to the value of the collateral compared to the initial valuation is affected by the type of collateral e.g. land, developed land or investment property as well as by the location.

Property comes under the Group's possession through auctions for the settlement of non-collectible loans.

42.3.1 MAXIMUM EXPOSURE TO CREDIT RISK BEFORE COLLATERALS & OTHER CREDIT RISK PROTECTION MEASURES

The table below presents the maximum exposure of the Group to credit risk for the year ended as at 31.12.2019 as well as for the comparative year 2018. It is noted that there have not been taken into account collaterals or other credit risk protection measures.
As at 31.12.2019, the 10 largest business groups account for 34% of the total balance of loans and advances to customers of the Bank before provisions for impairment (2018: 39%). The increase is due to the total deleveraging of the total portfolio.

Maximum exposure to credit risk (Amounts in thousand €)		**Group 31.12.2019**			**Bank 31.12.2019**	
	Value of exposures before impairment provisions	**Cumulative impairment provisions**	**Net exposure to credit risk**	**Value of exposures before impairment provisions**	**Cumulative impairment provisions**	**Net exposure to credit risk**
Exposure to credit risk through Balance Sheet items						
Cash and balances with Central Bank	94,360	0	94,360	94,360	0	94,360
Due from other financial institutions	67,437	0	67,437	67,429	0	67,429
Loans and advances to customers at amortised cost	1,828,379	(280,885)	1,547,494	1,828,379	(280,885)	1,547,494
Loans to private individuals:						
-Loan current accounts for individuals	*47,935*	*(9,979)*	*37,956*	*47,935*	*(9,979)*	*37,956*
-Credit cards	*20,726*	*(3,004)*	*17,722*	*20,726*	*(3,004)*	*17,722*
-Consumer loans	*50,693*	*(8,244)*	*42,449*	*50,693*	*(8,244)*	*42,449*
-Mortgages	*410,690*	*(47,751)*	*362,939*	*410,690*	*(47,751)*	*362,939*
Corporate loans:						
- Large entities	*687,020*	*(110,224)*	*576,796*	*687,020*	*(110,224)*	*576,796*
-Small & medium entities	*305,431*	*(54,911)*	*250,520*	*305,431*	*(54,911)*	*250,520*
-Other	*305,884*	*(46,772)*	*259,113*	*305,884*	*(46,772)*	*259,113*
Derivative financial instruments	114	0	114	114	0	114
Financial assets at fair value through profit or loss	12,008	0	12,008	12,008	0	12,008
Financial assets measured at fair value through other comprehensive income (FVOCI)	616,568	(26,522)	590,046	616,568	(26,522)	590,046
Investment securities measured at amortized cost	353,191	(45)	353,146	353,191	(45)	353,146
Other assets	205,535	(45)	205,490	204,898	0	204,898
Exposure to credit risk through off Balance Sheet items is as follows:						
Letters of Guarantee	269,137	(9,344)	259,792	269,137	(9,344)	259,792
Credit guarantees	674	0	674	674	0	674
Undrawn credit limits	165,775	0	165,775	165,775	0	165,775
Total as at December 31st	**3,613,176**	**(316,842)**	**3,296,335**	**3,612,532**	**(316,797)**	**3,295,735**

(Amounts in thousand €)	Group 31.12.2018			Bank 31.12.2018		
	Value of exposures before impairment provisions	**Cumulative impairment provisions**	**Net exposure to credit risk**	**Value of exposures before impairment provisions**	**Cumulative impairment provisions**	**Net exposure to credit risk**
Exposure to credit risk through Balance Sheet items						
Cash and balances with Central Bank	9,822	0	9,822	9,822	0	9,822
Due from other financial institutions	9,429	0	9,429	9,422	0	9,422
Loans and advances to customers (net of impairment)	1,845,138	(252,994)	1,592,144	1,845,138	(252,994)	1,592,144
Loans to private individuals:						
-Loan current accounts for individuals	*46,813*	*(13,806)*	*33,008*	*46,813*	*(13,806)*	*33,008*
-Credit cards	*21,779*	*(5,144)*	*16,635*	*21,779*	*(5,144)*	*16,635*
-Consumer loans	*51,326*	*(15,117)*	*36,209*	*51,326*	*(15,117)*	*36,209*
-Mortgages	*423,147*	*(64,466)*	*358,681*	*423,147*	*(64,466)*	*358,681*
Corporate loans:	*0*	*0*	*0*			
- Large entities	*837,063*	*(69,809)*	*767,253*	*837,063*	*(69,809)*	*767,253*
-Small & medium entities	*320,687*	*(61,861)*	*258,826*	*320,687*	*(61,861)*	*258,826*
-Other	*144,324*	*(22,791)*	*121,533*	*144,324*	*(22,791)*	*121,533*
Financial assets at fair value through profit or loss	2,950	0	2,950	2,950	0	2,950
Derivative financial instruments	87	0	87	87	0	87
Financial assets measured at fair value through other comprehensive income (FVOCI)	934,079	(26,434)	907,645	934,079	(26,434)	907,645
Investment securities measured at amortized cost	9,919	(41)	9,879	9,919	(41)	9,879
Other assets	202,207	(45)	202,162	202,050	0	202,050
Exposure to credit risk through off Balance Sheet items is as follows:						
Letters of Guarantee	307,008	(16,301)	290,707	307,008	(16,301)	290,707
Credit guarantees	1,591	0	1,591	1,591	0	1,591
Undrawn credit limits	165,342	0	165,342	165,342	0	165,342
Total as at December 31st	**3,487,574**	**(295,815)**	**3,191,759**	**3,487,409**	**(295,770)**	**3,191,639**

(Amounts in thousand €)	Group	Bank
Loans under Greek State guarantee		
31.12.2019	33,357	33,357
31.12.2018	33,394	33,394
Loans to the Greek State		
31.12.2019	28,036	28,036
31.12.2018	30,212	30,212

The table above presents the balance of loans provided by the Bank to individuals and corporations, capped to the amount covered by the Greek State guarantee as well as the loans provided to the wider public sector.

43.3.2 DUE FROM OTHER FINANCIAL INSTITUTIONS

Due from other Financial Institutions	31.12.2019			
(Amounts in thousand. €)	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Group
Rating				
Exceptional	0	0	0	**0**
High	67,429	0	0	**67,429**
Medium-Lower	0	0	0	**0**
Total	**67,429**	**0**	**0**	**67,429**

Due from other Financial Institutions	31.12.2019			
(Amounts in thousand. €)	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Bank
Rating				
Exceptional	0	0	0	**0**
High	67,429	0	0	**67,429**
Medium-Lower	0	0	0	**0**
Total	**67,429**	**0**	**0**	**67,429**

Due from other Financial Institutions	**31.12.2018**			
(Amounts in thousand. €)	**IFRS 9 Stage 1**	**IFRS 9 Stage 2**	**IFRS 9 Stage 3**	**Όμιλος**
Rating				
Exceptional	0	0	0	**0**
High	9,429	0	0	**9,429**
Medium-Lower	0	0	0	**0**
Total	**9,429**	**0**	**0**	**9,429**

Due from other Financial Institutions	**31.12.2018**			
(Amounts in thousand. €)	**IFRS 9 Stage 1**	**IFRS 9 Stage 2**	**IFRS 9 Stage 3**	**Τράπεζα**
Rating				
Exceptional	0	0	0	**0**
High	9,422	0	0	**9,422**
Medium-Lower	0	0	0	**0**
Total	**9,422**	**0**	**0**	**9,422**

43.3.3 Exposure to credit risk of assets by industry sector

The following table lists the sectors in which the Bank has the highest risk concentrations. As at 31.12.2019, the 10 largest business groups account for 34% of the total outstanding loans and advances to customers of the Bank before provisions for impairment (2018: 39%).

Group

(Amounts in thousand €)	Financial institutions	Manufacturing	Shipping	Public Sector	Trade	Construction	Other Sectors	Individuals	NPLs managmenet companies	Total
Cash and balances with Central Bank	94,360									**94,360**
Due from other financial institutions	67,437									**67,437**
Loans and advances to customers at amortised cost										
Loans to individuals:										
-Loan current accounts for individuals								37,956		**37,956**
-Credit Cards								17,722		**17,722**
-Consumer loans								42,449		**42,449**
-Mortgages								362,939		**362,939**
Corporate loans:		85,718	19,679	27,987	108,518	256,949	587,576			**1,086,428**
Derivative financial instruments	114									**114**
Financial Assets at fair value through profit or loss				7,965			4,043			**12,008**
Financial assets measured at fair value through other comprehensive income (FVOCI)	524,453			48,351			17,242			**590,046**
Investment securities at amortized cost				9,896					343,250	**353,146**
Other Assets				82,365			123,125			**205,490**
Total exposure as at 31.12.2019	**686,363**	**85,718**	**19,679**	**176,563**	**108,518**	**256,949**	**731,987**	**461,066**	**343,250**	**2,870,094**
Total exposure as at 31.12.2018	**517,274**	**104,116**	**27,030**	**162,037**	**129,687**	**336,678**	**669,515**	**444,533**	**343,250**	**2,734,119**

Bank

(Amounts in thousand €)	Financial institutions	Manufacturing	Shipping	Public Sector	Trade	Construction	Other Sectors	Private individuals	NPLs managmenet companies	Total
Cash and balances with Central Bank	94,360									**94,360**
Due from other financial institutions	67,429									**67,429**
Loans and advances to customers at amortised cost:										
Loans to individuals:										
-Loan current accounts for individuals								37,956		**37,956**
-Credit Cards								17,722		**17,722**
-Consumer loans								42,449		**42,449**
-Mortgages								362,939		**362,939**
Corporate loans:		85,718	19,679	27,987	108,518	256,949	587,576			**1,086,428**
Derivative financial instruments	114									**114**
Financial Assets at fair value through profit or loss				7,965			4,043			**12,008**
Financial assets measured at fair value through other comprehensive income (FVOCI)	524,453			48,351			17,242			**590,046**
Investment securities at amortized cost				9,896					343,250	**353,146**
Other Assets				82,213			122,685			**204,898**
Total exposure as at 31.12.2019	**686,356**	**85,718**	**19,679**	**176,412**	**108,518**	**256,949**	**731,547**	**461,066**	**343,250**	**2,869,495**
Total exposure as at 31.12.2018	**517,266**	**104,116**	**27,030**	**161,886**	**129,687**	**336,678**	**669,553**	**444,533**	**343,250**	**2,733,999**

43.3.4 Bonds and other securities

The table below provides the analysis of the fair value of bonds and other securities of the investment and financial instruments portfolio at fair value through profit or loss. Securities classifies as held-to-maturity, are presented at amortized cost. The value of held-to-maturity investments is included in the investment portfolio. Credit rating categories follow rating ranges adopted by internationally recognized companies (Moody´s, Fitch).

(Amounts in thousand €)		Group		31.12.2019
Cash and balances with Central Bank	**IFRS 9 Stage 1**	**IFRS 9 Stage 2**	**IFRS 9 Stage 3**	**Total**
Non graded	138,097			138,097
Value of exposures before impairment provisions	**138,097**			138,097
Carrying Amount	**138,097**	**0**	**0**	**138,097**

(Amounts in thousand €)		Group		31.12.2018
Cash and balances with Central Bank	**IFRS 9 Stage 1**	**IFRS 9 Stage 2**	**IFRS 9 Stage 3**	**Total**
Non graded	60,860			60,860
Value of exposures before impairment provisions	**60,860**			60,860
Carrying value	**60,860**	**0**	**0**	**60,860**

(Amounts in thousand €)		Bank		31.12.2019
Cash and balances with Central Bank	**IFRS 9 Stage 1**	**IFRS 9 Stage 2**	**IFRS 9 Stage 3**	**Σύνολο**
Non Graded	138,096			138,096
Value of exposures before impairment provisions	**138,096**			138,096
Carrying Amount	**138,096**	**0**	**0**	**138,096**

(Amounts in thousand €)		Bank		31.12.2018
Cash and balances with Central Bank	**IFRS 9 Stage 1**	**IFRS 9 Stage 2**	**IFRS 9 Stage 3**	**Σύνολο**
Non Graded	60,858			60,858
Value of exposures before impairment provisions	**60,858**			60,858
Carrying Value	**60,858**	**0**	**0**	**60,858**

(Amounts in thousand €)		Group		31.12.2019
Due from other financial institutions	**IFRS 9 Stage 1**	**IFRS 9 Stage 2**	**IFRS 9 Stage 3**	**Total**
AAA				
AA- to AA+	1,205			1,205
A- to A+	1,052			1,052
Less than A-	65,172			65,172
Non graded	8			8
Value of exposures before impairment provisions	**67,437**			67,437
Carrying Amount	**67,437**	**0**	**0**	**67,437**

(Amounts in thousand €)		Group		31.12.2018
Due from other financial institutions	**IFRS 9 Stage 1**	**IFRS 9 Stage 2**	**IFRS 9 Stage 3**	**Total**
Less than A-	1,894			1,894
Non graded	7,535			7,535
Value of exposures before impairment provisions	**9,429**			9,429
Carrying value	**9,429**	**0**	**0**	**9,429**

(Amounts in thousand €)		Bank		31.12.2019
Due from other financial institutions	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Σύνολο
AAA				
AA- to AA+	1,205			1,205
A- to A+	1,052			1,052
Less than A-	65,164			65,164
Non Graded	8			8
Value of exposures before impairment provisions	**67,429**			67,429
Carrying Amount	**67,429**	**0**	**0**	**67,429**

(Amounts in thousand €)		Bank		31.12.2018
Due from other financial institutions	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Σύνολο
Less than A-	1,886			1,886
Non Graded	7,535			7,535
Value of exposures before impairment provisions	**9,422**			9,422
Carrying Value	**9,422**	**0**	**0**	**9,422**

(Amounts in thousand €)		Group and Bank		31.12.2019
Investment Securities at amortized cost	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total
Less than A-	9,941			9,941
Non Graded	343,250			343,250
Value of exposures before impairment provisions	**353,191**			353,191
Expected credit risk losses	(45)			(45)
Carrying Amount	**353,146**	**0**	**0**	**353,146**

(Amounts in thousand €)		Group and Bank		31.12.2018
Investment Securities at amortized cost	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total
Less than A-	9,919			9,919
Value of exposures before impairment provisions	**9,919**			9,919
Expected credit risk losses	(41)			(41)
Carrying Value	**9,879**	**0**	**0**	**9,879**

(Amounts in thousand €)		Group and Bank		31.12.2019
Financial assets measured at fair value through other comprehensive income (FVTOCI)	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Σύνολο
Less than A-	67,910			67,910
Non Graded	548,658			548,658
Value of exposures before impairment provisions	**616,568**			616,568
Expected credit risk losses	(26,522)			(26,522)
Carrying Amount	**590,046**	**0**	**0**	**590,046**

(Amounts in thousand €)	Group and Bank			31.12.2018
Financial assets measured at fair value through other comprehensive income (FVTOCI)	**IFRS 9 Stage 1**	**IFRS 9 Stage 2**	**IFRS 9 Stage 3**	**Σύνολο**
Less than A-	47,329			47,329
Non Graded	888,394			888,394
Value of exposures before impairment provisions	**935,723**			935,723
Expected credit risk losses	(26,434)			(26,434)
Carrying Value	**909,288**	**0**	**0**	**909,288**

(Amounts in thousand €)	Group and Bank	
Derivative financial instruments	**Assets**	**Liabilities**
Non Graded	114	2
Value of exposures before impairment provisions	**114**	**2**
Carrying Amount	**114**	**2**

(Amounts in thousand €)	Group and Bank	
Derivative financial instruments	**Assets**	**Liabilities**
Non Graded	87	34
Value of exposures before impairment provisions	**87**	**34**
Carrying Value	**87**	**34**

(Amounts in thousand €)	31.12.2019
Financial assets at fair value through profit or loss	**Group and Bank**
AA- to AA+	4,043
Less than A-	7,965
Value of exposures before impairment provisions	**12,008**
Carrying Amount	**12,008**

(Amounts in thousand €)	31.12.2018
Financial assets at fair value through profit or loss	**Group and Bank**
Less than A-	2,950
Value of exposures before impairment provisions	**2,950**
Carrying Value	**2,950**

43.4 Credit risk management

43.4.1 Loans and advances to customers by stage

31.12.2019	IFRS 9 Stage 1			IFRS 9 Stage 2			IFRS 9 Stage 3				
Group and Bank (amounts in thousand €)	Gross carrying value before impairment losses	Expected credit losses	**Net Value Stage 1**	Gross carrying value before impairment losses	Expected credit losses	**Net Value Stage 2**	Gross carrying value before impairment losses	Expected credit losses	**Net Value Stage 3**	**Total Net Value after Impairment**	**Value of collateral**
Retail lending	**157,318**	**1,166**	**156,152**	**21,524**	**1,190**	**20,334**	**351,201**	**66,621**	**284,580**	**461,066**	**406,527**
Mortgage	110,161	417	109,744	18,358	1,048	17,310	282,170	46,286	235,884	362,939	348,007
Consumer loans	12,589	294	12,295	1,599	122	1,477	36,506	7,829	28,677	42,449	29,244
Credit cards	13,615	179	13,436	574	8	567	6,536	2,817	3,719	17,722	1,708
Other	20,954	276	20,677	992	13	979	25,989	9,690	16,299	37,956	27,569
Corporate lending	**564,338**	**2,328**	**562,010**	**206,383**	**3,741**	**202,641**	**499,498**	**205,708**	**293,790**	**1,058,441**	**576,752**
Large	323,340	1,352	321,988	166,829	2,600	164,228	169,781	106,147	63,634	549,851	234,330
SME	240,998	976	240,022	39,554	1,141	38,413	329,716	99,561	230,156	508,590	342,423
Public sector	**17,108**	**60**	**17,048**	**11,010**	**71**	**10,939**	**0**	**0**	**0**	**27,987**	**7,309**
Greece	17,108	60	17,048	11,010	71	10,939	0	0	0	27,987	7,309
Other countries	0	0	0	0	0	0	0	0	0	0	0
Total	**738,764**	**3,553**	**735,210**	**238,917**	**5,003**	**233,914**	**850,698**	**272,329**	**578,370**	**1,547,494**	**990,589**

Collaterals are measured at their fair value. When the value of collateral exceeds the loan balance, the amount is limited to the loan balance.
The caption SME's includes Small and Medium Enterprises.

31.12.2018	IFRS 9 Stage 1			IFRS 9 Stage 2			IFRS 9 Stage 3				
Group and Bank (amounts in thousand €)	Gross carrying value before impairment losses	Expected credit losses	**Net Value Stage 1**	Gross carrying value before impairment losses	Expected credit losses	**Net Value Stage 2**	Gross carrying value before impairment losses	Expected credit losses	**Net Value Stage 3**	**Total Net Value after Impairment**	**Value of collateral**
Retail lending	**170,353**	**1,454**	**168,899**	**33,325**	**2,388**	**30,937**	**339,386**	**94,689**	**244,696**	**444,533**	**411,888**
Mortgage	121,436	708	120,728	27,509	1,958	25,551	274,202	61,800	212,402	358,681	355,115
Consumer loans	13,451	455	12,996	3,363	410	2,954	34,511	14,252	20,260	36,209	28,816
Credit cards	15,063	117	14,946	637	5	632	6,078	5,021	1,057	16,635	1,885
Other	20,402	174	20,229	1,816	16	1,800	24,595	13,616	10,979	33,008	26,073
Corporate lending	**521,188**	**1,980**	**519,208**	**334,061**	**9,993**	**324,068**	**416,613**	**142,264**	**274,349**	**1,117,626**	**630,599**
Large	426,269	1,648	424,621	252,696	4,660	248,036	129,033	63,276	65,757	738,414	318,737
SME	94,919	331	94,587	81,364	5,332	76,032	287,580	78,988	208,592	379,212	311,862
Public sector	**18,586**	**11**	**18,575**	**11,626**	**215**	**11,411**	**0**	**0**	**0**	**29,986**	**24,848**
Greece	18,586	11	18,575	11,626	215	11,411	0	0	0	29,986	24,848
Other countries	0	0	0	0	0	0	0	0	0	0	0
Total	**710,127**	**3,445**	**706,682**	**379,012**	**12,596**	**366,416**	**755,999**	**236,953**	**519,046**	**1,592,144**	**1,067,334**

43.4.2 Loans and advances to customers by credit quality

31.12.2019

Group and Bank

	Lower credit risk			Medium credit risk			Higher credit risk			Default			
(Amounts in thousand €)	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Value of collateral
Retail lending	**0**	**0**	**0**	**157,318**	**0**	**0**	**0**	**21,524**	**0**	**0**	**0**	**351,201**	**406,527**
Mortgages	0	0	0	110,161	0	0	0	18,358	0	0	0	282,170	348,007
Consumer loans	0	0	0	12,589	0	0	0	1,599	0	0	0	36,506	29,244
Credit cards	0	0	0	13,615	0	0	0	574	0	0	0	6,536	1,708
Other	0	0	0	20,954	0	0	0	992	0	0	0	25,989	27,569
Corporate lending	**119,040**	**0**	**0**	**445,298**	**0**	**0**	**0**	**206,383**	**0**	**0**	**0**	**499,498**	**576,752**
Large entities	118,825	0	0	204,515	0	0	0	166,829	0	0	0	169,781	234,330
SME's	215	0	0	240,783	0	0	0	39,554	0	0	0	329,716	342,423
Public Sector	**0**	**0**	**0**	**17,108**	**0**	**0**	**0**	**11,010**	**0**	**0**	**0**	**0**	**7,309**
Greece	0	0	0	17,108	0	0	0	11,010	0	0	0	0	7,309
Other countries	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**119,040**	**0**	**0**	**619,724**	**0**	**0**	**0**	**238,917**	**0**	**0**	**0**	**850,698**	**990,589**

31.12.2018

Group and Bank

	Lower credit risk			Medium credit risk			Higher credit risk			Default			
(Amounts in thousand €)	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Value of collateral
Retail lending	**968**	**0**	**0**	**193,671**	**0**	**0**	**0**	**53,164**	**0**	**0**	**0**	**438,725**	**411,888**
Mortgages	0	0	0	121,436	0	0	0	27,509	0	0	0	274,202	355,115
Consumer loans	0	0	0	13,451	0	0	0	3,363	0	0	0	34,511	28,816
Credit cards	0	0	0	15,563	0	0	0	637	0	0	0	6,078	1,885
Other	968	0	0	43,220	0	0	0	21,655	0	0	0	123,935	26,073
Corporate lending	**112,199**	**0**	**0**	**384,703**	**0**	**0**	**0**	**325,722**	**0**	**0**	**0**	**317,274**	**630,599**
Large entities	100,146	0	0	326,123	0	0	0	264,196	0	0	0	129,033	318,737
SME's	12,053	0	0	58,580	0	0	0	61,526	0	0	0	188,240	311,862
Public Sector	**0**	**0**	**0**	**18,586**	**0**	**0**	**0**	**126**	**0**	**0**	**0**	**0**	**24,848**
Greece	0	0	0	18,586	0	0	0	126	0	0	0	0	24,848
Other countries	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**113,167**	**0**	**0**	**596,960**	**0**	**0**	**0**	**379,012**	**0**	**0**	**0**	**755,999**	**1,067,334**

43.4.3 Loans and advances to customers net of impairment ageing analysis by product type

31.12.2019	Retail lending																
Group and Bank	Mortgages				Consumer				Credit Cards				Other				
(Amounts in thousand €)	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total	Total
Current	88,651	4,924	1,696	**95,271**	10,963	299	384	**11,645**	12,816	60	45	**12,921**	20,038	355	2,639	**23,032**	142,870
1-29 days	21,510	991	2,067	**24,568**	1,625	275	119	**2,018**	799	1	0	**801**	915	0	7	**922**	28,310
30-59 days	0	5,399	1,594	**6,993**	0	501	120	**621**	0	349	20	**369**	0	96	0	**96**	8,080
60-89 days	0	7,044	1,761	**8,805**	0	524	151	**675**	0	164	1	**165**	0	541	306	**847**	10,492
90-179 days	0	0	7,003	**7,003**	0	0	1,350	**1,350**	0	0	312	**312**	0	0	188	**188**	8,853
180-360 days	0	0	14,183	**14,183**	0	0	1,411	**1,411**	0	0	4,289	**4,289**	0	0	4,800	**4,800**	24,684
>360 days	0	0	253,865	**253,865**	0	0	32,971	**32,971**	0	0	1,869	**1,869**	0	0	18,048	**18,048**	306,753
Total	**110,161**	**18,358**	**282,170**	**410,690**	**12,589**	**1,599**	**36,506**	**50,693**	**13,615**	**574**	**6,536**	**20,726**	**20,954**	**992**	**25,989**	**47,935**	**530,043**
Value of collateral	103,292	16,246	228,469	**348,007**	7,705	1,014	20,524	**29,244**	1,148	71	488	**1,708**	15,070	785	11,714	**27,569**	406,527

31.12.2019	Corporate lending												
Group and Bank	Large				SME's				Public Sector (Greece)				
(Amounts in thousand €)	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total	Total
Current	278,421	60,548	6,989	**345,959**	210,956	22,841	106,938	**340,735**	17,108	11,010	0	**28,118**	714,811
1-29 days	44,919	103,269	2,989	**151,176**	30,041	9,862	9,549	**49,452**	0	0	0	**0**	200,629
30-59 days	0	2,695	0	**2,695**	0	2,727	66	**2,793**	0	0	0	**0**	5,488
60-89 days	0	316	3,574	**3,890**	0	4,124	145	**4,269**	0	0	0	**0**	8,159
90-179 days	0	0	22,784	**22,784**	0	0	42,193	**42,193**	0	0	0	**0**	64,977
180-360 days	0	0	25,112	**25,112**	0	0	12,167	**12,167**	0	0	0	**0**	37,279
>360 days	0	0	108,333	**108,333**	0	0	158,659	**158,659**	0	0	0	**0**	266,993
Total	**323,340**	**166,829**	**169,781**	**659,950**	**240,998**	**39,554**	**329,716**	**610,268**	**17,108**	**11,010**	**0**	**28,118**	**1,298,335**
Value of collateral	63,582	94,471	76,277	**234,330**	122,147	28,140	192,135	**342,423**	1,047	6,262	0	**7,309**	584,062

31.12.2018 **Retail lending**

Group and Bank (Amounts in thousand €)	Mortgages				Consumer				Credit Cards				Other				
	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total	Total
Current	101,803	5,975	2,330	**110,108**	11,558	637	77	**12,271**	14,141	84	22	**14,247**	19,769	984	1,597	**22,350**	158,976
1-29 days	17,473	2,265	2,279	**22,016**	1,268	1,058	24	**2,350**	805	5	3	**814**	460	0	3	**463**	25,643
30-59 days	1,453	7,406	4,073	**12,932**	170	551	159	**880**	0	286	5	**290**	0	174	70	**243**	14,346
60-89 days	0	6,383	1,676	**8,059**	0	529	108	**637**	0	226	3	**229**	0	142	7	**149**	9,074
90-179 days	0	2,762	8,149	**10,912**	0	178	924	**1,103**	0	23	94	**118**	0	500	125	**625**	12,757
180-360 days	0	641	16,440	**17,081**	0	0	1,018	**1,018**	0	7	621	**628**	0	1	1,640	**1,641**	20,368
>360 days	0	119	177,454	**177,573**	0	1	17,949	**17,950**	0	0	308	**309**	0	0	7,537	**7,538**	203,369
Total	**120,728**	**25,551**	**212,402**	**358,681**	**12,996**	**2,954**	**20,260**	**36,209**	**14,946**	**632**	**1,057**	**16,635**	**20,229**	**1,800**	**10,979**	**33,008**	**444,533**
Value of collateral	114,355	24,435	216,326	**355,115**	8,199	2,280	18,337	**28,816**	1,290	77	518	**1,885**	14,028	1,403	10,642	**26,073**	411,888

31.12.2018 **Corporate lending**

Group and Bank (Amounts in thousand €)	Large				SME's				Public Sector (Greece)				
	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total	Total
Current	346,982	159,626	4,678	**511,287**	72,048	52,442	43,365	**167,855**	18,575	11,411	0	**29,986**	709,128
1-29 days	77,639	83,778	2,483	**163,900**	22,540	18,660	4,423	**45,623**	0	0	0	**0**	209,522
30-59 days	0	136	0	**136**	0	3,299	1,129	**4,428**	0	0	0	**0**	4,564
60-89 days	0	2,040	60	**2,100**	0	64	231	**295**	0	0	0	**0**	2,395
90-179 days	0	1,740	8,620	**10,361**	0	1,545	36,496	**38,041**	0	0	0	**0**	48,401
180-360 days	0	716	30,007	**30,723**	0	0	42,125	**42,125**	0	0	0	**0**	72,848
>360 days	0	0	19,907	**19,907**	0	22	80,823	**80,846**	0	0	0	**0**	100,753
Total	**424,621**	**248,036**	**65,757**	**738,414**	**94,587**	**76,032**	**208,592**	**379,212**	**18,575**	**11,411**	**0**	**29,986**	**1,147,612**
Value of collateral	72,195	134,128	112,414	**318,737**	60,921	59,974	190,967	**311,862**	18,586	6,262	0	**24,848**	655,447

43.4.4 Movement of loans and advances to customers per loan type

31.12.2019	Retail lending												
Group and Bank	Mortgages			Consumer Loans			Credit Cards			Other			
(amount in thousand €)	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total
Balance as at 01.01.2019	**121,436**	**27,509**	**274,202**	**13,451**	**3,363**	**34,511**	**15,063**	**637**	**6,078**	**20,402**	**1,816**	**24,595**	**543,064**
Transfer to stage 1 from stages 2 or 3	9,681	(7,770)	(2,820)	564	(598)	(83)	218	(239)	(82)	372	(266)	(55)	**(1,078)**
Transfer to stage 2 from stages 1 or 3	(7,003)	10,450	(4,136)	(675)	698	(161)	(388)	433	(26)	(108)	262	(170)	**(824)**
Transfer to stage 3 from stages 1 or 2	(4,357)	(10,500)	14,560	(565)	(1,762)	2,259	(482)	(251)	771	(398)	(591)	1,064	**(253)**
New financial assets created or acquired	1,818	4	6	2,386	34	47	1,087	48	44	235	1	559	**6,269**
Derecognized Financial Assets	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Financial Assets write-offs	(0)	(0)	(39)	0	0	(0)	0	0	(5)	0	0	(5)	**(50)**
Other movements,repayments and transfers	(11,414)	(1,333)	397	(2,572)	(137)	(67)	(1,883)	(53)	(244)	450	(229)	1	**(17,085)**
Total 31.12.2018	**110,161**	**18,358**	**282,170**	**12,589**	**1,599**	**36,506**	**13,615**	**574**	**6,536**	**20,954**	**992**	**25,989**	**530,043**
Cumulative impairment allowance	417	1,048	46,286	294	122	7,829	179	8	2,817	276	13	9,690	**68,977**
Net Loan Value as at 31.12.2019	**109,744**	**17,310**	**235,884**	**12,295**	**1,477**	**28,677**	**13,436**	**567**	**3,719**	**20,677**	**979**	**16,299**	**461,066**

31.12.2019	Corporate lending									
Group and Bank	Large entities			SME's			Public Sector (Greece)			
(amount in thousand €)	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total
Balance as at 01.01.2018	**426,269**	**252,696**	**129,033**	**94,919**	**81,364**	**287,580**	**18,586**	**11,626**	**0**	**1,302,073**
Transfer to stage 1 from stages 2 or 3	74,500	(78,400)	(2,217)	58,063	(51,968)	(9,704)	0	0	0	(9,726)
Transfer to stage 2 from stages 1 or 3	(45,973)	45,827	(0)	(20,974)	21,581	(3,215)	0	0	0	(2,755)
Transfer to stage 3 from stages 1 or 2	(1,446)	(41,824)	44,137	(50,510)	(8,451)	62,582	0	0	0	4,488
New financial assets created or acquired	47,588	1,024	10,246	42,733	2,323	25,908	0	0	0	129,821
Derecognized Financial Assets	0	0	0	0	0	0	0	0	0	0
Financial Assets write-offs	0	0	(3,126)	0	0	0	0	0	0	(3,126)
Other repayments and transfers	(177,598)	(12,495)	(8,293)	116,768	(5,295)	(33,433)	(1,478)	(616)	0	(122,440)
Total 31.12.2018	**323,340**	**166,829**	**169,781**	**240,998**	**39,554**	**329,716**	**17,108**	**11,010**	**0**	**1,298,335**
Cumulative impairment allowance	1,352	2,600	106,147	976	1,141	99,561	60	71	0	211,908
Net Loan Value as at 31.12.2019	**321,988**	**164,228**	**63,634**	**240,022**	**38,413**	**230,156**	**17,048**	**10,939**	**0**	**1,086,428**

31.12.2018	Retail lending												
Group and Bank	Mortgages			Consumer Loans			Credit Cards			Other			
(amount in thousand €)	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total
Balance as at 01.01.2018	**161,151**	**39,804**	**243,367**	**17,253**	**5,098**	**59,823**	**17,694**	**638**	**14,520**	**30,980**	**290**	**29,380**	**619,999**
Transfer to stage 1 from stages 2 or 3	6,308	(5,229)	(1,712)	636	(567)	(163)	191	(211)	(78)	79	(76)	(7)	**(829)**
Transfer to stage 2 from stages 1 or 3	(18,192)	19,088	(1,716)	(1,652)	2,497	(1,025)	(554)	577	(14)	(1,797)	1,744	(1)	**(1,046)**
Transfer to stage 3 from stages 1 or 2	(16,690)	(25,388)	41,179	(1,852)	(1,996)	3,781	(933)	(308)	1,373	(5,186)	(137)	5,604	**(554)**
New financial assets created or acquired	2,659	0	15	2,493	101	524	1,189	35	123	287	40	2,494	**9,962**
Derecognized Financial Assets	0	0	(9,033)	(183)	(1,649)	(30,349)	(5)	0	(3,251)	(4)	0	(3,710)	**(48,184)**
Financial Assets write-offs	0	0	(27)	0	0	(10)	0	0	0	0	0	0	**(38)**
Other movements,repayments and transfers	(13,801)	(766)	2,129	(3,244)	(122)	1,931	(2,518)	(94)	(6,596)	(3,957)	(45)	(9,165)	**(36,248)**
Total 31.12.2018	**121,436**	**27,509**	**274,202**	**13,451**	**3,363**	**34,511**	**15,063**	**637**	**6,078**	**20,402**	**1,816**	**24,595**	**543,064**
Cumulative impairment allowance	708	1,958	61,800	455	410	14,252	117	5	5,021	174	16	13,616	**98,532**
Net Loan Value as at 31.12.2018	**120,728**	**25,551**	**212,402**	**12,996**	**2,954**	**20,260**	**14,946**	**632**	**1,057**	**20,229**	**1,800**	**10,979**	**444,533**

31.12.2018	Corporate lending									
Group and Bank	Large entities			SME's			Public Sector (Greece)			
(amount in thousand €)	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total
Balance as at 01.01.2018	**528,132**	**167,696**	**140,312**	**262,823**	**214,270**	**701,782**	**20,053**	**11,674**	**0**	**2,046,742**
Transfer to stage 1 from stages 2 or 3	13,821	(14,344)	(369)	21,007	(23,085)	(7)	0	0	0	**(2,977)**
Transfer to stage 2 from stages 1 or 3	(117,695)	137,377	(28,253)	(14,303)	19,423	(6,750)	0	0	0	**(10,200)**
Transfer to stage 3 from stages 1 or 2	(25,818)	(33,442)	60,956	(40,050)	(72,330)	112,621	0	0	0	**1,937**
New financial assets created or acquired	45,326	3,610	41,518	14,148	3,516	8,841	0	11,500	0	**128,459**
Derecognized Financial Assets	(713)	(8,639)	(90,749)	(10,558)	(12,737)	(528,921)	0	0	0	**(652,316)**
Financial Assets write-offs	0	0	(1,955)	0	0	0	0	0	0	**(1,955)**
Other repayments and transfers	(16,783)	438	7,573	(138,149)	(47,692)	13	(1,467)	(11,548)	0	**(207,616)**
Total 31.12.2018	**426,269**	**252,696**	**129,033**	**94,919**	**81,364**	**287,580**	**18,586**	**11,626**	**0**	**1,302,073**
Cumulative impairment allowance	1,648	4,660	63,276	331	5,332	78,988	11	215	0	**154,462**
Net Loan Value as at 31.12.2018	**424,621**	**248,036**	**65,757**	**94,587**	**76,032**	**208,592**	**18,575**	**11,411**	**0**	**1,147,612**

43.4.5 Loan to Value ratio (LTV)

Group and Bank	**Mortgages Loans**	
(amounts in thousand €)	**31.12.2019**	**31.12.2018**
Less than 50%	54,908	51,255
50%-70%	59,120	60,620
71%-80%	39,169	37,908
81%-90%	35,762	34,633
91%-100%	32,756	32,842
101%-120%	48,976	53,583
121%-150%	56,739	58,750
Greater than 150%	83,261	93,554
Total value L&A	**410,690**	**423,147**
Index average	**76.5%**	**78.5%**

43.4.6 Repossessed collaterals

Group and Bank (amounts in thousand €)	Value of collaterals recovered	Of which: During the period	Cumulative impairment allowance	Of which: During the period	Net value of collaterals recovered
31.12.2019	75,392	1,072	17,052	594	58,340
31.12.2018	74,320	0	16,458	185	57,862

43.4.7 Breakdown of collaterals and guarantees

31.12.2019	Collateral value				
Group and Bank (amounts in thousand €)	Real Estate Collateral	Cash Collateral	Other Collateral	Total Collateral	Collateral Value
Retail lending	398,930	6,789	260	**405,979**	548
Corporate lending	325,237	57,942	100,983	**484,162**	85,281
Public Sector	6,262	0	0	**6,262**	1,047
Total	**730,430**	**64,731**	**101,243**	**896,403**	**86,877**

31.12.2018		Collateral Value			
Group and Bank (amounts in thousand €)	Real Estate Collateral	Cash Collateral	Other Collateral	Total Collateral	Collateral Value
Retail lending	404,197	6,889	802	**411,888**	699
Corporate lending	341,994	59,329	227,733	**629,056**	126,358
Public Sector	6,262	18,586	0	**24,848**	18,586
Total	**752,453**	**84,803**	**228,535**	**1,065,791**	**145,643**

43.5 Impairment losses on loans and advances to customers

43.5.1 Change in accumulated impairment allowance by product line of loans

31.12.2019	Retail lending												
Group and Bank	Mortgages			Consumer			Credit Cards			Other			
	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	
(amount in thousand €)	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Total as at 01.01.2019	**708**	**1,958**	**61,800**	**455**	**410**	**14,252**	**117**	**5**	**5,021**	**174**	**16**	**13,616**	**98,532**
Transfer to stage 1 from stages 2 or 3	69	(348)	(410)	19	(73)	(33)	3	(2)	(68)	5	(2)	(22)	(863)
Transfer to stage 2 from stages 1 or 3	(95)	591	(428)	(27)	45	(44)	(3)	6	(17)	(1)	3	(20)	10
Transfer to stage 3 from stages 1 or 2	(74)	(757)	1,489	(72)	(223)	429	(4)	(2)	423	(3)	(5)	265	1,465
Reassessment of expected credit losses	(197)	(314)	(19,638)	(112)	(38)	(6,965)	60	0	(2,479)	103	4	(4,249)	(33,823)
Loss from impairment of new loans	12	0	3	55	1	22	14	1	22	3	0	99	232
Change in credit parameters	0	0	3,499	0	0	194	0	0	8	0	0	79	3,780
Other transfers and exchange rate differences	(4)	(64)	(29)	(24)	(1)	(23)	(7)	(0)	(84)	(4)	(2)	(58)	(301)
Balance as at 31.12.2019	**419**	**1,065**	**46,286**	**294**	**122**	**7,833**	**179**	**8**	**2,826**	**276**	**13**	**9,711**	**69,031**
Write-offs	(2)	(17)	(0)	0	0	(4)	0	0	(9)	0	0	(21)	(54)
Wite-offs of derecognised financial assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Total as at 31.12.2019	**417**	**1,048**	**46,286**	**294**	**122**	**7,829**	**179**	**8**	**2,817**	**276**	**13**	**9,690**	**68,977**

31.12.2019	Corporate lending									
Group and Bank	Large Entities			SME's			Public Sector (Greece)			
	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	
(amount in thousand €)	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Total as at 01.01.2019	**1,648**	**4,660**	**63,276**	**331**	**5,332**	**78,988**	**11**	**215**	**0**	**154,462**
Transfer to stage 1 from stages 2 or 3	784	(295)	(964)	296	(4,581)	(1,108)	0	0	0	(5,867)
Transfer to stage 2 from stages 1 or 3	(149)	1,163	0	(103)	424	(1,569)	0	0	0	(234)
Transfer to stage 3 from stages 1 or 2	(3)	(448)	17,455	(393)	(200)	12,273	0	0	0	28,684
Reassessment of expected credit losses	(139)	(2,269)	16,772	350	(41)	(595)	49	(143)	0	13,984
Loss from impairment of new loans	183	30	4,936	111	242	16,970	0	0	0	22,473
Loans of credit parameters	0	(50)	12,212	(409)	0	1,314	0	0	0	13,067
Other transfers and exchange differences	(973)	(191)	(4,637)	793	(36)	(6,712)	0	(1)	0	(11,756)
Balance as at 31.12.2019	**1,352**	**2,600**	**109,051**	**976**	**1,141**	**99,561**	**60**	**71**	**0**	**214,812**
Write-offs	0	0	(2,904)	0	0	0	0	0	0	(2,904)
Total as at 31.12.2019	**1,352**	**2,600**	**106,147**	**976**	**1,141**	**99,561**	**60**	**71**	**0**	**211,908**

31.12.2018	Retail lending												
Group and Bank	Mortgages			Consumer			Credit Cards			Other			
	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	IFRS 9	
(amount in thousand €)	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Total as at 01.01.2018	**1,361**	**2,893**	**69,438**	**848**	**1,158**	**33,921**	**1,533**	**64**	**12,435**	**3,090**	**29**	**20,889**	**147,659**
Transfer to stage 1 from stages 2 or 3	78	(239)	(168)	29	(125)	(81)	2	(21)	(45)	1	(8)	(6)	(583)
Transfer to stage 2 from stages 1 or 3	(323)	1,392	(201)	(101)	291	(123)	(55)	5	(12)	(180)	16	(1)	708
Transfer to stage 3 from stages 1 or 2	(455)	(2,074)	5,256	(167)	(474)	1,570	(93)	(31)	1,074	(528)	(14)	3,257	7,321
Reassessment of expected credit losses	26	(15)	(8,987)	(158)	(56)	(2,735)	(1,129)	(3)	(50)	(1,732)	(3)	(622)	(15,464)
Loss from impairment of new loans	24	0	1	61	17	239	11	0	96	3	0	1,335	1,787
Change in credit parameters	0	0	(21)	0	0	(0)	0	0	0	0	0	0	(21)
Other transfers and exchange rate differences	189	61	(232)	(45)	(272)	(1,690)	(151)	(10)	(775)	(480)	(5)	(632)	(4,042)
Balance as at 31.12.2018	**899**	**2,019**	**65,087**	**467**	**538**	**31,101**	**117**	**5**	**12,724**	**174**	**16**	**24,219**	**137,365**
Write-offs	0	0	(10)	0	0	(6)	0	0	0	0	0	(2)	(18)
Wite-offs of derecognised financial assets	(191)	(61)	(3,277)	(12)	(128)	(16,843)	(0)	0	(7,703)	0	0	(10,601)	(38,816)
Total as at 31.12.2018	**708**	**1,957**	**61,800**	**455**	**410**	**14,252**	**117**	**5**	**5,021**	**174**	**16**	**13,616**	**98,531**

31.12.2018 Group and Bank	Corporate lending									
	Large Entities			SME's			Public Sector (Greece)			
(amount in thousand €)	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	IFRS 9 Stage 1	IFRS 9 Stage 2	IFRS 9 Stage 3	Total
Total as at 01.01.2018	**2,441**	**5,353**	**55,103**	**11,054**	**47,958**	**303,171**	**36**	**52**	**0**	**425,168**
Transfer to stage 1 from stages 2 or 3	87	(1,156)	(6,696)	26	(437)	(5)	0	0	0	(8,181)
Transfer to stage 2 from stages 1 or 3	(1,206)	3,867	(879)	(909)	909	(1,283)	0	0	0	498
Transfer to stage 3 from stages 1 or 2	(5,144)	(29,454)	24,987	(1,019)	(8,611)	34,343	0	0	0	15,102
Reassessment of expected credit losses	(207)	(1,746)	814	(442)	276	(4,788)	(25)	(52)	0	(6,169)
Loss from impairment of new loans	127	56	19,820	58	244	1,271	0	214	0	21,791
Loans of credit parameters	(1,271)	0	0	0	(221)	2,054	0	0	0	562
Other transfers and exchange differences	6,823	29,482	13,302	(7,513)	(28,359)	(4,278)	0	0	0	9,457
Balance as at 31.12.2018	**1,649**	**6,402**	**106,452**	**1,255**	**11,760**	**330,485**	**11**	**215**	**0**	**458,228**
Write-offs	0	0	(2,976)	0	0	(231)	0	0	0	(3,207)
Wite-offs of financial assets	(1)	(1,741)	(40,199)	(924)	(6,427)	(251,267)	0	0	0	(300,559)
Total as at 31.12.2018	**1,648**	**4,660**	**63,276**	**331**	**5,333**	**78,988**	**11**	**215**	**0**	**154,462**

43.5.2 Loans and advances to customers and expected credit losses by product line, industry sector and geographical region

31.12.2019				Greece		
Group and Bank *(amount in thousand €)*	**Stage 1**	**Stage 2**	**Stage 3**	**Gross Carrying amount before impairment allowance**	**Expected Credit losses**	**Carrying amount net of impairment**
Retail lending	**157,318**	**21,524**	**351,201**	**530,043**	**68,977**	**461,066**
Mortgages	110,161	18,358	282,170	410,690	47,751	362,939
Consumer	12,589	1,599	36,506	50,693	8,244	42,449
Credit Cards	13,615	574	6,536	20,726	3,004	17,722
Other	20,954	992	25,989	47,935	9,979	37,956
Corporate lending	**564,338**	**206,383**	**499,498**	**1,270,218**	**211,777**	**1,058,441**
Wholesale and retail trade	78,348	13,328	26,104	117,780	9,262	108,518
Manufacturing	38,565	29,133	36,341	104,039	18,321	85,718
Shipping	504	0	24,798	25,303	5,623	19,679
Construction and real estate	130,012	51,316	227,517	408,845	127,624	281,221
Tourism	15,453	14,458	51,443	81,354	5,477	75,877
Energy	190,794	69,065	62,476	322,335	17,431	304,905
Mining	33,778	32	23	33,833	28	33,805
Art & Recreation	14,280	0	86	14,365	72	14,293
Trasportation and logistics	4,262	15,258	1,474	20,994	332	20,663
Other	58,342	13,792	69,235	141,370	27,609	113,761
Public Sector	**17,108**	**11,010**	**0**	**28,118**	**131**	**27,987**
Total	**738,764**	**238,917**	**850,698**	**1,828,379**	**280,885**	**1,547,494**

31.12.2018

Group and Bank (amount in thousand €)	**Stage 1**	**Stage 2**	**Stage 3**	**Gross Carrying amount before impairment allowance**	**Expected Credit losses**	**Carrying amount net of impairment**
Retail lending	**170,353**	**33,325**	**339,386**	**543,064**	**98,532**	**444,533**
Mortgages	121,436	27,509	274,202	423,147	64,466	358,681
Consumer	13,451	3,363	34,511	51,326	15,117	36,209
Credit Cards	15,063	637	6,078	21,779	5,144	16,635
Other	20,402	1,816	24,595	46,813	13,806	33,008
Corporate lending	**521,188**	**334,061**	**416,613**	**1,271,862**	**154,236**	**1,117,626**
Wholesale and retail trade	83,260	24,288	37,173	144,721	15,034	129,687
Manufacturing	45,554	38,211	37,892	121,658	19,752	101,905
Shipping	520	26,694	0	27,214	184	27,030
Construction and real estate	172,835	44,670	240,968	458,473	98,523	359,950
Tourism	12,874	21,449	49,731	84,054	11,418	72,636
Energy	88,218	138,774	28,630	255,622	2,201	253,421
Mining	33,615	283	22	33,921	42	33,878
Art & Recreation	1,284	102	86	1,472	10	1,462
Trasportation and logistics	1,743	30,185	1,530	33,459	481	32,978
Other	81,284	9,404	20,582	111,270	6,591	104,678
Public Sector	**18,586**	**11,626**	**0**	**30,212**	**226**	**29,986**
Total	**710,127**	**379,012**	**755,999**	**1,845,138**	**252,994**	**1,592,144**

The Group and the Bank do not have credit exposures in countries other than Greece.

43.5.3 Analysis of interest income from loans and advances to customers by product line

31.12.2019

Group and Bank *(amounts in thousand €)*	**IFRS 9 Stage 1**	**IFRS 9 Stage 2**	**IFRS 9 Stage 3**	**Total Interest Income**
Retail lending	5,620	769	12,546	**18,935**
Corporate lending	20,160	7,373	17,844	**45,377**
Public Sector	611	393	0	**1,004**
Total Interest Income	**26,392**	**8,535**	**30,390**	**65,317**

31.12.2018

Group and Bank *(amounts in thousand €)*	**IFRS 9 Stage 1**	**IFRS 9 Stage 2**	**IFRS 9 Stage 3**	**Total Interest Income**
Retail lending	7,542	1,475	15,025	**24,042**
Corporate lending	23,073	14,789	18,444	**56,306**
Public Sector	823	515	0	**1,337**
Total Interest Income	**31,438**	**16,779**	**33,469**	**81,686**

43.6 Forborne loans and advances to customers

43.6.1 Forborne loans and advances to customers by type of forbearance measure

Group and Bank	**Forborne loans**	
(amounts in thousand €)	**(Net Value)**	
Type of forborne arange	**31.12.2019**	**31.12.2018**
Interest only payment	47	938
Reduced payments scheme	3,120	80,819
Grace period	88,408	37,257
Loans term extension	2,224	1,888
Arrears capitalization	4,469	11,498
Partial write-off in borrower's obligation	283	1,713
Combination for bearance measures	0	5,733
Other	23,135	20,268
Total Net Value	**121,686**	**160,114**

43.6.2 Analysis of forborne loans and advances to customers by credit quality

31.12.2019

Group and Bank (amounts in thousand €)	Loans measured at amortized cost: Total Value of L&E	Total amount of forborne L&A	% Forborne L&A
IFRS 9 Stage 1	738,764	0	0.00%
IFRS 9 Stage 2	238,917	103,586	43.36%
IFRS 9 Stage 3	850,698	34,894	4.10%
Total Value (before impairment)	**1,828,379**	**138,480**	**7.57%**
Cumulative impairment allowance IFRS 9 Stage 1	3,553	0	0.00%
Cumulative impairment allowance IFRS 9 Stage 2	5,003	2,754	55.05%
Cumulative impairment allowance IFRS 9 Stage 3	272,329	14,040	5.16%
Total Net amount	**1,547,494**	**121,686**	**7.86%**
Collateral value	990,589	69,288	6.99%

31.12.2018

Group and Bank (amounts in thousand €)	Loans measured at amortized cost: Total Value of L&E	Total amount of forborne L&A	% Forborne L&A
IFRS 9 Stage 1	710,127	0	0.00%
IFRS 9 Stage 2	379,012	113,566	29.96%
IFRS 9 Stage 3	755,999	74,953	9.91%
Total Value (before impairment)	**1,845,138**	**188,519**	**10.22%**
Cumulative impairment allowance IFRS 9 Stage 1	3,445	0	0.00%
Cumulative impairment allowance IFRS 9 Stage 2	12,596	8,684	68.94%
Cumulative impairment allowance IFRS 9 Stage 3	236,953	19,722	8.32%
Total Net amount	**1,592,144**	**160,114**	**10.06%**
Collateral value	1,067,334	140,633	13.18%

43.6.3 Reconciliation of forborne loans and advances to customers

Group and Bank *(amounts in thousand €)*	31.12.2019	31.12.2018
Opening balance	**160,114**	**517,980**
Forborne status during the period	101,688	47,339
Interest income	4,995	2,669
Repayments of L&A (partial or total)	(3,296)	(23,887)
L&A which exited forborne status during the period	(110,871)	(256,208)
Impairment loss	(16,793)	(18,826)
Book value of loans that were derecognised	0	(108,954)
Other	(14,150)	0
Closing balance	**121,686**	**160,114**

43.6.4 Forborne loans and advances to customers by product line

Group and Bank *(amounts in thousand €)*	31.12.2019	31.12.2018
Retail lending	**14,086**	**47,506**
Mortgage	11,772	42,294
Consumer	1,892	3,636
Credit cards	65	211
Other	357	1,364
Corporate lending	**107,601**	**112,608**
Large	98,536	54,832
SME's	9,065	57,776
Public sector	**0**	**0**
Greece	0	0
Other countries	0	0
Total Net Value	**121,686**	**160,114**

43.6.5 Forborne loans and advances to customers by geographical region

Group and Bank *(amounts in thousand €)*	31.12.2019	31.12.2018
Greece	121,686	160,114
Total Net Value	**121,686**	**160,114**

43.7 Fair value of financial assets and liabilities

	Group			
Fair value of Balance Sheet items	**Carrying amount**		**Fair value**	
Financial Assets	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Due from other financial institutions	67,437	9,429	67,437	9,429
Loans and advances to customers (net of impairment)	1,547,494	1,592,144	1,545,393	1,590,043
Investment securities at amortized cost	353,146	9,879	354,275	10,482

	Carrying amount		Fair value	
Financial Liabilities	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Due to other financial institutions	262,456	424,649	262,456	424,649
Due to customers	2,608,157	2,281,875	2,602,801	2,047,782
Lease liability	19,198	0	19,198	0

	Bank			
Fair value of Balance Sheet items	**Carrying amount**		**Fair value**	
Financial Assets	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Due from other financial institutions	67,429	9,422	67,429	9,422
Loans and advances to customers (net of impairment)	1,547,494	1,592,144	1,545,393	1,590,043
Investment securities at amortized cost	353,146	9,879	354,275	10,482

	Carrying amount		Fair value	
Financial Liabilities	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Due to other financial institutions	262,456	424,649	262,456	424,649
Due to customers	2,614,165	2,288,350	2,608,782	2,282,967
Lease liability	19,097	0	19,097	0

Fair value of amounts due from and due to other financial institutions carried at amortized cost does not differ substantially from the corresponding carrying value since the maturity for the majority of them is less than one month.

The fair value of investment securities at amortized cost is calculated based on active market prices.

The fair value of loans and advances to customers and due to customers is calculated by discounting the expected future cash flows (inflows and outflows correspondingly). The interest rates used to discount cash flows for loans and customer liabilities were based on the yield curve.

The fair value reflects the estimates at the date of the preparation of the financial statements. These estimates are subject to, among others, adjustments depending on the prevailing market conditions at the date of measurement. These calculations represent the most suitable estimates and are based on particular assumptions. Taking into account the fact that these calculations incorporate uncertainties, it is probable that the fair values might not represent the price at which such financial instruments could actually be sold for or settled with in the future.

Financial instruments which are measured at fair value or their fair value is disclosed, are classified in the following three levels based on the lowest information source used for the estimation of their fair value:

- Level 1: active market prices (not adjusted) for the respective assets and liabilities
- Level 2: inputs which are directly or indirectly observable
- Lever 3: resulting from non-observable inputs used in valuation models

In cases where the fair value differs from the transaction price at the time of the initial recognition of financial instruments, the difference is recognized directly in profit and loss only when the instrument is measured based on inputs related to levels 1 and 2. In cases where it is measured based on inputs related to level 3, the difference arising on initial recognition is not recognized directly in profit and loss but it may be recognized subsequently provided that the instrument's measurement is based on observable inputs and after taking into account the nature of the instrument as well as the length of time.

Level 2 includes inputs which do not meet the requirements for classification in level 1 but they are observable, either directly or indirectly. These inputs are:

- Active market prices for similar assets or liabilities.

  - Other observable inputs for the asset or liability under measurement, such as:

  - Interest rate and yield curves;

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- Implied volatility;
- Credit margins

The principal methods used for the measurement of fair value in level 2 are the reference to the current fair value of a reasonably similar instrument, the discounting method and the options pricing models.

Non observable inputs are included in level 3. Non observable inputs used for the measurement of fair value include correlations, long-term volatility measures, expected cash flows, discount rates, credit margins and other parameters related to specific transactions and determined by the Group. The principal methods used for the measurement of fair value in level 3 are the discounting method, the multipliers and the options pricing models. With respect to the senior bond of € 525 million, which is a bond with collateral exposures totaling to € 1.3 billion, the Bank has classified it as Level 3 as there is no active market for this bond. The valuation method is the discounted cash flows and the main assumptions that are not observable are the probability of default, the time of collection, the expected amount of collection, the value of the collateral, and the discount rate. As at 31.12.2018, the fair value of the aforementioned financial instrument has been determined by an independent international rating expert on similar projects, based on statistical models used in similar transactions. More specifically, apart from the assumptions mentioned above, the valuation was based on probabilities of adoption of different strategies from the servicer, taking into consideration the servicing effectiveness, the estimated Impairment of the value of collaterals up to liquidation date, as well as the point in time that the servicing activities are implemented. Based on these parameters, collection curves over periods of time are created, through which the fair value of the financial instrument arises.

Regarding the bonds A-1 and A-2 that the Bank holds, in the context of the second securitization of an amount of 343 million euros, the Management has valuated the management of the underlying loans by the Servicer for this short period of time, also considering that the valuation date is very close to the transaction date,

In particular, the following are noted:

- The fair value of non-listed shares as well as shares not quoted in an active market is determined based on the Group’s estimations regarding the future profitability of the issuer after taking into account the expected growth rate of its operations as well as the weighted average rate of capital return which is used as a discount rate. Given that these parameters are mainly non-observable, the valuation of these shares is classified into level 3.

-Level 3 also includes debt instruments not quoted in an active market due to lack of liquidity, e.g. in cases where the issuer is under liquidation. In these cases, the expected cash flows from the debt instruments are determined by the Group based on their collectability.

At each reporting date, the Group assesses alternative methods for determining non-observable inputs, estimates their effect on the fair value calculation and ultimately selects non-observable inputs which are consistent with current market conditions and with methods it uses for fair value measurement.

The table below depicts the hierarchy of financial instruments measured at fair value at each reporting date based on the quality of inputs used for the estimation of fair value.

	Group			
31.12.2019	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Financial assets measured at fair value through other comprehensive income (FVOCI)	67,657	0	522,389	**590,046**
Securities at fair value through profit and loss	12,008	0	0	**12,008**
Derivative financial instruments - assets	114	0	0	**114**
Derivative financial instruments - liabilities	0	2	0	**2**
31.12.2018	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Financial assets measured at fair value through other comprehensive income (FVOCI)	45,848	0	863,440	**909,288**
Securities at fair value through profit and loss	2,950	0	0	**2,950**
Derivative financial instruments - assets	87	0	0	**87**
Derivative financial instruments - liabilities	0	34	0	**34**

Amounts in euro thousand, unless otherwise stated. 132

31.12.2019	Bank Stage 1	Stage 2	Stage 3	Total
Financial assets measured at fair value through other comprehensive income (FVOCI)	67,657	0	522,389	**590,046**
Securities at fair value through profit and loss	12,008	0	0	**12,008**
Derivative financial instruments - assets	114	0	0	**114**
Derivative financial instruments - liabilities	0	2	0	**2**

31.12.2018	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at fair value through other comprehensive income (FVOCI)	45,848	0	863,440	**909,288**
Securities at fair value through profit and loss	2,950	0	0	**2,950**
Derivative financial instruments - assets	87	0	0	**87**
Derivative financial instruments - liabilities	0	34	0	**34**

It should be noted that no transfers between fair value levels took place during the current year. The variance in the amounts of financial assets quoted on Level 3 refers to the addition of the two bond (Class A-1 and A-2) of the second securitization, of a total amount of 343 million euros, along with the junior not held by the bank, which corresponds to the 5% of the Class B of the second securitization.

Regarding the sensitivity of the level 3 fair value of the senior bond of € 525 million, it is noted that a change in the total receipts of the portfolio due to the effectiveness of servicing by +2.5% / - 2.5% affect the fair value of the bond by approximately 22 million euros and -24 million euros, respectively, whereas the variation due to a movement of the discount rate by +25 basis points / -25 basis points, amounts to -3.6 and +3.6 million euros respectively.

Additionally, the fair value is significantly affected by the discount rate used for the valuation. Due to the lack of similar transactions in the Greek market, evidence from other European countries, where similar transaction took place, have been used, after being adjusted for the yields of the Greek Government Bonds of similar duration with the aforementioned transaction. The above sensitivity analysis incorporates alternative values of the discount rate with equal weight.

Amounts in euro thousand, unless otherwise stated. 133

44. Capital adequacy

The Risk Management Department monitors capital adequacy at regular time intervals and submits the results of its calculations on a quarterly basis to the Bank of Greece that acts as the supervisory authority for all Credit Institutions.

The Capital Adequacy Ratio is defined as the ratio of regulatory equity capital to assets and off-balance sheet items, weighted by the risk they incorporate. Tier 1 capital ratio is defined as the ratio of Tier 1 (Tier 1) capital to risk weighted assets (on and off balance sheet) while the ratio Common Equity Tier 1 (CET 1) is defined in a similar way.

According to Regulation 575/2013 and Bank of Greece's Credit and Insurance Committee Decision 114 / 04.08.2014 banks are required, to meet the following minimum capital ratios on both a standalone and a consolidated basis: Common Equity Tier 1 (CET 1) 4.5%, Tier 1 capital ratio (TIER 1) 6% and total capital adequacy ratio (Total Capital Ratio) 8%.

It is noted that the above Decision abolished Bank of Greece's Executive Committee Act 13/28.03.2013 and provides for transitional amendments regarding the implementation of regulatory capital reductions for Common Equity Tier 1 (CET 1) capital. More specifically, deduction of deferred tax assets which are based on future profitability will be gradually implemented by 2024. Moreover, according to Decision 114 / 04.08.2014, intangible assets, defined benefit plan assets as well as specific placements of the Bank to entities in the financial sector, will be deducted from common Equity Tier 1 capital. The above settlement will be gradually implemented by 2018.

Additionally, according to Directive 2013/36 / EU, banks will also be required to gradually create a capital conservation buffer of 2.5% until 01.01.2019 (0.625% on 01.01.2016, 1.25% on 01.01.2017 and 1.875% on 01.01.2018), beyond the existing Common Equity Tier 1 (CET 1) capital and the minimum regulatory capital.

Overall, the minimum required ratios including the capital conservation buffer with an effective date 01.01.2019, are:

- Minimum Common Equity Tier 1 Ratio of 7%.
- Total Capital Adequacy Ratio of 10.5%.

Finally, the following buffers may be imposed by member states of the EU, under Directive 2013/36 / EU:

- Countercyclical capital buffer. (0% for the fourth quarter of 2017 under the Executive Committee's Act (PEE) 122/12.9.2017);
- Systemic risk capital buffer.

The table below lists the basic and supplementary capital, as well as the supervisory adjustments to which they are subject before their final calculation.

(Amounts in thousand €)	Group		Bank	
Description	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Share capital (Common shares)	101,966	91,683	101,966	91,683
Reserves	448,750	450,545	448,548	450,339
Retained earnings	(93,045)	(98,024)	(98,087)	(98,439)
Items detracted from capital				
Intangible assets net book value	(44,497)	(42,761)	(44,482)	(42,808)
Transitional arrangements of IFRS 9	82,209	91,881	82,209	91,881
Deferred Tax Assets based on future profitability and arising from temporary differences	(89,918)	(49,651)	(89,918)	(49,651)
Common equity capital for the calculation of the 10% limit	**405,465**	**443,673**	**400,235**	**443,006**
Items detracted from capital				
Deferred Tax Assets based on future profitability and arising from temporary differences >10% CET I	(38,864)	(12,525)	(39,299)	(12,592)
CET1 - Common Equity Tier I Capital	**366,601**	**431,148**	**360,937**	**430,414**
T1 - Tier I Capital	**366,601**	**431,148**	**360,937**	**430,414**
T2L - Lower Tier II Capital				
Subordinated debt of a specified duration	99,729	99,685	99,729	99,685
T2 - Tier II Capital	**99,729**	**99,685**	**99,729**	**99,685**
Total Regulatory Capital	**466,330**	**530,833**	**460,665**	**530,100**
Weighted against credit risk	3,041,941	3,005,315	3,042,302	3,018,755
Weighted against market risk	4,391	1,600	4,391	1,600
Weighted against operational risk	176,152	197,723	172,206	192,246
	3,222,484	**3,204,638**	**3,218,898**	**3,212,602**
CET 1 RATIO	**11.4%**	**13.5%**	**11.2%**	**13.4%**
TIER 1 RATIO	**11.4%**	**13.5%**	**11.2%**	**13.4%**
TOTAL CAPITAL RATIO	**14.5%**	**16.6%**	**14.3%**	**16.5%**

Capital Adequacy (Complete Implementation)				
CET 1 RATIO	**8.0%**	**8.8%**	**7.9%**	**8.8%**
TIER 1 RATIO	**8.0%**	**8.8%**	**7.9%**	**8.8%**
TOTAL CAPITAL RATIO	**11.2%**	**11.8%**	**11.0%**	**11.8%**

On 13th of April 2020, Bank of Greece informed Attica Bank, with a similar decision, that for the year 2020 the minimum threshold for the Total Capital Ratio is 14.21%. The aforementioned ratio is comprised from the minimum threshold of the Total Capital Adequacy Ratio (8%), according to the article 92(1) of CRR, the additional Pillar II supervisory requirements, along with the capital requirements for security deposit in accordance with the provisions of Law 4261/2014. The minimum index should be kept on an ongoing basis, taking into account the CRR / CRD IV transitional provisions. Finally, based on the Executive Committee decision of Bank of Greece which was communicated to the Bank on 16 April 2020 the minimum threshold of the index was set on 10.71% for 2020.

45. Events after 31 December 2019

A) The Bank, on 05.02.2020, announced the completion of the transfer, following the decision of capital markets commission, of its participation (100%) in its subsidiary, Attica Wealth Management, to Ypsilon Capital Ltd for the total amount of 2.35 million euros.

B) Attica Bank, following the procedure for submission of competitive offers and by executing the decisions of the Board of Directors meetings dated 26.09.2019 and 29.01.2020, signed on 24.03.2020 announced the deal with the company "QQUANT MASTER SERVICER SOCIETE ANONYME", a servicer of non – performing loans, based on Amarousion – Attica Region, as licensed and supervised by the Bank of Greece, regarding the servicing of a loan portfolio of 435 million euros ("legal" balance), which remains on Bank's books. The portfolio's servicing will begin two months after the signature of the deal. In the intermediary period all necessary transition procedures regarding the servicing and updating of information will be performed. This agreement is part of the Bank's business plan for the better management and ultimately elimination of the non – performing portfolio of the past, following the two successful securitization transactions. Furthermore, this agreement will allow the Bank to focus in further developing its banking operations, by emphasizing in providing liquidity in the Greek market, targeting the support of businesses in the present financial conjuncture.

C) World Health Organization announces on March 2020 that COVID – 19 is a pandemic virus. As a result the Greek Government sets the country gradually to lockdown, as far as the transportation and the business operation are concerned. In the context of the financial support of the sectors injured by COVID – 19, the ministers in charge announced the following measures for the aforementioned sectors:

- Suspension of installment payments by the Banks up to 30.09.2020 for the borrowers consistent in the performance of their obligations affected by the impact of COVID – 19

- Interest rate subsidy for the performing corporate loans for 3 months, up to 30.06.2020, for the sectors of the economy affected by the impact of COVID – 19

- Suspension of all tax and social security obligations for the sectors affected by the impact of COVID – 19

Furthermore, ECB on its turn announced the following support measures for the European Banks:

- On 12.03.2020, ECB announced the easing of conditions for targeted longer-term refinancing operations (TLTRO III) and more specifically: a) Interest rate on TLTRO III is reduced by 25 basis points and can be as low as 25 basis points below average deposit facility rate during period from June 2020 to June 2021 for all TLTRO III operations outstanding during that period, b) Borrowing allowance raised to 50% of eligible loans, c) Lending performance threshold reduced to 0%.

- On 12.03.2020, ECB announced measures to support bank liquidity conditions and money market activity

- On 18.03.2020, ECB announced the launch of a new temporary asset purchase programme of private and public sector securities to counter the serious risks to the monetary policy transmission mechanism and the outlook for the euro area posed by the outbreak and escalating diffusion of the coronavirus, COVID-19. This new Pandemic Emergency Purchase Programme (PEPP) will have an overall envelope of €750 billion. Purchases will be conducted until the end of 2020 and will include all the asset categories eligible under the existing asset purchase programme (APP). Furthermore, it is explicitly mentioned that a waiver of the eligibility requirements for securities issued by the Greek government will be granted for purchases under PEPP. Finally ECB with its decisions will ease the collateral standards by adjusting the main risk parameters of the collateral framework and more particularly will expand the scope of Additional Credit Claims (ACC) to include claims related to the financing of the corporate sector.

Additionally, ECB announced a series of measures in the context of the treatment of the financial impacts from the spread of coronavirus, so for the Banks to continue to fulfill their role in financing the real economy. More specifically, ECB will allow the Banks to temporarily operate below the capital level as defined by the requirements of Pillar 2 guidance, the capital conservation buffer and the liquidity coverage ratio. Furthermore, Banks will also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital to meet the Pillar 2 Requirements (P2R).

Finally, on the Eurogroup meeting held on 9th April 2020, it was decided that 540 billion euros will be used to help the affected by COVID – 19 countries members through the following three pillars:

- €240 billion, corresponding to the 2% of the GDP of the country members of EU, through the establishment of a precautionary credit line (ECCL) based on the existing credit line in light of the challenge of the crisis caused by the pandemic of COVID – 19. This Pandemic Crisis Support would be available to all euro area Member States, with standardised terms agreed in advance by the ESM Governing Bodies.

- €200 billion, through the creation of 25 billion euros fund from European Investment Bank which could support the financing for companies with a focus on SMEs, throughout the EU, including through national promotional banks.
- €100 billion, through the establishment of a temporary European financing tool for the financial assistance during the time of the crisis, in the form of loans granted on favourable terms from the EU to Member States from the EU budget. The instrument would primarily support the efforts to protect workers and jobs, while respecting the national competences in the field of social security systems, and some health-related measures

Disclosures of Law 4374/2016

IV. 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 in a consolidated database:

1. All payments made in the relevant fiscal year, to direct or indirect media company recipient and its related parties according to IAS 24 or communication and advertising company.
2. All payments made in the relevant fiscal year due to donation, subsidy, grant or other gratis to individuals and legal entities.

The tables required are as presented below:

PAYMENTS TO MEDIA COMPANIES, WEB MEDIA COMPANIES AND ANY OTHER ENTITY AFFILIATED WITH THE ABOVE COMPANIES FOR ADVERTISING PURPOSES PURSUANT TO ARTICLE 6 OF LAW 4374/2016

Company	NET AMOUNT (in euro) 31/12/2019
1984 PRODUCTIONS AE	1,200.00
24 MEDIA ΨΗΦΙΑΚΩΝ ΕΦΑΡΜΟΓΩΝ ΑΕ	1,280.00
D.G. NEWSAGENCY ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ ΗΛΕΚΤΡΟΝΙΚΩΝ ΕΚΔΟΣΕΩΝ	1,500.00
DPG DIGITAL MEDIA A.E.	1,400.00
ICAP A.E.	800.00
LIQUID MEDIA AE	1,000.00
MEDIA2DAY ΕΚΔΟΤΙΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΙΑ	1,100.00
NEWPOST PRIVATE COMPANY NEWPOST.GR	1,050.00
NEWSIT ΕΠΕ	2,000.00
OPINION POST ΗΛΕΚΤΡΟΝΙΚΕΣ ΕΚΔΟΣΕΙΣ ΑΕ	1,200.00
PREMIUM A.E.	400.00
PRIME APPLICATIONS AE	1,050.00
THE TOC DIGITAL MEDIA ΥΠΗΡΕΣΙΕΣ ΕΝΗΜΕΡΩΣΗΣ ΑΕ	1,500.00
W.S.F. WALL STREET FINANCE I.K.E.	554.00
ΑΘΗΝΑΪΚΟ ΜΑΚΕΔΟΝΙΚΟ ΠΡΑΚΤΟΡΕΙΟ ΕΙΔΗΣΕΩΝ	26,000.00
ΑΛΤΕΡ ΕΓΚΟ ΜΜΕ ΑΕ ΕΠΙΧΕΙΡΗΣΗ ΜΕΣΩΝ ΜΑΖΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ	6,400.00
ΕΚΔΟΣΕΙΣ ΝΕΟ ΧΡΗΜΑ ΑΕ	800.00
ΕΛΛΗΝΙΚΗ ΡΑΔΙΟΦΩΝΙΑ ΤΗΛΕΟΡΑΣΗ ΑΕ	49,248.00
ΕΝΙΚΟΣ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ	1,750.00
ΖΟΥΓΚΛΑ ΤΖΙ ΑΡ Α.Ε.	2,100.00
Η ΝΑΥΤΕΜΠΟΡΙΚΗ - Π. ΑΘΑΝΑΣΙΑΔΗΣ & ΣΙΑ ΑΕ	900.00
ΚΑΘΗΜΕΡΙΝΕΣ ΕΚΔΟΣΕΙΣ ΑΕ	1,925.00
ΚΑΠΙΤΑΛ GR/ΥΠΗΡΕΣΙΕΣ ΗΛΕΚΤΡΟΝΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ ΑΕ	1,800.00
ΤΡΑΠΕΖΙΚΟΣ ΑΓΩΝ	800.00
Total	**107,757.00**

Note:

The above expenses were charged with the surcharges of the Greek State and third parties (VAT, AGGELIOSIMO and others) amounting to €29,729.60

SPONSORSHIPS OF 2019 TO LEGAL ENTITIES

Company	NET AMOUNT (in euro) 31/12/2019
ECONOMIX IKE- ΟΙΚΟΝΟΜΙΚΟ ΜΕΙΓΜΑ ΜΟΝΟΠΡΟΣΩΠΗ	4,000.00
GO.BLUEHELLAS ΚΟΙΝ.Σ.ΕΠ.	1,000.00
PRISMA REPORTS LTD	6,500.00
ΑΝΑΠΤΥΞΙΑΚΗ ΕΠΙΜΕΛΗΤΗΡΙΟΥ ΚΟΡΙΝΘΙΑΣ	2,419.35
ΒΕΡΤΚΑΛ ΣΟΛΟΥΣΙΟΝΣ ΑΕ	10,000.00
ΓΕΝΙΚΟ ΝΟΣΟΚΟΜΕΙΟ ΑΘΗΝΩΝ "ΛΑΪΚΟ"	58,064.00
ΔΗΜΟΣ ΛΕΒΑΔΕΩΝ	3,000.00
ΕΘΝΙΚΗ ΛΥΡΙΚΗ ΣΚΗΝΗ	24,193.56
ΕΘΝΙΚΟ ΚΑΠΟΔΙΣΤΡΙΑΚΟ ΠΑΝ/ΜΙΟ ΑΘΗΝΩΝ	4,032.26
ΕΙΔΙΚΟΣ ΛΟΓ/ΜΟΣ ΑΞΙΟΠΟΙΗΣΗΣ ΚΟΝΔΥΛΙΩΝ ΕΜΠ	2,419.35
ΕΛΕΥΘΕΡΙΟΣ ΒΑΡΟΥΞΗΣ & ΣΙΑ Ο.Ε. (MULTI PRODUCTIONS ADVERTISING)	5,000.00
ΕΛΛΗΝΙΚΟ ΙΔΡΥΜΑ ΚΑΡΔΙΟΛΟΓΙΑΣ	3,000.00
ΕΛΛΗΝΟΡΩΣΙΚΟ ΕΜΠΟΡΙΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ	807.00
ΕΠΙΜΕΛΗΤΗΡΙΟ ΒΟΙΩΤΙΑΣ	500.00
ΚΑΛΛΙΤΕΧΝΙΚΗ ΕΤΑΙΡΕΙΑ ΑΞΑΝΑ	5,000.00
ΚΙΝΗΣΗ ΠΟΛΙΤΩΝ ΓΙΑ ΜΙΑ ΑΝΟΙΧΤΗ ΚΟΙΝΩΝΙΑ	1,500.00
ΚΟΙΝΩΦΕΛΗΣ ΕΠΙΧΕΙΡΗΣΗ ΥΠΗΡΕΣΙΩΝ ΝΕΑΠΟΛΗΣ ΣΥΚΕΩΝ	40,322.58
ΠΑΝΕΛΛΗΝΙΑ ΕΝΩΣΗ ΔΙΠΛ.ΜΗΧΑΝΙΚΩΝ ΕΡΓΟΛΗΠΤΩΝ ΔΗΜ.ΕΡΓΩΝ	5,000.00
ΠΑΝΕΠΙΣΤΗΜΙΟ ΠΕΙΡΑΙΑ	5,000.00
Total	**181,758.10**

<u>Σημείωση:</u>

A surcharge of €37,741.93 VAT was paid on the above costs.

SPONSORSHIPS OF 2019 TO INDIVIDUALS

INFORMATION ACCORDING TO PARAGRAPH 2 OF ARTICLE 6 OF L. .4374 / 2016 REGARDING INDIVIDUALS	NET AMOUNT (in euro)
	0.00

DONATIONS OF 2019 TO LEGAL ENTITIES

Company	NET AMOUNT (in euro) 31/12/2019
"ΠΑΝΟΣ & ΧΡΥΣΗΙΔΑ - ΒΟΗΘΕΙΑ ΣΤΑ ΠΑΙΔΙΑ"	200.00
ΚΙΒΩΤΟΣ ΤΟΥ ΚΟΣΜΟΥ	1,500.00
Total	1,700.00

Σημείωση:

A surcharge of € 0.00 VAT was paid on the above costs.

Availability of Annual Financial Report

V. Availability of Annual Financial Report

The Annual Financial Report, which includes:

- The Statement by the Members of the Board of Directors;
- The Board of Directors’ report;
- The Explanatory Report of the Board of Directors;
- The Annual Financial Statements of the Group and Bank (including the Independent Auditors’ Report;

Is available on the website https://www.atticabank.gr/el/investors/investor-financial-results/periodical-financial-data?folder=2019

(Section: Home/Investor Relations / Useful information/Annual reports/2019)

attica bank