COOPERATIVE BANK OF CHANIA
Cooperative of Limited Liabilities

Financial Statements in Accordance with IFRS

For the period

From 1st January

to

31st December 2019

CONTENTS

Any differences in totals are due to rounding off.

Credit Institution Name	**COOPERATIVE BANK OF CHANIA** **Cooperative of Limited Liabilities** **(distinctive title: COOPERATIVE BANK OF CHANIA)** **English: COOPERATIVE BANK OF CHANIA** **Cooperative of Limited Liabilities (SCRL)** **(distinctive title: COOPERATIVE BANK OF CHANIA)**
Legal Framework	Law 1667/1986, Law 4261/2014, EU Directive 575/2013
Operating License as a Credit Institution	Meeting resolution 560/18-09-1995 (Item 14) of the Bank of Greece's Monetary and Credit Affairs Committee
Number of Branches	23 Branches
Award Contract No.	123088758000
Website	www.chaniabank.gr
E-mail address	info@chaniabank.gr
Board of Directors' Composition	
Chairman	Michael Marakakis son of Emmanuel
Deputy Chairman	Georgios Androulakis son of Charalambos
Secretary	Kyriakos Badieritis son of Konstantinos
Treasurer	Georgios Farantakis Georgios son of Iosif
Non-Executive Member	Emmanuel Apostolakis son of Apostolos
Non-Executive Member	Anastasios Vamvoukas son of Dimitrios
Independent Non-Executive Member	Ioannis Malandrakis son of Ioannis
Independent Non-Executive Member	George Baourakis son of Michael
Executive Member	Dimitrios Dokakis son of Vasilios
Executive Member	Alexandros Perivolakis son of Vasilios
Independent Non-Executive Member	Maria Sperelaki daughter of Theodoros
Executive Member	Emmanuel Tzinakis son of Michael
Executive Member	Iosif Hiotakis son of Iosif
VAT REG. NO. - TAX OFFICE	096149662 - TAX OFFICE OF CHANIA
Year of Incorporation	1993
Address	28-32 Eleftheriou Venizelou Street
Phone number	28210-25500

This Annual Financial Report includes the following sections:

- ❖ The Board of Directors Members' Statement
- ❖ The Audit Report by the Independent Certified Public Auditor/Accountant
- ❖ The Board of Directors' Annual Report
- ❖ The Annual Financial Statements for the Bank and the Group for the 2019 fiscal period
- ❖ Notes to the Financial Statements

Board of Directors Members' Statement

We, certify that to the best of our knowledge:

- The annual financial statements, which have been prepared in accordance with the applicable accounting standards, give a true and fair view of the assets and liabilities, the equity and the results of the "Cooperative Bank of Chania Cooperative of Limited Liabilities", as well as the companies included in the consolidation taken as a whole.
- The Board of Directors' Annual Report fairly reflects the evolution, performance and position of the Bank as well as of the companies included in the consolidation as a whole, including a description of the main risks and uncertainties that they face.

Chania, 17 July 2020

Chairman of the BoD	Deputy Chairman of the BoD	Treasurer of the BoD
Michael Marakakis	**Georgios Androulakis**	**Georgios Farantakis**

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Audit Report by the Independent Certified Public Auditor/Accountant
To the Partners of the
"Cooperative Bank of Chania Cooperative of Limited Liabilities"
Audit Report on the Corporate and Consolidated Financial Statements

Opinion
We have audited the accompanying corporate and consolidated financial statements for "**Cooperative Bank of Chania"** (the "Bank") and its subsidiaries (the "Group"), which comprise the corporate and consolidated statement of financial position as at 31st December 2019, the corporate and consolidated statements of comprehensive income, changes in equity and cash flows for the year ended on this date and a summary of significant accounting policies and methods and other explanatory information.

In our opinion, the accompanying corporate and consolidated financial statements fairly present, in all material respects, the financial position of the Bank and the Group as at 31st December 2019, their financial performance and their cash flows for the year then ended on this date in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated in Greek Law. Our responsibilities, according to these standards, are further described in our report under the paragraph "Auditor's responsibilities for the audit of corporate and consolidated financial statements". Throughout the term of our appointment, we have remained independent from the Bank and its consolidated subsidiaries, pursuant to the Code of Ethics for Professional Auditors of the International Ethics Standards Board of Accountants (IESBA Code) that has been adopted by Greek Law and the ethical requirements that are related to the audit of corporate and consolidated financial statements in Greece and we have fulfilled our ethical obligations pursuant to current law and the requirements of the IESBA Code. We believe that the auditing evidence that we have acquired suffices and is appropriate to base our audit opinion.

Material uncertainty related to going concern

We draw your attention to Notes 2.2 and 22a to the corporate and consolidated financial statements that refer to the macroeconomic environment, contingent liabilities from legal cases and the increased capital requirements arising from the institutional framework affecting the banking industry and the Bank, notably as regards its future results and its capital adequacy.
As mentioned in the Notes above, these events and conditions could have a negative impact on the Bank's and the Group's business continuity. Our opinion is not modified in respect of this matter.

Emphasis of subject

We draw your attention to the following:

1) In Note 22a to the financial statements which analyzes contingent liabilities of the Bank arising out of the lawsuits of certain partners against the Bank in respect of the Contracts of the Special Account "Return".
2) In Note 33 to the financial statements, which refers to the coronavirus epidemic (COVID-19) and its rapid spread throughout the world, which is expected to adversely affect the global economy as well as the activity and financial position of the Bank and the Group from the next year 2020 onwards, mainly in terms of the increase in expected credit losses (ECL) and the increase in non-performing exposures (NPEs) of the Bank. However, given that there are still significant uncertainties regarding the extent of this epidemic and the mitigation measures that will be decided, it is not possible to make reliable predictions regarding its development and its final consequences for the Bank and the Group. For accounting purposes, the "COVID-19" epidemic is considered a non-corrective event after the reporting date of the financial statements.

In our opinion there is no reservation on these matters.

Key audit issues
The key audit issues are those matters which, in our professional judgment, were of paramount importance in our audit of the corporate and consolidated financial statements of the audited fiscal period. These issues were addressed in the context of the audit of the corporate and consolidated financial statements as a whole in order to formulate our opinion on these and we do not express a separate opinion on these issues. In addition to the issue described in section "Material uncertainty related to going concern" of our report, we have found that the issues described below are the most important audit issues to be reported in our report.

Key audit issues	How they were handled
1. Impairment of loans and receivables against customers at unamortized cost	
Due to the importance of the size of loans in the financial statements, the complexity of calculating the impairment of loans and the significant degree of judgment on them as well as the assumptions-estimates of management required for this purpose, we considered that impairment of loans by customers is a important audit issue for the Bank and the Group in the current fiscal year. Loans and other receivables to customers of the Bank and the Group amounted to EUR 371.7 million and EUR 333.8 million, respectively as at 31 December 2019 compared to EUR 350,6 million and EUR 316,7 million for the Bank and the Group as at 31 December 2018, after accumulated impairment losses of EUR 81.4 million for the Bank and the Group as at 31 December 2019, compared to EUR 98.6 million as at 31 December 2018. From 1 January 2018, the Bank and the Group adopted IFRS 9, thus recognizing losses for credit risk when they are expected to occur and not when they have already occurred. Management has disclosed	Based on the audit risk assessment, we assessed the methodologies, policies and judgments/assumptions adopted by Management to determine expected future credit losses in respect of loan and receivable impairment. For this important audit issue, we performed, among other things, the following audit procedures: We evaluated the reasonableness of the assumptions and decisions made by Management in the classification and measurement of financial instruments, the business model and the appropriateness of the classification of financial assets at amortized cost, as well as the consistency of its exposure classification methodology to the stages laid down in the standard. We evaluated the following items: Individually rated loans ▪ We assessed the design and implementation of the audit's internal controls which are related to our audit, including internal controls that are related to the significant estimates,

information about the application of IFRS 9, the understanding of the estimates needed to calculate the expected credit risk loss and the evaluation of the measurement of IFRS 9 in Notes 4.3 and 4.4 to the corporate and consolidated financial statements. The Bank and the Group form a loan impairment provision for losses incurred both on an individual and on a collective basis. The key judgments are: ▪ The application of IFRS 9 requires significant assessments and judgments on the proper classification of loans and how they are measured, to determine the increase in credit risk, the macroeconomic criteria, and the correct design of the mathematical formulas and data to be used in calculating the expected credit loss. ▪ The methodologies and policies selected by management, valuation of collateral, assumptions/parameters, macroeconomic criteria and the range of multiple financial scenarios used to determine the discounted cash flows used for loans that are individually assessed. ▪ The methodologies and policies adopted by management, models for measuring credit risk through credit risk factors, such as loss in default, probability of default and exposure to default, and macroeconomic criteria in combination with the range of multiple economic scenarios used to calculate the amount of impairment carried out on a collective basis, taking into account the grouping of similar populations, including the probability of default, loss in the breach and the time period between the occurrence of a particular loss-making event and the date on which it becomes known. Management has provided further information on the accounting principles and policies used to determine the provision for loan impairment, credit risk management and the impairment review in Notes 2.7, 4.3, 4.4 and 10 of the corporate and consolidated financial statements.	data, calculation and methodologies used. ▪ We assessed the appropriateness of the methodology and the provision calculation policy used by Management. ▪ We have audited and evaluated, on a sample of loans serviced basis, the completeness of the qualification of loans with signs of impairment by evaluating them in accordance with the provisions of IFRS 9, while examining the uncertainties, suitability of the assumptions used against the value of collateral, the estimated future cash flows and the period of recovery. ▪ We recalculated the discounted cash flows by comparing the results as determined by Management and we looked into any differences. ▪ We assessed the completeness and accuracy of disclosures based on the relevant accounting standards. Loans that are assessed on a collective basis: ▪ We assessed the design and implementation of the audit's internal controls which are related to our audit, including internal controls that are related to the significant estimates, data, calculation and methodologies used by examining the completeness and accuracy of the data used in the impairment models, reconciling these data with the systems from which they originated. ▪ We evaluated the policy, provisions calculation methodology and the reasonableness of the impairment model methodology as well as the key judgments adopted and applied by management to the models to determine the credit risk parameters for calculating the expected credit loss. ▪ We checked on a sampling basis the main parameters used to calculate the probability of default, the loss in case of default and the exposure in default in order to calculate the expected credit risk losses at the end of the fiscal year. ▪ We assessed the reasonableness of the impairment model methodology applied by Management and the main crises adopted in the models to determine the credit risk parameters for calculating the expected credit loss.

2. Recoverability of Deferred Tax Assets (DTAs)

The Bank's and Group's "DTAs" amounted to EUR 24.8 million and EUR 24.9 million, respectively as at 31 December 2019, compared to EUR 25.6 million and EUR 26.1 million, respectively as at 31 December 2018. For the Bank (and at the Group level), temporary differences mainly relate to (€ 17.5 million) losses arising from credit risk impairment provisions and the proportion of losses from interests in subsidiaries (€ 4.1 million), which may be offset against future taxable profits in accordance with applicable law. Consequently, the recoverability of the recognized "DTAs" depends on the Bank's ability to generate sufficient future tax profits to cover the temporary differences when they are finalized for tax purposes. At the same time, the Bank has recognized DTAs of € 2.3m in 2019 related to the unamortized debt difference of par. 3 of Article 27 of Law 4172/2013 (loan write-offs) and therefore depends on the specific tax framework of this Law. The measurement of the recoverability of deferred tax receivables is considered a key audit issue as it depends on Management's judgment and estimates of the Bank and the Group's ability to generate future taxable profits, the assessment of the historical tax losses and the specific tax framework of the Articles 27 and 27A of Law 4172/2013 which may not be appropriate under the circumstances, while the Bank and the Group's business plan may be affected by the risks of the macroeconomic and banking environment as well as the uncertainty of the Bank continuing under the principle of going concern as we report in our Report. Management has provided further information on its assumptions and significant accounting estimates for deferred tax assets in notes 2.23, 4.13.3 and 18 of the corporate and consolidated financial statements.	In order to assess the recoverability of the Bank's and the Group's "DTAs" and based on our assessment of the audit risks, we examined the assumptions and methods used by the Bank and the Group to determine the recoverability of the "DTAs" and its assumptions about the existence of future tax profits. The assessment procedures primarily included: ▪ The review of the Bank and the Group's business and financing plan and Management's reasonable assumptions and expectations regarding future taxable profits, the strategy of divesting some of its subsidiaries and their impact on the "DTAs" balance by assessing the historical nature of the Bank and Group's tax profits, the budget data and calculations that accompany the Bank and Group's business and financing plan provisions. ▪ We evaluated the above assumptions and expectations of the Bank and the Group based on our own assessments and knowledge about the Bank, the Group and the industry, in general. ▪ Assessment of Management's estimates of recent changes in tax Law and the assumptions used to calculate the amount of "DTAs" in accordance with the provisions of articles 27 and 27A of Law 4172/2013 ▪ Assessment of the adequacy and appropriateness of the relevant disclosures for concerning the "DTAs" in the corporate and consolidated Financial Statements Based on the above procedures, we considered that Management's judgments and assumptions regarding the deferred tax assets were reasonable.

Other information

Management is responsible for other information. Other information is included in the Board of Directors' Annual Report, for which special reference is made in "Report on Other Legal and Regulatory Requirements", the Board of Directors Members' Declarations but do not include the financial statements and the audit report thereon.

Our opinion on the corporate and consolidated financial statements does not cover other information and we do not express any form of assurance on them in our opinion.

In relation to our audit of the corporate and consolidated financial statements, it is our responsibility to read the other information and thus to consider whether the other information is materially inconsistent with the corporate and consolidated financial statements or knowledge we obtained during the audit or otherwise appear to be materially incorrect. If, on the basis of the work we have performed, we come to the conclusion that there is a material error in the other information, we are obliged to report this fact. We have nothing to report on this issue.

Responsibilities of management and those charged with governance for the corporate and consolidated financial statements

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

In preparing the corporate and consolidated financial statements, Management is responsible for assessing the Bank 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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the corporate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as these have been incorporated in Greek law, 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 corporate and consolidated financial statements.
As part of an audit in accordance with ISAs, as these have been incorporated in Greek law, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and evaluate the risks of material misstatement of the corporate and consolidated financial statements, whether due to fraud or error, by designing and conducting audit procedures that respond to those risks and obtain audit evidence that is sufficient and appropriate to provide us with 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 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 and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the corporate and consolidated financial statements, including the disclosures, and whether the corporate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the corporate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Bank and its subsidiaries' audit.
- We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the corporate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements
1. Board of Directors' Annual Report
Having regard that Management is responsible for the preparation of the Board of Directors' Report pursuant to the provisions of article 2(5) of the Law 4336/2015 (part B), we note that:
a) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 150 and 153 of Law 4548/2018 and its content corresponds to the attached corporate and consolidated financial statements for the year ended 31/12/2019.
b) Based on the information that has been made available to us during our audit, about the Bank and the Group and its environment, we have not identified material inaccuracies in the Board of Directors' Management Report.

2. Supplementary Report to the Audit Committee
Our opinion on the accompanying corporate and consolidated financial statements is consistent with our Supplementary Report to the Bank's Audit Committee provided for in Article 11 of Regulation (EU) No. 537/2014.

3. Provision of Non-Auditing Services
We did not provide the Bank and its subsidiaries with the non-auditing services that are prohibited in accordance with Article 5 of Regulation (EU) No. 537/2014.
The permitted non-auditing services we have provided to the Bank and its subsidiaries during the period that ended on 31 December 2019 are disclosed in Note 28 of the attached corporate and consolidated Financial Statements.

4. Appointment of an Auditor
We were appointed as the Bank's Certified Public Auditor/Accountants for the first time further to a decision taken 18/06/2006 by the annual ordinary general meeting of the Bank. Since then, our appointment has been continuously renewed for a total period of 14 years pursuant to the decisions taken by the ordinary general meeting of the partners of the Bank.

Athens, 20 July 2020

The Certified Auditor-Accountant
STAVROS NIKIFORAKIS
SOEL REG. NO. 11501

AXON CERTIFIED AUDITORS SA
SOEL REG. NO. 138
75 Patission Street, 104 34, Athens

BOARD OF DIRECTORS' ANNUAL MANAGEMENT REPORT

On the Consolidated Financial Statements of the Cooperative Bank of Chania Cooperative of Limited Liabilities for the fiscal year 2019.

The following annual report by the Board of Directors concerns the fiscal year 2019 (01.01.2019 to 31.12.2019). The Report is harmonized with the relevant provisions of articles 150 to 153 of Law 4548/18. This report presents in a true manner all the relevant and legally necessary information about the Cooperative Bank of Chania Cooperative of Limited Liabilities (hereinafter the "Bank") and the Group.

The Report is included in the Annual Financial Report for the 2019 fiscal period, together with the financial statements of the Bank and the Group and the other statements and declarations that are required by the law.

Developments in the International and European Environment

The main feature of the world economy in 2019 was the slowdown in growth to the lowest point since the global financial crisis of 2009, under the influence of restrictive measures and uncertain developments in international trade and increased geopolitical risks, including the timing and manner in which Brexit took place.

Rising trade protectionism and increased uncertainty caused a significant decline in the growth rate of world trade to 1% from 3.7% in 2018. The slowdown in international trade hit external demand and industrial production and led to a modest increase in global GDP of 2.9% compared to 3.6% in 2018. However, maintaining a fairly strong activity in the services sector, especially in advanced economies, in an environment of favorable financial conditions, partially offset the negative impact of declining industrial production and exports and helped boost employment.

Inflation fell in 2019 in advanced economies to 1.4% from 2.0% in 2018. The decline in international commodity prices, especially fuel, combined with the slowdown in core inflation and the slowdown in demand, offset the inflationary effect of unit labor cost acceleration observed in many advanced economies.

The unemployment rate in advanced countries fell further and is estimated at 4.9% in 2019, the lowest level in at least four decades.

In the euro area, GDP growth fell to 1.2% from 1.9% in 2018, mainly due to weakening external demand. However, the slowdown in the euro area economy was restrained by domestic demand, which remained strong due to rising employment and disposable income, but also by the continuing improvement in financial conditions due to the maintenance of the facilitating direction of the single currency policy.

The improvement of the labor market in the euro area continued in 2019, but at a slower pace compared to the previous year, which development is in line with the slowdown in economic activity. The unemployment rate fell to 7.4% of the workforce in December 2019, the lowest level since May 2008, and stood at 7.7% on average over the year (compared to 8.2% in 2018).

Inflation in the euro area fell to 1.2% in 2019 compared to 1.8% in 2018.

In 2019, fiscal developments in the euro area were characterized by the continued de-escalation of public debt as a percentage of GDP, while the declining trend of the budget deficit, which has been the main feature of fiscal developments in the euro area over the last decade, was halted.

The biggest challenge today, both globally and for the euro area, which outperforms all the previous ones, is the protection of human life and the preservation of social cohesion as well as the timely and effective response to the negative effects on the economy and society from the spread of the coronavirus.

Developments in Greece

2019 was a year of positive developments for the Greek economy and its banking system. The Greek economy maintained its growth dynamics and recorded a growth rate of 1.9%, as in 2018, despite the pale growth of the European economy. The increase in bank deposits, the improvement of banks' financing conditions and the recovery of confidence in the banking system led to the complete abolition of restrictions on the movement of funds from September 1, 2019, contributing to the further strengthening of economic activity.

All components of demand contributed to the continuation of the recovery in 2019, recording an increase: net exports, mainly of services (tourism and shipping), but also of goods, investments, mainly in transport equipment and housing, private consumption, due to the significant real disposable household income, and public consumption. Despite the slowdown in world trade, the country's export performance, mainly in services and internationally traded goods, remained strong, as evidenced by the increase in exports of GDP, as a result of improved international competitiveness.

Nevertheless, it should be noted that the growth rate of the Greek economy is estimated to slow significantly in 2020, because of the effects of the spread of the coronavirus. These effects cannot be accurately quantified at this time, as data are not yet available and the pandemic is ongoing.

2019 was the fifth consecutive year in which the primary surplus target was exceeded, and is estimated, according to provisional data, to be close to 4% of GDP.

In the labor market, the positive developments recorded steadily since mid-2014 continued in 2019, with an increase in employment by 2.2% compared to 2018 and a further decline in the unemployment rate to 17.3%. However, the unemployment rate in Greece remains the highest in the EU-28.

Harmonized inflation fell to 0.5% in 2019 from 0.8% in 2018, due to reductions in indirect taxation and falling international oil prices.

As a result of the growing investor confidence in our country, the Greek State proceeded to the successful issuance of fifteen-year bonds, for the first time since the beginning of the crisis.

The Greek economy has experienced the worst crisis in its post-war history in the last decade and has managed, despite setbacks, to correct major macroeconomic and fiscal imbalances. The GDP growth recorded during the two years 2018-2019, shows that the Greek economy has embarked on a stable path to growth. Nevertheless, the Greek economy and society are currently facing very serious risks such as the coronavirus pandemic, the exacerbation of the refugee-immigration problem as well as the high stock of non-performing loans.

The challenge is clearly to maintain that growth momentum and strengthen it so that strong growth rates can be recorded over an extended period of time. In this regard, and in addition to addressing the above three issues, there is also a need to:

- Continue to pursue a prudent fiscal policy.
- Increase private investment.
- Reduce unemployment.
- Continue and complete the structural reforms.
- Continue the privatization program and the more efficient management of public property in general.
- Targeted policy interventions are implemented to reverse the projected downward trend of the economically active population.

- Strengthen the development of human capital.
- Take advantage of the opportunities from the transition to a green economy.

Greek Banking System

The most important development for the Greek banking system in 2019 was the complete abolition of restrictions on the movement of funds, which was fueled by the increase in bank deposits, the improvement of banks' financing conditions and the general strengthening of confidence in banks.

Greek financial institutions in 2019 showed improved operating profitability and maintained their capital adequacy at satisfactory levels.

At the same time, the stock of non-performing loans continued to decrease further, but they continue to be at very high levels. In particular, non-performing loans at the end of December 2019 amounted to EUR 68.0 billion (or 40.3% of total loans, compared to 3.4% of the European average), reduced by EUR 13.8 billion compared to the end December 2018 and by EUR 39.2 billion compared to March 2016, when the highest level of non-performing loans was recorded.
Limiting the high stock of non-performing loans continues to be the main challenge for the banking system. The implementation of the "Hercules" project is expected to contribute to the faster de-escalation of this stock.

The rise of private sector bank deposits continued for a second year in a row. The gradual restoration of the deposit base of Greek banks allowed on the one hand the termination of the recourse to the emergency liquidity assistance (ELA) mechanism of the Bank of Greece and the reduction of liquidity through the Eurosystem monetary policy operations and on the other hand the restraint of the credit expansion to the economy.

Bank deposit interest rates decreased in 2019 compared to 2018, while overnight deposit rates remained almost constant. The formation of deposit rates at low levels is compatible with maintaining key interest rates in the single monetary policy at extremely low levels.
It is noted that, despite the complete lifting of restrictions on capital movements in September 2019, no outflow of deposits was observed, which proves the restoration of depositors' confidence in the Greek banking system.

The reduction of non-performing loans and the strengthening of deposits led to a further recovery in credit expansion to businesses, mainly large companies. On the contrary, the rate of change in housing and consumer credit remained negative.

In 2019, the downward trend of bank financing rates for non-financial undertakings, continued, albeit at a decreasing rate, with the largest decrease affecting small enterprises. In real terms, however, the borrowing cost increased. Mortgage and consumer loan interest rates also rose in nominal and real terms.

The Cooperative Bank of Chania

The economic crisis and recession that have plagued the Greek economy and society for about a decade, have led to the complete restructuring of the domestic financial system. Our Bank managed to successfully face all the challenges set before it and today, being part of the future of the Greek banking system, has all the necessary guarantees to play a leading role in the stabilization and recovery of the local and national economy. Having a wide portfolio of products and services, which meets the specialized needs of our customers as well as in-depth knowledge of the special conditions of the local community, our goal is to expand our cooperation with households and businesses and increase the size of deposits in our Bank, but also to increase the number of depositors.

In 2019, the Bank started implementing digital transformation projects to upgrade its telecommunication systems, to replace its ATMs with more state-of-the-art machines, to upgrade the electronic banking platform and the electronic document archiving system, to renew its website and to develop new digital applications (eg mobile transactions). The above are expected to be completed by the end of this year and will contribute to achieving the above goal.

The coronavirus pandemic and its effects

During the first quarter of 2020, the new coronavirus (COVID-19) began to spread globally and was designated by the World Health Organization as a pandemic, initially causing a health crisis that quickly spread to multiple levels, with social implications and serious effects on the world economy.

The global and national crisis caused by the pandemic calls for measures to limit the further spread of the pandemic, both in terms of the protection of human life and the preservation of social cohesion and the timely and effective response to the negative effects on the economy.

Since the beginning of the crisis, the Cooperative Bank of Chania has taken and continues to take all necessary measures, which will ensure the health and safety of its customers, as well as the smooth operation of its network and administrative services. A crisis management and business continuity plan was prepared immediately, which, by way of example, includes the definition of a crisis management team, the critical functions and the sequence of actions and decisions in case the plan is activated. At the same time, the adequacy of the system resources was evaluated and the necessary actions were taken in order to implement a teleworking program safely for the systems and the critical data.

In the foreseeable future, the impact of the recent coronavirus pandemic cannot be accurately estimated. It is certain that the growth rate of the Greek economy for 2020 will be slowed down significantly. The banking system is called upon to play a central role in the recovery phase of the economy. Our Bank actively supports this effort, since the pandemic crisis finds it in a strong position, both in terms of liquidity and capital base. The Bank participates in the action related to the support of the companies affected by the pandemic in the form of covering the interest on the business loan liabilities, while it promotes mitigation measures for borrowers, natural and legal persons, which include postponement of their loan liabilities from 3 to 9 months. At the same time, it participates in the programs of the Hellenic Development Bank for the lending of companies that have been affected by the health crisis, with interest-free working capital loans for the first two years and particularly favorable terms thereafter, and accepts and evaluates business applications for working capital loans with the guarantee of the COVID-19 Guarantee Fund at a rate of 80%.

The Bank’s Network

The Bank’s sales network currently has 23 branches in Crete and Attica.

The Bank’s branch network in Crete consists of 16 points of sale and in particular 8 branches operate in the Prefecture of Chania, 1 branch operates in the Prefecture of Rethymno, 4 branches are located in the Prefecture of Heraklion and finally 3 branches are located in the Prefecture of Lassithi.

The branch network in Attica consists of 7 points of sale in Maroussi, Peristeri, Agia Paraskevi, Kallithea, Syggrou Avenue, Pagrati and Dragatsaniou.

It is noted that in order to expand its presence in the Attica Region, due to the significant prospects of this region in terms of its financial performance, the Bank in recent years has implemented a relevant restructuring plan of its network.

Issuance of a bond loan

In 2019, subordinated bond loans totaling € 5.9 million were issued to strengthen the Bank’s regulatory capital.

Liquidity

The liquidity of the Bank significantly improved during the year 2019, marking an increase of deposits of approximately 45% on the reporting date 31.12.2019 compared to 31.12.2018, which amounted to € 565 million on 31.12.2019 for the Bank (€ 390 million on 31.12.2018). As a result of the upward trend of deposits, the Bank fully repaid the financing received from the Emergency Liquidity Aid (ELA) mechanism in the first quarter of 2019 and restored the Liquidity Coverage Ratio (LCR), while it maintained high liquidity ratios at the reporting date 31.12.2019, which were as follows: the Liquidity Coverage Ratio (LCR) rose to 255% and 257%, while the Net Stable Funding Ratio (NSFR) rose to 168% and 177% for the Group and the Bank, respectively. In addition, it is reported that the bank's liquidity improved further in the year 2019 with three bond issues totaling € 5.9 million.

Finally, it is reported that in 2020 and throughout the COVID-19 pandemic as well as the nationwide lock-down, the upward trend of its deposit base, which is the main source of financing of the Group and the Bank, was not stopped, contributing to maintaining high liquidity levels.

Capital Adequacy

According to the new provisions (Law 4261/2014 and EU Regulation 575/2013), the following capital buffers have entered into force since 01/01/2016:

Capital Conservation Buffer Expressed as a percentage of the total risk exposure amount, it will gradually rise to 2.50% from 01/01/2019 as follows: 0.625% on 01/01/2016, 1.25% on 01/01/2017, 1.875% on 01/01/2018 and 2.50% on 01/01/2019.

Countercyclical capital buffer: Expressed as a percentage of the total risk exposure amount and ranges between 0% and 2.50%, while it is also possible to increase to more than 2.50% if justified under the provisions of Article 127 (3) of Law 4261 / 2014. For 2018 and 2019, the Bank of Greece set the countercyclical capital buffer ratio at 0%.

Based on decision 292/18.12.2018 by the Credit and Insurance Committee and as part of the Supervisory Review and Evaluation Process (SREP), additional capital requirements of 2.60% were set for the Bank commencing 01/01/2019.

Based on decision 353/10.04.2020 by the Credit and Insurance Committee and as part of the Supervisory Review and Evaluation Process (SREP), additional capital requirements of 2.68% were set for the Bank for the year 2020.

Based on all of the above, the minimum capital adequacy ratio that is required by the Bank for 2020 is 13.18%.

Year	Capital Adequacy Ratio	Buffer under Law 4261/2014	Additional SREP Requirements	Total Capital Adequacy Ratio
2018	8.00%	1.875%	2.04%	11.92%
2019	8.00%	2.50%	2.60%	13.10%
2020	8.00%	2.50%	2.68%	13.18%

Handling of non-performing exposures (NPEs)

The Bank regularly reviews and adjusts its strategy for managing Non-performing exposures (NPEs) in the context of existing adverse financial conditions.
Over the last few years, the Bank has implemented a very important revision of the management and strategy structures of NPEs, by relying inter alia on Act No 42/2014 of the Executive Board of the Bank of Greece, as in force.

In particular, the Bank has implemented the following:

Organizational restructuring: Significant redesign with the creation of new independent administrative structures and the implementation of thoroughly documented practices and policies on its arrears portfolio.

• Development of new and flexible products for final arrangements and procedures.

• Human resources management with specialized teams and targeted training.

• Significant investment in IT equipment.

During the first three years of submitting Operational Objectives under the Arrears Handling Strategy, the Bank achieved a reduction in Non-performing Exposures (NPEs) and Non-Performing Loans (NPLs) in line with its objectives, despite the adverse macroeconomic environment and the difficulties it faced in handling them.

For 2019, the NPEs also decreased by € 6.2 million and amounted to € 201.6 million. Similarly, the amount of NPLs in 2019 decreased compared to 2018 by € 3 million to € 155.6 million.

The NPEs ratio improved and stood at 44.5% in 2019 compared to 46.2% in 2018. The NPL index remained roughly stable at 34.3% in 2019 compared to 34% in 2018.

In September 2019, the Bank submitted to the Bank of Greece the strategic objectives for NPEs/NPLs, reflecting the Bank's targets for the management and reduction of NPEs by the end of 2022, envisaging their further reduction through the Bank's revised Strategic Management Plan for NPEs.

Specifically, the Bank's objective was to significantly reduce NPEs and to achieve an NPE ratio of 20% by 2021 and 17% by 2022. At the same time, it seeks to limit the creation of new NPEs/NPLs and minimize medium-term losses for the Bank.

In this direction, the Bank prepared a Recovery Plan in 2019 that sets out the stress tests scenarios, monitoring indicators for timely reporting to management and their limits, as well as the actions that can be implemented by the Bank if any of those stress scenarios comes true. Meanwhile, the policies and procedures related to its monitoring and implementation have been updated to fully incorporate all those set out in the Recovery Plan in the Bank's corporate governance.

The following Table shows the most important ratios for monitoring and managing the Bank's Loans.

Account/Ratio	2019	2018
€ / %		
Loans	453,173,794	449,221,737
Accumulated provisions	81,437,762	98,651,568
Loan Coverage Value	437,954,313	417,058,000
Non-performing exposures (NPEs)	201,546,242	207,751,238
of which: Non-performing loans (NPLs)	155,586,465	152,625,816
of which: Definitive delays	130,089,209	123,964,463
Non-performing exposures (NPEs)/Loans	44.5%	46.2%
Non-performing loans (NPLs)/Loans	34.3%	34.0%
Definitive arrears/loans	28.7%	27.6%
Provisions/ Loans	18.0%	22.0%
Coverage of NPLs	39.3%	43.6%
Coverage of NPEs	37.2%	43.7%
Collateral / Loans	96.6%	92.8%
Collateral and provisions / Loans	114.6%	114.8%
Average loan interest rate	5.9%	6.0%

In order to achieve the business objectives set for the management of NPEs for 2020, but also to improve the overall ability of debtors who have previously failed to properly service their debt obligations, it was estimated that the changes of the Greek legislative framework would have a significant contribution. The implementation of the structural reforms envisaged in the Third Loan Agreement by the Government are foreseen to create the necessary conditions for the Banks to implement their strategy in the best possible way. The most important changes in this direction are:

- Improved performance from the application of electronic auctions, which has made the process more flexible for creditors
- Speeding up cases under Law 3869 by reducing the time-limit until the issue of court judgments and applying a new framework for the protection of the primary residence of socially vulnerable households
- Implementation of the revised framework relating to the protection of Bank executives from criminal liability for debt restructuring, provided they comply with the stipulated procedures
- Final settlement of Non-Performing Debts with voluntary delivery of real estate
- The expected greater interest in finding regulatory solutions with the use of the dedicated electronic platforms for the debts of individuals from loans with a mortgage in a primary residence based on law 4605/2019, but also the debts of companies to all creditors based on law 4469/2017 and in out-of-court settlements, which provides an out-of-court solution for businesses to all creditors, which makes it more effective.

In addition to the above amendments to the legal framework, the expected gradual improvement of the country's economic climate was taken into account during the drafting of the target.

Finally, the main axis of achieving the reduction of the NPEs/NPLs of the business objectives for 2020 was the plan of sale and/or re-recognition of loans through securitization, part of the stock of Non-performing Exposures at the end of 2020.

Regarding events after the date of preparation of the financial statements that have an impact on the strategy of reducing AEF, the Bank:

- since 2020 the Bank for the purposes of preparing its financial statements has harmonized the definition of default with the definition of credit impaired loan and the definition of Non Performing Exposures (NPEs), as defined by the European Banking Authority in the Guidelines on the implementation of the definition of infringement under Article 178 of Regulation (EU) No 575/2013, and in accordance with Annex V to Implementing Regulation (EU) No Commission Regulation (EC) No 680/2014 of 16 April 2014, as amended by Commission Implementing Regulation (EU) No 2015/227. Loans and advances to customers are loans and receivables classified as Stage 3 (and are therefore considered exposures in Default).
- It has been implementing an automated Early Warning System since 2020 to take targeted actions at the level of borrower and/or portfolio.
- In 2020, the COVID-19 pandemic crisis imposed restrictive measures causing a global recession. The impact on the Greek economy and the banks, given the financial difficulties of the private sector and mainly of businesses and households that have debts to the banks, is expected to be significant.

The Bank has adopted a policy of implementing measures to support borrowers affected by the spread of the coronavirus (COVID-19) which is in accordance with the applicable Directives on the legal and non-legislative "moratoria" by the EBA on loan repayments implemented in the context of the COVID-19 crisis (GL/2020/02), providing facilities that do not affect the amount of Non-performing Exposures, as they do not fall within the perimeter of regulation or default.

Conversion of a deferred tax asset into a definitive and settled claim against the Greek State (Article 27a of Law 4172/2013)

The Bank, pursuant to the decision of the Extraordinary General Meeting of November 24, 2015, has been subject to the provisions of article 27A of Law 4172/2013 on the voluntary conversion of deferred tax claims, on temporary differences, into final and settled claims against the Greek State.

This guarantees the provisional tax claim (DTA) by converting it into a definitive claim (DTC), with a corresponding benefit in the calculation of regulatory capital.

The maximum amount of deferred tax assets that can be converted into a final and outstanding claim on the Greek State amounts to approximately EUR 18.6 million.

Risk Management

The purpose of the Risk Management Unit is to design and implement risk management policies in accordance with the guidelines of the BoD of the Bank and the applicable instructions of the Supervisory Authorities (Bank of Greece, European Central Bank, European Banking Authority).

The main risks to which the Bank is exposed, according to the nature of its activities, are credit and operating risks.

- For credit risk, the Standardized Approach is followed, as provided for in Regulation (EU) No 575/2013 (Articles 111-133).

- For operational risk, the Key Indicator approach is followed, in accordance with Articles 315 - 316 of Regulation (EU) No 575/2013.

In addition to the above, the Bank is exposed to the following risks:

- Interest rate risk, which relates to the possibility of unexpected changes in interest income and / or expense as a result of changes in interest rates (due to the time mismatch in the adjustment of asset and liability interest rates). The Bank's exposure to this risk is relatively small, as almost all of the interest bearing assets and liabilities are at a floating rate.
- The risk of price changes and its effect on changes in the value of assets. The Bank, through appropriate mechanisms, identifies, monitors and analyzes these risks by taking appropriate measures.
- Liquidity risk, which is related to the Bank's potential inability to find sufficient cash to meet its liabilities. In order to manage this risk, the principles of liquidity risk management, as reflected in the Management's decisions, the specifications set by the Internal Liquidity Adequacy Assessment Process, are applied in conjunction with the Liquidity Risk Management Strategy of the Bank and the current framework setting out liquidity limits.
- Technological risk, which involves insufficiency of technology and information systems and failure of either one of these systems. Because of this, it is pointed out that there is a need to protect systems both from external factors and from intrinsic difficulties. The technological risk also includes the possibility that any of the Bank's investments in an information system or technological equipment fails to deliver the expected results.
- The legal risk is due to changes in the legal framework governing the operation of a credit institution, as well as the imposition of penalties and/or fines by supervisory and/or judicial authorities that, as a consequence, affect the profitability and alter the institution's position. For example, a court ruling on a particular bank may have broader implications in resolving important banking issues throughout the banking system. Particular attention should also be paid to the thorough understanding of the international supervisory framework, as it may be interpreted in various ways and a misunderstanding could lead to substantial fines. Finally, legal risk is also linked to the institution's reputation risk.
- Reputation risk, which is considered to be of particular importance and is associated with the risk of damage to the credit institution's reputation due to negative publicity. It is mainly caused by past failures of the institution's activities, management or products. This type of risk is considered to be crucial, because the damages it may cause cannot be accurately predicted and it is therefore necessary to monitor it continuously.
- Compliance risk which means the risk of legal or supervisory penalties, financial loss or impact on the reputation of the credit institution as a result of its failure to comply with laws, regulations and/or codes of conduct. Compliance risked faced by the Bank was limited as the Bank took all measures necessary to restrain it.
- Market risk, which consists of foreign exchange risk and trading risk. With respect to this type of risk, the following apply:

(a) With respect to the currency risk, in accordance with Rule 351 of Regulation (EU) No 575/2013, as long as the sum of the Bank's equity in foreign currency and gold does not exceed 2% of its total equity, the Bank does not create a capital requirement.

(b) With respect to the trading book risk, since the volume of its activities is extremely low and never exceeds 6% of its total assets, as set out in Article 94 of Regulation (EU) No 575/2013, the capital requirements for this risk are covered by the capital requirements created for credit risk.

ICAAP - ILAAP - Recovery Plan

The main purpose of the ICAAP report is to describe the approach taken by the Bank in the context of the evaluation and adequacy of its capital, continuously evaluating all the significant risks to which the Bank is exposed and ensuring the adequacy of its capital, taking into account the capital requirements of the Group on a three-year basis.

Also, regarding the liquidity risk management, the Bank annually evaluates through the Internal Liquidity Adequacy Assessment Process (ILAAP) the amount of liquidity risk to which it is exposed, as well as the monitoring and control procedures, measures and policies for this risk. An important tool of the ILAAP and the ICAAP are the extreme crisis simulation exercises conducted by the Bank following the guidelines of the European Banking Authority.

The Bank has fully incorporated the specifications set by the Internal Capital Adequacy Assessment Process (ICAAP) as well as the Internal Liquidity Adequacy Assessment Process (ILAAP) in the process of monitoring its risks and in the decision-making process.

Finally, the Bank annually develops a Recovery Plan, as defined by the supervisory authorities, which examines its financial standing, liquidity, asset quality, profitability and capital base under extreme situations, while defining clearly all the options and the appropriate recovery actions as well as the internal governance of the Bank in case of implementation of the Plan in times of crisis. It is reported that the Bank has fully aligned all the procedures, internal governance as well as the measurement indicators and risk limits of its risk management framework (ICAAP and ILAAP) with the Recovery Plan.

Group - Developments

The following are the consolidated companies of the group and their respective voting rights:

	Group Voting percentage	
Subsidiary Name	**31.12.2019**	**31.12.2018**
CRETAN REAL ESTATE SA	74.46%	74.46%
CRETAN HOLDINGS SA	100.00%	100.00%
CHANIA HOLDINGS SA	100.00%	100.00%
BIOCHEM SA	79.88%	79.88%
ABEA	71.69%	69.65%
PRIME ENERGY GROUP OF COMPANIES SA	100.00%	100.00%

In 2019, the Group increased its stake in ABEA SA from 69.65% to 71.69%.

In June 2020, the BoD of the Bank decided to absorb the subsidiary "Chania Holdings SA" from the bank.

Prospects for the Future

The main objectives of the Group for the year 2020 are the following:

- Strengthening the financial figures and the increase of the internal capital with the ultimate goal of increasing the price of the cooperative share, but also the capital strengthening of the Group.
- Establishing strategic partnerships with a view to strengthening the Bank's position against competition.
- Handling effectively non-performing loans, in order to reduce the relevant ratio to low levels and improve the quality of its portfolio.
- Handling and utilizing effectively the Group's real estate.
- Strengthening the capital adequacy ratio on an individual and consolidated basis.
- Managing effectively the risks to which it is exposed, maintaining a dynamic risk management framework.
- Maintaining deposits and liquidity reserves at high levels.
- Maintaining the policy of strengthening small and medium-sized enterprises and supporting the sectors of the local economy, as well as providing practical support to its customers, businesses and households affected by the COVID-19 pandemic.

- Creating modern financial products adapted to the needs of its customers, as well as streamlining its services for the better service of its customers with the use of new technologies.
- Supporting local communities through the Bank's Corporate Social Responsibility Program, as well as carrying out actions to protect the environment and promote culture.

Finally, it is noted that the Bank is constantly monitoring the developments of the COVID-19 pandemic and its impact on the economy, and is prepared to take all appropriate measures both to achieve its strategic objectives and to ensure its capital adequacy and liquidity.

Evolution of financial figures and profit and loss for 2019

Assets

The total assets of the Bank and the Group increased by approximately € 173 million, which is mainly due to the significant improvement of the Bank's liquidity and the increase of its loans.

Amounts in EUR	GROUP		BANK	
ASSETS	**2019**	**2018**	**2019**	**2018**
Cash and Cash with Central Banks	169,555,929	17,684,234	169,394,030	17,609,228
Due from Banks	7,839,051	9,736,867	7,839,051	9,736,867
Loans (balance after provisions)	333,885,075	316,602,595	371,735,783	350,570,169
Deferred tax assets	24,928,645	26,144,638	24,834,026	25,636,604
Other assets	108,892,532	103,162,288	60,826,648	58,104,393
TOTAL ASSETS	**645,101,232**	**473,330,622**	**634,629,538**	**461,657,261**

Loans

The total loans (before provisions) of the Bank on 31.12.2019 amount to € 453.1m (€ 415.3m for the Group), compared to € 449.2m (€ 415.2m for the Group) in 2018, showing an increase of 0.9%. The Bank's cumulative provisions on 31.12.2019 amount to € 81.4m compared to € 98.6m in 2018, the decrease of which is mainly due to the write-off of loans in the context of the consolidation and improvement of the quality of its portfolio. The coverage ratio of total loans to provisions of the Bank for 2019 reached 18% compared to 22% in the previous year.

Amounts in EUR	GROUP		BANK	
	2019	**2018**	**2019**	**2018**
Loans and receivables to customers (total) less	415,319,243	415,254,163	453,173,561	449,221,737
Credit risk Provisions	(81,434,168)	(98,651,568)	(81,437,778)	(98,651,568)
Loans (balance after provisions)	333,885,075	316,602,595	371,735,783	350,570,169

Liabilities

The balance of financing from the Central Bank on 31.12.2019 was zero compared to € 12m on 31.12.2018. In particular, funding from the Central Bank was fully repaid in March 2019.

The Bank's deposits on 31.12.2019 amount to € 564.9m compared to € 390.5m in 2018, marking an increase of 44.7%. The balance of bond loans amounts to € 21.6m (increase by € 5.9m after the issuance of new bond loans in 2019).

Amounts in EUR	GROUP		BANK	
LIABILITIES	**2019**	**2018**	**2019**	**2018**
Liabilities to Central Banks (ELA)	-	12,002,000	-	12,002,000
Deposits	565,767,730	389,972,324	564,959,442	390,454,592
Issued debt securities and other loans	21,629,177	15,692,312	21,629,177	15,692,312
Other liabilities	11,928,504	12,509,408	5,502,320	4,294,304
TOTAL LIABILITIES	**599,325,411**	**430,176,044**	**592,090,939**	**422,443,208**

Equity

The number of Bank members at the end of 2019 amounted to 26,434 compared to 25,863 in 2018, while Equity stood at € 42.5m compared to € 39.2m in 2018, marking an increase of 8.5%. At Group level, Equity amounts to € 45.7m compared to € 43.1m in 2018. It is noted that the Bank's Capital Adequacy Ratio for 2019 is 13.8%, while for the Group it is 14%, compared to the minimum regulatory ratio of 13.18%.

Amounts in EUR	GROUP		BANK	
EQUITY	**2019**	**2018**	**2019**	**2018**
Cooperative Capital	19,714,140	19,622,016	19,714,140	19,622,016
Premium	84,796,381	84,668,896	84,796,381	84,668,896
Own cooperative capital	(303,890)	(303,718)	-	-
Reserves	4,452,885	4,486,085	4,432,519	4,463,500
Retained earnings	(66,194,759)	(69,347,057)	(66,404,441)	(69,540,360)
Non-controlling interests	3,311,065	4,028,356	-	-
TOTAL EQUITY	45,775,821	43,154,578	42,538,600	39,214,053
Capital Adequacy Ratio	**14.0%**	**13.1%**	**13.8%**	**12.9%**

Other ratios	GROUP		BANK	
	2019	**2018**	**2019**	**2018**
Average deposit interest rate	-	-	1.4%	1.4%
Loans/Deposits	-	-	80.2%	115%
Personnel expenses / Total operating expenses	49.2%	49.2%	54.5%	53.1%
Cost / Income	73.7%	67.4%	59.7%	55.1%

Financial results

Net interest income for the Bank stood at € 19.4m compared to € 20.8m in 2018 and at group level at € 16.1m from € 18.1m in 2018. Interest margin is 4.4% in 2019 compared to 4.6% in 2018. Profit before tax amounted to € 3.9m compared to € 8.1m in 2018 for the Bank, while at Group level, pre-tax profit amounted to € 3.7m compared to € 7.3m in 2018. Net profit after tax stood at € 3.1m compared to € 6.2m in 2018 for the Bank and at Group level at € 2.5m compared to € 5.5m in 2018. Provisions to cover credit risk from loans and other receivables amounted to approximately € 2.9m compared to € 1m in 2018 for the Bank, while at Group level, they stood at approximately € 2.9m compared to € 1.1m in 2018.

Amounts in EUR	GROUP		BANK	
FINANCIAL RESULTS	**2019**	**2018**	**2019**	**2018**
Interest income	24,464,756	25,003,110	27,364,407	27,387,822
Net interest income	16,184,329	18,175,681	19,415,197	20,818,635

Net commission income	1,729,761	1,543,929	1,741,900	1,543,929
Operating expenses	(18,143,479)	(16,685,133)	(14,126,738)	(13,185,856)
Operating income	24,613,174	24,741,476	23,643,950	23,945,383
Provisions for credit risk	(2,902,024)	(1,149,556)	(2,905,643)	(999,556)
Impairment of other fixed assets	(336,682)	(147,836)	(241,606)	(147,836)
Impairment of Investment Portfolio	-	-	-	-
Share of profits / (losses) from holdings in associated companies	(184,550)	(382,392)	-	18,000
Profit from negative goodwill	-	1,012,222	-	-
Share of profits/(losses) from holdings in subsidiary companies	-	-	(2,902,025)	(1,436,354)
Results before taxes	**3,719,802**	**7,388,780**	**3,951,151**	**8,193,781**
Income tax	(1,227,988)	(1,895,852)	(815,232)	(1,935,887)
RESULTS AFTER TAXES	**2,491,815**	**5,492,928**	**3,135,919**	**6,257,894**

Social contribution

The Cooperative Bank, abides to the principles of cooperative action, and the concept of solidarity forms an integral part of its philosophy and in general of its operation. The constant pursuit of the Bank is to strengthen the local community in general but also of our fellow citizens who are in need of support. The goal of the Bank is to contribute to the society as a whole in a continuous and unhindered way.

For about a decade, the Bank has designed, implemented and continuously enriched a corporate social responsibility program, which is divided into three pillars: Individuals, Culture, Environment.

<u>Individuals</u>

In 2019, the Cooperative Bank of Chania donated to social organizations basic necessities worth a total of 59 thousand euros, while supporting sports and charities, cultural associations, monasteries, educational institutions, local authorities and theaters with the amount of 21 thousand euros.

<u>Culture</u>

The Bank supports cultural, folklore and literary associations, local theaters, sports teams, educational institutions as well as local government initiatives. At the same time, it maintains on a permanent basis the archaeological site, located in the administration building and central branch.

In addition, the Bank maintains a large volume of archival material of its Group companies, consisting of photographs, videos, documents and commemorative items.

Finally, it provides for free a meeting room in the administration building for the conduct of non-profit events, organized by various agencies. It is noted that 48 events took place in 2019.

<u>Environment</u>

In order to reduce its environmental footprint as much as possible, the Bank makes efficient use of electricity, heating oil and water so that both the main administration building and its branches meet the requirements of energy efficiency regulations. In addition, the Bank is also active in the recycling of materials such as paper, plastic and batteries. Finally, the Bank focuses on encouraging its customers to make online transactions as much as possible.

The following applies to the group in terms of the environment:

- Reduction of the carbon footprint by replacing the production boiler with fuel oil in a modern biomass boiler (BIOCHEM).
- Minimization of liquid waste through the use of geothermal energy (BIOCHEM).
- Processing of by-products for biomass production (ABEA).
- The factory utilizes the raw materials and all the by-products of its processing. Only municipal waste and liquid waste are present in the strainers of the olive kernel in the oil mill which are stored in an evaporator tank and evaporated (ABEA).
- Observance of food hygiene rules based on the Hellenic Food Authority's instructions and implementation of the ISO 9001 control and quality system (ABEA).

Labor issues:

Beyond the three pillars, labor relations are of special importance for the Group.
The Group places great emphasis on the development of skills and professional progress of its human resources, and supports the employees in their lifelong training and education. It offers wages based on the national labor market, ensuring the observance of the respective labor laws. Finally, the Group ensures a healthy and safe working environment for its employees, and applies a non-discriminatory policy and respects the diversity of its employees.

INFORMATION ON A CONSOLIDATED BASIS FOR 2019 IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 6 OF LAW 4374/2016.

PAYMENTS FOR ADVERTISING-MARETINGK-PROMOTION ARTICLE 6 PAR. 1 OF LAW 4374/2016	
COMPANY NAME	**TOTAL**
24 DIGITAL MEDIA SA	12,000.00
9DESIGNLAB CIVIL NON-PROFIT COMPANY	300.00
ALPHA RADIOFONIKI S.A.	4,196.24
BANKINGNEWS S.A.	7,200.00
CRETALIVE LTD	6,033.98
CRETAPOST SINGLE MEMBER PC	2,500
EXPOSYSTEM S.A.	143.00
EXPOWORK AEEXPOWORK S.A.	667.27
FINANCIAL MARKETS VOICE EDITIONS S.A.	4,500.00
FORUM EXHIBITIONS EDITIONS SYNEDRIA S.A.	16,133.25
FRAPORT REGIONAL AIRPORTS OF GREECE S.A.	300
FREED S.A.	600.00
GREAT TRADE EXHIBITIONS EXPORTS CONSULTING SINGLE MEMBER PRIVATE COMPANY	2,649.00
JUMBO S.A.	30.68
LIQUID MEDIA S.A.	1,200
NEWSIT LTD	7,272.99
PLUS EUROPE SINGLE-MEMBER IKE	115,113.71
PRESS CENTER SINGLE-MEMBER IKE	13,073.11
QMEDIA RADIO TELEVISION LTD	5,650
THE MEDIA WORKSHOP SINGLE-MEMBER LTD	3,000.00
THE YELLOW TOOLBOX SA	33,600
ANGELAKI KYRIAKI	1,360.00
ANGELAKIS N. & I. CRETAN MEDIA LTD	5,870.00
AGRO-FOOD JOINT VENTURE OF CRETE REGION	50.00
ATHANASIADIS P. and Co. S.A.	12,000.00
ALTER EGO MEDIA S.A.	6,000.00
ANASTASAKIS ANTONIOS I.	5,760
ANDRONIKOU MARIA	32.01
ANEZAKIS EPAMINONDAS	3,600.00
APOSTOLIDIS PUBLISHING & CO. OE	694.40
I. FOKA BROS O.E.	250.00
B. SKOUTARAS S.A.	3,500.00
VARVERI CHRISTINA	967.75
GALANOPOULOS THEOD-TOPTSIS NIK O.E.	47.58
GEORVASAKIS GEORGIOS IKE	2,400
GIAITSIS PANTELIS PUBLISHING FTP	5,500
GRAPHOTECHNIKI KRITIS COMMERCIAL COMPANY S.A.	3,000.00
DARAKIS ZACHARIAS	46.04
DRIKAKI OLGA LTD.	1,209.90
A. MYKONIATIS PUBLICATIONS SA	4,100.00
HELLENIC RADIO TELEVISION SA	200.00
COMMUNICATION COMPANY SA CRETAN TELEVISION ONE	1,200.00
ZOUGLA GR S.A. MESON ILEKTRONIKON MAZIKIS EPIKOINONIAS	3,000.58
IKAROS RADIO TELEVISION ENTERPRISES SA	15,599.64
KAKANOS ILIAS	400.00
KALAITZAKIS PUBLISHING ENTERPRISES SA	1,430.00
KALAFATIS GEORGIOS AND CO. O.E.	318.00
KALAFATIS E. GRIGORIS	100
KAPITAL.GR S.A.	3,000.00
KARAGIANNAKI CHATZIDAKI GEORGIA	300.00
KARDIA CRETE SINGLE-PERSON IKE	800.00
KASIMATIS S.A.	1,642.90
KOZYRI KALLIOPI - KOZYRIS MICHALIS OEE	1,179.00
KOUVATSIS ANASTASIOS	270.00

CRETAN ATHIVOLES ASSOCIATION OF CRETAN MUSIC OF NORTHERN SUBURBS OF ATTICA “CRETAN MUSE”	136.00
CRETAN PRESS & RETAIL DISTRIBUTIONS SA	2,927.03
CYCLOS SA	3,600.00
MARIS CHARALAMPOS CHAR.	1,000.00
MARKAKIS IOANNIS SON OF FOTIOS	620.00
MAVRIDAKI IAK. ATHINA	1,500.00
METRON ARISTON LTD	6,932.5
MOUNTAKIS K. ANTONIOS NEWSPAPER PUBLICATIONS	1,650.20
BATSARISAKIS CHRISTOS	29.51
A. MYKONIATIS PUBLICATIONS SA	1,500
ANGELAKIS N. & I. CRETAN MEDIA LTD	5,540.00
NEO RADIOFONO TON DIMOSIOGRAFON LTD.	3,602.85
ECONOMAKOS S. VASILIOS	500
PGS KISSAMIKOS PAE	3,709.01
PANCRETAN CULTURAL COMPANY	450.00
PANCRETAN RADIO TELEVISION SA	28,749.1
PANDERMARAKIS N. - KEALAR KON. O.E.	12,000.00
PAPADAKIS MICHALIS G.	2,500.00
PAPADOGIANNAKI KON. MARIA	4,100
PAPAKOSTANTI G. VASILIKI	2,400.00
PARASKAKI A-AKRIVA A OE	120.00
PATERAKIS GEORGIOS	1,000
PATTAKOS GEORGIOS	2,050.00
PAVLIDAKIS I. MARKOS	2,600.00
PROIONTA SIMEIOSEON S.A.	280
RADIO TELEVISION ENTERPRISES TRUE RADIO S.A.	4,200.39
RADIO TELEVISION SINGLE-PERSON Ltd.	12,600.00
SAMIOTI P. ELENI	3,000
SEGREDAKIS NIKOLAOS	3,300.00
SKOUTARAS SA	3,500.00
STAVRIDI ELENI	6,000
SYLIGARDOS KONSTANTINOS AEGEAN WAVE	1,500.00
SYN.KA CRETE P.E.	10,007.88
TERZIDAKIS V. ANDREAS	35
TELEOPTIKI RETHYMNOU SA	36,434.37
TRIPODAKIS KYR. GEORGIOS	900.00
TSAKIRIS G. & CO OE	150
FANOURAKIS ELEFTHERIOS	750.00
FRAGGEDAKIS ELEFTHERIOS STYLIANOS	100.00
FOKA I. BROS OE	500
CHANIA LIVE TV GENERAL PARTNERSHIP	4,800.00
CHANIOTIKA NEA PUBLISHING PRINTING S.A.	16,788.41
Grand Total	**516,053.28**

NOTE: The above amounts include 24%

DONATION-SPONSORSHIP-GRANT PAYMENTS Under ARTICLE 6 PAR. 2 OF LAW 4374/2016	
COMPANY NAME	**TOTAL**
2nd GEL OF CHANIA	7.44
3rd ROBOTICS FESTIVAL OF CRETE	161.70
ANGELAKOPOULOU F.- ANGELAKOPOULOS A. SA	500.00
ANNOUSAKEIO CLINIC	2,167.34
VERIKAKIS GIORGOS	595.51
GYMNASTICS ASSOCIATION ELEFTHERIOS VENIZELOS	850.00
DIAKONIA AGAPIS HOLY ARCHDIOCESE OF CRETE	1,557.23
BAR ASSOCIATION OF CHANIA	500.00
GREEK RED CROSS OF CHANIA	1,101.26
PARITY OF AG. KON/NOS & ELENI OF NEA HORA CHANIA	1,365.75
PARITY OF AG.FANOURIOS KATO GALATAS-CHANIA	1,083.67
PARITY OF AG. GEORGIOS KATSIFARIANON	1,327.75
PARITY OF AG. CHARALABOS LENTARIANON	1,083.67
PARITY OF THE CATHEDRAL OF THE PRESENTATION	1,327.75
PARITY OF METAMORPHOSI TOU SOTIROS PYRGOS PERIVOLION	1,083.67
UNION OF ARADAINIOTES OF CHANIA	7.44
UNION OF HOTEL OWNERS OF CHANIA	500.00
ASSOCIATION OF CULTURAL ASSOCIATIONS OF KISSAMOS	200.00
ASSOCIATION OF PENSIONERS OF CHANIA	15.30
CRETE COMMUNICATIONS LTD	620.00
HOLY ARCHDIOCESE OF CRETE	1,810.35
HOLY METROPOLIS OF LAMPI, SYVRITOS & SFAKIA	350.18
HOLY METROPOLIS OF KYDONIA & APOKORONOS	2,000.00
TEMPLE OF AG. NIKOLAOS SOUDA/KAPI SOUDA	1,083.67

HOLY TEMPLE OF AG. ANARGYROI	1,083.67
REGIONAL PRESS INSTITUTE	1,000.00
CENTRAL SOUP KITHEN OF THE HOLY METROPOLIS OF KYDONIA & APOKORONOS	4,090.60
MUNICIPAL GROCERY STORE OF APOKORONAS	7,693.04
MUNICIPAL GROCERY STORE OF PLATANIAS	8,131.90
MUNICIPAL GROCERY STORE OF CHANIA	10,123.78
MUNICIPAL COMMUNITY SOCIETY OF THE MUNICIPALITY OF APOKORONAS	1,169.29
PUBLIC SERVICE INSTITUTE OF THE MUNICIPALITY OF KISAMOS	600.00
PUBLIC SERVICE INSTITUTE OF THE MUNICIPALITY OF PLATANIAS	500.00
COMMUNIST PARTY OF GREECE	200.00
KEYBOARD OF TZOUNTO BENEFITS	35.88
KYTTARO CHALEPAS	4,764.08
LYKEIO ELLINIDON	26.04
MANIAS I. AND CO. LP	357.12
MARKANTONAKIS P. IOANNIS	1,000.00
NAVAL MUSEUM OF CRETE	300.00
OINOKRITIKA AMKE	300.00
OMADA STIRIXIS SYNANTHROPOS	244.08
ORGANIZING COMMITTEE 7th SPRING CONFERENCE OF THE MULTINATIONAL FINANCE SOCIETY	499.00
CLIMBING ASSOCIATION OF CHANIA	820.72
ORTHODOX ACADEMY OF CRETE	2,550.00
PANCRETE UNION	300.00
PANHELLENIC FEDERATION OF CULTURAL CRETAN UNIONS	500.00
PANHELLENIC ASSOCIATION OF PAID BASKETBALL PLAYERS	1,000.00
SOLIDARITY GROCERY STORE OF CHALEPA, KYTTARO ASSOCIATION	2,684.88
“ASTERAS CHALEPAS” FOOTBALL CLUB	10.00
CULTURAL COMPANY OF CRETE	4,725.36
MANOLIOPOULO CULTURAL ASSOCIATION	41.66
SUPPLIER AND CONSUMER COOPERATIVE	594.76
ROTARIAN GROUP OF CHANIA	1,000.00
CHESS ACADEMY OF CHANIA	500.00
SUPPORT OF ACTION OF CRETE REGION	152.55
ASSOCIATION OF INDIVIDUALS WITH MULTIPLE SCLEROSIS OF CHANIA PREFECTURE “HOPE FOR LIFE”	300.00
ASSOCIATION OF PARENTS AND TEACHERS OF FINSWIMMING	1,230.00
ASSOCIATION OF EMPLOYEES OF THE TAX OFFICES OF THE PREFECTURE OF CHANIA - RETHYMNO	24.00
EPIRUS LOCALS ASSOCIATION OF CHANIA	8.06
KERAMEIANOI ASSOCIATION	8.68
CRETANS ASSOCIATION OF AGALEO	500.00
CRETANS ASSOCIATION OF PETROUPOLI	500.00
ASSOCIATION OF YOUNG ENTREPRENEURSHIP	500.00
ASSOCIATION OF PELOPONNESIANS OF CHANIA	29.76
CHARITY ASSOCIATION, CENTRAL SOUP KITHEN OF SPLANTZIA, CHANIA	1,625.51
SCOUTS OF GREECE	350.00
DEPARTMENT OF SOCIAL SOLIDARITY OF REGIONAL UNIT OF CHANIA	488.16
FRIENDS & VOLUNTEERS OF THE MUNICIPAL NURSING HOME OF CHANIA AND THE ELDERLY	732.24
LITERARY ASSOCIATION OF KISAMOS "KISAMIKOS"	300.00
DANCE GROUP "THE HIGHER"	7.44
SPONSORSHIP TO VOUKOLIA HIGH SCHOOL	200.00
CHRISTIAN ASSOCIATION OF CHANIA AG. NECTARIOS	1,327.75
CHRISTOPOULOS STAMATIOS	400.00
Grand Total	**86,829.69**

TOTAL PAYMENTS TO NATURAL PERSONS	NET VALUE IN EUR
NATURAL PERSONS (453 BENEFICIARIES)	5,470.89

Related Party Transactions

All transactions with related parties have been effected within the normal course of business of the Bank and under market terms and conditions. Further analysis is provided in Note 25 to the financial statements.

Annex: Alternative Performance Measurement Indicators

In accordance with the guidelines of the European Securities and Markets Authority (ESMA), in relation to the Alternative Performance Measurement Indicators (APMI), the following table provides detailed definitions and calculation of the relevant APMI which are included in the Annual Report of the Board of Directors for 2019.

Ratio	Definition
Loans	Loans and receivables to customers at the end of the year
Deposits	Liabilities to customers at the end of the year
Accumulated provisions for credit risk	Accumulated provisions for impairment of loans and receivables to customers at the end of the year
Non-performing loans (NPLs)	Loans and advances to customers in arrears > 90 days at the end of the year
Non-performing exposures (NPEs)	According to the definitions of the European Banking Authority (IBA, ITS Technical Standards), exposures that meet one or both of the following conditions are defined as non-performing: a. Material exposures which are more than 90 days past-due b. Exposures whose full collection is uncertain without realizing a collateral, whether there is any overdue amount or overdue days
Definitive delays	Loans for which the Bank considers it almost certain that they will not be repaid at the end of the year
Interest-bearing assets	Average cash and cash equivalents at the beginning and end of the year in central banks, claims on financial institutions and loans and advances to customers
Basic own funds (CET1)	Basic own funds at the end of year, as defined by Regulation (EU) No 575/2013, with gradual application of the provisions to risk-weighted Assets
Capital adequacy (total capital +ratio)	Total own funds at the end of year, as defined by Regulation (EU) No 575/2013, with gradual application of the provisions to risk-weighted Assets
Operating expenses	Staff salaries and expenses plus general administrative and other operating expenses plus depreciation of tangible fixed and intangible assets
Operating revenue	Net interest income plus net commission income for the year
Loans/Deposits	Loans and receivables to customers before accumulated provisions for credit risk to liabilities to customers at the end of the year
Non-performing loans (in delay> 90 days)	Loans and advances to customers over 90 days overdue to loans and advances to customers with accumulated provisions for end-of-year credit risk
Non-performing exposures (NPEs)	Non-performing exposures (NPEs) to loans and advances to customers with accumulated provisions for end-of-year credit risk
Coverage of non-performing loans (in delay > 90 days)	Accumulated provisions for credit risk on loans and advances to customers over 90 days overdue at the end of the year
Coverage of non-performing exposures (NPEs)	Accumulated provisions for credit risk to end-of-year non-performing exposures (NPEs)
Definitive arrears/loans	Loans for which the Bank considers almost certain that they will not be services to loans and advances to customers with accumulated provisions for end-of-year credit risk
Provisions/ Loans	Accumulated credit risk provisions for loans and advances to customers before cumulated provisions for end-of-year credit risk
Covers / Loans	Loan to Loan Coverage Value and Customer Receivables before accumulated provisions for end-of-year credit risk
Collateral and provisions / Loans	Loan value and accumulated credit risk provisions for loans and advances to customers before cumulated provisions for end-of-year credit risk
Average loan interest rate	Interest and similar earnings per period to the average for the period (on a daily basis) of loans and other interest bearing assets
Average deposit interest rate	Interest and similar expenses for an average period (on a daily basis) of deposits and other interest bearing liabilities
Interest margin	Average loan interest rate less average deposit rate for the period
Net interest margin	Net interest income on interest-bearing assets
Margin effectiveness	Interest-bearing assets by interest rate margin for the period
Margin effectiveness / Net interest income	Interest-bearing assets to net interest income for the period
Cost / Income	Operating Expenses to operating income for the period
Operating income before provisions	Operating income less operating expenses for the period

Chania, 17 July 2020

The Chairman of the BoD

Michael Marakakis

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

Amounts in EUR	Note:	Group 31.12.2019	Group 31.12.2018	Bank 31.12.2019	Bank 31.12.2018
ASSETS					
Cash and balances with Central Banks	11	169,555,929	17,684,234	169,394,030	17,609,228
Due from Banks	11	7,839,051	9,736,867	7,839,051	9,736,867
Financial assets at fair value through profit or loss	12	685,220	860,950	685,220	860,950
Financial assets at amortized cost	13	1,001,111	1,000,000	1,001,111	1,000,000
Loans and advances to customers (after provisions)	4	333,885,075	316,602,595	371,735,783	350,570,169
Investments in subsidiaries	26	-	-	4,317,926	6,183,584
Holdings in associates	27	170,350	35,000	-	-
Investment portfolio	14	4,905,103	4,871,491	2,972,982	3,993,087
Property and equipment	16	24,466,472	22,998,161	12,224,301	10,985,361
Investment properties	17	24,487,516	18,029,471	7,856,768	1,690,300
Intangible assets	15	1,260,306	845,887	1.094.015	656,726
Deferred tax assets	18	24,928,645	26,144,638	24,834,026	25,636,604
Other assets	19	51,916,452	54,521,328	30,674,324	32,734,385
Total assets		**645,101,232**	**473,330,622**	**634,629,538**	**461,657,261**
LIABILITIES					
Due to Central Banks	20	-	12,002,000	-	12,002,000
Due to Banks	20	28,513,478	10,121,521	27,259,251	9,327,357
Due to customers	20	537,254,252	379,850,803	537,700,191	381,127,235
Debt securities in issue	24	21,629,177	15,692,312	21,629,177	15,692,312
Deferred tax liabilities	18	2,112,622	2,137,157	-	-
Other liabilities	21	9,815,881	10,372,251	5,502,320	4,294,304
Total Liabilities		**599,325,411**	**430,176,044**	**592,090,939**	**422,443,208**
EQUITY					
Cooperative capital	23	19,714,140	19,622,016	19,714,140	19,622,016
Cooperative capital premium	23	84,796,381	84,668,896	84,796,381	84,668,896
Less: Own cooperative capital	23	(303,890)	(303,718)		-
Other Reserves	29	4,452,885	4,486,085	4,432,519	4,463,500
Retained earnings		(66,194,759)	(69,347,057)	(66,404,441)	(69,540,359)
Shareholders' equity of the Bank		**42,464,757**	**39,126,221**	**42,538,600**	**39,214,053**
Non-controlling interests		3,311,065	4,028,357	-	-
Total Equity		**45,775,821**	**43,154,578**	**42,538,600**	**39,214,053**
Total liabilities and equity		**645,101,232**	**473,330,622**	**634,629,538**	**461,657,261**

Chania, 17 July 2020

The notes on pages 39 to 134 constitute an integral part of the financial statements

PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2019

Amounts in EUR	Note:	Group 31.12.2019	Group 31.12.2018	Bank 31.12.2019	Bank 31.12.2018
Interest and similar income		24,464,756	25,003,110	27,364,407	27,387,822
Interest and similar expenses		(8,280,427)	(6,827,429)	(7,949,210)	(6,569,187)
Net interest income	5	**16,184,329**	**18,175,681**	**19,415,197**	**20,818,635**
Fee and commission income		2,274,953	2,145,346	2,287,091	2,145,346
Fee and commission expenses		(545,191)	(601,417)	(545,191)	(601,417)
Net fee and commission income	6	**1,729,761**	**1,543,929**	**1,741,900**	**1,543,929**
Net income from non-banking operations	30	4,094,194	3,863,187	248,246	235,934
Dividend income		113,405	15,853	104,207	13,834
Net trading income / (loss) from investment securities		(125,648)	610,437	(201,285)	1,209,833
Other net income		2,617,132	532,389	2,335,685	123,218
Total Income		**24,613,174**	**24,741,476**	**23,643,950**	**23,945,383**
Personnel expenses	7	(8,928,021)	(8,204,190)	(7,697,064)	(6,996,696)
Depreciation of fixed and intangible assets	15,16	(1,919,692)	(1,013,841)	(1,083,854)	(769,867)
General administrative and other operating expenses	9	(7,295,766)	(7,467,102)	(5,345,820)	(5,419,293)
Total Expenses		**(18,143,479)**	**(16,685,133)**	**(14,126,738)**	**(13,185,856)**
Credit impairment provision	10	(2,902,024)	(1,149,556)	(2,905,643)	(999,556)
Impairment of fixed and other assets		(336,682)	(147,836)	(241,606)	(147,836)
Profit from negative goodwill		-	1,012,222	-	-
Share of profit / (loss) from holdings in associated companies		(184,550)	(382,392)	-	18,000
Share of profit/(loss) from holdings in subsidiary companies		-	-	(2,902,025)	(1,436,354)
Profit (loss) before tax		**3,719,802**	**7,388,780**	**3,951,151**	**8,193,781**
Income tax	31	(1,227,988)	(1,895,852)	(815,232)	(1,935,887)
Profit/(loss) after tax		**2,491,815**	**5,492,928**	**3,135,919**	**6,257,894**
Attributable to:					
Non-controlling interests		(607,416)	(322,172)	-	-
Bank Partners		**3,099,231**	**5,815,100**	**3,135,919**	**6,257,894**

Chania, 17 July 2020

The notes on pages 39 to 134 constitute an integral part of the financial statements

PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2019

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Profit (loss) for the period	2,491,815	5,492,928	3,135,919	6,257,894
Other comprehensive income / (expenses) for the period after tax	-	-	-	-
Investment portfolio available for sale after tax	-	(466,731)	-	(346,316)
Actuarial income/expense in the statement of comprehensive income after taxes	(35,022)	23,348	(30,981)	8,056
Total comprehensive income / (expenses) for the period	**2,456,793**	**5,049,545**	**3,104,938**	**5,919,634**
Attributable to:				
Non-controlling interests	(608,560)	(317,523)	-	-
Bank Partners	3.065.353	5,367,068	3,104,938	5,919,634

Chania, 17 July 2020

The notes on pages 39 to 134 constitute an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY - GROUP FOR THE PERIOD ENDING 31 DECEMBER 2019

Amounts in EUR	Cooperative capital	Cooperative capital premium	Own cooperative capital	Reserve of available-for-sale securities	Defined benefit plans	Other Reserves	Retained earnings	Total	Non-controlling interests	Total
Balance as of 31 December 2017 and 1 January 2018	**17,933,724**	**82,691,297**	**(44,667)**	**407,665**	**78,743**	**4,385,383**	**(72,554,158)**	**32,897,988**	**5,239,378**	**38,137,366**
Impact of First-time Adoption of IFRS 9, after taxes	**-**	**-**	**-**	**(407,665)**	**-**	**-**	**(3,213,021)**	**(3,620,687)**	**-**	**(3,620,687)**
Balance as of 1 January 2018 adjusted for IFRS impact 9	**17,933,724**	**82,691,297**	**(44,667)**	**-**	**78,743**	**4,385,383**	**(75,767,179)**	**29,277,301**	**5,239,378**	**34,516,680**
Change in stakes in subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**17,186**	**17,186**	**(17,186)**	**-**
Other comprehensive income / (expenses) for the period	**-**	**-**	**-**	**-**	**18,699**	**-**		**18,699**	**4,649**	**23,348**
Profit (loss) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**5,815,100**	**5,815,100**	**(322,172)**	**5,492,928**
Total comprehensive income / (expenses) for the period	**-**	**-**	**-**	**-**	**18,699**	**-**	**5,832,286**	**5.850.986**	**(334,709)**	**5,516,276**
Increase (decrease) of cooperative capital	**1,688,292**	**1,977,599**	**-**	**-**	**-**	**-**	**-**	**3,665,891**	**-**	**3,665,891**
Change in stakes in subsidiaries	**-**	**-**	**-**	**-**	**3,260**	**-**	**7,755**	**11,014**	**(10,232)**	**783**
(Purchases) / Sales of Own Cooperative capital	**-**	**-**	**(259,052)**	**-**	**-**	**-**	**-**	**(259,052)**	**-**	**(259,052)**
Other transactions	**-**	**-**	**-**	**-**	**-**	**-**	**580,081**	**580,081**	**(866,081)**	**(286,000)**
Balance as of 31 December 2018 and 1 January 2019	**19,622,016**	**84,668,896**	**(303,718)**	**-**	**100,702**	**4,385,383**	**(69,347,057)**	**39,126,222**	**4,028,356**	**43,154,578**
Other comprehensive income / (expenses) for the period	**-**	**-**	**-**	**-**	**(33,878)**	**-**	**-**	**(33,878)**	**(1,144)**	**(35,022)**
Profit (loss) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**3,099,231**	**3,099,231**	**(607,417)**	**2,491,815**
Total comprehensive income / (expenses) for the period	**-**	**-**	**-**	**-**	**(33,878)**	**-**	**3,099,231**	**3.065.353**	**(608,561)**	**2,456,793**
Increase (decrease) of cooperative capital	**92,124**	**127,485**	**-**	**-**	**-**	**-**	**-**	**219,609**	**-**	**219,609**
Change in stakes in subsidiaries	**-**	**-**	**-**	**-**	**678**	**-**	**-**	**678**	**-**	**678**
Adjustment of rights in non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**77,022**	**77,022**	**(108,700)**	**(31,678)**
(Purchases) / Sales of Own Cooperative Capital	**-**	**-**	**(172)**	**-**	**-**	**-**	**-**	**(172)**	**-**	**(172)**
Other transactions	**-**	**-**	**-**	**-**	**-**	**-**	**(23,956)**	**(23,956)**	**(31)**	**(23,987)**
Balance as at 31 December 2019	**19,714,140**	**84,796,381**	**(303,890)**	**-**	**67,502**	**4,385,383**	**(66,194,759)**	**42,464,757**	**3,311,065**	**45,775,821**

Chania, 17 July 2020

The notes on pages 39 to 134 constitute an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY - BANK FOR THE PERIOD ENDING 31 DECEMBER 2019

Amounts in EUR	Cooperative capital	Cooperative capital premium	Reserve of available-for-sale securities	Defined benefit plans	Other Reserves	Retained earnings	Total
Balance as of 31 December 2017 and 1 January 2018	**17,933,724**	**82,691,297**	**346,316**	**70,061**	**4,385,383**	**(72,523,882.90)**	**32,902,898**
Impact of First-time Adoption of IFRS 9, after taxes	**-**	**-**	**(346,316)**	**-**	**-**	**(3,274,370.35)**	**(3,620,687)**
Balance as of 1 January 2018 adjusted for IFRS impact 9	**17,933,724**	**82,691,297**	**-**	**70,061**	**4,385,383**	**(75,798,253)**	**29,282,212**
Other comprehensive income / (expenses) for the period	**-**	**-**	**-**	**8,056**	**-**	**-**	**8,056**
Profit (loss) for the period	-	-	-	-	**-**	**6,257,893**	**6,257,894**
Total comprehensive income / (expenses) for the period	**-**	**-**	**-**	**78,117**	**-**	**6,257,893**	**6,265,950**
Increase (decrease) of cooperative capital	1,688,292	1,977,599	-	-	**-**	**-**	**3,665,891**
Other transactions	-	-	-	-	**-**	**-**	**-**
Balance as of 31 December 2018 and 1 January 2019	**19,622,016**	**84,668,896**	**-**	**78,117**	**4,385,383**	**(69,540,359)**	**39,214,053**
Other comprehensive income / (expenses) for the period	-	-	-	(30,981)	**-**	**-**	**(30,981)**
Profit (loss) for the period	-	-	-	-	**-**	**3,135,918.63**	**3,135,919**
Total comprehensive income / (expenses) for the period	**19,622,016**	**84,668,896**	**-**	**47,136**	**4,385,383**	**(66,404,441)**	**42,318,991**
Increase (decrease) of cooperative capital	92,124	127,485	-	-	**-**	**-**	**219,609**
Other transactions	-	-	-	-	**-**	**-**	**-**
Balance as at 31 December 2019	**19,714,140**	**84,796,381**	**-**	**47,136**	**4,385,383**	**(66,404,441)**	**42,538,600**

Chania, 17 July 2020

The notes on pages 39 to 134 constitute an integral part of the financial statements

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2019

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Profit / (loss) before tax	**3,719,802**	**7,388,780**	**3,951,151**	**8,193,781**
Adjustments for:				
Non-cash income statement items and other adjustments:				
Depreciation of real-estate property, tangible and intangible assets	1,926,906	1,013,841	1,083,878	769,867
Other operating results	(2,754,551)	(285,000)	(2,619,875)	115,000
Other fixed assets account movements (net fixed assets write-offs)	18,308	188,185	-	147,835
Credit impairment and other provisions	2,902,024	1,149,556	2,905,643	999,556
Provisions for staff benefits	79,930	46,947	58,429	50,727
Valuation adjustments of financial assets at fair value through profit or loss	144,328	(582,515)	201,285	(1,181,911)
Dividend income	(113,405)	(15,853)	(104,207)	(13,834)
Equity method (earnings) / losses	184,650	400,000	2,902,025	1,436,354
Net (profit)/loss from sale of investment portfolio	-	(9,654)	-	-
Negative goodwill	-	(1,012,210)	-	-
Net (increase)/decrease in accrued interest of operating activities*	-	228,330	-	228,330
Other adjustments	(5,348,436)	(2,460,126)	-	(10,611)
Net (increase)/decrease in operating receivables:				
Financial assets at amortized cost	(1,247)	-	(1,247)	-
Due from Banks	1,897,816	(6,918,329)	1,897,816	(6,918,329)
Financial assets at fair value through profit or loss	(2,211)	-	(2,211)	-
Loans and receivables to customers:	(18,092,270)	(6,574,570)	(21,979,013)	(10,544,785)
Other assets	978,711	(3,281,229)	(2,811,209)	(3,654,397)
Net (increase)/decrease in operating liabilities:				
Due to Central Banks	(12,002,000)	(55,000,000)	(12,002,000)	(55,000,000)
Due to Banks	18,391,957	6,567,177	17,931,894	6,665,361
Due to customers	157,403,450	57,256,549	156,572,956	58,064,826
Other liabilities	(655,486)	2,484,382	(658,830)	890,288
Net cash flow from operating activities	**148,678,277**	**584,261**	**147,326,486**	**238,058**
Cash flow from investment activity				
Participation in (increase)/decrease in equity of associated companies / subsidiaries	(320,000)	-	-	-
Acquisition of subsidiaries, other than cash and cash equivalents acquired	-	-	(57,000)	-
Dividends received from portfolio of equity method investments	113,405	15,853	104,207	13,834
Acquisition of real-estate property, tangible and intangible assets	(2,736,989)	(951,081)	(1,725,893)	(121,142)
Proceeds from the disposal of property, plant and equipment	-	-	-	-
Acquisition of investment portfolio	-	(754,760)	-	(975,157)
Acquisition of additional percentages in subsidiaries	-	241,130	-	-
Proceeds from the sale and redemption of an investment portfolio	-	69,608	-	59,954
Net cash flows from investing activities	**(2,943,583)**	**(1,379,249)**	**(1,678,686)**	**(1,022,511)**
Cash flow from financing activity				
Increase in cooperative capital	219,609	3,665,891	219,609	3,665,891
Proceeds from the issue of debt securities	5,900,000	2,110,000	5,900,000	2,110,000
Net cash flow from financing activities	**6,119,609**	**5,775,891**	**6,119,609**	**5,775,891**
Effect of foreign exchange rate changes in cash and cash equivalents	17,392	27,922	17,392	27,922
Net increase / (decrease) of cash and cash equivalents	**151,871,695**	**5,008,824**	**151,784,802**	**5,019,360**
Cash and cash equivalents at the beginning of the fiscal year	17,684,234	12,675,409	17,609,228	12,589,868
Cash and cash equivalents at the end of the fiscal year	**169,555,929**	**17,684,234**	**169,394,030**	**17,609,228**

*As restated

Chania, 17 July 2020

The notes on pages 39 to 134 constitute an integral part of the financial statements

NOTES TO THE CONSOLIDATED AND INDIVIDUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 01.01.2019 - 31.12.2019

NOTE 1: GENERAL INFORMATION

The Cooperative Bank of Chania Cooperative of Limited Liabilities (with the distinctive title COOPERATIVE BANK OF CHANIA, hereinafter "the Bank") was established during the founding meeting of August 18, 1993 purely as a cooperative of limited liabilities. The Cooperative was authorized as a credit institution by Decision No 560 / 18-9-1995 (issue 14) of the Bank of Greece's Committee on Monetary and Credit Affairs, and since then the Cooperative has been operating as a Credit Institution, pursuant to the provisions originally of Law 2076/1992, subsequently of Law 3601/2007 and currently of Law 4261/2014, in conjunction with the provisions of Presidential Decree 2258/1993 and the provisions of the decisions of the relevant committees of the Bank of Greece. In order to become a member of the Cooperative, one has to buy at least one cooperative share, the fair value of which is determined by its nominal value plus a surplus value determined by the Bank's financial position. Based on its Articles of Association, the seat of the Cooperative is the Municipality of Chania, and since 2007 it is located in privately owned buildings at 28-32, Eleftheriou Venizelou Street, in the center of the city of Chania (GEMI No 123088758000, tel. (+30) 28210 25500), www.chaniabank.gr).

Pursuant to Clauses 2 and 3 of its Articles of Association and by decision of the Board of Directors, the Bank may establish branches, agencies, offices or other premises anywhere, as well as appoint or revoke representatives in any city of Greece or abroad, as long as it meets the requirements of law. During its twenty years of operation, the Bank has developed a number of attractive banking products that meet the requirements of its members/customers, while in line with its subsidiaries (hereinafter referred to as the "Group"), it seeks to consolidate its position in the banking market, but also to enhance the local economy.

The Group's business operations consist of flexible (adjusted to the needs of its customers) business and retail lending and deposit products, other banking operations (foreign exchange operations and remittances), brokerage services and real estate management. The Group operates throughout Crete but also in Attica, with the prospect of expanding its network to the rest of Greece.

The composition of the Board of Directors at the date of approval of the Financial Statements is as follows:

- Michael Marakakis son of Emmanuel, Chairman of the BoD
- Georgios Androulakis son of Charalambos, Vice-Chairman of the BoD
- Kyriakos Badieritis son of Konstantinos, Secretary
- Georgios Farantakis son of Iosif, Treasurer
- Emmanuel Apostolakis son of Apostolos, Non-Executive Member
- Anastasios Vamvoukas son of Dimitrios, Non-Executive Member
- Ioannis Malandrakis son of Ioannis, Independent Non-Executive Member
- Georgios Baourakis son of Michael, Independent Non-Executive Member
- Dimitrios Dokakis son of Vasilios, Executive Member
- Perivolakis Alexandros son of Vasilios, Executive Member
- Maria Sperelaki daughter of Theodoros, Independent Non-Executive Member
- Emmanuel Tzinakis son of Michael, Executive Member
- Iosif Chiotakis son of Iosif, Executive Member

The financial statements are subject to the approval of the Annual General Meeting of the Bank's partners. These financial statements have been approved by the Bank's Board of Directors on July 17, 2020.

NOTE 2: SUMMARY OF KEY ACCOUNTING POLICIES

2.1 Basis of presentation

The Group's consolidated financial statements and the Bank's separate financial statements for the year ended 31 December 2019 (the 'financial statements') have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union (the "EU").

Amounts are rounded to Euro (unless otherwise stated). The comparative figures, where necessary, were adjusted to match the presentation of the current year.

The financial statements have been prepared under the historical cost principle, except for investment portfolio, financial assets at fair value through profit and loss and investment properties, which are measured at fair value.

The preparation of the financial statements in accordance with the IFRS requires the conduct of estimates and assumptions that may affect both the accounting balances of assets and liabilities and the required disclosures for contingent receivables and payables, as well as the amounts of income and expenses recognised during the reporting period. The above estimates and assumptions apply mainly to the following areas: impairment provisions for loans and other receivables, equity investments and financial assets at fair value through profit or loss, investment property valuation, impairment testing goodwill and intangible assets from business combinations, control of the ability to recover deferred tax assets receivables, assessment of post-employment employee benefit liabilities and liabilities pending litigation and open tax years. Future results may differ from those published.

Areas with a higher degree of estimation and assumption or complexity, or areas where assumptions and estimates have a significant effect on the consolidated financial statements, are set out in Note 3.

2.2 Going concern

The financial statements of the Bank and the Group as of 31.12.2019 were prepared on the basis of the going concern principle which was considered appropriate by the Management of the Bank, by evaluating and taking into account all the following parameters:

- changes in the macroeconomic environment,
- the risk factors to which it is exposed, including operational risk, as well as all the measures it takes to effectively manage those risks, including the assessment of the positive development of its legal affairs,
- the planned actions regarding the management of its non-performing loans,
- the previously successful capital increases as well as the issuance of bonds to meet the increased requirements it faces in terms of its capital adequacy as well as the creation of internal capital through its future expected profitability,
- the significant improvement of its liquidity in the year 2019 and the maintenance of its liquidity at high levels during the first half of 2020 despite the outbreak of the coronavirus,
- the precautionary measures taken in time to ensure the smooth running of its operations during the coronavirus outbreak,
- measures to compensate for the negative effects of the coronavirus pandemic as taken by the Government and the European Institutions.
- The coverage of the minimum capital adequacy ratio

Macroeconomic environment:

In 2019 the growth dynamic of the Greek economy continued after the upturn of 2018 and 2017. The GDP growth rate at fixed prices was 1.9% at the same level as in 2018 according to the Hellenic Statistical Authority (ELSTAT). At the same time, unemployment based on ELSTAT data for October 2019 was 16.6% (31 December 2018: 18%) and remains high, while harmonized inflation stood at 1.1% in 2019 from 0.8% in 2018. It is noted that in the euro area there was a significant slowdown in GDP growth in 2019 (1.2%, from 1.9% in 2018).

The completion of the financial adjustment program, the improvement of confidence in 2018, led to a significant return of bank deposits which continued in 2019 after the lifting of "capital controls" while the recourse of banks to the emergency liquidity aid (ELA) of the central bank was reduced to zero and the access of banking institutions to the interbank market was improved.

The growth perspective of the Greek economy was interrupted in the first quarter of 2020 by the pandemic caused by the coronavirus (COVID-19) as well as the exacerbation of the refugee problem in the country. The outbreak of the pandemic caused by the coronavirus adds an important factor of uncertainty both in terms of macroeconomic developments and the ability of companies to operate under the restrictive measures imposed. This development is expected to adversely affect the ability of borrowers to repay their liabilities and consequently the amount of expected credit risk losses. The financial implications depend greatly on how long this crisis will last. The possible negative effects of the spread of the coronavirus are expected to affect and further hinder the development course of the Greek economy. To reduce the above effects, the European Central Bank (ECB) has decided to apply an exemption from the general rule of eligibility of bonds for Greek government bonds with the new pandemic emergency bond purchase program of 750 billion euros that will last at least until the end of 2020.

In 2019 the banks made progress in reducing non-performing loans (NPLs). In particular, at the end of December 2019 the NPLs amounted to EUR 68.0 billion, reduced by about EUR 13.8 billion compared to the end of December 2018 and by about EUR 39.2 billion compared to March 2016, when the highest level of NPLs was recorded. The decline in the stock of NPLs is mainly due to loan sales of EUR 8.1 billion as well as write-offs of EUR 4.3 billion. The NPLs ratio amounted to 40.3% at the end of December 2019. According to the target submitted by the Greek credit institutions to the Single Supervisory Mechanism (SSM) at the end of March 2019, the goal is to reduce the ratio of NPLs to total loans to below 20% at the end of 2021.

Capital adequacy:

The capital adequacy ratio of the Group as at 31 December 2019 appears improved, compared to 31.12.2018.

On 31.12.2019, on a consolidated basis, the Capital Adequacy Ratio stood at 14% (2018: 13.1%) and on an individual basis at 14% (2018: 12.9%).

According to the new provisions (Law 4261/2014 and EU Regulation 575/2013), the following capital buffers have entered into force since 01/01/2016:

- **Capital Conservation Buffer**: Expressed as a percentage of the total risk exposure amount, it will gradually rise to 2.50% from 01/01/2019 as follows: 0.625% on 01/01/2016, 1.25% on 01/01/2017, 1.875% on 01/01/2018 and 2.50% on 01/01/2019.
- **Countercyclical capital buffer:** Expressed as a percentage of the total risk exposure amount and ranges between 0% and 2.50%, while it is also possible to increase to more than 2.50% if justified under the provisions of Article 127 (3) of Law 4261 / 2014. For 2018, the Bank of Greece set the countercyclical capital buffer ratio at 2019%. It is noted that a special anti-cyclical security reserve may be amended by the BoG's decision in 2020.
- **Based on decision 292/18.12.2018** by the Credit and Insurance Committee and as part of the Supervisory Review and Evaluation Process (SREP), additional capital requirements of 2.60% were set for the Bank for the year 2019.

- **Based on decision 353/10.04.2020** by the Credit and Insurance Committee and as part of the Supervisory Review and Evaluation Process (SREP), additional capital requirements of 2.68% were set for the Bank for the year 2020.

Based on all of the above, the minimum capital adequacy ratio that is required by the Bank for 2020 is 13.18%.

Year	Capital Adequacy Ratio	Buffer under Law 4261/2014	Additional SREP Requirements	Total Capital Adequacy Ratio
2018	8.00%	1.875%	2.04%	11.92%
2019	8.00%	2.50%	2.60%	13.10%
2020	8.00%	2.50%	2.68%	13.18%

Moreover, in accordance with the BoG's Decision 353/7/10.4.2020, it was recommended to the Bank to meet an additional margin of Pillar 2 Capital Guidance of 0.50%, in addition to the total capital requirements of the SREP and security reserves. The additional margin of Pillar 2 Capital Guidance should be held in Class 1 (CET 1) common stock.

However, taking into account the exceptional circumstances created by the COVID-19 pandemic, the Bank is allowed to operate below the level of the Pillar 2 Capital Guidance, for reasons related to the financial implications and operational difficulties due to the pandemic.

In addition, it should be noted that due to the significant contribution of deferred taxation to regulatory capital, the risk associated with the recognition of deferred tax assets (DTA & DTC, Article 27 and 27a of Law 4172/2013) is significant and associated with future tax rates and any adverse changes in the legal and regulatory framework governing the handling of deferred tax assets in regulatory capital.

Liquidity:

In the context of improving the macroeconomic environment and the domestic economic climate as well as the full liberalization of restrictions on the movement of capital within the country, which contributed to the return of deposits, the Bank managed to significantly improve its liquidity on December 31, 2019 by increasing deposits of approximately € 174 million (increase of 44.7%) compared to December 31, 2018.

Due to the significant improvement of liquidity in 2019, the Bank managed to fully repay its loan from the Extraordinary Liquidity Aid ("ELA") in March 2019, which amounted to € 12 million on December 31, 2018. It is noted that the Bank continues to have access to financing from the Emergency Liquidity Assistance ("ELA"), in the event of a liquidity emergency, by providing collateral for eligible assets.

The gradual increase of liquidity in 2019 also contributed to the further strengthening of the liquidity supervisory ratios, exceeding the regulatory supervisory limits by 100%. Specifically, on December 31, 2019 the Liquidity Coverage Ratio (LCR) reached 255% and 257% for the Group and the Bank respectively, while the Net Stable Funding Ratio (NSFR) amounted to 168% and 177% for the Group and the Bank respectively.

Finally, it is reported that the Bank had high levels of liquidity throughout the pandemic and for the entire first half of 2020, maintaining equally high liquidity ratios as well as a liquidity reserve, without any outflow of deposits or any other adverse effect on its liquidity due to the COVID-19 pandemic.

Business Continuity Plan:

The Bank, in the context of timely and effective response to possible adverse effects that the COVID-19 pandemic could have caused, has prepared and implemented a "Pandemic Crisis Management Plan", which complements the "Business Continuity Plan" which it has in place.

Moreover, to address the general pandemic crisis, it has taken additional measures to ensure the safety of its employees and customers, such as teleworking for most of its staff, and to ensure the smooth running of its operations.

2.3 Adoption of IFRSs

New IFRS, amendments and interpretations that entered into force on 1 January 2019

New IFRSs

- IFRS 16 "Leases" (effective for financial years beginning on or after 1 January 2019). IFRS 16 replaces the relevant Leasing Guidelines set out in IAS 17 "Leases", IFRIC 4 Determining whether an arrangement contains a lease, SIC-15 Operating leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and establishes principles for the recognition, measurement, presentation and disclosure of leases, with the aim of ensuring that lessees and lessors provide relevant information that accurately reflects these transactions.

IFRS 16 introduces a single accounting lease model for lessees. A lessee recognizes a Right of Use as an asset, which represents its right to use the underlying asset, and a lease obligation, which represents its obligation to pay rent. The lease liability is initially measured at the present value of the future lease payments, discounted using an interest rate included in the lease or in the event that this interest rate cannot be easily determined, at the lessee's lending rate. The Right of Use is initially measured at the value of the lease liability.

Subsequently, the Right of Use is amortized over the lease term and the financial liability is measured at amortized cost. The operating lease expense recognized in accordance with IAS 17 is replaced by the expense of amortization of the Right of Use and the interest expense arising from the reversal of the discount of the lease liability. The change in the presentation of operating lease expenses will result in the improvement of cash flows from operating activities and the corresponding reduction in cash flows from financial activities.

The lessor's accounting remains the same as the current standard - that is, lessors continue to classify leases as finance or operating using the same classification criteria as IAS 17.

Leases in which the Group is the Lessor

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

Leases in which the Group is a Lessee

The Group applied the modified retrospective approach, where the Right of Use is equal to the lease liability upon the adoption of the new standard and will not reformulate the comparative data. The Group applied the practical method and excluded, during the transition to IFRS 16, the definition of lease and did not re-evaluate whether a contract is or contains a lease. Therefore, at the transition date (i.e. January 1, 2019), the Group applied IFRS 16 only to contracts that were previously recognized as leases under IAS 17 and IFRIC 4.

The Group has chosen to make use of the recognition exception provided for short-term leases and low value leases, for which lease payments are recognized as operating expenses, on a straight-line basis, over the term of the lease.

The most significant estimate used to measure the lease liability relates to the interest rate used to discount the rents at their present value from the date of first application and is considered a significant accounting estimate.

Rights of Use and lease liabilities are included in the items "Tangible fixed assets" and "Other liabilities", respectively.

The effect of the application of IFRS 16 on the financial statements of the Bank and the Group is stated in note 32.

Amendments and interpretations

The following amendments and interpretations were applied by the Group and the Bank, without however having a material effect on their annual financial statements.

IFRS 9 (Amendments): "Prepaid Items with Negative Performance" (effective for fiscal years beginning on or after 01/01/2019)

In October 2017, the IASB issued limited purpose amendments to IFRS 9. Under the requirements of IFRS 9, an entity would measure a financial asset with a negative return on fair value through profit or loss, as the "negative return" feature could be considered to generate potential cash flows that are not comprised only of capital and interest payments. Based on the amendments, entities are allowed to measure specific prepaid financial assets with a negative return on amortized cost or fair value through other comprehensive income, provided that a specific condition is met.

-Article 23 of IFRIC "Uncertainty on the handling of income tax issues" (effective for fiscal years beginning on 1 January 2019, as adopted by the IASB).
Interpretation 23 applies to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax reliefs and tax rates when there is uncertainty as to the correctness of tax treatments according to IAS 12. In this case it should be considered:
• whether the tax treatment should be examined collectively or individually and under the assumption that the audits will be carried out by the tax authorities with full knowledge of the relevant information,
• the possibility of accepting the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates by the tax authorities, and
• the reassessment of judgments and assessments if facts and circumstances change.
The amendments have no effect on the Bank's financial statements.

IAS 28 (Amendments): "Long-term Interests in Associates and Joint Ventures" (effective for fiscal years beginning on or after 01/01/2019)
In October 2017, the IASB issued limited purpose amendments to IAS 28. The purpose of these amendments is to provide clarification on the accounting treatment of long-term interests in an associate or joint venture - to which the equity method does not apply - under IFRS 9.

- Annual Improvements to IFRS 2015-2017 (effective for fiscal years beginning on 1 January 2019, as adopted by the IASB).

- IAS 19 (Amendments) Plan Amendment, Curtailment or Settlement (effective for fiscal years beginning on 1 January 2019)
In February 2018, the IASB issued limited-purpose amendments to IAS 19 that required an entity to use updated actuarial assumptions in determining current service costs and net interest for the period after the amendment, the curtailment or the settlement of a defined benefit plan. The purpose of these amendments is to enhance the understanding of financial statements and to provide more useful information to their users.

IFRS 3 (Amendments) The amendments specify that an entity revalues the percentage it previously held in a jointly controlled activity when it acquires control of that entity.

IFRS 11 (Amendments) The amendments specify that an entity does not revalue the percentage it previously held in a jointly controlled activity when it acquires control of that entity.

IAS 12 Income Taxes (Amendments) The amendments clarify that an entity accounts for all effects on income tax from dividend payments in the same way.

New IFRS, amendments and interpretations that will enter into force at a later date

IFRS 9 "Financial Instruments", IAS 39 and IFRS 7 (Amendments) (effective for fiscal years beginning on or after 01/01/2020)
In November 2019, the International Accounting Standards Board issued an amendment to the above standards, according to which temporary exemptions from the application of specific provisions of the accounting hedge are provided, in the framework of the application of the interest rate benchmark reform. Under these exceptions, companies applying the relevant provisions can assume that the reference rate will not change as a result of applying the reference rate reform. Exceptions concern the application of the following provisions:
- The requirement for a very high probability of fulfillment in terms of cash flow hedges,

- The assessment of the financial relationship between the hedged item and the hedging instrument,
- The identification of a component of an item as a hedged item.

The Bank is examining the impact of the above on its financial statements, but no material impact is expected from the above amendment on the financial statements of the Group and the Bank.

Revision of the Conceptual Framework of the Financial Report (effective for fiscal years beginning on or after 01/01/2020)

On March 29, 2018, the International Accounting Standards Board issued the revised conceptual framework which redefines the purpose of financial reporting, the quality characteristics of financial statements, the definitions of assets, liabilities, equity, and revenue and expenses, the recognition criteria and instructions on when to write off assets and liabilities in the financial statements, valuation bases and instructions on how to use them and concepts and guidance on presentation and disclosures.

The purpose of revising the Conceptual Framework is to assist those preparing financial statements to develop consistent accounting policies for transactions and other events that do not fall within the scope of existing standards or when a standard allows for a choice between accounting policies. Moreover, the purpose of the revision is to help all persons involved understand and interpret the standards.

The IASB also issued an accompanying document, "Amendments to the Conceptual Framework References", which sets out the amendments to the standards that are affected in order to update the references to the revised conceptual framework.

The amendment is applied by the authors who develop accounting policies based on the conceptual framework, in the annual accounting periods beginning on or after 1 January 2020. The Bank is examining the impact of the above on its financial statements, but no material impact is expected from the above amendment on the financial statements of the Group and the Bank.

Amendments to IFRS 3: "Definition of a Business" (effective for fiscal years beginning on or after 01/01/2020)

In October 2018, the IASB issued limited-purpose amendments to IFRS 3 to improve the definition of a business. The amendments will help entities determine whether an acquisition is a business combination or an acquisition of assets. The amended definition indicates that the outflow of a business is to provide goods and services to customers, while the previous definition focused on returns in the form of dividends, lower costs or other financial benefits to investors and third parties. In addition to amending the definition of a business, the IASB provides additional guidance through this issue. The Bank is examining the impact of the above on its financial statements, but no material impact is expected from the above amendment on the financial statements of the Group and the Bank.

Amendments to IAS 1 and IAS 8: "Definition of Material" (effective for fiscal years beginning on or after 01/01/2020)

In October 2018, the IASB issued amendments to the definition of material to make it easier for companies to make a judgment of materiality. The definition of material helps companies decide what information should be included in their Financial Statements. The new definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied, including in the definition guidance which has hitherto been included in other Standards. The Bank is examining the impact of the above on its financial statements, but no material impact is expected from the above amendment on the financial statements of the Group and the Bank.

Amendments to IAS 1 - Classification of liabilities as short-term or long-term (effective for fiscal years beginning on or after 01/01/2022)

In January 2020, the IASB issued amendments to IAS 1 affecting the requirements for the presentation of liabilities. In particular, the amendments clarify one of the criteria for classifying a liability as long-term, the requirement for an entity to have the right to defer the settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) clarification that an entity's right to defer settlement should exist at the reporting date; (b) clarification that the liability classification is not affected by management's intentions or expectations regarding the exercise of the deferral; (c) explain how lending conditions affect the classification; and (d) clarify the requirements for the classification of liabilities of an entity that it settles or is likely to settle through the issue of own equity instruments. The Bank and the Group will examine the impact of all of the above on their financial statements. The above applies to fiscal years beginning on or after January 1st, 2022 and have not been adopted by the European Union.

IFRS 17 "Insurance Contracts" (effective for fiscal years beginning on or after 01/01/2021)

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an intermediate Standard, IFRS 4. The purpose of the IASB's work was to develop a single principle-based standard for accounting for all types of insurance contracts, including reinsurance contracts held by an insurance company. The new single Standard will enhance the comparability of financial reporting between entities, jurisdictions and capital markets as it requires all insurance policies to be accounted for consistently. The IFRS 17 sets out the requirements that an entity should apply when reporting financial information related to the insurance contracts it issues and the reinsurance contracts it holds. The standard has not been adopted by the EU.

The Bank and the Group do not intend to apply any of the Standards or Interpretations earlier, and no significant effect is expected from the application of the above new Standard when it enters into force.

2.4 Consolidated financial statements

2.4.1. Consolidation principles

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries controlled by the Bank. Control requires all of the following to be met: (a) power over the company; (b) placements or rights to variable returns through its ownership of the company; and (c) ability to use its power over the company to affect the amount of its returns.

The Group's subsidiaries are consolidated by applying the full consolidation method from the date that control is acquired and cease to be consolidated with the loss of control.

Income and expense and other comprehensive income of the subsidiaries acquired or sold during the year are included in the consolidated income statement and in the consolidated statement of comprehensive income from the date of acquisition of the subsidiaries and cease to be incorporated from the date of sale of those subsidiaries. The net earnings and the total comprehensive income of the subsidiaries are distributed among the Bank's shareholders and the non-controlling interests even if, with this distribution, the balance of the non-controlling interests becomes negative.

If the subsidiaries apply different accounting policies than those of the Group, the necessary adjustments are made to their financial statements in order to be consistent with the Group's accounting policies. Intercompany transactions, intercompany balances as well as gains/losses arising from transactions between Group companies are completely eliminated upon consolidation.

2.4.2. Non-controlling interests

Non-controlling interests are initially recognized in proportion to their net identifiable assets. After the acquisition, the book value of the non-controlling interest is their value at initial recognition plus the share of the non-controlling interest in the subsequent changes in equity. Total comprehensive income is allocated to non-controlling interests even if this results in a non-controlling debt balance.

2.4.3. Changes in the percentage of the Group's interest in subsidiaries that do not result in loss of control

Changes in the percentage of a Subsidiary's interest that does not result in a loss of control are recognized as transactions between the shareholders.

The balance of the Bank's shareholders' equity accounts and the 'Non-controlling interest' account are adjusted to reflect the change in the interest rate of the above shareholders over the subsidiary. Any difference between the adjustment of non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity attributable to the Bank's shareholders.

2.4.4. Loss of control

If the change results in the loss of control of the subsidiary, the gain or loss on disposal is calculated as the difference between (i) the sum of the fair value of the consideration received and the fair value of the interest held on a subsidiary and (ii) the carrying amount, before sale, of the assets (including goodwill), liabilities and non-controlling interests. Unrealized gains or losses that were recognized in other comprehensive income and arising on the fair value measurement of the subsidiary's assets are accounted for as if the Bank had directly sold those assets (transfer to profit or loss or to retained earnings, in accordance with applicable the IFRS).

The fair value of any interest in the subsidiary that continues to exist after the date of the loss of control is considered to be the fair value at initial recognition of the financial instrument in accordance with IFRS 9 or the acquisition cost adjusted using the equity method in the event that it is recognized as an associate or joint venture by the applicable standards.

2.4.5. Affiliates

Affiliates means companies over which the Group exercises significant influence but has no control over them. If the Group holds, directly or indirectly, 20% or more of the voting rights of the investment, it is considered to have a material influence, unless it can be clearly demonstrated that this is not the case. Investments in associates are incorporated in the financial statements using the method of equity accounting.

Under the method of equity accounting, investments in associates are initially recognized at cost. Goodwill arising on the acquisition of an associate is included in the acquisition cost of the investment (after any accumulated impairment provisions). The value of the investment increases or decreases according to the percentage of the Group's participation in the profit or loss of the associate after the acquisition (recognized in the income statement of the Group) and from the movements in reserves (recognized in the Group's reserves). The amount of dividends received from the associate during the year reduces the carrying amount of the investment. Investments in associates made solely for the purpose of disposing of them within one year of their acquisition date, when the material influence of the Group is considered to be temporary, are recognized in the "Non-current assets held for sale" account. Unrealized profit on transactions between the Group and its associates are eliminated as a percentage of the Group's interest in those companies. Any such losses, which are also eliminated, are an indication of impairment of the value of the transferred asset. Where appropriate, the financial statements of associates used in applying the method of equity accounting have been amended to ensure their consistency with the accounting policies adopted by the Group.

2.4.6. Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

(a) the parties are bound by a contractual arrangement, and

(b) the contractual arrangement gives two or more of those parties joint control of the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are either joint operations or joint ventures:

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement.

In the event of the Group's participation in a joint venture, the Group recognizes:

(a) its assets, including its share of any assets held jointly,

(b) its liabilities, including its share of any liabilities incurred jointly,

(c) its revenue from the sale of its share of the output of the joint operation,

(d) its share of the revenue from the sale of the output by the joint operation, and

(e) its expenses, including its share of any expenses incurred jointly.

In the case of the Bank's participation in a joint venture, the Bank recognizes its participation as an investment and accounts for that investment using the method of equity accounting (see Note 2.4.7)

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

In the Bank's financial statements, subsidiaries, associates and joint ventures are recognized at acquisition cost and the fair value of the investment is adjusted. The Bank changed its accounting policy for 2018 concerning measurement of its subsidiaries, from the acquisition cost to the equity method, as amended by IAS 27. The aforementioned amendment permits as of 01.01.2016 the use of the equity method of investing in subsidiaries, joint ventures and associates in a company's separate financial statements.

2.4.8. Impairment testing of investments in subsidiaries, associates and joint ventures in the separate financial statements

The Group and the Bank assess and control (separately from the effect of the equity method on the value of the investment) whether an investment in a subsidiary, associate or joint venture has been impaired only when they believe that there is an indication of impairment (particularly due to external adverse factors). Where there is such an indication, the Group assesses the recoverable amount of the investment and when the carrying amount of the investment exceeds the estimated recoverable amount, then the book value is impaired to its recoverable value.

2.5 Business Combinations

2.5.1. Acquisition method

Acquisitions of companies that fall within the scope of IFRS 3 are recorded using the acquisition method. The consideration paid in a business combination is measured at fair value, calculated as the sum of the fair values of the assets contributed by the Group on the acquisition date, the liabilities assumed by the Group to the previous owners of the acquired business and the equity instruments issued by the Group in exchange for control of the acquired business. Expenses related to the acquisition are recognized in the profit and loss statement.

At the acquisition date, the assets acquired and liabilities are recognized at their fair value at the acquisition date, except for:

- deferred tax assets and liabilities and liabilities or assets related to employee benefits are recognized in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively,
- liabilities or equity securities related to the equity-dependent benefit plan of the acquired company or equity-dependent equity benefit plans of the Group, entered into to replace the equity-dependent benefit plan of the acquired company, are recorded in accordance with IFRS 2 "Share-Related Benefits" at the acquisition date and
- assets (or groups of assets) held for sale in accordance with IFRS 5 "Non-current Assets Available for Sale and Discontinued Operations" are recorded in accordance with this standard.

2.5.2. Goodwill

Goodwill is recognized as the excess between (a) the sum of the consideration paid, any uncontrolled interests in the acquired business and the fair value of any prior interest in the acquired business, and (b) the net worth at the date of acquisition of the assets acquired and of the commitments made. If, after a review, the net value at the acquisition date of the acquired assets and liabilities exceeds the sum of the consideration paid, any non-controlling interest in the acquired company and the fair value of any prior interest in the acquired business, the difference is immediately recorded in the income statement.

2.5.3. Contingent consideration

If the consideration agreed at the business combination includes assets or liabilities arising from a contingent consideration, then the contingent consideration is measured at its fair value at the acquisition date and is included in the total consideration at the business combination. Changes in the fair value of the contingent consideration that are included in the adjustments to the redemption period are recognized retrospectively with a corresponding adjustment of goodwill. Adjustments to the redemption period result from new information received during the redemption period (which may not exceed one year from the acquisition date) on data and situations that existed at the acquisition date.

Changes in the fair value of the contingent consideration that are not included in the adjustments to the redemption period are accounted for by the classification of the contingent consideration. When the contingent consideration is classified as an item of equity it is not re-measured in subsequent reporting periods and its subsequent settlement is recognized in equity. If the contingent consideration is classified as a financial asset or a non-financial asset / liability, the fair value result in subsequent reporting periods is recognized in the income statement.

2.5.4. Business combinations achieved in stages

Where a business combination occurs in stages, the Group's interest in the acquired company is measured at fair value at the acquisition date (the date the Group obtains control) and the resulting gain or loss is recognized in the income statement. Amounts recognized in other comprehensive income and derived from the acquired business prior to the transfer of its control are recognized in the income statement if such treatment would have been appropriate in the event of its sale.

2.6 Foreign currency transactions

The consolidated financial statements are presented in Euro (€), which is the Bank's functional currency and the presentation currency of the Group's financial statements.

Transactions denominated in foreign currency are translated into the functional currency using the exchange rates (current rates) prevailing at the dates of the transactions or the revaluation when the items are revalued. Foreign exchange differences (gains or losses) resulting from the settlement of the above transactions as well as from the conversion at the end of the fiscal year of monetary items from the foreign currency to the functional currency are recognized in the income statement and specifically in "Results of financial transactions & investment securities".

Foreign exchange differences resulting from the translation of non-monetary financial assets and liabilities carried at fair value through profit or loss are included in the income statement, in particular in "Results of financial instruments & investment securities." Foreign exchange differences on non-monetary financial assets, such as available-for-sale debt securities, are recognized in "Other comprehensive income". Non-monetary items that are recorded at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

2.7 Financial instruments based on IFRS 9

2.7.1 Classification and measurement of financial assets

The Group classifies its financial assets based on the business model used for their management as well as on the characteristics of their typical cash flows. The classification of financial assets based on the above criteria is divided into the following three categories of financial assets: (a) Amortized Cost, (b) Fair value through other comprehensive income (FVTOCI) and (c) Fair value through profit and loss (FVTPL).

Purchases and sales of financial assets of the Group are recorded at the date of the transaction, with the exception of loans recognized at their disbursement date.

More in accordance with IFRS 9:

- A financial asset held within a business model whose purpose is to hold financial assets for the purpose of collecting Hold-to-Collect and its contractual cash flows consists solely of repayment of capital and interest on the unpaid balance of principal (SPPI) is measured at amortized cost. The exception is if an entity chooses to measure that asset at fair value through profit or loss (FVTPL).
- A financial asset held within a business model whose objective is to achieve both the collection of contractual cash flows and the sale of financial assets, and its contractual cash flows consist solely of repayment of capital and interest on the unpaid balance of principal is measured at fair value through other comprehensive income (FVTOCI). The exception is if an entity chooses to measure that asset at fair value through profit or loss (FVTPL).
- Other debt securities as well as equity instruments are measured at fair value through profit or loss. An exception exists if an entity irrevocably chooses subsequent changes in the fair value of its equity instruments that are not held for trading, to be reported directly to other comprehensive income, recognizing only dividend income in its income statement.

Business Model Evaluation

The evaluation of the business model determines how the Group manages the cash flows of a group of financial assets. The determination of the business model is carried out by the Management of the Group in accordance with the Group's operating model, taking into account how these elements are managed to generate cash flow, the risks associated with the performance of the business model, and how to evaluate and manage these risks, personnel compensation and frequency, volume and purpose of historical sales with respect to the group in question, and Management's expectations for future sales.

The business model of the Group's Loans and advances to customers and debt securities of the Group is evaluated as compatible with their HTC business model as:

- Loans, other receivables and debt securities are held to collect their contractual flows.
- The Bank's business model and strategy do not include any future loan sales plans for any of its portfolios, without, however, excluding sporadic sales or sales of non-performing loans due to the deterioration of creditors' ratings which, under IFRS 9 alone, cannot meet the Bank's obligation to change its business model (as a result it will be able to continue to measure its loan portfolio at amortized cost).
- No loans or advances to customers have been sold in the past.
- The repayment of its loan portfolio results from the designated interest rates.
- The associated risks that affect the performance of the business model in the context of holding the loan portfolio are related to credit risk, and the way of managing that risk is primarily through collateral.
- The Bank's executives are not remunerated on the basis of loan sales receipts nor on the basis of the contractual cash flows of the loans.

Evaluation of contractual cash flows

The Group, at initial recognition of a financial asset, examines whether this asset is compliant with the SPPI criterion, evaluating whether its contractual terms are compatible with an underlying loan agreement. As part of the SPPI assessment, it is examined whether the interest on a financial asset (debt securities) includes only consideration for the time value of money, credit risk, other key borrowing risks, liquidity risk, other borrowing costs and a profit margin, thus being compatible with the SPPI criterion. In addition, it is assessed whether the contract of a financial asset contains conditions that could change the amount or timing of the contractual cash flows (early repayments, asset extension rights, leverage terms, convertible equity, the time value of money, terms that relate to other risks and introduce volatility in the flow of the financial asset, etc.) in a way that is incompatible with an underlying loan agreement, then the financial asset is considered to fail the SPPI valuation and therefore is measured at fair value through profit or loss. In the event that a contractual term is of minor importance, the classification of the related financial asset is not affected by that term. The Bank assesses whether the contractual cash flows are Solely Payments of Principal and Interest (SPPI) on its financial assets and the results are as follows:

- Loans and receivables to customers: These financial assets are measured at amortized cost because of the characteristics of the contractual cash flows (exclusively capital and interest payments) and the business model as described above (Retention of financial assets for the purpose of collecting contractual cash flows, Hold-to-Collect). The Bank carries out an SPPI rating on a loan product because their contracts consist of standardized loan agreements as a whole.
- Bonds: The Group holds two bonds, one classified at fair value through profit and loss (FVTPL) as its contract includes terms that are inconsistent with an underlying loan agreement and another, due to the characteristics of the contractual cash flows (exclusively equity payments) and the aforementioned business model (Hold-to-Collect financial assets), at amortized cost.

Measurement of financial assets

The Group, having assessed the requirements of IFRS 9, distinguished its financial assets in the following categories:

- Treasury and cash on hand at Central Banks
- Receivables to financial institutions
- Loans and advances to customers at amortized cost
- Financial assets at amortized cost (debt securities)
- Other receivables included in Other assets
- Financial assets at fair value through profit or loss (debt securities)
- Equity instruments measured at fair value through profit or loss (Investment portfolio)

Financial assets measured at amortized cost

The Bank recognizes in this category its financial assets held under the HTC business model and the assessment of their contractual cash flows is compatible with interest and principal collection (SPPI rating). This category includes the following financial assets:

- Treasury and cash on hand at Central Banks
- Receivables to financial institutions
- Loans and receivables to customers
- Financial assets at amortized cost (debt securities)
- Other receivables included in Other assets

After initial recognition, the aforementioned financial assets are measured at amortized cost using the effective interest rate method. Interest income on financial assets classified in Stages 1 and 2 is calculated on the basis of the book value of the asset before provisions, while for financial assets classified in Stage 3, the interest income is calculated at book value after provisions.

Financial assets measured at fair value

This category includes the following financial assets:

- Financial assets at fair value through profit or loss (debt securities)
- Equity instruments measured at fair value through profit or loss (Investment portfolio)

In more detail, this category has classified a debt instrument whose terms have been rated as non-compliant and are therefore incompatible with the SPPI criterion. In addition to the above heading, this category also includes the Group's equity instruments as they are presented in the "Investment Portfolio" line of the balance sheet.

The above financial assets are measured at fair value. Profits and losses on disposal or acquisition of the above items but also unrealized gains or losses arising from changes in their fair value are included in "Results of financial instruments & investment portfolio securities" of the income statement.

2.7.2 Derecognition of financial assets

The Group derecognises a financial asset when:

(a) the contractual rights to the cash flows of the financial asset expire;

(b) the Group has transferred the rights to recover the cash flows of a financial asset either by transferring all the risks and benefits of ownership of the financial asset or has neither transferred nor actually retains the resulting risks and benefits from that asset but has transferred control of the asset,

(c) the Group retains the contractual rights to the cash flows of the financial asset but undertakes a contractual obligation to pay the cash flows to one or more recipients.

In the event that the risks and benefits are neither transferred nor retained while the control of the financial asset is not transferred, the Group continues to recognize the financial asset to the extent that it continues to be involved therein.

2.7.3 Modification of financial assets

If the change in the contractual cash flows of a financial asset is considered significant enough, the original asset is derecognised and the modified asset is recognized as "new". The Group recognizes the "new" financial asset at fair value and the difference between the value of the existing asset and the fair value of the "new" one is recognized in the income statement as a profit or loss from derecognition. Alternatively, if a change in a financial asset is not considered significant to result in derecognition, the gain or loss recognized by the amendment is calculated as the difference in the present value of the new contractual cash flows ("modified asset") discounted to the real interest rate on the asset and the net book value of the existing financial asset.

2.7.4. Reclassifications of financial assets

The Group reclassifies all financial assets involved if there is a change in the business model applied to manage those financial assets.

Reclassification is effective in the future from the date of reclassification, therefore any prior profit or losses that have been recognized (including impairment losses) or interest are not restated.

No frequent changes to the business models used by the Group are expected.

2.7.5. Expected credit losses

Impairment

IFRS 9 introduces a model for impairment of expected credit losses (ECL), which applies to financial assets that are not measured at fair value through profit or loss, including loans, credit card receivables and other financial guarantee contracts (eg other undrawn loan commitments and documentary credits/letters of guarantee). The impairment provision based on IFRS 9 is based on expected credit losses related to the probability of default within the next twelve months (12 month PD), unless there has been a significant increase in credit risk from initial recognition of the exposure, so the lifetime probability of default (lifetime PD) will be assessed. In addition, if the financial asset falls within the definition of credit-impaired assets at initial recognition (POCI), an impairment provision is recognized equal to the expected credit loss for their entire life.

Portfolio Ranking in Stages

IFRS 9 requires loans to be classified into three stages (Stage 1, Stage 2 and Stage 3). Early recognition and measurement of credit losses prior to the occurrence of catastrophic events and the reflection of the change in the risk of defaulting on a loan/customer introduced the concept of credit risk categorization in stages. Thus, except in the case of exposures that are classified as POCI and remain in this category throughout their life, the remaining exposures are classified into three stages according to their underlying probability of default. The Standard also introduces the new concept of "Significant Increase in Credit Risk" (SICR). To determine whether credit risk has increased significantly in each reporting period, the risk of default is compared over the remaining life of the loan with the expected default risk, as estimated at the date of recognition of the loan.

Stage 1: It includes retained exposures that do not have a significant increase in credit risk compared to the initial recognition of the exposure, while a provision for credit risk losses equal to the expected 12 month loss is recognized. This stage also includes exposures for which the credit risk has improved and this exposure has been reclassified from stages 2 or 3.

Stage 2: In the event that an exposure presents a significant increase in credit risk compared to its initial recognition and is non-performing, provisions for expected losses over its entire life are recognized and transferred from Stage 1 to Stage 2. This stage also includes exposures for which the credit risk has improved and this exposure has been reclassified from stage 3.

Stage 3: If there is any detrimental effect on the expected cash flows of an exposure, that financial asset is considered a credit-impaired loan and is classified as Stage 3 in accordance with IFRS 9. Provisions of expected losses over the life of the exposure are recognized at this stage.

Default Definition

The Bank applies a default definition for the purpose of preparing its financial statements, in accordance with the definition of Non-Performing Exposures (NPEs) as defined by the European Banking Authority in the Guidelines on the implementation of the definition of infringement under Article 178 of Regulation (EU) No 575/2013 (EBA/GL/2016/07), and in accordance with Annex V to Implementing Regulation (EU) No Commission Regulation (EC) No 680/2014 of 16 April 2014, as amended by Commission Implementing Regulation (EU) No 2015/227. The definition of default is fully harmonized with the definition of credit-impaired loan. The definition of default applies at the borrower level for the business portfolio (borrowers designated by the Basel Committee as a business portfolio), while in the retail credit portfolio it is applied at the individual level (i.e. account level).

In view of the above, the Bank considers that a borrower or loan is in default of its contractual obligations when the following criteria are met:

i. The borrower is late in payment of more than 90 days on any significant credit liability to the Bank.

ii. The Bank considers that the creditor is unable to fully meet their contractual obligations to the Bank (Unlikely to Pay "UTP") unless the Bank seeks to liquidate its collateral.

iii. The loan is classified as Non-Performing Forborne Exposure in accordance with Article 180 of Regulation (EU) No 227/2015.

Estimation of Expected Credit Loss

The Bank calculates Expected Credit Loss (ECL) using the following parameters:

- Exposure at Default (EAD): It represents the estimate of the loss in potential future default. For its calculation, the Bank takes into account expected changes in the exposure amount after the reporting date, including repayments of capital and interest or expected withdrawals from available limits. EAD includes both on and off-balance sheet exposures. The on-balance sheet report corresponds to the total amount committed and payable, which includes the outstanding debt, interest and arrears. The off-balance sheet report represents credit available for withdrawal in addition to the on-balance sheet report. In addition, the credit conversion factor (CCF) is used to convert credit lines and other off-balance sheet exposures to EAD amounts.
- Probability of Default (PD): It expresses the likelihood that a borrower will default on its financial position based on the prevailing financial conditions at the reporting date, adjusted by estimates of future financial conditions for a 12-month time horizon for exposures classified in Stage 1 and for the entire duration of the loan life for exposures classified in Stage 2 or 3. PD is used both for the calculation of Expected Credit Loss (ECLs) and for the Significant Credit Risk Increase (SICR).
- Loss Given Default ("LGD"): expresses the estimate of the damage resulting from a default event. In calculating this parameter, the Bank considers the following components:
  - Loss Given Loss ("LGL"), which is the expected loss on the percentage of loans that are in default and not repaid, for which the collateralization procedure is followed, in the case of covered loans, or cash recovery.
  - The possibility of recovery (Cure Rate - "CR"), that is, the possibility of defaulted accounts being returned, starting to pay their debts regularly.

The Bank calculates loan impairment either on a collective basis or on an individual basis, taking into account the first common grouping characteristics (such as the type of portfolio or loan exposure category), while for the latter the significance of an exposure and whether it is classified as non-performing or whether the customer has been subject to bankruptcy or creditors protection, are taken into account.

In accordance with the requirements of IFRS 9, the Bank develops three macroeconomic scenarios (optimistic, basic and unfavorable) in order to estimate the expected credit losses in a manner that reflects an unbiased and probability-weighted amount. Macroeconomic scenarios are used in addition to calculating expected credit losses and in assessing significant risk increases.

2.8 Fair value of financial instruments

The Group calculates the fair value of financial instruments based on a fair value calculation framework that classifies financial instruments into a three-level hierarchy of data used in valuation, according to their quality as described below:

Level 1: Quoted prices in active markets for identical financial instruments. Active market, is the market in which transactions are of sufficient frequency and volume to provide price information on an ongoing basis. Level 1 includes quoted equity securities.

Level 2: Direct or indirect observable data (other than Level 1 prices), such as quoted prices of similar instruments, quotes from markets that are not active, or other observable data or data that result from observable data for almost the entire duration of the financial instrument. Level 2 includes securities with quoted prices in inactive markets available from third parties (dealers - brokers).

Level 3: Non-observable data backed by few or no active market transactions and significantly affecting fair value. This includes financial instruments that are valued either through the net asset value method or by discounting cash flows or other valuation methods that require management estimates. Level 3 includes unquoted equity securities.

The level in the fair value hierarchy in which a fair value calculation is determined by the lowest level of data used in the fair value calculation and has a significant effect. To this end, the significance of a given item is evaluated in relation to its total fair value.

2.9 Offsetting

The presentation in the financial statements of the net amount that results from the offsetting of financial assets and liabilities is permitted only if there is a contractual right that allows for the offsetting of the amounts recorded and at the same time there is an intention to either settle the total amount of both the financial assets and the liability respectively, or for settlement of the net amount that arises after the offsetting.

2.10 Interest and similar income and expenses

Interest income and expenses relating to all interest bearing financial instruments is recognized in profit or loss using the effective interest method.

Interest income refers to interest on "Loans and advances to customers", "Claims on financial institutions" and debt securities coupons.

Interest expenses relates to interest on "Liabilities to central banks", "Liabilities to other financial institutions", "Liabilities to customers" and "Debt securities and other loans".

2.11 Commissions

Generally, commissions and related income are recognized during the period in which the related services were provided. Commissions and related income arising from trading, transactions or participation in trading on behalf of third parties, such as the purchase of claims on loans, equity or other securities and the purchase or sale of financial units, are recognized at the time of completion of the underlying transaction. It is noted that the accounting treatment of commissions has not changed since the application of the new IFRS 15 standard, the impact of which was assessed as not significant.

2.12 PROPERTY AND EQUIPMENT

Property and equipment include land and property, leased property improvements, transportation and equipment, held by the Group for their operational use, but also for administrative purposes. Tangible fixed assets are initially recognized at their acquisition value, which includes all the costs required for a fixed asset to operate.

Subsequent to their initial recognition, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment provisions. Expenditure subsequent to the acquisition of an asset under tangible assets is capitalized only where it is probable that such expenditure will in the future bring additional financial benefits to the Group, beyond what was originally expected at the time of acquisition of the asset. Otherwise, these costs are transferred directly to profit and loss at the time they are incurred.

Depreciation on a fixed asset starts with the commencement of its use and is interrupted only by the sale or transfer of the item. Consequently, depreciation on a tangible asset that ceases to be used is not interrupted, unless fully depreciated, but its useful life is reassessed. Tangible assets are depreciated using the straight line method over their useful lives. The estimated useful lives of property and equipment by category are as follows:

Category of Assets	Useful Life
Fields	Not depreciated
Buildings	50 to 70 years
Improvements to leased real estate	During the remaining term of the lease, not exceeding 12 years
Mechanical Equipment / Technical Installations	From 10 to 25 years
Furniture & other equipment	Up to 12 years
Means of transport	Up to 10 years
Electronic and other equipment	Up to 5 years

The Bank and the Group companies review the residual values and useful lives of tangible fixed assets at each date of drafting the financial statements. The Group examines at each reporting date whether there is any indication that a tangible fixed asset has been impaired. If such an indication exists, the Group calculates the recoverable amount of the tangible fixed asset. When the book value of a tangible fixed asset exceeds its recoverable value, the Group makes a similar impairment provision in order to reflect the book value of the asset. Profit and losses on disposal of tangible fixed assets are determined based on their book value and are taken into account in determining income before tax.

2.13 Assets from auctions/property inventory

The Bank's assets from auctions and inventory of acquired property of the Group's subsidiaries (property management sector) are recorded in "Other assets".

The Bank's assets from auctions are recognized in "Other assets" at the time of the auction or when collateral is obtained by agreement or court order. Assets from auctions arise when the Bank initiates legal action to collect collateral when it is no longer considered that repayment or settlement of the debt can be achieved. Where debts are secured by assets, legal actions include the initiation of an auction process with the aim of repaying the debts through the realizable value of the collateral.

The Bank's assets from auctions and the Group subsidiaries' property inventory are initially recognized at cost less estimated cost of sale and are accounted for as a provision in accordance with IAS 2. Subsequent to acquisition, they are valued at the lower of cost and net realizable value.

Profits and losses arising from the sale of assets from auctions are included in "Other net income".

2.14 Investment properties

Real estate investments include land and buildings held for the purpose of collecting rents and/or capital gains. Investment property is initially recognized at its acquisition value, which includes transaction costs.

Subsequent to initial recognition, investment property is measured at fair value as estimated by appraisers. Fair value is determined by the market value of a property, and if it is not available, other valuation methods are used (e.g. comparative method, residual value of replacement, etc.). The fair value measurement should take into account the ability to derive maximum benefit from the best use or sale of the property.
Real estate investments are reviewed by appraisers at least annually in order to assess their value. Subsequent expenditure increases the value of the property only when it is probable that the Group will derive future economic benefits. Other maintenance costs are recognized in profit and loss.
The Group has been applying the fair value method for investment property since 2016.
Transfers to and from the category of investment property are effected only in the event of a change in the Group's intention to use the property.

2.15 Goodwill, software and other intangible assets

2.15.1. Goodwill

Subsequent to initial recognition, goodwill is measured at cost less any accumulated provisions for impairment.
For the purpose of impairment testing, goodwill is allocated to Cash Flow Generating Units ("CFGUs"). The allocation is made to those of the CFGUs, which are expected to benefit from the business combination resulting in goodwill.
The Group assesses the book value of goodwill on an annual basis, or more frequently, to determine whether there is a possible impairment of its value. In assessing this, it is estimated whether the book value of goodwill remains fully recoverable. The estimate is made by comparing the book value of the CFGU where the goodwill has been allocated to its recoverable amount, which is the greater of its fair value less costs of sale and its value in use. Fair value is valued at market value, if available, either determined by an independent appraiser or derived from a valuation model. If the recoverable amount is less than the book value, an irreversible impairment provision is recognized and the goodwill is impaired at the excess of the book value of the CFGU over the recoverable amount.

2.15.2. Software

The acquisition cost of software includes expenses that are directly attributable to specific and discrete software products controlled by the Group and which are expected to generate future benefits for more than one year and which will exceed the related acquisition costs. Costs that improve or extend the operation of software programs beyond their original specifications are capitalized and added to their original acquisition value.
Software is depreciated over the straight-line method over its useful life, but over a period of not more than 20 years.
In particular, internally generated software components are initially recognized at a value equal to the sum of the expenses incurred from the date that the component meets the recognition criteria. When an intangible asset cannot be recognized, development costs are recognized in profit or loss in the period incurred.
Research expenses are recognized as an expense when incurred. Internally generated software resulting from development costs incurred on an individual project are recognized only when the Group can demonstrate:

- that it has the technological capability to integrate internally created software to make it available for use,
- its intention to complete and use it,
- its ability to use it,
- how the asset will generate future economic benefits,
- that it has sufficient technological, financial and other resources to complete the development and use of the asset, and
- the ability to reliably measure costs when developing an asset.

Subsequent to their initial recognition, internally generated software items are measured at cost less accumulated depreciation and any accumulated impairment provisions.
Expenses, such as the costs of establishment and first setting up business units or branches, staff training costs, advertising and promotional expenses, and the costs of relocating and reorganizing a section or all of the Group, are recognized as expenses when incurred.

At each reporting date, the management of the Group examines the value of intangible assets in order to determine whether there is any impairment. Where appropriate, the management of the Group performs an analysis to determine whether the carrying amount of the assets in question can be fully recovered. When the carrying amount of an intangible asset exceeds its recoverable amount, a similar provision for impairment is made.

2.16 Leases (effective before 1st January 2019)

The assessment of whether a contract is or contains a lease is always based on the substance of that contract. The assessment should consider whether: (a) the performance of a contract depends on the use of a particular asset or assets and (b) the contract grants the right to use the asset.

2.16.1. The Group as a lessee

Finance lease contracts: Leases of property, plant and equipment that indicate that the Group retains all the risks and rewards of ownership of the property, plant and equipment are recognized as finance leases. Finance leases are recognized at the date of conclusion of the contract at the lower of the fair value of the leased tangible fixed assets or the present value of the lease payments. Each of the rents paid shall be apportioned between the amount repayable and the amount repaid in finance in such a way as to obtain a fixed rate of repayment of the outstanding balance of the financing. The amount relating to the unpaid capital lease liability is recognized in the "Other liabilities" account. The amount related to the repayment of financing expenses is gradually transferred to the income statement during the lease. All assets acquired under the lease are subject to amortization. Depreciation of these tangible fixed assets is carried out between the useful life of the lease or the lease term.
Operating leases: Leases of property, plant and equipment that indicate that the lessor retains a significant portion of the risks and rewards of leasing property, plant and equipment are recognized as operating leases. All lease payments (excluding the value of any incentives provided by the lessor) are transferred using the straight-line method to the income statement over the term of the lease. Where an operating lease is terminated before its expiry date, the amount paid to the lessor in the form of compensation shall be recognized as an expense during the period in which the contract is terminated.

2.17 Leases (effective after 1st January 2019)

2.17.1. The Group as a lessee

The Group recognizes assets with the right of use, which represent the right of use of the underlying assets and respectively lease liabilities, which represent the obligation to pay leases. The Group follows this accounting treatment in all lease agreements with the exception of short-term leases (and low value leases whose rents are recognized in operating expenses.

2.17.2. Assets with right of use

The Group recognizes an asset with the right of use at the starting date of the lease period. The asset is measured at cost, less accumulative depreciation. The amortization of the rights of use is carried out with the straight-line method during the lease. The assets with the right of use are presented in "Tangible fixed assets".

2.17.3. Lease liabilities

The Group recognizes as lease liabilities the obligation to pay rents at the start date of the lease term, which are measured at the present value of the rents at the time of the lease. The rents of the Group consist of fixed rents, while the liability from rents is recalculated in case of change in the rents and the book value of the asset with the right of use is adjusted accordingly. The lease liabilities are presented in "Other liabilities".

2.17.4. The Group as a lessor

Finance lease contracts: Where the tangible assets are leased under finance lease, the present value of the minimum rents paid is presented as a receivable. Proceeds from finance leases are recognized during the lease by the net investment (pre-tax) method, which reflects a fixed rate of return. The receivables from finance leases are included in the "Loans and receivables to customers" account.

Operating leases: Fixed assets that are leased as operating leases are reflected in the Statement of Financial Position according to their operating nature. Leased tangible assets are depreciated over their useful lives, which should coincide with the useful lives of similar tangible assets. Rental income (less the value of any incentives provided to the lessee) is recognized on a straight-line basis over the term of the lease.

2.18 Cash and cash equivalents

For the purpose of establishing the statement of cash flows, cash and cash equivalents mean the balances of the accounts "Cash and cash equivalents with Central Banks".

2.19 Provisions

The Group makes provisions for contingent liabilities and risks when there is a present legal or constructive obligation as a result of past events, a high probability of an outflow of resources that has financial benefits for settling the liability and it is possible to estimate the amount of the liability reliably.

2.20 Employee benefits

Group companies pay contributions to employee benefit plans after leaving service in accordance with the conditions and practices applicable in each country. These plans are divided into defined benefit and defined contribution plans.

2.20.1. Pension plans

A. Defined benefit plans

A defined benefit plan is a post-employment employee benefit plan in which benefits are determined on the basis of financial and demographic assumptions. The most significant assumptions include age, years of service, salary, life expectancy indicators, discount rate, rate of increase in salaries and pensions. The value of the liability in defined benefit plans is equal to the present value of the defined payable benefits at the date of the financial statements, less the fair value of the plan's assets.

The defined benefit obligation and the related expense is estimated annually by independent actuaries using the projected unit credit method unit. The present value of the obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds or government bonds in the same currency as the liability with proportional liability duration, or interest rate that takes into account the risk and duration of the obligation, in which case the market depth for such bonds is insufficient. Service costs (current and past service (including deductions) and profit or loss arising from settlements) and the net financial cost of the net liability/(claim) of the defined benefits are recognized in the income statement and are included in Personnel Expenses. The net defined benefit obligation (after deducting the assets) is recognized in the statement of financial position, with changes arising from the revaluation (including actuarial gains and losses, the effect of the change in the asset ceiling (if any) and the expected return on assets (excluding interest rate), recognized directly in Other comprehensive income, without subsequently permitting its transfer to the income statement.

B. Defined contribution plan

A defined contribution plan is defined as a post-service employee benefit plan, whereby the employer pays specific contributions to a Fund without any other legal or constructive obligation for further contributions if the Fund does not have the required assets in order to pay the benefits of the policyholders in the current and previous fiscal years. The Group's contributions to the defined contribution plans are recognized in the income statement during the period they relate to and are included in "Personnel costs" account.

2.21 Income taxes

The basis for calculating the income tax payable is taxable profit for the year. Taxable profits differ from pre-tax profits in the income statement due to the exclusion of income or expense that will be taxed or deducted in subsequent years. Also excludes taxable income and expenses that are not recognized for tax deduction. The Group's income tax payable is calculated using the tax rates that are effective or substantially effective at the date of preparation of the financial statements. Deferred tax is calculated using the liability method. The tax that is expected to be paid or recovered and is calculated on the difference between the accounting base of the assets and liabilities and their corresponding tax base, is used to calculate taxable profits.

The most significant temporary differences arise from the impairment of loans and advances to customers, the valuation of financial assets, provisions for retirement benefits, the valuation of real estate inventories at the lower of cost and net realizable value and valuation of Real Estate Investments. The tax benefits that may arise from unused tax losses that are carried forward to subsequent years to be offset are recognized as assets when it is deemed probable that future taxable profits will be sufficient to offset the cumulative tax losses.

Deferred tax assets and liabilities are determined on the basis of the tax rates that are expected to apply to the period in which the asset will be realized or the liability settled. The determination of future tax rates is based on laws adopted at the date of preparation of the financial statements.

Deferred tax assets and liabilities are not recognized if the temporary differences arise on initial recognition of goodwill, or on initial recognition of assets and liabilities (other than business combinations) in a transaction that affects neither taxable nor accounting earnings.

The recognition of deferred tax assets is based on the Management's belief, which is based on available supporting evidence, that tax benefits associated with temporary differences, such as tax losses carried forward and subsequent tax liabilities, are likely to be realized. The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that there will be sufficient taxable profits to recover all or part of it. In order for the Group and the Bank to make the decision to recognize these deferred tax assets, they consider all available, positive and negative elements, including the realization of the already existing tax temporary differences, projected future tax profits and recent results. If the Group and the Bank find that they are likely to recover deferred tax assets in the future beyond what they have already recognized, then they increase the book value of the deferred tax assets.

Current and deferred tax assets and liabilities are offset provided that the tax authorities grant the right to offset the assets and liabilities and if the deferred tax assets and liabilities relate to the same tax authority and management intends to settle the net amount that results after the offset. Deferred income tax is recognized in temporary differences arising from investments in subsidiaries, associates and joint ventures unless the timing of the reversal of the temporary difference can be controlled by the Group and there is a significant possibility that the difference will not be reversed in the near future.

Deferred tax assets or liabilities that relate to changes in the fair value of available-for-sale investment securities that are charged to or credited to other comprehensive income are also charged to Other comprehensive income and transferred to results and related profit or loss.

2.22 Cooperative Capital

According to IFRIC 2, many financial instruments, including the members' shares in cooperative entities, have equity characteristics such as voting rights and the right to participate in dividend distribution. The classification of these financial instruments as equity or financial liabilities is subject to repayment terms. Some financial instruments entitle their holder to request repayment in cash or for another financial instrument, but may include or be subject to restrictions (such as restrictions on liquidity or reserves formed) as to whether the financial instruments will be repaid. The contractual right of the holder of a financial instrument to request repayment does not in itself require the classification of the financial instrument as a financial liability. An entity should consider and take account of all the terms and conditions of a financial instrument as well as its relevant laws and regulations to determine whether it should be classified as a financial liability or equity.

Co-operative shares of members constitute an equity component if one of the following conditions applies:

- An entity has an unconditional right to refuse to repay shares. An unconditional prohibition may be absolute, in the sense that all discounts are prohibited, or partial, in the sense that it prohibits the repayment of members' shares if the repayment would be due to the number of members' shares or the amount of paid-up capital from members, to fall below a certain level.
- Domestic law or regulations or the entity's articles of association may prohibit the repayment of shares. However, domestic laws, regulations or an entity's articles of association prohibiting repayment under conditions - such as restrictions on liquidity or reserves - do not result in the shares being considered as equity.
- Members' shares meet the requirements of IAS 32, regarding the recognition of equity, available by the holder of financial instruments and the obligations of the issuer upon liquidation.

For the purposes of Article 92 of Regulation (EU) No 575/2013 and Article 149 of Law 4261/2014, repayment of cooperative shares, including cases of retirement or exclusion of associates, which entails a reduction, within the financial year, of more than 2% of the credit institution's equity in the form of a cooperative under Law 1667/1986, is subject to the prior approval of the Bank of Greece. In any event, the Bank of Greece may prohibit the repayment of cooperative shares if the viability of the credit institution operating in the form of credit cooperative.

The Bank has recognized all of its cooperative capital in equity, as there is no relevant authorization to repay shares from the Bank of Greece in accordance with Article 149 of Law 4261/2014.

In addition, they are listed as follows:

The direct costs of issuing cooperative capital are deducted directly from equity.

The difference between the issue of premium shares concerns the difference between the nominal value of the shares issued and their selling price.

Own cooperative shares are those of the Bank held by the Group, which are recognized at acquisition cost and are deducted from the Group's equity.

2.23 Associated parties

In accordance with IAS 24, associated parties include any natural or legal persons associated with the entity that compiles the financial statements. Two parties are considered to be associated if one can exercise control over the other or exercise significant influence over it when making financial and business decisions. Specifically, associated parties are:
a) Enterprises, directly or indirectly, controlled by the Bank.
b) Affiliates, in which the Bank has significant influence and are not subsidiaries.
c) Individuals and their close relatives holding, directly or indirectly, voting rights in the Bank, which give them substantial influence over the Bank.
d) Members of the Bank's Board of Directors and key Managers as well as closely related persons
e) Enterprises belonging to members of the Management.

2.24 Government grants

Government grants relating to assets are initially recognized as liabilities during the period collected or during the period when their approval becomes final and there is certainty of their collection.

The recognition criterion is valid as to the timing of recognition, which is unquestionable, while the stage of non-recovery is the criterion of their definitive approval and the assurance that they will be collected. Specifically, the grant approval is considered final when the entity has documented compliance with the conditions governing its award.

Government grants are recognised at the amounts collected or finally approved. After initial recognition, government grants are depreciated upon their transfer to the profit and loss as income, in the same period, and in a manner corresponding to the transfer to profit and loss of the accounting value of the asset granted.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND CONSIDERATIONS IN THE APPLICATION OF ACCOUNTING POLICIES

The preparation of financial statements in accordance with IFRS requires the management to make estimates and assumptions that affect both the carrying amounts of the assets and liabilities and the income and expenses recognized in the financial statements of the Group and the Bank. The Group's management believes that the estimates and assumptions made in the preparation of the consolidated financial statements sufficiently reflect the events and circumstances on 31 December 2019. Specifically, the Group makes estimates and assumptions when applying accounting policies in the following significant cases:

Evaluation of the business model and the contractual cash flow characteristics of the financial asset

Under IFRS 9, financial assets - in particular loans and debt securities - of an entity are classified on the basis of the business model evaluation for financial assets management and on the basis of the characteristics of their contractual cash flows. This dual evaluation of financial instruments requires a judgment taking into account the following

Business Model Evaluation

It is not defined separately at the financial instrument level but at the portfolio level, ie financial assets with the same characteristics:

- Historical sales (frequency, amount of sales) and Management's future plans for portfolio sales
- The way to measure portfolio performance
- The associated risks that affect the performance of the business model and how it is managed
- The method of evaluation and remuneration of the Bank's executives

Fair value of financial instruments

The fair value of financial instruments traded in an active market is determined on the basis of available market prices. The fair value of financial instruments that are not traded in regulated markets or whose prices are not available is determined using various valuation methods. These methods include cash flow discounting methods, as well as other models based mainly on observable data and to a lesser extent on non-observable data. Valuation of non-quoted equity securities for which there are no available prices, the net asset value method is used.

Expected losses of credit risk financial instruments

With the repeal of IAS 39 and the transition to the new IFRS 9 standard, and in conjunction with the adoption of

European Banking Authority guidelines in advance, the Group redefined the parameters used to calculate its loan portfolio impairment policy, the parameters used to calculate the estimated expected credit loss. However, the measurement of expected credit losses requires Management to make a judgment by making a series of estimates. The estimates required are based on a number of factors, which can lead to changes in both the timing of the recognition of the loss and the amount of the impairment recognized and the calculation of expected credit losses is based on complex models, which depend on a number of assumptions on the choice of model variables and the interdependencies they create.
The new standard has introduced a new concept, the "Significant Increase in Credit Risk" (SICR), the interpretation of which is critical both to the classification of loans and to the calculation of Expected Credit Loss. As IFRS 9 does not include a definition of Significant Increase in Credit Risk (SICR), estimates are made to determine the criteria used in assessing significant increase in credit risk, and estimates are also made by selecting appropriate methodologies for determining expected credit risk losses as well as identifying macroeconomic scenarios for calculating expected credit losses. At the same time, judgments and estimates are required regarding the determination of the residual duration of the recycled credit, the change in probability of default, and the grouping of financial assets based on similar credit risk characteristics.

Specifically, by using models and pooling financial assets with similar credit risk characteristics, the Group calculates expected credit losses with estimates of risk parameters, namely, Probability of Default, Loss Given Default and Exposure at Default, while incorporating the use of macroeconomic scenarios and their weighting factors in this calculation.

Impairment of associated companies

The Group exercises judgment and tests for impairment the value of its investments in associates, comparing the recoverable amount of each investment (the highest of the values between value of use and fair value less selling costs) to its book value. The permanent impairment of the investment in an associate as shown in the valuation is recorded in the Group's income statement.

Fair value of real estate

The Group's own-use properties are reviewed for impairment when events or changes in circumstances show that the book value may not be recoverable. The recoverable value is the greater of the fair value of the tangible fixed asset, less costs to sell and value in use.
All stocks are measured at the lower value of their acquisition cost and their net realizable value. Net realizable value is the estimated selling price, less costs to sell.
Investment property is measured at fair value, as determined by appraisers. Fair value is determined by market prices or, where unavailable, valuation methods are used with appropriate adjustments to reflect current financial conditions and management estimates, to the best possible extent, of future real estate market price trends.

Income taxes

The Group recognizes deferred tax on temporary tax differences, taking into account the applicable tax provisions.
Deferred tax assets related to tax losses and deductible temporary differences are recognized to the extent that it is probable that a sufficient future taxable income will exist, to cover the tax losses and the deductible provisional differences. Estimating expected future taxable profits requires judgments and assumptions about trends and key profitability factors, such as loan and deposit volumes and profit margins.
Deferred tax assets on tax losses and deductible temporary differences that are not considered recoverable could be recognized in the foreseeable future if estimates for future taxable profits are improved during the period that the right to use taxable income tax deductions and allowances can be exercised. Taxable profits are calculated in accordance with Greek tax law and therefore cannot be considered equivalent to the result determined by accounting rules.

Changes in tax legislation and tax rates may affect in the future the recognized deferred tax assets and liabilities and therefore the level of future tax results.

Staff retirement benefits

Compensation is calculated based on the scale of dismissal compensation under Law 2112/20 and is provided to employees upon their departure from the Company provided that they have established a right to retirement. Specifically, the amount of compensation is calculated at 40% of the amount of dismissal compensation for those who have retired (50% for those who have not established their right with a complementary fund)

The current value of liabilities due to staff retirement depends on factors determined on an actuarial basis using various assumptions, such as the discount rate and future salary increases. Any changes to such assumptions will affect the book value of retirement liabilities.

The Group determines the appropriate discount rate for the calculation of the current value of estimated pension liabilities at the end of each year. The wage growth rate is based on estimates of future inflation and also reflects the Group's remuneration system and expected market conditions.

The remaining assumptions pertaining to retirement obligations, including inflation fluctuations, are partly based on current market conditions at the given time.

For further information on liabilities due to staff retirement and the aforementioned main actuarial assumptions, see note 8.

Provisions and contingent liabilities

The Group recognizes provisions where there is a present legal or implied obligation for which the outflow of resources is almost certain and can be reliably measured. In cases where there is a low potential for an outflow of resources to settle the liability or the amount of the outflow cannot be reliably estimated, no provision is made but this is disclosed in the relevant financial statements.

At each reporting date, the Group exercises judgment and assesses the probability of settlement of the liability, the ability to reliably measure the outflow and the timing of settlement. In addition, in cases of pending litigation, the Group assesses them in detail, whenever financial statements are prepared, based on the estimates of the Bank's Legal Service and its subsidiaries or the estimates of external independent legal advisors, where the amount in question is considered significant.

NOTE 4: RISK MANAGEMENT

4.1 Audit Committee

The Audit Committee, in addition to its other responsibilities, formulates and recommends to the Board of Directors (BoD) the Bank's risk-taking and asset management strategy on an annual basis. It also sets out the principles and approves the policies that should govern the management of the risks assumed and monitors the actions taken to address them effectively.

The Committee consists solely of non-executive members of the Board of Directors, who are at least three, and most of whom (including the Chairman) are independent members of the Board. The members and the Chairman of the Committee are appointed by the Bank's Board of Directors.

The Committee is responsible for evaluating the reports and of the Bank's overall risk exposure on a regular basis. The issues to be discussed by the Committee are proposed by the Head of the Risk Management Unit.

4.2 Financial risk management

4.2.1. Risk management policy

The Bank aims to adopt risk management practices, taking into account all relevant instructions and supervisory requirements as identified by the Basel Committee on Banking Supervision, the European Banking Authority and the Bank of Greece.
Within the Bank's risk appetite framework, the Board of Directors has entrusted the Audit Committee to oversee all risk management functions of the Bank.
The Bank has established the Risk Management Unit, which is responsible for examining and assessing the two main sources of risk, Credit Risk and Operational Risk, as well as for controlling and monitoring any other risks to which the Bank is exposed. It report directly to the Board of Directors, through the Audit Committee.
The Compliance Unit is responsible for all compliance issues, both internal and external, such as applicable Greek and European laws, regulations, supervisory regulations and accounting standards. The Bank's Internal Audit Unit, which reports directly to the Board of Directors through the Audit Committee, complements the risk appetite framework by acting as an independent audit body, focusing on the effectiveness of the risk management framework and control environment.

4.2.2 Risk Appetite Framework

The Board of Directors has overall responsibility for developing and overseeing the "Risk Appetite Framework" for the development of the Risk Appetite strategy, in line with the Bank's business objectives.
It also assesses the effectiveness of risk management policy, as well as the adequacy of equity, in relation to the amount and form of risk undertaken. The risk management framework is updated annually upon recommendation by the Risk Management Unit to the Board of Directors, taking into account any supervisory requirements.

4.2.3 Risk Management Unit

According to the Rules of Operation of the Risk Management Unit, its mission is:

- to specify and implement the credit risk policy with a focus on rating systems, assessment models and risk parameters, in accordance with the guidelines of the Bank's Board of Directors,
- to submit written assessments to the Bank's approval bodies for exposures to borrowers or groups of borrowers and participating through its supervisor and its executives, with voting rights, in the credit approval process,
- to calculate the supervisory and internal capital required to cover all risks and to prepare the relevant regulatory and supervisory reports,
- to design, specify, recommend and implement the risk management policy in accordance with the guidelines of the Bank's Board of Directors, and
- to evaluate the adequacy of the Bank's credit risk identification, measurement and monitoring all the risks incurred by the Bank and their periodic validation,
- to prepare and submit all necessary reports on matters within its competence, with a view to providing the Management with sufficient information on a quarterly, semiannual or annual basis,
- to collaborate with other units and departments of the Bank on risk management issues.
- to participate in Working Groups created from time to time for the purpose of drawing up regular and extraordinary plans with the supervisory authorities.

The Risk Management Unit is comprised, in addition to its Head, by two more employees.

4.2.4 Asset-liability management

Asset/liability management policies are designed to ensure that the balance sheet is compiled in such a way as to limit both liquidity risk and interest rate risk and to contribute to its profitability. The Bank's asset/liability management policy is designed and implemented by ALCO, which sets out the general asset and liability management policy. ALCO sets out the Bank's strategy and policy on the structure and management of Assets and Liabilities, taking into account the current market conditions and risk limits set by the Bank.

4.2.5 Internal control

Internal control aims to perform audit and advisory activities designed to add value and improve operations.

4.3 Managing specific risks

4.3.1 Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet the terms and obligations arising out of any contract with the Bank. It is incurred from lending activities. This is the most significant risk faced by the Bank. The process of assessing the creditworthiness of borrowers is carried out separately by the Bank and in particular in exposures of more than € 500.0 thousand and by the Risk Management Unit.

4.3.2 Credit risk management procedures

The Bank's credit operations include:

- Credit criteria, clearly identified by the specific market targeted, the category of borrowers or counterparties, as well as the purpose, type of credit, and the source of repayment.
- Credit limits that allow for grouping and comparison at different levels of different forms of risk exposure.
- Established and clearly defined procedures for approving new credits, as well as restructuring, and renewing existing credits.

The Bank's internal safeguards for credit risk-related procedures include:

- Proper management of credit operations.
- Regular and timely corrective actions to manage loans in default.

4.3.3 Credit Risk Measurement, Monitoring and Internal Ratings

The process of evaluating borrowers' creditworthiness is centrally undertaken by the Risk Management Unit, which works closely with the Credit Division responsible for specific categories of lending, as well as with the Credit Management Division, which is responsible for all exposures which are already or are about to be in default.

The Bank uses the credit risk assessment system RV RATING for its business portfolio, which is periodically validated. The business portfolio is categorized annually into nine credit levels related to the Probability of Default.

Exposures to Business Lending as well as lending to SMEs are mainly covered by collateral and, secondarily, liquid assets, receivables, etc.

4.3.4 Management of Significant Risk Concentration

The Bank manages the lending process, controls exposure to credit risk and ensures compliance through a system of internal limits.

The main tool for monitoring the Business Portfolio are the Credit Limits which express the maximum permissible level of risk exposure for a given Credit Level.

The Board of Directors, upon recommendation by the Audit Committee, approves the maximum credit limits, which are reviewed annually. All exceedances over the established internal limits are approved by the competent approval bodies within the approval powers defined in the Credit Policy.

The credit risk arising from the excessive exposure to a counterparty or a group of related counterparties whose probability of default depends on common factors is monitored through the Large Exposures per group of related debtors.

Finally, in the context of the Internal Capital Adequacy Assessment Process, the Bank, in cooperation with SYSTEMIC SA, calculates the risk of concentration and the risk of unexpected losses, i.e. the internal or financial capital of its exposures, by calculating the increase in capital requirements.

4.3.5 Loans and Receivables Impairment Policy

The Bank has adopted a policy of impairment of loans and advances to customers. This policy sets out the guidelines for the process of assessing the impairment need and calculating the impairment provision. The Bank's Loans and Receivables Impairment Policy is set out in Note 2.8.2 above. In addition, a Provision Committee has been set up to oversee the proper implementation of the Loan and Receivables Impairment Policy.

4.3.6 Securities and other credit risk mitigation techniques

4.3.6.1 Loans and receivables to customers:

The most common practice used by the Bank to reduce credit risk on loans and advances to customers is to obtain collateral. The Bank has implemented guidelines on the acceptance of specific types of collateral as described in the text of its credit policy. In particular, all credit policies that are accepted for supervisory purposes as forms of credit protection are explicitly mentioned in the credit policy. The main categories of collateral are the following:

- Mortgages on real estate used for residential and/or commercial property
- Maritime mortgages
- Pledges on deposits, shares (listed and non-listed), gold, machinery, etc.
- Assignment of receivables (both incurred and non-incurred)
- Corporate or personal guarantees (including the former TEMPME guarantee)

The Bank, to ensure more complete monitoring and more efficient management of collateral secured by loans and receivables, but also in full compliance with the existing supervisory framework, has incorporated the collateral subsystem into the existing information systems. The collateral subsystem enables the collateral information to be extracted at various levels, the components of the collateral that allow its qualitative evaluation to be monitored, as well as the components that allow its value to be calculated.

4.3.6.2 Maximum exposure to credit risk

The maximum exposure to credit risk at 31.12.2019 and 31.12.2018 for the Group and the Bank, respectively, is as follows:

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
A. On-Balance Sheet Items Subject to Credit Risk				
Cash at Central Banks	165,503,773	13,481,957	165,503,773	13,481,957
Due from Banks	7,839,051	9,736,867	7,839,051	9,736,867
Financial assets at fair value through profit or loss	685,220	860,950	685,220	860,950
Financial assets at amortized cost	1,001,111	1,000,000	1,001,111	1,000,000
Loans and receivables to customers	333,885,075	316,602,595	371,735,783	350,570,169
Holdings	170,350	35,000	4,317,926	6,183,584
Other receivables from customers and various debtors	7,248,366	8,749,341	3,805,176	4,493,725
Investment portfolio	4,905,103	4,871,491	2,972,982	3,993,087
Total value of On-Balance Sheet Items Subject to Credit Risk	**521,238,050**	**355,338,201**	**557,861,023**	**390,320,340**
B. Off-Balance Sheet Items Subject to Credit Risk				
Letters of guarantee, letters of credit and other guarantees	16,303,840	13,574,867	16,307,302	13,578,329
Total value of Off-Balance Sheet Items Subject to Credit Risk	**16,303,840**	**13,574,867**	**16,307,302**	**13,578,329**
Total Value of Exposures Subject to Credit Risk	**537,541,890**	**368,913,068**	**574,168,325**	**403,898,669**

Note: The Group's and the Bank's total unpaid loans and credit lines relate to limits that can be revoked at any time and amount to € 2.28 million at December 31, 2019 (2018: € 4.5 million for the Group and the Bank).

4.3.6.3 Recovery of securities

According to the Bank's Credit Policy, the existence and value of collateral are closely monitored. The frequency of property appraisals usually does not exceed one year for commercial real estate and three years for residential real estate. The valuations are carried out by specialized valuers, duly accepted by the Bank.

The value of collateral includes:

- Real estate collateral, and in particular prenotations/mortgages on commercial or residential real estate, excluding any prior liens,
- Financial collateral, and in particular, pledges on deposits, stock traded in a primary intext of an organized market, gold,
- Other collateral (such as maritime mortgages),
- Value of guarantees and in particular the value of collateral related to the former TEMPME guarantee.

The analysis of collateral and guarantees obtained to limit exposure to credit risk on loans and advances to customers is broken down by portfolio category and summarized in the following tables:

Analysis of collateral and guarantees - Group

	31.12.2019					31.12.2018				
	Collateral Value					Collateral Value				
	Collateral on real estate	Financial collateral	Other collateral	Total collateral	Value of guarantees	Collateral on real estate	Financial collateral	Other collateral	Total collateral	Value of guarantees
Retail Banking	88,922	1,765	2,220	92,907	17	85,931	1,467	2,262	89,660	17
Business Banking	286,701	3,442	17,276	307,419	213	275,276	2,130	15,159	292,565	213
Public Sector	-	-	-	-	-	17	-	-	17	-
Total	**375,623**	**5,207**	**19,496**	**400,326**	**230**	**361,224**	**3,597**	**17,421**	**382,242**	**230**

Analysis of collateral and guarantees - Bank

	31.12.2019					31.12.2018				
	Collateral Value					Collateral Value				
	Collateral on real estate	Financial collateral	Other collateral	Total collateral	Value of guarantees	Collateral on real estate	Financial collateral	Other collateral	Total collateral	Value of guarantees
Retail Banking	88,922	1,765	2,220	92,907	17	85,931	1,467	2,262	89,660	17
Business Banking	319,231	3,684	21,334	344,249	213	305,305	2,648	19,217	327,170	247
Public Sector	-	-	-	-	-	17	-	-	17	-
Total	**408,153**	**5,449**	**23,554**	**437,156**	**230**	**391,253**	**4,115**	**21,479**	**416,847**	**265**

4.3.6.4 Loan to Value Ratio

The Loan to Value Ratio reflects the relationship between the loan and the value of the property held as collateral. The following are the loan balances and the number of borrowers depending on the LTV rate for the mortgage portfolio:

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Less than 50%	2,407	2,643	2,407	2,643
50%-70%	4,514	5,116	4,514	5,116
71%-80%	2,042	1,860	2,042	1,860
81% -90%	1,555	2,304	1,555	2,304
91%-100%	1,745	935	1,745	935
101%-120%	2,318	2,336	2,318	2,336
121%-150%	1,873	1,368	1,873	1,368
Greater than 150%	4,616	4,009	4,616	4,009
Total	**21,070**	**20,571**	**21,070**	**20,571**
Ratio average	**102%**	**101%**	**102%**	**101%**

4.3.6.5 Loans and receivables to customers

The credit quality of loans and advances to customers is summarized as follows:

Loans and advances to customers by credit quality - Group

December 31, 2019	Stage 1					Stage 2					Stage 3					TOTALS	
	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting Balance (net worth)	Value of collateral
Retail Banking	**25,351**		**25,351**	**(525)**	**24,825**	**14,371**	**-**	**14,371**	**(864)**	**13,508**	**8,286**	**64,574**	**72,860**	**(25,172)**	**47,688**	**86,021**	**93,492**
Housing Loans	5,504	-	5,504	(45)	5,460	2,702	-	2,702	(181)	2,521	1,459	11,404	12,863	(3,021)	9,842	17,823	21,679
Consumer loans	4,215	-	4,215	(118)	4,097	2,150	-	2,150	(188)	1,962	863	7,027	7,889	(3,182)	4,707	10,766	10,657
Credit cards	-	-	-	-	-	-	-	-	-	-	-	501	501	(451)	50	50	27
Other loans	15,631	-	15,631	(363)	15,268	9,520	-	9,520	(496)	9,024	5,964	45,643	51,607	(18,518)	33,089	57,382	61,129
Business Banking	**132,482**	**-**	**132,482**	**(1,173)**	**131,309**	**41,362**	**-**	**41,362**	**(3,815)**	**37,547**	**43,604**	**85,082**	**128,686**	**(49,860)**	**78,826**	**247,682**	**307,631**
Large enterprises	8,789	-	8,789	(3)	8,785	-	-	-	-	-	-	-	-	-	-	8,785	17,605
Small and medium-sized enterprises SMEs	123,694	-	123,694	(1,170)	122,524	41,362	-	41,362	(3,815)	37,547	43,604	85,082	128,686	(49,860)	78,826	238,897	290,026
Public sector	**207**	**-**	**207**	**(24)**	**183**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**183**	**-**
Greece	207	-	207	(24)	183	-	-	-	-	-	-	-	-	-	-	183	-
Other countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	158,040	-	158,040	(1,723)	156,317	55,733	-	55,733	(4,679)	51,054	51,890	149,656	201,546	(75,032)	126,514	333,886	401,123

Loans and advances to customers by credit quality - Bank

December 31, 2019	Stage 1					Stage 2					Stage 3					TOTALS	
	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting Balance (net worth)	Value of collateral
Retail Banking	**25,351**	**-**	**25,351**	**(525)**	**24,825**	**14,371**	**-**	**14,371**	**(864)**	**13,508**	**8,286**	**64,574**	**72,860**	**(25,172)**	**47,688**	**86,021**	**93,492**
Housing Loans	5,504	-	5,504	(45)	5,460	2,702	-	2,702	(181)	2,521	1,459	11,404	12,863	(3,021)	9,842	17,823	21,679
Consumer loans	4,215	-	4,215	(118)	4,097	2,150	-	2,150	(188)	1,962	863	7,027	7,889	(3,182)	4,707	10,766	10,657
Credit cards	-	-	-	-	-	-	-	-	-	-	-	501	501	(451)	50	50	27
Other loans	15,631	-	15,631	(363)	15,268	9,520	-	9,520	(496)	9,024	5,964	45,643	51,607	(18,518)	33,089	57,382	61,129
Business Banking	**170,337**	**-**	**170,337**	**(1,177)**	**169,160**	**41,362**	**-**	**41,362**	**(3,815)**	**37,547**	**43,604**	**85,082**	**128,686**	**(49,860)**	**78,826**	**285,533**	**344,462**
Large enterprises	8,789	-	8,789	(3)	8,785	-	-	-	-	-	-	-	-	-	-	8,785	17,605
Small and medium-sized enterprises SMEs	161,548	-	161,548	(1,174)	160,374	41,362	-	41,362	(3,815)	37,547	43,604	85,082	128,686	(49,860)	78,826	276,747	326,857
Public sector	**207**	**-**	**207**	**(24)**	**183**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**183**	**-**
Greece	207	-	207	(24)	183	-	-	-	-	-	-	-	-	-	-	183	-
Other countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**195,894**	**-**	**195,894**	**(1,727)**	**194,168**	**55,733**	**-**	**55,733**	**(4,679)**	**51,054**	**51,890**	**149,656**	**201,546**	**(75,032)**	**126,514**	**371,736**	**437,954**

Loans and advances to customers by credit quality - Group

December 31, 2018	Stage 1					Stage 2					Stage 3					TOTALS	
	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting Balance (net worth)	Value collate
Retail Banking	**29,166**		**29,166**	**(789)**	**28,377**	**13,901**	**-**	**13,901**	**(1,079)**	**12,821**	**8,382**	**59,111**	**67,493**	**(25,860)**	**41,633**	**82,831**	**8**
Housing Loans	6,779	-	6,779	(57)	6,722	1,622	-	1,622	(34)	1,588	1,755	10,416	12,171	(2,920)	9,251	17,561	2
Consumer loans	3,840	-	3,840	(110)	3,730	2,172	-	2,172	(94)	2,077	1,346	5,840	7,186	(3,192)	3,994	9,802	
Credit cards	-	-	-	-	-	-	-	-	-	-	-	491	491	(442)	49	49	
Other loans	18,547	-	18,547	(622)	17,925	10,107	-	10,107	(951)	9,156	5,280	42,363	47,644	(19,306)	28,338	55,419	5
Business Banking	**126,120**	**-**	**126,120**	**(1,893)**	**124,226**	**38,048**	**-**	**38,048**	**(4,177)**	**33,871**	**49,138**	**91,120**	**140,259**	**(64,829)**	**75,430**	**233,527**	**29**
Large enterprises	9,058	-	9,058	(37)	9,021	-	-	-	-	-	-	-	-	-	-	9,021	1
Small and medium-sized enterprises SMEs	117,061	-	117,061	(1,857)	115,205	38,048	-	38,048	(4,177)	33,871	49,138	91,120	140,259	(64,829)	75,430	224,506	27
Public sector	**269**	**-**	**269**	**(24)**	**245**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**245**	
Greece	269	-	269	(24)	245	-	-	-	-	-	-	-	-	-	-	245	
Other countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	**155,554**	**-**	**155,554**	**(2,706)**	**152,848**	**51,949**	**-**	**51,949**	**(5,257)**	**46,692**	**57,520**	**150,231**	**207,751**	**(90,688)**	**117,063**	**316,603**	**38**

Loans and advances to customers by credit quality - Bank

December 31, 2018	Stage 1					Stage 2					Stage 3					TOTALS	
	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Performing	Non-performing	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting Balance (net worth)	Value of collateral
Retail Banking	**29,166**	**-**	**29,166**	**(789)**	**28,377**	**13,901**	**-**	**13,901**	**(1,079)**	**12,821**	**8,382**	**59,111**	**67,493**	**(25,860)**	**41,633**	**82,831**	**89,677**
Housing Loans	6,779	-	6,779	(57)	6,722	1,622	-	1,622	(34)	1,588	1,755	10,416	12,171	(2,920)	9,251	17,561	21,720
Consumer loans	3,840	-	3,840	(110)	3,730	2,172	-	2,172	(94)	2,077	1,346	5,840	7,186	(3,192)	3,994	9,802	9,090
Credit cards	-	-	-	-	-	-	-	-	-	-	-	491	491	(442)	49	49	24
Other loans	18,547	-	18,547	(622)	17,925	10,107	-	10,107	(951)	9,156	5,280	42,363	47,644	(19,306)	28,338	55,419	58,843
Business Banking	**160,087**	**-**	**160,087**	**(1,893)**	**158,194**	**38,048**	**-**	**38,048**	**(4,177)**	**33,871**	**49,138**	**91,120**	**140,259**	**(64,829)**	**75,430**	**267,495**	**327,383**
Large enterprises	9,058	-	9,058	(37)	9,021	-	-	-	-	-	-	-	-	-	-	9,021	12,780
Small and medium-sized enterprises SMEs	151,029	-	151,029	(1,857)	149,172	38,048	-	38,048	(4,177)	33,871	49,138	91,120	140,259	(64,829)	75,430	258,473	314,603
Public sector	**269**	**-**	**269**	**(24)**	**245**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**245**	**17**
Greece	269	-	269	(24)	245	-	-	-	-	-	-	-	-	-	-	245	17
Other countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**189,522**	**-**	**189,522**	**(2,706)**	**186,816**	**51,949**	**-**	**51,949**	**(5,257)**	**46,692**	**57,520**	**150,231**	**207,751**	**(90,688)**	**117,063**	**350,571**	**417,077**

The maturity (days in arrears) of loans and receivables against customers is summarized as follows:

December 31, 2019	Maturity of loans and receivables (net worth) - Group															
	Retail Banking															
	Housing Loans				Consumer loans				Credit cards				Other loans			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	4,591	1,080	924	6,596	3,888	1,731	459	6,077	-	-	-	-	13,617	6,033	3,628	23,277
1-30 days	869	25	198	1.092	210	5	22	236	-	-	-	-	1.652	175	188	2,015
31-60 days	-	504	63	566	-	91	110	201	-	-	-	-	-	325	278	603
61-90 days	-	912	5	917	-	136	31	167	-	-	-	-	-	2,491	765	3,256
91-180 days	-	-	170	170	-	-	74	74	-	-	-	-	-	-	2,520	2,520
181-360 days		-	263	263	-	-	274	274	-	-	50	50	-	-	768	768
> 360 days	-	-	8,219	8,219	-	-	3,737	3,737	-	-	-	-	-	-	24,943	24,943
Total	**5,460**	**2,521**	**9,842**	**17,823**	**4,097**	**1,962**	**4,707**	**10,766**	**-**	**-**	**50**	**50**	**15,268**	**9,024**	**33,089**	**57,382**
Collateral value	6,215	3,158	12,305	**21,679**	2,850	2,150	5,657	**10,657**	-	-	27	**27**	14,064	4,702	42,363	**61,129**

December 31, 2019	Maturity of loans and receivables (net worth) - Group															
	Business Banking								Public Sector							
	Large enterprises				SMEs				Greece				Other countries			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	8,785	-	-	8,785	117,363	26,601	20,392	164,356	183	-	-	183	-	-	-	-
1-30 days	-	-	-	-	5,160	-	3,145	8,305	-	-	-	-	-	-	-	-
31-60 days	-	-	-	-	-	6,144	3,467	9,611	-	-	-	-	-	-	-	-
61-90 days	-	-	-	-	-	4,801	1,375	6,177	-	-	-	-	-	-	-	-
91-180 days	-	-	-	-	-	-	1,595	1,595	-	-	-	-	-	-	-	-
181-360 days	-	-	-	-	-	-	2,760	2,760	-	-	-	-	-	-	-	-
> 360 days	-	-	-	-	-	-	46,093	46,093	-	-	-	-	-	-	-	-
Total	**8,785**	**-**	**-**	**8,785**	**122,524**	**37,547**	**78,826**	**238,897**	**183**	**-**	**-**	**183**	**-**	**-**	**-**	**-**
Collateral value	17,605	-	-	**17,605**	140,403	35,304	114,319	**290,026**	-	-	-	**-**	-	-	-	**-**

December 31, 2019	Maturity of loans and receivables (net worth) - Bank															
	Retail Banking															
	Housing Loans				Consumer loans				Credit cards				Other loans			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	4,591	1,080	924	6,596	3,888	1,731	459	6,077	-	-	-	-	13,617	6,033	3,628	23,277
1-30 days	869	25	198	1.092	210	5	22	236	-	-	-	-	1.652	175	188	2,015
31-60 days	-	504	63	566	-	91	110	201	-	-	-	-	-	325	278	603
61-90 days	-	912	5	917	-	136	31	167	-	-	-	-	-	2,491	765	3,256
91-180 days	-	-	170	170	-	-	74	74	-	-	-	-	-	-	2,520	2,520
181-360 days	-	-	263	263	-	-	274	274	-	-	50	50	-	-	768	768
> 360 days	-	-	8,219	8,219	-	-	3,737	3,737	-	-	-	-	-	-	24,943	24,943
Total	**5,460**	**2,521**	**9,842**	**17,823**	**4,097**	**1,962**	**4,707**	**10,766**	**-**	**-**	**50**	**50**	**15,268**	**9,024**	**33,089**	**57,382**
Collateral value	6,215	3,158	12,305	**21,679**	2,850	2,150	5,657	**10,657**	-	-	27	**27**	14,064	4,702	42,363	**61,129**

December 31, 2019	Maturity of loans and receivables (net worth) - Bank															
	Business Banking								Public Sector							
	Large enterprises				SMEs				Greece				Other countries			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	8,785	-	-	8,785	147,231	26,601	20,392	194,224	183	-	-	183	-	-	-	-
1-30 days	-	-	-	-	13,144	-	3,145	16,288	-	-	-	-	-	-	-	-
31-60 days	-	-	-	-	-	6,144	3,467	9,611	-	-	-	-	-	-	-	-
61-90 days	-	-	-	-	-	4,801	1,375	6,177	-	-	-	-	-	-	-	-
91-180 days	-	-	-	-	-	-	1,595	1,595	-	-	-	-	-	-	-	-
181-360 days	-	-	-	-	-	-	2,760	2,760	-	-	-	-	-	-	-	-
> 360 days	-	-	-	-	-	-	46,093	46,093	-	-	-	-	-	-	-	-
Total	**8,785**	**-**	**-**	**8,785**	**160,374**	**37,547**	**78,826**	**276,747**	**183**	**-**	**-**	**183**	**-**	**-**	**-**	**-**
Collateral value	17,605	-	-	**17,605**	177,234	35,304	114,319	**326,857**	-	-	-	**-**	-	-	-	**-**

December 31, 2018	Maturity of loans and receivables (net worth) - Group															
	Retail Banking															
	Housing Loans				Consumer loans				Credit cards				Other loans			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	5,650	1,093	868	7,611	3,543	1,822	600	5,966	-	-	-	-	16,451	4,077	1,763	22,290
1-30 days	1,072	35	30	1,136	187	-	16	203	-	-	-	-	1,474	14	300	1,789
31-60 days	-	201	196	397	-	123	20	143	-	-	-	-	-	997	869	1,866
61-90 days	-	259	30	289	-	132	13	145	-	-	-	-	-	4,068	449	4,518
91-180 days	-	-	477	477	-	-	148	148	-	-	-	-	-	-	1,588	1,588
181-360 days	-	-	729	729	-	-	378	378	-	-	49	49	-	-	3,406	3,406
> 360 days	-	-	6,921	6,921	-	-	2,819	2,819	-	-	-	-	-	-	19,962	19,962
Total	**6,722**	**1,588**	**9,251**	**17,561**	**3,730**	**2,077**	**3,994**	**9,802**	**-**	**-**	**49**	**49**	**17,925**	**9,156**	**28,338**	**55,419**
Collateral value	7,783	2,003	11,933	**21,720**	2,343	2,181	4,567	**9,090**	-	-	24	**24**	15,864	6,095	36,884	**58,843**

December 31, 2018	Maturity of loans and receivables (net worth) - Group															
	Business Banking								Public Sector							
	Large enterprises				SMEs				Greece				Other countries			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	9,021	-	-	9,021	107,526	27,730	19,700	154,956	245	-	-	245	-	-	-	-
1-30 days	-	-	-	-	7,679	308	692	8,679	-	-	-	-	-	-	-	-
31-60 days	-	-	-	-	-	2,169	888	3,057	-	-	-	-	-	-	-	-
61-90 days	-	-	-	-	-	3,663	5,746	9,409	-	-	-	-	-	-	-	-
91-180 days	-	-	-	-	-	-	2,690	2,690	-	-	-	-	-	-	-	-
181-360 days	-	-	-	-	-	-	2,161	2,161	-	-	-	-	-	-	-	-
> 360 days	-	-	-	-	-	-	43,554	43,554	-	-	-	-	-	-	-	-
Total	**9,021**	**-**	**-**	**9,021**	**115,205**	**33,871**	**75,430**	**224,506**	**245**	**-**	**-**	**245**	**-**	**-**	**-**	**-**
Collateral value	12,780	-	-	**12,780**	141,284	26,811	111,904	**279,998**	17	-	-	**17**	-	-	-	**-**

December 31, 2018	Maturity of loans and receivables (net worth) - Bank															
	Retail Banking															
	Housing Loans				Consumer loans				Credit cards				Other loans			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	5,650	1,093	868	7,611	3,543	1,822	600	5,966	-	-	-	-	16,451	4,077	1,763	22,290
1-30 days	1,072	35	30	1,136	187	-	16	203	-	-	-	-	1,474	14	300	1,789
31-60 days	-	201	196	397	-	123	20	143	-	-	-	-	-	997	869	1,866
61-90 days	-	259	30	289	-	132	13	145	-	-	-	-	-	4,068	449	4,518
91-180 days	-	-	477	477	-	-	148	148	-	-	-	-	-	-	1,588	1,588
181-360 days	-	-	729	729	-	-	378	378	-	-	49	49	-	-	3,406	3,406
> 360 days	-	-	6,921	6,921	-	-	2,819	2,819	-	-	-	-	-	-	19,962	19,962
Total	**6,722**	**1,588**	**9,251**	**17,561**	**3,730**	**2,077**	**3,994**	**9,802**	**-**	**-**	**49**	**49**	**17,925**	**9,156**	**28,338**	**55,419**
Collateral value	7,783	2,003	11,933	**21,720**	2,343	2,181	4,567	**9,090**	-	-	24	**24**	15,864	6,095	36,884	**58,843**

December 31, 2018	Maturity of loans and receivables (net worth) - Bank															
	Business Banking								Public Sector							
	Large enterprises				SMEs				Greece				Other countries			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing	9,021	-	-	9,021	141,493	27,730	19,700	188,923	245	-	-	245	-	-	-	-
1-30 days	-	-	-	-	7,679	308	692	8,679	-	-	-	-	-	-	-	-
31-60 days	-	-	-	-	-	2,169	888	3,057	-	-	-	-	-	-	-	-
61-90 days	-	-	-	-	-	3,663	5,746	9,409	-	-	-	-	-	-	-	-
91-180 days	-	-	-	-	-	-	2,690	2,690	-	-	-	-	-	-	-	-
181-360 days	-	-	-	-	-	-	2,161	2,161	-	-	-	-	-	-	-	-
> 360 days	-	-	-	-	-	-	43,554	43,554	-	-	-	-	-	-	-	-
Total	**9,021**	**-**	**-**	**9,021**	**149,172**	**33,871**	**75,430**	**258,473**	**245**	**-**	**-**	**245**	**-**	**-**	**-**	**-**
Collateral value	12,780	-	-	**12,780**	175,888	26,811	111,904	**314,603**	17	-	-	**17**	-	-	-	**-**

4.3.6.6 Impaired loans

Loans and advances to customers in accordance with the Bank's Impairment Policy are loans and receivables classified as Stage 3 (and are therefore considered exposures in Default). The Bank applies the default definition for the purpose of preparing its financial statements, in accordance with the definition of Non-Performing Exposures (NPEs) as defined by the European Banking Authority in the Guidelines on the implementation of the definition of default under Article 178 of Regulation (EU) No 575/2013, and in accordance with Annex V to Implementing Regulation (EU) No Commission Regulation (EC) No 680/2014 of 16 April 2014, as amended by Commission Implementing Regulation (EU) No 2015/227. In view of the above, the Bank considers that a borrower or loan is in default of its contractual obligations when the following criteria are met:

- the obligor is past due more than 90 days on any material credit obligation to the Bank.
- the institution considers that the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries in full, without recourse by the institution to actions such as realising security.
- The loan is classified as Non-Performing Forborne Exposure in accordance with Article 180 of Regulation (EU) No 227/2015.

Finally, it is noted that the Bank has entered into cooperation with a consulting company for its full adaptation to the supervisory requirements deriving from the Guidelines of the European Banking Authority (EBA GL/2016/07), regarding the application of the definition of default under Article 178 of Regulation (EU) No 575/2013. In this way, the calculation of the expected credit losses defined by this accounting standard (IFRS 9) for impaired loans will continue to be fully aligned with the supervisory definition of default.

4.3.6.7 Transfer of loans to the category of non-impaired

Impaired loans can be classified as non-impaired if there is objective evidence, after the impairment loss has been recognized, that the possibility of repayment under the original or any modified contractual terms may arise. According to the Bank's Impairment Policy, the reclassification of an exposure from Stage 3 to Stage 1 or 2 is an indication of exit from the Non-default status.

The analysis of transition flows for exposures and provisions, between impaired and non-impaired loans, by portfolio and Stage, is detailed in section 4.4.4.

4.3.6.8 Accounting policy for the recognition of accrued interest on impaired loans

The Bank and the Group have recognised income from credit-impaired loans in their financial statements for the year 2018. The relevant process of adjusting the Information Systems, in order to calculate the amount of interest income from credit-impaired loans, is complete.

Interest income analysis of loans and advances to customers - Bank

31.12.2019

	Performing	Non-performing	Total interest income
Retail Banking	3,010	4,502	7,512
Business Banking	13,058	5,856	18,914
Public sector	24	-	24
Total interest income	**16,092**	**10,358**	**26,450**

31.12.2018

	Interest income other than changes in present value	Change in the present value of impairment losses	Total interest income
Retail Banking	3,873	3,457	7,330
Business Banking	16,235	3,596	19,831
Public sector	29	-	29
Total interest income	**20,137**	**7,053**	**27,190**

Interest income analysis of loans and advances to customers - Group

31.12.2019

	Performing	Non-performing	Total interest income
Retail Banking	3,010	4,502	7,512
Business Banking	10,158	5,856	16,014
Public sector	24	-	24
Total interest income	**13,192**	**10,358**	**23,550**

31.12.2018

	Interest income other than changes in present value	Change in the present value of impairment losses	Total interest income
Retail Banking	3,873	3,457	7,330
Business Banking	13,850	3,596	17,446
Public sector	29	-	29
Total interest income	**17,752**	**7,053**	**24,805**

4.4 Loan forbearances

The rules apply in cases where the borrower's financial inability to service the loan in accordance with the original terms of the loan agreement is verified, provided that it is a cooperative and viable borrower. By assessing these difficulties, the Bank amends the terms of the loan agreement so that the debtor can service it, provided that the arrangements are effective and sustainable in the long run, taking into account both the reasons that have caused such financial difficulties and the debtor’s possibility of repayment.

The Bank is aligned with its supervisory obligations related to forbearances, according to Bank of Greece Executive Board Act 42/30.05.2014 and its amendments 47/09.02.2015 and 102/30.8.2016, which set out the scope of the supervisory obligations for credit institutions to handle arrears and non-performing loans, in addition to the applicable obligations arising from Law 4261/2014, Regulation (EU) No 575/2013 and those delegated decisions of the Bank of Greece, as well as in accordance with European Commission Implementing Regulation (EU) 2015/227 of 9 January 2015 and the applicable implementing standards of the European Banking Authority.

For the retail portfolio, forbearances usually involve extending the term of the original loan, providing a grace period - with or without interest only for that period - interest rate reductions and other modifications to the needs of each borrower.

The Bank applies the proposed by the regulatory framework forbearance types, which are classified into:

- Short-term types of settlement: applied where the debtor's financial difficulties are duly considered to be temporary. Indicatively, capitalization of arrears, Interest Only Payment, Provision of grace period etc.
- Long-term arrangement types: applied for a longer period of time to reduce installment and to possibly increase the number of them and extend repayment term. Indicatively, Interest Rate Reduction, Extension of Term, etc.
- Types of final arrangement: relate to cases where the contractual relationship is substantially terminated or changed, with a view to the final settlement of the bank's claim against the debtor. Indicatively, Voluntary sale of Mortgaged Property, Claims Settlement, Liquidation through Auction, Mandatory Law Settlements, Partial Debt write-off etc.

For the business portfolio, the forbearances applied vary between different repayment plans, which are adapted to current market conditions and the borrower's ability to repay the loan, such as extending the loan term depending on the borrower and his/her needs, converting the type of borrowing from short-term to long-term, paying interest only for a certain period of time, etc.

For both the business portfolio and the retail banking portfolios, the Bank's respective Regulation of Arrears and Credit Regulation contain instructions - procedures that fully reflect all the arrangement types provided, the conditions to be met by borrowers, and the handling and monitoring of forborne loans from the approval stage to the termination stage of the contract.

The impairment provision is calculated on an individual or collective basis per borrower, in accordance with the calculation methodology applied by the Bank for the entire portfolio, with the only difference being the use of an increased risk of default in the aggregate impairment provisions of the forborne exposures.

The Bank's criteria for designating a loan as forborne are fully in line with the European Banking Authority's Implementing Technical Standards for regulatory and non-performing exposures, for both supervisory and financial reporting purposes.

Accordingly, forborne loans are all loans whose contractual terms and conditions have been amended or for which the debtor's debt has been refinanced on more favorable terms due to existing or expected financial difficulty, which are not applied to debtors in a similar risk category.

In the context of the Bank's lending policy compliance with the relevant definitions of the European Banking Authority and the Bank of Greece guidelines, new structures and procedures are in place, IT systems have been developed, and the existing applications and services have been modified. Specifically, the Arrears Division is an independent management body of the Bank with the following key tasks:

a) to ensure the effective and reliable management of non-performing loans for the entire portfolio of the Bank

b) to make arrangements to ensure the viability of borrowers, while maximizing profitability for the Bank; and

c) to monitor the effectiveness of the different types of arrangements

The Arrears Division is not involved in the process of lending, nor in the management of the performing segment of the Bank's portfolio.

The following table summarizes the forborne Loans and Receivables by Customer by type of forbearance, as well as Loans and Receivables by Customer for which Final Settlement Solutions are set:

Analysis of forborne Loans and Receivables to Customers by type of settlement (net amounts)

	Group		Bank	
Types of settlement	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Reduced installment plan	3,502	654	3,502	654
Granting a grace period	4,729	10,895	4,729	10,895
Loan term extension	15,076	29,365	15,076	29,365
Capitalization of overdue installments	38,814	24,601	38,814	24,601
Combination of settlement measures	4,824	1,129	4,824	1,129
Other	11,491	10,619	11,491	10,619
Total net worth	**78,435**	**77,262**	**78,435**	**77,262**

Refinanced Loans and Receivables by Customer by Category

	Group		Bank	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Retail Banking	**18,695**	**17,770**	**18,695**	**17,770**
Housing Loans	2,534	2,275	2,534	2,560
Consumer loans	2,962	2,592	2,962	2,592
Credit cards	-	-	-	-
Other loans	13,199	12,902	13,199	12,902
Business Banking	**59,741**	**59,492**	**59,741**	**59,492**
Large enterprises	-	-	-	-
SMEs	59,741	59,492	59,741	59,492
Public sector	**-**	**-**	**-**	**-**
Greece	-	-	-	-
Other countries	-	-	-	-
Total	**78,435**	**77,262**	**78,435**	**77,262**

4.4.1 Recovery of securities

As of December 31, 2019, assets from collateral received for the Bank and the Group amounted to € 22.4 million (31/12/2018: € 17.6 million), of which € 7.9 for 2019 has been categorized in Investment Property (31/12/2018: 1.7 million).

4.4.2 Credit risk allocation of loans and receivables to customers

The breakdown of the exposures and provisions of the Group and the Bank by Stage and Forbearance is summarized in the following tables:

	Group			Bank		
	December 31, 2019			December 31, 2019		
	Total loans and receivables	Refinanced loans and receivables	Percentage of refinanced loans	Total loans and receivables	Refinanced loans and receivables	Percentage of refinanced loans
Stage 1	158,040	-	0%	195,894	-	0%
Stage 2	55,733	44,635	80%	55,733	44,635	80%
Stage 3	201,546	63,829	32%	201,546	63,829	32%
Total before impairment provisions	**415,319**	**108,464**	**26%**	**453,173**	**108,464**	**24%**
Stage 1 - Provision	(1,723)	-	0%	(1,727)	-	0%
Stage 2 - Provision	(4,679)	(4,252)	91%	(4,679)	(4,252)	91%
Stage 3 - Provision	(75,032)	(25,777)	34%	(75,032)	(25,777)	34%
Accounting Balance (net worth)	**333,885**	**78,435**	**23%**	**371,735**	**78,435**	**21%**
Security received	401,124	78,810	20%	437,954	78,810	18%

Analysis of Settled Loans and Receivables to Customers based on their credit quality

	Group			Bank		
	December 31, 2018			December 31, 2018		
	Total loans and receivables	Refinanced loans and receivables	Percentage of refinanced loans	Total loans and receivables	Refinanced loans and receivables	Percentage of refinanced loans
Stage 1	155,554	-	0%	189,522	-	0%
Stage 2	51,949	44,749	86%	51,949	44,749	86%
Stage 3	207,751	73,967	36%	207,751	73,967	36%
Total before impairment provisions	**415,254**	**118,716**	**29%**	**449,222**	**118,716**	**26%**
Stage 1 - Provision	(2,706)	-	0%	(2,706)	-	0%
Stage 2 - Provision	(5,257)	(4,999)	95%	(5,257)	(4,999)	95%
Stage 3 - Provision	(90,689)	(36,455)	40%	(90,689)	(36,455)	40%
Accounting Balance (net worth)	**316,602**	**77,262**	**24%**	**350,570**	**77,262**	**22%**
Security received	382,473	77,540	20%	417,077	77,540	19%

The following table presents the credit risk assessment by rating. The assessment covers the next 12 months from the date of rating of the debtor.

Grading	Risk Level
A	Low
B	
C	Average
D	
E	
F	High
G	
H	
I	Very high

The Bank, in accordance with its Credit Regulation, evaluates the credit rating of each business customer (existing or prospective) at least once a year, in combination with other quantitative and qualitative credit criteria, such as repayment capacity, cooperation history, existing and proposed securities, etc. There is no recorded credit risk limit beyond which no financing is offered, as financing decisions are individual and tailor-made on a case-by-case basis taking account of the special characteristics of the relevant borrower.

4.4.3 Credit risk allocation of loans and advances to customers by sector of activity

Group

December 31, 2019	Stage 1			Stage 2			Stage 3			Total
	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	
Retail Banking	**25,350**	**(526)**	**24,824**	**14,372**	**(865)**	**13,507**	**72,860**	**(25,172)**	**47,688**	**86,019**
Housing Loans	5,504	(45)	5,459	2,702	(181)	2,521	12,863	(3,021)	9,842	17,822
Consumer loans	4,215	(118)	4,097	2,150	(188)	1,962	7,889	(3,182)	4,707	10,766
Credit cards	-	-	-	-	-	-	501	(451)	50	50
Other loans	15,631	(363)	15,268	9,520	(496)	9,024	51,607	(18,518)	33,089	57,381
Business Banking	**132,483**	**(1,174)**	**131,309**	**41,361**	**(3,815)**	**37,546**	**128,685**	**(49,860)**	**78,825**	**247,680**
Industry	23,137	(224)	22,913	3,148	(638)	2,510	26,694	(11,711)	14,983	40,406
Trade and services	29,224	(616)	28,608	12,303	(2,466)	9,837	38,828	(16,131)	22,697	61,142
Constructions	19,518	(223)	19,295	12,048	(686)	11,362	35,544	(16,630)	18,914	49,571
Energy	9,288	(1)	9,287	-	-	-	61	(26)	35	9,322
Tourism	47,571	(84)	47,487	11,698	(22)	11,676	25,538	(4,094)	21,444	80,607
Shipping	1.540	-	1.540	-	-	-	722	(707)	15	1,555
Other	2,205	(26)	2,179	2,164	(3)	2,161	1.298	(561)	737	5,077
Public sector	**207**	**(24)**	**183**	**-**	**-**	**-**	**-**	**-**	**-**	**183**
Total	**158,040**	**(1,724)**	**156,316**	**55,733**	**(4,680)**	**51,053**	**201,545**	**(75,032)**	**126,513**	**333,882**

Bank

December 31, 2019	Stage 1			Stage 2			Stage 3			Total
	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	
Retail Banking	**25,350**	**(526)**	**24,824**	**14,372**	**(865)**	**13,507**	**72,860**	**(25,172)**	**47,688**	**86,019**
Housing Loans	5,504	(45)	5,459	2,702	(181)	2,521	12,863	(3,021)	9,842	17,822
Consumer loans	4,215	(118)	4,097	2,150	(188)	1,962	7,889	(3,182)	4,707	10,766
Credit cards	-	-	-	-	-	-	501	(451)	50	50
Other loans	15,631	(363)	15,268	9,520	(496)	9,024	51,607	(18,518)	33,089	57,381
Business Banking	**170,337**	**(1,177)**	**169,160**	**41,361**	**(3,815)**	**37,546**	**128,685**	**(49,860)**	**78,825**	**285,531**
Industry	25,202	(224)	24,978	3,148	(638)	2,510	26,694	(11,711)	14,983	42,471
Trade and services	47,054	(619)	46,435	12,303	(2,466)	9,837	38,828	(16,131)	22,697	78,969
Constructions	34,212	(223)	33,989	12,048	(686)	11,362	35,544	(16,630)	18,914	64,265
Energy	12,553	(1)	12,552	-	-	-	61	(26)	35	12,587
Tourism	47,571	(84)	47,487	11,698	(22)	11,676	25,538	(4,094)	21,444	80,607
Shipping	1.540	-	1.540	-	-	-	722	(707)	15	1,555
Other	2,205	(26)	2,179	2,164	(3)	2,161	1.298	(561)	737	5,077
Public sector	**207**	**(24)**	**183**	**-**	**-**	**-**	**-**	**-**	**-**	**183**
Total	**195,894**	**(1,727)**	**194,167**	**55,733**	**(4,680)**	**51,053**	**201,545**	**(75,032)**	**126,513**	**371,733**

Loans and Receivables to Customers, Impaired Loans and Impairment Provisions by loan category, operating segment and geographical area (net worth)

Group

December 31, 2018	Stage 1			Stage 2			Stage 3		
	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)
Retail Banking	**29,166**	**(789)**	**28,377**	**13,901**	**(1,079)**	**12,822**	**67,492**	**(25,860)**	**41,632**
Housing Loans	6,779	(57)	6,722	1,622	(34)	1,588	12,171	(2,920)	9,251
Consumer loans	3,840	(110)	3,730	2,172	(94)	2,078	7,186	(3,192)	3,994
Credit cards	-	-	-	-	-	-	491	(442)	49
Other loans	18,547	(622)	17,925	10,107	(951)	9,156	47,644	(19,306)	28,338
Business Banking	**126,119**	**(1,894)**	**124,225**	**38,048**	**(4,177)**	**33,871**	**140,259**	**(64,827)**	**75,432**
Industry	19,249	(341)	18,908	2,845	(464)	2,381	28,816	(12,914)	15,902
Trade and services	30,196	(998)	29,198	14,172	(2,265)	11,907	39,734	(20,011)	19,723
Constructions	16,526	(330)	16,196	11,940	(681)	11,259	43,851	(25,114)	18,737
Energy	9,654	(59)	9,595	-	-	-	17	(7)	10
Tourism	47,884	(165)	47,719	5,943	(66)	5,877	25,838	(5,485)	20,353
Shipping	1,726	-	1,726	-	-	-	720	(705)	15
Other	884	(1)	883	3,148	(701)	2,447	1,283	(591)	692
Public sector	**269**	**(24)**	**245**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**155,554**	**(2,706)**	**152,848**	**51,949**	**(5,257)**	**46,692**	**207,751**	**(90,689)**	**117,062**

Bank

December 31, 2018	Stage 1	Stage 2	Stage 3

	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)	Accounting balance (before provisions)	Expected credit risk loss	Accounting Balance (net worth)
Retail Banking	**29,166**	**(789)**	**28,377**	**13,901**	**(1,079)**	**12,822**	**67,492**	**(25,860)**	**41,632**
Housing Loans	6,779	(57)	6,722	1,622	(34)	1,588	12,171	(2,920)	9,251
Consumer loans	3,840	(110)	3,730	2,172	(94)	2,078	7,186	(3,192)	3,994
Credit cards	-	-	-	-	-	-	491	(442)	49
Other loans	18,547	(622)	17,925	10,107	(951)	9,156	47,644	(19,306)	28,338
Business Banking	**160,086**	**(1,894)**	**158,192**	**38,048**	**(4,177)**	**33,871**	**140,259**	**(64,827)**	**75,432**
Industry	20,878	(341)	20,537	2,845	(464)	2,381	28,816	(12,914)	15,902
Trade and services	46,610	(998)	45,612	14,172	(2,265)	11,907	39,734	(20,011)	19,723
Constructions	30,576	(330)	30,246	11,940	(681)	11,259	43,851	(25,114)	18,737
Energy	11,528	(59)	11,469	-	-	-	17	(7)	10
Tourism	47,884	(165)	47,719	5,943	(66)	5,877	25,838	(5,485)	20,353
Shipping	1,726	-	1,726	-	-	-	720	(705)	15
Other	884	(1)	883	3,148	(701)	2,447	1,283	(591)	692
Public sector	**269**	**(24)**	**245**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**189,522**	**(2,706)**	**186,816**	**51,949**	**(5,257)**	**46,692**	**207,751**	**(90,689)**	**117,062**

4.4.4 Transition of provisions and transfers to IFRS 9 Stages

Transition of Provisions 31/12/2018 - 31/12/2019 (Group)

	December 31, 2018			December 31, 2019		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	255	7,708	7,963	766	5,626	6,402
Non-performing	69,581	21,107	90,688	55,633	19,399	75,032
Total	**69,836**	**28,815**	**98,651**	**56,409**	**25,025**	**81,434**

Transition of Provisions 31/12/2018 - 31/12/2019 for the Guarantees and Commitments drawn (Group)

	December 31, 2018			December 31, 2019		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	1	34	35	1	41	41
Non-performing	-	-	-	-	-	1
Total	**1**	**34**	**35**	**1**	**41**	**42**

Transition of Provisions 31/12/2018 - 31/12/2019 (Bank)

	December 31, 2018			December 31, 2019		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	255	7,708	7,963	776	5,630	6,406
Non-performing	69,581	21,107	90,688	55,633	19,399	75,032
Total	**69,836**	**28,815**	**98,651**	**56,409**	**25,029**	**81,438**

Transition of Provisions 31/12/2018 - 31/12/2019 for the Guarantees and Commitments drawn (Bank)

	December 31, 2018			December 31, 2019		
	Individual evaluation	Collective evaluation	Overall Provision	Individual evaluation	Collective evaluation	Overall Provision
Performing	1	34	35	1	41	41
Non-performing	-	-	-	-	-	1
Total	**1**	**34**	**35**	**1**	**41**	**42**

Balance Sheets before Provisions according to IFRS 9 Stage - Group

31 December 2019	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**159,058**	**51,949**	**207,751**	-	**418,758**
Transfer to Stage 1 (from 2 or 3)	4,080	(3,037)	(1,042)	-	-
Transfer to Stage 2 (from 1 or 3)	(8,263)	13,009	(4,746)	-	-
Transfer to Stage 3 (from 1 or 2)	(1,840)	(4,411)	6,251	-	-
Change of balances	1,337	(1,044)	12,155	-	**12,447**
New receivables (created or purchased)	14,836	76	17	-	**14,929**
Derecognition of receivables	(5,838)	(303)	(1,317)	-	**(7,458)**
Write-offs	-	(505)	(17,522)	-	**(18,027)**
Balances on 31/12/2019	**163,370**	**55,733**	**201,546**	**-**	**420,649**

31 December 2019	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**130,057**	**38,048**	**140,242**	-	**308,347**
Transfer to Stage 1 (from 2 or 3)	3,437	(2,620)	(817)	-	-
Transfer to Stage 2 (from 1 or 3)	(5,866)	9,638	(3,772)	-	-
Transfer to Stage 3 (from 1 or 2)	(1,049)	(1,965)	3,014	-	-
Change of balances	3,949	(1,697)	6,926	-	**9,177**
New receivables (created or purchased)	12,268	49	-	-	**12,318**
Derecognition of receivables	(4,983)	(92)	(826)	-	**(5,901)**
Write-offs	-	-	(16,081)	-	**(16,081)**
Balances on 31/12/2019	**137,812**	**41,362**	**128,686**	**-**	**307,860**

31 December 2019	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**28,733**	**13,901**	**67,509**	-	**110,143**
Transfer to Stage 1 (from 2 or 3)	643	(417)	(226)	-	-
Transfer to Stage 2 (from 1 or 3)	(2,397)	3,371	(974)	-	-
Transfer to Stage 3 (from 1 or 2)	(791)	(2,446)	3,237	-	-
Change of balances	(2,560)	653	5,059	-	**3,152**
New receivables (created or purchased)	2,568	27	17	-	**2,612**
Derecognition of receivables	(845)	(211)	(491)	-	**(1,547)**
Write-offs	-	(505)	(1,271)	-	**(1,776)**
Balances on 31/12/2019	**25,351**	**14,371**	**72,860**	**-**	**112,583**

31 December 2019	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**269**	**-**	**-**	-	**269**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	-
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	-
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	-
Change of balances	(52)	-	-	-	**(52)**
New receivables (created or purchased)	-	-	-	-	-
Derecognition of receivables	(10)	-	-	-	**(10)**
Write-offs	-	-	-	-	-
Balances on 31/12/2019	**207**	**-**	**-**	**-**	**207**

31 December 2019	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**18,366**	**59**	**576**	-	**19,001**
Transfer to Stage 1 (from 2 or 3)	32,100	(32)	-	-	-
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	-
Transfer to Stage 3 (from 1 or 2)	(58)	-	58	-	-
Change of balances	(34,121)	5	126	-	**(33,990)**
New receivables (created or purchased)	6,539	-	-	-	**6,539**
Derecognition of receivables	(4,142)	(27)	(1)	-	**(4,170)**
Write-offs	-	-	-	-	-
Balances on 31/12/2019	**18,684**	**5**	**759**	**-**	**19,448**

Balance Sheets before Provisions according to IFRS 9 Stage - Bank

31 December 2019	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**189,522**	**51,949**	**207,751**	-	**449,222**
Transfer to Stage 1 (from 2 or 3)	4,080	(3,037)	(1,042)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(8,263)	13,009	(4,746)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(1,840)	(4,411)	6,251	-	**-**
Change of balances	3,397	(1,044)	12,155	-	**14,508**
New receivables (created or purchased)	14,836	76	17	-	**14,929**
Derecognition of receivables	(5,838)	(303)	(1,317)	-	**(7,458)**
Write-offs	-	(505)	(17,522)	-	**(18,027)**
Balances on 31/12/2019	**195,894**	**55,733**	**201,546**	**-**	**453,174**

31 December 2019	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**160,520**	**38,048**	**140,242**	-	**338,810**
Transfer to Stage 1 (from 2 or 3)	3,437	(2,620)	(817)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(5,866)	9,638	(3,772)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(1,049)	(1,965)	3,014	-	**-**
Change of balances	6,009	(1,697)	6,926	-	**11,238**
New receivables (created or purchased)	12,268	49	-	-	**12,318**
Derecognition of receivables	(4,983)	(92)	(826)	-	**(5,901)**
Write-offs	-	-	(16,081)	-	**(16,081)**
Balances on 31/12/2019	**170,337**	**41,362**	**128,686**	**-**	**340,384**

31 December 2019	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**28,733**	**13,901**	**67,509**	-	**110,143**
Transfer to Stage 1 (from 2 or 3)	643	(417)	(226)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(2,397)	3,371	(974)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(791)	(2,446)	3,237	-	**-**
Change of balances	(2,560)	653	5,059	-	**3,152**
New receivables (created or purchased)	2,568	27	17	-	**2,612**
Derecognition of receivables	(845)	(211)	(491)	-	**(1,547)**
Write-offs	-	(505)	(1,271)	-	**(1,776)**
Balances on 31/12/2019	**25,351**	**14,371**	**72,860**	**-**	**112,583**

31 December 2019	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**269**	**-**	**-**	-	**269**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	(52)	-	-	-	**(52)**
New receivables (created or purchased)	-	-	-	-	**-**
Derecognition of receivables	(10)	-	-	-	**(10)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2019	**207**	**-**	**-**	**-**	**207**

31 December 2019	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**18,397**	**59**	**576**	-	**19,033**
Transfer to Stage 1 (from 2 or 3)	32,100	(32)	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	(58)	-	58	-	**-**
Change of balances	(34,149)	5	126	-	**(34,018)**
New receivables (created or purchased)	6,539	-	-	-	**6,539**
Derecognition of receivables	(4,142)	(27)	(1)	-	**(4,170)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2019	**18,687**	**5**	**759**	**-**	**19,452**

Balance Sheets before Provisions according to IFRS 9 Stage - Group

31 December 2018	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**147,966**	**63,034**	**211,404**	-	**422,403**
Transfer to Stage 1 (from 2 or 3)	13,041	(12,944)	(97)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(3,792)	16,062	(12,270)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(5,814)	(7,958)	13,771	-	**-**
Change of balances	4,159	(6,160)	8,146	-	**6,144**
New receivables (created or purchased)	14,167	-	-	-	**14,166**
Derecognition of receivables	(14,172)	(78)	(471)	-	**(14,720)**
Write-offs	-	(7)	(12,732)	-	**(12,739)**
Balances on 31/12/2018	**155,554**	**51,949**	**207,751**	**-**	**415,254**

31 December 2018	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**117,557**	**45,781**	**152,801**	-	**316,139**
Transfer to Stage 1 (from 2 or 3)	11,689	(11,666)	(23)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(2,454)	13,598	(11,144)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(3,216)	(3,396)	6,611	-	**-**
Change of balances	4,362	(6,260)	4,557	-	**2,659**
New receivables (created or purchased)	10,876	-	-	-	**10,876**
Derecognition of receivables	(12,696)	(2)	(293)	-	**(12,991)**
Write-offs	-	(7)	(12,251)	-	**(12,258)**
Balances on 31/12/2018	**126,120**	**38,048**	**140,259**	**-**	**304,426**

31 December 2018	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**30,073**	**17,253**	**58,603**	-	**105,928**
Transfer to Stage 1 (from 2 or 3)	1,352	(1,278)	(74)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(1,337)	2,463	(1,126)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(2,599)	(4,562)	7,161	-	**-**
Change of balances	(138)	100	3,589	-	**3,551**
New receivables (created or purchased)	3,290	-	-	-	**3,290**
Derecognition of receivables	(1,476)	(76)	(178)	-	**(1,730)**
Write-offs	-	-	(481)	-	**(481)**
Balances on 31/12/2018	**29,166**	**13,901**	**67,493**	**-**	**110,559**

31 December 2018	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**335**	**-**	**-**	-	**335**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	(66)	-	-	-	**(66)**
New receivables (created or purchased)	-	-	-	-	**-**
Derecognition of receivables	-	-	-	-	**-**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2018	**269**	**-**	**-**	**-**	**269**

31 December 2018	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**11,001**	**4**	**164**	-	**11,169**
Transfer to Stage 1 (from 2 or 3)	22	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	(6)	6	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	(182)	-	182	-	**-**
Change of balances	2,454	50	209	-	**2,712**
New receivables (created or purchased)	7,240	-	-	-	**7,240**
Derecognition of receivables	(2,483)	-	-	-	**(2,483)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2018	**18,046**	**59**	**556**	**-**	**18,660**

Balance Sheets before Provisions according to IFRS 9 Stage - Bank

31 December 2018	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**177,979**	**63,034**	**211,404**	-	**452,416**
Transfer to Stage 1 (from 2 or 3)	13,041	(12,944)	(97)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(3,792)	16,062	(12,270)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(5,814)	(7,958)	13,771	-	**-**
Change of balances	8,101	(6,160)	8,146	-	**10,086**
New receivables (created or purchased)	14,179	-	-	-	**14,178**
Derecognition of receivables	(14,172)	(78)	(471)	-	**(14,720)**
Write-offs	-	(7)	(12,732)	-	**(12,739)**
Balances on 31/12/2018	**189,522**	**51,949**	**207,751**	**-**	**449,222**

31 December 2018	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**147,571**	**45,781**	**152,801**	-	**346,153**
Transfer to Stage 1 (from 2 or 3)	11,689	(11,666)	(23)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(2,454)	13,598	(11,144)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(3,216)	(3,396)	6,611	-	**-**
Change of balances	8,304	(6,260)	4,557	-	**6,601**
New receivables (created or purchased)	10,888	-	-	-	**10,889**
Derecognition of receivables	(12,696)	(2)	(293)	-	**(12,991)**
Write-offs	-	(7)	(12,251)	-	**(12,258)**
Balances on 31/12/2018	**160,087**	**38,048**	**140,259**	**-**	**338,394**

31 December 2018	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**30,073**	**17,253**	**58,603**	-	**105,928**
Transfer to Stage 1 (from 2 or 3)	1,352	(1,278)	(74)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(1,337)	2,463	(1,126)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(2,599)	(4,562)	7,161	-	**-**
Change of balances	(138)	100	3,589	-	**3,551**
New receivables (created or purchased)	3,290	-	-	-	**3,290**
Derecognition of receivables	(1,476)	(76)	(178)	-	**(1,730)**
Write-offs	-	-	(481)	-	**(481)**
Balances on 31/12/2018	**29,166**	**13,901**	**67,493**	**-**	**110,559**

31 December 2018	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**335**	**-**	**-**	-	**335**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	(66)	-	-	-	**(66)**
New receivables (created or purchased)	-	-	-	-	**-**
Derecognition of receivables	-	-	-	-	**-**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2018	**269**	**-**	**-**	**-**	**269**

31 December 2018	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**11,005**	**4**	**164**	-	**11,173**
Transfer to Stage 1 (from 2 or 3)	22	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	(6)	6	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	(182)	-	183	-	**-**
Change of balances	2,482	50	209	-	**2,740**
New receivables (created or purchased)	7,561	-	-	-	**7,561**
Derecognition of receivables	(2,483)	-	-	-	**(2,483)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2018	**18,398**	**59**	**556**	**-**	**19,013**

Accumulated impairment losses per IFRS 9 Stage - Group

31 December 2019	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**2,706**	**5,257**	**90,689**	-	**98,652**
Transfer to Stage 1 (from 2 or 3)	945	(106)	(839)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(75)	1.144	(1,069)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(55)	(386)	441	-	**-**
Change of balances	(1,801)	(655)	4,253	-	**1,797**
New receivables (created or purchased)	117	3	12	-	**131**
Derecognition of receivables	(113)	(72)	(933)	-	**(1,118)**
Write-offs	-	(505)	(17,522)	-	**(18,027)**
Balances on 31/12/2019	**1,724**	**4,679**	**75,032**	**-**	**81,435**

31 December 2019	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**1,898**	**4,177**	**64,824**	-	**70,899**
Transfer to Stage 1 (from 2 or 3)	898	(88)	(810)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(20)	878	(859)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(20)	(54)	78	-	**-**
Change of balances	(1,541)	(1,095)	3,528	-	**892**
New receivables (created or purchased)	51	-	-	-	**51**
Derecognition of receivables	(93)	(4)	(820)	-	**(916)**
Write-offs	-	-	(16,081)	-	**(16,081)**
Balances on 31/12/2019	**1,174**	**3,815**	**49,860**	**-**	**54,848**

31 December 2019	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**784**	**1,079**	**25,865**	-	**27,729**
Transfer to Stage 1 (from 2 or 3)	47	(19)	(29)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(56)	266	(210)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(31)	(332)	363	-	**-**
Change of balances	(265)	440	555	-	**730**
New receivables (created or purchased)	66	3	12	-	**80**
Derecognition of receivables	(21)	(67)	(113)	-	**(201)**
Write-offs	-	(505)	(1,271)	-	**(1,776)**
Balances on 31/12/2019	**526**	**864**	**25,172**	**-**	**26,562**

31 December 2019	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**24**	**-**	**-**	-	**24**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	-	-	-	-	**-**
New receivables (created or purchased)	-	-	-	-	**-**
Derecognition of receivables	-	-	-	-	**-**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2019	**24**	**-**	**-**	**-**	**24**

31 December 2019	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**34**	**-**	**1**	-	**35**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	-	-	-	-	**-**
New receivables (created or purchased)	16	-	-	-	**16**
Derecognition of receivables	(9)	-	-	-	**(9)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2019	**41**	**-**	**1**	**-**	**42**

Accumulated impairment losses per IFRS 9 Stage - Bank

31 December 2019	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**2,706**	**5,257**	**90,689**	-	**98,652**
Transfer to Stage 1 (from 2 or 3)	945	(106)	(839)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(75)	1.144	(1,069)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(55)	(386)	441	-	**-**
Change of balances	(1,798)	(655)	4,253	-	**1,800**
New receivables (created or purchased)	117	3	12	-	**131**
Derecognition of receivables	(113)	(72)	(933)	-	**(1,118)**
Write-offs	-	(505)	(17,522)	-	**(18,027)**
Balances on 31/12/2019	**1,727**	**4,679**	**75,032**	**-**	**81,438**

31 December 2019	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**1,898**	**4,177**	**64,824**	-	**70,899**
Transfer to Stage 1 (from 2 or 3)	898	(88)	(810)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(20)	878	(859)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(24)	(54)	78	-	**-**
Change of balances	(1,534)	(1,095)	3,528	-	**900**
New receivables (created or purchased)	51	-	-	-	**51**
Derecognition of receivables	(93)	(4)	(820)	-	**(916)**
Write-offs	-	-	(16,081)	-	**(16,081)**
Balances on 31/12/2019	**1,177**	**3,815**	**49,860**	**-**	**54,852**

31 December 2019	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**784**	**1,079**	**25,865**	-	**27,729**
Transfer to Stage 1 (from 2 or 3)	47	(19)	(29)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(56)	266	(210)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(31)	(332)	363	-	**-**
Change of balances	(265)	440	555	-	**730**
New receivables (created or purchased)	66	3	12	-	**80**
Derecognition of receivables	(21)	(67)	(113)	-	**(201)**
Write-offs	-	(505)	(1,271)	-	**(1,776)**
Balances on 31/12/2019	**526**	**864**	**25,172**	**-**	**26,562**

31 December 2019	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**24**	**-**	**-**	-	**24**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	-	-	-	-	**-**
New receivables (created or purchased)	-	-	-	-	**-**
Derecognition of receivables	-	-	-	-	**-**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2019	**24**	**-**	**-**	**-**	**24**

31 December 2019	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2019	**34**	**-**	**1**	-	**35**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	-	-	-	-	**-**
New receivables (created or purchased)	16	-	-	-	**16**
Derecognition of receivables	(9)	-	-	-	**(9)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2019	**41**	**-**	**1**	**-**	**42**

Accumulated impairment losses per IFRS 9 Stage - Group

31 December 2018	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**2,780**	**6,699**	**100,943**	-	**110,421**
Transfer to Stage 1 (from 2 or 3)	1,286	(1,211)	(75)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(121)	5,267	(5,146)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(158)	(2,145)	2,303	-	**-**
Change of balances	(1,251)	(3,340)	5,543	-	**952**
New receivables (created or purchased)	644	-	-	-	**644**
Derecognition of receivables	(473)	(6)	(148)	-	**(627)**
Write-offs	-	(7)	(12,732)	-	**(12,739)**
Balances on 31/12/2018	**2,706**	**5,257**	**90,689**	**-**	**98,652**

31 December 2018	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**2,021**	**3,791**	**77,707**	-	**83,519**
Transfer to Stage 1 (from 2 or 3)	1,148	(1,129)	(19)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(67)	4,950	(4,883)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(68)	(523)	592	-	**-**
Change of balances	(1,275)	(2,905)	3,693	-	**(487)**
New receivables (created or purchased)	582	-	-	-	**583**
Derecognition of receivables	(448)	-	(11)	-	**(459)**
Write-offs	-	(7)	(12,251)	-	**(12,258)**
Balances on 31/12/2018	**1,893**	**4,177**	**64,829**	**-**	**70,899**

31 December 2018	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**718**	**2,908**	**23,235**	-	**26,861**
Transfer to Stage 1 (from 2 or 3)	137	(82)	(55)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(53)	317	(264)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(90)	(1,621)	1,711	-	**-**
Change of balances	40	(435)	1,851	-	**1,456**
New receivables (created or purchased)	62	-	-	-	**61**
Derecognition of receivables	(25)	(6)	(137)	-	**(169)**
Write-offs	-	-	(481)	-	**(481)**
Balances on 31/12/2018	**789**	**1,079**	**25,860**	**-**	**27,729**

31 December 2018	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**40**	**-**	**-**	-	**40**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	(17)	-	-	-	**(17)**
New receivables (created or purchased)	-	-	-	-	**-**
Derecognition of receivables	-	-	-	-	**-**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2018	**24**	**-**	**-**	**-**	**24**

31 December 2018	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**5**	**-**	**-**	-	**5**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	13	-	1	-	**14**
New receivables (created or purchased)	18	-	-	-	**18**
Derecognition of receivables	(2)	-	-	-	**(2)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2018	**34**	**-**	**1**	**-**	**35**

Accumulated impairment losses per IFRS 9 Stage - Bank

31 December 2018	Portfolio total				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**2,780**	**6,699**	**100,943**	-	**110,421**
Transfer to Stage 1 (from 2 or 3)	1,286	(1,211)	(75)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(121)	5,267	(5,146)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(158)	(2,145)	2,303	-	**-**
Change of balances	(1,251)	(3,340)	5,543	-	**952**
New receivables (created or purchased)	644	-	-	-	**644**
Derecognition of receivables	(473)	(6)	(148)	-	**(627)**
Write-offs	-	(7)	(12,732)	-	**(12,739)**
Balances on 31/12/2018	**2,706**	**5,257**	**90,689**	**-**	**98,652**

31 December 2018	Business Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**2,021**	**3,791**	**77,707**	-	**83,519**
Transfer to Stage 1 (from 2 or 3)	1,148	(1,129)	(19)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(67)	4,950	(4,883)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(68)	(523)	592	-	**-**
Change of balances	(1,275)	(2,905)	3,693	-	**(487)**
New receivables (created or purchased)	582	-	-	-	**583**
Derecognition of receivables	(448)	-	(11)	-	**(459)**
Write-offs	-	(7)	(12,251)	-	**(12,258)**
Balances on 31/12/2018	**1,893**	**4,177**	**64,829**	**-**	**70,899**

31 December 2018	Retail Banking				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**718**	**2,908**	**23,235**	-	**26,861**
Transfer to Stage 1 (from 2 or 3)	137	(82)	(55)	-	**-**
Transfer to Stage 2 (from 1 or 3)	(53)	317	(264)	-	**-**
Transfer to Stage 3 (from 1 or 2)	(90)	(1,621)	1,711	-	**-**
Change of balances	40	(435)	1,851	-	**1,456**
New receivables (created or purchased)	62	-	-	-	**61**
Derecognition of receivables	(25)	(6)	(137)	-	**(169)**
Write-offs	-	-	(481)	-	**(481)**
Balances on 31/12/2018	**789**	**1,079**	**25,860**	**-**	**27,729**

31 December 2018	Public Sector				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**40**	**-**	**-**	-	**40**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	(17)		-	-	**(17)**
New receivables (created or purchased)	-	-	-	-	**-**
Derecognition of receivables	-	-	-	-	**-**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2018	**24**	**-**	**-**	**-**	**24**

31 December 2018	Guarantees and commitments drawn				
	Stage 1	Stage 2	Stage 3	POCI	Total
Balances on 1/1/2018	**5**	**-**	**-**	-	**5**
Transfer to Stage 1 (from 2 or 3)	-	-	-	-	**-**
Transfer to Stage 2 (from 1 or 3)	-	-	-	-	**-**
Transfer to Stage 3 (from 1 or 2)	-	-	-	-	**-**
Change of balances	14	-	1	-	**14**
New receivables (created or purchased)	18	-	-	-	**18**
Derecognition of receivables	(2)	-	-	-	**(2)**
Write-offs	-	-	-	-	**-**
Balances on 31/12/2018	**34**	**-**	**1**	**-**	**35**

4.5 Lien risk

It is the risk that the Bank undertakes by maintaining a high level of long-term encumbered assets, thereby limiting its available liquidity reserve and the possibility of obtaining additional financing in limited liquidity conditions.

The Bank uses unencumbered assets only to meet its urgent liquidity needs through the ELA mechanism alone, so there is no such risk.

4.6 Market risk

The Bank is not substantially exposed to market risk. For this reason, it was subject to the exemptions of Bank of Greece Governor's Act No 2646/09.09.2011, due to the low amount of the value of its trading book (< 5% of the value of its total assets).

4.7 Interest rate risk

Interest rate risk, which relates to the possibility of unexpected changes in interest income and / or expense as a result of changes in interest rates (due to the time mismatch in the adjustment of asset and liability interest rates). The Bank's exposure to this risk is relatively small, as almost all of the interest bearing assets and liabilities are at a floating rate.

4.8 Currency risk

The Bank is not substantially exposed to foreign exchange risk. The Bank's exposure to foreign exchange risk was very low (<2% of equity) and therefore the corresponding capital requirements were zero.

4.9 Country risk

There are no cross-border credits. Therefore there is no country risk.

4.10 Liquidity risk

A financial institution's liquidity risk is the risk arising from the potential inability to find sufficient cash to meet its liabilities when they become due. For the effective management of its liquidity risk, the Bank has established a number of procedures for identifying, measuring, monitoring and controlling liquidity risk based on the "Liquidity Risk Management Strategy" and the "Risk Appetite Framework" adopted, and fully complied with the specifications set by the Internal Liquidity Adequacy Assessment Process (ILAAP).

Based on the above liquidity risk management framework, the Bank monitors liquidity risk through internal administrative and supervisory reports as well as intra-day monitoring of its cash and financing sources. The liquidity monitoring and management reports include, inter alia, the monitoring of the liquidity risk measurement indicators as defined in the framework of the "Recovery Plan" and the "Contingency Funding Plan" in relation to the early warning triggers, which have actively adopted the above-mentioned process in the context of liquidity management. The Bank also regularly conducts liquidity risk simulation exercises, during which it evaluates the impact of these extreme scenarios on the liquidity measurement ratios as well as on the Liquidity Buffer it maintains. It is noted that in order to effectively manage the liquidity risk under abnormal conditions, the Bank maintains an "Emergency Financing Plan" which describes all the detailed actions to be followed by the authorized executives to find resources and stabilize liquidity levels in liquidity crisis situations.

The purpose of the Bank in managing liquidity risk is to ensure, to the best of its ability, the maintenance of its liquidity levels at acceptable levels, both under normal and extreme conditions.

The Bank's main sources of financing and liquidity are:

- Customer Deposits: The Banks customer deposits consist of sight, savings and time deposits. The Bank's deposits increased in 2019 by approximately 45% compared to 2018, contributing to the significant improvement of the Bank's liquidity.
- Debt securities: The Bank raises additional liquidity through the issuance of debt securities. The Bank strengthened its liquidity position by issuing debt securities through private placement in 2019 by approximately € 5.9 million, with three new seven-year issues.
- Cooperative Capital: In 2018, the Bank increased its cooperative capital by improving its liquidity, raising an additional amount of € 3.7m.

In addition to its main sources of funding, the Bank maintains, as an alternative source of funding, access to the Emergency Liquidity Assistance (ELA), through the provision of eligible assets as collateral, in case of liquidity crisis. It is noted that the Bank, in the first quarter of 2019, fully repaid the financing obtained from the Emergency Liquidity Assistance (ELA).
Finally, it is reported that the Bank maintained high levels of liquidity throughout the COVID-19 pandemic without any significant impact on its main sources of funding.

The following is a list of the obligations of the bank and the group as at 31.12.2019:

Analysis of contractual maturities for financial liabilities (non-discounted cash flows)	**Bank**					
Amounts in EUR	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
31 December 2019						
Due to Central Banks	-	-	-	-	-	-
Due to Banks	27,259,251	-	-	-	-	27,259,251
Due to customers	230,768,852	101,718,957	204,918,678	293,703	-	537,700,191
Debt securities in issue	-	-	9,049,177	6,680,000	5,900,000	21,629,177
Other liabilities	-	-	5,502,320	-	-	5,502,320
Total	**258,028,104**	**101,718,957**	**219,470,175**	**6,973,703**	**5,900,000**	**592,090,939**

Analysis of contractual maturities for financial liabilities (non-discounted cash flows)	**Group**					
Amounts in EUR	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
31 December 2019						
Due to Central Banks	-	-	-	-	-	-
Due to Banks	28,513,478	-	-	-	-	28,513,478
Due to customers	230,322,914	101,718,957	204,918,678	293,703	-	537,254,252
Debt securities in issue	-	-	9,049,177	6,680,000	5,900,000	21,629,177
Other liabilities	-	-	11,928,503	-	-	11,928,503
Total	**258,836,392**	**101,718,957**	**225,896,359**	**6,973,703**	**5,900,000**	**599,325,411**

Analysis of contractual maturities for financial liabilities Analysis of contractual maturities for financial liabilities (non-discounted cash flows)				**Bank**		
Amounts in EUR	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
31 December 2018						
Due to Central Banks	12,002,000	-	-	-	-	12,002,000
Due to Banks	9,327,357	-	-	-	-	9,327,357
Due to customers	209,441,794	67,968,593	102,769,819	947,029	-	381,127,235
Debt securities in issue	-	-	12,312	11,500,000	4,180,000	15,692,312
Other liabilities	-	-	4,294,304	-	-	4,294,304
Total	**230,771,152**	**67,968,593**	**107,076,435**	**12,447,029**	**4,180,000**	**422,443,208**

Analysis of contractual maturities for financial liabilities Analysis of contractual maturities for financial liabilities (non-discounted cash flows)				**Group**		
Amounts in EUR	**Up to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
31 December 2018						
Due to Central Banks	12,002,000	-	-	-	-	12,002,000
Due to Banks	10,121,521	-	-	-	-	10,121,521
Due to customers	208,165,362	67,968,593	102,769,819	947,029	-	379,850,803
Debt securities in issue	-	-	12,312	11,500,000	4,180,000	15,692,312
Other liabilities	-	-	12,509,408	-	-	12,509,408
Total	**230,288,883**	**67,968,593**	**115,291,539**	**12,447,029**	**4,180,000**	**430,176,044**

4.11 Operational risk

Operational is the risk of causing damage due to insufficiency or failure of internal processes, individuals and systems or external events. The Bank is required to calculate minimum capital requirements for this risk in accordance with Articles 92 and 315-316 of Regulation (EU) No 575/2013. In calculating the capital requirements against this risk the Basic Index method is used and continues to be used, as mentioned above.

The relevant capital requirements as at 31/12/2019 were € 3,209 thousand individually and € 2,863 thousand on a consolidated basis, which are considered to be proportionately sufficient to cover the Bank against this risk given its nature, size and existing network.

4.12 Capital adequacy

The supervisory authorities have established quantitative criteria to ensure capital adequacy and require the Bank to maintain minimum amounts and risk-weighted capital ratios, which are defined as the ratio of funds to the sum of specific off-balance sheet assets. In June 2013, the European Parliament and the Council of Europe adopted Directive 2013/36/EU and Regulation (EU) 575/2013 (known as CRD IV), transposing and adapting the changes proposed by the Basel Committee (Basel III) at European Union level. The new regulations are directly applicable in all Member States from 1 January 2014, given that some provisions will be phased in mainly between 2014 and 2019.

The supervisory authority of the Cooperative Bank of Chania is the BoG.

The Basel II supervisory framework was applied from 01.01.2008 - 31.12.2013, which was introduced into Greek law by Law 3601/2007 as amended by Law 3693/2008, Law 3746/2009, Law 3862/2010, Law 4002/2011 and Law 4021/2011 (transposing EU Directives 48/2006, 49/2006, 64/2007, 111/2009 and 76/2010) and subsequently with the adoption of Governor’s Acts 2577/2006, 2588/2007, 2590/2007, 2592/2007, 2630/2010, and 2635/2010.

The Basel III supervisory framework was applied from 01/01/2014, which was introduced into Greek law by Law 4261/2014 (transposing EU Directive 36/2013) as amended by Law 4335/2015 and Law 4340/2015, and subsequently by Regulation (EU) No 575/2013 (as amended by Delegated Regulation (EU) 2015/62) and Implementing Regulation (EU) No 680/2014 (as amended by Implementing Regulations 79/2015, 227/2015 and 1278/2015).

According to the new provisions (Law 4261/2014 and EU Regulation 575/2013), the following capital buffers have entered into force since 01/01/2016:

- **Capital Conservation Buffer**: Expressed as a percentage of the total risk exposure amount, it will gradually rise to 2.50% from 01/01/2019 as follows: 0.625% on 01/01/2016, 1.25% on 01/01/2017, 1.875% on 01/01/2018 and 2.50% on 01/01/2019 onwards.
- **Countercyclical capital buffer:** Expressed as a percentage of the total risk exposure amount and ranges between 0% and 2.50%, while it is also possible to increase to more than 2.50% if justified under the provisions of Article 127 (3) of Law 4261 / 2014. For 2018 and 2019, the Bank of Greece set the countercyclical capital buffer ratio at 0%.
- **Based on decision 292/18.12.2018** by the Credit and Insurance Committee and as part of the Supervisory Review and Evaluation Process (SREP), additional capital requirements of 2.60% were set for the Bank for the year 2019.
- **Based on decision 353/10.04.2020** by the Credit and Insurance Committee and as part of the Supervisory Review and Evaluation Process (SREP), additional capital requirements of 2.68% were set for the Bank for the year 2020.

The capital adequacy ratio of the Cooperative Bank of Chania, in accordance with International Accounting Standards, is presented in the following tables for the years 2018 and 2019.

Amounts in EUR ths.

31-Dec-18	**Consolidated**	**Individual**
1. Total Risk-Weighted Assets (RWA)	396,056	383,513
2. Risk-Weighted Assets for credit risk	364,823	348,457
3. Risk-Weighted Assets for operational risk	31,233	35,056
4. Risk-Weighted Assets for concentration risk	-	-
5. Total Equity	51,900	49,667
6. Total Capital Adequacy Ratio	**13.10%**	**12.95%**

Amounts in EUR ths.

31-Dec-19	**Consolidated**	**Individual**
1. Total Risk-Weighted Assets (RWA)	421,561	412,297
2. Risk-Weighted Assets for credit risk	385,788	372,123
3. Risk-Weighted Assets for operational risk	35,773	40,174
4. Risk-Weighted Assets for concentration risk	-	-
5. Total Equity	59,002	56,955
6. Total Capital Adequacy Ratio	**14.00%**	**13.81%**

Note : The Total Capital Adequacy Ratio results from the division of total Equity (line 5) by Total Weighted Assets (line 1).

The minimum threshold of the Total Capital Adequacy Ratio for 2019 is 13.10% as reported in Note 2.2 in the Capital Adequacy section.

4.12.1 Capital Adequacy Ratio

This risk relates to the level, structure and stability of equity, as equity determines the risk capability and is the basis for calculating various supervisory indicators. The Bank seeks to have the required capital adequacy, taking into account the adverse economic conditions which had a significant adverse effect on the credit institutions' equity in previous years. Equity (which is taken into account for the calculation of the total capital ratio) consists of Tier 1 Equity and Tier 2 funds. The Bank uses Category 2 funds after required capital depreciation.

During the years 2018 and 2019, the Bank presented adequate equity on an individual and consolidated basis. Its policy in this area during 2019, and also in 2020, is to stimulate its capital base.

4.13 Fair values of financial assets and liabilities

4.13.1 Financial assets not measured at fair value

	Group				
Amounts in EUR	**31.12.2019**	**31.12.2019**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Loans and receivables to customers	333,885,075	333,885,075	-	-	333,885,075
Financial assets at amortized cost	1,001,111	1,001,111	-	-	1,001,111
Financial liabilities					
Due to customers	537,254,252	537,254,252	104,725,725	432,528,528	-
Debt securities issued	21,629,177	21,629,177	-	-	21,629,177

	Bank				
Amounts in EUR	**31.12.2019**	**31.12.2019**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Loans and receivables to customers	371,735,783	371,735,783	-	-	371,735,783
Financial assets at amortized cost	1,001,111	1,001,111	-	-	1,001,111
Financial liabilities					
Due to customers	537,700,191	537,700,191	105,171,663	432,528,528	-
Debt securities issued	21,629,177	21,629,177	-	-	21,629,177

	Group				
Amounts in EUR	**31.12.2018**	**31.12.2018**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Loans and receivables to customers	316,602,595	316,602,595	-	-	316,602,595
Financial assets at amortized cost	1,000,000	1,000,000	-	-	1,000,000
Financial liabilities					
Due to customers	379,850,803	379,850,803	86,877,493	292,973,310	-
Debt securities issued	15,692,312	15,692,312	-	-	15,692,312

	Bank				
Amounts in EUR	**31.12.2018**	**31.12.2018**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					

Loans and receivables to customers	350,570,169	350,570,169	-	-	350,570,169
Financial assets at amortized cost	1,000,000	1,000,000	-	-	1,000,000
Financial liabilities					
Due to customers	381,127,235	381,127,235	88,153,925	292,973,310	-
Debt securities issued	15,692,312	15,692,312	-	-	15,692,312

The above table presents the book value and fair value of financial assets that are not measured at fair value in the Group's financial statements and their categorization.

The book value of deposits repayable on demand approximates their fair value as they are considered to be short-term financial assets, while the fair value of time deposits is calculated using discounted interest rate models of similar products.

The fair value of debt securities issued is calculated using the discount rate method for the purchase of similar products.

The fair value of Loans and advances to customers is estimated to approximate their book value as they relate to floating rate loans, which are reviewed at regular intervals.

The fair value of financial assets at amortized cost as well as other financial assets and liabilities (cash and cash equivalents of central banks, receivables and liabilities of financial institutions, liabilities to central banks) that are not measured in the financial statements at fair value approximates their book value, either because they relate to short-term transactions or because they are re-priced at regular intervals.

4.13.2 Financial assets not valued at fair value

	Group				
Amounts in EUR	**31.12.2019**	**31.12.2019**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Financial assets at fair value through profit or loss	685,220	685,220	-	685,220	-
Investment portfolio	4,905,103	4,905,103	98,313	-	4,806,790

	Bank				
Amounts in EUR	**31.12.2019**	**31.12.2019**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Financial assets at fair value through profit or loss	685,220	685,220	-	685,220	-
Investment portfolio	2,972,982	2,972,982	31,789	**-**	2,941,193

	Group				
Amounts in EUR	**31.12.2018**	**31.12.2018**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Financial assets at fair value through profit or loss	860,950	860,950	-	860,950	-
Investment portfolio	4,871,491	4,871,491	31,004	-	4,840,487

	Bank				
Amounts in EUR	**31.12.2018**	**31.12.2018**	**Level 1**	**Level 2**	**Level 3**
	Book value	**Fair value**			
Financial assets					
Financial assets at fair value through profit or loss	860,590	860,950	-	860,950	-
Investment portfolio	3,993,087	3,993,087	11,579	**-**	3,981,508

Fair value measurement of Level 3 financial assets is carried out using variables that are not based on observable market data. Level 3 financial assets include shares of investment portfolio. Level 3 shares are not traded in active markets or there are no available prices from third party traders. The valuation of these shares at fair value was approximated through the net asset value method.

For the year ended December 31, 2019 there were no transfers of financial assets between fair value hierarchy levels.

The following table shows the movement of the financial assets measured at fair value and classified at Level 3:

Amounts in EUR	**Group**	
Investment portfolio	**2019**	**2018**
Opening balance as at 01 January	**4,840,487**	**3,159,730**
Other changes	-	-
Additions	-	754,760
Disposals	-	-
Changes in fair value	(33,697)	925,998
Deductions/devaluation provisions for the period	-	-
Balance as at 31 December	**4,806,790**	**4,840,487**

Amounts in EUR	**Bank**	
Investment portfolio	**2019**	**2018**
Opening balance as at 01 January	**3,981,508**	**1,468,444**
Other changes	(979,367)	-
Additions	-	975,157
Disposals	-	-
Changes in fair value	(60,948)	1,537,907
Deductions/devaluation provisions for the period	-	-
Balance as at 31 December	**2,941,193**	**3,981,508**

4.13.3 Risk related to Tax Credits to the Greek State

On 31/12/2019 the deferred tax assets of the Group amounted to € 24.9m (compared to € 26.1m on 31/12/2018).

Pursuant to Regulation (EU) No 575/2013 on capital requirements, deferred tax assets that are based on future profitability and that exceed specific limits must be deducted from the Bank's Tier 1 Common Stock. However, Article 27A of Law 4172/2013 and its amendments (Law 4302/2014 and Law 4340/2015) allow, subject to certain conditions, the deferred tax assets resulting from accumulated impairment provisions to be converted to cover credit risk and which have been accounted for as at 30 June 2015 in final and outstanding claims against the Greek State (Tax Credits). The Bank, by the decision of the Extraordinary General Meeting dated November 24, 2015, has been subject to the provisions of Article 27A of Law 4172/2013 (as amended by Article 4 of Law 4340/2015). The provisions of Article 27A of Law 4172/2013, involve the optional conversion of deferred tax assets, on temporary differences, into definitive and outstanding claims against the Greek State which may be counted in supervisory funds.

This guarantees the provisional tax claim (DTA) by converting it into a definitive claim (DTC) against the State, with a corresponding benefit in the calculation of the Supervisory Equity, as in such case these claims are not deducted from Tier 1 equity but are counted on the Group's weighted assets at current rates.

In March 2017, a new law (4465/2017) was adopted that introduced amendments to Articles 27 and 27A of Law 4172/2013. These amendments introduce the 20-year amortization of definitive losses on write-offs and loan sales. In addition, the purpose of Article 27A extends beyond PSI losses and loan impairment provisions to losses from permanent write-off/sale of loans as well as accounting write-offs of loans.

On 31/12/2019, the maximum amount of deferred tax assets that meets the criteria of the above legal provisions and which can be converted into a final and settled claim against the Greek State amounted to € 18.6m.

At each reporting date, the Bank re-evaluates the value of its deferred tax assets, which may result in a change in their balance presented in the statement of financial position and, by way of extension, in its regulatory capital.

The recognition of deferred tax assets and their possible conversion into claims against the Greek State (Tax Credits) may be adversely affected by: (a) the future reduction of income tax rates; (b) the adverse change in the regulations governing the handling of deferred tax assets in regulatory capital. Should any of the above risks occur, this could have an adverse effect on the adequacy of the Group's regulatory capital.

NOTE 5: NET INTEREST INCOME

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Interest income from:				
Bonds	85,436	19,800	85,436	19,800
Amounts due from Banks	828,114	177,443	828,114	177,443
Loans and receivables to customers	23,551,206	24,805,867	26,450,857	27,190,579
Interest and similar income	**24,464,756**	**25,003,110**	**27,364,407**	**27,387,822**
Interest expense from:				
Amounts due to Central Banks (ELA)	17,333	682,792	17,333	682,792
Amounts due to Banks	504,015	134,293	504,015	134,293
Debt securities issued	989,450	863,516	989,449	863,516
Amounts due to customers	6,769,629	5,146,828	6,438,413	4,888,587
Interest and similar expenses	**8,280,427**	**6,827,429**	**7,949,210**	**6,569,187**
Net interest income	**16,184,329**	**18,175,681**	**19,415,197**	**20,818,635**

NOTE 6: NET FEE AND COMMISSION INCOME

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Retail banking commission income	1,161,114	998,816	1,173,253	998,816
Loan commission income	1,113,838	1,146,530	1,113,838	1,146,530
Commission expenses	(545,191)	(601,417)	(545,191)	(601,417)
Net commission income	**1,729,761**	**1,543,929**	**1,741,900**	**1,543,929**

NOTE 7: PERSONNEL EXPENSES

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Wages and other staff benefits	8,809,713	8,131,480	7,608,225	6,931,979
Defined Benefit Plan Expenses (see Note 8)	79,930	52,480	58,429	50,727
Other staff costs	38,378	20,230	30,410	13,990
Total	**8,928,021**	**8,204,190**	**7,697,064**	**6,996,696**

The number of staff for the Bank and the Group is as follows:

	Group	
Personnel costs	**31.12.2019**	**31.12.2018**
Bank	222	221
Cretan Real Estate	4	4
Cretan Holdings	-	-
Chania Holdings	-	-
Prime Energy SA	4	4
ABEA	22	22
BIOCHEM	28	28
Total	**280**	**279**

NOTE 8: DEFINED BENEFIT PLANS LIABILITY

Defined benefit plans

Redundancy payments

Group companies are required by law 2112/20 to provide compensation to employees who retire from service. These allowances are a lump sum based on the final salary and years of service, the calculation of which varies according to the category of employee (e.g. compensation for employees and craftsmen is calculated on a different scale).

On November 12, 2012 the new Law 4093/2012, reduced the redundancy payment in case of dismissal or retirement according to the provisions of Law 2112/1920. According to the provisions of the new law, the maximum amount of redundancy payment for employees is limited to 12 salaries instead of 24 salaries.

In addition, the transitional provisions of that Law provide that for employees who have completed 17 or more years of service with the same employer on 12 November 2012, the compensation shall be limited to one additional salary for each completed year and up to 24 salaries. In case of dismissal, the additional salary is limited to EUR 2,000.

The provision was calculated based on the projected unit credit method imposed by IAS 19. According to this method, each period of service creates a right for an additional unit of entitlement to the benefits and which is discounted and valued separately in order to form the final liability. It is noted that the fixed policy of the Bank and the Group, from the first application of IFRS, is the formation of the provision in proportion to the service time to the estimated retirement time and does not correspond to the amount of dismissal compensation paid to employees as part of their dismissal from the employer (provision for termination of employees). Consequently, the technique applied by the Bank and the Group for the calculation of the provision is in full agreement, from the first application of the IFRS, with the method described in Opinion ref. 640 dated 6 March 2019 issued by the Scientific Council of SOEL.

The amounts of defined benefit and compensation plans recognized in the financial statements are analyzed as follows:

Defined Benefit Plan Expenses

	Group		Bank	
Amounts in EUR	**2019**	**2018**	**2019**	**2018**
Service cost	70,225	40,095	49,734	41,987
Net financial cost on net defined benefit liability	9,705	12,385	8,695	8,740
Total	**79,930**	**52,480**	**58,429**	**50,727**

Net liability in the Statement of Financial Position

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Present Value of Non-Funded Liabilities	775,744	646,862	596,246	494,182
Total	**775,744**	**646,862**	**596,246**	**494,182**

Net liability movement

	Group		Bank	
Amounts in EUR	**2019**	**2018**	**2019**	**2018**
Balance as at 1st January	**646,862**	**630,361**	**494,182**	**454,801**
Benefits used	-	(5,533)	-	-
Total expenses recognized in the Income Statement	79,930	52,480	58,429	50,727
Amount recognized in Other comprehensive income	48,952	(30,446)	43,635	(11,347)
Balance as at 31st December	**775,744**	**646,862**	**596,246**	**494,182**

Defined benefit plans liability movement

	Group		Bank	
Amounts in EUR	**2019**	**2018**	**2019**	**2018**
Balance as at 1st January	**646,862**	**630,361**	**494,182**	**454,801**
Acquisition/merger of subsidiaries	**-**	-	-	-
Service cost	70,225	40,095	49,734	41,987
Financial cost	9,705	12,385	8,695	8,740
Employee contributions	-	-	-	-
Fund allowances	-	-	-	-
Benefits used by the Group/Bank	-	(5,533)	-	-
Loss/(profit) from cuts/settlements	-	-	-	-
Past service cost during the period	-	-	-	-
Adjustments (profit)/loss:	-		-	
Loss/(profit) from changes in actuarial assumptions	48,952	(30,446)	43,635	(11,347)
Balance as at 31st December	**775,744**	**646,862**	**596,246**	**494,182**

	Group		Bank	
Amounts in EUR	**2019**	**2018**	**2019**	**2018**
Balance as at 1st January	**646,862**	**630,361**	**494,182**	**454,801**
Service cost	70,225	40,095	49,734	41,987
Financial cost	9,705	12,385	8,695	8,740

Benefits used by the Group/Bank	-	(5,533)	-	-
Adjustments (profit)/loss:	-		-	-
Loss/(profit) from changes in actuarial assumptions	48,952	(30,446)	43,635	(11,347)
Balance as at 31st December	**775,744**	**646,862**	596,246	**494,182**

Note: The aforementioned items are included in Other liabilities (see Note 21)

Weighted average actuarial assumptions at the end of the period

	Group		Bank	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Discount rate	1.14% to 1.20%	1.84% to 2%	1.20%	1.84%
Earnings growth rate	0.50% to 1,5%	0.50% to 1,5%	0.50%	0.50%

NOTE 9: GENERAL ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Rent expense	279,893	610,688	193,208	625,655
Taxes - Fees	418,900	445,988	188,575	197,990
Telecommunication and electricity costs	733,269	700,720	483,180	493,041
Maintenance costs	570,410	605,294	374,216	364,266
Third party fees	2,524,180	2,365,665	2,142,779	2,058,886
TEKE contributions (deposit arm and resolution arm)	193,617	209,653	193,617	209,653
Promotion and advertising costs	809,857	626,055	733,565	559,423
Other expenses*	1,765,640	1,903,040	1,036,681	910,381
Total	**7,295,766**	**7,467,102**	**5,345,820**	**5,419,293**

*As restated

NOTE 10: CREDIT IMPAIRMENT PROVISION

Provision of impairment of loans and other receivables for the year

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Loans and receivables to customers	809,790	969,679	813,399	969,679
Provisions for letters of guarantee	7.099	29,877	7,108	29,877
Other receivables to customers	2,085,135	150,000	2,085,135	-
Total	**2,902,024**	**1,149,556**	**2,905,643**	**999,556**

For the fiscal year 2019, the provisions of "Other receivables from customers" include, inter alia, a provision for receivables from legal cases that was formed in the financial statements of the Bank, amounting to approximately € 1.85 million, as analyzed in Note 22.

Cumulative provision of impairment of loans and advances to customers

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Loans and receivables to customers	81,434,168	98,651,568	81,437,778	98,651,568
Total	**81,434,168**	**98,651,568**	**81,437,778**	**98,651,568**

The cumulative provision of impairment of loans and advances to customers are as follows:

Amounts in EUR	**Group**		**Bank**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Balance of provisions 01 January	**98,651,568**	**110,421,432**	**98,651,568**	**110,421,432**
Movement in 2018				
Provisions for the year	809,790	969,679	813,399	969,679
Write-offs	(18,027,190)	(12,739,543)	(18,027,190)	(12,739,543)
Balance of provisions as at 31 December	**81,434,168**	**98,651,568**	**81,437,778**	**98,651,568**

NOTE 11: CASH AND CASH AT CENTRAL BANKS, DUE FROM BANKS

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Cash and cash equivalent	4,052,156	4,202,276	3,890,257	4,127,271
Current accounts with Bank of Greece	165,503,773	13,481,957	165,503,773	13,481,957
Total	**169,555,929**	**17,684,234**	**169,394,030**	**17,609,228**

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Sight deposits with banks	7,839,051	9,736,867	7,839,051	9,736,867
Term deposits with banks	-	-	-	-
Total	**7,839,051**	**9,736,867**	**7,839,051**	**9,736,867**

NOTE 12: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Bonds issued by Financial Institutions	685,220	860,950	685,220	860,950
Total	**685,220**	**860,950**	**685,220**	**860,950**

NOTE 13: FINANCIAL ASSETS AT AMORTIZED COST

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Bonds issued by Financial Institutions	1,001,111	1,000,000	1,001,111	1,000,000
Total	**1,001,111**	**1,000,000**	**1,001,111**	**1,000,000**

NOTE 14: INVESTMENT PORTFOLIO

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Shares & stock	4,905,103	4,871,491	2,972,982	3,993,087
Total	**4,905,103**	**4,871,491**	**2,972,982**	**3,993,087**
Investment portfolio - available for sale				
Balance as at 1 January	**4,871,491**	**3,258,022**	**3,993,087**	**1,559,825**
Other changes	-	-	(979,367)	-
Additions	-	754,760	-	975,157
Change in fair value	33,612	918,663	(40,738)	1,518,059
Sales	-	(59,954)	-	(59,954)
Balance as at 31 December	**4,905,103**	**4,871,491**	**2,972,982**	**3,993,087**

The movement of the investment portfolio of the Group within 2019 derives solely from fair value changes. The movement of the investment portfolio of the Bank within 2019 apart from the movement deriving from fair value changes, is due to a reclassification of a Bank's participation in its subsidiary, amount of approximately €979 thousand to the account "Investments in subsidiaries" as a result of the increase in the Bank's share within 2019.

NOTE 15: SOFTWARE AND OTHER INTANGIBLE ASSETS

Amounts in EUR	Group			Bank		
	Software	**Other intangible assets**	**Total**	**Software**	**Other intangible assets**	**Total**
Acquisition cost						
Balance as at 1 January 2018	**2,493,005**	**185,979**	**2,678,983**	**2,413,988**	-	**2,413,988**
Acquisition of a subsidiary	511,834	-	511,834	-	-	-
Additions	63,922	-	63,922	63,922	-	63,922
Other changes	(3,372)	-	(3,372)	-	-	-
Balance as at 31 December 2018	**3,065,389**	**185,979**	**3,251,367**	**2,477,910**	**-**	**2,477,910**
Accumulated depreciation & impairment provisions						
Balance as at 1 January 2018	**(1,727,080)**	**-**	**(1,727,080)**	**(1,676,627)**	**-**	**(1,676,627)**
Acquisition of a subsidiary	(511,834)	-	(511,834)	-	-	-
Other depreciation changes	3,145	-	3,145	-	-	-
Depreciation	(169,711)	-	(169,711)	(144,557)	-	(144,557)
Balance as at 31 December 2018	**(2,405,480)**	**-**	**(2,405,480)**	**(1,821,184)**	**-**	**(1,821,184)**
Gross book value as at 31 December 2018	**659,908**	**185,979**	**845,887**	**656,726**	**-**	**656,726**
Acquisition cost						
Balance as at 1 January 2019	**3,065,389**	**185,979**	**3,251,367**	**2,477,910**	**-**	**2,477,910**
Acquisition of a subsidiary	-	-	-	-	-	-
Additions	587,432	-	587,432	587,432	-	587,432
Other changes	-	-	-	-	-	-

Balance as at 31 December 2019	**3,652,821**	**185,979**	**3,838,800**	**3,065,342**	**-**	**3,065,342**
Accumulated depreciation & impairment provisions						
Balance as at 1 January 2019	**(2,405,480)**	**-**	**(2,405,480)**	**(1,821,184)**	**-**	**(1,821,184)**
Acquisition of a subsidiary	-	-	-	-	-	-
Other depreciation changes	-	-	-	-	-	-
Depreciation	(173,013)	-	(173,013)	(150,143)	-	(150,143)
Balance as at 31 December 2019	**(2,578,493)**	**-**	**(2,578,493)**	**(1,971,327)**	**-**	**(1,971,327)**
			-			
Gross book value as at 31 December 2019	**1,074,328**	**185,979**	**1,260,306**	**1.094.015**	**-**	**1.094.015**

There was no goodwill on the consolidation of the subsidiaries (goodwill arising from the incorporation of subsidiaries acquired before the date of transition to IFRSs has been negatively charged to equity at the date of transition).

NOTE 16: PROPERTY AND EQUIPMENT

	BANK							
Amounts in EUR	**Land**	**Buildings**	**Vehicles and equipment**	**Improvements to leased third-party properties**	**Furniture & other Equipment**	**Assets under construction**	**Assets with the right to use fixed assets**	**Total**
Acquisition cost								
Balance as at 1 January 2018	**2,445,211**	**6,786,323**	**65,071**	**5,023,267**	**7,170,552**	**28,305**	**-**	**21,518,729**
Additions	-	3,649	1,559	20,063	31,948	-	-	57,220
Other changes in fixed assets	-	-	-	2,905	-	-	-	2,905
Transfers	-	-	-	-	-	-	-	-
Sales and write-offs	-	-	-	(384,860)	-	-	-	(384,860)
Balance as at 31 December 2018	**2,445,211**	**6,789,972**	**66,630**	**4,661,375**	**7,202,501**	**28,305**	**-**	**21,193,994**
Accumulated depreciation & impairment provisions								
Balance as at 1 January 2018	**-**	**(389,466)**	**(50,928)**	**(2,966,575)**	**(6,392,863)**	**-**	**-**	**(9,799,833)**
Other depreciation changes	-	-	-	-	1	(20,515)	-	(20,514)
Transfers	-	-	-	-	-	-	-	-
Depreciation	-	(68,323)	(2,173)	(315,985)	(239,482)	653	-	(625,310)
Sales and write-offs	-	-	-	237,024	-	-	-	237,024
Balance as at 31 December 2018	**-**	**(457,790)**	**(53,102)**	**(3,045,536)**	**(6,632,344)**	**(19,862)**	**-**	**(10,208,633)**
Gross book value as at 31 December 2018	**2,445,211**	**6,332,182**	**13,528**	**1.615.839**	**570,157**	**8,443**	**-**	**10,985,361**
Impact from the application of IFRS 16							**1,792,026**	**1,792,026**
Acquisition cost								
Balance as at 1 January 2019	**2,445,211**	**6,789,972**	**66,630**	**4,661,375**	**7,202,501**	**28,305**	**1,792,026**	**22,986,021**
Additions	-	117,800	-	2,470	258,718	-	2,512	**381,500**
Other changes in fixed assets	-	-	-	-	-	-	-	**-**
Transfers	-	-	-	-	-	-	-	**-**
Sales and write-offs	-	-	-	-	(8,635)	-	-	**(8,635)**
Balance as at 31 December 2019	**2,445,211**	**6,907,772**	**66,630**	**4,663,845**	**7,452,584**	**28,305**	**1,794,538**	**23,358,886**
Accumulated depreciation & impairment provisions								
Balance as at 1 January 2019	**-**	**(457,790)**	**(53,102)**	**(3,045,536)**	**(6,632,344)**	**(19,862)**	**-**	**(10,208,633)**
Other depreciation changes	-	-	-	-	-	-	-	**-**
Transfers	-	-	-	-	-	-	-	**-**
Depreciation	-	(68,467)	(2,238)	(310,653)	(188,384)	-	(363,968)	**(933,711)**
Sales and write-offs	-	-	-	-	7,759	-	-	**7,759**
Balance as at 31 December 2019	**-**	**(526,257)**	**(55,340)**	**(3,356,190)**	**(6,812,969)**	**(19,862)**	**(363,968)**	**(11,134,585)**
Gross book value as at 31 December 2019	**2,445,211**	**6,381,515**	**11,290**	**1,307,655.77**	**639,615**	**8,443**	**1,430,570**	**12,224,301**

ΣΥΝΕΤΑΙΡΙΣΤΙΚΗ ΤΡΑΠΕΖΑ ΧΑΝΙΩΝ

GROUP

Amounts in EUR	Land	Buildings	Mechanical Equipment / Technical Installations	Vehicles and equipment	Improvements to leased third-party properties	Furniture & other Equipment	Assets under construction	Assets with the right to use fixed assets	Total
Acquisition cost									
Balance as at 1 January 2018	**3,262,947**	**9,985,827**	**7,050,829**	**292,379**	**5,023,267**	**7,777,884**	**480,036**	**-**	**33,873,169**
Additions	-	16,051	50,033	27,444	20,063	46,180	727,388	-	887,159
Acquisition of a subsidiary	55,669	-	8,389,376	21,500	-	78,451	-	-	8,544,996
Other changes in fixed assets	-	-	-	-	2,905	-	-	-	2,905
Transfers	56,747	35,725	11,100	-	-	-	(103,571)	-	-
Sales and write-offs	-	-	-	(40,349)	(384,860)	-	-	-	(425,209)
Balance as at 31 December 2018	**3,375,363**	**10,037,603**	**15,501,338**	**300,974**	**4,661,376**	**7,902,515**	**1,103,852**	**-**	**42,883,020**
Accumulated depreciation & impairment provisions									
Balance as at 1 January 2018	**-**	**(635,209)**	**(5,381,617)**	**(230,842)**	**(2,966,575)**	**(6,947,266)**	**-**	**-**	**(16,161,509)**
Acquisition of a subsidiary	-	-	(3,037,866)	-	(22,689)	(71,271)	-	-	(3,131,826)
Other depreciation changes	-	(411)	(190)	39,736	-	(3,038)	(20,515)	-	15,582
Transfers	-	-	-	-	-	-	-	-	-
Depreciation	-	(100,772)	(161,800)	(9,761)	(315,985)	(256,466)	653	-	(844,130)
Sales and write-offs	-	-	-	-	237,024	-	-	-	237,024
Balance as at 31 December 2018	**-**	**(736,392)**	**(8,581,472)**	**(200,867)**	**(3,068,225)**	**(7,278,041)**	**(19,862)**	**-**	**(19,884,859)**
Gross book value as at 31 December 2018	**3,375,363**	**9,301,211**	**6,919,865**	**100,107**	**1,593,151**	**624,474**	**1,083,990**	**-**	**22,998,161**
Impact from the application of IFRS 16								**2,033,348**	**2,033,348**
Acquisition cost									
Balance as at 1 January 2019	**3,375,363**	**10,037,603**	**15,501,338**	**300,975**	**4,661,376**	**7,902,515**	**1,103,852**	**2,033,348**	**44,916,368**
Additions	-	122,973	142,148	-	2,470	286,114	595,731	2,512	1,151,947
Other changes in fixed assets	-	-	54,575	-	-	47,191	-	-	7,384
Transfers	-	465,098	74,291	-	-	-	(539,388)	-	-
Sales and write-offs	-	(9,832)	(7,600)	-	-	(8,635)	-	-	(26,067)
Balance as at 31 December 2019	**3,375,363**	**10,615,842**	**15,764,751**	**300,975**	**4,663,846**	**8,132,803**	**1,160,194**	**2,035,860**	**46,049,633**
Accumulated depreciation & impairment provisions									
Balance as at 1 January 2019	**-**	**(736,392)**	**(8,581,472)**	**(200,867)**	**(3,068,225)**	**(7,278,041)**	**(19,862)**	**-**	**(19,884,859)**
Other depreciation changes	-	-	(169)	(21,380)	22,689	46,694	-	-	47,833
Transfers	-	-	-	-	-	-	-	-	-
Depreciation	-	(101,735)	(745,627)	(12,750)	(310,653)	(207,314)	-	(375,813)	(1,753,893)
Sales and write-offs	-	-	-	-	-	7,759	-	-	7,759
Balance as at 31 December 2019	**-**	**(838,127)**	**(9,327,269)**	**(234,997)**	**(3,356,189)**	**(7,430,902)**	**(19,862)**	**(375,813)**	**(21,583,160)**
Gross book value as at 31 December 2019	**3,375,363**	**9,777,714**	**6,437,482**	**65,978**	**1,307,657**	**701,900**	**1,140,332**	**1,660,046**	**24,466,472**

NOTE 17: INVESTMENT PROPERTIES

	Group	Bank
Amounts in EUR	**Fields - plots**	**Fields and land plots**
Acquisition cost		
Balance as at 1 January 2018	**17,124,266**	**1,690,000**
Additions	505,205	300
Transfers from Tangible Fixed Assets	-	-
Transfers from Other Assets	-	-
Fair value measurement adjustments	400,000	-
Write offs/ Sales	-	-
Balance as at 31 December 2018	**18,029,471**	**1,690,300**
Acquisition cost		
Balance as at 1 January 2019	**18,029,471**	**1,690,300**
Additions	1,000,121	990,288
Transfers from Tangible Fixed Assets	-	-
Transfers from Other Assets	3,162,209	3,069,386
Fair value measurement adjustments	2,295,715	2,106,794
Write-offs/Sales	-	-
Balance as at 31 December 2019	**24,487,516**	**7,856,768**

A significant part of the changes that occurred in the item "Investment Property" as at 31 December 2019 concerns a change from the fair value of real estate amounting to € 2.3 million (2018: € 0.4 million) and € 2.1 million (2018: € 0 million) for the Group and the Bank respectively. The aforementioned valuation changes as well as the net results from the sale of property are reported in line "Other net income" of the income statement. Estimates are used to determine the fair value of Investment Properties, as detailed in Note 2.15 "Investment Properties". The fair values of the Group's and the Bank's Investment Property are classified at level 3 of the fair value hierarchy.

NOTE 18: DEFERRED TAX ASSETS AND LIABILITIES

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Deferred tax assets	-	-	-	-
Financial assets at fair value through profit or loss	280,427	228,825	280,427	228,825
Financial instruments at amortized cost	39		39	-
Loans to customers	16,103,247	17,738,157	16,103,247	17,738,157
Investments in subsidiaries	4,100,225	3,459,714	4,100,225	3,459,714
Holdings in associates	6,156	420,123	-	-
Investment securities	2,290,413	2,077,523	2,290,413	2,077,523
Property, plant and equipment	(1,214,188)	(749,660)	(1,137,436)	(720,063)
Investment property	(1,991,279)	(490,187)	(1,991,279)	(490,187)
Intangible assets	(79,977)	(77,018)	(81,574)	(80,613)
Deferred tax receivables on net book value debit difference of Article 27 par.3 of Law 4172/13	2,315,511	2,110,933	2,315,511	2,110,933
Other assets	2,554,899	1,173,100	2,475,671	1,094,268
	24,365,473	**25,891,509**	**24,355,244**	**25,418,556**
Other liabilities	563,172	58,352	478,782	23,270
	563,172	58,352	**478,782**	**23,270**
From loss brought forward	-	194,777	-	194,777
Total	**24,928,645**	**26,144,638**	**24,834,026**	**25,636,604**

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Deferred tax liabilities				
Property, plant and equipment	1,744,972	(221,524)	-	-
Investment property	1,113,174	3,958,567	-	-
Intangible assets	(150,052)	(158,800)	-	-
Holdings in associates	(134,160)	(100,000)		-
Investment securities	11,572	15,283		-
Other assets	(425,555)	(1,340,732)	-	-
	2,159,951	**2,152,793**	-	-
Other liabilities	(47,329)	(15,636)	-	-
Reserve for defined benefit plans	-	-	-	-
From loss brought forward	-	-	-	-
Total	**2,112,622**	**2,137,157**	**-**	**-**

The Group and the Bank have offset deferred tax assets and liabilities per company separately.
Deferred tax assets on the Bank and the Group primarily arise from differences in the accounting and tax bases that do not have an expiry date and therefore their recoverability is not called into question in the context of ongoing concern.

Pursuant to Regulation (EU) No 575/2013 on capital requirements, deferred tax assets that are based on future profitability and that exceed specific limits must be deducted from the Bank's Tier 1 Common Stock. However, Article 27A of Law 4172/2013 and its amendments (Law 4303/2014 and Law 4340/2015) allow, subject to certain conditions, the deferred tax assets resulting from accumulated impairment provisions to be converted to cover credit risk and which have been accounted for as at 30 June 2015 in final and outstanding claims against the Greek State (Tax Credits). The Bank, by the decision of the Extraordinary General Meeting dated November 24, 2015, has been subject to the provisions of Article 27A of Law 4172/2013 (as amended by Article 4 of Law 4340/2015). The provisions of Article 27A of Law 4172/2013, involve the optional conversion of deferred tax assets, on temporary differences, into definitive and outstanding claims against the Greek State.

Article 43 of Law 4465/04.04.2017 amended Articles 27 and 27a of the Income Tax Code (Law 4172/2013). According to the new provisions, the debt difference that will arise for legal entities supervised by the Bank of Greece from the permanent write-off of their debtors as well as the loss from the sale of loans, are recognized for deduction from gross income and are amortized over a period of 20 years. The deferred tax asset that will be recognized by the above debt difference as well as any write-offs of loans or credits that have not been converted into debt at the end of each accounting year are converted into a definitive and settled receivable against the State pursuant to the above terms and conditions.

The total amount of the deferred tax asset that will arise (a) from the debt difference due to the definitive write-off of debtors and loan sales, (b) from the temporary differences arising from the loan and credit write-offs as well as (c) from the temporary differences in accumulated provisions and other general credit risk losses may not exceed the total amount of tax on accumulated provisions and other credit risk losses recognized until June 30, 2015. This arrangement, which entered into force on 01.01.2016, ensures that loan write-offs and restructuring to reduce non-performing loans will not lead to a loss of supervisory capital.

The deferred tax assets of 31.12.2019, which fall under Article 27a of Law 4172/2013, amounted to € 18.6 million at both Group and Bank level. This is the chargeable tax, 29% on the temporary differences in the accumulated provisions against credit risk, which had been calculated up to 30 June 2015. The existence of tax losses is the basic requirement for the creation of Tax Credits, which are calculated as a percentage of accounting losses after tax under IFRS to equity (excluding losses in the year). This percentage is applied to the balance of the eligible deferred tax assets of a particular year to calculate the tax credit that will be converted into that year in relation to the previous fiscal year. EU Directive 575/2013 allows credit institutions not to deduct, for purposes of calculating the capital adequacy ratio, the deferred tax assets of Tier 1 Common Stock.

Article 82 of Law 4472/19.5.2017 provides for the obligation of credit institutions and other companies that fall under the provisions of article 27A of Law 4172/2013 to pay an annual commission to the Greek State on the amount of deferred tax asset arising from the difference between the applicable tax rate (currently 29%) and the tax rate applicable until 31.12.2014 (26%). The commission paid by the Bank for the year 2019 amounts to € 32.2 thousand.

Furthermore, for the fiscal year 2019, Law 4646/2019 reduced the tax rate from 25% to 24% on the profits from business activity acquired by legal persons and legal entities that keep double-entry books and affected the deferred tax claims / liabilities recognized by the Bank's subsidiaries.

However, with explicit reference to the law, this reduction does not apply to credit institutions for which the tax rate is still 29%, provided that they have been included and are subject to the special provisions of article 27A of law 4172/2013.

NOTE 19: OTHER ASSETS

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Tax advances and other tax claims	95,580	81,590	54,437	28,378
Prepaid expenses	173,485	660,819	38,350	44,809
Revenue receivable	41,325	277,688	41,325	277,688
Deposit and Investment Guarantee Fund	10,859,802	11,183,746	10,859,802	11,183,746
Real Estate Assets Inventory	29,126,263	30,456,846	14,533,746	15,904,301
Trade and other receivables	5,648,956	4,713,626	2,213,110	3,776,354
Other	5,971,041	7,147,012	2,933,554	1,519,110
Total	**51,916,452**	**54,521,328**	**30,674,324**	**32,734,385**

Directive 2014/49 of the European Parliament, which lays down the rules and procedures concerning the establishment and operation of deposit guarantee schemes, has been incorporated into Greek law by Law 4370/2016. Under this law, credit institutions are required to participate in the Deposit and Investment Guarantee Fund (TEKE). In the table above, the "Deposit and Investment Guarantee Fund" refers to the Bank's participation in the assets of the Deposits Coverage Leg totaling € 10.8 on 31.12.2019 (31.12.2018: €11.1 million).
"Other assets" for the Group include the value of the stocks of the companies "ABEA" and "BIOCHEM" on 31.12.2019 totaling € 2.9 (31.12.2018: € 2.7 million).

The "Real estate assets inventory" refers to auctioned property or recovered collateral for the Bank, while the Group also includes real estate reserves of the Group's subsidiaries. The "Real estate assets inventory" were valued at the lower of their acquisition cost and their net realizable value. The movement of the respective account is presented in the following table:

Amounts in EUR	**Group**	**Bank**
Balance as at 01 January 2018	**29,022,473**	**13,273,869**
Additions	3,146,687	2,948,577
Valuation changes	94,169	-
Write offs/ Sales	(1,618,145)	(318,145)
Balance as at 31 December 2018	**30,456,846**	**15,904,301**
Additions	2,103,501	2,081,581
Transfers from / (to) Investment Property	(2,996,639)	(2,919,615)
Valuation changes	(336,682)	(241,606)
Write offs/ Sales	(774,127)	(774,127)
Balance as at 31 December 2019	**29,126,263**	**14,533,746**

NOTE 20: DUE TO CENTRAL BANKS, CUSTOMERS AND BANKS

a) Due to Central Banks

	Group		**Bank**	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
ELA funding	-	12,002,000	-	12,002,000
Total	**-**	**12,002,000**	**-**	**12,002,000**

The above amount is financed by the Bank of Greece through the Emergency Liquidity Assistance Facility (ELA). The Bank continues to have access to the emergency facility and has sufficient Assets to pledge to obtain additional liquidity. The amount due on 31.12.2018 was fully repaid in March 2019.

b) Due to customers

Due to customers

	Group		**Bank**	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Deposits:				
Savings	55,712,732	50,546,509	55,712,732	50,546,509
Sight	49,012,992	36,330,984	49,458,931	37,607,416

Time	432,528,528	292,973,310	432,528,528	292,973,310
Total	**537,254,252**	**379,850,803**	**537,700,191**	**381,127,235**

According to Law 4151/2013, all inactive deposit accounts after 20 years are subject to limitation in favor of the Greek State. All credit institutions operating in Greece are required by the end of April of each year to return the cash balances of these inactive accounts to the Greek government.
After the modification of the capital controls (Decision No 0001695 ΕΞ 2017/Χ.Π. 1917, Government Gazette 3976 14/11/2017) the provisions of Law 4151/2013 concerning the return of inactive accounts to the State where they had been suspended pursuant to section 1, paragraph 6 of the Legislative Act published in the Government Gazette, Law 84/18.7.2015, were re-enacted. The accounts that closed 20 years in 2019 amount to € 18.7 thousand.

c) Due to Banks

Due to Credit Institutions

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Liabilities to other Banks				
Sight	28,513,478	10,121,521	27,259,251	9,327,357
Time	-	-	-	-
Total	**28,513,478**	**10,121,521**	**27,259,251**	**9,327,357**

NOTE 21: OTHER LIABILITIES

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Creditors and Suppliers	2,815,033	2,498,359	511,594	306,050
Proceeds on behalf of third parties for return (via DIAS)	255,918	1,200,307	255,918	1,200,235
Tax liabilities and charges (excluding income tax) and insurance organizations	1,491,869	1,246,951	1,088,858	941,833
Expenses payable and income of subsequent fiscal years	956,143	3,210,448	28,879	30,380
Other liabilities	4,296,918	2,216,186	3,617,071	1,815,806
Total	**9,815,881**	**10,372,251**	**5,502,320**	**4,294,304**

NOTE 22: CONTINGENT OBLIGATIONS, SECURITIES AND COMMITMENTS

a. Legal issues

There are pending claims and lawsuits against the Bank. Based on the information provided by the Bank's Legal Advisers to the Management, no reliable assessment can be made at the present time concerning the outcome of these cases as some of these cases are at an early stage and others have not become final, and their resolution may take several years.
In the context of claims against its customers, the Bank has taken legal action to recover arrears.

More specifically:

With regard to litigation-actions brought by associates against the Bank seeking damages for the plaintiffs on account of the damage they have suffered from drawing up the Special Accounts Contracts, part of that amount, around € 13.0 million, has so far been adjudicated, seeking damages of approximately € 7.9 million against the Bank, with provisional amounts of around € 2.0 million being appealed by the Bank.
It is noted that in the event of a risk arising from the non re-collection of all the claims that it has paid as provisionally enforceable amounts, the Bank has made a provision in the Financial Statements of approximately € 1.85 million.

Of all the lawsuits that have been heard, there are appellate decisions, none of which have become irrevocable. One of those lawsuits is considered important for the outcome of the cases, as it was brought before the Supreme Court (judgment no. 1007/2019), which acquitted the Bank and referred the judgment to the Court of Appeals for reconsideration. For the other judgments, appeals are pending for both us and the opponents.

The harmonization with the above judgment of the Supreme Court is reflected in the recently issued judgments of the Court of Appeal of Crete (no. 99/2019 and 31/2020) which acquit the Bank and reject the lawsuits in their entirety.

In view of the foregoing, the Bank's lawyers / legal advisors are of the opinion that the lawsuits in question will be rejected for specific reasons relating to the completeness of the documents presented by the Bank that prove their legality and compliance with the laws and regulations imposed on credit institutions and consequently on the Bank’s transactions with its customers.

Therefore, the Management of the Bank considers, taking into account all the above as well as the complexity of the cases and their duration, that the final settlement, until their irreversibility, will have a positive outcome for the Bank and is not expected to have an impact on its Financial Statements, therefore the Bank has not made a relevant provision.

b. Pending tax audits

The Bank has not performed tax audits for the years 2014 to 2019 and has accumulated provisions of € 50,000 for those unaudited tax years which are considered sufficient.

The Group’s subsidiaries have not been audited for certain fiscal years and therefore their tax liabilities for those years have not been finalized. Therefore, as a result of these audits, additional fines and taxes may be imposed, the amounts of which cannot be accurately determined at present. However, at the Group level, no provision has been made for any differences that may arise in the future tax audit of their unaudited tax years since tax audits performed in the past and even in years with accounting and taxable profits did not result in significant additional taxes. In the present situation and with the majority of the unaudited years of the Group’s subsidiaries being related to accounting and tax losses, it is difficult to make an estimate at the Group level, and Management estimates that tax audit differences that will have a significant impact on the Group’s financial position, may be found.

The Bank and its Subsidiaries were not required to have a Certified Auditor issue a Tax Certificate by the until the fiscal year 2015 while from 2016 onwards the issuance of the “Annual Tax Certificate” became optional (with the exception of the Bank which does not fall under the Credit Partnership provisions on the issue of an optional Tax Certificate) for the Group's subsidiaries. Among them, the company "BIOCHEM SA” chose to be included in the audit for a Tax Compliance Certificate for fiscal year 2016 (relevant Tax Compliance Report without notes) while “ABEA SA” chose to be included in the audit for a Tax Compliance Certificate for fiscal year 2018 (corresponding tax compliance report without reservation), as well as for fiscal year 2019 (the relevant audit is in progress).

Following is a list of the unaudited tax years of the Group companies:

Subsidiary Name	Unaudited years

CRETAN REAL ESTATE SA	2014 – 2019
CRETAN HOLDINGS SA	2014 – 2019
PRIME ENERGY GROUP OF COMPANIES SA	2014 - 2019
CHANIA HOLDINGS SA	2014 - 2019
BIOCHEM SA	2014 – 2015, 2017 - 2019
ABEA SA	2014 – 2017

The loan commitments relate to letters of guarantee issued by the Bank on behalf of its clients as set out in Note 4.3.6.2.

d. Operating lease commitments

Operating lease commitments relate to lease (rent) obligations to the Group and the Bank. The table below shows the minimum estimated future rent payments:

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Up to one (1) year	472,539	469,971	414,675	415,214
From one (1) year to five (5) years	1,133,178	1,321,925	1,085,178	1,273,158
Over five (5) years	382,801	609,878	154,801	369,878
	1,988,518	**2,401,774**	**1,654,654**	**2,058,250**

NOTE 23: COOPERATIVE CAPITAL AND PREMIUM

The total paid-up capital and the cooperative capital premium of the Group as at 31 December 2019 and 31 December 2018 are as follows:

	Bank					Group	
Amounts in EUR	**No. of shares**	**Nominal value**	**Capital**	**Above par**	**Total Capital (Bank)**	**Own cooperative capital**	**Total Capital (Group)**
As at 31.12.2018	6,540,672	3	19,622,016	84,668,896	104,290,912	(303,718)	103,987,194
As at 31.12.2019	6,571,380	3	19,714,140	84,796,381	104,510,521	(303,890)	104,206,631

The following table shows the movement of cooperative capital and premium for the years 2019 and 2018:

	Bank		
Amounts in EUR	**Cooperative capital**	**Cooperative capital premium**	**Total**
Opening balance as at 1 January 2018	**17,933,724**	**82,691,297**	**100,625,021**
Net increase of cooperative capital	1,688,292	1,977,599	3,665,891
Balance as at 31 December 2018 (Bank)	**19,622,016**	**84,668,896**	**104,290,912**
Net increase of cooperative capital	92,124	127,485	219,609
Balance as at 31 December 2019 (Bank)	**19,714,140**	**84,796,381**	**104,510,521**

Group

Amounts in EUR	Cooperative capital	Cooperative capital premium	Own cooperative capital	Total
Opening balance as at 1 January 2018	**17,933,724**	**82,691,297**	**44,666**	**100,580,355**
Net increase of cooperative capital	1,688,292	1,977,599	**-**	**3,665,891**
(Purchases) / Sales of Own Cooperative Shares	-	-	**(259,052)**	**(259,052)**
Balance as at 31 December 2018 (Group)	**19,622,016**	**84,668,896**	**(303,718)**	**103,987,194**
Net increase of cooperative capital	92,124	127,485	**-**	**219,609**
(Purchases) / Sales of Own Cooperative Shares	-	-	**(172)**	**(172)**
Balance as at 31 December 2019 (Group)	**19,714,140**	**84,796,381**	**(303,890)**	**104,206,631**

During the fiscal year 2018 and following the decision of the General Meeting of Partners on 17.6.2018, the Bank proceeded with the increase of the cooperative capital at a sale price of € 6.5 per share.
As of 31.12.2018 € 3.7 million had been collected. The increase ended on 31.5.2019 with a total amount of around € 3.9 million.

NOTE 24: DEBT SECURITIES IN ISSUE

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Balance as at 1 January	**15,692,312**	**13,575,346**	**15,692,312**	**13,575,346**
Bond issues	5,900,000	2,110,000	5,900,000	2,110,000
Accrued interest	36,865	6,966	36,865	6,966
Balance as at 31 December	**21,629,177**	**15,692,312**	**21,629,177**	**15,692,312**

In 2019, the Bank proceeded with three issues of bonds with a nominal value of € 10,000 each, totaling € 5,900,000 with a private placement. More specifically, the Bank issued a bond of € 1.9 million on 30.06.2019 (General Meeting Decision of 17.06.2018), a bond of € 3 million on 31.10.2019 (General Meeting Decision of 14.07.2019) and finally a bond of € 1 million on 15.11.2019 (General Meeting Decision of 14.07.2019). The Bond Period was set at 7 years from the Issue Date while the coupon payment period was set bi-monthly, with interest rates of 4.75%. As in previous issues of the Bank, the bonds are unsecured and ranked after the fully-secured claims of all other creditors of the Bank. The capital will be repaid in one installment upon Bond maturity.

In June 2018 (General Meeting decision of 02.07.2017), the Bank raised an amount of € 2,110,000 (subdivided into 211 nominal bonds with a nominal value of € 10,000 and a market price of € 10,000), with private placement. The Bond Period was set at 7 years from the Issue Date while the coupon payment period was set bi-monthly. The annual nominal interest rate is 4.75% gross, fixed for the duration of the Bonds. Bonds are unsecured and ranked after the fully-secured claims of all other creditors of the Bank. The capital will be repaid in one installment upon Bond maturity.

The main reason why the Bank proceeds with the issuance of subordinated bonds is, among other things, the strengthening of its regulatory capital (Tier 2 Capital) and consequently of the total Capital Adequacy Ratio (CAR).

The net proceeds of the issue of subordinated bonds fell into the category of Tier II funds of the Bank, as defined by the Bank of Greece in accordance with Law 4261/2014 and Article 92 of Regulation 575/2013, with a view to enhancing the Bank's equity.

Characteristics of bonds	Terms						
	Issue 2015	***Issue 2016***	***Issue 2017***	***Issue 2018***	***Issue 2019***	***Issue 2019***	***Issue 2019***

	Subordinated Bond (Common)	Subordinated Bond (Common)	Subordinated Bond (Common)	Subordinated Bond (Common)	Subordinated Bond (Common)	Subordinated Bond (Common)	Subordinated Bond (Common)
	Terms	**Terms**	**Terms**	**Terms**	**Terms**	**Terms**	**Terms**
Date of issue	31/12/2015	30/12/2016	29/12/2017	15/6/2018	30/6/2019	31/10/2019	15/11/2019
Expiry date	31/12/2020	30/12/2021	29/12/2024	15/6/2025	30/6/2026	31/10/2026	15/11/2026
Years	5	5	7	7	7	7	7
Amount	9,000,000	2,500,000	2,070,000	2,110,000	1,900,000	3,000,000	1,000,000
Nominal value of the bond	1,000	10,000	10,000	10,000	10,000	10,000	10,000
Number of Bonds	9,000	250	207	211	190	300	100
Interest rate	6.50%	5.00%	4.75%	4.75%	4.75%	5.30%	5.30%
Payment of interest	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days	Bi-monthly / 365 days
Recognition in Tier 2 Supervisory Capital	Tier II	Tier II	Tier II	Tier II	Tier II	Tier II	Tier II

NOTE 25: TRANSACTIONS WITH RELATED PARTIES

	Group		Bank	
Amounts in EUR thous.	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Receivables	23,291.8	18,284.7	61,122.4	52,171.2
Liabilities	1,674.8	11,712.4	2,120.8	12,988.8
Letters of guarantee, contingent liabilities and other memo accounts	1,229.9	1,751.5	1,233.4	2,075.9

	Group		Bank	
	From 1.1 to		**From 1.1 to**	
Amounts in EUR thous.	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Income from interest, commissions and other income (Total)	1,243.5	1,451.1	4,784.2	3,078.1
Expenses from interest, commissions and other expenses (Total)	4.8	273.0	5.5	273.8

Fees and allowances to executives and board members of the Bank and the Group from 1 January to 31 December 2019 are as follows:

	Group		Bank	
Amounts in EUR thous.	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Board Members' Allowances - Representation to the Board	28.1	32.0	28.1	32.0
BoD Members Fees - SERVICE PROVISION (invoiced)	394.8	403.2	267.8	267.8
Remuneration of Bank Managerial Executives - Payroll	711.3	698.1	711.3	698.1
Amounts in EUR thous.	**1,134.2**	**1,133.3**	**1,007.2**	**997.9**

The intercompany transactions mentioned above have been made on market terms and on a purely commercial basis (arm's length transactions). Loans have been approved by the Bank's competent bodies and provided within the Bank's approved financing policies and procedures. Specifically, grants to associated parties:

(A) have been provided under the normal business context;
(B) included the same terms (interest rate, collateral) as similar loans granted to third parties in the same period;
(C) are regularly serviced and a provision has been made - in some cases - for their balances;
(D) do not contain a greater risk of default than usual.

NOTE 26: INVESTMENTS IN SUBSIDIARIES

	Group Voting percentage	
Subsidiary Name	**31.12.2019**	**31.12.2018**
CRETAN REAL ESTATE SA	74.46%	74.46%
CRETAN HOLDINGS SA	100.00%	100.00%
CHANIA HOLDINGS SA	100.00%	100.00%
BIOCHEM SA	79.88%	79.88%
ABEA	71.69%	69.65%
PRIME ENERGY GROUP OF COMPANIES SA	100.00%	100.00%

In 2019 there was no significant change in the rates and structure of the Bank's Group.

It is noted that the financial statements of the consolidated companies are included with the method of full consolidation in the consolidated financial statements of the Group and with the method of equity in the individual balance sheet of the Bank.

NOTE 27: HOLDINGS IN ASSOCIATED COMPANIES

	Group	
Amounts in EUR	**2019**	**2018**
Holding through CRETAN HOLDINGS SA		
Holding in "Milk Processing Industry SA"	25.00%	25.00%
Holding in "Chiotaki Bros SA"	48.98%	50.00%
Holding through "CRETAN PROPERTIES SA"		
Holding in "Chania Business Park SA"	40.00%	40.00%

In 2019, there were no significant changes in the rates of the Group's holdings in associated undertakings.

The following table shows the movements of holdings in 2019 and 2018:

	Group	
Amounts in EUR	**2019**	**2018**
Balance as at 1 January	**35,000**	**2,927,221**
Additions	800,000	-
Write-offs/Sales	(480,000)	-
Share in Profit/(Loss)	(184,650)	(400,392)

Other changes	-	(2,491,829)
Balance as at 31 December	**170,350**	**35,000**

In 2019, the additions and sales of a net amount of € 320 thousand related to the investment in the related company "Chania Business Park SA". For the fiscal year 2018, other changes in the movement of holdings in associates amounting to € 2.5 million relate to the classification of the investment in the "PRIME ENERGY SA" group in subsidiaries (note 26).
The share of losses of € 185 thousand and € 400 thousand for 2019 and 2018, respectively, results from the valuation of holdings using the equity method as applied by the Group (note 2.4.5.).

NOTE 28: FEES OF THE INDEPENDENT CERTIFIED PUBLIC AUDITOR/ACCOUNTANT

	Group		**Bank**	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Fees for statutory audit of financial statements	84,980	63,800	52,080	37,200
Fees for other audit services	12,960	10,000	4,960	2,000
Fees for non-audit services	4,740	-	1,240	-
Total	**102,680**	**73,800**	**58,280**	**39,200**

The audit company "UHY AXON Certified Auditors SA" was the statutory independent auditor-accountant for the years 2019 and 2018. The above table shows the total remuneration for the audit and other professional services provided to the Group by the statutory audit company "UHY AXON Certified Auditors SA".

NOTE 29: OTHER RESERVES

	Group		**Bank**	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Statutory reserve	2,614,059	2,614,059	2,614,059	2,614,059
Taxed	549,071	549,071	549,071	549,071
General reserve	983,698	983,698	983,698	983,698
Specific reserve	137,755	137,755	137,755	137,755
Other Reserves	168,301	201,502	147,935	178,917
Total	**4,452,885**	**4,486,085**	**4,432,519**	**4,463,500**

There were no significant changes in the reserves of the Group and the Bank in 2019. More specifically, the reduction of "other reserves" by € 33 thousand and € 31 thousand for the Group and the Bank respectively, is due to the provision for compensation of staff after taxes.

NOTE 30: NET INCOME FROM NON-BANKING OPERATIONS

	Group		**Bank**	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Rental of buildings	88,520	85,820	112,235	91,535
Safe-deposit box rentals	11,958	12,063	11,957	12,063
POS rentals	102,318	86,728	102,318	86,728

Grants for programs and NSRF program fees	13,305	23,806	13,305	23,806
Other income	8,431	21,803	8,431	21,803
Results from other non-banking operations	3,869,662	3,632,967	-	-
Total	**4,094,194**	**3,863,187**	**248,246**	**235,934**

The Group's "Results from other non-banking operations" for the fiscal year 2019 totaling around € 3.9 million (2018: € 3.6 million) mainly include the gross profit of the consolidated subsidiaries "ABEA" and "BIOCHEM" amounting to € 2.3 million and € 0.7 thousand respectively (2018: € 2.7 million and € 0.8 million respectively).

NOTE 31: INCOME TAX

The burden of the income statement is taxed as follows:

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Current Tax	(36,789)	-	-	-
Deferred Tax revenue/(expense)	(1,191,199)	(1,895,852)	(815,232)	(1,935,887)
Total	**(1,227,988)**	**(1,895,852)**	**(815,232)**	**(1,935,887)**

Deferred tax in the statement of comprehensive income is as follows:

	Group		Bank	
Amounts in EUR	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Difference from Depreciation of fixed assets	(30,266)	(127,499)	(3,469)	(16,606)
Result of write-off of assets	-	42,872	-	42,872
Credit impairment and other provisions	819,967	104,158	842,636	(130)
Reversal of interest income on loans	(1,870,796)	(2,045,303)	(1,870,796)	(2,045,303)
Investment Property Valuation	(699,615)	(100,000)	(654,274)	-
Real Estate Inventory Valuation	(92,884)	(23,542)	(70,066)	-
Provision for staff compensation	21,903	43,303	16,944	14,711
DTA derecognition of subsidiaries	(396,408)	-	-	-
Valuation of financial instruments at fair value	51,152	93,933	51,603	97,483
Loss/(Profit) share from Subsidiaries	870,018	411,323	870,018	411,323
Loss/(Profit) share from Associates	(24)	100,098	-	-
Investment Securities Valuation	21,544	(489,970)	(16,616)	(440,237)
Change in Tax Rate by 1%	79,669	136,786	-	-
Impact from recognition of rights of use (based on IFRS 16)	(31,163)	-	8,986	-
Current Income Tax	(36,789)	-	-	-
Other adjustments from temporary differences	65,704	(42,012)	9,801	-
Income tax	**(1,227,988)**	**(1,895,852)**	**(815,232)**	**(1,935,887)**

For the unaudited tax years of the Bank and the Group companies see Note 22b.

NOTE 32: EFFECT OF THE TRANSITION TO IFRS 16

IFRS 16 introduces a unified model for accounting on the part of the lessee, which provides for the recognition of the "right to use a leased asset" and the "lease liabilities", at the beginning of the lease, in case of a contract or part of a contract that gives the lessee the right to use an asset for a period of time for a price. The right to use a leased asset is initially measured at cost, which consists of the amount of the lease liability plus any rents paid to the lessor on or before the lease commencement date, less any incentive to the lessee received, the original estimation of recovery costs and initial direct costs incurred by the lessee, and is subsequently measured at cost less accumulated depreciation and impairment. The lease liability is initially recognized at the present value of the rents during the lease term which have not yet been paid. The difference is recognized in equity.

The Group applied IFRS 16 only to contracts that were previously recognized as leases under IAS 17 and IFRIC 4, using the recognition exception provided for short-term and low-value leases. During the first application of IFRS 16 on 01.01.2019, the Group and the Bank chose to measure the lease liabilities at the Bank's borrowing rate and, respectively, to set the value of the asset use rights at an equal value. Based on the above, the adoption of IFRS 16 on 01.01.2019 increased equally the "tangible fixed assets" as rights to use real estate and the "Other liabilities" as liabilities from leases by € 2.03 million and € 1.79 million for the Group and the Bank respectively, without any impact on Equity at the date of transition. The Group and the Bank have not restated the comparative financial figures, following the amended retrospective application of IFRS 16.

As at 31.12.2019, and in the context of the application of IFRS 16, the "Rent" account which is included in "General administrative and other operating expenses" is reduced by amount €427 thousand and € 409 thousand (concerning cases of leases that fall within the scope of IFRS 16), while at the same time the "Depreciation" expense of the year has been charged by amount €375 thousand and € 364 thousand and the financial expense by amount € 87 thousands and € 76 thousand for the Group and the Bank respectively.

NOTE 33: EVENTS AFTER THE BALANCE SHEET DATE

The growth perspective of the Greek economy was interrupted in the first quarter of 2020 by the pandemic caused by the coronavirus (COVID-19). The outbreak of the coronavirus pandemic is expected to negatively affect the global and national economy and to have a negative impact on the banking sector as well.

Compensatory measures taken to mitigate the negative effects of the pandemic:

In March 2020, the European Central Bank (ECB) has decided to apply a waiver from the general rule of eligibility of bonds for Greek government bonds with the new pandemic emergency bond purchase program of 750 billion euros that will last at least until the end of 2020.

The Eurogroup, taking advantage of the provisions of the Stability and Growth Pact on flexibility in the application of fiscal rules in the event of adverse economic developments due to emergencies, excludes, for all Member States, the budgetary implications of interim measures to deal with the pandemic of the coronavirus. Also, the expenses that will be borne by Greece to address the refugee crisis, will be excluded from the calculation of the target fiscal result of the country.

New supervisory measures have also been announced, including providing flexibility to banks to supervise government-secured loans.

The European Central Bank (ECB) has announced a series of measures to support the banking system, including capital relief mainly on the additional requirements of Pillar 2, as well as mitigating possible collateral rating downgrades.

The European Banking Authority (EBA) has decided to postpone the extreme banking simulation exercise for the EU until 2021, in order to allow banks to focus and ensure the continuity of their core business.

The effects of the coronavirus pandemic on the Bank's operations may be as follows:

1. withdrawal of deposits of corporations and households affected by the coronavirus,
2. increase in NPEs, due to the suspension of a large number of companies in the context of measures to reduce the disease as well as due to the decline of the tourism industry,

3. slowing down the procedures for the reduction of NPEs, in the context of securitization mechanisms and the sale of non-performing loans.

To compensate for the negative effects of the coronavirus due to the coronavirus, government facilities are provided to businesses and households such as direct liquidity, interest subsidies, tax deferrals, inactivity cost subsidies, measures aimed at strengthening the economy and protecting the productive assets, and which also contribute to maintaining the financial balance of the banking system.

The Bank is constantly monitoring the developments of the COVID-19 pandemic, as well as its possible effects on its financial statements, liquidity and capital adequacy, in order to be vigilant to take all appropriate measures for its smooth operation, as well to achieve its business objectives and to ensure its capital adequacy.

It is stated that the final impact of the pandemic on the Bank's activity depends on a number of parameters (duration of the health crisis, the extent of the spread of the virus all over the world and especially in our country, the decisions of supervisory authorities and European institutions, compensatory government measures, etc.), making it impossible to accurately estimate it.

Chania, 17 July 2020

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