NATIONAL BANK
OF GREECE

NBG Group

Interim Financial Statements

for the period ended 30 September 2020

November 2020

Table of Contents

Statement of Financial Position
as at 30 September 2020

€ million	Note	Group 30.09.2020	Group 31.12.2019
ASSETS			
Cash and balances with central banks	8	6,750	3,519
Due from banks		3,899	3,008
Financial assets at fair value through profit or loss		478	518
Derivative financial instruments		5,642	4,833
Loans and advances to customers	9	29,287	29,222
Investment securities	10	14,429	8,890
Investment property		140	152
Investments in subsidiaries		-	-
Equity method investments		22	8
Goodwill, software and other intangible assets		251	202
Property and equipment		1,688	1,722
Deferred tax assets		4,909	4,911
Current income tax advance		372	366
Other assets		2,204	2,444
Non-current assets held for sale	11	4,465	4,453
Total assets		**74,536**	**64,248**
LIABILITIES			
Due to banks	12	12,712	4,449
Derivative financial instruments		3,383	2,870
Due to customers	13	45,218	43,748
Debt securities in issue	14	1,364	1,365
Other borrowed funds	14	40	5
Deferred tax liabilities		13	11
Retirement benefit obligations		252	267
Current income tax liabilities		2	1
Other liabilities		2,559	2,773
Liabilities associated with non-current assets held for sale	11	3,547	3,482
Total liabilities		**69,090**	**58,971**
SHAREHOLDERS' EQUITY			
Share capital	16	2,744	2,744
Share premium account		13,866	13,866
Less: treasury shares	16	(1)	(1)
Reserves and retained earnings		(11,455)	(11,581)
Amounts recognised directly in equity relating to non-current assets held for sale		272	231
Equity attributable to NBG shareholders		**5,426**	**5,259**
Non-controlling interests		20	18
Total equity		**5,446**	**5,277**
Total equity and liabilities		**74,536**	**64,248**

Athens, 30 November 2020

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

The notes on pages 10 to 41 form an integral part of these interim financial statements

Income Statement
for the period ended 30 September 2020

€ million	Note	Group 9-month period ended 30.09.2020	 30.09.2019
Continuing Operations			
Interest and similar income		979	1,090
Interest expense and similar charges		(124)	(189)
Net interest income		**855**	**901**
Fee and commission income		268	258
Fee and commission expense		(80)	(73)
Net fee and commission income		**188**	**185**
Net trading income and results from investment securities		356	170
Gains arising from the derecognition of financial assets measured at amortised cost		517	100
Net other income / (expense)		(44)	(21)
Total income		**1,872**	**1,335**
Personnel expenses		(386)	(389)
General, administrative and other operating expenses		(139)	(147)
Depreciation and amortisation on investment property, property & equipment and software & other intangible assets		(112)	(87)
Credit provisions and other impairment charges	4	(656)	(285)
Restructuring costs	5	(98)	(110)
Profit before tax		**481**	**317**
Tax expense	6	(11)	(11)
Profit for the period from continuing operations		**470**	**306**
Discontinued Operations			
Profit / (loss) for the period from discontinued operations	11	**(8)**	**91**
Profit for the period		**462**	**397**
Attributable to:			
Non-controlling interests		1	18
NBG equity shareholders		**461**	**379**
Earnings per share (Euro) - Basic and diluted from continuing operations	7	**€0.51**	**€0.33**
Earnings per share (Euro) - Basic and diluted from continuing and discontinued operations	7	**€0.50**	**€0.41**

Athens, 30 November 2020

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

The notes on pages 10 to 41 form an integral part of these interim financial statements

Statement of Comprehensive Income
for the period ended 30 September 2020

€ million	Note	Group 9-month period ended 30.09.2020	 30.09.2019
Profit for the period		**462**	**397**
Other comprehensive income / (expense):			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale securities, net of tax		(43)	239
Investments in debt instruments measured at fair value through other comprehensive income ("FVTOCI"), net of tax		(203)	318
Currency translation differences, net of tax		(10)	1
Cash flow hedge, net of tax		(17)	(42)
Total of items that may be reclassified subsequently to profit or loss		**(273)**	**516**
Items that will not be reclassified subsequently to profit or loss:			
Investments in equity instruments measured at FVTOCI, net of tax		(40)	13
Total of items that will not be reclassified subsequently to profit or loss		**(40)**	**13**
Other comprehensive income / (expense) for the period, net of tax	17	**(313)**	**529**
Total comprehensive income for the period		**149**	**926**
Attributable to:			
Non-controlling interests		1	18
NBG equity shareholders		**148**	**908**

Athens, 30 November 2020

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

The notes on pages 10 to 41 form an integral part of these interim financial statements

Income Statement
for the period ended 30 September 2020

	Group	
	3 - month period ended	
€ million	30.09.2020	30.09.2019
Continuing Operations		
Interest and similar income	327	369
Interest expense and similar charges	(23)	(68)
Net interest income	**304**	**301**
Fee and commission income	97	94
Fee and commission expense	(32)	(29)
Net fee and commission income	**65**	**65**
Net trading income and results from investment securities	64	40
Gains arising from the derecognition of financial assets measured at amortised cost	-	87
Net other income / (expense)	(21)	(24)
Total income	**412**	**469**
Personnel expenses	(126)	(125)
General, administrative and other operating expenses	(44)	(50)
Depreciation and amortisation on investment property, property & equipment and software & other intangible assets	(37)	(38)
Credit provisions and other impairment charges	(75)	(82)
Restructuring costs	(4)	(5)
Profit before tax	**126**	**169**
Tax expense	(3)	(3)
Profit for the period from continuing operations	**123**	**166**
Discontinued operations		
Loss for the period from discontinued operations	(22)	(20)
Profit for the period	**101**	**146**
Attributable to:		
NBG equity shareholders	**101**	**146**
Earnings per share (Euro) - Basic and diluted from continuing operations	**€0.13**	**€0.19**
Earnings per share (Euro) - Basic and diluted from continuing and discontinued operations	**€0.11**	**€0.16**

Athens, 30 November 2020

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

Statement of Comprehensive Income
for the period ended 30 September 2020

	Group	
	3 - month period ended	
€ million	30.09.2020	30.09.2019
Profit for the period	**101**	**146**
Other comprehensive income / (expense):		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale securities, net of tax	(40)	64
Investments in debt instruments measured at fair value through other comprehensive income ("FVTOCI"), net of tax	57	141
Currency translation differences, net of tax	-	2
Cash flow hedge, net of tax	-	(21)
Total of items that may be reclassified subsequently to profit or loss	**17**	**186**
Items that will not be reclassified subsequently to profit or loss		
Investment in equity instruments at FVTOCI, net of tax	(4)	(5)
Total of items that will not be reclassified subsequently to profit or loss	**(4)**	**(5)**
Other comprehensive income for the period, net of tax	**13**	**181**
Total comprehensive income for the period	**114**	**327**
Attributable to:		
NBG equity shareholders	**114**	**327**

Athens, 30 November 2020

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

The notes on pages 10 to 41 form an integral part of these interim financial statements

Statement of Changes in Equity - Group

for the period ended 30 September 2020

	Attributable to equity holders of the parent company											
€ million	Share capital	Share premium	Treasury shares	Securities at FVTOCI	Currency translation reserve	Net investment hedge	Cash flow hedge	Defined benefit plans	Other reserves & retained earnings	Total	Non-controlling interests	Total
	Ordinary shares	Ordinary shares										
Balance at 31 December 2018 and at 1 January 2019	**2,744**	**13,866**	**-**	**90**	**12**	**(119)**	**-**	**(162)**	**(11,469)**	**4,962**	**676**	**5,638**
Impact of IFRS 16	-	-	-	-	-	-	-	-	4	**4**	-	**4**
Balance at at 1 January 2019 adjusted for IFRS 16 impact	**2,744**	**13,866**	**-**	**90**	**12**	**(119)**	**-**	**(162)**	**(11,465)**	**4,966**	**676**	**5,642**
Other Comprehensive Income/ (expense) for the period	-	-	-	570	1	-	(42)	-	4	**533**	-	**533**
Profit for the period	-	-	-	-	-	-	-	-	379	**379**	18	**397**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**-**	**570**	**1**	**-**	**(42)**	**-**	**383**	**912**	**18**	**930**
Acquisitions, disposals & share capital increases of subsidiaries/equity method investments	-	-	-	-	-	-	-	-	1	**1**	(659)	**(658)**
Dividend distribution	-	-	-	-	-	-	-	-	-	**-**	(15)	**(15)**
Balance at 30 September 2019	**2,744**	**13,866**	**-**	**660**	**13**	**(119)**	**(42)**	**(162)**	**(11,081)**	**5,879**	**20**	**5,899**
Movements to 31 December 2019	-	-	(1)	(39)	57	8	18	(29)	(634)	**(620)**	(2)	**(622)**
Balance at 31 December 2019 and at 1 January 2020	**2,744**	**13,866**	**(1)**	**621**	**70**	**(111)**	**(24)**	**(191)**	**(11,715)**	**5,259**	**18**	**5,277**
Other Comprehensive Income/ (expense) for the period	-	-	-	(267)	(10)	-	(17)	-	-	**(294)**	-	**(294)**
Gains/(losses) from equity instruments at FVTOCI reclassified to retained earnings	-	-	-	(19)	-	-	-	-	19	**-**	-	**-**
Profit for the period	-	-	-	-	-	-	-	-	461	**461**	1	**462**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**-**	**(286)**	**(10)**	**-**	**(17)**	**-**	**480**	**167**	**1**	**168**
Acquisitions, disposals & share capital increases of subsidiaries/equity method investments	-	-	-	-	-	-	-	-	-	**-**	1	**1**
Balance at 30 September 2020	**2,744**	**13,866**	**(1)**	**335**	**60**	**(111)**	**(41)**	**(191)**	**(11,235)**	**5,426**	**20**	**5,446**

The notes on pages 10 to 41 form an integral part of these interim financial statements

Cash Flow Statement
for the period ended 30 September 2020

	Group	
	9-month period ended	
€ million	30.09.2020	30.09.2019
Cash flows from operating activities		
Profit / (loss) before tax	**483**	**421**
Adjustments for:		
Non-cash items included in income statement and other adjustments:	**(6)**	**(3)**
Depreciation and amortisation on investment property & equipment and intangibles	112	92
Amortisation of premiums /discounts of investment securities, debt securities in issue and borrowed funds	25	(13)
Credit provisions and other impairment charges	812	328
Provision for employee benefits	10	22
Result from fair value and cash flow hedges	(34)	29
Dividend income from investment securities	(7)	(4)
Net (gain) / loss on disposal of property & equipment and investment property	(12)	-
Net (gain) / loss on disposal of subsidiaries	-	(90)
Net (gain) / loss on disposal of investment securities	(401)	(338)
Gain on exchange of Greek Government Bonds	(515)	-
Accrued interest from financing activities and results from repurchase of debt securities in issue	(5)	16
Valuation adjustment on instruments designated at fair value through profit or loss	-	(61)
Negative goodwill	-	(3)
Other non-cash operating items	9	19
Net (increase) / decrease in operating assets:	**(2,529)**	**(2,615)**
Mandatory reserve deposits with Central Bank	17	(66)
Due from banks	(1,392)	(1,167)
Financial assets at fair value through profit or loss	24	836
Derivative financial instruments assets	(794)	(1,950)
Loans and advances to customers	(614)	(3)
Other assets	230	(265)
Net increase / (decrease) in operating liabilities:	**9,838**	**(1,068)**
Due to banks	8,258	(2,823)
Due to customers	1,433	(124)
Derivative financial instruments liabilities	408	1,155
Retirement benefit obligations	(23)	(45)
Insurance related reserves and liabilities	48	241
Income taxes (paid) / received	(19)	(35)
Other liabilities	(267)	563
Net cash from / (for) operating activities	**7,786**	**(3,265)**
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	-	(55)
Disposals of subsidiaries, net of cash disposed	55	319
(Acquisition) / Disposal of equity method investments	(14)	(6)
Dividends received from investment securities & equity method investments	7	4
Purchase of investment property, property & equipment and intangible assets	(114)	(78)
Proceeds from disposal of property & equipment and investment property	45	1
Purchase of investment securities	(11,830)	(8,860)
Proceeds from redemption and sale of investment securities	7,223	8,850
Net cash (used in) / provided by investing activities	**(4,628)**	**175**
Cash flows from financing activities		
Proceeds from debt securities in issue and other borrowed funds	51	715
Repayments of debt securities in issue, other borrowed funds and preferred securities	(16)	(117)
Principal elements of lease payments	(43)	(13)
Proceeds from disposal of treasury shares	13	21
Repurchase of treasury shares	(13)	(21)
Dividends paid to non-controlling interests	-	(15)
Net cash from/ (for) financing activities	**(8)**	**570**
Effect of foreign exchange rate changes on cash and cash equivalents	(3)	3
Net increase / (decrease) in cash and cash equivalents	**3,147**	**(2,517)**
Cash and cash equivalents at beginning of period	4,148	6,453
Cash and cash equivalents at end of period	**7,295**	**3,936**

The notes on pages 10 to 41 form an integral part of these interim financial statements

NOTE 1: General information

National Bank of Greece S.A. (hereinafter "NBG" or the "Bank") was founded in 1841 and its shares have been listed on the Athens Exchange since 1880. The Bank's headquarters are located at 86 Eolou Street, 10559 Athens, Greece, (Register number G.E.MH. 237901000), tel. (+30) 210 334 1000, www.nbg.gr. By resolution of the Board of Directors, the Bank can establish branches, agencies and correspondence offices in Greece and abroad. In its 179 years of operation, the Bank has expanded on its commercial banking business by entering into related business areas. The Bank and its subsidiaries (hereinafter the "Group") provide a wide range of financial services including mainly retail, corporate and investment banking, non-performing management, transactional banking, leasing, factoring, brokerage, asset management, real estate management and insurance services. The Group operates mainly in Greece, UK, North Macedonia, Romania, Bulgaria, Cyprus, Malta, Egypt and Luxembourg.

The Board of Directors ("BoD") consists of the following members:

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

The Chief Executive Officer
Pavlos K. Mylonas

Executive Members (1)
Christina T. Theofilidi

Independent Non-Executive Members (4)
Gikas A. Hardouvelis — Senior Independent Director
Claude Edgar L.G.Piret
Avraam C. Gounaris
Anne Clementine L. Marion-Bouchacourt (2)
Wietze J.P. Reehoorn
Elena Ana E.V. Cernat

Non-Executive Members
Aikaterini K. Beritsi (3)
JP Rangaswami (5)

Hellenic Financial Stability Fund representative
Periklis F. Drougkas

(1) On 30 January 2020, at the Board of Directors meeting, the resignation of Mr. Dimitrios N. Kapotopoulos from his position as executive member of the Board of Directors was announced.

(2) On 1 April 2020, at the Board of Directors meeting, Mrs. Anne Clementine L. Marion-Bouchacourt was elected as new independent non-executive member of the Board of Directors.

(3) At the meeting of the Board of Directors held on 16 April 2020, it was decided to functionally abolish the position of Vice Chair of the Board of Directors, held until that day by Mrs. Aikaterini K. Beritsi, who continues serving as non-executive member of the Board of Directors.

(4) On 2 September 2020, at the Board of Directors meeting, the resignation of Mr. Andrew J. McIntyre from his position as independent non-executive member of the Board of Directors was announced.

(5) On 22 October 2020, at the Board of Directors meeting, Mr. JP Rangaswami was elected as new non-executive member of the Board of Directors.

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

These interim financial statements have been approved for issue by the Bank's Board of Directors on 30 November 2020.

NOTE 2: Summary of significant accounting policies

2.1 Basis of preparation

The condensed consolidated interim financial statements as at and for the nine-month period ended 30 September 2020 (the "interim financial statements") have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. These interim financial statements include selected explanatory notes and do not include all the information required for full annual financial statements. Therefore, the interim financial statements should be read in conjunction with the consolidated and separate annual financial statements as at and for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union (the "EU").

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim period, except for the adoption of new and amended standards as set out in section 2.3 "*Adoption of International Financial Reporting Standards ("IFRS")"*.

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

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

In connection with reviewing the Group's financial condition in light of the Coronavirus ("COVID-19") pandemic , the Group evaluated its assets, including intangibles and equity investments, for potential impairment, and reviewed fair values of financial instruments that are carried at fair value. Based upon our review as of 30 September 2020, no significant impairments have been recorded and there have been no significant changes in fair values nor in the fair value hierarchy classifications.

The Coronavirus ("COVID-19") pandemic however, has increased the charge for expected credit losses ("ECL") relating to loans and advances to customers at amortised cost for the interim period. (see Note 4 "Credit provisions and other impairment charges" and section 2.4 "Critical judgements and estimates").

2.2 Going concern

Going concern conclusion

After considering (a) the current level of European Central Bank ("ECB") funding solely from Targeted Long-term Refinancing Operations ("TLTROs") and the current access to the Eurosystem facilities with significant collateral buffer and Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") well above 100% (b) the Group's Common Equity Tier 1 ("CET1") ratio at 30 September 2020 which exceeded the Overall Capital Requirements ("OCR"), and (c) the extensive and continuous fiscal and monetary support of the European and Greek authorities in response to the unprecedented COVID-19 crisis (see Note 22 "*Risks and responses related to the COVID-19 crisis*"), the Board of Directors concluded that the Group is a going concern and thus the application of the going concern principle for the preparation of these interim financial statements is appropriate.

Liquidity

As at 30 September 2020, funding from the ECB increased by €8.3 billion through TLTROs at €10.5 billion (31 December 2019: €2.2 billion, solely TLTRO$_S$). As of 30 September 2020, the Bank's secure interbank transactions with foreign financial institutions amounted to €0.5 billion, while the Bank's liquidity buffer stood at €15.2 billion (cash value), with the LCR and NSFR ratios well above 100%.

Capital adequacy

The Group's Common Equity Tier 1 ("CET1") and Total Capital ratios at 30 September 2020 were 14.5% and 15.4% respectively (pro-forma ratios including profit for the period: 15.9% and 16.9% respectively), exceeding the 2020 OCR of 11.5% post capital relief measures (see Note 19 "*Capital Adequacy*").

Macroeconomic developments

The COVID-19 pandemic continues to inflict high and rising human costs worldwide, leading the European and global economy to a sharp recession, which started in March 2020 and continues until today. Following an unprecedented Gross Domestic Product ("GDP") contraction in Q2:2020, economic trends showed signs of improvement, assisted by the easing of measures to contain the COVID-19 pandemic and the coordinated reaction of fiscal and monetary policies to cushion the impact on the labor market and business conditions. Similar trends have been observed in Greece with economic activity picking up in Q3:2020 on a quarterly basis, following a sharp shrinkage in Q2:2020, assisted by the launch of an ambitious €15.6 billion set of fiscal support and loan guarantee measures to cushion the drop in economic activity and enhance liquidity.

However, there are increasing signs that the recovery started to lose momentum by the end of Q3:2020, as epidemic trends showed clear signs of deterioration, with an increasing number of European countries, including Greece, deferring the reopening of their economies and/or starting to reinstate partial/targeted protective restrictions.

In this environment, Greek GDP suffered a decline of historical proportions in Q2:2020 (-15.2% year-over-year ("y-o-y"), -14.0% quarter-over quarter ("q-o-q" s.a.), against a backdrop of high uncertainty and the enforcement of restrictions on a wide range of activities, in order to limit the spread of the COVID-19 pandemic. Specifically, private consumption decreased by 11.6% y-o-y in Q2:2020, reflecting the fact that a significant share of retail trade and service activities were closed in April-May, whereas gross fixed capital formation decreased by 10.3% y-o-y in Q2:2020, despite the speeding up of public investment (+16.9% y-o-y). Furthermore, total exports declined by 32.1% y-o-y, dragged down by the collapse in tourism revenue (-98.1% y-o-y in Q2:2020).

Labor market conditions deteriorated at a slower pace than-initially-expected, as Government measures to support income and employment absorbed part of the pressure. Accordingly, the unemployment rate increased to 18.0% in June 2020 from 14.3% in March 2020 and declined to 16.8% in July 2020, whereas employment declined by 1.7% y-o-y in this month (loss of c. 65K employment positions on an annual basis).

Notably, the real estate market remained resilient, with house prices increasing by 6.6% y-o-y in Q1:2020 and by 4.1% y-o-y in Q2:2020, pointing to a sustainable rebalancing of demand and supply in this market.

As regards developments in Q3:2020, Greece was able to capitalize on the successful management of the initial phase of the pandemic, when the country succeeded in containing the spread of the disease and minimize the loss of human lives. Thus, the timely lifting of most of the restrictions in May-June led to a notable improvement in economic trends, with coincident and forward looking indicators showing a significant improvement in June-July (average monthly increases in business turnover, manufacturing production and retail trade of 12.5%, 6.6% and 6.0%, respectively, in this period). Even the pace of decline in tourism revenue slowed to -65.9% y-o-y in August from -91.2% in March-July 2020, responding positively to the lifting of the most part of travel restrictions in mid-July.

However, a deterioration in epidemic trends started in late-August 2020 and became more acute in September 2020 and October 2020, posing downside risks to the economic performance for the rest of the year, as indicated by the weakening in economic sentiment and mobility indicators for this period.

Unsurprisingly, the fiscal position deteriorated sharply, due to extraordinary interventions to ameliorate the COVID-19 shock. On this note, the Draft Budget 2021 expects a primary deficit in General Government of 6.2% of GDP in 2020, compared with a primary surplus of 3.5% in 2019. For 2021 the Draft Budget envisages a significantly lower primary deficit (-1.0% of GDP), since the burden of the most part of extraordinary measures enacted during 2020 will disappear, while a strong rebound in GDP (+7.5% y-o-y) is expected to support revenue.

Against this backdrop, the IMF (World Economic Outlook, October 2020) projects that Greece's GDP will decline by 9.5% y-o-y in 2020 and increase by 4.1% y-o-y in 2021 (compared with the April 2020 projections for a GDP drop of 10.0% y-o-y in 2020 and an increase of 5.1% y-o-y in 2021) assuming a tighter fiscal stance in 2021. The EU Commission (European Commission 2020, Summer Interim Forecast), expects Greece's GDP to decline by 9.0% y-o-y in 2020, before recovering by 6.0% y-o-y in 2021.

However, worsened epidemic trends in October-November 2020 led to a reintroduction of protective restrictions on economic and social activity at a national level for three weeks, starting from 7 November 2020, posing significant downside risks to GDP growth for the rest of the year and could amplify the recessionary hit on households and businesses. These risks could be partly offset by a new set of fiscal measures announced in early November.

Albeit downside risks for the economic activity are increasing for the rest of the year and could be possibly carried to some extend in early 2021 as well, the agreement for the EU "Recovery Plan" ("NGEU") could act as an important catalyst for Greece's growth potential in the medium term. Greece is among the top beneficiaries of the plan, with the maximum amount of grants under the NGEU reaching €19.3 billion in 2021-2026 (c. 1.5% of GDP, on average, per annum in 2021-2026), while loans could amount up to €12.7 billion (c. 1.0% of GDP, on average, per annum in 2021-2026).

2.3 Adoption of International Financial Reporting Standards (IFRS)

Amendments to existing standards and the conceptual framework effective from 1 January 2020

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

-Definition of Material - Amendments to IAS 1 and IAS 8 (effective for annual periods beginning on 1 January 2020, as issued by the IASB). In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The adoption of the amendments did not have a material impact on the Group's consolidated interim financial statements.

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

The amendments to existing standards and the Framework effective from 1 January 2020 have been endorsed by the EU.

New standards and amendments to existing standards effective after 2020

New standard

-IFRS 17 *Insurance Contracts* (effective for annual periods beginning on or after 1 January 2023, as issued by the IASB). IFRS 17 was issued in May 2017, including amendments issued in June 2020 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

The Group is in the process of implementing IFRS 17 and is currently assessing the impact of adopting this Standard and the proposed amendments.

Amendments

-IFRS 16 (Amendment): COVID-19-Related Rent Concessions (effective for annual periods beginning on or after 1 June 2020 and effective for the consolidated financial statements from 1 January 2021). The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications. The amendments are mandatory for annual reporting periods beginning on or after 1 June 2020 and thus for the consolidated interim financial statements from 1 January 2021. Earlier application is permitted, including interim or year-end financial statements not yet authorized for issue on 28 May 2020.

-IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendment): Interest Rate Benchmark Reform — Phase 2 (effective for annual periods beginning on 1 January 2021, as issued by the IASB). The amendments introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition. The Group is currently evaluating the impact of adoption of this amendment on its financial statements.

It should be noted that on 27 July 2020, the interest rate curve used for discounting the Euro denominated interest rate swap derivatives centrally cleared through London Clearing House ("LCH"), EUREX and CME changed from EONIA to €STR. This has changed the fair value of the derivatives with a compensating cash payment or receipt from or to the respective clearing houses, so there is no value transfer. The change of the interest rate curve used for discounting did not have an impact on the consolidated income statement.

-Reference to the Conceptual Framework - Amendments to IFRS 3 Business Combinations (effective for annual periods beginning on 1 January 2022, as issued by the IASB). The amendments update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

-Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16 (effective for annual periods beginning on 1 January 2022, as issued by the IASB). The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

-Onerous Contracts: Cost of Fulfilling a Contract - Amendments to IAS 37 (effective for annual periods beginning on 1 January 2022, as issued by the IASB). The amendments specify which costs a company includes when assessing whether a contract will be loss-making.

-IFRS 4 (Amendment): Extension of the Temporary Exemption from Applying IFRS 9 (effective for annual periods beginning on or after 1 January 2023). The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

-IAS 1 (Amendment): Classification of liabilities as current or non-current (effective for annual periods beginning on or after 1 January 2023). The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment Classification of liabilities as current or non-current was issued in January 2020 and was effective for annual reporting periods beginning on or after 1 January 2022. However, in response to the COVID-19 pandemic, the IASB has deferred the effective date by one year to provide companies with more time to implement any classification changes resulting from those amendments. Classification of Liabilities as Current or Non-current is now effective for annual reporting periods beginning on or after 1 January 2023. Although the consolidated statement of financial position of the Group is presented on a liquidity basis, this amendment makes clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

-Annual Improvements to IFRS Standards 2018–2020 Cycle (effective for annual periods beginning on or after 1 January 2022, as issued by the IASB). The amendments applicable to the Group are:

IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability. Only fees paid or received between the entity (the borrower) and the lender are included, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16: Lease Incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor, in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The amendments to existing standards effective after 2020 have not yet been endorsed by the EU, except for the IFRS 16 amendment for COVID-19-Related Rent Concessions which has been endorsed by the EU.

Amendment adopted by the Group in prior periods

-Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendment to IFRS 4). The amendment, which has been endorsed by the EU, introduces two approaches. The amended standard will: a) give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued (i.e. the difference between the amounts that would be recognized in profit or loss in accordance with IFRS 9 and the amounts recognized in profit or loss in accordance with IAS 39) – "overlay approach" and b) give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021 – "deferral approach". The entities that defer the application of IFRS 9 will continue to apply IAS 39.

The Amendment 'Extension of the Temporary Exemption from Applying IFRS 9' (effective for annual periods beginning on or after 1 January 2021) would extend the expiry date of the extension described above from 1 January 2021 to 1 January 2023.

The Group has elected to defer the provisions of IFRS 9 for its insurance subsidiary, Ethniki Hellenic General Insurance S.A. ("NIC"), as allowed by Commission Regulation (EU) 2017/1988 to the adoption date of IFRS 17 from 1 January 2018 to 1 January 2021. If the EU endorses the Amendment to IFRS 4 Extension of the Temporary Exemption from Applying IFRS 9, then the Group may choose to defer the provisions of IFRS 9 for its insurance subsidiary, NIC, to 1 January 2023.

As of 30 September 2020, NIC was classified as a discontinued operation and shall continue applying the requirements of IAS 39.

2.4 Critical judgments and estimates

In preparing these interim financial statements for the nine-month period ended 30 September 2020, the critical judgements and estimates made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those applied to the annual consolidated statements as at and for the year ended on 31 December 2019, except for:

Forward-looking information

For the nine-month ended 30 September 2020, economic conditions remained extremely challenging, following an unprecedented deterioration in the economic outlook related to the COVID-19 pandemic and the application of extensive containment measures in Q2.2020. The sharp contraction in economic activity and the worsened labor market conditions mainly affect the ECL allowance, with key economic factors showing a sharp, albeit transitory, deterioration according to the consensus and official sector forecasts. GDP recorded an unprecedented contraction in the second quarter, which is estimated to have continued, at a slower pace, in the third quarter of 2020 (on an annual basis). More specifically, under the baseline scenario the estimation of GDP envisages a recessionary environment in FY:2020 with the annual decline reaching 7.2%, whereas a recovery is envisaged for 2021 with the annual GDP growth rate at 7.4% y-o-y. GDP contraction in 2020, directly or indirectly, affects the whole spectrum of projected macro variables which are conditioned on the GDP path, including the House Price Index ("HPI"). HPI growth is assumed to remain zero between the third quarter of 2020 and the fourth quarter of 2021 in the baseline and optimistic scenarios, while in the adverse scenario it is estimated to decline by -7.6% y-o-y on average, in view of the significant role of non-modelled factors affecting this market. In the adverse scenario, HPI is estimated to increase by 1.1% y-o-y in FY:2020 – including actual data for H1.2020 that recorded an average appreciation of 5.4% y-o-y – and then decline significantly in 2021-2024 (by -3.0% y-o-y on average, per annum), while in the baseline and optimistic scenario for HPI envisages an increase by 4.1% y-o-y per annum, on average, in the period 2021-2024. All three scenarios incorporate the effect of COVID-19 on the macroeconomic outlook, with differences mainly reflecting the assumptions regarding the strength of recovery in 2021. As a result, the probability weightings of the three forward-looking macroeconomic scenarios, i.e. baseline, optimistic and pessimistic, remained identical to those of 31 December 2019. More specifically, a probability weighting of 55%, 20% and 25% was assigned, respectively.

The macroeconomic variables utilized by the Bank relate to Greek economic factors, while the ECL allowance is mainly driven by the changes in GDP and HPI.

The annual average 2020-2024 forecasts of GDP growth under the baseline, optimistic and adverse scenarios are 2.1%, 3.6% and -2.2% respectively, while the annual change in HPI is 3.8% under the baseline and optimistic scenarios (which are assumed to be identical) and -2.2% in the adverse. The Group's approach for estimating the impairment charge for ECL of loans and advances to customers in 9M 2020 included qualitative overlays to the IFRS 9 models' output. These overlays aim at reducing the excessive procyclicality embedded in the models, due to the unprecedented front-loaded shock to GDP, in line with accounting and regulatory guidance, as well as overlays for information not fully captured by the models, such as sectors of the economy that were not affected by COVID-19.

The Group has exercised critical judgment in its best efforts to consider all reasonable and supportable information available at the time of the assessment with regard to the ECL allowance as at 30 September 2020 (see Note 9 "Loans and advances to customers"), given the restrictions posed by the unprecedented levels of uncertainty on the macroeconomic outlook due to the negative effects of COVID-19, which are expected to remain significant until, at least, the end of 2020.

There are still many unknowns, including the duration of the impact of COVID-19 on the economy and the results of the government fiscal and monetary actions of the ECB, along with the potential implications and the eventual debtors' response to the prospective phasing out of existing payment deferral programs (see Note 22 "*Risks and responses related to the Covid-19 outbreak*"). The Group will continue to evaluate the ECL allowance and the related economic outlook each quarter so that any changes arising from the uncertainty on the macroeconomic outlook can be timely captured.

NOTE 3: Segment reporting

The Group manages its business through the following business segments:

Retail banking

Retail banking includes all individual customers, professionals, small-medium and small-sized companies (companies with annual turnover of up to €2.5 million). The Bank, through its extended network of branches and digital business, offers to its retail customers various types of loans (mortgage, consumer and small business lending), cards (debit, credit and prepaid cards), deposit, investment and bancassurance products, as well as a wide range of other traditional services and products.

Corporate & investment banking

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

Special Assets Unit ("SAU")

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

Global markets and asset management

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

Insurance

The Group offers a wide range of insurance products through its subsidiary company, NIC and other subsidiaries in SEE. NIC is classified as Held for Sale and Discontinued Operations (see Note 11 "*Assets and liabilities held for sale and discontinued operations*").

International banking operations

The Group's international banking activities include a wide range of traditional commercial banking services, such as commercial and retail credit, trade financing, foreign exchange and taking of deposits. In addition, the Group offers shipping finance, investment banking and brokerage services through certain of its foreign branches and subsidiaries. Non-current assets held for sale at 30 September 2020 and 31 December 2019 comprise of NBG Cyprus Ltd and CAC Coral Ltd. Statement of Financial Position as of 31 December 2019 has been re-presented to exclude the Network in Egypt ("NBG Egypt") from held for sale line to specific asset and liability lines. The profit or losses from discontinued operations for the period ended 30 September 2020, include NBG Cyprus Ltd and CAC Coral Ltd. The comparative profit or loss from discontinued operations includes Banca Romaneasca S.A. ("Romaneasca", "Brom"), NBG Cyprus Ltd, and has been re-presented to also include CAC Coral Ltd (which was classified as discontinued operations in December 2019) and exclude NBG Egypt (which was reclassified as continuing operations in June 2020).

Other

Includes proprietary real estate management, warehousing business as well as unallocated income and expense of the Group (interest expense of subordinated debt, loans to personnel etc.) and intersegment eliminations. The comparative profit or loss from discontinued operations includes NBG Pangaea REIC (currently Prodea Investments S.A.). The disposal of NBG Pangaea REIC was completed on 23 May 2019 (see Note 43 "Acquisitions, disposals and other capital transactions" of the Annual Financial Statements as incorporated in the 2019 Annual Financial Report).

Breakdown by business segment

9 - month period ended 30.09.2020	Retail Banking	Corporate & Investment Banking	SAU	Global markets & Asset Management	Insurance	International Banking Operations	Other	Group
Net interest income	264	337	66	143	-	44	1	**855**
Net fee and commission income	101	62	2	13	-	9	1	**188**
Other	(21)	4	(5)	875	-	-	(24)	**829**
Total income	**344**	**403**	**63**	**1,031**	**-**	**53**	**(22)**	**1,872**
Direct costs	(264)	(31)	(9)	(22)	-	(35)	(47)	**(408)**
Allocated costs and provisions(1)	(546)	(87)	(141)	(23)	-	(4)	(182)	**(983)**
Profit / (loss) before tax	**(466)**	**285**	**(87)**	**986**	**-**	**14**	**(251)**	**481**
Tax expense								**(11)**
Profit for the period from continuing operations								**470**
Non-controlling interests								**(1)**
Profit/(loss) for the period from discontinued operations					(1)	(7)	-	**(8)**
Profit attributable to NBG equity shareholders								**461**
Depreciation and amortisation(1)	54	3	1	2	-	6	46	**112**
Credit provisions and other impairment charges	428	65	126	16	-	4	17	**656**

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

Breakdown by business segment

9 - month period ended 30.09.2019	Retail Banking	Corporate & Investment Banking	SAU	Global markets & Asset Management	Insurance	International Banking Operations	Other	Group
Net interest income	301	333	87	132	-	50	(2)	**901**
Net fee and commission income	90	66	3	14	-	11	1	**185**
Other	(22)	(11)	(2)	278	-	(4)	10	**249**
Total income	**369**	**388**	**88**	**424**	**-**	**57**	**9**	**1,335**
Direct costs	(293)	(30)	(10)	(25)	-	(33)	(22)	**(413)**
Allocated costs and provisions(1)	(357)	10	(36)	12	-	(45)	(189)	**(605)**
Profit / (loss) before tax	**(281)**	**368**	**42**	**411**	**-**	**(21)**	**(202)**	**317**
Tax benefit / (expense)								**(11)**
Profit for the period from continuing operations								**306**
Non controlling interests								**(18)**
Profit / (loss) for the period from discontinued operations	-	-	-	-	46	(15)	60	**91**
Profit attributable to NBG equity shareholders								**379**
Depreciation, amortisation (1)	58	3	1	3	-	3	19	**87**
Credit provision and other impairment charges	227	(33)	18	(20)	-	49	44	**285**

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

Breakdown by business segment

	Retail Banking	Corporate & Investment Banking	SAU	Global Markets & Asset Management	Insurance	International Banking Operations	Other	Group
Segment assets as at 30 September 2020								
Segment assets	13,486	13,345	996	30,619	-	2,282	4,062	**64,790**
Current income tax advance and deferred tax assets								**5,281**
Non-current assets held for sale	77	247	-	-	3,595	546	-	**4,465**
Total assets								**74,536**
Segment liabilities as at 30 September 2020								
Segment liabilities	37,006	3,669	180	19,349	-	1,480	3,844	**65,528**
Current income and deferred tax liabilities								**15**
Liabilities associated with non-current assets held for sale	-	-	-	-	2,950	597	-	**3,547**
Total liabilities								**69,090**

	Retail Banking	Corporate & Investment Banking	SAU	Global Markets & Asset Management	Insurance	International Banking Operations	Other	Group
Segment assets as at 31 December 2019								
Segment assets	14,356	12,432	1,163	20,033	-	2,477	4,057	**54,518**
Current income tax advance and deferred tax assets								**5,277**
Non-current assets held for sale	95	296	-	-	3,441	606	15	**4,453**
Total assets								**64,248**
Segment liabilities as at 31 December 2019								
Segment liabilities	36,343	3,229	148	10,430	-	1,668	3,660	**55,478**
Current income and deferred tax liabilities								**11**
Liabilities associated with non-current assets held for sale	-	-	-	-	2,831	651	-	**3,482**
Total liabilities								**58,971**

NOTE 4: Credit provisions and other impairment charges

	Group	
Continuing Operations	30.09.2020	30.09.2019
a. Impairment charge for expected credit losses ("ECL")		
Loans and advances to customers at amortised cost	630	232
Net modification loss	10	28
	640	**260**
b. Impairment charge for securities		
Investment in debt instruments	16	(20)
	16	**(20)**
c. Other provisions and impairment charges		
Impairment of investment property, property and equipment, software & other intangible assets and other assets	(3)	-
Legal and other provisions	3	45
	-	**45**
Total	**656**	**285**

Group impairment charge for ECL of €640 million includes the total anticipated COVID-19 impact of €429 million.

NOTE 5: Restructuring cost

For the nine month period ended 30 September 2020 restructuring costs for the Group include a provisional cost of €90 million for the 2020 Voluntary Exit Scheme ("VES") and €8 million direct expenditure incurred relating to the Transformation Program.

On 9 November 2020, the Bank announced to its employees the terms of the VES. The deadline for applications is until 4 December 2020.

For the nine month period ended 30 September 2019 restructuring costs for the Group included €94 million cost for the 2019 Voluntary Exit Scheme and €16 million direct expenditure incurred relating to the Transformation Program.

NOTE 6: Tax benefit /(expense)

	Group	
Continuing Operations	30.09.2020	30.09.2019
Current tax	(8)	(10)
Deferred tax	(3)	(1)
Tax benefit / (expense)	**(11)**	**(11)**

The nominal corporation tax rate for the Bank for 2020 and 2019 is 29%. Following Greek Law 4646/2019, the withholding tax on dividends distributed from 1 January 2020 onwards is decreased from 10% to 5%.

The unaudited tax years of the Group's investments accounted for by applying the equity method of accounting and subsidiaries are presented in Note 21 "*Group companies*".

Based on Greek Law 4646/2019 effective from 2019, the corporate income tax rate for legal entities, other than credit institutions, was reduced to 24%.

NOTE 7: Earnings per share

	Group	
	9-month period ended	
	30.09.2020	30.09.2019
Profit for the period attributable to NBG ordinary shareholders from continuing operations	**469**	**305**
Profit / (loss) for the period from discontinued operations	(8)	74
Profit for the period attributable to NBG ordinary shareholders from continuing and discontinued operations	**461**	**379**
Weighted average number of ordinary shares outstanding for basic and diluted EPS	**914,544,895**	**914,506,687**
Earnings per share (Euro) - Basic and diluted from continuing operations	**0.51**	**0.33**
Earnings per share (Euro) - Basic and diluted from continuing and discontinued operations	**0.50**	**0.41**

NOTE 8: Cash and balances with central banks

During the nine-month period ended 30 September 2020, cash and balances with central banks increased by €3.2 billion as a result of ECB funding and the increase in "Due to customers".

NOTE 9: Loans and advances to customers

	Group	
	30.09.2020	31.12.2019
Loans and advances to customers at amortised cost		
Mortgages	13,782	14,503
Consumer loans	2,247	2,333
Credit cards	480	539
Small business lending	2,020	2,078
Retail lending	**18,529**	**19,453**
Corporate and public sector lending	16,379	15,403
Total before ECL allowance on loans and advances to customers	**34,908**	**34,856**
Less: ECL allowance on loans and advances to customers at amortised cost	(5,727)	(5,761)
Net carrying amount of loans and advances to customers at amortised cost	**29,181**	**29,095**
Loans and advances to customers mandatorily measured at fair value through profit or loss ("FVTPL")	**106**	**127**
Total loans and advances to customers	**29,287**	**29,222**

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

As at 30 September 2020	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL	Total
Loans and advances to customers at amortised cost				
Mortgages				
Gross carrying amount	4,890	3,036	5,856	13,782
ECL allowance	(46)	(119)	(2,257)	(2,422)
Net carrying amount	**4,844**	**2,917**	**3,599**	**11,360**
Consumer loans				
Gross carrying amount	1,249	349	649	2,247
ECL allowance	(26)	(64)	(488)	(578)
Net carrying amount	**1,223**	**285**	**161**	**1,669**
Credit Cards				
Gross carrying amount	428	11	41	480
ECL allowance	(4)	-	(40)	(44)
Net carrying amount	**424**	**11**	**1**	**436**
Small business lending				
Gross carrying amount	463	561	996	2,020
ECL allowance	(26)	(102)	(749)	(877)
Net carrying amount	**437**	**459**	**247**	**1,143**
Corporate lending				
Gross carrying amount	12,522	777	2,605	15,904
ECL allowance	(112)	(59)	(1,606)	(1,777)
Net carrying amount	**12,410**	**718**	**999**	**14,127**
Public sector lending				
Gross carrying amount	285	151	39	475
ECL allowance	(2)	(5)	(22)	(29)
Net carrying amount	**283**	**146**	**17**	**446**
Total loans and advances to customers at amortised cost				
Gross carrying amount	19,837	4,885	10,186	34,908
ECL allowance	(216)	(349)	(5,162)	(5,727)
Net carrying amount of loans and advances to customers at amortised cost	**19,621**	**4,536**	**5,024**	**29,181**
Loans and advances to customers mandatorily measured at FVTPL				**106**
Total loans and advances to customers				**29,287**

As at 31 December 2019	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL	Total
Loans and advances to customers at amortised cost				
Mortgages				
Gross carrying amount	5,142	2,981	6,380	14,503
ECL allowance	(32)	(110)	(2,408)	(2,550)
Net carrying amount	**5,110**	**2,871**	**3,972**	**11,953**
Consumer loans				
Gross carrying amount	1,301	375	657	2,333
ECL allowance	(21)	(70)	(457)	(548)
Net carrying amount	**1,280**	**305**	**200**	**1,785**
Credit Cards				
Gross carrying amount	484	13	42	539
ECL allowance	(4)	(1)	(39)	(44)
Net carrying amount	**480**	**12**	**3**	**495**
Small business lending				
Gross carrying amount	428	662	988	2,078
ECL allowance	(5)	(88)	(707)	(800)
Net carrying amount	**423**	**574**	**281**	**1,278**
Corporate lending				
Gross carrying amount	11,445	786	2,769	15,000
ECL allowance	(85)	(48)	(1,651)	(1,784)
Net carrying amount	**11,360**	**738**	**1,118**	**13,216**
Public sector lending				
Gross carrying amount	329	36	38	403
ECL allowance	(3)	(9)	(23)	(35)
Net carrying amount	**326**	**27**	**15**	**368**
Total loans and advances to customers at amortised cost				
Gross carrying amount	19,129	4,853	10,874	34,856
ECL allowance	(150)	(326)	(5,285)	(5,761)
Net carrying amount of loans and advances to customers at amortised cost	**18,979**	**4,527**	**5,589**	**29,095**
Loans and advances to customers mandatorily measured at FVTPL				**127**
Total loans and advances to customers				**29,222**

Movement of the ECL allowance on loans and advances to customers at amortised cost

Group	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL	Total ECL allowance
Balance at 1 January 2020	**150**	**326**	**5,285**	**5,761**
Impairment charge for ECL	66	23	541	630
Modification impact on ECL	-	-	(9)	(9)
Write-offs and sales	-	-	(555)	(555)
Change in the present value of the ECL allowance	-	-	(58)	(58)
FX and other movements	-	-	(7)	(7)
Reclassified as Held For Sale	-	-	(35)	(35)
Balance at 30 September 2020	**216**	**349**	**5,162**	**5,727**

COVID-19 pandemic moratoria

The European Banking Authority ("EBA") published on 25 March 2020 a "Statement on the application of the prudential framework regarding Default, Forbearance and IFRS 9 in light of COVID-19 measures" which states that "institutions are expected to use a degree of judgment and distinguish between borrowers whose credit standing would not be significantly affected by the current situation in the long term, and those who would be unlikely to restore their creditworthiness". The Group performed portfolio reviews and applied this regulatory guidance to its clients. EBA also states that "the public and private moratoria, as a response to COVID-19 pandemic, do not have to be automatically classified as forbearance if the moratoria are not borrower specific, based on the applicable national law or on an industry or sector-wide private initiative agreed and applied broadly by relevant credit institutions". The Group has also adopted this guidance, incorporating it into its processes and policies.

Under these moratoria, the Group has granted a postponement of interest and/or principal payments, extensions of loan terms as well as renewal of credit lines, depending on the program. More information on the programs is provided in Note 22 "Risks and responses related to the COVID-19 outbreak".

The loans and advances to customers subject to moratoria in the context above as at 30 September 2020 amounted to €4.6 billion, of which 35% relate to mortgages, 10% to consumer loans and 55% to corporate and small business lending. The modification impact of the aforementioned moratoria has been assessed by the Group and was not material to the Group's financial statements.

NOTE 10: Investment securities

On 22 January 2020, the Bank announced that the Hellenic Republic and NBG had agreed on a Greek Government Bond exchange, involving three existing Greek Government Bonds held by NBG with a new Greek Government Bond. The terms of the existing and new Greek Government Bonds are as follows:

Existing Greek Government Bonds

ISIN	Maturity	Interest Rate	Nominal amount in €million	Settlement amount in €million
GR0112009718	20 March 2023	2.9%	250	271
GR0116007924	20 March 2025	3.25%	964	1,092
GR0118018663	20 March 2026	3.55%	2,100	2,440

New Greek Government Bond at issue price of 114.7114415026

ISIN	Maturity	Interest Rate	Nominal amount in € million	Issue Date
GR0138016820	20 March 2050	3.25%	3,314	21 January 2020

The exchange was executed at market terms and was settled on 21 January 2020. The Bank realized a gain of €515 million (based on the accounting value of the existing Greek Government Bonds) resulting from the Greek sovereign spread compression at the date of exchange. Through this exchange the Bank safeguards recurring interest income at a yield to maturity of 2.54%. The transaction enhanced the Bank's capital position, facilitating the frontloading of an ambitious NPE reduction plan. The gain is recorded in gains arising from the derecognition of financial assets measured at amortised cost.

Moreover, during the nine - month period ended 30 September 2020, gains from Greek government bonds of €364 million were recorded in net trading income / (loss) and results from investment securities, mainly due to sales.

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

A. Disposal Groups classified as held for sale and discontinued operations

Non-current assets held for sale at 30 September 2020 and 31 December 2019 comprise of NIC, NBG Cyprus Ltd and CAC Coral Ltd. The profit or losses from discontinued operations for the period ended 30 September 2020, comprises of NIC, NBG Cyprus Ltd and CAC Coral Ltd. The comparative profit or loss from discontinued operations includes Banca Romaneasca S.A., NIC, NBG Cyprus Ltd, NBG Pangaea REIC and has been re-presented to also include CAC Coral Ltd (which was classified as discontinued operations in December 2019).

NBG Pangaea REIC

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

On 23 May 2019 control of NBG Pangaea REIC passed to the Buyers. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal of the above transaction, are disclosed in Note 43 of the Annual Financial Report of 31 December 2019.

Banca Romaneasca S.A.

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

On 30 December 2019 control of Banca Romaneasca S.A. passed to EximBank. Details of the assets and liabilities derecognized and the calculation of the profit or loss on disposal of the above transaction, are disclosed in Note 43 of the Annual Financial Report of 31 December 2019.

National Bank of Greece (Cyprus) Ltd

A sale and purchase agreement has been signed with Astrobank on 26 November 2019, for the sale of a 100% stake in National Bank of Greece (Cyprus) Ltd. The transaction is currently expected to be concluded by the end of the first quarter of 2021 after approval of the competent regulatory authorities.

NBG Cyprus has been classified as held for sale and discontinued operations.

Ethniki Hellenic General Insurance S.A.

NBG relaunched NIC's sales process in October 2019. NBG has received a revised non-binding offer from the bidder on the basis of updated post-COVID-19 due diligence and is currently in the process of evaluating and assessing this offer.

NIC has been classified as held for sale and discontinued operations.

CAC Coral Ltd

A sale and purchase agreement was signed with Bain Capital Credit on 16 October 2020, for the sale of a 100% stake in CAC Coral Ltd. The transaction is currently expected to be concluded by the end of the third quarter 2021 after approval of the competent regulatory authorities.

CAC Coral Ltd has been classified as held for sale and discontinued operations.

B. Changes to a plan of sale

National Bank of Greece – Egyptian Branch Network

As of 31 December 2018, the Network in Egypt ("NBG Egypt") was classified as held for sale and discontinued operations.

The Bank signed a definitive agreement to sell certain assets and liabilities of NBG Egypt to Bank Audi SAE on 2 May 2019. Closing of the transaction is subject to the approval of the Central Bank of Egypt ("CBE"). The Central Bank of Lebanon approved the transaction in June 2019.

Given that the CBE approval was still pending six months after the signing of the definitive agreement, Bank Audi SAE issued an agreement termination notice in November 2019.

On 11 May 2020, Bank Audi SAE informed NBG that will not pursue further the potential acquisition of NBG's operations in Egypt.

As a result the interim financial statements of the Group were amended retrospectively in Q2.2020 as if the NBG Egypt never qualified as held for sale and discontinued operations.

Condensed income statement of discontinued operations [1]	Group	
	9 month period ended	
€ million	30.09.2020	30.09.2019
Net interest income	41	66
Net fee and commission income	(8)	(2)
Earned premia net of claims and commissions	82	58
Net trading income / (loss) and results from investments securities	9	33
Other income	8	43
Total income	**132**	**198**
Operating expenses	(68)	(127)
Credit provisions and other impairment charges	(62)	(27)
Profit before tax	**2**	**44**
Tax benefit/(expense)	(10)	(13)
Profit / (loss) for the period from discontinued operations	**(8)**	**31**
Profit on disposal [2]	-	60
Total profit / (loss) for the period from discontinued operations (attributable to NBG equity shareholders)	**(8)**	**91**

[1] *Includes NIC, NBG Cyprus Ltd and CAC Coral Limited, while in 2019 Banca Romaneasca S.A. and Pangaea REIC are also included.*
[2] *Includes the gain on disposal from NBG Pangaea REIC of €60 million.*

€ million	30.09.2020	30.09.2019
Cash Flows from discontinued operations		
Net cash inflows/(outflows) from operating activities	84	152
Net cash inflows/(outflows) from investing activities	(152)	(157)
Net cash inflows/(outflows) from financing activities	-	107
Net Cash inflows /(outflows)	**(68)**	**102**

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

	Group	
ASSETS	30.09.2020[1]	31.12.2019[1]
Cash and balances with central banks	51	55
Due from banks	73	125
Financial assets at fair value through profit or loss	23	20
Derivative financial instruments	1	1
Loans and advances to customers	651	750
Investment securities	3,152	2,916
Investment property	-	15
Goodwill, software and other intangible assets	-	1
Deferred tax assets	25	43
Insurance related assets and receivables	428	453
Current income tax advance	9	11
Other assets	42	53
Non-current assets held for sale	10	10
Total assets	**4,465**	**4,453**
LIABILITIES		
Due to banks	13	17
Due to customers	550	587
Insurance related reserves and liabilities	2,479	2,431
Deferred tax liabilities	2	2
Retirement benefit obligations	58	56
Other liabilities	445	389
Total liabilities	**3,547**	**3,482**

[1] *Includes NIC, NBG Cyprus Ltd and CAC Coral Ltd.*

NOTE 12: Due to banks

Due to Banks mainly includes the Bank's funding from the ECB of €10.5 billion, securities sold under agreements to repurchase with financial institutions of €0.5 billion and other deposits with financial institutions of €1.7 billion (31 December 2019: €2.2 billion, €0.5 billion and €1.7 billion, respectively).

NOTE 13: Due to customers

	Group	
	30.09.2020	31.12.2019
Deposits:		
Individuals	35,034	33,738
Corporate	7,802	6,685
Government and agencies	2,382	3,325
Total	**45,218**	**43,748**

	Group	
	30.09.2020	31.12.2019
Deposits:		
Savings accounts	22,715	21,078
Current & Sight accounts	10,512	9,991
Time deposits	11,128	11,836
Other deposits	863	843
Total	**45,218**	**43,748**

Included in time deposits are deposits which contain one or more embedded derivatives. The Group has designated such deposits as financial liabilities at fair value through profit or loss. As at 30 September 2020, these deposits amounted to €414 million (31 December 2019: €279 million).

In accordance with Greek Law 4151/2013, all dormant deposit accounts are subject to statute of limitations of 20 years in favour of the Greek State. All banks operating in Greece are required by April of every year to remit the cash balances of such dormant accounts to the Greek State. The Bank for 2020 and until 30 September 2020 has remitted to the Greek State €2 million in respect of dormant account balances.

NOTE 14: Debt securities in issue and other borrowed funds

The major debt securities in issue and other borrowed funds raised from 1 January 2020 to 30 September 2020 are as follows:

On 20 July 2020, Ethniki Factors S.A. proceeded with the issuance of €10 million floating rate note, matured in October 2020.

On 30 July 2020, Ethniki Factors S.A. proceeded with the issuance of €10 million floating rate note, matured in April 2021.

The major debt securities in issue and other borrowed funds raised after 30 September 2020 are as follows:

On 8 October 2020, the Bank completed the issuance of €500 million Green Fixed Rate Resettable Unsubordinated Minimum Requirement for own funds and Eligible Liabilities ("MREL") Notes with an annual coupon of 2.75% and a yield of 2.875%. The notes have a 6-year maturity with first reset date on the completion of 5 years.

On 19 October 2020, the Covered Bond (Series 7) of amount €750 million under Program II matured.

On 11 November 2020, the Bank exercised a call option to repurchase €200 million in covered bonds held by the European Investment Bank (EIB). The call option will be settled on 9 December 2020 at amortized cost plus accrued interest plus an early redemption cost of €2 million.

NOTE 15: Contingent liabilities, pledged, transfers of financial assets and commitments

a. Legal proceedings

The Group is a defendant in certain claims and legal actions arising in the ordinary course of business. For the cases for which a provision has not been recognized, Management is unable to estimate the possible losses because the proceedings may last for many years, many of the proceedings are in early stages, there is uncertainty of the likelihood of the final result, there is uncertainty as to the outcome of the pending appeals and there are significant issues to be resolved. However, in the opinion of Management, after consultation with its legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the Group's Statement of Financial Position, Income Statement and Cash Flow Statement, taking into account that as at 30 September 2020 the Group have provided for cases under litigation the amount of €45 million (31 December 2019: €54 million).

b. Pending tax audits

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

The years 2011-2016 have been tax audited by Deloitte Certified Public Accountants S.A., in accordance with article 82 of Greek Law 2238/1994 and subsequently with article 65A of Greek Law 4174/2013 and the tax audit certificates which were unqualified, were issued on 27 July 2012, 27 September 2013, 10 July 2014, 30 October 2015, 30 September 2016 and 23 October 2017, respectively. The years 2017, 2018 and 2019 have been tax audited by PwC S.A. and the tax certificates, which were unqualified, were issued on 26 October 2018, 31 October 2019 and 27 October 2020, respectively.

On 31 December 2018, the right of the tax authorities to issue a deed for re-calculation of income tax for the years up to and including year 2012 expired. Furthermore, the year 2013, according to the Decision 320/2020 of the Council of State, is considered as permanently tax audited. For the years 2014 onwards, in accordance with the Ministerial Decision 1006/2016 there is no exception from tax audit by the tax authorities to those entities that have been tax audited by the independent auditor and its tax audit certificate was unqualified.

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

For the subsidiaries and associates regarding unaudited tax years refer to Note 21 "*Group Companies*".

c. Credit commitments

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

	Group	
	30.09.2020	31.12.2019
Standby letters of credit and financial guarantees written	2,462	2,786
Commercial letters of credit	259	298
Total	**2,721**	**3,084**

In addition to the above, credit commitments also include commitments to extend credit which at 30 September 2020 are €6,883 million (31 December 2019: €6,419 million). Commitments to extend credit at 30 September 2020 do not include any amounts, which cannot be cancelled without certain conditions being met at any time and without notice, or for which automatic cancellation due to credit deterioration of the borrower is not allowed.

d. Assets pledged

	Group	
	30.09.2020	31.12.2019
Assets pledged as collateral	**14,919**	**3,689**

As at 30 September 2020, the Group have pledged mainly for funding purposes with the ECB and financial institutions, the following instruments:

- trading and investment debt instruments of €7,768 million (31 December 2019: €826 million);
- loans and advances to customers amounting to €5,797 million (31 December 2019: €1,150 million); and
- covered bonds of a nominal value of €1,284 million backed with mortgage loans of total value of €1,886 million (31 December 2019: €1,713 million backed with mortgage loans of total value of €2,555 million).

In addition to the pledged items presented in the table above, as at 30 September 2020, the Group have pledged an amount of €315 million (31 December 2019: €317 million) included in due from banks with respect to a guarantee for the non-payment risk of the Hellenic Republic, as well as Hellenic Republic Treasury bills of €716 million (31 December 2019: €462 million) for trade finance purposes.

NOTE 16: Share capital, share premium and treasury shares

Share Capital – Ordinary Shares

The total number of ordinary shares as at 30 September 2020 and 31 December 2019 was 914,715,153, with a nominal value of 3.00 Euro per share.

Treasury shares

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

	Group	
	No of shares	€ million
At 1 January 2019	**373,800**	**-**
Purchases	12,851,604	25
Sales	(12,925,281)	(24)
At 31 December 2019	**300,123**	**1**
Purchases	9,588,506	13
Sales	(9,200,074)	(13)
At 30 September 2020	**688,555**	**1**

NOTE 17: Tax effects relating to other comprehensive income / (expense) for the period

Group	9 - month period ended 30.09.2020			9- month period ended 30.09.2019		
	Gross	Tax	Net	Gross	Tax	Net
Items that may be reclassified subsequently to profit or loss:						
Unrealised gains / (losses) on investments in available-for-sale for the period	82	(21)	61	394	(87)	307
Reclassification adjustments on investments in available-for-sale included in the income statement	(34)	6	(28)	(85)	17	(68)
Impairment loss recognized on investments in available-for-sale	9	(2)	7	-	-	-
Unrealised gains / (losses) on investments in debt instruments measured at FVTOCI	84	-	84	427	-	427
(Gains) / losses on investments in debt instruments measured at FVTOCI reclassified to profit or loss on disposal	(371)	-	(371)	(106)	-	(106)
Impairment charge for ECL regonised to profit or loss	1	-	1	(3)	-	(3)
Investments in debt instruments	**(229)**	**(17)**	**(246)**	**627**	**(70)**	**557**
Currency translation differences	**(10)**	**-**	**(10)**	**1**	**-**	**1**
Cash flow hedge	**(17)**	**-**	**(17)**	**(42)**	**-**	**(42)**
Total of items that may be reclassified subsequently to profit or loss	**(256)**	**(17)**	**(273)**	**586**	**(70)**	**516**
Items that will not be reclassified subsequently to profit or loss:						
Gains / (losses) on investments in equity instruments measured at FVTOCI	(21)	-	(21)	17	-	17
(Gains)/losses on investments in equity instruments designated as at FVTOCI transferred to retained earnings upon disposal	(19)	-	(19)	(4)	-	(4)
Total of items that will not be reclassified subsequently to profit or loss	**(40)**	**-**	**(40)**	**13**	**-**	**13**
Other comprehensive income / (expense) for the period	**(296)**	**(17)**	**(313)**	**599**	**(70)**	**529**

NOTE 18: Related party transactions

The nature of the significant transactions entered into by the Group with related parties during the 9-month periods ended 30 September 2020 and 30 September 2019 and the significant balances outstanding as at 30 September 2020 and 31 December 2019 are presented below.

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

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

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

The members of the Board of Directors of the Bank are disclosed in Note 1.

As at 30 September 2020, loans and advances to customers, deposits/liabilities and letters of guarantee, at Group level, amounted to €3 million, €5 million and NIL respectively (31 December 2019: €4 million, €4 million and NIL, respectively).

Total compensation to related parties for the period ended 30 September 2020, amounted to €7 million (30 September 2019: €7 million) for the Group, mainly relating to short-term benefits and in particular salaries and social security contributions.

b. Transactions with subsidiaries, associates and joint ventures

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

	Group	
	30.09.2020	31.12.2019
Assets	10	12
Liabilities	14	12
Letters of guarantee, contingent liabilities and other off balance sheet accounts	2	1

	9 - month period ended	
	30.09.2020	30.09.2019
Interest, commission and other income	-	-
Interest, commission and other expense	2	3

c. Transactions with other related parties

The total receivables of the Group, from the employee benefits related funds as at 30 September 2020 amounted to €747 million (31 December 2019: €747 million). For these receivables the Group recognized a provision of €742 million (31 December 2019: €741 million).

The total payables of the Group to the employee benefits related funds as at 30 September 2020, amounted to €101 million (31 December 2019: €99 million).

d. Transactions with Hellenic Financial Stability Fund

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

NOTE 19: Capital adequacy

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

Regulation (EU) No 575/2013 as amended by Regulation (EU) No 876/2019 (CRR2) defines the minimum capital requirements (Pillar 1 requirements) and Directive 2013/36/EU as amended by Directive 2019/878/EU (CRD V) defines the combined buffer requirements for EU institutions. In addition, Directive 2013/36/EU provides (Art. 97 et seq.) that Competent Authorities regularly carry out the Supervisory Review and Evaluation process ("SREP"), to assess and measure risks not covered, or not fully covered, under Pillar 1 and determine additional capital and liquidity requirements (Pillar 2 requirements). SREP is conducted under the lead of the ECB. The SREP decision is tailored to each bank's individual profile.

The table below summarises Pillar 1 & 2 capital requirements for NBG Group for 2020 and 2019:

	CET1 Capital Requirements			Overall Capital Requirements		
	2020 post capital relief measures	2020	2019	2020 post capital relief measures	2020	2019
Pillar 1	4.5%	4.5%	4.5%	8.0%	8.0%	8.0%
Pillar 2	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Capital Conservation Buffer	-	2.5%	2.5%	-	2.5%	2.5%
O-SII Buffer	0.5%	0.5%	0.25%	0.5%	0.5%	0.25%
Total	**8.0%**	**10.50%**	**10.25%**	**11.50%**	**14.00%**	**13.75%**

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

	Group		
	30.09.2020	30.09.2020	31.12.2019
		Pro-forma[1]	
Common Equity Tier 1	**14.5%**	**15.9%**	**16.0%**
Tier 1	**14.5%**	**15.9%**	**16.0%**
Total	**15.4%**	**16.9%**	**16.9%**

(1) Pro-forma figures have been calculated including profits for the period.

DTC Law

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

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

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

On 7 November 2014, the Bank convened an extraordinary General Shareholders Meeting which resolved to include the Bank in the DTC Law. An exit by the Bank from the provisions of the DTC Law requires regulatory approval and a General Shareholders meeting resolution.

As of 30 September 2020, the amount of DTAs that were eligible for conversion to a receivable from the Greek State subject to the DTC Law was €4.3 billion (31 December 2019: €4.5 billion). The conditions for conversion rights were not met in the year ended 31 December 2019 and no conversion rights are deliverable in 2020.

2020 EU-wide Stress Test

On 31 January 2020, the European Banking Authority (EBA) announced the launch of the 2020 EU-wide stress test, which would be conducted on a sample of 51 EU banks. Similar to the 2018 exercise, it would be a bottom-up exercise with constraints, including a static balance sheet assumption. The aim of the EU-wide stress test was to assess the resilience of EU banks to a common set of adverse economic developments in order to identify potential risks, inform supervisory decisions and increase market discipline.

However, in the light of the operational pressure on banks due to COVID-19, on 12 March 2020 the EBA announced its decision to postpone the EU-wide stress test exercise to 2021, in order to allow banks to focus on and ensure continuity of their core operations.

On 30 July 2020, EBA announced that EU-wide stress test will be carried out in 2021. The exercise is expected to be launched at the end of January 2021 and its results to be published at the end of July 2021.

COVID-19 outbreak

ECB has announced a number of measures to ensure that its directly supervised banks can continue to fulfil their role in funding the real economy as the economic effects of the COVID-19 became apparent (see Note 22 "*Risks and responses related to the COVID-19 Outbreak*").

In addition, on 24 June 2020, the EU Council announced that it adopted Regulation (EU) 873/2020 ("CRR Quick Fix") amending Regulations (EU) No 575/2013 and (EU) 876/2019 as regards certain adjustments in response to the COVID-19 pandemic.

More specifically, among others the amendments concern:

- IFRS 9 transitional adjustments: Extension of the transitional period for mitigating the impact on own funds from the potential sudden increase in ECL allowance.
- Revised supporting factor for small and medium-sized enterprises (SME): Relinquish of the preferential treatment threshold and assignment of a risk weight ranging from 76.19% to 85% to all SME exposures.

NOTE 20: Fair value of financial assets and liabilities

a. Financial instruments not measured at fair value

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

Group	Carrying amount 30.09.2020	Fair value 30.09.2020
Financial Assets		
Loans and advances to customers	29,181	28,973
Investment securities at amortised cost	12,223	12,541
Financial Liabilities		
Due to customers	44,804	44,847
Debt securities in issue	1,364	1,390

Group	Carrying amount 31.12.2019	Fair value 31.12.2019
Financial Assets		
Loans and advances to customers	29,095	28,754
Investment securities at amortised cost	6,053	6,255
Financial Liabilities		
Due to customers	43,469	43,504
Debt securities in issue	1,365	1,443

The following methods and assumptions were used to estimate the fair values of the above financial instruments at 30 September 2020 and 31 December 2019:

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

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

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

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

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

b. Financial instruments measured at fair value

The tables below present the fair values of those financial assets and liabilities presented on the Group's Statement of Financial Position at fair value by fair value measurement level at 30 September 2020 and 31 December 2019:

Group

As at 30 September 2020

	Fair value measurement using			
	Level 1	Level 2	Level 3	Total at fair value
Financial Assets				
Financial assets at fair value through profit or loss	318	119	-	437
Financial assets mandatorily at fair value through profit or loss	19	15	114	148
Derivative financial instruments	4	5,622	17	5,643
Investment securities at fair value through other comprehensive income	713	1,463	30	2,206
Total	**1,054**	**7,219**	**161**	**8,434**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	414	-	414
Derivative financial instruments	14	3,366	3	3,383
Total	**14**	**3,780**	**3**	**3,797**

As at 31 December 2019

	Fair value measurement using			
	Level 1	Level 2	Level 3	Total at fair value
Financial Assets				
Financial assets at fair value through profit or loss	257	172	-	429
Financial assets mandatorily at fair value through profit or loss	65	15	136	216
Derivative financial instruments	9	4,819	5	4,833
Investment securities at fair value through other comprehensive income	616	2,187	34	2,837
Total	**947**	**7,193**	**175**	**8,315**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	279	-	279
Derivative financial instruments	4	2,862	4	2,870
Total	**4**	**3,141**	**4**	**3,149**

The tables below present the fair values for the assets and liabilities classified as held-for-sale in the Group's Statement of Financial Position and measured at fair value for 30 September 2020 and 31 December 2019:

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

As at 30 September 2020

	Fair value measurement using			
	Level 1	Level 2	Level 3	Total at fair value
Financial Assets				
Financial assets at fair value through profit or loss	4	19	-	23
Derivative financial instruments	-	1	-	1
Investment securities at fair value through other comprehensive income	1,282	1,683	10	2,975
Insurance related assets and receivables	121	120	-	241
Total	**1,407**	**1,823**	**10**	**3,240**

As at 31 December 2019

	Fair value measurement using			
	Level 1	Level 2	Level 3	Total at fair value
Financial Assets				
Financial assets at fair value through profit or loss	4	16	-	20
Derivative financial instruments	-	1	-	1
Investment securities at fair value through other comprehensive income	1,095	1,612	12	2,719
Insurance related assets and liabilities	130	133	-	263
Total	**1,229**	**1,762**	**12**	**3,003**

Transfers between Level 1 and Level 2

As at 30 September 2020, certain fair value through profit or loss securities issued by European Stability Mechanism ("ESM") for which the Group determined that sufficient liquidity and trading existed as of that date, have been transferred from Level 2 to Level 1 according to the Group's fair value hierarchy policy. The carrying amount of the fair value through profit or loss securities transferred as at 30 September 2020 was €41 million.

As at 31 December 2019, certain fair value through profit or loss securities issued by ESM and European Financial Stability Fund ("EFSF") for which the Group determined that sufficient liquidity and trading did not exist as of that date, have been transferred from Level 1 to Level 2 according to the Group's fair value hierarchy policy. The carrying amount of the fair value through profit or loss securities transferred as at 31 December 2019 was €85 million.

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

Level 3 financial instruments

Level 3 financial instruments at 30 September 2020 and 31 December 2019 include:

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

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

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

The table below presents a reconciliation of all Level 3 fair value measurements for the period ended 30 September 2020 and the year ended 31 December 2019, including realized and unrealized gains/(losses) included in the "Income Statement" and "Statement of Other Comprehensive Income".

Transfers into or out of Level 3

The Group conducts a review of the fair value hierarchy classifications on a quarterly basis.

For the period ended 30 September 2020, transfers from Level 2 into Level 3 include derivative instruments for which the bilateral CVA adjustment is significant to the base fair value of the respective instruments.

For the year ended 31 December 2019, transfers from Level 2 into Level 3 include equity securities no longer traded in active markets.

Movement of Level 3 financial instruments

	2020		
Group	Net derivative financial instruments	Investment securities at FVTOCI	Mandatorily at FVTPL
Balance at 1 January	**2**	**34**	**136**
Gain/(loss) included in Income Statement	6	-	(3)
Gain/(loss) included in OCI	-	(4)	-
Settlements	-	-	(19)
Transfer into/(out of) level 3	6	-	-
Balance at 30 September	**14**	**30**	**114**

	2019		
Group	Net derivative financial instruments	Investment securities at FVTOCI	Mandatorily at FVTPL
Balance at 1 January	**4**	**48**	**159**
Gain/(loss) included in Income Statement	(1)	-	(18)
Gain/(loss) included in OCI	-	(2)	-
Purchases	-	1	12
Sales	-	(14)	(1)
Settlements	(1)	-	(16)
Transfer into/(out of) level 3	-	1	-
Balance at 31 December	**2**	**34**	**136**

For the period ended 30 September 2020, changes in unrealised gains/(losses) included in the income statement of financial instruments measured at fair value using significant unobservable inputs (Level 3), relate to financial assets mandatorily at fair value through profit or loss, amounting to €4 million for the Group (30 September 2019: €(18) million), as well as to net derivative financial instruments amounting to €7 million for the Group (30 September 2019: €1 million).

Valuation Process and Control Framework

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

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

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

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

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

Market Valuation Adjustments

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

Quantitative Information about Level 3 Fair Value Measurements | 30 September 2020

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs Low	Range of Inputs High
Investment securities mandatorily at fair value through profit or loss	8	Price Based	Price	93.76	93.76
	1	Discounted Cash Flows	Credit Spread	826 bps	826 bps
Interest Rate Derivatives	11	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	1186 bps	1930 bps
Other Derivatives	3	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	114 bps	1186 bps
Investment Securities at fair value through other comprehensive income	30	Income and market approach	n/a[1]	n/a[1]	n/a[1]
Loans and advances to customers mandatorily at fair value through profit or loss	106	Discounted Cash Flows	Credit Spread	235 bps	650 bps

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

Quantitative Information about Level 3 Fair Value Measurements | 31 December 2019

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs Low	Range of Inputs High
Investment securities mandatorily at fair value through profit or loss	9	Price based	Price	93.76	100.00
	1	Discounted Cash Flows	Credit Spread	729 bps	729 bps
Other Derivatives	2	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	91 bps	697 bps
Investment Securities at fair value through other comprehensive income	34	Income and market approach	n/a[1]	n/a[1]	n/a[1]
Loans and advances to customers mandatorily at fair value through profit or loss	127	Discounted Cash Flows	Credit Spread	300 bps	650 bps

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

Sensitivity of Fair Value Measurements to Changes in Unobservable Inputs

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

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

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

NOTE 21: Group companies

			Group	
Subsidiaries	Country	Tax years unaudited	30.09.2020	31.12.2019
National Securities S.A.	Greece	2015-2019	100.00%	100.00%
NBG Asset Management Mutual Funds S.A.	Greece	2015-2019	100.00%	100.00%
Ethniki Leasing S.A.	Greece	2010-2019	100.00%	100.00%
NBG Property Services S.A.	Greece	2015-2019	100.00%	100.00%
Pronomiouhos Single Member S.A. Genikon Apothikon Ellados	Greece	2010-2019	100.00%	100.00%
Ethniki Hellenic General Insurance S.A. (2)	Greece	2014-2019	100.00%	100.00%
KADMOS S.A.	Greece	2010-2019	100.00%	100.00%
DIONYSOS S.A.	Greece	2010-2019	99.91%	99.91%
EKTENEPOL Construction Company S.A.	Greece	2010-2019	100.00%	100.00%
Mortgage, Touristic PROTYPOS S.A.	Greece	2010-2019	100.00%	100.00%
Hellenic Touristic Constructions S.A.	Greece	2010-2019	78.09%	78.09%
Ethniki Ktimatikis Ekmetalefsis S.A.	Greece	2010-2019	100.00%	100.00%
Ethniki Factors S.A.	Greece	2015-2019	100.00%	100.00%
Probank M.F.M.C (1)	Greece	2015-2019	100.00%	100.00%
I-Bank Direct S.A.	Greece	2015-2019	100.00%	100.00%
Probank Leasing S.A.	Greece	2010-2019	99.87%	99.87%
NBG Insurance Brokers S.A.	Greece	2015-2019	100.00%	100.00%
NBG Malta Holdings Ltd	Malta	2006-2019	100.00%	100.00%
NBG Bank Malta Ltd	Malta	2005-2019	100.00%	100.00%
ARC Management Two EAD (Special Purpose Entity)	Bulgaria	2014-2019	100.00%	100.00%
Bankteco E.O.O.D.	Bulgaria	2016-2019	100.00%	100.00%
NBG Leasing S.R.L.	Romania	2014-2019	100.00%	100.00%
S.C. Garanta Asigurari S.A.(2)	Romania	2003-2019	94.96%	94.96%
ARC Management One SRL (Special Purpose Entity)	Romania	2013-2019	100.00%	100.00%
Stopanska Banka A.D.-Skopje	North Macedonia	2014-2019	94.64%	94.64%
NBG Greek Fund Ltd	Cyprus	2015-2019	100.00%	100.00%
National Bank of Greece (Cyprus) Ltd(2)	Cyprus	2006 & 2008-2019	100.00%	100.00%
National Securities Co (Cyprus) Ltd (1)	Cyprus	-	100.00%	100.00%
NBG Management Services Ltd	Cyprus	2015-2019	100.00%	100.00%
Ethniki Insurance (Cyprus) Ltd(2)	Cyprus	2004-2019	100.00%	100.00%
Ethniki General Insurance (Cyprus) Ltd(2)	Cyprus	2004-2019	100.00%	100.00%
National Insurance Agents & Consultants Ltd(2)	Cyprus	2008-2019	100.00%	100.00%
CAC Coral Ltd(2)	Cyprus	2019	100.00%	100.00%
NBG Asset Management Luxemburg S.A.	Luxembourg	2019	100.00%	100.00%
NBG International Ltd	U.K.	2003-2019	100.00%	100.00%
NBGI Private Equity Ltd(1)	U.K.	2003-2019	100.00%	100.00%
NBG Finance Plc	U.K.	2003-2019	100.00%	100.00%
NBG Finance (Dollar) Plc(1)	U.K.	2008-2019	100.00%	100.00%
NBG Finance (Sterling) Plc(1)	U.K.	2008-2019	100.00%	100.00%
SINEPIA Designated Activity Company (Special Purpose Entity)(1)	Ireland	2019	-	-
NBG International Holdings B.V.	The Netherlands	2019	100%	100.00%

Notes:

(1) Companies under liquidation.

(2) Ethniki Hellenic General Insurance S.A. and its subsidiaries, National of Bank Greece (Cyprus) Ltd, and CAC Coral Ltd, have been reclassified as non-current assets held for sale (See Note 11).

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

			Group	
	Country	Tax years unaudited	30.09.2020	31.12.2019
Social Security Funds Management S.A.	Greece	2015-2019	20.00%	20.00%
Larco S.A.	Greece	2010-2019	33.36%	33.36%
Eviop Tempo S.A.	Greece	2014-2019	21.21%	21.21%
Teiresias S.A.	Greece	2010-2019	39.93%	39.93%
Planet S.A.	Greece	2015-2019	36.99%	36.99%
Pyrrichos Real Estate S.A.	Greece	2010-2019	21.83%	21.83%
SATO S.A.	Greece	2014-2019	23.74%	23.74%
Olganos S.A.	Greece	2010-2019	33.60%	33.60%
Perigenis Business Properties S.A.	Greece	-	28.50%	-

NOTE 22: Risks and responses related to the COVID-19 Outbreak

In the first quarter of 2020, the World Health Organization ("WHO") declared the outbreak of COVID-19 a pandemic. The COVID-19 pandemic has caused a significant global economic downturn which has adversely affected, and is expected to continue to adversely affect, the Group's business and results of operations. The future impacts of the COVID-19 pandemic on the Greek and/or global economy and the Group's business, results of operations and financial condition remain uncertain.

Due to COVID-19 pandemic, authorities implement numerous measures attempting to contain its spread and impact, such as travel bans and restrictions, quarantines, shelter in place orders, and limitations on business activity, including closures. These measures severely restrict economic activity, businesses, market participants, our counterparties and customers, as well as the Greek and/or global economy for a prolonged period of time. These restrictions took place in March 2020, while in May 2020 the restrictions were slowly eased. However, worsened epidemic trends in October-November led to a reintroduction of protective restrictions on economic and social activity at a national level for three weeks, starting on 7 November 2020. This poses significant downside risks to GDP growth for the rest of the year and could amplify the recessionary hit on households and businesses. These risks will be partly offset by a new set of fiscal measures announced in early November 2020 as described below ("*Response to COVID-19 crisis from Greek and European authorities*").

The COVID-19 pandemic led to the activation of our Crisis Management Committee in February 2020, with the aim of dealing with increased measures regarding our employee health & safety, business continuity through remote work and customer support in response to COVID-19 crisis (see below "*Key Focus on Employee, Customer Support and Other Stakeholders and Society in response to the COVID-19 crisis"*).

The deterioration of financial conditions has increased our impairment charges for ECL on loans and advances to customers (see Note 4 "*Credit provisions and other impairment charges*") and has led to loan modification programs (see below "*Customer Support measures in response to COVID-19 crisis"*). The Group also revaluated its assets, including intangibles and equity investments, for potential impairment, and reviewed fair values of financial instruments that are carried at fair value. Based upon our review as of 30 September 2020, no significant impairments have been recorded for the Group with the exception of the impairment charge for ECL relating to loans and advances to customers at amortised cost, and there have been no significant changes in fair values and in fair value hierarchy classifications.

Key Focus on Employee, Customer Support, Other Stakeholders and Society in response to COVID-19 crisis

Leveraging on our Business Continuity Plans ("BCP") and capabilities, of primary importance and key priority was the health and safety of our customers and employees, as well as, ensuring the servicing of our customers and other stakeholders of the Bank and the Group without disruption. This was achieved through:

- Ensuring that the majority of our employees at the central units are able to work remotely, activating our BCP site to decongest critical site-based operations, as well as decongesting our employees at the branches. More specifically, c.50% of our staff are still working remotely relative to a peak of c.70% during the lockdown, but efficiently and cyber-securely.
- Activating the Measures Taking Committee which convenes on a daily basis, comprising of senior executives as well as a dedicated Bacteriologist - Clinical Pathologist with specialised knowledge on COVID-19, taking daily decisions on measures, to ensure our staff and customers are kept safe.
- Upgrading our infrastructure to accommodate telecommuting on a large scale, while also gradually distributing remote access equipment. Thus, currently we provide to more than 4,500 employees the ability to work remotely, enhancing the smooth operation of the Bank and the Group and the safety of our employees.
- Activating rigorous incident management processes, ensuring required protective and cleaning material were made available to employees.

- Issuing multiple communications to educate the staff on COVID-19, providing instructions on how to protect themselves, communicating limitations in traveling and meetings, informing them on the process to follow in the event that they feel ill or believe they have been in contact with the coronavirus.
- Implementing integrated marketing actions (preparation of Press Releases, responses to Customers, placement of posters, information messages in ATMs, etc.), in order to ensure the appropriate communication with the involved parties (Customers, National Media, other Stakeholders, etc.).
- Identifying important and specific activities, as well as measures that the critical third Party Service Providers should take in order to be prepared against the spread of the COVID-19 in the workplace, in accordance with the guidelines issued by the WHO or any other official domestic or international websites.
- Supporting the Group's domestic and international subsidiaries for all operations while maintaining a line of communication. At the same time, from the beginning of the pandemic, the senior executives inform periodically external supervisory bodies (Bank of Greece, ECB, SSM) as well as the Crisis Management Committee and the Board of Directors of the Bank.
- Ensuring uninterrupted operations by redesigning critical processes to facilitate remote work.
- Shifting to digital banking platforms to ensure nation-wide service offerings to our customers.
- Redirecting resources to prepare for the necessary financial support to our customer base to mitigate the COVID-19 emergency implications.
- Donating medical equipment to the National Health System to contribute to society.
- Monitoring closely the parameters relating to the pandemic health crisis and maintained support for our employees, customers, stakeholders and society through these unprecedented times.

We will continue to manage the increased operational risk relating to the execution of our BCP in accordance with our Risk Framework, Operational Risk Management Program and our Business Continuity Management Systems.

Customers Support measures in response to COVID-19 crisis

Summary of COVID-19 relief measures offered to NBG customers, within the context of European Banking Authority ("EBA") guidelines, government and sector initiatives:

I. Medium & Large Corporates

To facilitate Medium-sized and Large Enterprises needs, NBG offers to all performing borrowers whose operations have been impacted by the COVID-19 following the outbreak of the pandemic in our country, the option to defer the payment of their loans' principal instalments (amortization amounts), in all or in part, for the period 1 March 2020 through to 31 December 2020.

The said relief measure shall be reviewed upon request submitted by the businesses and may be implemented by:

- deferring the instalments, in all or in part, at the end of the loan term and/or
- increasing the subsequent loan instalments and/or
- extending the loan term for a respective time period.

Alternatively, all capital instalments starting from 1 March 2020 till the end of the repayment schedule, can be deferred for up to nine months, with a respective increase to the loan's total duration. No further amendments to any of the loan's terms are permitted, especially regarding the interest rate.

II. SMEs

As part of the actions NBG has undertaken regarding the business sectors described in emergency legislation and the relevant Ministerial Decisions of the Greek Government, to address the impact of the crisis, NBG offers to all performing SMEs whose operations have been impacted by the COVID-19 following the outbreak of the pandemic in our country, the option **to defer payment** of all of their loan principal repayment instalments (amortization amounts) for the period 1 March 2020 through to 31 December 2020, by extending the term on their loans accordingly.

At the same time, with respect to SMEs that have duly fulfilled their obligations through to the outbreak of the pandemic in Greece, NBG has already approved **renewal of all the credit lines** expiring 1 March 2020 through to 31 May 2020 for three months as of their expiry date under the same terms and conditions.

III. COVID-19 support schemes

Additionally, NBG, as applicable for the Medium & Large Corporates and SMEs customers, participated in following COVID-19 support schemes:

- **Interest subsidy program** offered by the Ministry of Development for the period 1 April 2020 to 31 August 2020, applicable to customers holding a loan or revolving credit line prior to 1 April 2020 and less than 90 days in arrears by 31 December 2019.

- **Co-financing working capital loans with the Hellenic Development Bank S.A. ("HDB") (TEPIX II)**, for amounts up to €500,000, with zero interest rate for the first two years.
- **Loan Guarantee Program with the participation of HDB:** 80% of the loan is guaranteed by HDB, it has a total duration of up to five years, and the amount can reach 25% of 2019 turnover or the equivalent of double the annual salary costs of the companies for 2019.
- **Loan Guarantee Program - COSME COVID-19 with the participation of European Investment Fund ("EIF") up to €150.000**: 80% of the loan is guaranteed by EIF, it has a total duration of up to 10 years.
- **Extension of 75 days** according to emergency legislation for cheques**.** Initially the said measure addressed cheques with payment date from 31 March 2020 to 31 May 2020, with an additional extension of 60 days was provided to companies in the tourism industry specifically. The measure was extended in November 2020 to address cheques with payment date from 18 November 2020 to 31 December 2020.

These measures form part of NBG's actions in line with the respective initiative by Greek banks, emergency legislation and relevant Ministerial Decisions of the Greek government aiming at addressing the impact of the crisis.

IV. Individuals & Professionals

NBG also recognizes that many of our customers, individuals and professionals, who have been performing, have been severely impacted by the COVID-19 and may be experiencing difficulty in continuing to pay their loan instalments. Accordingly, NBG announced the option to **suspend instalment payments** through to 31 December 2020.

This relief measure applies to all borrowers who have regularly fulfilled their loan obligations until the outbreak of the pandemic in Greece, and who have experienced a severe drop in their income due to the coronavirus health emergency and now wish to be included in the support program. Moreover, a subsidy provided by the Greek state for loan payments, on loans collateralized by the principal residency of the eligible borrower, for up to nine months following the approval of the application.

V. Additional initiatives for our Customers

At the same time, NBG has implemented a comprehensive and broad range of initiatives, aiming to enable and inform our Retail customers to perform with safety their day-to-day banking activities without the need to visit a Branch, thus also supporting the general social distancing measures in response to COVID-19. Such initiatives included:

Communication of important guidelines and information via email, SMS, ATMs and internet banking regarding:

- COVID-19 safety instructions and promoting usage of alternative channels for transactions in order to avoid branch visits;
- cybersecurity – safe online practices;
- Hellenic Bank Association guidelines regarding changes in basic banking transactions and payments;
- changes in limits related to contactless (from 25 Euros to 50 Euros) and pin-less transactions (from 100 Euros to 150 Euros);
- capability to repay consumer loans via online platforms of selected commercial partners.

Pensioners support through:

- informative targeted campaigns via outbound calls and SMS to:
  - encourage debit card usage at the NBG ATM network for basic transactions and promoting POS transactions;
  - notify of the crediting of pensions and encourage withdrawal via NBG ATM network;
- debit-card issuance without branch visit.

Increasing e-banking penetration & usage through:

- targeted informative campaigns (such as e-banking registration for customers who transact at Branches);
- "Learn with NBG" promotion of internet banking via video tutorials and dedicated help line to individuals and Businesses.

Response to COVID-19 crisis from Greek and European authorities

In response to the economic and market conditions resulting from the COVID-19 pandemic, the Greek government and European authorities have provided, among others, the following measures:

Greek authorities

Financial state aid measures

The measures for the qualifying businesses include:

- Granting of guarantees on working capital.

- Subsidising the interest cost for performing loans for April, May and June and subsequently up to August 2020.
- New loans through the Hellenic Fund for Entrepreneurship & Development S.A. with a 100% interest rate subsidy for the first two years.
- The granting of a new State loan ("Repayable Advance") which is conditioned upon turnover loss in March until August 2020, and the total amount to be granted for the three phases will amount to €3.5 billion. Phases 4 and 5 will take place during November and December 2020 and will amount to €1.7 billion.
- A subsidy provided by the Greek state for loan payments, on loans collateralized by the principal residency of the eligible borrower, for up to nine months following the approval of the application. A borrower is eligible as soon as the borrower, their spouse or dependent are affected by the COVID-19 crisis and they meet the eligibility criteria for the subsidy.

Tax measures

The measures for the qualifying businesses and the individuals that affected by the COVID-19 crisis includes:

- Suspension of tax obligation payments until 30 April 2021.
- Suspension of VAT payments until 30 April 2021.
- Suspension of Social Security Contributions (SSC) payments until 30 April 2021.
- Postponement of the payment of any instalments of debts owed to the tax authorities by qualifying businesses and for employees, whose employment contracts have been suspended.
- 25% discount on tax and social security contributions instalment schemes for April, in case they are paid on time. Following the amendment the measure extended to cover the month of June. Only for tax liabilities paid between 30 March and 30 April 2020, for employees of halted firms as well as for self-employed, freelancers and firms.
- Advance tax payment reduction for qualifying businesses with turnover decrease in March, April and May 2020 under certain conditions.
- Provision of a set off on certified tax liabilities with payment date from 1 May 2020 onwards, equal to 25% of VAT payable in April, in case the latter is paid in due time. Only for VAT payable in April, for qualifying businesses.
- Provision of Income Tax payment in eight installments and provision for 2% tax credit for individuals on the total amount of tax and other settling debt, provided that the tax due will be paid in a single lump sum payment on the basis of the timely filing.
- Accelerated refunds of up to €30,000 for income tax and VAT for all open tax audit cases, as on 20 March 2020 for all legal entities for income tax and VAT refunds and all individuals for VAT refunds.
- Reduction of the VAT on certain goods and services from a rate of 24% to a rate of 13% for the period from 1 June 2020 to 30 April 2021 and reduction of the VAT to 6%, from 24%, for sanitary products (masks, gloves, etc.) until 31 December 2020.
- Relief from import duties and VAT exemption on importation granted for goods needed to combat the effects of the COVID-19 crisis until 31 July 2020 for legal persons or individuals, provided, however, that such items shall be made available free of charge to beneficiaries specified in decision.
- The calculation of the Tax on Ownership of Real Estate Property ("ENFIA") will be based on the currently applicable "deemed" property values for 2020.
- Owners of real estate property rented to affected businesses, may also benefit from offsetting part of the revenue lost against their tax liabilities arising after July 2020.
- R&D expenses will have a deduction of 100% instead of the current 30% for expenses incurred as of 1 September 2020 onwards.
- Tourist packages from 80/20 (80% taxable at 13%, 20% taxable at 24%) to 90/10 (90% taxable at 13%, 10% taxable at 24%) for the period from 1 June 2020 to 31 October 2020.

Labor protection measures

- Special allowance of 800 Euros: (1) for short period of time for qualifying self-employed, freelancers and individual businesses affected by the COVID-19 crisis, (2) during the suspension period for employees of firms affected by the COVID-19 crisis, whose labor contract has been suspended based on specific economic activities in the European Community (NACE) codes, (3) for short period of time for employers (with up to 20 employees) affected by the COVID-19 crisis. This allowance was reduced to 534 Euros or 300 Euros depending on specific criteria during May until October and was increased again to 800 Euros as part of the measures announced in November 2020.
- Special allowance of 600 Euros for a short period of time for economists/accountants, engineers, lawyers, doctors, teachers and researchers.

- Unemployment benefit of 400 Euros. Lump sum payment for 155,000 individuals that became long term unemployed since April 2019. Second lump sum payment for 130,000 individuals that became long term employees since 1 March 2020 was announced in November 2020.
- Extension of the regular unemployment benefit payment, as well as extension of the long term unemployment benefit.
- Lump sum payment to those eligible for minimum guaranteed income for December 2020. The payment will be given to 256,562 households and the amount will depend on the number of people in the household, with a minimum of 200 Euros.
- Introduction of special purpose leave, only for workers with children attending to schools (while schools are closed), the cost of which will be shared between the state, the firm and the employee.
- 40% reduction in commercial rent since March 2020 for businesses affected by the COVID-19 crisis. A subsidy of 50% of the reduction will be provided to the lessor from November 2020 onwards.
- 40% reduction in primary and student residence rent since March 2020 for employees of firms affected by COVID-19 crisis. A subsidy of 50% of the reduction will be provided to the lessor from November 2020 onwards.
- Ability to suspend contracts of employment of part or all of the staff for a continuous period of 45 days, while prohibiting employees' dismissal. It can be applied for short period of time for qualifying businesses affected by the COVID-19 crisis. The right to suspend employment contracts, the provision of the special purpose compensation, as well as the social security coverage will be extended for a prolonged period.
- Ability of transfer staff to other companies within the same group, following a relevant intra company agreement. For qualifying businesses affected by the COVID-19 crisis. Duration of measure is to be determined.
- Possibility for employers to pay the Easter bonus at a later time and until 30 June 2020 for qualifying businesses affected by the COVID-19 crisis.

The Bank believes the above mentioned measures implemented or announced by Greek authorities will help its customers meet their financial obligations.

The European Central Bank

In March, April and June 2020, ECB announced the following measures:

- Temporary increase in the Asset Purchase Programme ("APP") of €120 billion (12 March 2020).
- Pandemic Emergency Purchase Programme ("PEPP") €750 billion until the end of 2020 for all asset categories eligible. Expanded the range of eligible assets under the Corporate Sector Purchase Programme ("CSPP") to non-financial commercial paper (18 March 2020).
- Modifications to the terms and conditions of its Targeted Longer- Term Refinancing Operations (TLTRO III): Interest rate on all TLTRO III reduced by 25 basis points to -0.5% from June 2020 to June 2021. For banks meeting the lending threshold of 0% introduced on 12 March 2020, the interest rate can be as low as -1%. Start of the lending assessment period brought forward to 1 March 2020 (30 April 2020).
- Collateral easing measures: Package of temporary collateral easing measures to facilitate the availability of eligible collateral for Eurosystem counterparties to participate in liquidity providing operations. The main features are:
    - Collateral measures to facilitate an increase in bank funding against loans to corporates and households,
    - General reduction of collateral valuation haircuts by a fixed factor of 20% and other measures (lowering of the non-uniform minimum size threshold for domestic claims, increase of maximum share of unsecured debt instruments issued by any single other banking group in a credit institution's collateral pool and waiver of the minimum credit quality requirement for marketable debt instruments issued by the Hellenic Republic for acceptance as collateral in Eurosystem credit operations) (7 April 2020).
- New pandemic emergency longer-term refinancing operations: Series of additional longer-term refinancing operations to ensure sufficient liquidity and smooth money market conditions during the pandemic period. Operations allotted on a near monthly basis maturing in the third quarter of 2021 (30 April 2020).
- The envelope for PEPP will be increased by €600 billion to a total of €1,350 billion. In response to the pandemic-related downward revision to inflation over the projection horizon, the PEPP expansion will further ease the general monetary policy stance, supporting funding conditions in the real economy, especially for businesses and households. The purchases will continue to be conducted in a flexible manner over time, across asset classes and among jurisdictions. This allows the Governing Council to effectively stave off risks to the smooth transmission of monetary policy (4 June 2020).
- The horizon for net purchases under the PEPP will be extended to at least the end of June 2021. In any case, the Governing Council will conduct net asset purchases under the PEPP until it judges that the coronavirus crisis phase is over (4 June 2020).

- The maturing principal payments from securities purchased under the PEPP will be reinvested until at least the end of 2022. In any case, the future roll-off of the PEPP portfolio will be managed to avoid interference with the appropriate monetary stance (4 June 2020).
- ECB set up a new backstop facility, called the Eurosystem repo facility for central banks ("EUREP"), to provide precautionary euro repo lines to central banks outside the euro area. EUREP addresses possible euro liquidity needs in case of market dysfunction resulting from the COVID-19 shock that might adversely impact the smooth transmission of ECB monetary policy. EUREP will be available until the end of June 2021 (25 June 2020).

The following prudential measures have also been implemented by ECB:

- Pillar 2: Banks permitted to cover Pillar 2 requirements with capital instruments other than common equity tier 1 (CET1) (12 March 2020).
- Operational flexibility in implementation of bank specific supervisory measures (12 March 2020).
- Will allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance ("P2G"), the capital conservation buffer ("CCB") and the Liquidity Coverage Ratio ("LCR"). The ECB considers that these temporary measures will be enhanced by the appropriate relaxation of the countercyclical capital buffer ("CcyB") by the national macroprudential authorities (12 March 2020).
- Will consider rescheduling on-site inspections and extending deadlines for the implementation of remediation actions stemming from recent on-site inspections and internal model investigations, while ensuring the overall prudential soundness of the supervised banks. In this context, the ECB Guidance to banks on non-performing loans also provides supervisors with sufficient flexibility to adjust to bank-specific circumstances. Extending deadlines for certain non-critical supervisory measures and data requests will also be considered (12 March 2020).
- Capital relief: Total package amounts to €120 billion to absorb losses, or potentially finance up to €1.8 trillion of lending (20 March 2020).
- Non-Performing Loans ("NPLs"): Supervisory flexibility regarding the treatment of NPLs, in particular to allow banks to fully benefit from guarantees and moratoriums put in place by public authorities to tackle the current distress (20 March 2020).
- Dividends and Buy Back: banks should not pay dividends for financial years 2019 and 2020 until at least 1 January 2021. Also, banks should refrain from share buy-backs until the 1 January 2021 (28 July 2020).
- Leverage Ratio: ECB exercises regulatory discretion declaring exceptional circumstances due to pandemic and allows banks to temporarily exclude central bank exposures from leverage ratio until 27 June 2021 (17 September 2020).
- Non-objection opinion on measures taken by macro-prudential authorities in the Euro area by releasing or reducing capital buffer in reply to COVID-19 (15 April 2020).
- Market Risk: Temporary relief on market risk capital charges, by allowing banks to adjust the supervisory component of this requirement. The ECB will reduce the qualitative market risk multiplier. This decision will be reviewed after six months on the basis of observed volatility (16 April 2020).
- Grandfathering until September 2021 of eligible marketable assets used as collateral in Eurosystem credit operations falling below current minimum credit quality requirements (22 April 2020).

The European Commission

European Commission announced the following measures:

- Banking package to facilitate lending to households and businesses in the EU (28 April 2020).
  - Amendments to the Capital Requirements Regulation (CRR). The European Commission proposes exceptional temporary measures to alleviate the immediate impact of Coronavirus-related developments, by adapting the timeline of the application of international accounting standards on banks' capital, by treating more favorably public guarantees granted during this crisis, by postponing the date of application of the leverage ratio buffer and by modifying the way of excluding certain exposures from the calculation of the leverage ratio. The European Commission also proposes to advance the date of application of several agreed measures that incentivize banks to finance employees, SMEs and infrastructure projects.
  - Interpretative Communication on the EU's accounting and prudential frameworks. The Communication confirms the recent statements on using flexibility within accounting and prudential rules, such as those made by the Basel Committee of Banking Supervision, the EBA and the ECB, amongst others. For example, the respective communication confirms – and welcomes – the flexibility available in EU rules when it comes to public and private moratoria on loan repayments (EBA guidelines of 2 April 2020).
- The European Commission issued a €17 billion inaugural social bond under the EU SURE instrument to help protect jobs and keep people employed. SURE has an overall firepower of up to €100 billion to help protect jobs and workers affected by the pandemic.

The European Commission has already proposed a total of €87.8 billion in financial support under SURE to 17 Member States. (21 October 2020).

EU Member States - Coronavirus Recovery Fund

On 21 July 2020, EU leaders agreed to a €1.8 trillion aid and budget deal aimed at helping members recover from the economic fallout of the COVID-19 pandemic. The package includes a €750-billion fund to be sent as loans and grants, as well as a seven-year €1 trillion EU budget. The plan includes €390 billion worth of grants and €360 billion worth of loans.

On 17 September 2020, the European Commission set out guidance for the implementation of the Recovery and Resilience Facility in its 2021 Annual Sustainable Growth Strategy ("ASGS"). The Facility will provide an unprecedented €672.5 billion of loans and grants in frontloaded financial support for the crucial first years of the recovery. The deal has to be approved by the European Parliament.

European Banking Authority

The European Banking Authority ("EBA") announced the following measures:

- Stress tests: EU-wide stress test postponed to 2021 (12 March 2020).
- Supervisory requests: Competent Authorities ("CAs") recommended to be pragmatic, flexible and to postpone non-essential activities (12 March 2020).
- Pillar 2: CAs encouraged to make full use of flexibility in Pillar 2 Guidance (P2G) to provide the necessary support (12 March 2020).
- Dividends and share buy backs: EBA stressed institutions should refrain from the distribution of dividends of share buy-backs and assess their remuneration policies in line with the risks stemming from the economic situation (1 April 2020).
- Risk weights for specialised lending exposures: The EBA published a response to the European Commission's intention to amend the EBA's final draft regulatory technical standards ("RTS") for assigning risk weights to specialised lending exposures. The EBA takes the view that the proposed changes, despite their substantive nature, do not alter the draft RTS in a significant manner, as they still maintain a good balance between the flexibility and risk sensitivity required for the Internal Ratings Based ("IRB") approach and the need for a harmonised regulatory framework (16 April 2020).
- Prudent Valuation RTS: Amendment of the regulatory technical standard on prudent valuation by introducing the use of a 66% aggregation factor to be applied until the 31 December 2020 under the so-called core approach (22 April 2020).
- SREP 2020: Need for a pragmatic approach focusing on the most material risks and vulnerabilities driven by the crisis (22 April 2020).
  - On 25 March 2020, the EBA stated it is of the view that the public and private moratorium to the extent they are not borrower specific but rather addressed to broad ranges of product classes or customers, do not have to be automatically classified as forbearance measures as for IFRS9 and the definition of default (see Note 9 "Loans and advances to customers").
- On 21 September 2020, EBA announced that it will phase out its Guidelines on legislative and non-legislative payment moratoria in accordance with its end of September deadline. The regulatory treatment set out in the Guidelines will continue to apply to all payment holidays granted under eligible payment moratoria prior to 30 September 2020.

Council of Ministers of the European Union

On 12 March 2020 the Ministers of Finance of the Member States of the EU agreed with the assessment of the Commission, that the conditions for the use of the general escape clause of the EU fiscal framework – a severe economic downturn in the euro area or the Union as a whole – are fulfilled.

The use of the clause will ensure the needed flexibility to take all necessary measures for supporting our health and civil protection systems and to protect our economies, including through further discretionary stimulus and coordinated action, designed, as appropriate, to be timely, temporary and targeted, by Member States.

Ministers remain fully committed to the respect of the Stability and Growth Pact. The general escape clause will allow the Commission and the Council to undertake the necessary policy coordination measures within the framework of the Stability and Growth Pact, while departing from the budgetary requirements that would normally apply, in order to tackle the economic consequences of the pandemic.

Hellenic Bank Association

The Hellenic Bank Association announced in March 2020 that workers, freelancers and small business owners that have been directly affected by the COVID-19 crisis as a result of the Government ordering the suspension of their business operations in order to fight the pandemic, will benefit, if the customer so desires, with a deferral of all loan payments for a short period of time. Furthermore, corporations likewise effected by the COVID-19 crisis measures will also benefit, if they so desire, with a short term deferral in the payment of capital and an extension of 75 days has been provided for post-dated cheques at maturity.

Similar initiatives have been taken by other countries and central banks where the Group operates.

NOTE 23: Events after the reporting period

Events after the reporting period relate to the following:

Debt securities in issue and other borrowing funds

On 8 October 2020, the Bank completed the issuance of €500 million Green Fixed Rate Resettable Unsubordinated MREL Notes with an annual coupon of 2.75% and a yield of 2.875%.

On 19 October 2020, the €750 million Covered Bond (Series 7) under Program II matured.

On 11 November 2020, the Bank exercised a call option to repurchase €200 million in covered bonds held by the European Investment Bank (EIB). The call option will be settled on 9 December 2020 at amortized cost plus accrued interest plus an early redemption cost of €2 million (see Note 14 "*Debt securities in issue and Other borrowing funds*").

COVID-19 developments

For the Customer Loan Modifications related to COVID-19 adopted by the Bank and for measures taken by the authorities after the period end, (see Note 22 "*Risks and responses related to the COVID-19 Outbreak*").

Secured Overnight Financing Rate ("SOFR") discounting

On 19 October 2020 the discounting methodology of USD denominated interest rate derivatives centrally cleared changed from Federal Funds Rate to SOFR. The change in discounting to SOFR is not expected to have a material impact to the Group's consolidated financial statements.

Voluntary exit scheme

On 9 November 2020, the Bank announced to its employees the terms of the VES. The deadline for applications is until 4 December 2020 (see Note 5 "*Restructuring cost*").