NATIONAL BANK OF GREECE

Group and Bank

Annual Financial Report

31 December 2021

March 2022

Contents

About **National Bank of Greece**

Who we are: 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 181 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, troubled assets management, transactional banking, leasing, factoring, brokerage, asset management, real estate management and insurance services. The Group operates mainly in Greece; however, it does also have branches and subsidiaries in UK, North Macedonia, Romania, Bulgaria, Cyprus, Malta, Egypt, and Luxembourg.

The Bank is one of the four systemic banks in Greece and one of the largest financial institutions in Greece by market capitalization, holding a significant position in Greece's financial services sector.

For further details on our Business Overview, see section "*Economic and financial review*".

Our **Purpose**

Our Purpose Statement is "***Together we create future***".

Our **Vision**

Our vision is to become the "***Bank of First Choice***" for customers, talent, and investors. A trustworthy, human, responsive bank, that acts as a growth catalyst and unlocks potential for households, businesses, communities, and our employees.

Our **Values**

Throughout our history, from 1841 until today, we recognize that our successful business activity is mainly based on the fact that we operate guided by our values and our principles.

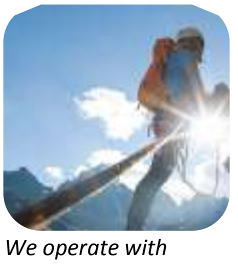
Those values are, and will remain etched in our DNA, in order to move forward together to the next day.

We are:

Human

Your needs and choices are at the centre of everything we do.

Trustworthy



We operate with transparency, knowledge and experience.

Responsive

We provide flexible solutions tailored to your needs.

A Growth Catalyst

We accelerate progress and prosperity.

About **Environment, Social and Governance**

During the first months of 2021, NBG launched a holistic Environment, Social and Governance ("ESG") effort to ensure compliance with evolving regulatory framework, fulfilment of its commitment to the Principles of Responsible Banking ("PRB") of the United Nations Environment Program Finance Initiative ("UNEP FI") and implementation of ESG best practices across the organization (covering management of credit and other types of risk, business strategy, products and services, reporting, as well as efforts to reduce NBG's direct and indirect emissions footprint).

An ESG Management Committee, chaired by the Chief Executive Officer, has been set up to govern all strategic decisions related to ESG, while a dedicated Group Corporate Social Responsibility & Sustainability Division has been established under the Group Chief Compliance and Corporate Governance Officer to oversee matters pertaining to corporate social responsibility, sustainability, and climate change.

Moreover, key initiatives relevant to the implementation of the ESG strategy are being included in the Transformation Program to ensure high level of focus and execution discipline in the aforementioned critical areas.

For further details on our ESG, see section "*Non-Financial Statement*".

Chairman's Statement

Gikas A. Hardouvelis
Chair of the Board of Directors

In 2021 we accomplished a lot. National Bank of Greece, our Bank, is growing stronger by the day, both internally and in its external operations, investing in its people and in digital banking, emerging as the Bank of First Choice. First choice for its customers, first choice for its people, first choice for its investors. A trustworthy companion to its customers, knowing their needs, advising and servicing them.

At NBG we work effectively as a team, set ambitious goals, and focus on results. We encourage our people to take initiatives, develop new skills and evolve. During 2021, the Bank summarized its new culture and its Statement of Purpose in a single phrase: "Together we create Future". Together with our people and our customers we create a Bank that is Human, Trustworthy, Efficient and Growth-Promoting. Those four-core values capture our guiding principles and underpin all our activities and interactions with households, businesses and society at large, in a common journey of sustainable growth and prosperity.

Last year we continued reducing our operating costs, while reaching a single-digit Non-Performing Exposures ("NPE") ratio. We also enhanced our major competitive advantage – our strong capital position – without resorting to a share capital increase that would require a cash contribution from our shareholders. Our capital position was strengthened courtesy of the increase in our profitability, a number of capital accretive transactions, such as the sale of Ethniki Insurance and the Frontier securitization, as well as initiatives enhancing our competitive strength, such as the strategic cooperation with EVO Payments Inc. on our merchant acquiring business.

Looking to the future, we're making innovative investments in technology infrastructure, breaking ground with our digital transformation. According to surveys of independent consulting companies, we are among the most advanced digital banks in Europe and the best in Greece. In digital banking, we have the largest number of users among Greek banks. Moreover, we recently received an award from a renowned international magazine for our progress in digitalization and our pioneering e-banking services.

ESG issues today are an integral part of NBG's strategy and corporate image. We focus on green banking, while participating for the fifth consecutive year in the Bloomberg Gender Equality Index, creating equal opportunities for all.

In 2021 we received awards from established international agencies as the Best Bank in Greece, as well as the Bank with the Best Corporate Governance in Greece. We were also awarded additional distinctions for being the best in key sectors of Corporate and Retail banking.

NBG is making a strong comeback into the domestic economy at an opportune time. Today the Greek economy embarks on a decade of strong growth, with the banking sector playing a central role and with NBG leading the way as a key driver of economic conditions.

The Greek economy is healing the wounds of the pandemic at a faster pace than originally expected. In 2021, Gross Domestic Product ("GDP") grew at one of the fastest rates in the Euro Area, already with its level approaching the level of 2019 and with the unemployment rate falling to an 11-year low. The diffusion of the recovery across many sectors of the economy, the rapid resurgence of tourism and the impressive pace of exports – which are topping record levels, and the utilization of European financing, are creating a strong positive momentum.

The upswing in the economy is visible in the increase of household real disposable incomes and retail deposits, with the latter reaching the highest level since 2010. It is also visible in the rising property prices and the decline of government and corporate bond yields to historic lows during 2021. It is visible in business profitability and investment activity, which significantly exceed pre-pandemic levels, as well as in key business sentiment indicators, which hit a 20-year high in early 2022.

The upturn in growth is expected to continue, accompanied by a parallel deepening of the economy's productive and technological base, and backed by European financing. The impact of the Recovery and Resilience Facility is already evident, with annual financing surpassing 2.5% of GDP in 2022.

Nevertheless, we cannot ignore the new threats and challenges emerging from the geopolitical crisis in Ukraine. Inflation is accelerating to levels we haven't seen since the 1990s, and geopolitical tensions recall the worst moments of the Cold War. Without yet knowing the final size of the negative humanitarian, geopolitical and economic implications, it is almost certain that fiscal and monetary decisions will be directed towards mitigating those downside risks.

Against this uncertain global backdrop, we continue strengthening our internal control system and remain focused and vigilant on our strategic goals of growing our business, providing quality service to our customers, and supporting the Greek economy and society.

Remaining loyal to its values and traditions, NBG today flourishes as a modern, competitive and strong institution, staying always next to its customers and enjoying their trust. The National Bank of Greece becomes the "Bank of First Choice".

Athens, 15 March 2022

Gikas A. Hardouvelis
Chair of the Board of Directors

Pavlos K. Mylonas
Chief Executive Officer

Results from NBG's multi-year transformation effort are more evident than ever in 2021. Capitalizing on Greece's strong economic recovery, we have delivered strong organic profitability, an ambitious NPE clean-up and a growing and well-capitalized balance sheet, underpinned by the rapid change towards a more flexible and efficient operating model.

Starting with asset quality, the stock of domestic NPEs declined to €2.1 billion and the net NPE exposure to only €0.5 billion. The NPE ratio in Greece dropped to 6.9%, down by 7 percentage points in a year, bringing us to just short of the 6% FY.22 NPE target, one year ahead of schedule. Notably, we signed and completed Project "Frontier", our large NPE securitization transaction (with a total gross book value of c. €6 billion as of 30 June 2020), comprising mostly mortgages. It was successful in reducing our NPEs significantly, but it also resulted in a capital gain of +150 basis points ("bps") as it achieved the highest price for a portfolio its size in the Greek market. This fact, partly, reflects the success of our "split and settle" restructuring product. At the same time, despite a steady normalization of our Cost of Risk ("CoR") throughout 2021 to 68bps in 4Q.21, our domestic cash coverage increased to 78% arising from the favorable underlying organic NPE formation trends comprising sustained organic curing and few new defaults (including from expired moratoria).

On the profitability front, Group adjusted profit after tax ("PAT") from continued operations reached €834 million, on strong operating P&L trends. More importantly, core operating profit surged by 39.8% year-over-year ("y-o-y") to €451 million, ahead of guidance, reflecting improvement in core income, extensive cost cutting and CoR normalization, boding well for achieving our FY.22 Group core operating profit target of €0.5 billion. Decisive cost cutting, with personnel expenses down by 12.0% y-o-y and net interest income ("NII") resilience, up by 2.8% y-o-y, are the key contributors to profitability improvement. The latter is supported by a €1.4 billion y-o-y expansion of our performance exposure ("PE") loan book.

With regards to our capital strength, Common Equity Tier 1 ("CET1") increased by c. 120bps to 16.9% and total capital to 17.5% (pro-forma, including the profit from the period), benefiting from a highly capital accretive Frontier transaction and strong profitability. The completion of the Ethniki Insurance sale and the strategic partnership with Evo Payments Inc, with the former expected to close within the next few weeks and the latter in 4Q.22, will add to our total capital ratio an additional c. 160 bps, creating strategically significant capital buffers.

But it's not only the "qualitative metrics" that are improving. NBG is undergoing a significant transformation during the past 3 years, and the progress achieved on this front in 2021 will help the Bank to excel in all its lines of business.

Our corporate business has benefitted substantially from the of ongoing transformation projects. In 2021, we launched "NBG 2.0", a framework of integrated services designed for access and guidance to all the financing opportunities of the National Recovery and Resilience Fund ("Greece 2.0"). In parallel, we have increased digital sales through our newly established Corporate Transaction Banking Unit, including both customized Application Programming Interface ("APIs") sales to targeted large customers, as well as their wider distribution through Enterprise Resource Planning ("ERP") providers.

In the retail business, our continued investment and enhancements of our digital offering reaped significant returns: we have the largest number of active digital users in the market (>2 million). During 2021, we were the first Greek bank to launch an end-to-end digital loan for small business customers (up to €35k), approved and disbursed within 48 hours. We also expanded our digital 'onboarding' to small business customers, in addition to retail customers launched in early 2020. On the non-digital front, we are implementing a new service model for Small Businesses in our branch network, optimizing our mortgage process and expanding our third-party cooperation for sales of unsecured loans.

All the above would not have been possible without the strong coordination between the front line and the Human Resource, IT and Operations units. For our People, we successfully rolled out the new Performance Management System, which combined with the new Variable Remuneration Scheme, both to be implemented in 2022, are critical milestones towards the Bank's cultural transformation, aiming at increasing meritocracy, motivation and excellence. Equally importantly, we re-established our Purpose and Values, launched internally through an inclusive event where all 7,500 of our employees participated. Our 4 Values, Human, Trustworthy, Responsive and A Growth Catalyst will lead us towards achieving our goal to be the "Bank of First Choice" in Greece. IT continues to replace legacy systems, and beginning in 2021, the Core Banking System. IT also continues creating digital products and services which have us ranked No 1 digitally in Greece. Similarly, Operations have been centralizing and improving many processes, helping the bank become more efficient and agile.

Regarding our international footprint, our subsidiary, Stopanska Banka A.D., continues to generate solid results and impressive returns. In order to comply with the remaining Restructuring Plan Commitments, we are winding down our operations in Egypt and significantly reducing our operations in Cyprus. In addition, we have decided to wind-down our United Kingdom branch (mainly due to Brexit-related business limitations) and our operations in Malta. We expect to exit the Restructuring Plan within the first half of 2022, following the closing of the Ethniki Insurance transaction.

During 2H.21, our Board of Directors has approved a renewed Environment, Social and Governance ("ESG") strategy for the Group. On the Environment front, we will continue to lead the market in the financing of renewable energy projects front, helping to accelerate transition to a sustainable economy. For Society, NBG has traditionally been strongly acknowledged as an active supporter of numerous initiatives in the culture, health, economy and will continue to do so in the future. Indicative actions in 2021 include our support for the wildfires in North Evia as well as the donations of specialised machinery to hospitals and the new intensive care units to the city of Thessaloniki. In the area of social support and culture, NBG and its Cultural Foundation ("MIET"), have consistently played an important *role. Finally, we adhere to the highest Governance standards, ensuring transparency in disclosures and reporting.*

Looking ahead into 2022 and beyond, the prospects of the Greek economy are very positive, despite the inflation-related headwinds that have been bolstered significantly further by the Russian invasion of Ukraine. The fundamentals of the economy are strong and even with the current global environment, Greece should experience respectable positive output growth in 2022 and much better outcomes in 2023 and 2024. Thus, NBG’s performance targets remain ambitious. Specifically, we aspire to quickly close the remaining distance to c. 3% European level NPE ratio and continue to improve the pace of organic capital generation, both through further top line improvement as well as operating cost efficiencies and CoR normalization.

The target is to achieve a double-digit Return on Tangible Equity (“RoTE”) ratio. Improved profitability and our strong capital ratios should allow us to commence a policy of prudent dividend distribution in the near term. Meeting these ambitious objectives requires significant further effort in a world experiencing rapid technological change and more exacting customer expectations. Our Transformation Program will continue to provide NBG with a competitive advantage in driving this necessary change. Our investment in technology and people are the critical components to successfully achieving our targets and be the “Bank of First Choice”. The results so far, and especially in 2021, affirm our capacity and dedication to deliver these goals.

Athens, 15 March 2022

Pavlos K. Mylonas
Chief Executive Officer

Certification by the Chairman of the Board of Directors, the Chief Executive Officer and the Board of Directors member pursuant to Article 4 of Greek Law 3556/2007

We, the members of the Board of Directors of National Bank of Greece S.A. certify that to the best of our knowledge:

(1) The annual financial statements for the year ended 31 December 2021 have been prepared in accordance with the applicable accounting standards and present a true and fair view of the assets, liabilities, equity and results of operations of the Bank and of the companies included in the consolidation.

(2) The Board of Directors Report for the year ended 31 December 2021 fairly presents the evolution, the performance and the position of the Bank and of the companies included in the consolidation, including the description of the main risks and uncertainties they face.

Athens, 15 March 2022

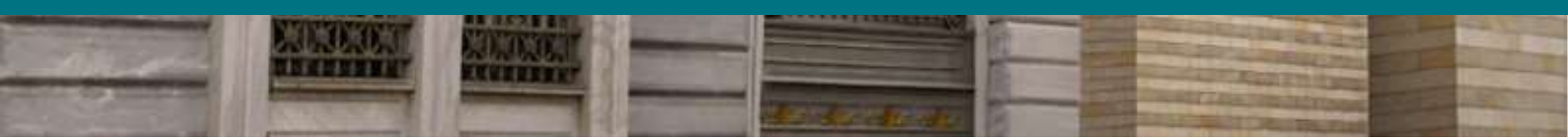
THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE BOD MEMBER
GIKAS A. HARDOUVELIS	PAUL K. MYLONAS	MATTHIEU A. KISS

NATIONAL BANK
OF GREECE

for the year ended 31 December 2021

Board of Directors Report

2021



Key Highlights

Strategic priorities for 2021-2023

1. Healthy Balance Sheet

"We complete the clean - up of our non-performing assets, further strengthening our Balance Sheet"

2. Efficiency & Agility

"We eliminate operational inefficiencies and tightly manage spend, improving profitability in a sustainable manner"

3. Best Bank for our Clients

"We deepen trust-based relationships with our customers, addressing their needs through our traditional and digital channels"

4. Technology & Processes

"We enhance all aspects of our technological infrastructure and core processes, enabling our commercial and efficiency objectives"

5. People, Organisation & Culture

"We revamp our structure, our Human Resources platform and our corporate culture, building a modern and flexible organisation"

6. Visibility, Control & Compliance

"We create a modern, robust and comprehensive framework for risk management, internal controls and compliance"

About NBG's Transformation Program

NBG's Transformation Program capitalises on our core strengths and addresses our key challenges to ensure we successfully capture opportunities and achieve our financial and operational targets.

Strong governance and cadense

with full sponsorship of management team and Board of Directors

50+ initiatives

driving sustainable changes in line with our Business Plan

1000+ colleagues

across the whole organization actively involved in the Transformation Program

Response to COVID-19 crisis

The health and safety of our employees, customers and stakeholders, together with our ability to continue to deliver services, has been our top priority

Our People

- We ensured that the majority of our employees at headquarters **were able to work remotely, activating our Crisis Management Plan ("CMP") sites** to decongest critical on-site based operations;
- activated **rigorous incident management processes**;
- ensured required **protective and cleaning materials were made available to employees**;
- deployed **extensive internal communications**;
- secured uninterrupted operations by **redesigning critical processes** to facilitate remote work while at the same time ensuring that emerging risks were mitigated by adequate and efficient controls.

Our Customers

- We shifted towards **digital banking platforms** to ensure nationwide service availability to our customers;
- redirected resources to prepare for the necessary **financial support** to our customer base, mitigating the immediate impact of the COVID-19 pandemic;
- implemented **payment moratoria for corporate and retail customers**;
- participated in **all State Schemes COVID-19 support schemes**;
- deployed **extensive external communications**.

Our Stakeholders

- We kept our employees, customers, shareholders, investors and regulatory bodies **always informed** by raising awareness about key hygiene measures, travel restrictions and policies;
- **encouraged and educated** our customers to use digital channels.

Our Society

- We **donated medical equipment** to the National Health System;
- **monitored closely** the parameters relating to the pandemic health crisis and maintained support for our employees, customers, stakeholders and society through these unprecedented times.

2021 Group Financial Results

Adjusted Group profit for the year from continuing operations at €834 million, up 41.4% on an annual basis

Adjusted Group profit for the period from continuing operations

€834 million for the year ended 31 December 2021 (31 December 2020: €590 million).

Domestic new loan disbursements

Domestic loan disbursements reached €4.9 billion +5.1% year-over-year ("y-o-y"), aided by corporates.

Non-Performing Exposures ("NPEs")

Group NPE stock amounted to €2.3 billion, with NPE ratio at 7.0%.

Liquidity

Domestic deposits grew by €4.6 billion to €51.6 billion, Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") stand comfortably above regulatory requirements.

Common Equity Tier 1 ratio ("CET1")

The Group's Common Equity Tier 1 ("CET1") and Total Capital ratios as at 31 December 2021 were 14.1% and 14.7% respectively, exceeding the Overall Capital Requirements ("OCR") ratios of 11.50% and 11.75% for 2021 and 2022 respectively, post capital relief measures. By including the profit for the year, at 16.9% and 17.5%, respectively.

Digital functionality

Digital transactions soared, supported by our efforts to accelerate onboarding & engagement and enhance the digital capabilities of our customers

The introduction of new digital capabilities in combination with campaigns to promote digital channels led to a significant acceleration of digital usage and engagement:

- 25.4% y-o-y increase in transactions via digital channels.
- Digital active users reach 2.5 million (+19.4% y-o-y).
- More than 440,000 new digital customers registered year-to-date.

Non-financial

Selected awards & recognitions

- **Awards & Distinctions**

  "Best Corporate Governance Greece" – CFI, "Best Bank in Greece" - The Banker & HRIMA Business Awards 2021, "Lloyd's List Greek Shipping Awards 2021"- Maritime Financier of the Year, "Focus Economics - Forecast Awards 2021"- 1st place, "Global Finance Awards"- The "Best Trade Finance Bank in Greece", "Hellenic Innovation Forum & Awards 2021" – Gold award for NBG Business Seeds, "Digital Banking Awards 2021"- Best Mobile App, Best Consumer Digital Bank, Best SME Digital Bank, "Business IT Excellence Awards 2021"- 3 awards, "Mobile Excellence Awards 2022"- 3 awards", "CR-Index Award 2020-2021" – Diamond/Praise for the Workplace.

- **Gender diversity**

  At 33.0% (one Executive Member and three Independent Non-Executive Members of the Board of Directors) are women.

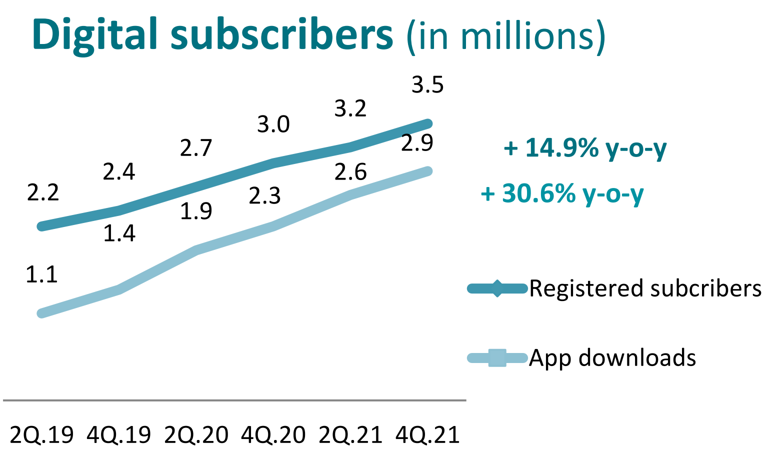
- **ISO 26000 2010 certifications** on Corporate Social Responsibility.

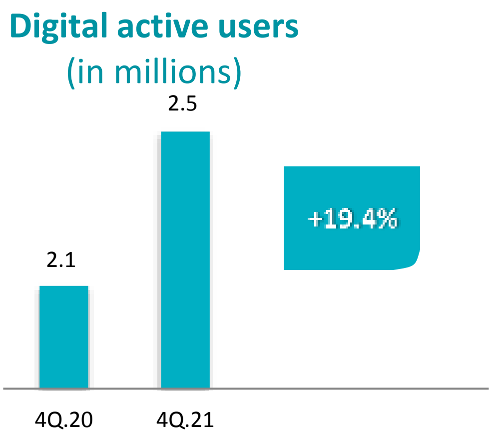
Acceleration of digital transformation and new digital functionalities

A digital leap forward creating a new competitive advantage

	Key digital metrics	New digital functionalities
Onboard	• **Digital subscribers:** 3.5 million (+14.9% y-o-y). • **Mobile app downloads:** 2.9 million (+30.6% y-o-y).	• **Digital onboarding** for legal entities.
Engage	• **Digital active users (12 months):** 2.5 million (+19.4% y-o-y). • **Digital active users (1 month):** 2.0 million (+16.7% y-o-y).	• **eGov integration** for Know your Customer ("KYC") data updates. • **Cards transaction dispute.** • **Contactless Payments via Mobile Banking**: Apple Pay & NFC. • **FX transfers** for shipping customers. • **Account Aggregation** in Internet Banking/Mobile Banking.
Gross-sell	• **Digital sales:** c.220k items (+7.9% y-o-y).	• **Sight accounts** for self-employed and legal entities. • **Auto insurance** available via Internet Banking. • **End-to-end credit line** for legal entities and self-employed. • **POS devices & e-commerce/key2pay** for self-employed • **Product bundles** (e-value & Value Plus) available via Internet Banking. • **Debit cards** for legal entities.

Digital transactions soared, supported by our efforts to accelerate onboarding & engagement and to enhance the digital capabilities of our customers.





Key achievements and significant developments of NBG Group in 2021

Large scale Transformation Program

Building upon its long-lasting tradition of trust and contribution to the Greek economy and society, the National Bank of Greece ("NBG" or the "Bank") embarked on a large-scale Transformation Program (see section "*Transformation Program*") in the second half of 2018 to transform the Bank, responding to the challenges and tapping the business opportunities presented by the rapidly changing economic and banking landscape.

The Transformation Program addresses the strategic priorities that leverage on our strengths and address our weaknesses. Three years into its implementation, the Transformation Program has delivered impressive results in terms of core profitability – fully in line with the Bank's financial and business targets up to 2023 – and tangible improvements to NBG's business and operating model. These results are delivered through discrete workstreams encompassing 50+ initiatives and involving 1,000+ managers and employees of the Bank.

NPE reduction plan

From December 2015 to December 2021, the Group achieved a decrease of €22.1 billion of the NPE stock through a combination of organic and inorganic actions, with Group NPE stock as of 31 December 2021 at €2.3 billion (Bank: €2.1 billion). Similarly, the NPE ratio dropped from 46.8% to 7.0% post to the Project "Frontier" derecognition and the Project "Frontier II" classification as Held for Sale. More specifically, NPE reduction continued in FY.21, with the stock of domestic NPEs reduced further by €2.2 billion to €2.1 billion, reflecting mainly inorganic actions (see below "*Disposal of NPE portfolios*").

Domestic NPE ratio dropped by c. 84 bps to 6.9% in FY.21, with NPE coverage at 77.5% from 62.8% in 4Q.20.

International NPE ratio and coverage in FY.21 settled at 9.7% and 73.0%, respectively.

In relation to the year-end NPE reduction Target for 2021, there is an overachievement of €1.8 billion (€1.5 billion from inorganic actions and €0.3 billion from organic actions).

Furthermore, as per the regular European Central Bank ("ECB") calendar, the revised NPE targets for the 2022-2024 period will be submitted to the Single Supervisory Mechanism ("SSM") on 31 March 2022.

Disposal of NPE portfolios

Completed in 2021

Project "Frontier"

On 17 December 2021, the Bank completed the Frontier transaction, which involves the securitization of a portfolio of NPE with a total gross book value of c. €6 billion as of 30 June 2020, following fulfillment of all conditions' precedent, including receipt of all necessary approvals. The portfolio consisted of secured Large Corporate, Small and Medium Enterprises ("SMEs"), Small Business Lending ("SBL"), Mortgages and Consumer Loans.

NBG retained 100.0% of the Senior Notes, which are guaranteed from the State under the Hellenic Asset Protection Scheme ("HAPS" – see below), selling 95.0% of the Mezzanine and Junior Notes to the consortium consisting of affiliates of Bain Capital Credit ("Bain Capital"), Fortress Investment Group and doValue Greece.

The Bank has also serviced the portfolio on behalf of the noteholders for the period between 17 December 2021 and 4 February 2022, when the migration of the portfolio to the long-term servicer (doValue Greece) took place.

Project "Frontier" represents a landmark transaction for the Bank. Specifically, the transaction (i) received two credit ratings, (ii) was not associated with a hive-down and (iii) is serviced by a servicer not arising from a carve out from the bank itself.

Hellenic Republic Asset Protection Scheme

In December 2019, the Greek parliament voted for the creation of an Asset Protection Scheme ("APS") (Greek Law 4649/2019) also known as the "Hercules Scheme". The Hercules Scheme will support banks on deleveraging NPEs through securitization, with the aim of obtaining greater market stability. The participation in the Hercules Scheme is voluntary and open to all Greek banks and it does not constitute state aid as guarantees are priced on market terms.

Under the Hercules Scheme, the Hellenic Republic will provide guarantees up to €12.0 billion on the senior bonds of securitizations of NPEs. The Hercules Scheme will become effective only when the originator has sold at least 50% plus one of junior tranches (and mezzanine if any) and the notes are of such amount that allows the derecognition and the Significant Risk Transfer ("SRT") of the securitized receivables.

Moreover, in July 2021, following the approval from the Directorate General for the Competition of the European Commission (the "DG Competition") on 9 April 2021 and based on the Greek Law 4818/2021, the "Hercules" Scheme (named also as "Hercules II") was extended by 18 months, with no material changes in terms.

Project "Icon"

On 12 February 2021, NBG announced that it has completed the disposal of a non-performing, predominantly secured, corporate loan portfolio (Project "Icon") with total principal amount as at 30 June 2019 of c. €1.6 billion (€0.6 billion of allocated collateral value) to Bain Capital. The transaction was implemented in the context of NBG's NPE deleveraging strategy and in accordance with the Operational Targets submitted to the SSM.

Project "Danube"

On 20 May 2021, the Bank completed the disposal of a Romanian-risk corporate NPE portfolio (Project "Danube") with a total gross book value of c. €174 million (€102 million of allocated collateral value) to Bain Capital. The transaction was being implemented in the context of NBG's NPE deleveraging strategy and in accordance with the Operational Targets submitted to the SSM.

Initiated in 2021

Project "Frontier II"

In 25 November 2021, the Bank decided the disposal of a portfolio of Greek NPEs in the form of a rated securitization that will utilize the provisions of HAPS. The Project "Frontier II" is accounting for c. €900 million, in terms of gross book value as of 31 December 2021. The portfolio consists of secured Large Corporate, SME, SBL, Mortgage Loans and Consumer Loans. The transaction is estimated to be completed within the 3Q.22.

Project "Pronto"

In December 2021, the Bank decided the disposal of the non-performing leasing exposures including: the sale of Probank Leasing S.A. shares, the sale of Bank's leasing portfolio (ex-FBB) and Sale of NBG Leasing S.A. lease portfolio. The net assets of Probank Leasing S.A. as of 31 December 2021 amounted to €36 million at Group level (€20 million at Bank level), while the gross book value of the Bank's and NBG Leasing's leasing portfolios, at the same date, amounted to €76 million. The closing of the transaction is expected to be completed by the end of 4Q.22.

Project "Solar"

In December 2021, the Bank decided to launch the divestment of the secured portfolio of SMEs (Project "Solar") with a gross book value c. €170 million as of 31 December 2021, through a joint securitization process under HAPS, while in parallel and from November 2021 continues to explore divestment through alternative routes. The divestment is expected to be concluded within the 4Q.22.

Divestments

Planned disposals of subsidiaries and Branch under 2019 Revised Restructuring Plan commitments

Sale of a majority equity holding in Ethniki Hellenic General Insurance S.A.

On 24 March 2021, the Bank's Board of Directors approved the sale of the 90.01% out of 100.00% stake in Ethniki Hellenic General Insurance S.A. ("Ethniki Insurance" or "NIC") and authorized the Bank's Management to proceed with the signing of the Share Sale and Purchase Agreement ("SPA") with CVC Capital Partners ("CVC") on 26 March 2021.

The equivalent nominal consideration corresponding to 100.00% of NIC would be €505 million, including an "earn-out" payment of up to €120 million, which will be subject to meeting agreed upon performance targets for the bancassurance channel of NBG by 2026. The transaction includes a 15-year Bancassurance partnership. NIC has been classified as held for sale and discontinued operations.

Furthermore, on 21 April 2021, the extraordinary General Meeting of Bank's shareholders approved the aforementioned transaction.

Closing of the transaction is expected in 1H.22 as it is subject to customary ongoing regulatory approvals. The approval from DG Competition was received on 24 February 2022.

National Bank of Greece (Cyprus) Ltd

On 26 November 2019, the Bank signed a SPA with AstroBank Limited for the sale of its 100.00% stake in National Bank of Greece (Cyprus) Ltd ("NBG Cyprus"). However, on 26 November 2020, which was the last date ("Longstop Date") for Astrobank Limited to fulfil certain condition precedents specified in the SPA entered into between NBG and Astrobank Limited, the Bank took note that such condition precedents were not fulfilled and henceforth decided to terminate the SPA on 27 November 2020.

Although the Bank remained committed to implementing all options of compliance with its commitments under its 2019 Revised Restructuring Plan (see below "*2019 Revised Restructuring Plan*"), the efforts on the alternative options of the subsidiary's divestment did not materialise. Therefore, the financial statements of the Group and the Bank were amended retrospectively, as if, NBG Cyprus never qualified as held for sale and discontinued operations.

National Bank of Greece – Egyptian Branch Network

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

On 2 May 2019, the Bank signed a definitive agreement to sell certain assets and liabilities of NBG Egypt to Bank Audi S.A.E. ("Bank Audi Egypt"). Closing of the Egypt transaction was subject to the approval of the Central Bank of Egypt ("CBE"), as 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 Egypt informed the Bank that will not pursue further the potential acquisition of NBG's operations in Egypt. As a result, the financial statements of the Bank and the Group were amended retrospectively, as if the NBG Egypt never qualified as held for sale and discontinued operations. Furthermore, in May 2021, an official approval was received by the Central Bank of Egypt for the downsize and ultimately cease its operations in Egypt.

The divestment of NBG Egypt is an obligation of the Bank under its 2019 Revised Restructuring Plan (see below "*2019 Revised Restructuring Plan*").

Other divestments | transactions

CAC Coral Ltd

On 16 October 2020, the Bank announced that it has entered into a definite agreement with Bain Capital for the disposal of its 100% stake in a Cypriot Credit Acquiring Company, CAC Coral Ltd (Project "Marina"), which contains a portfolio of non-performing corporate, SME and consumer and mortgage loans with total gross book value of c. €325 million (€200 million of allocated collateral value). The portfolio consists predominantly of legacy non-performing loans. The transaction is being implemented in the context of NBG's NPE deleveraging strategy and in accordance with the Operational Targets submitted to the SSM.

The transaction is currently expected to be concluded within the 2Q.22 after approval of the competent regulatory authorities.

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

NBG London Branch

In May 2021, the Bank decided to cease its operation in U.K. through its branch.

NBG Malta Ltd

In October 2021, the Bank decided to cease its operation in Malta through its subsidiary NBG Bank Malta Ltd.

Strategic Partnership of NBG with EVO Payments Inc

On 17 December 2021, the Bank announced that it has entered into a long-term strategic partnership with EVO Payments, Inc ("EVO") to provide merchant acquiring and payment processing services. Significant value creation is expected from the synergies the Joint Venture partnership will create from combining NBG's wide client base with EVO's technological expertise in the payments business.

NBG's Merchant Acquiring Business will form the basis of a new company ("NewCo") and EVO will acquire 51.00% of its share capital for a cash consideration of €158 million, valuing NBG's Merchant Acquiring Business at €310 million. In addition, there will be a long-term exclusive distribution agreement where NBG will offer to its merchants the market-leading, card acceptance solutions of NewCo, through the proprietary products and processing platforms of EVO.

Financial highlights

Increased adjusted profit after tax from continuing operations by 41.4%

Adjusted Group profit after tax ("PAT") from continuing operations increased by 41.4% y-o-y to €834 million for the year ended 31 December 2021, reflecting mainly the improved core income, a sizable gain arising mainly from Greek government bond transactions (see below "*Exchange of Greek government bonds in January 2021*"), as well as sharp decrease in operating expenses by 6.0% (see below).

Net Interest Income ("NII") at Group level increased by 2.8% y-o-y to €1,212 million, supported by the new loan production, by the time deposits sustained repricing and the utilization of the significantly lower funding terms under the increased Targeted Longer-Term Refinancing Operations ("TLTRO") exposure from ECB, and partially offset by a reduction in loan interest income due to NPE deleveraging and reduced income from securities mainly due to lower average yield after the Greek government bonds exchanges.

Net fee and commission income reached €287 million, expanding by 10.4% y-o-y, on the back of the growth in all three key areas, retail, corporate and non-core banking fees, capitalizing on the transformation initiatives and economic growth.

Operating expenses decreased mainly through personnel expense optimization

Operating expenses for the year ended 31 December 2021 decreased by 6.0% y-o-y to €783 million, driven by the sharp containment of personnel expenses (12.0% y-o-y) as the Group and the Bank realized the benefits of the Voluntary exit schemes ("VESs") launched in 2020 and 2021. In total 472 and 469 employees for the Group and the Bank, respectively, participated in 2021 in the scheme, where 863 and 840 employees for the Group and the Bank, respectively participated in 2020 in the scheme. On the other hand administrative and other operating expenses ("G&As") remained stable y-o-y, while depreciation increased by 5.8% mainly due to charges driven by a reinforced IT investment strategy.

Domestic performing loans additions accelerated in 4Q.21 to close at €1.4 billion y-o-y

Domestic performing loan portfolio continued to expand in 2021 by €1.4 billion y-o-y, reflecting net disbursements of €4.9 billion (+5.1% y-o-y) of which €4.0 billion were allocated to corporates.

Loan impairments in 2021 at €265 million with normalising Cost of Risk at 96bps

Group's loan impairments amounted to €265 million in 2021, from €1,072 million in 2020, as the COVID-19 related loan impairments of €0.4 billion were recognized by the Bank almost in its entirety in 1Q.20 and the incremental provisions required for the HFS transfer of the Project "Frontier" portfolio of €0.4 billion booked in 4Q.2020.

ECB exposure to significantly lower funding terms under TLTRO, while domestic deposit increased by private deposit inflows

Our participation in ECB's TLTRO facilities stood at €11.6 billion as at 31 December 2021, from €10.5 billion as at 31 December 2020, while the Group's customer deposit balance stood at €53.5 billion, a significant increase of €4.4 billion compared to 31 December 2020, mainly due to saving deposits.

Based on the granting of loans for the years 2020 and 2021, the Group has achieved the lending objectives and is eligible to consequently benefit from the bonus rate (i.e., -1%). Interest income recorded in 2020 and 2021 in respect of these transactions and accrued at the bonus rate amounted to €65 million and €113 million respectively.

As a result, Loans-to-Deposits Ratio settled at 56.1% in domestic (Greece) and 56.9% at the Group level. Moreover, the Group's LCR stood at 242.0%, well above regulatory thresholds.

Exchange of Greek government bonds in January 2021

In January 2021, the Hellenic Republic and NBG had agreed on a Greek Government Bond exchange, involving a Greek Government Bond maturing on 20 March 2050, with a series of other Greek Government Bonds with shorter maturities. The terms of the existing and new Greek Government Bonds at the relevant trade dates are as follows:

Existing Greek Government Bond Exchanged

ISIN	Maturity	Interest Rate	Nominal Amount in € million	Settlement Amount in€ million
13 January 2021				
GR0138016820	20 March 2050	3.25%	1,000	1,448

The exchange was executed at market terms and was settled on 20 January 2021 (see below table), and the difference between the settlement amount for the bond exchanged and the bonds received was settled in cash. The Bank realized a gain of €209 million in January 2021, as included in Income Statement under line "Gains / (losses) arising from the derecognition of financial assets measured at amortised cost".

New Greek Government Bond

ISIN	Maturity	Interest Rate	Nominal Amount in € million	Issue price (HDAT*)
20 January 2021				
GR0118020685	22 April 2027	2.000%	50	110.35
GR0124035693	12 March 2029	3.875%	340	126.45
GR0124036709	18 June 2030	1.500%	872	107.61
GR0128015725	30 January 2033	3.900%	301	135.01
GR0128016731	4 February 2035	1.875%	558	111.90
GR0133011248	30 January 2037	4.000%	328	142.84
GR0138015814	30 January 2042	4.200%	375	155.90
Total			**2,824**	

* *Electronic Secondary Securities Market (HDAT).*

The transactions enhance the Bank's capital position, facilitating the execution of the NPE reduction plan.

Exchange of PSI bonds with a series of other Greek government bonds in December 2021

On 15 December 2021, the Greek Public Debt Management Agency ("PDMA") and the Bank carried out another Greek Government Bond exchange. In particular, the Bank exchanged €128 million nominal value, €173 million carrying value and settlement amount of €171 million of the PSI bonds, with a series of other Greek government bonds of a total nominal value €125 million nominal value, and a settlement amount of €171 million. The transaction was executed at market terms and was treated as a modification of the financial instruments exchanged, resulting in a modification loss of €2 million.

2019 Revised Restructuring Plan

The Group is subject to European Commission rules on European Union ("EU") State aid in light of the aid received from the Hellenic Financial Stability Fund ("HFSF") and the Hellenic Republic. These rules are administered by the DG Competition. Under these rules, the Bank's operations are monitored and limited to the operations included in the 2019 Revised Restructuring Plan, which aims to ensure the Bank's return to long term viability. The 2019 Revised Restructuring Plan was approved on 10 May 2019 by the European Commission.

The 2019 Revised Restructuring Plan includes a number of commitments to implement certain measures and actions (the "2019 Revised Restructuring Plan Commitments"). The 2019 Revised Restructuring Plan Commitments relate both to domestic and foreign operations of the Group. Differentiations to the 2015 Restructuring Plan which expired on 31 December 2018 relate to the deepening of the Bank's operational restructuring, some amendments on the commitments and deadlines, as well as a commitment to sell the remaining stake (32.66%) in NBG Pangaea REIC (currently Prodea Investments S.A.) in substitution for the commitment to dispose of Stopanska Banka A.D.-Skopje.

For domestic operations, the 2019 Revised Restructuring Plan Commitments relate to constraining operating expenses, including the number of personnel and branches. In particular, the Commitments include the following:

A further reduction of the number of branches in Greece to 420 (by the end of 2019) and 390 (by the end of 2020). As at 31 December 2020, the Bank had reduced its branches to 365. The Commitment has been attained.

A further reduction of the number of employees in Greece to 8,600 as at 31 December 2019 and 8,000 as at 31 December 2020. As at 31 December 2020, the Bank had reduced the number of employees at domestic level to 7,762[1]. The Commitment has been attained.

A further reduction of total operating expenses in Greece to €845 million as at 31 December 2019 and €800 million as at 31 December 2020. As at 31 December 2020 such costs amounted to €768[1] million. The Commitment has been attained.

Divestment of domestic non-banking activities: In May 2019 the Bank had completed the sale of its remaining stake in NBG Pangaea REIC (currently Prodea Investments S.A.) and had to dispose at least 80% of NIC (see above *"Sale of a majority equity holding in Ethniki Hellenic General Insurance S.A.")* for a description of the status of this Commitment.

Divestment from international operations: The Bank reduced its international activities, by disposing certain subsidiaries in the years 2016 - 2019. The only incomplete divestment from international operations relates to the subsidiary NBG Cyprus, for which NBG proceeds with the run-off of at least 80% of its assets according to the 2019 Revised Restructuring Plan. As for the branch network in Egypt, in May 2021, an official approval was received by the Central Bank of Egypt for the downsize and ultimately cease its operations in Egypt (see above "*Divestments-Planned disposals of subsidiaries and Branch under 2019 Revised Restructuring Plan commitments").*

Lastly, the 2019 Revised Restructuring Plan provides for prolongation of the 2015 Restructuring Plan's Commitments on corporate governance, commercial operations, acquisitions and advertising.

The implementation of the 2019 Revised Restructuring Plan Commitments is monitored by the Monitoring Trustee.

Regulatory developments

2021 EU-wide Stress Test

On 29 January 2021 the European Banking Authority ("EBA") launched the 2021 EU-wide stress test exercise following the postponement of the 2020 EU wide stress test-exercise, due to the COVID-19 pandemic. The exercise was led by the ECB, under the common methodological rules defined by the EBA and the macroeconomic and market scenario assumptions published on the same date.

The ECB published on 30 July 2021 the results of the 2021 Stress Test, which show that the euro area banking system is resilient to adverse economic developments. The stress test is not a pass or fail exercise and no threshold is set to define the failure or success of banks for the purpose of the exercise. Instead, the findings of the stress test will be part of the ongoing supervisory dialogue.

The Stress Test Exercise was based on a Static Balance Sheet approach, thus factoring in the Group financial and capital position of 31 December 2020 as a starting point, conducting a 3-year horizon stress simulation (2021-2023), under a Baseline and an Adverse scenario.

Under the baseline scenario the Fully Loaded ("FL") CET 1 ratio, reached to 15.5% in 2023 from 12.8% in 2020 (starting point), while under the adverse the FL CET 1 ratio, reached to 6.4% in 2023.

Given the Static Balance Sheet methodology, the 2021 SSM Stress Test does not incorporate capital accretive results post 31 December 2020.

[1] Excluding NIC.

Climate Risk stress test for 2022

On 27 January 2022, the ECB launched a supervisory climate risk stress test to assess how banks are prepared for dealing with financial and economic shocks stemming from climate risk. The exercise will be conducted in the first half of 2022, after which, the ECB will publish aggregate results.

This test is a learning exercise for banks and supervisors as well. It aims to identify vulnerabilities, best practices and challenges banks face when managing climate-related risk. Importantly, this is not a pass or fail exercise, nor does it have direct implications for banks' capital levels.

The exercise consists of three distinct modules: (i) a questionnaire on banks' climate stress test capabilities, (ii) a peer benchmark analysis to assess the sustainability of banks' business models and their exposure to emission-intensive companies, and (iii) a bottom-up stress test. To ensure the proportionality of the exercise, smaller banks will not be asked to provide their own stress test projections.

The stress test targets specific asset classes exposed to climate risk rather than banks' overall balance sheets. It focuses on exposures and income sources that are most vulnerable to climate-related risk, combining traditional loss projections with new qualitative data collections.

The results will feed into the Supervisory Review and Evaluation Process ("SREP") from a qualitative point of view. This means that this stress test could indirectly impact Pillar 2 requirements through the Supervisory Risk and Evaluation Process ("SREP") scores but will not directly impact capital through Pillar 2 guidance.

Other

The Initiative 1821 - 2021 and the 200th anniversary of the beginning of the Hellenic Revolution

In light to its 181 year long history, NBG which is closely linked to the creation and development of the Hellenic Republic and to the philhellene individuals responsible for establishing the Bank – has turned to the 15 charitable and cultural institutions to provide input, recognizing their highly commendable work and contribution to the wider Greek community, in order to create a focus of understanding for the celebration of our National rebirth.

The purpose of the "Initiative" and its actions

The "Initiative 1821-2021" (www.protovoulia21.gr) regarding the celebration since the outbreak of the Greek Revolution aims to highlight a message of unity of purpose, declaring that history should be a source of inspiration for the future. In this spirit, the preparation of a variety of actions and events for the celebration of our National Rebirth, in Greece and abroad, began in 2019, including conferences, exhibitions, music concerts, educational - research programs and scholarships, as part of the planned objectives for the three years 2020-2022.

MREL Requirements

See section *"Economic and financial review – MREL Requirements*".

Awards & Distinctions

See section "*Non-Financial Statements*" for the selected Awards & Distinctions that the Bank received within the year.

COVID-19 outbreak

See section "*Response to COVID-19 crisis*".

Response to COVID-19 crisis

In the first quarter of 2020, the World Health Organization declared the outbreak of COVID-19 pandemic. Two years after the outbreak of the COVID-19 pandemic, the global environment remains impacted by the unprecedented crisis. The measures introduced by governments and regulators to tackle the pandemic have affected global supply chains as well as demand for goods and services and therefore had a significant impact on global growth. At the same time, fiscal and monetary policies have been eased to sustain the economy and the deployment of vaccines in 2021 has also greatly contributed to sustaining the economy.

The Group also evaluated its assets, including intangibles and equity investments, for potential impairment, and assessed fair values of financial instruments that are carried at fair value. Based on our assessment as of 31 December 2021, no significant impairments have been recorded for the Group and the Bank, and there have been no significant changes in fair values and in fair value hierarchy classifications as a result of the COVID-19.

Crisis Management Committee

The COVID-19 pandemic led to the activation of our Crisis Management Committee from February 2020 and throughout 2021, with the aim of dealing with increased measures regarding our employees health & safety, business continuity through remote work and customer support in response to the COVID-19 crisis (see below "*Key Focus on Employees, Customers, Other Stakeholders and Society*").

More specifically, the Crisis Management Committee is the institutional body that activates the Bank's CMP and acts in case of emergency and unexpected change of conditions (such as operational, commercial, environmental, personnel, etc.), that could lead to a crisis that consequently could have impact on the Bank's business operations.

The Crisis Management Committee is comprised of the following members:

Chair	Chief Executive Officer ("CEO")
Members	Executive Board Member, General Manager – Retail Banking
	General Manager – Corporate and Investment Banking
	General Manager – Troubled Assets Unit
	General Manager – Group Chief Financial Officer ("CFO")
	General Manager – Group Risk Management, Chief Risk Officer ("CRO")
	General Manager –Transformation, Strategy & International Activities
	General Manager – Group Treasury and Financial Markets
	General Manager – Group Chief Operating Officer ("COO")
	General Manager – Group Compliance and Corporate Governance
	General Manager – Group Legal Services
	General Manager – Group Real Estate
	General Manager – Group Human Resources
	General Manager – Group Marketing
	General Manager – Group Internal Audit
	Assistant General Manager – Group Chief Control Officer ("CCO")
	Assistant General Manager – Strategic Transactions
	Assistant General Manager – Head of Operations
	Head of Group Security/Assurance

Currently, the Crisis Management Committee convenes twice a month at the invitation of its Chair.

Key Focus on Employees, Customers, Other Stakeholders and Society

Leveraging on our CMP 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 were able to work remotely, activating our CMP site to decongest critical site-based operations, as well as decongesting our employees at the branches. More specifically, more than c. 50% of our central units' staff have been working remotely throughout the pandemic, with the percentage exceeding c. 70% during full lockdowns and during the onset of high pandemic waves throughout the year, efficiently and cyber-securely.
- Keeping the Measures Taking Committee constantly active 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.
- Further upgrading our infrastructure to accommodate telecommuting on a large scale, while also finalizing the gradual distribution of remote access equipment. Thus, we have currently provided to more than 5,700 employees the ability to work remotely, ensuring the smooth operation of the Bank and the Group as well as the safety of our employees.
- Activating rigorous incident management processes with continuous adaptation to the instructions of the National Organization of Public Health ("EODY"), ensuring required protective and cleaning material were made available to employees.
- Issuing multiple communications to further 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 Word Health Organization ("WHO") or any other official domestic or international websites. At the same time, we worked with critical service providers to ensure that they have appropriate Business Continuity Plans ("BPCs") and that they have conducted tests to evaluate their effectiveness as well as to periodically review them, taking into account new data and relevant guidelines.
- 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 and by implementing controls to facilitate remote work while mitigating emerging risks.
- 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.
- Monitoring closely the parameters relating to the pandemic health crisis and maintained support for our employees, customers, stakeholders and society through these unprecedented times.
- Receiving the ongoing support of the Mutual Health Fund of NBG Personnel ("TYPET") in relation to the performance of more than 11,000 molecular tests ("PCR") on the Bank's staff, both for preventive purposes and in the context of the daily incident management.
- Unitizing alternative locations, including the BCP site and other available Bank buildings, for the operation of critical services from multiple points in order to disperse the risk.
- Implementing an internal electronic platform for the declaration of vaccination / COVID-19 disease certificates as well as negative results of diagnostic tests by the staff. Utilizing the data of both our internal platform and the information systems of public bodies (ERGANI, IDIKA) we gained central control and monitoring of the vaccination status of our employees (~ 92%) while at the same time we ensured the compliance with the respective Government Directives.

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

Customers Support measures in response to COVID-19

The Bank has applied an end-to-end process that includes both short-term and a medium-term response, in order to assess that the needs of its customers are properly addressed.

In summary the COVID-19 relief measures offered to NBG's customers, within the context of EBA guidelines, government and sector initiatives are as follows:

I. COVID-19 moratoria and step-up solutions

Extension of moratoria, offered to NBG's customers within the context of EBA guidelines, government and sector initiatives, for capital or instalment payments for:

- performing Small Businesses;
- businesses with performing exposures as at 30 September 2020 and not included, so far, in moratoria for capital or instalment payments that have been proven to be affected by the COVID-19 pandemic, were eligible to apply for their inclusion in a relevant program by 31 March 2021 and for a maximum duration of up to nine months from the date of inclusion in the moratorium;
- businesses affected by the COVID-19 pandemic and have already been included in moratoria for capital or instalment payments, were eligible to apply by 31 March 2021 for an extension of their instalment suspension program, provided that their total participation in the program does not exceed the period of nine months.

It should be noted that ex moratoria client performance remains better than expected (defaults <4% as of February 2022), despite the gradual conclusion of supportive measures.

II. COVID-19 support schemes

Additionally, NBG, applicable for the Medium & Large Corporates and SMEs customers, participated in following COVID-19 support schemes (online applications available via Internet Banking):

- **Interest subsidy program II** offered by the Ministry of Development for the period from 1 January 2021 to 31 March 2021, applicable to SMEs i) holding a loan or revolving credit line prior to 1 January 2021 with less than 90 days in arrears by 30 September 2020 or became performing by the day of the application to the program; and ii) with turnover decline of more than 20% in 2020 compared to 2019.
- **"Gefyra" loan subsidy program** provided by the Greek State in 2020, for loan payments, on loans collateralized by the principal residency of the eligible borrower, for up to twelve months following the approval of the application.
- **"Gefyra II" program**, initiated in April 2021, aims to support small and medium-sized enterprises that have been proven to be affected by the COVID-19 pandemic, i.e., suffered a 20% reduction in turnover in 2020 compared to 2019. It also provides a State subsidy of up to 90% of the loan instalments for business loans, for a period of eight months.
- **Co-financing working capital loans with the Hellenic Development Bank S.A. ("HDB") (TEPIX II – Subprograms 3 & 4),** for amounts up to €500,000, with zero interest rate for the first two years.
- **State Guarantee working capital 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.
- **State Guarantee working capital Program** with the participation of HDB, exclusively for very small businesses with turnover up to €1,000,000: 80% of the loan is guaranteed by HDB, with a total duration of up to five years, and the amount can reach the lesser of the following, €250,000 or 25% of 2019 turnover.
- **State Guarantee working capital Program** with the participation of HDB exclusively for businesses that have undertaken the execution of a project of public interest.
- **Loan Guarantee Program – EaSI COVID-19** for very small businesses with the participation of European Investment Fund ("EIF") up to €50,000 exposure.
- **Loan Guarantee Program - COSME COVID-19** with the participation of EIF up to €150,000: 80% is guaranteed by EIF, up to 10 years total duration.
- **Loan Guarantee Program – SME Guarantee COVID-19:** Sub-window with the guarantee of EIF, for amounts up to €7.5 million. The loan is guaranteed up to 80% by EIF and its purpose is to provide the necessary liquidity to companies that meet at least one of the Innovation and Digitalisation criteria of the program.
- **EIF Pan-European Guarantee Fund for SMEs and Small Midcaps,** for financing up to €5 million, maturity up to 10 years and with guarantee rate at 70% (launched in January 2022).
- **EIB Pan-European Guarantee Fund for MidCaps & Large Corporations II,** for financing up to €10 million, maturity up to six years and with guarantee rate at 50% (launched in February 2022).
- **Funding program "NBG COVID-19 Response for SMES & MidCaps"** with the participation of EIB, for amounts up to €12.5 million. Its purpose is to tackle the economic consequences of the COVID-19 pandemic and mitigate the short-term financing constraints to medium-sized enterprises, as well as Mid-Cap companies, with less than 3,000 employees.
- **Co-financing working capital loans with Interest Rate Subsidy** with the HDB for working capital financing up to €50,000 to small and very small businesses, operating in

the Western Macedonia region ("Development Fund of Western Macedonia" or "TADYM").

- **EIB Pan-European Guarantee Fund ("EGF") for MidCaps & Large Corporations,** for financing up to €20 million, maturity up to 6 years and with guaranteed rate at 75%.
- **Extension of 30 days according to emergency legislation for cheques.** The said measure addressed cheques of qualifying entities maturing from 1 April to 30 April 2021.

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.

Response to COVID-19 crisis from Greek and European authorities

In response to the economic and market conditions resulting from the COVID-19 pandemic as continued in 2021, the Greek government and European authorities have further provided, among others, the following measures:

Greek authorities

Financial state aid measures

The measures for the qualifying businesses include:

- The granting of a new State loan ("Repayable Advance") which is conditioned upon turnover loss in March until August 2020, where the total amount that was granted for the first three phases amounted to €3.5 billion. Phase 4 took place during November and December 2020 and amounted to €2.2 billion. Phases 5 and 6 took place during 1Q.21 and amounted to €0.8 billion. Phase 7 took place during May 2021 and amounted to €0.2 billion. In February 2022, it was clarified that the repayment of the Repayable Advance is interest free. In addition, a grace period is provided for the period up to 31 May 2022 during which there is no obligation to repay any part of the Repayable Advance. After the grace period, the repayable amount is payable in sixty (60) equal interest-free monthly instalments, payable on the last working day of each month. Alternatively, there is an option to repay the total amount in one lump sum payment with a 15.0% discount by 31 March 2022.
- Financial aid of €25 million to aquaculture businesses (June 2021).
- Providing public service contracts up to €50 million to short sea shipping companies affected from COVID-19 from 23 December 2020 to 30 May 2021.
- Financial aid of €20 million to businesses dealing in pigs and honey (July 2021).
- Financial aid of €24 million to agricultural businesses (September 2021).
- Financial aid of €20 million to cultural enterprises, specifically theaters, music stages, dance theaters, concert halls, performance halls as well as cinemas and film distributors (December 2021).
- Special program by the Public Investment Program to support entities significantly affected by COVID-19. Eligible sectors include but are not limited to: Organisation of conferences and trade exhibitions, Events organisation, Event catering services, Dance schools and Nightclubs. The amount of the aid is 8% of the 2019 sales turnover capped at €400,000, for qualifying entities, i.e., entities with more than 50% reduction of turnover in 2020 in comparison with 2019.

Tax measures

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

- The payment of tax obligations arising during the period from 1 January 2020 to 27 April 2021 was extended until 31 December 2021.
- Extension of Value Added Tax ("VAT") payments due during November 2020 to 30 April 2021.
- 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 2021.
- Relief from import duties and VAT exemption on importation granted for goods needed to combat the effects of COVID-19 until 31 December 2021 for legal persons or individuals, provided, however, that such items shall be made available free of charge to beneficiaries specified.
- Extension of payment of tax and Social Security Contributions ("SSC") due in April 2021 for qualifying businesses.
- Subsidy of fixed costs incurred from 1 April 2020 to 31 December 2020 for qualifying businesses, which can be used to repay tax or SSC obligations for 2021 due from 1 July to 31 December 2021.
- Extension of tax obligation payments settlement instalments due on 31 May, 30 June, 31 July 2021, and January 2022 for qualifying businesses and qualifying employees.
- Extension of one month for the deadlines of all monthly instalments of SSC settlements for qualifying businesses due on 30 June 2021 onwards.
- Tax obligations verified during the period from 1 March 2020 to 31 July 2021, can be paid in up to 72 monthly

instalments with an interest rate of 2.5% per annum. The first instalment must be paid by 28 February 2022.

Labor protection measures

- Special allowance given to a) tour guides for March, April and May 2021, b) artists extension for May, June and July 2021 and c) increased special allowance for qualifying small and very small businesses for April 2021.
- Special allowance of 400 Euros for self-employed and freelancer scientists, such as engineers, lawyers, economists etc., meeting specified criteria announced in April 2021.
- Extension of unemployment benefit for April 2021 and May 2021.
- Extension of payment of disability pensions and cash benefits to persons with disabilities up to 31 January 2022.
- Special seasonal allowance of OAED and the coverage of SSC will be given to qualifying employees of culture and tourism industry for 2021.
- Special allowance of €534 for January of 2022 for qualifying artists.
- Suspension of employment contracts with special allowance (534 Euros) for employees of qualifying businesses in January 2022.
- Employees' who test positive for COVID-19, are able to be absent from work provided that they have performed a rapid test. In case the employee wants to use a sick leave and receive a relevant allowance a medical opinion is required.
- Employees are able to work remotely for five days, in case their child is positive for COVID-19 and if this is not possible, they are entitled to use a special leave due to illness of their children, granted for the first 4 days of absence. For the 5th day of absence, they can use any other leave.

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

The European Central Bank

The following prudential measures have also been implemented by ECB:

- ECB's Governing Council issued an opinion confirming that exceptional circumstances warranting leverage ratio relief still exist. Banks may exclude central bank exposures from leverage ratio as exceptional macroeconomic circumstances continue. Banks benefit from relief measure until end-March 2022. Banks which decide to exclude central bank exposures must recalibrate this 3% leverage ratio requirement in such a way that only the central bank exposures newly accumulated since the beginning of the pandemic effectively benefit from the leverage ratio relief (18 June 2021).
- ECB decided not to extend, beyond September 2021, its recommendation to banks to not distributing any cash dividends, or conducting share buy-backs, or to limit such distributions. Instead, supervisors will assess the capital and distribution plans of each bank, as part of the regular supervisory process (23 July 2021).
- ECB's Governing Council, expects to conduct net asset purchases under the PEPP, in the first quarter of 2022, at a lower pace than in the previous quarter. It will discontinue net asset purchases under the PEPP at the end of March 2022. The Governing Council decided on a monthly net purchase pace of €40.0 billion in the second quarter and €30.0 billion in the third quarter of 2022, under the asset purchase program (APP). From October 2022 onwards, the Governing Council will maintain net asset purchases under the APP at a monthly pace of €20.0 billion for as long as necessary to reinforce the accommodative impact of its policy rates. The Governing Council expects net purchases to end shortly before it starts raising the key ECB interest rates. The interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.0%, 0.25% and -0.5% respectively. The Governing Council stands ready to adjust all of its instruments, as appropriate and in either direction, to ensure that inflation stabilises at its 2.0% target over the medium term (16 December 2021).
- ECB announced that it will not extend liquidity relief beyond December 2021, a measure that has taken in March of 2020 and allowed banks to operate with a liquidity coverage ratio below 100% (17 December 2021).
- ECB will not extend capital and leverage relief for banks. Banks once again expected to operate above Pillar 2 Guidance from 1 January 2023. Banks have ample headroom above capital and leverage ratio requirements. (10 February 2022).

The European Commission

The European Commission announced the following measures:

- The European Commission issued a €17.0 billion inaugural social bond under the Support to mitigate Unemployment Risks in an Emergency ("EU SURE") instrument to help protect jobs and keep people employed. EU SURE has an overall firepower of up to €100.0 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 EU SURE to 17 Member States (21 October 2020). Overall, the Commission has proposed that 19 EU countries will receive €94.3 billion in financial support under EU SURE, which includes a total of €5.2 billion for Greece (30 March 2021.)

- The European Commission has taken steps to ensure that borrowing under the temporary recovery instrument Next Generation EU will be financed on the most advantageous terms for EU Member States and their citizens. The European Commission will use a diversified funding strategy to raise up to around €800.0 billion in current prices until 2026. This approach, which will be in line with the best practices of sovereign issuers, will enable the Commission to raise the needed volumes in a smooth and efficient way. This will also attract investors to Europe and strengthen the international role of the euro (14 April 2021).

- The European Commission has approved, under EU State Aid rules, a €500 million Greek support scheme to support food service companies affected by the coronavirus outbreak. The scheme was approved under the State Aid Temporary Framework. The scheme is co-financed by European Regional Development Fund (“ERDF”) and will be open to companies of all sizes that experienced a turnover decline of more than 30% over 2020 compared to 2019. The aid will take the form of direct grants, with each grant amounting to up to 7.0% of the beneficiary's annual turnover (11 May 2021).

- The European Commission has disbursed €14.1 billion to 12 EU Member States in the seventh instalment of financial support under the EU SURE instrument. As part of these operations, Greece has received €2.5 billion (25 May 2021).

- The European Commission has approved, under EU State aid rules, a €800 million Greek scheme to support companies active in tourism affected by the coronavirus outbreak. The scheme was approved under the State aid Temporary Framework (1 June 2021).

- Following the approval of the Own Resources Decision by all EU Member States, the Commission can start raising resources to finance Europe's recovery through Next Generation EU. To that end, the European Commission announced its estimates to issue €80.0 billion of long-term bonds in 2021, to be topped up by tens of billions of euros of short-term EU-Bills to cover the remaining financing requirements. The exact amount of both EU-Bonds and EU-Bills will depend on the precise funding needs, and the Commission will revise today's assessment in the autumn. In this way, the Commission will be able to fund, over the second half of the year, all planned grants and loans to EU Member States under the Recovery and Resilience Facility, as well as cover the needs of the EU policies that receive Next Generation EU funding (1 June 2021).

- The European Commission, in its first Next Generation EU transaction, has raised a €20.0 billion via a ten-year bond due on 4 July 2031 to finance Europe’s recovery from the coronavirus crisis and its consequences. This is the largest-ever institutional bond issuance in Europe, the largest-ever institutional single tranche transaction and the largest amount the EU has raised in a single transaction (15 June 2021).

- The European Commission endorses Greece's €30.5 billion recovery and resilience plan. The European Commission adopted a positive assessment of Greece's recovery and resilience plan. This is an important step towards disbursing €17.8 billion in grants and €12.7 billion in loans under the Recovery and Resilience Facility (“RRF”) over the period 2021-2026. This financing will support the implementation of the crucial investment and reform measures outlined in Greece's recovery and resilience plan. It will play a key role in enabling Greece to emerge stronger from the COVID-19 pandemic (17 June 2021).

- The European Commission has disbursed €800 million in payments under Next Generation EU, the temporary instrument to finance Europe's recovery and foster a greener, more digital and resilient economy after the pandemic. The payments are going to 41 national and regional programmes in 16 Member States including Greece. The funds under the REACT-EU constitute additional resources for existing Cohesion policy programmes (28 June 2021).

- The European Commission, in its second Next Generation EU transaction, has raised €15.0 billion to finance Europe's recovery from the coronavirus crisis and its consequences. This was a dual-tranche transaction, consisting of a €9.0 billion 5-year bond due on 6 July 2026 and a €6.0 billion 30-year bond due on 6 July 2051 (29 June 2021).

- The European Commission issued a further €10.0 billion to support Europe’s recovery from the coronavirus crisis and its consequences, in a third Next Generation EU bond since the start of the programme in mid-June. The Commission issued a 20-year bond due on 4 July 2041, which was welcomed by the market with a very strong interest, with books close to €100.0 billion (13 July 2021).

- The European Commission has disbursed €4 billion to Greece in pre-financing, equivalent to 13% of the country's grant and loan allocation under the RRF. Greece is one of the first countries receiving a pre-financing payment under the RRF. The pre-financing will help to kick-start the implementation of the crucial investment and reform measures outlined in Greece's recovery and resilience plan (9 August 2021).

- The European Commission has approved a Greek scheme to support the uncovered fixed costs of companies affected by the coronavirus outbreak. The scheme was approved under the State aid Temporary Framework and has an estimated budget of up to €500 million (27 August 2021).

- Since the outbreak of COVID-19 in early 2020, the EU, EU Member States and European financial institutions, as Team Europe, have disbursed €34 billion in support to partner countries in addressing the pandemic and its consequences, delivering on its promises with concrete results. This disbursement already exceeds by far the initial €20 billion Team Europe support package pledged in spring 2020, which has now increased to €46 billion (16 September 2021).

- The Commission took stock of the implementation of the Recovery Assistance for Cohesion and the Territories of Europe ("REACT-EU"). With €34.1 billion approved and €3.5 billion already paid out in just four months, REACT-EU was the very first instrument of NextGenerationEU to make payments for the recovery of Member States (11 October 2021).

- The Commission adopted its 2022 Work Programme, setting out the next steps in its bold and transformative agenda towards a post-COVID-19 Europe that is greener, fairer, more digital and more resilient. This Commission Work Programme contains 42 new policy initiatives across all six headline ambitions of President von der Leyen's Political Guidelines, building on her 2021 State of the Union speech. It also reflects the lessons learnt from the unprecedented crisis caused by the pandemic, while paying particular attention to our young generation thanks to the proposed European Year of Youth 2022 (19 October 2021).

- The European Commission has adopted a review of EU banking rules (the Capital Requirements Regulation and the Capital Requirements Directive). These new rules will ensure that EU banks become more resilient to potential future economic shocks, while contributing to Europe's recovery from the COVID-19 pandemic and the transition to climate neutrality (27 October 2021).

- The European Commission has launched the 2022 European Semester cycle of economic policy coordination. The European Semester Autumn Package includes the Annual Sustainable Growth Survey, Opinions on euro area Draft Budgetary Plans ("DBPs") for 2022, policy recommendations for the euro area and the Commission's proposal for a Joint Employment Report. The RRF, the center piece of Next Generation EU, will be more deeply integrated into the new European Semester cycle. The RRF, with a budget of €723.8 billion in grants and loans, will have a central role in building a resilient economy that puts fairness at its heart. RRF grants will in 2022 fund 24% of total recovery support measures and the aim is to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions (24 November 2021).

- The European Commission has published the allocation of REACT-EU resources for the year 2022. Around €11.0 billion (in current prices) are now available for programming under Cohesion policy in all 27 Member States. These funds come in addition to the almost €40.0 billion made available in 2021. The REACT-EU resources are released in two tranches in order to capture thoroughly the evolving social and economic impact of the pandemic. Allocations are based on the countries' GDP, unemployment and youth unemployment. Additionally, the breakdown takes into account the impact of the coronavirus pandemic on Member States' economies according to statistic data from 19 October 2021. The swift approval of measures have allowed Member States to allocate €37.0 billion, with total payments reaching €6.1 billion. Of these approved measures, €23.3 billion will be used through the European Regional Development Fund, €12.8 billion through the European Social Fund and €0.5 billion through the Fund for European Aid to the most Deprived (24 November 2021).

- The European Commission has adopted a package of measures to improve the ability of companies to raise capital across the EU and ensure that Europeans get the best deals for their savings and investments. This will help Europe's economic recovery from the COVID-19 crisis, as well as the digital and green transitions. In addition, the Commission has put forward a Communication setting out the actions it will take next year to spur the market. The legislative proposals adopted are: 1) The European Single Access Point ("ESAP"): putting data at investors' fingertips, 2) Review of the European Long-Term Investment Funds ("ELTIFs") Regulation: encouraging long-term investment, including by retail investors,3) Review of the Alternative Investment Fund Managers Directive ("AIFMD"), 4) Review of the Markets in Financial Instruments Regulation ("MiFIR"): enhancing transparency by introducing a "European consolidated tape" for easier access to trading data by all investors. According to the Commission, the four legislative proposals adopted are an important step in the implementation of the Commission's 2020 Capital Market Union ("CMU") Action Plan (25 November 2021).

- The European Commission announced its plans to cover the funding needs under Next Generation EU for the first half of 2022. The plan includes the issuance of €50.0 billion of long-term EU-Bonds between January and June 2022, to be complemented by short-term EU-Bills. On that basis, the Commission will continue to be able to cover all payments due under the RRF and all other programs under the Next Generation EU recovery instrument over that period (14 December 2021).

- The European Commission launches Recovery and Resilience Scoreboard, a public online platform to show progress in the implementation of the RRF as a whole, and of the individual national recovery and resilience plans (15 December 2021).

- A political agreement has reached on the Regulation allowing for the activation of urgent and targeted medical countermeasures by the European Health Emergency preparedness and Response Authority ("HERA") during public health emergencies in the EU. These measures include the procurement and purchase of crisis-relevant medical countermeasures and raw materials, the activation of reserved industrial facilities for flexible manufacturing of vaccines and therapeutics, the establishment of a Health Crisis Board with Member States and the creation of rapid monitoring mechanisms (20 December 2021).

- The European Commission has proposed to establish the next generation of own resources for the EU budget by putting forward three new sources of revenue: the first based on revenues from emissions trading ("ETS"), the second drawing on the resources generated by the proposed EU carbon border adjustment mechanism, and the third based on the share of residual profits from multinationals that will be re-allocated to EU Member States under the recent Organisation for Economic Cooperation and Development ("OECD")/G20 agreement on a re-allocation of taxing rights ("Pillar One"). In the years 2026-2030, these new sources of revenue are expected to generate on average a total of up to €17.0 billion annually for the EU budget. The new own resources proposed will help to repay the funds raised by the EU to finance the grant component of Next Generation EU. The new own resources should also finance the Social Climate Fund (22 December 2021).

- The European Commission completed the payments of the EU Solidarity Fund ("EUSF") assistance to tackle the coronavirus health emergency to 19 countries (including Greece) for a total amount of almost €385 million (19 January 2022).

- The European Commission, in its first bond syndication of 2022, raised a further €5.0 billion in Next Generation EU funds on behalf of the EU, in order to support the Europe's recovery. The 30-year bond brings the total financing raised under the programme to 78.5 billion and the Commission's successful placement will help sustain the momentum behind Europe's recovery from the COVID-19 pandemic. (8 February 2022).

- The European Commission endorses a positive preliminary assessment of Greece's payment request for €3.6 billion, of which €1.7 billion in grants and nearly €1.9 billion in loans, under the RRF. The Commission will assess further payment requests by Greece based on the fulfilment of the subsequent milestones and targets outlined in the Council Implementing Decision, reflecting progress on the implementation of the investments and reforms. (28 February 2022).

- The European Commission adopts its first annual report on the implementation of the RRF, the centrepiece of Next Generation EU and finds implementation is well underway. The RRF is providing up to €723.8 billion (in current prices) of grants and loans to Member States to support transformative investments and reforms that will enable the EU to emerge stronger from the COVID-19 pandemic. More than 30 payment requests are expected in 2022 by the Member States. (1 March 2022).

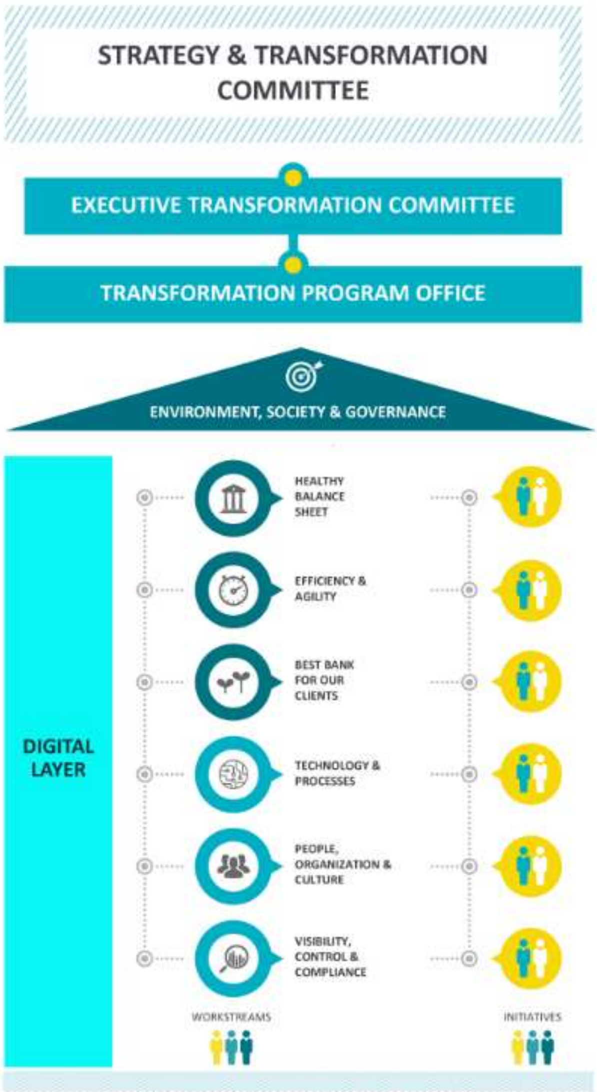
European Banking Authority

The European Banking Authority announced the following measure:

- On 17 January 2022, EBA made a statement on the application of COVID-19 reporting after 2021. The EBA confirms the continued application of COVID-19 related reporting and disclosure requirements until further notice, but with the embedded flexibility to cater for the different needs across jurisdictions. According to the EBA, uncertainty of COVID-19 situation persists, so the need to continue monitoring exposures and the credit quality of loans benefitting from various public support measures. The EBA states that will continue to monitor developments and will further reassess the application of the Guidelines on the reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis, in the future. EBA points out that, despite the noticeable reduction in the volumes of loans within the scope of COVID-19 reporting and disclosure (loans under various forms of payment moratoria and public guarantee schemes), given the ongoing COVID-19 pandemic and the uncertainty over its future development, the related credit risk still needs to be monitored. The need for such monitoring is obvious as loans under support measures exhibit a deterioration in their credit outlook. The EBA notes that the effects of the COVID-19 pandemic on the credit quality of exposures may differ across jurisdictions and over time, and that, in some jurisdictions, the level of public support measures considered for the purposes of COVID-19 reporting and disclosure also differs. To this end, competent authorities may exercise the flexibility provided in the Guidelines to reduce or stop some specific reporting and disclosure requirements (17 January 2022).

Transformation Program

Following a clear mandate from NBG's Board of Directors, NBG launched a rigorous Transformation Program in the second half of 2018, committing to the delivery of aspiring financial and operational targets. Through more than 3 years of implementation, the Transformation Program has enabled the delivery of impressive results in terms of core profitability – fully in line with the Bank's financial and business targets – and tangible improvements to NBG's business and operating model. The Transformation Program has been designed and is being delivered across Workstreams, each led by a senior executive of the Bank.



TRANSFORMATION PROGRAM STRUCTURE 2021

Delivering the Transformation

Since its launch, the Transformation Program has been structured into six-month Seasons. This setup helped gain the necessary pace in the early years and ensured that the Bank remained focused to the targets.

As for 2022, recognizing the increased maturity and ownership of the involved employees, the Transformation Program transit to an annual planning horizon. The Bank maintains its agility as new Initiatives can be added to the Transformation Program, while existing ones are adjusted or removed throughout the year. Each annual cycle begins and ends with a Ceremony, aiming to review progress made, acknowledge achievements, and ensuring that lessons learned from each Season are embedded in our future planning. In parallel, a strong Transformation Program Office ("TPO") has been established to:

- Ensure coherent and consistent planning of Workstreams and Initiatives, including prioritisation of activities and tracking of programme-level interdependencies.
- Provide project and Transformation Program Management discipline and best practices across Workstreams and Initiatives.
- Deploy a thorough, timely and effective progress (and risk) reporting mechanism.

The TPO is a fundamental factor in executing the Transformation Program in a coordinated, timely and disciplined manner.

Transformation Program achievements in 2021

During 2021, more than 1,000 staff have been directly involved in the Transformation Program in at least one of the 50+ Initiatives, achieving significant tangible results across all Workstreams:

Workstreams	Key achievements in 2021
Healthy Balance Sheet	• Completion of Frontier securitization and preparation for the technical migration. • Set up of hubs in branch network for restructuring of Small Business loans, and implementation of other organic actions to minimise impact of COVID-19 on asset quality. • Definition of legacy property strategies and continuous monetization efforts of Real Estate Owned (“REO”) portfolio.
Efficiency & Agility	• Further reduction of staff costs through targeted exit schemes. • Further reduction of non-staff costs across key expenditure categories through rigorous demand management, further automation of procurement processes and targeted efforts for other high-spend categories (e.g., real estate). • Automation of Value Based Management (“VBM”) mechanism to enhance transparency and value creation across the organisation.
Best Bank for our Clients	• Acceleration of customers’ migration to digital channels, through the offering of new solutions and customer experience enhancements: – For individuals: mobile payments and wallet services, Know Your Customer (“KYC”) data updates via eGov, digital sales of product bundles and selected insurance products (wallet, health & auto). – For businesses: digital onboarding, account aggregation and business card management for legal entities, sales of sight accounts and small business loans, and innovative solutions via Application Programming Interface (“APIs”). • Focus on cross-selling and fees generation from our Corporate clientele with a holistic offering of services through the Bank’s Corporate Transaction Banking (“CTB”) unit. • Set up of NBG 2.0 program to leverage opportunities through Recovery and Resilience Facility (“RRF”) in partnership with our Corporate and Small Business clients. • Enhancement of cross-selling for bancassurance products and cards to Retail customers through improved product offering (e.g., “Full Health” product) and analytics-driven campaigns. • Roll out of new Small Business operating model in branches and expansion of third-party sales network to Small Business clients (“B2B”). • Acceleration of branch network transformation, incl. operations streamlining and extroversion training.
Technology & Processes	• Core Banking System (“CBS”) replacement program launch. • Continuation of efforts for core process reengineering (e.g., Corporate lending process) and centralizations (e.g., Small Business lending). • Expansion of usage of new technologies, incl. Robotics Process Automation (“RPAs”), Artificial Intelligence, Optical Character Reader (“OCR”) and Blockchain.
People, Organisation & Culture	• Roll-out of new Performance Management System (“PMS”) complemented by new incentive scheme that aligns individual objectives to Bank’s strategic goals. • Delivery of leadership programs and customer orientation trainings to grow and upskill our talent. • Upgrade of Human Resources systems and data infrastructure. • Launch of Bank’s Purpose & Values and renewed internal communications to enhance corporate culture.
Visibility, Control & Compliance	• Modernisation of Credit Policy and Sanctioning Framework for Retail and Corporate. • Development of credit risk scoring models for Individuals. • Enhancement of anti-money laundering (“AML”) and counter terrorist financing (“CTF”) practices across all lines of defence. • Roll out of "Internal Controls Awareness and Communication Program”. • Enhancement of internal controls for very high priority processes.
Environment, Society and Governance	• Definition of overarching ESG strategy and relevant metrics to monitor its implementation. • Incorporation of ESG criteria into the corporate credit assessment process. • Alignment of practices to UNEP FI Principles of Responsible Banking (“PRB”) and other regulatory guidelines. • Implementation of actions to reduce direct and indirect own emissions.

Strategic Priorities for 2022-2023

Between now and 2023 the Bank is currently pursuing the following strategic priorities:

Workstreams	Strategic priorities until 2023
Healthy Balance Sheet	• Completing the clean-up of NPEs, reducing them to less than 5% of gross loans, while retaining best-in-class capital ratios. • Revision of Troubled Assets operating model following completion of NPE clean-up. • Further monetising Real Estate assets through ("REO") platform and implementation of strategies for legacy property portfolio.
Efficiency & Agility	• Further enhancing efficiency and productivity through continuous improvements in the Bank's business and operating model. • Reducing areas of high external spend such as real estate, factoring in a more flexible working model.
Best Bank for our Clients	• Boosting revenue generation through an increased focus on cross-selling and fee generation opportunities in Retail banking and through deepening large client relationships and broadening the SME client base in Corporate banking. – In the case of Retail banking, this will be achieved through segment-focused relationship managers (primarily for Small Business and Premium), a stronger focus on fee-generating products (e.g., investment products and cards) and sales enhancement through third party partnerships (e.g., with retailers). – In the case of Corporate banking, this will be achieved through an increase in relationship managers' capacity and time spent on sales, enhanced service levels, and a drive to increase sales of ancillary products and fees through the Bank's CTB unit. • Accelerating digital transition in onboarding, engaging, and selling simple products and services to customers across all segments.
Technology & Processes	• Implementing the new CBS to enable revenue generation and cost efficiencies in the medium term, enhancing digital and data infrastructure, as well as migrating to a cloud-enabled environment. • Rolling out the required infrastructure to transition to a paperless Bank. • Increasing the level of centralisation and optimizing core processes through simplification, centralization, and automation levers.
People, Organisation & Culture	• Continuing to modernise Human Resources processes and practices to attract, mobilise and incentivise our people. • Continuing flagship leadership programs for high potential talent, coupled with "on demand" learning and targeted curricula for priority roles. • Rolling out a comprehensive program to enhance the Bank's corporate culture and desired behaviours in line with our core values.
Environment, Society and Governance	• Embedding a holistic ESG framework across the organization, addressing the risks emanating from climate change, while at the same time capturing the emerging opportunities. • Delivering impact in society in areas of high priority, including, among others, diversity and inclusion, culture and creativity, and digital literacy. • Adhering to the highest governance standards.

Economic and Financial Review

Key developments in the Macroeconomic and Financial environment

Global Economy & Financial Environment

The outlook for 2022 has weakened amid broad-based inflation pressures and increased geopolitical uncertainty

United States ("US") real gross domestic product ("GDP") increased by +5.7% in 2021, surpassing its pre-pandemic output levels due to ultra-accommodative fiscal and monetary policy

Euro area real GDP increased by +5.2% in 2021, with the Recovery and Resilience Facility ("RRF") expected to provide further support in 2022

The European Central Bank

Expanded its balance sheet by €1.6 trillion in 2021 to €8.6 trillion.

Retained its policy interest rates unchanged at 0.0% (Main Refinancing Operation) and -0.5% (Deposit Facility Rate).

Announced that net asset purchases under the Pandemic Emergency Purchase Programme will cease in March 2022.

The Federal Reserve

Expanded its balance sheet by USD 1.4 trillion in 2021 to USD 8.8 trillion.

Announced that net US Treasury and agency MBSs purchases will terminate in March 2022.

Communicated that will soon be appropriate to raise its Federal Funds Rate, which was maintained near zero in 2021.

The global economic activity rebounded significantly in 2021

Global economic activity remained closely linked to pandemic developments in 2021, with GDP increasing by +5.9% from -3.1% in 2020, according to International Monetary Fund (World Economic Outlook, January 2022), on the back of easing restrictions and the roll-over of vaccinations against COVID-19. The fully vaccinated share of the population is circa 72% for high-income countries, compared with around 6% for low-income countries. On a regional basis, strong growth rates were recorded in all main economies, due to ultra-accommodative fiscal and monetary policy. In that context, US real GDP increased by +5.7% in 2021, from -3.4% in 2020, with elevated expenditures on goods contributing significantly to overall growth. As a result, US real GDP was the first among major advanced economies to surpass its pre-pandemic output levels. Euro area real GDP increased by +5.2% in 2021 from -6.4% in 2020 with weak growth in the final quarter of the year amid, *inter alia*, renewed containment measures. Finally, in China, real GDP growth was +8.1% in 2021, from +2.2% in 2020. Nevertheless, the pace of growth decelerated significantly in the second half of 2021 (+4.5% year-over-year, on average, from +13.1% year-over-year, on average, in the first half), due to disruptions in the residential activity and zero-tolerance policies against COVID-19.

Fiscal policy remained pivotal in mitigating the pandemic-induced deterioration of economic conditions, as well as in propelling the subsequent recovery through both additional spending and liquidity support. In the US, according to the Congressional Budget Office ("CBO"), fiscal measures to stem the economic consequences from the pandemic -- disbursed in 2021 -- reached USD 2.6 trillion (11.0% of 2021 US GDP). In the euro area, temporary tax cuts, additional public spending, employment protection schemes and liquidity measures, which were undertaken during 2020, were generally prolonged in 1H.21. According to the European Commission, the euro area primary general government balance is expected to remain broadly unchanged to -5.7% of GDP in 2021. Moreover, the deployment of the Recovery and Resilience Facility ("RRF") funds, with a nominal envelope of €723.8 billion, could provide further support to demand. The European Commission has already disbursed €74 billion toward member states, whereas payment requests of another €26 billion have been submitted for approval.

Monetary policy remained ultra-accommodative in 2021, in order to support the economic recovery via maintaining favourable financing conditions. The Federal Reserve ("Fed") kept its main policy interest rate at 0%-0.25% and continued its large-scale asset purchases, with its balance sheet standing at USD 8.8 trillion or 38% of 2021 GDP, compared with USD 7.4 trillion at the end of 2020 and USD 4.2 trillion at the end of 2019. Net US Treasury and agency Mortgage-Backed securities purchases will cease in March 2022. Chair Powell communicated in January 2022 that the Fed will start reducing its balance sheet in a predictable manner, at the appropriate time and only after the process of raising interest rates has begun.

In the event, following stronger-than-expected inflation outcomes (+7.9% year-over-year in February 2022, the highest since 1982), and a greater progress towards full employment (unemployment rate: 3.8% in February 2022), the Fed communicated that it will soon be appropriate to raise its Federal Funds Rate ("FFR") for the first time since 2018, opening the door for a possible FFR increase at the March 2022 meeting.

On the other side of the Atlantic, the ECB continued with net asset purchases in the tune of €70 billion per month, on average, in 2021 under the pandemic emergency purchase programme ("PEPP") and by €20 billion per month, on average, under the asset purchase programme ("APP"). As a result, the ECB's balance sheet increased to €8.6 trillion or 71% of 2021 GDP, compared with €7.0 trillion at the end of 2020 and €4.7 trillion at the end of 2019.

At the same time, the ECB kept its policy interest rates unchanged at 0.0% (Main refinancing operations) and -0.5% (Deposit facility rate). Finally, the ECB continued to provide ample liquidity at an attractive cost for commercial banks through its targeted longer-term refinancing operations (TLTRO III), though it expects them to end in June 2022.

The ECB will discontinue net asset purchases under the PEPP at the end of March 2022, with reinvestments continuing in full until at least the end of 2024. President Lagarde communicated in March 2022 that net asset purchases under the APP will amount to circa €30 billion per month in 2Q.22, whereas the calibration of net purchases for the third quarter of 2022 will be data dependent. On the one hand, If the incoming data validate ECB's current growth and inflation (HCPI: +5.8% year-over-year in February 2022) projections, the Governing Council will conclude net purchases under the APP in the third quarter of 2022, with a first interest rate increase "some time after". On the other hand, as the outlook has become very uncertain considering Russia's invasion of Ukraine, the ECB retained the option to revise its schedule for net APP purchases.

Global risk assets recorded strong gains over the year. The Morgan Stanley Capital International All Country World Index ("MSCI ACWI") increased by 17.0% in USD terms in 2021, with Developed markets overperforming as corporate earnings surged (MSCI DM: +20.0% in USD terms). Emerging Market equities declined -5.0% in USD terms, due to, *inter alia*, tighter regulation and growth deceleration in China. Speculative Grade corporate bond spreads, narrowed in 2021, by 24 basis points to 331 basis points (EUR) and by 76 basis points to 310 basis points (USD). At the same time, stronger expectations for global growth and inflation, led nominal government bond yields higher during 2021 (US 10-Year: +60 basis points to +1.51% | German 10-Year: +40 basis points to -0.16%). Finally, commodities increased across the board, except for precious metals, due to higher energy prices, strong demand and lean inventories, with the S&P/GSCI Index rising by 37.1% in 2021.

Risk aversion increased early in 2022, as the sharp repricing of expectations regarding the short-term path of monetary policy interest rates led risk premia and government bond interest rates simultaneously higher. As a result, global equities have declined by -12.1% (MSCI ACWI, as of 11 March 2022). Nominal long-term Government bond yields have increased by +49 basis points to 2.00% (US Treasuries) and turned positive (+0.27%) for the first time in nearly three years in Germany. Finally, lower risk appetite and higher government bond yields, have in turn decreased corporate bonds' appeal for investors, with speculative grade spreads widening by 95 basis points to 405 basis points (USD) and by 132 bps to 463 basis points (EUR). Risk premia have increased further following the invasion of Ukraine by Russia, with modest gains for safe-haven assets.

2022 outlook

Looking forward in 2022, the gradual unwinding of fiscal stimulus, as well as the withdrawal of monetary accommodation is expected to slow down the ongoing economic expansion. According to the International Monetary Fund, the growth rate of the global economy will moderate to +4.4% percent in 2022 from +5.9% in 2021. Risks to the 2022 outlook are to the downside. A faster-than-anticipated tightening of monetary policy due to persistently elevated inflation could jeopardize the anticipated expansion. Moreover, the emergence of new COVID-19 variants could cause renewed economic and supply-chain disruptions. Finally, geopolitical tensions in Ukraine, remain a source of concern, with any escalation jeopardizing to push up further oil and natural gas prices and further fueling inflation. Having said that, uncertainty has increased significantly following the invasion of Ukraine by Russia on 24 February 2022 and the broad-based restrictive measures against selected Russian individuals, companies and Authorities.

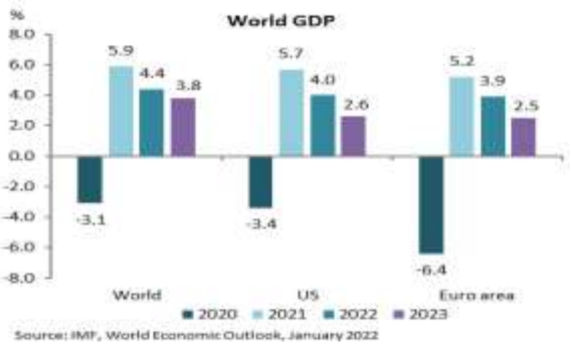
Specifically, the US, the EU and other Allies and partners have announced a wide-ranging package of restrictive measures (i) including the removal of seven Russian banks (Bank Otkritie, Novikombank, Promsvyazbank, Rossiya Bank, Sovcombank, Vnesheconombank και VTB Bank) from the SWIFT financial messaging system, in order to harm their ability to operate on a global scale; (ii) curbing major Russian financial, and non-financial, companies' access to US and EU capital markets including, inter alia, new debt and equity restrictions and (iii) prohibiting transactions related to the management of reserves as well as of assets of the Central Bank of Russia.

At the same time, sanctions intent to: (i) limit the sale of citizenship, so-called Golden Visa, to Russian individuals connected to the Russian Government; (ii) freeze the assets of sanctioned individuals and companies that exist within the Allies' jurisdictions and (iii) ban exports of specific refining technologies, aircraft and aircraft parts, as well as limiting Russia's access to advanced technology, including semiconductors. Moreover, the EU decided to shut down its airspace for Russian aircrafts and supply military equipment worth €0.5 billion to the Ukrainian Armed Forces under the European Peace Facility. The US decided to provide USD 0.4 billion for immediate support to Ukraine's defense, bringing the total emergency security assistance over the past year to USD 1.0 billion, while also banning Russian aircraft from entering and using US airspace. Finally, President Biden announced on 8 March 2022 an import ban of Russian crude oil, certain petroleum products, liquefied natural gas and coal and a ban on new US investment in Russia's energy sector.

The Russian Federation has responded to the above sanctions with a range of measures. Specifically, the Central Bank of Russia decided to increase its key policy interest rate to 20% from 9.5%, as the Russian Ruble has depreciated sharply toward USD/RUB 119, a historic low. Moreover, Authorities banned coupon payments for foreign investors holding ruble-denominated sovereign debt securities (OFZs) and halted onshore security sales by foreigners.

Following Russia's invasion of Ukraine, commodity prices surged across the board, with Brent oil prices increasing by +16% to $113/barrel and European natural gas prices (Title Transfer Facility ("TTF")) increasing by +48% to €131/ MWh (11 March 2022).

World GDP



Greek Economy

The Greek economy enters 2022 in high gear, against a backdrop of increasing economic and geopolitical risks

Greece's economic recovery remained on a firm footing throughout 2021, with GDP growth at 8.3 % in FY.21 converging rapidly to its pre-pandemic level.

A coordinating recovery in domestic demand and tourism, amplified by supportive base effects, bolstered economic growth, whereas goods exports increased to an all-time high.

In 2021 several indicators of economic activity, especially from the business sector, surpassed their 2019 levels.

Growth momentum and labor market conditions remained resilient to pressures from the accelerating, energy-driven inflation and deteriorating COVID-19 trends in 4Q.21, with targeted government measures absorbing a part of the inflation shock.

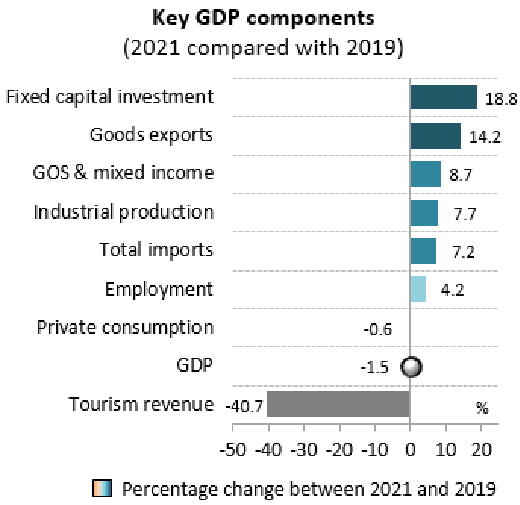
Credit growth to the corporate sector showed signs of strengthening in 2H.21, while private sector deposits increased by €16.2 billion y-o-y to an 11-year high in FY.21.

House prices increased at an accelerating pace of 7.9% y-o-y in 3Q.21 and construction activity grew by 25.8% y-o-y in the same quarter, with building permits issuance pointing to strengthened activity in 2022.

Economic growth is estimated to continue at a healthy pace of 4.4% in 2022, but downside risks – mainly related to a further energy-driven surge in inflation and new supply-side tensions – increased significantly following the Russian invasion in Ukraine in February 2022.

Strong private and public investment bolstered by the Recovery Fund and FDI inflows; prospects of a further convergence to 2019 tourism outcome; and supportive liquidity conditions underpin the baseline macroeconomic scenario for 2022.

Greece's economic recovery exceeded expectations in 2021, with GDP remaining on a solid footing and increasing by 8.3% y-o-y in FY.21 among the strongest in the euro area. GDP in FY.21 was only 1.5% lower than the FY.19. This solid performance was underpinned by a synchronized strengthening in all major GDP expenditure components.[2]



Source: ELSTAT

Private consumption grew by a robust 7.2% y-o-y in FY.21 (9.7% y-o-y in 4Q.21) buoyed by improving sentiment, favorable labor market conditions and the release of pent-up demand[3]. Household disposable income (in real terms) increased by an estimated 4.0% y-o-y in FY.21 adding to the dynamism of consumption[4]. Consumer spending remained robust until end-2021, as indicated by the 10.2% y-o-y increase in retail trade volume in FY.21, albeit consumer confidence showed signs of weakening during the second semester, as increased inflation started to weigh on households assessment of economic conditions in the coming months.[5]

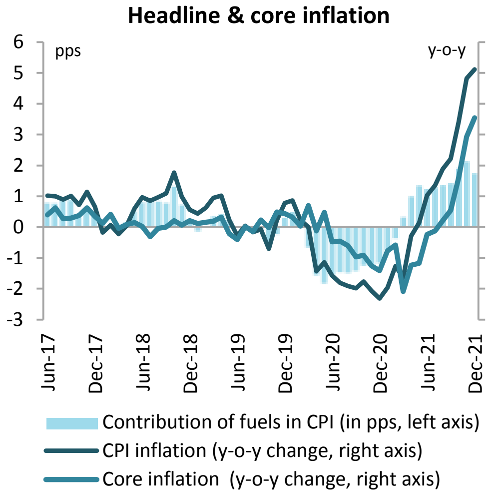
A number of key indicators from the business sector recorded a substantial improvement surpassing their pre-pandemic levels. Gross fixed capital formation ("GFCF") grew by 19.3% y-o-y in FY.21 (24.1% y-o-y in 4Q.21), and exceeded by 18.8% its 2019 level, on the back of strong investment on equipment, technology products and construction activity[6]. Public investment also contributed to the strengthening of GFCF, increasing by 13.7% y-o-y (or €0.4 billion) in 9M.21[7]. Business profitability, as approximated by the economy-wide gross operating surplus and mixed income, increased by 17.5% y-o-y[8], whereas business turnover grew by 33.5% y-o-y in December 2021 and by 21.7% y-o-y in FY.21, exceeding by 24.4% and 5.6% the respective 2019 outcomes[9]. The strong improvement in the economy-wide business indicators bodes well for an investment-led recovery in 2022 through a combination of private investment and a planned surge in public investment, with PIB spending (including expenditure financed by the RRF) up by 23.0% y-o-y to €11.0 billion, according to the Government Budget for 2022. The share of public investment in GDP is expected to climb to an 18-year high of nearly 6.0% in 2022 (from 3.2% in 2021, excluding COVID-19 measures), supporting economic growth and giving rise to positive second-round effects on activity, given the high multiplier effect of public investment on GDP.[10]

Tourism rebounded strongly – increase in revenue by 144% y-o-y in FY.21, at almost 60% of the respective 2019 outcome, and in tourist arrivals by 100% y-o-y – contributing to the surge in services exports of 54.8% y-o-y in FY.21, narrowing the gap from the 2019 outcome to -12.5% (in nominal terms). This rebound was combined with steadily rising goods exports (4.1% y-o-y and 19.4% of GDP in 4Q.21, constant prices) to an all-time high in levels, whereas non-oil goods exports in nominal terms rose by 26.9% y-o-y in FY.21.[11]

High-frequency information from business surveys, business turnover, industrial production, google mobility trends and tax revenue data indicate that the strong momentum continued into 1Q.22, with the economy remaining resilient to pressures from the accelerating energy-driven inflation and deteriorating COVID-19 trends. Despite the modest weakening in mobility trends since late-November due to the deterioration in COVID-19 trends and the ongoing acceleration of inflation, GDP growth in FY.21 was stronger than expected, translating into a positive carry of 1.6 pps to 2022 GDP growth.[12]

Manufacturing production increased by 9.9% y-o-y in FY.21[13] and the manufacturing Purchasing Managers' Index ("PMI") reached a 21½-year high of 59.0 in December 2021[14]. The Economic Sentiment Indicator (ESI) remained on a broadly steady upward trend, reaching a 21-year high of 114.2 in January 2022, on the back of increasing confidence in industry and services.[15]

[2] Source: ELSTAT, Gross domestic product, 4th Quarter 2021
[3] Source: ELSTAT, Gross domestic product, 4th Quarter 2021
[4] Source: ELSTAT, Quarterly Non-Financial Sector Accounts, 4th Quarter 2021 & NBG Economic Analysis estimates
[5] Source: ELSTAT, Turnover Index in retail trade, December 2021
[6] Source: ELSTAT, Gross fixed capital formation, 4th Quarter 2021
[7] Source: ELSTAT, Quarterly Non-Financial Sector Accounts, 3rd Quarter 2021
[8] Source: ELSTAT, Gross domestic product, 4th Quarter 2021
[9] Source: ELSTAT, Evolution of Turnover of Enterprises Under Suspension of Operation, January 2022
[10] Source: Hellenic Ministry of Finance, Budget 2022
[11] Source: Bank of Greece, Balance of Payments Statistics & ELSTAT, Gross domestic product, 3rd Quarter 2021
[12] Source: NBG Economic Analysis estimates
[13] Source: ELSTAT, Industrial Production Index, November 2021
[14] Source: IHS Markit, Greece Manufacturing PMI, Press Release
[15] Source: EU Commission, Business and consumer survey database



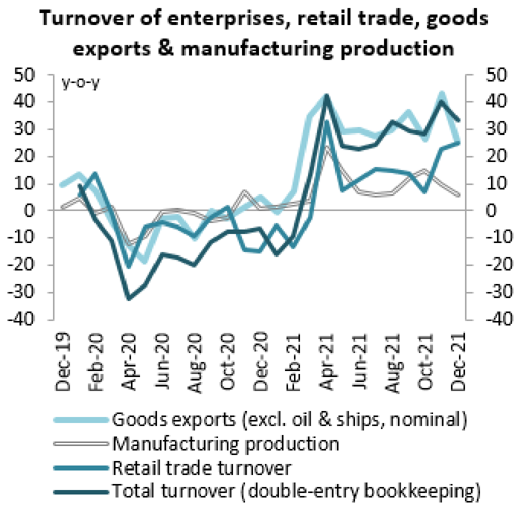
Source: ELSTAT

The surge in inflation worldwide, through a combination of sharply increasing energy prices and persistent disruptions in global supply chains, started to affect the Greek economy in 4Q.21. Consumer price inflation increased to a 10½-year high of 4.5% y-o-y in 4Q.21 (1.2% y-o-y on average in FY.21), with fuel and electricity prices adding 3.2 pps to the 4Q.21 increase, while core inflation, excluding items of the consumer basket with very high price volatility, such as fuels and fresh fruits and vegetables, rose by 2.7% y-o-y in 4Q.21 compared with a 10-year average of -0.1%. CPI inflation is expected to increase further to above 6.0% y-o-y, at least in the first months of 2022, due to continuing supply-side deficiencies which are combined with additional increases in energy prices following the escalation of the crisis in Ukraine in February 2022. Moreover, market-based estimates have been revised significantly upwards in February 2022, with no material decrease in energy prices expected before 2023. This development will weigh negatively on household disposable income and is already rapidly transmitted to production and transportation costs.[16]

The responsiveness of the labor market to the rebound of the economic activity was very encouraging, with the unemployment rate declining significantly to 12.8% in December 2021 and employment increasing by 4.5% y-o-y in 2H.21, corresponding to 184K additional employees in FY.21. The accommodation and food service activities; manufacturing; and professional, scientific and technical activities sectors account for the most part of employment creation in 2021[17].

Source: ELSTAT

Vaccination coverage increased to 72% of the total population in January 2022 (over 80% of the adult population), from c. 60% in September 2021, compared to an EU average of c. 74%[18]. In late-January 2022, there are also some signs of a slowdown in the pace of infections caused by the surging Omicron variant (c. 18K new COVID-19 cases, daily, compared to over 30K in the period between end-December 2021 and early-January 2022). Nonetheless, losses of human lives remain substantial, with the 7-day rolling average at c. 105 per day at the end of January 2022, the highest pace since the onset of the pandemic, exemplifying a highly persistent pressure on the health system[19]. A limited number of protective measures on service activities, especially on entertainment venues and restaurants (such as earlier closing time) enacted in late-December 2021, have been lifted in late-January 2022. The baseline scenario envisages a waning impact of the pandemic on economic conditions in 2022, assuming no major recurrence of the pandemic pressure due to the emergence of more dangerous COVID-19 variants.



Sources: ELSTAT, Bank of Greece

[16] Source: ELSTAT, Consumer Price Index database & NBG Economic Analysis estimates

[17] Source: ELSTAT, Labour Force Survey database

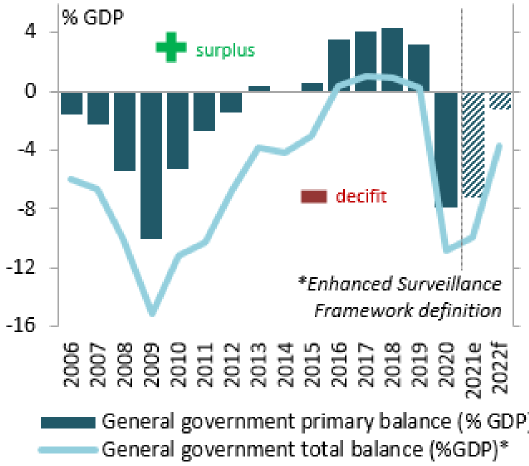
[18] Source: European Centre for Disease Prevention and Control (ECDC), COVID-19 Vaccine Tracker, January 2022

[19] Source: National Public Health Organization (EODY), Daily COVID-19 Reports, January 2022

State support started to unwind in 2H.21 following an additional fiscal expansion in 1H.21. Indeed, around €16 billion or c. 9.0% of GDP, of expansion measures have mainly been provided in 1H.21. However, the strong GDP recovery since 2Q.21, bolstered by the continuation of targeted fiscal stimulus, supported tax revenue, and allowed a gradual unwinding of expansion measures in the second half of the year. In fact, primary expenditure as per cent of GDP decreased, on an annual basis, by 3.6% in FY.21, and 5.5% of GDP in 2H.21. The annual fiscal outcome is likely to overperform in comparison with the Budget 2022 target, since the State Budget primary deficit declined by 43.2% y-o-y in 12M.21, 1.5% of GDP below the Budget target[20], as stronger than anticipated economic activity supported revenue and spending trends.

The 2022 Budget envisages a substantial decrease in the primary deficit, by €10.6 billion, to 1.2% of GDP in 2022 from an estimated 7.3% in 2021. Supportive cyclical conditions and the temporary nature of €9.5 billion of fiscal stimulus provided in 2021 will lead the adjustment effort. Overall, the primary deficit is expected to decline from 7.3% in 2021 to 1.2% of GDP[21], while the decrease in the cyclically adjusted primary deficit is estimated at 3.8% of GDP between 2022 and 2021, following an increase of 2.5% of GDP between 2020 and 2021. However, the increased probability of higher and more persistent inflation, mainly due to energy prices, could lead to additional government spending in 2022, in order to support vulnerable firms and households.

Primary and total general government balance



Sources: ELSTAT, Hellenic Ministry of Finance, IMF

Higher GDP growth has also been the key determinant of the better-than-expected public debt outcome. General Government debt peaked in 2020 – a year earlier than previously estimated – to 206.3% of GDP (€341 billion) and is projected to decline to 197.1% (€350 billion) in 2021. In 2022, the general government debt is projected to fall to 189.6% of GDP (€355 billion) or even lower when adjusting for higher GDP growth and potentially better than the budgeted fiscal outcome in 2021[22]. In fact, the fiscal outcomes (government balance and public debt) as per cent of GDP are expected to be lower than the Budget estimates, since FY.21 GDP (released by ELSTAT on 4 March 2022) was 2.9% higher than the estimate included in the Budget 2022. As acknowledged by all major rating agencies the significant size of the Greek State's cash buffer (about €32.0 billion or 9.0% of gross public debt in end-2021), along with the very long maturity of the debt (c. 20 years) and affordable debt servicing terms, offset the risks from the temporary increase in the debt ratio to GDP due to the COVID-19 shock[23]. On that note, the distance of the Hellenic Republic's rating from the investment grade territory ranges between 2 notches (S&P and Fitch) and 3 notches (Moody's), with all major rating agencies adopting a positive outlook, as regards the rating prospects – Fitch changed outlook to positive from stable on 14 January 2022.[24]

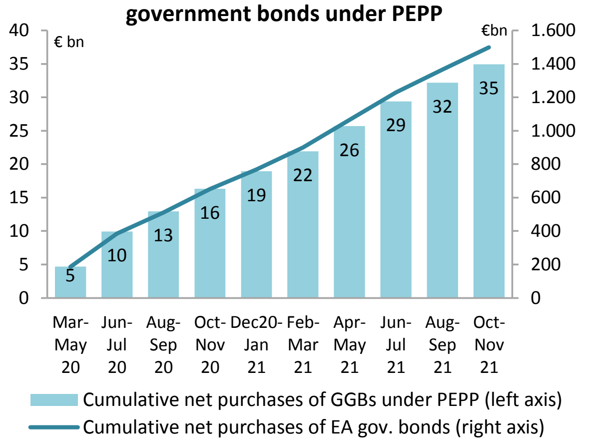
The Greek real estate market showed remarkable resilience to the COVID-19 shock and gained additional traction in 9M.21, showing consistent signs of dynamism especially in the residential segment. House prices increased by an average pace of 6.1% y-o-y in 9M.21 and 7.9% y-o-y in 3Q.21[25]. Commercial real estate prices (referring to the average price of retail and office spaces) increased by 1.4% y-o-y in 1H.21 from 1.0% y-o-y in 2H.20 (1.7% in FY.20)[26]. Residential construction activity rose by 27.0% y-o-y in FY.21 from 13.8% y-o-y in FY.20, according to national accounts data, suggesting that the sizeable market adjustment in previous years has offset the near-term pressure from uncertainty and the drop in foreign demand in 2020 and part of 2021, along with the drastic shrinkage in the number of properties rented through short-term rental platforms, mainly by tourists[27]. Tourism related demand showed signs of revival in 2021, as indicated by the significant increase in demand from short-term rental platforms (following a sharp drop in 2020) and the pick-up in net foreign direct investment in real estate (by 34.7% y-o-y in 9M.21)[28].

Greece has significantly benefited from the ECB's monetary stimulus measures, following the granting of a waiver on the eligibility requirements for securities issued by the Greek government (April 2020) for i) purchases under the ECB's pandemic emergency purchase programme ("PEPP") and ii) participating in the ECB' amended longer-term refinancing operations ("LTROs") and TLTRO III. Purchases of Greek government bonds by the Eurosystem, under the PEPP, reached €34.9 billion between March 2020 and November 2021[29], having a weighted average maturity of c. 9 years and corresponding to almost 45% of Greece's marketable debt (excluding T-bills). Sovereign debt issuance by the Hellenic Republic over the same period reached €22 billion. The inclusion of Greek

[20] Source: Hellenic Ministry of Finance, State Budget Execution, Monthly bulletin, December 2021
[21] Source: Hellenic Ministry of Finance, Budget 2022, November 2021
[22] Source: Hellenic Ministry of Finance, Budget 2022, November 2021
[23] Source: Public Debt Management Agency, Funding Strategy for 2022, December 2021
[24] Source: Fitch Press Release, January 2022
[25] Source: Bank of Greece, Indices of residential property prices, 3Q.21
[26] Source: Bank of Greece, Commercial property indices, 1H.21
[27] Source: ELSTAT, Gross fixed capital formation, 4th Quarter 2021
[28] Source: Bank of Greece, Direct Investment Statistics
[29] Source: European Central Bank, Press Releases

government bonds in the PEPP has been an important source of financing flexibility, helping to keep bond yields down. In December 2021 the ECB stated that, while PEPP net purchases will cease by end-March 2022, the period for re-investing maturing bonds would be lengthened by one year to end-2024. In the official statement of the Governing Council meeting a specific reference was made to Greece, which remains the only euro area country without an investment grade status. The ECB effectively maintained an exceptional status for Greek sovereign assets by increasing the flexibility of the PEPP unwinding process. Specifically, the ECB was committed to extend the period of reinvesting the capital from bonds acquired under the PEPP after their maturity until the end of 2024, compared to the previous deadline of 2023, thereby extending its support to Greece as well. At the same time, ECB reserved the option of increasing net purchases of Greek bonds above the original PEPP threshold in the event of renewed market fragmentation related to the COVID-19 pandemic.

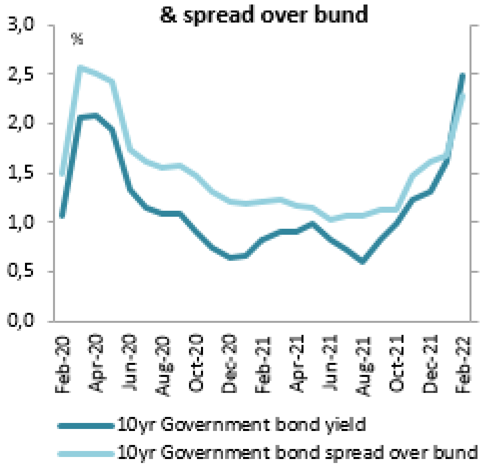
Cumulative net purchases of Greek and EA government bonds under PEPP



Source: ECB

Greek government bond yields remained close to all-time lows in most part of 2021, with the 10-year Greek government bond yield declining to an average of 0.9% in FY.21 from 1.3% in FY.20[30]. A significant increase in government bond yields has been recorded between December 2021 and end-February 2022, against a backdrop of heightened inflation risks in the euro area and worldwide, increasing the pressure for a faster reversal of the very accommodative monetary policy stance. The first signs of an imminent unwinding of monetary policy stimulus led to an increase in the 10-year Greek Government bond yield of 120 bps in 1Q.22 to 2.6%, whereas the yield of the 10-year German bond increased by nearly 60 bps to 0.3% in mid-March. The Hellenic Republic issued three new government bonds in February, March and May 2021 (with a 10, a 30 and a 5-year maturity, respectively, followed by re-openings on 9 June and on 1 September for the latter two) and raised €14.0 billion in total, with an average yield of c. 1.0%[31]. Furthermore, in January 2022 the Hellenic Republic issued a new 10-year government bond raising €3.0 billion with an increased yield of 1.84%, as part of a €14 billion Greek Government Bonds issuance plan for 2022.

10-year Greek Government bond yield & spread over bund



Source: Bank of Greece

Bank lending to the private sector grew by 1.3% in 12M.21, on the back of increased lending to corporates (+4.3% y-o-y in 12M.21). Private sector deposits increased further by another €16.2 billion in 12M.21 following a €20.6 billion increase in 2020. Specifically, the increase in corporate deposits (€7.7 billion in FY.21) is, mainly, attributed to: i) the cash accumulation of the more competitive and resilient firms, which experience a rapid increase in their turnover, ii) lower outflows, due to the debt moratoria and the tax deferrals, and iii) the extension of credit lines to corporates; whereas the pick-up in household deposits by €8.5 billion in 2021, mainly, reflects improving labor market conditions and recovery in non-wage incomes in conjunction with the lagged impact of fiscal easing and lowered outflows for debt servicing[32] in the context of COVID-19 relief measures.

Looking forward bank loan growth is expected to gain traction, following a temporary slowing in 2021, as fiscal measures and direct or indirect liquidity support by the State will be gradually withdrawn and demand for working capital, capital expenditure and financing of business restructurings will increase.

Favorable prospects for 2022, but increasing downside risks mostly related to escalating geopolitical tensions

Overall, the Greek economy enters 2022 on a firm footing, following the strong and widespread turnaround in economic activity during 2021, with GDP growth estimated to continue at a healthy pace of 4.4% in FY.22, with downside risks increasing, following the escalation of uncertainty related to geopolitical and energy developments. This performance will be supported, mainly, by: i) an estimated positive carryover effect from 2021 GDP growth of 1.6%; ii) a combined increase in private and public investment, heading to an investment-led recovery, with public investment at an 18-year high according to Budget estimates; iii) significant untapped upside

[30] Source: Bank of Greece, Greek government securities statistics
[31] Source: PDMA, Press Releases
[32] Source: Bank of Greece, Monetary and Banking Statistics

potential for tourism to move closer to its 2019 performance following an encouraging 2021; iv) strong liquidity buffers in the private sector and increased credit expansion; v) supportive labor market conditions combined with increases in the minimum wage, offsetting the inflation drag on real disposable income; and vi) supportive external demand, with euro area growth remaining healthy. [33]

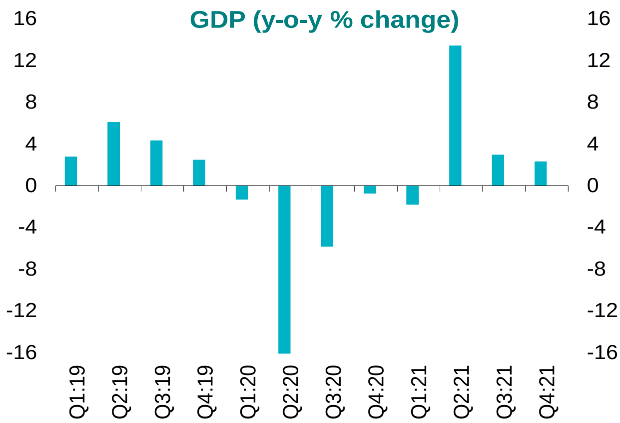
Downside risks, mainly, relate to the evolvement of the COVID-19 pandemic and, most importantly, to the persistence of energy-driven inflation shock, which is exacerbated by geopolitical risks, and could take a heavier -than-initially-expected toll on household disposable income, economic sentiment and business activity. Specifically, the key sources of uncertainty involve:

- More persistent, energy-driven inflation pressures, amplified by geopolitical tensions – following the Russian invasion in Ukraine in February 2022 – and combined with new supply-side pressures, leading to additional strain on private sector disposable income and the financial position of most exposed firms.
- Weakening of economic growth, due to a combined erosion of disposable income from inflation and of economic sentiment from heightened uncertainty against a backdrop of worsening geopolitical tensions and retaliatory sanctions, particularly those affecting the energy sector. Although the direct economic exposure of the Greek economy to the crisis zone (Russia, Ukraine) remains low, the energy factor represents a significant risk for the economic performance of Greece and the euro area as a whole.
- Geopolitical and financial shocks which could increase risk aversion, leading to a deferral of private spending decisions – especially for new investment on fixed capital – and posing pressure on collateral values.
- The risk of the emergence of more contagious COVID-19 variants, which could interrupt the upward trend in economic activity, halting tourism recovery and having significant macroeconomic impact in the absence of additional fiscal support. This development would slow inflation momentum through the deceleration of demand.

The Macroeconomic Environment and the Banking Sector in North Macedonia[34]

The economy expanded by a 4.0% in 2021, remaining below its pre-COVID-19 levels

GDP expanded by 4.0% in 2021 against a contraction of 6.1% in 2020, when the pandemic erupted, a performance weaker than that of North Macedonia's regional peers and the EU-27 average (up 5.3%). Indeed, elevated uncertainty, on the back of successive COVID-19 waves and a short-lived political crisis in the last quarter of the year, together with the impact of disruptions in global supply chains, especially in those related to the automotive sector, which accounts for 40% of the country's exports, weighed on economic activity in 2021. In this environment, private consumption remained the main growth driver followed by gross capital formation, while net exports were a drag on overall growth.



Source: National Statistical Agency of North Macedonia

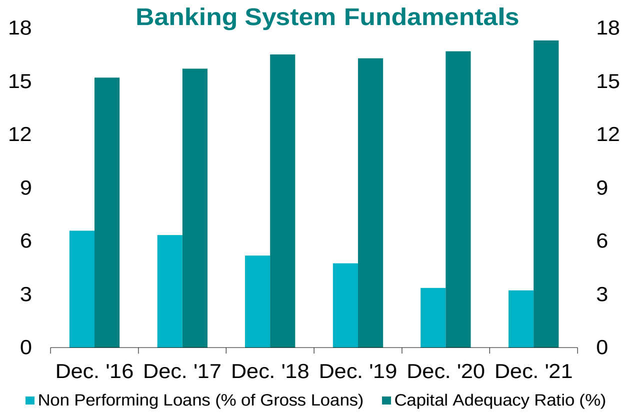
Despite deteriorating net external trade, due also to higher global energy prices, the current account deficit remained broadly flat at 3.5% of GDP in 2021, thanks to the recovery in workers' remittances, which had plunged at the onset of the pandemic. Importantly, the quality of external financing improved in 2021, with non-debt generating foreign direct investments more than covering the current account deficit against a coverage ratio of just 42.2% in 2020.

Amid an improving operating environment, the performance of the banking sector strengthened in 2021

Released figures show that the banking sector's profits increased to €149 million in 2021 from €118 million in 2020, with the return-on-average-equity ratio firming to 12.9% in 2021 from 11.3% in 2020. Note, however, that the 2020 figures are biased downwards, since they include the losses recorded by a domestic lender, whose license was revoked in August 2020. Adjusted for the latter, banks' profitability is estimated to have strengthened in 2021, albeit modestly, mainly in line with lower provisioning needs. Indeed, with the economy on a recovery path, pressure on households' and corporates' repayment capacity has been gradually easing. As a result, and in view the front-loading of loan loss provisioning at the onset of the pandemic, banks continued to build up provisions in 2021, but at a slower pace compared with 2020, despite the expiry of the central bank's forbearance measures (including a debt moratorium). Note that the non-performing loans to total gross loans ratio stood at 3.2% in December 2021, a tad lower than a year ago. In this environment, banks continued to expand their business volumes (credit to the private sector rose by 8.0% year-over-year in December 2021, a pace somewhat stronger than that observed a year ago). Importantly, the sector remained well-capitalised, with the capital adequacy ratio standing at 17.3% in December 2021, well above the minimum regulatory threshold of 8.0%.

[33] Source: NBG Economic Analysis estimates

[34] Source: Published data from the Central Bank and the National Statistical Agencies of the country and processed by the NBG.



Source: National Bank of the Republic of North Macedonia

Economic momentum is set to remain weak in 2022, reflecting, *inter alia*, the implications of the ongoing geopolitical tensions

The spike in global commodity (especially energy) prices, in the aftermath of the Russia-Ukraine crisis, is set to push (the already elevated) inflation even higher this year (to an average of 7.1% from 3.2% in 2021, well above the long-term historical average of c. 1.0%), biting into households' (real) disposable income. This impact, together with poor sentiment, should weigh on private consumption in 2022, which, nonetheless, would remain the key growth driver. Partly compensating for the slowdown in private consumption, fixed investment is set to gain steam in 2022, with the public sector giving a critical boost. At the same time, despite strong external demand, thanks to cross border spillover effects from the EU Recovery & Resilience Facility, net exports are due to remain a large drag on overall growth, reflecting the large import content of investments and exports. On a positive note, the country's direct trade linkages with Russia and Ukraine are minimal, with combined exports of goods to these countries accounting for just 1.0% of total exports. Worryingly, the ongoing disruptions in the automotive industry will continue to cloud the outlook in the short-term.

Importantly, policies should remain broadly accommodative in 2022. On the one hand, fiscal consolidation is set to pause this year, so as to allow the budget to absorb part of the higher energy bill. On the other hand, monetary policy conditions should remain relatively loose, ensuring uninterrupted credit flow to the economy. All said, we see GDP growth moderating to 3.0% in 2022.

Risks to our forecast are clearly tilted to the downside. Indeed, should the implications of the ongoing geopolitical tensions prove to be harsher than assumed (e.g. involving physical disruptions to energy supply), economic growth could come in lower than expected. The evolution of COVID-19 also poses a significant risk to the economic outlook, given the low domestic vaccination rate. On a positive note, the formation of a functioning Government in Bulgaria, after months of stalemate, suggests increased chances for the dispute between the two neighbouring countries to be settled, and, consequently, for the long-awaited EU accession talks with North Macedonia to be launched.

Financial Results of 2021

FY.21 Adjusted Group profit after tax ("PAT") from continuing operations up 41.4% y-o-y to €834 million, reflecting the following key Income Statement movements:

- **FY.21 NII up by 2.8% y-o-y to €1,212 million**, despite a reduction in loan interest income due to NPE deleveraging and reduced income from securities, driven by the new loan production, the time deposits repricing and increased TLTRO exposure.
- **Trading & other income** benefited from gains of €209 million from the Greek government bond swap transaction (see "*Key Highlights - Exchange of Greek government bonds in January 2021)* and from Greek government bond sales of €145 million, mainly in the first half of the year.
- **Operating expenses down by 6.0% y-o-y** (down by 12.0% in personnel expenses, G&As stable and depreciation up by 5.8%) mainly on the back of strong cost containment efforts and a reduction of domestic personnel expenses reflecting the benefits of the VESs launched in 2020 and 2021. Depreciation increased mainly due to charges driven by a reinforced IT investment strategy.
- **Loan impairments for FY.21 at €265 million from €1,072 million in FY.20,** as the COVID-19 related loan impairments of €0.4 billion was recognized by the Bank almost in its entirety in 1Q.20 and the incremental provisions required for the HFS transfer of the Project "Frontier" portfolio of €0.4 billion booked in 4Q.20.
- **FY.21 Cost: Core Income drops to 52.2% vs 57.9% a year ago,** supported by the reduction in operating expenses.
- **FY.21 Cost of Risk** at 96bps. Total CoR in FY.20 excluding COVID-19 and Project "Frontier" provisions stood at 106bps.
- **FY.21 profit for the period from discontinued operations** of €85 million from loss of €366 million, was mainly due to NIC.

NPE performance

- **NPE balance** at Group level as at 31 December 2021 was reported at €2.3 billion**,** recording a total reduction of €2.2 billion compared to 31 December 2020, mainly attributed to inorganic actions (see section "*Key Highlights- NPE reduction plan*").
- **NPE ratio** decreased to 7.0% as at 31 December 2021, compared to 15.0% (or 13.6% pro-forma, including the senior bond from the Frontier securitization) as at 31 December 2020.
- **NPE coverage ratio** stood at 77.2% as at 31 December 2021, increasing from 62.9% as at 31 December 2020.

Group deposits up 9.0% y-o-y

Group deposits increased by €4.4 billion and stood at €53.5 billion as at 31 December 2021 compared to 31 December 2020. The increase is mainly attributed to the increase of savings and sight deposits by €6.6 billion due to COVID-19 quarantine and offset by reduced time deposits by €2.4 billion.

CET1 ratio at 16.9%

- **FY.21 CET1 and total Capital ratio** including the period PAT at 16.9% and 17.5% respectively, (excluding the period PAT 14.1% and 14.7% respectively), exceeding the OCR ratios of 11.50% and 11.75% for 2021 and 2022 respectively, post capital relief measures.

€ million	FY.21	FY.20 As restated	Y-o-Y
Net interest income	1,212	1,179	2.8%
Net fee and commission income	287	260	10.4%
Core Income	**1,499**	**1,439**	**4.2%**
Trading and other income[(1)]	404	1,098	-63.2%
Income	**1,903**	**2,537**	**-25.0%**
Operating Expenses	(783)	(833)	-6.0%
Core PPI	**716**	**606**	**18.2%**
PPI	**1,120**	**1,704**	**-34.3%**
Loan impairments	(265)	(1,072)	-75.3%
Operating Profit	**855**	**632**	**35.3%**
Core Operating Profit[(2)]	**451**	**323**	**39.8%**
Other impairments	(6)	(29)	-79.3%
Adjusted PBT	**849**	**603**	**40.8%**
Taxes	(15)	(13)	15.4%
Adjusted PAT (continuing operations)	**834**	**590**	**41.4%**
PAT (discontinuing operations)	85	(366)	-123.2%
Exit scheme/VES, restructuring costs & other 1 -offs[(3)]	(15)	(152)	-90.1%
LEPETE[(4)]	(35)	(37)	-5.4%
Minorities	(2)	(2)	
Discontinued Operations, minorities & other	**33**	**(557)**	**-105.9%**
PAT	**867**	**33**	**>100.0%**

[(1)] Includes among others the gain in FY.21 of €209 million and FY.20 of €515 million from the Greek government bond swap arrangement with the Greek State.

[(2)] Excludes trading & other income and loan impairments related to COVID-19 and Project "Frontier" (€0.8 billion) in FY.20.

[(3)] Includes VES costs of €83 million (2020: €126 million), restructuring costs of €28 million (2020: €11 million), release of ECL relating to Project "Frontier" of €0.2 billion and other 1-offs of €105 million (2020: costs of €15 million).

[(4)] Social security contribution for LEPETE to e-EFKA included under personnel expenses (operating expenses) in the Financial Statements.

Key Ratios | Group

Profitability	FY.21	FY.20 As restated	Δ
NIM (bps)	212	228	-16
Cost of Risk (bps)	96	403	-307
Cost of Risk excl. COVID-19 & Frontier (bps)	96	106	-10
Cost of Risk Frontier (bps)	n/a	151	n/a
Cost of Risk COVID-19 (bps)	n/a	146	n/a
Risk adjusted NIM[(1)]	116	122	-6
Liquidity	**31.12.2021**	**31.12.2020**	**Δ**
Loans-to-Deposits ratio	56.9%	55.1%	2%
LCR	242.0%	232.2%	10%
Capital	**31.12.2021**	**31.12.2020**	
CET1 ratio[(2)]	16.9%	15.7%	
RWAs (€ billion)	34.7	36.6	

[(1)] Risk Adjusted NIM=NIM-Cost of Risk

[(2)] Post capital relief measures

Going concern

Going concern conclusion

The Board of Directors concluded that the Bank is a going concern after considering:

a) the significant profitability both at Group and Bank level;

b) the current level of ECB funding solely from TLTROs, the current access to the Eurosystem facilities with significant collateral buffer, and the LCR and NSFR ratios stand well above 100%;

c) the Group's CET1 ratio at 31 December 2021 which exceeded the OCR requirement; and

d) the extensive and continuous fiscal and monetary support of the European and Greek authorities in response to the unprecedented COVID-19 crisis (see section "*Response to COVID-19 crisis*").

Profitability

The profit for the period from continuing operations for the year ended 31 December 2021 amounted to €784 million and €732 million for the Group and the Bank, respectively whereas the corresponding amounts for the year ended 31 December 2020, amounted to €401 million and €278 million, respectively.

Earnings per share increased from €0.44 in 2020 to €0.86 in 2021 for the Group whereas the corresponding figure for the Bank increased from €0.30 in 2020 to €0.80 in 2021.

Liquidity

As at 31 December 2021, funding from the ECB increased by €1.1 billion through TLTROs at €11.6 billion (31 December 2020: €10.5 billion, solely TLTROs). As of 31 December 2021, the Bank's secure interbank transactions with foreign financial institutions amounted to €1.2 billion, while the Bank's liquidity buffer stood at €24.5 billion (cash value), with the LCR and NSFR ratios well above 100%.

Capital adequacy

The Group's CET1 and Total Capital ratios at 31 December 2021 were 14.1% and 14.7%, respectively, exceeding the OCR ratios of 11.50% and 11.75% for 2021 and 2022 respectively, post capital relief measures (see Note 4.7 of the Annual Financial Statements).

Macroeconomic developments

Please refer to section above "*key developments in the Macroeconomic and Financial environment - Greek Economy*", for Greece's economy performance in 2021 and the prospects for 2022.

Trend information

In 2021 and despite COVID-19 mobility restrictions for a good part of it, we managed to produce a strong adjusted PAT from continued operations of €834 million, reflecting recovery across all our core lines in Income Statement, as well as a strong trading result from debt securities transaction.

On the asset quality front, our NPE exposure as of 31 December 2021 dropped further to €2.3 billion, or 47.7% from €4.4 billion as of 31 December 2020 mainly due to inorganic actions (see section "*Key Highlights - Key achievements and significant developments of NBG Group in 2021 -Disposal of NPE portfolios*").

It should be noted that, in relation to the year-end NPE reduction Target for 2021, there is an overachievement of €1.8 billion (€1.5 billion from inorganic actions and €0.3 billion from organic actions).

Moreover, in the context of its Transformation Program (see section "*Transformation Program - Strategic Priorities for 2022-2023*"), between now and 2023 the Bank is currently pursuing among other strategic priorities, to complete the clean-up of NPEs by reducing them to less than 5% of gross loans, while retaining best-in-class capital ratios.

Regarding our capital adequacy, we have further enhanced our strong capital position since the beginning of the year, with CET1 and total capital ratios (pro forma including the profit for the period) standing at 16.9% and 17.5%. Our capital position will improve further upon completion of the Frontier II and NIC transactions.

Looking ahead, European Commissions' approval of Greece's RRF paved the way for the receipt of the first disbursement of €4.4 billion in 3Q.21, whereas another c. €4.0 billion are expected to be received in 2022. In the medium term, RRF funds (amounting to a total of €30 billion) combined with further structural reforms in the country are expected to contribute to a gradual narrowing of the economy's investment gap. In this environment, NBG is best positioned to support the economy through that phase, including through the NBG platform for the RRF "Ethniki 2.0", capitalizing on our successful Transformation Program, which has just completed its third year and gives us an added competitive edge. In this positive environment, we remain focused to deliver our ambitious targets for high profitability and sound capital adequacy, further NPE reduction, providing added value to our clients and shareholders.

Downside risks, mainly, relate to the evolvement of the COVID-19 pandemic and, most importantly, to the persistence of energy-driven inflation shock, which is exacerbated by geopolitical risks could weigh heavily on economic sentiment and economic activity in Greece and the euro area.

MREL Requirements

Under the Directive 2014/59 (Bank Recovery and Resolution Directive or ("BRRD"), as amended by Directive 2019/879 (BRRD II), banks in the European Union are required to maintain a Minimum Requirement for own funds and Eligible Liabilities ("MREL"), which ensures sufficient loss-absorbing capacity in resolution. For more information, see Note 4.7 to the Annual Financial Statement.

Events after the reporting period

Sale of a majority equity holding in Ethniki Hellenic General Insurance S.A.

On 24 February 2022, DG Competition approved the acquisition of NIC by CVC.

Russian invasion in Ukraine in February 2022

Please refer to section above "*key developments in the Macroeconomic and Financial environment - Global Economy & Financial Environment*".

COVID-19 developments after the reporting period

For measures taken by the authorities after the reporting period relating to COVID-19 please refer to section above "*Response to COVID-19 crisis".*

NBG shares and shareholder structure

NBG Shares

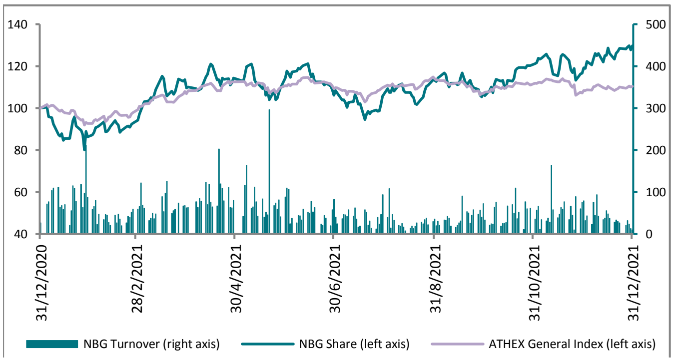
2021 was characterized by a strong recovery in economic activity in the country, following the significant recession recorded in 2020 related to the measures that were imposed in order to address the pandemic.

In this climate, the General Index of the Athens Stock Exchange increased by 10.4% on an annual basis, with the Technology sector leading the rise, recording gains of 96.5% followed by the Industrial goods and services sector with gains of 27.2%. During this period, trading activity increased with the average daily value of transactions on the Athens Stock Exchange settling at €73.3 million compared to €65.0 million in 2020.

Following the upward trajectory of the market, NBG's share price increased from €1.811 on 27 January 2021 (year low) to €2.934 on 29 December 2021 (year high), closing at €2.932 on 31 December 2021. NBG's market capitalization on 31 December 2021 stood at €2.7 billion from €2.1 billion on 31 December 2020. Finally, NBG's annual trading volume amounted to €1.4 billion in 2021, falling by 17.6% compared to the previous year.

NBG Stock Market Data	2021	2020
Year-end price (€)	2.9	2.3
Year high (€)	2.9	3.0
Year Low (€)	1.8	0.9
Yearly standard deviation for NBG share price (%)	2.4	5.6
Yearly standard deviation for banking sector (%)	3.4	5.3
NBG market capitalization at year end (€ billions)	2.7	2.1
Annual trading volume (€ billions)	1.4	1.7
NBG to ATHEX trading volume ratio (%)	8.0	10.7

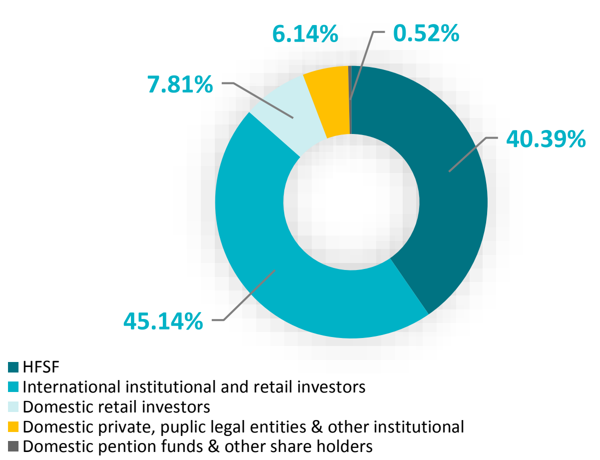
NBG Share Price & Turnover



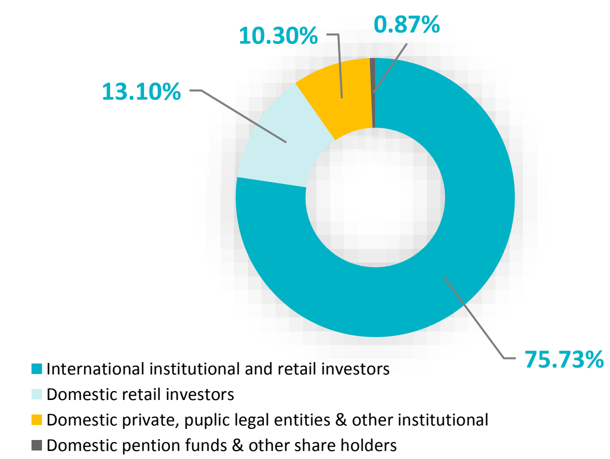
Shareholder Structure

As at 31 December 2021, NBG's share capital was divided into 914,715,153 common shares of a nominal value of €1.00 each. As at 31 December 2021, NBG's free float was broad-based, including c. 102,530 institutional and retail shareholders of which 40.39% is held by the HFSF, while 45.14% was held by international institutional and retail investors, and 7.81% by domestic retail investors. Excluding the HFSF's shareholding, the participation of international institutional and retail investors stood at 75.73% while domestic retail investors stood at 13.10%.

NBG's Shareholders Structure
as of 31 December 2021



NBG's Shareholders Structure (excl. HFSF)
as of 31 December 2021



Business Overview

Group main activities at a glance:

Continuing operations:

In Greece

- Retail banking
- Corporate and investment banking
- NPE management (Troubled Asset Units)
- Other
  - Global Transaction Services
  - Leasing
  - Factoring
  - Brokerage
  - Asset management
  - Real estate

Outside of Greece:

Two banking subsidiaries:
- Stopanska Banka A.D.—Skopje (Stopanska Banka) and
- NBG Bank (Malta) Ltd. (NBG Malta)

Discontinuing operations:

In Greece

One subsidiary in the insurance sector
- NIC

One subsidiary in the leasing sector
- Probank Leasing S.A.

Outside of Greece:

Credit acquiring subsidiary in Cyprus CAC Coral Ltd

The Bank is the principal operating company of the Group, representing 94.9% of the Group's total assets, excluding non-current assets held for sale, as at 31 December 2021. The Bank's liabilities represent 97.0% of the Group's total liabilities, excluding liabilities associated with non-current assets held for sale, as at 31 December 2021.

Activities in Greece

The Bank is one of four systemic banks in Greece and it holds a significant position in Greece's retail banking sector. As at 31 December 2021, the Bank had a total of 337 branches, 16 Transaction Offices and 2 I-Bank Stores in Greece. Furthermore, the Bank, through 1,474 ATMs (648 onsite and 826 off-site), offered an extensive network covering – even in the most remote areas of the country.

Activities in Greece include the Bank's domestic operations, Ethniki Leasing S.A (Ethniki Leasing), Probank Leasing S.A. (Probank Leasing) and Ethniki Factors S.A. (Ethniki Factors). The Group's domestic operations accounted for 94.9% of its total lending activities as at 31 December 2021 (the Domestic Banking gross loans) and for 96.4% of its deposits (the Domestic Banking deposits).

Retail Banking

2021 Highlights

Maintained strong and low-cost deposit base, managing to preserve its leading market share while further reducing the overall deposit cost for the Bank to average 4bps in all currencies.

Grew lending in Mortgages, Consumer and Small Business Lending (new disbursements +68,9% y-o-y for mortgages, +25,1% y-o-y for fixed term Consumer loans and +3,7% y-o-y for SBL). Finally, Cards issuing and acquiring turnover grew by + 21.4% and 22.6% respectively y-o-y, including debit, credit and prepaid cards.

With 5.6 million cards in circulation and a network of 203 thousand cooperating companies, maintained its leading position in the domestic cards market.

Expanded significantly deposits, transfers, investments and bancassurance value proposition through the addition of new and innovative products.

Strengthened net fee and commission income (+10.2% y-o-y, driven mainly by digital, cards and intermediation fees), mainly as a result from the revival of tourism transaction- based fees, new products & services.

Implemented Business Banking New Service Model in Branch Network.

Continued the branch network optimization in terms of footprint, operating model, performance management, image and service for the third consecutive year.

In-branch transactions decreased by 59.0% y-o-y contributing to the transaction migration to digital channels effort (current share at 3.5% of the total monetary transactions performed within the branch).

Increased Private Banking Return on Asset (“RoA”) and further expanded its Assets under Management (“AUM”) base, due to the effective response to clients’ demand against the resilient inflationary pressures, the geopolitical risk associated with northern European region and the persistent uncertainties related to COVID-19 pandemic.

Strengthened digital business, proving in practice its capability to lead the trends in the digital market: 19.4% y-o-y increase in active users within the last 12 months, accompanied by a notable 30.6% increase in the Bank’s mobile application downloads and 67.7% increase in transactions via mobile banking.

Launched new digital onboarding for businesses, through Internet Banking, enabling them to start their relationship with the Bank without visiting a Branch. At the same time, a new digital offering was launched expanding self-service functionalities for business customers.

Launched contactless payments through mobile (near field communication ('NFC') payments) & Apple Pay.

Integrated the eGov-KYC (‘know-your-customer’) functionality for digital onboarding both for internet & mobile banking.

Tripled mortgage loan disbursements compared to 2020 as a result of a revised commercial policy, with new competitive pricing, product flexibilities, as well as new partnerships with brokers.

Signed two new synergies of strategic importance for B2B financing.

Launched Ethniki 2.0: A framework of integrated services that is designed to provide potential clientele access and guidance to all the financial possibilities of the National Recovery and Sustainability Plan Greece 2.0.

Strategic areas

The strategic objective of the Retail Banking Division is to fully realize the Bank’s growth potential by delivering sustainable and increasing results in line with the strategic priorities. The key strategic areas towards achieving this objective are:

Exploitation of market opportunities as well as the Bank’s untapped existing customer base potential for the promotion of lending and fee-generating products & services, through a revamped customer-centric growth model;

Restructuring, rationalization, mobilization and service excellence of the Bank’s extensive, nationwide branch network;

Delivery of new and innovative products & services, as well as redesigning existing ones, to meet dynamic customer demand; and

Leverage of technology to expand the Bank’s digital offering as a means for providing enriched services to customers, enabling further the migration of transactions to digital channels, and providing an engine for robust future growth.

Activity

2021 was a challenging year for the Retail Banking Division. The extension of the restrictions due to the pandemic, forced the Bank to become more reactive and innovative and overcome numerous impediments, showing immediate reaction, extroversion, and effective leadership. Moreover, the Transformation Program continued at its pace, with a broad range of tactical and strategic initiatives being delivered. Hence, in 2021, the Retail Banking Division displayed, once more, solid growth based on the implementation of the following key initiatives:

Customer-centric service model: The customer-centric service model aiming to strengthen customer’s relationship with the Bank, through increased product penetration and services usage, was revamped during 2021. Dedicated relationship managers for high-value customer segments, as well as targeted customer propositions based on advanced analytics were the main features of the model. Organizational business needs are supported by a staffing model yearly redefined.

Towards reinforcing customers’ loyalty and engagement, the “Go4More” program provides an effective tool to promote products and services to different clientele segments. Thus, Go4more expanded further its merchant network and upgraded its technical functionalities to respond to client’s needs and preferences.

Mortgage Lending: The Bank introduced new features to mortgage loans mainly regarding interest payments (i.e. “interest only” instalments for up to 2 years or skip one instalment per year). It launched new mortgage loans with competitive pricing for fixed/ hybrid rate loans, with 10-year fixed interest rate option, starting from 2,80%, available also for application and pre-approval through internet banking.

In addition, the Bank implemented an increase in maximum LTV for newly built houses or those available on Real Estate-Online platform of the Bank. A 360º mortgage loans commercial campaign launched in 3Q.21 came to complete this effort.

Moreover, the Bank boosted its mortgage lending business in 2021 by further enhancement of existing and new partnerships with main market brokers providing new competitive features.

Finally, the Bank continued the “Reward Program” for non-delinquent customers on their housing loan repayments, despite market and economic adversities.

Consumer Lending: The Bank enriched consumer loans with new competitive terms/ features, amended interest rate, lowered minimum tenure, launched new financing for electric vehicles, while boosted “Express” loan through successful cross-selling to new mortgage loans. The Bank participated once more in the co-funded “EXOIKONOMO-AUTONOMO” program, offering loans for energy efficiency and residence autonomy improvement, with 100% subsidy of interest rate and zero fees.

Moreover, the Bank achieved new partnerships with market-leading retailers, capturing new marketplaces while grew existing key partnerships. Finally, the Bank, through coordinated actions, improved its overall positioning regarding car financing through dealers/ third parties, focusing also on used vehicles.

Small Business Lending: The Bank significantly increased its disbursements and market share, designing and implementing of a Small Business value-proposition, aiming at:

a) serving clients with high value products and services through a customer- centric approach;
b) building strong, distinct Business Banking Identity and Culture;
c) focusing on expanding the Bank’s market share, and
d) increasing respective portfolio’s profitability and value.

Towards this direction, the Bank continued its active participation and cooperation with State and European programs throughout the pandemic period, while became more active and extrovert regarding green energy financing, through specifically designed products or the EIB.

Towards digital migration, the Bank enhanced product offering to businesses and professionals with the “Business Express” loan, up to €35,000, a product offered exclusively through internet banking.

Cards (issuing & acquiring): The Bank entered into an agreement with EVO Payments, a leading company in the provision of payment technologies and services and a presence in over 50 markets worldwide; This strategic partnership is expected to further increase Bank’s market share in the cards acquiring business while creating value through the exploitation of significant synergies. Moreover, the migration of the credit cards portfolio to the new card management system (“CMS”) was completed, which is expected to offer technologically upgraded solutions /capabilities and enrichment of the services provided to consumers. Last but not least, the Bank activated payments for more than 5.0 million debit & prepaid cards’ users through Apple Pay.

Deposits, Investments and Bancassurance: The Bank launched new and innovative products:

a) Deposit product bundles (e-value & value plus), available also via digital banking
b) Structured Investment product with partial capital guarantee – a groundbreaking product for the Greek Market (launched January 2022)
c) Bancassurance: (i) Unit Linked (single or regular premium) investment product with Life insurance, (ii) Health insurance (hospital), (iii) Expanded property eligibility for Fire & Earthquake insurance
d) SEPA Instant transfers.

At the same time, the Bank retained its bancassurance portfolio within the Frontier project, re-launched on-site training for Bancassurance products via specialized team (“Field Coaching”) and continued to expand its digital offering by including additional products: (i) health insurance (check-up & diagnostic tests), (ii) auto insurance, (iii) sight account opening, (iv) transfers in foreign currency for shipping customers.

Private Banking: AUM grew substantially both by deepening AUM from existing clients and cross-selling and referral initiatives among Retail and Corporate segments of the Bank. The operational model was further enhanced with a parallel supervision of clients’ portfolios to both the investment strategy team and the respective Relationship Managers. This innovative structure improved services quality, risk management and portfolio performance.

Premium Banking: The Bank:

a) improved Premium Banking sales and service delivery by (i) re-segmenting customer base to better identify investment potentials and (ii) close monitoring of agreed action plan through personalized appointments and customer surveys.
b) boost investment product fees by organizing training sessions, launching a “helpline”, designing and implementing a mutual funds selection tool.

Mass segment: The Bank:

a) Designed and implemented a large scale of campaigns through all available communication channels for high revenue generating products.
b) Implemented for the first time, automated event triggered campaigns, for basic product journeys, thus enhancing customer experience, while at the same time exploiting cross - sell and upsell opportunities.

Key Accounts segment: through the active management of the specific clientele, the Bank amended interest rates for key accounts clientele expediting its cost of capital reduction while increased fee generating transactions. Moreover, it achieved a significant shift of this clientele to digital channels.

Branch network: Optimization of branch network footprint and migration of transaction to ATM/APS continued, with targeted unit mergers, aiming at saving resources and rationalizing its operation. Currently, 123 Lobby ATMs and 358 APSs are operating in the branch network. The branch network has been equipped with tablets and 3,000 multimedia screens, while there is an ongoing replacement of PC terminals, installation of the new check scanners and extension of the functionality of digital signature.

At the same time, key business processes re-engineering continued, improving further the customer experience and freeing time for dedicated staff to concentrate on other customer-servicing / sales activities. Indicatively, some of them are the automation and/or redesign of transaction controls, the centralization of small business import/export documentation collection as well as that of corporate and SMEs administrative activities, the activation of the eGov-KYC feature in branch tablets and the deployment of new scanner equipment at the branch staff services. For one more year, the Branch network played a significant role in both the restructuring as well as the sales initiatives of NPE portfolios in all stages, through a dedicated and specialized structure of “NPE Hubs”.

Digital business: In 2021, the Bank offered its business customers a new, integrated package of digital solutions with new functionalities, value adding services, and a significantly upgraded customer service experience. Onboarding of new business customers is now available fully digitally; at the same time, a new digital offering was launched expanding self-service functionalities for business customers, namely the acquisition of business debit cards, sight account opening, end-to-end business Express loan and POS online purchases and e-commerce solutions.

Furthermore, the Bank strengthened its digital sales offering by enriching the available pallet of credit (e.g. gold & platinum Mastercard) as well as insurance products.

Moreover, the Bank offered to its customers contactless payments through mobile (near field communication ('NFC') payments) and Apple Pay. The Bank integrated with eGov-KYC, simplifying digital onboarding and personal details update through internet banking, without documents upload.

Finally, the Retail Banking Function following last year’s establishment of an independent Segment Risk & Control Sector, proceeded with the following actions across the whole Retail Banking Function:

- Further enhancement to Internal Control System.
- Alignment of its activities with those of the Risk and Control Functions, as well as Group Internal Audit.
- Achievement of a high degree of readiness & compliance against all regulatory obligations, as well as increased risk and control awareness.

2022 Priorities

In 2022, Retail Banking Division aims to extend its 2021 success by achieving the goals & targets set by the 2022-2024 Business Plan, along with the objectives of the Transformation Program. Its main strategic areas remain the increase in business volumes, the strengthening of the relevant market shares, the increase in net interest and commission income, leveraging on all channels to deliver results, while creating value for and collecting value from its robust / loyal customer base. Existing partnerships will be strengthened, while extroversion will lead to further broaden them. Finally, the focus on retail’s human resources will remain undiminished through continuous training and performance rewarding. Specifically, there will be efforts to:

Participate in the new “EXOIKONOMO” program regarding residential energy efficiency improvements; increase partnerships with main market brokers; improve internal procedures and processes to precipitate loan disbursements; revisit loans underwriting criteria and variable interest rate products, aiming to further expand mortgage lending and increase the respective market shares.

Increase consumer lending/ car loans through the enhancement of existing partnerships as well as the formation of new ones. The new B2B platform and business web-based portal will contribute to the upgrade of the customers’ as well as partners’ digital experience (customer journey).

Further increase Bank’s market share in Small Business new disbursements by exploiting the financing opportunities arising from the State and European programs funds (namely the Pan European Guarantee Program for SMEs as well as the National Recovery and Resilience Facility “Greece 2.0”). The training & skills development of the Relationship Managers, as well as the provision of specialized tools to facilitate their work will constitute Small Business’s main enablers.

Intensify sales of new credit cards through enriched product offerings, with new privileges & services, leveraging on the capabilities offered by the various distribution channels. Customer experience improvement, through the optimization of customer-related processes, remains a top priority.

Strengthen and at the same time promote the investments and bancassurance value proposition by introducing new products with a focus on small business, life – investments products with capital “protection”, as well as specialized products through digital channels.

Capitalize on private banking’s good reputation and competitiveness, focusing on expanding Assets Under

Management through enriched value propositions e.g. ESG investments.

Exploit further the branch network as the key driver/ channel in achieving results, with a focus on performance management & service excellence. Initiatives such as the simplification/ centralization of processes, the personnel's training, extroversion and appraisal framework, will be intensified aiming at customer-servicing / experience as well as increase on Retail sales of products and services.

Maintain its leading market position on internet and mobile banking, through continuously enriching its list of digital products and services, focusing on active users and their engagement with the Bank.

Mobile Application Waiz

NBG was the first Greek bank to launch a mobile aggregator, under the new brand name, waiz. The mobile application was launched in October 2019 under the concept of Account Information Services provided in the European Payments Directive PSD2. Waiz allows users to see their balances and transactions from their accounts and cards in multiple Greek and Digital banks. As such, the service is available for anyone that hold accounts in any of the aggregated banks. During 2021, Waiz had 41,000 annual users, of which 14,000 users with an active connection with a bank; and since its launch, Waiz has reached 340,000 app downloads and onboarded >100,000 users, with >40% of users not holding an account with NBG.

Moreover, during 2021, Waiz introduced new services, including the first implementation of payment initiation services under the European Payments Directive PSD2 in the Greek market, which allowed users to initiate payments between the four systemic Greek banks. With Waiz, the Bank aims to enhance its pioneering digital offering, providing customers with innovative and unconventional services.

Corporate and Investment Banking

2021 Highlights

COVID-19 supporting solutions and financial programs successful implementation.

Corporate Transaction Banking activities streamlining.

Major transformation projects design and groundwork (e.g. Workflow credit proposal, Corporate Customer Relationship Management ("CRM"), client position).

Expansion in majority of portfolio.

VBM incorporation in regular reporting and decision-making process.

Offices' modernization and equipment improvement.

Strategic areas

2021 has been an equally, if not an even more challenging year than its predecessor, with the COVID-19 pandemic still being the primary factor for economic development around the world. Within this environment, companies in many sectors are primarily consolidating and/or don't expand. Many major clients have turned to alternative means of funding (e.g. minibonds) due to highly competitive pricing.

The main objective of the Corporate and Investment Banking ("CIB") business is to provide its clients with tailor made solutions, acting as their main partner bank to facilitate their growth plans, fully meet their needs in respect of credit and non-credit products and services, while generating value for both sides of the banking partnership, thereby ensuring sustainable revenues and profitability of the Bank.

The Bank offers corporate clients a wide range of products and services, including financial and investment advisory services, deposit accounts, loans denominated in euro and other currencies, foreign exchange services, standby letters of credit and financial guarantees, insurance products, custody arrangements and trade finance services.

Activity

In this context, CIB supported its customers in their hour of need by funneling additional liquidity via an ever expanding financing toolkit. In addition, it has provided several of its clients with moratoria extensions and step-up solutions, postponing repayment of their loan obligations by several months. This has not however stopped CIB from achieving its other goals as well.

The ongoing transformation process has continued with very good results during the latest seasons, focusing on becoming the bank of choice with superior coverage product, client experience and processes. The coverage and service model revamping has been an ongoing process that will offer a unique experience through new digital capabilities and enhance our business intelligence capabilities/ tools, in order to create incremental value for our clients and our shareholders. In 2021, CIB focused on the following areas:

Growing further the SME segment in strategic sectors with growth potential;

Enhancing cross selling through Corporate Transaction Banking ("CTB") including digital solutions/ Application Programming Interface ("APIs");

Exploiting growth opportunities in the booming shipping sector without sacrificing credit quality;

Taking a leading role in major projects and bond issuing deals in various sectors, solidifying our position as a core player in the custom transactions market;

ESG adherence through: (i) issuance of the first sustainability linked bond listed on ATHEX (€300 million, with seven years duration). The Bank was jointed coordinator and lead underwriter and (ii) enforced renewables financing for Corporate clients through the proceeds of NBG's green bond;

Operational setup to support Corporate clients in leveraging Recovery & Resilience Facility ("RRF") opportunities.

Effectively managing risks through timely initiatives and using the know-how and experience of the staff in the division.

In 2021 the following were achieved:

COVID-19 support measures (e.g. moratoria extensions, step-up solutions) were promptly executed, providing our customers with a much-needed respite of their debt obligations, thus strengthening our relationship with them and increasing our chances to have minimal new NPE productions;

workplace environment upgrade with newly designed office space adhering to safety protocols and hardware improvements to facilitate both remote and on site work;

increased revenue and profitability, surpassing fees and commission budget in almost all divisions, whilst focusing on sustainable growth corporate portfolio;

further expanded our digital capabilities with our clients, providing several conveniences and services (e.g. online repayments, digital onboarding), as well as enhanced our internal reporting and management tools.

Corporate banking includes the following divisions:

Large corporate: Large Corporate portfolio is being handled by two separate divisions with distinctly separate structure and clientele. One division deals with large groups and companies from €200 million annual turnover and above (on a consolidated basis). The other division focuses in mid-capitalization companies (with €50 million to €200 million annual turnover) and other specialized categories (such as intragroups, Greek state related entities etc.).

Structured Financing: Following its structural reorganization over the past years, Structured Financing business is now a core growth arm of the CIB. It focuses on originating, managing and executing wholesale, event-driven primarily, financings across four pillars:

Energy Project Finance	**Real Estate Finance**
Concessions Project Finance & Advisory	**Leveraged Acquisition Finance**

Transactions are mostly executed on a non-recourse basis, either in bilateral or syndicated format, mobilizing the team's in-house placement capabilities, as required. Beyond customary support of local sponsors, Structured Financing is particularly focused on facilitating foreign direct investment of international sponsors in Greece across the aforementioned financial sectors.

Medium-Sized Businesses ("SME"): This part of CIB's portfolio (including businesses with annual turnover between €2.5 million and €50 million, or Small Business with total exposure to the Bank exceeding €1 million, or initially originated from the SME Division), was broadly affected by the ongoing pandemic and is in need of proper support. The timely and targeted actions of the Division are expected to assist our customers in weathering this new financial challenge and keep our focus in tapping the potential of the Greek economy.

In this deteriorated financial environment, the Bank's long-term strategy to ensure a steady flow of liquidity to businesses that continue to invest in competitiveness and innovation, while promoting extroversion is considered paramount in the Business Plan's agenda. At the same time, the Bank participated in several favorable business financing programs in cooperation with European organizations, such as the EIB and the EIF.

Shipping Finance: Greece is one of the world's largest ship owning nations with a long-standing tradition in shipping. Shipping has been one of the most important sectors of the Greek economy with the Bank being one of the key participants (including local and international Banks) in Greek shipping finance, the activities of which are carried out almost exclusively through its dedicated Piraeus based unit.

The Bank has traditionally provided long-term financing, mainly to shipping companies trading in the dry bulk and wet bulk sectors and, to a lesser extent to liner and ferry businesses, with a consistent view to minimizing risk and enhancing the portfolio's profitability.

During the past year, exhibiting a focus on asset quality and profitability, the Bank expanded its customer base by attracting new names in the Greek shipping industry, primarily in the markets of dry bulk, tankers and containerships. In addition, the Bank further leveraged the potential of its existing, high-quality clientele, expanding already successful partnerships.

Changes in the regulatory framework regarding the operation of vessels and environmental protection are still under way and are expected to impact the shipping markets over time. The Bank monitors closely the expected impact on the shipping industry from the imposed measures on reducing sulphur dioxide emissions as of 1 January 2020. Furthermore, the Bank is following technological developments regarding the gradual replacement of fossil fuels by more environment-friendly ones for ship propulsion. The global disruption caused in supply networks due to the COVID-19 pandemic, has led to a major surge in container demand and by extension their prices. Factoring along the ongoing energy crisis, shipowners are trying to expand their fleet capabilities even further, to address increased transportation demands.

2022 Priorities

Leveraging the Bank's strong human capital and product structuring capabilities, along with a revised coverage and service model, CIB focuses on:

- robustly growing the SME segment in strategic sectors with growth potential;
- maintaining a leadership position in large Structured Finance transactions (i.e. Energy with focus in renewable energy, Real Estate, Leveraged Acquisition Financing, Infrastructure);
- maximizing the Bank's share of wallet across products in large groups; and
- promoting a more supportive and "next to the client" business approach.

To this end, the main targets of CIB are:

- to further develop cross selling by expanding and deepening partnerships across the entire range of products and services offered to our customers, with a particular focus on transactional banking and non-capital intensive revenue streams;
- to further grow the corporate portfolio, increasing the share of banking cooperation on a selective basis (especially in the SME segment) and forging sustainable growth of revenues and profitability, also via the use of various financial instruments such as the Pan-European Guarantee Fund ("EGF") and Recovery Fund;
- to maintain our focus on providing credit to healthy, export-oriented medium-sized businesses. Special emphasis is placed on business sectors such as tourism, logistics, pharmaceutical manufacturing (particularly generics), Agrifood with domestic and export orientation;
- to be the leading player in major development transactions, and generally support sustainable investment projects that generate value for our customers and the economy as a whole;
- to empower our corporate coverage teams, freeing-up time to focus on client support/ advisory and new business development;
- to attract and retain talent while further developing our people;
- to further improve our clients' experience and retain costs by streamlining our credit underwriting and client on-boarding processes;
- to maintain top-class levels of risk management and sound risk culture;
- to enhance digital channels' capabilities and introduce self-service functionalities;
- to further diversify our credit exposure and income generation drivers, especially in Large Groups and Shipping;
- to expand our shipping portfolio maintaining the quality of clients and collaterals and at pricing and terms that will allow to enhance our profitability, always taking into account the developments and the long-term prospects of the shipping markets;
- to further grow our Investment Banking business;
- to remain committed in advancing NBG's Transformation Program and the rapid deployment of the actions and strategic targets set out therein;
- to enhance the financing tools available to businesses, expanding our cooperation with the European Investment Bank, the European Investment Fund and the Hellenic Development Bank;
- to focus on the development and marketing of new products and services, targeting at enhancing business access to programs with favorable financing terms, while offering tailor-made solutions that meet businesses' financial needs.

NPE management (Troubled Asset Units)

The Bank has established two dedicated and independent internal units, one responsible for the management of the Bank's retail loans (the Retail Collection Unit ("RCU")) and the other for the Bank's corporate delinquent exposures (the Special Assets Unit ("SAU")). The two units have the end-to-end responsibility for their respective troubled asset exposures. Regarding corporate governance, the units report to the General Manager – Head of Troubled Assets Group, as well as to a dedicated Arrears and non – performing loans ("NPL") Management Committee, which in turn reports to the Board Risk Committee. Furthermore, there are tangible Group initiatives regarding the management of real estate, related to workout actions (auctions, foreclosures and repossessions) with strong involvement of the Group Real Estate Management experts and the monitoring by the Senior Executive Committee. Moreover, Segment Risk and Control Officer was appointed with the aim to further strengthen the Bank's effort to effectively manage operational risks, the design of adequate and efficient controls and their operating effectiveness, as well as to ensure adherence to the Bank's various internal and external regulatory obligations.

The Bank is continuously enhancing its NPL and NPE management strategies whilst augmenting its operational capabilities towards accomplishing the Bank's objective of reducing its NPL and NPE stock.

Total NPE portfolio at Group level amounted to €2.3 billion as at 31 December 2021 compared to €4.4 billion as at 31 December 2020.

Corporate Special Assets management

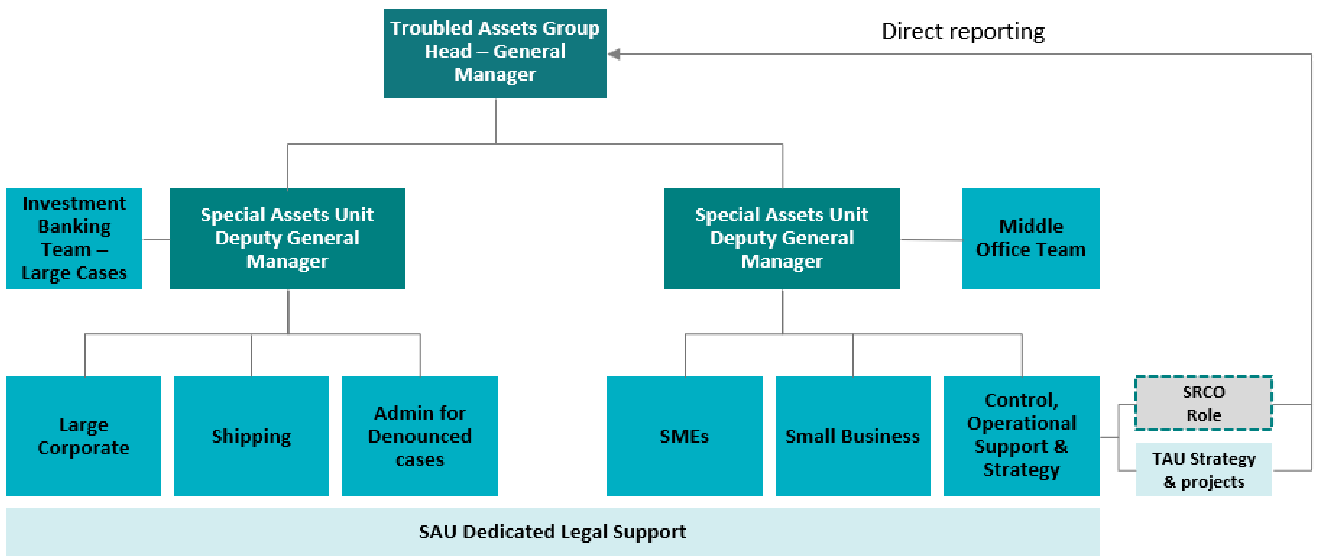
SAU | Organizational Structure

The Special Assets Unit ("SAU"), established in June 2014, is an independent and centralized unit, with end-to-end responsibility for the management of Large Corporate, SME, Shipping and SBL (mainly legal entities) NPEs.

SAU consists of seven divisions and subdivisions, four of which focus on borrower's management and three are support units. Borrowers are segmented into four categories based on the following criteria:

- **Large Corporates ("LCs"): Group of customers with annual turnover above €50 million, or initially originated from the Large Corporate Division and complex deals.**
- **SMEs: Customers with annual turnover between €2.5 million and €50 million, or Small Business with total exposure to the Bank exceeding €1 million, or initially originated from the SME Division.**
- **Small Businesses: Customers with annual turnover up to €2.5 million and total exposure to the Bank up to €1 million, or initially originated from the Small Business Division.**
- **Shipping: Customers with operations related to shipping sector**

The organisational chart of SAU is set out below:



SAU | Organic Actions for the reduction of NPEs

Significant progress has been made during the last years towards addressing the issue of corporate NPEs in order to support the recovery of distressed, but cooperative and viable borrowers. The main initiatives can be summarized as follows:

- Tailored made restructurings aiming to reduce the debt repayment obligations to sustainable levels;
- Assessment of alternatives to reduce the bank debt, without, however, forgiving a possible future upside, achieved through debt-to-equity transactions, convertible bonds, issuance of preferred shares or through profit participating bonds;
- Debt-to-asset transactions or amicable asset sales aiming to reduce bank debt through the proceeds from the sale of non-core assets, usually as a part of a holistic solution of the obligor with the Banks;
- Further improvement of interbank cooperation (Project Solar).

SAU uses a number of different forbearance, resolution and foreclosure measures, following international best practices, but tailored to the current economic and legal environment in Greece. Appropriate tools to measure the viability of debtors, fully integrated into the IT environment of the Bank, as well as net present value ("NPV") analysis for the prioritization of alternative modification solutions are also used. An internal Management Information Systems ("MIS") unit supports decision making and monitors performance.

A. Collaboration with the other banks

Regarding corporate exposures SAU collaborates with other banks for borrowers with common exposures in order to provide a holistic proposal, ensuring timely cross-bank alignment and consensus on the appropriate restructuring approach. In, complex cases, i.e. in the entrance of a strategic investor, a rehabilitation process may be followed, safeguarding the long-term viability of the company and the debt sustainability after restructuring. On large cases usually a Chief Restructuring Officer is appointed by the credit banks in order to monitor the implementation of the restructuring decision.

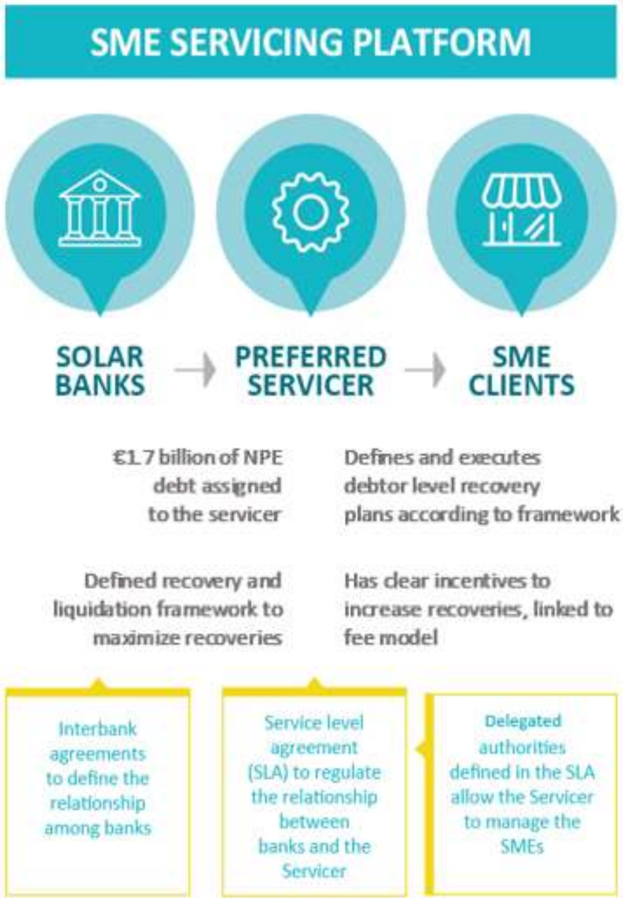
Especially for SME exposures the timely management of corporate NPEs is assisted by the Solar Project.

Solar Project - Common SME Initiative

On 31 July 2018, the four Greek Systemic Banks launched Project Solar, a breakthrough servicing initiative to define a common management framework for SME NPEs. Project Solar aims to enhance the effectiveness and efficiency of SME NPE management across the Greek banking system. A servicer with international experience in projects of similar characteristics was appointed who has the mandate to manage a pool of common non-performing SME exposures of the four systemic Greek banks.

The Servicer (doValue Hellas) has so far submitted recovery plans for all the Solar Borrowers. DoValue Hellas continued in 2020 with its active management of the Portfolio, having addressed issues arisen by the COVID-19 crisis, while the Banks are actively participating and monitoring the respective operations and results. The Banks have considered the initiation of a potential securitization process of Solar portfolio, finalization of which is expected within 2022. (See section "*Key Highlights - Key achievements and significant developments of NBG Group in 2021 -Disposal of NPE portfolios - Initiated in 2021 – Project "Solar"*").

The SME Servicing Platform is as follows:



B. Denounced Portfolio Management

The Bank denounces a loan contract when a borrower is in default and is non-cooperative and/or non-viable. The denouncement of a contract can also be decided due to the bankruptcy or dissolution of the debtor's company or initiation of legal actions against the borrower by other creditors. Although the primary strategy for the denounced portfolio is the recovery through the liquidation of collateral, settlement solutions are also available, even after the denouncement through amicable and viable arrangements.

In order to accelerate denounced portfolio management the Bank has established a taskforce team, which analyzes the portfolio, determines priorities in deployment of the necessary actions for liquidation of collaterals, coordinates the actions with legal and other involved divisions and monitors their timely implementation. In addition, appropriate internal processes were created and committees were established to assess the possibility of acquiring properties amicably or through public auctions, taking into account the value and marketability of the properties.

In 2021, enforcement activity has been slowed down because of the protective measures introduced due to COVID-19. Enforcement and auctions were suspended in the months of January-April 2021, while from May onwards the suspension has been lifted. During 2021, 441 auctions were expedited by SAU with a total opening price of €122 million.

SAU Inorganic Actions for the reduction of NPEs

The NPE Management Strategy includes several projects aiming to an expedited reduction of NPEs through inorganic actions (portfolio sales, as well as bilateral agreements mainly concerning Large Corporate cases). During 2021, the securitization of Frontier Portfolio has been concluded, while preparatory phase regarding the securitization of a retail and corporate portfolio has been initiated (Project Frontier II).

Following the above actions, the total SAU portfolio under management amounted to €1.2 billion on 31 December 2021 compared to €1.9 billion as at 31 December 2020, of which 37.7% corresponds to denounced balances.

Retail collections management

Established at the outbreak of the financial crisis in 2010. RCU is an independent and centralized unit focused on the management of delinquent, non-performing and denounced retail loans.

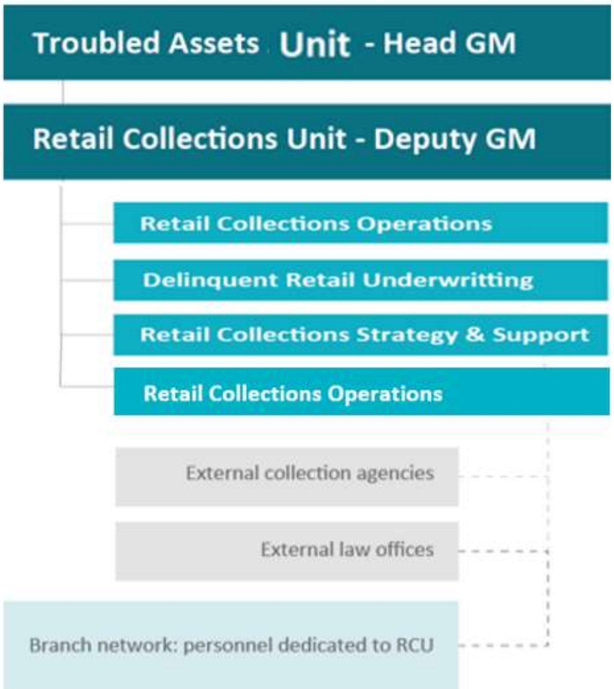
RCU consists of three Divisions, which focus on:

Collections operations, managing all the available client channels.

Delinquent Retail Underwriting, deciding the restructuring solution to be offered to each applicant.

RCU Strategy and Support, setting-up and coordinating the strategic initiatives of RCU and supporting the other Divisions.

The organisational chart of the RCU is set out below:



As at 31 December 2021, RCU had a total of 1,143 dedicated FTEs, including outsourced personnel, managing €1.7 billion of mortgage loans, consumer loans, credit cards and micro business loans (i.e. small business loans of non-legal entities) compared to €7.9 billion as at 31 December 2020 that are:

A. 1+ days past due.

B. Current, yet classified as Forborne Non-Performing Exposures ("FNPE").

RCU leverages all possible channels to reach clients in financial difficulty and work with them towards finding viable solutions.

Such channels include:

Call centers
(internal collections center ("ICC") and external debt collection agencies ("DCAs"))

NPL Hubs
(specialized Branches within regular bank Branches)

Bank Branches

Law offices
(external law firms and internal law office)

Mail

Alternative channels
(SMS, website, etc.)

When managing retail delinquent loans, the following four main stages can be identified:

In the beginning of March 2020, Greece, among other countries, was hit by COVID-19. The State imposed varied movement restrictions which affected the ability of borrowers to earn income and make payments or restructure their loans. This continued in various forms during 2021 and RCU ensured that collection performance was maintained to the best possible level continuing 2020 actions (e.g. utilization of alternative channels) and adjusting them as required.

Payment moratorium: The payment moratorium program ended for borrowers in December 2020 (€1.6 billion in Retail utilized the program). Two further initiatives supported borrowers to resume payments after the end of the payment moratorium:

1. The "Gefyra" State subsidy program – c. 30% of the borrowers that were under payment moratorium were set to receive subsidy by the end of 2020. The program provided subsidy to loans in order to remain current and incentivizes borrowers to remain current even after the end of the subsidy.
2. The "Ethnogefyra" NBG program to bring the borrowers back to the full repayment schedule in a progressive manner – i.e. 50% of the scheduled payment until December 2021 and back to 100% of the payment schedule from 2022 onwards.

«Gefyra» State subsidy for COVID-19 beneficiaries' primary residence: The State subsidizes loans guaranteed by the primary residence of customers experiencing income reduction due to the COVID-19 crisis.

The program offers a state subsidy for eligible borrowers (eligibility criteria included residence tax value, outstanding debt, income). The subsidy is a percentage of the monthly loan instalment, for three quarters starting in November 2020, gradually decreasing per quarter. The subsidy can reach up to 90% of the instalment amount for the first quarter. The subsidy per borrower is capped at €300 - €600. The program due to its success received a quarterly extension with reduced subsidy. Most loans stopped receiving subsidy by the end of December 2021. In case of redefault the borrower is required to return to the state the amount of the subsidy received. €1.1 billion NBG loans received subsidy during 2021.

The "Ethnogefyra" NBG program was implemented only on loans that required the program to remain current after the payment moratoria. Less than €0.1 billion of the exposures required support and received a reduced instalment until December 2021.

The "Gefyra II" State subsidy program supported a limited volume (c. €0.1 billion) of Retail NBG exposures. The program provides a state subsidy to companies affected by COVID-19 (similar features with Gefyra I). Some borrowers under "Gefyra II" will continue receiving the program's subsidy in the first months of 2022.

Small Business Initiatives:

During 2021, RCU provided special focus to the Small Business portfolio.

Strategy & products

The restructuring strategy was aligned with Household. New products were introduced for Small Business (Split & Settle, Restart). The products were aligned with Household. Additionally, restructuring was enabled for denounced loans, replacing the settlements that were offered.

Channels

Assigned 100% of the portfolio in 15 Retail hubs that also treat Household exposures relocating personnel with Small Business expertise. Double treatment (utilizing the Internal Collection Center or Legal Offices) was enabled for 100% of Small Business portfolio.

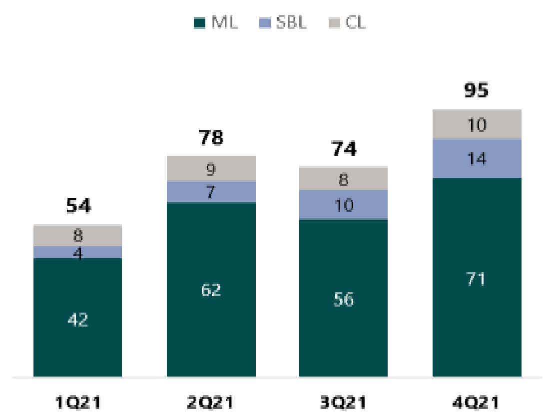
Processes & systems

The restructuring process is streamlined (centralization & automation). The restructuring flow is supported with systems and automations, unified for Household & Small Business, through application management (common system with Household), underwriting (Algorithm that identifies disposable income) and disbursement (process was transferred from Branches to a central Back Offices, with use to RPA's).

Restructurings:

Despite COVID-19 effects (lockdown, restrictions in the Branch network), restructurings reached €301 million.

The RCU quarterly restructuring volume in € million



The mortgage lending quarterly restructuring volume (in € million) is presented in the following graph split by product type:

Foreclosures / Auctions

Due to COVID-19 there were extended periods at which limitation to the foreclosures and auctions were in place. During 2021, 138 auctions were held, of which 47 auctions were successful.

Introduction of the updated insolvency framework

A new comprehensive insolvency framework (2nd chance, based on EU Directive 1023/2019), that covers private debt resolution (via restructuring or liquidation) of both individuals/ households and legal entities/merchants has been introduced by Greek Law 4738/2020. A platform supports the new insolvency framework and started receiving applications from the end of the second quarter of 2021.

2021 RCU and SAU portfolio sales / securitizations

The securitization of a portfolio (Project Frontier II) is in progress. (See section "*Key Highlights - Key achievements and significant developments of NBG Group in 2021 -Disposal of NPE portfolios - Initiated in 2021 – Project "Frontier II*").

Other

Global Transaction Services

Global Transaction Services Division ("GTS") of the Bank serves the transactional product needs of Large Corporates, Small & Medium Size enterprises, financial institutions, as well as individual/retail clients. Products & Services offered include Payments and Collections, Letters of Guarantee, Letters of Credit, standby letter of credit, as well as financing solutions of cross border Trade.

In 2021, GTS made available to the market credit instruments of an aggregate amount of €1.7 billion and offered liquidity of €457 million via structured Trade finance instruments.

The Bank is the market leader in both Payments & Collections (based on SWIFT traffic), as well as domestic payments.

In Trade Finance, GTS constantly invests in new technologies and related projects are in full progress, offering clients integrated flows and instant messaging options. Approximately 40% of GTS clients makes use of the functionalities offered by the i-bank Trade Finance platform. During 2021, we concluded the project of integrating the Letters of Guarantee issued on behalf of Corporate Clients to the new platform, while the project of the centralization of the transfer of the Guarantees for the Small Business customers is in progress. In parallel, we kicked off the project of Optical Character Recognition / Intelligent Character Recognition implementation to further automate Trade Finance transactions' processing.

In the context of the Bank's strategic Transformation project that aims at improving the operational efficiencies and developing the expertise of GTS, we finalized successfully the centralization of Import & Export Collections, while as previously mentioned, 2022 objective remains the finalization of the Small Business clients' Letters of Guarantee book centralization. In parallel, GTS adopted the usage of digital signatures for the signing of the Letters of Guarantee application forms and contracts, aiming at further improving the clients' experience and expediting the respective implementation processes. The roll out of the digital signatures to the remaining Trade product portfolio is in progress.

At the same time, we design specialized and customized solutions, supporting our Greek clients in the realization of their business plans, offering access to markets of interest, at the optimal cost structures. Our trade desks in Cyprus and China are staffed by subject matter experts, offering advisory services and market intelligence. In parallel, the EIB & European Bank of Construction and Development ("EBRD") Trade Facilitation programs that NBG actively participates as an Issuing Bank provide an extra Trade corridor for our clients.

As a result of all aforementioned actions, NBG's Trade Finance Sector continues to be highly recognized by clients and industry expects in the international landscape, winning Global Finance "Best Trade Finance Bank" award for 9 years in a row.

In Payments, GTS upgraded Payments platform and was the first Bank in Greece to implement the European Instant Payments. In addition, GTS launched Mass payments import files functionality, offering a Host to Host streamlined payments processing across corporate banking clientele. GTS also upgraded the post payment services in e-banking, improving customer's experience for payments cancellation queries and payments investigations.

Concluding, during the COVID-19 pandemic, GTS managed to respond in the best possible way to the Bank's client requests, offering top quality services and subject matter expertise in Payments and Trade Finance solutions. Our goal remains to support in an efficient and consistent way our clients' business and expansion plans in the international competitive landscape, offering specialized quality service, flexible solutions and quick response times.

Leveraging on NBG's competitive advantages, GTS further develops the close cooperation and coordination with the Bank's business and functional units, targeting "new to Trade" clients, further penetration to the existing client base and design/implementation of innovative solutions that will contribute to the improvement of profitability and operational cost measures.

Leasing

The Bank began its leasing activities in 1990 through its subsidiary, Ethniki Leasing S.A. Ethniki Leasing S.A. leases land and buildings, machinery, energy parks, transport equipment, furniture and appliances, computers and communications equipment.

Furthermore, in 2021 and for third consecutive year, Ethniki Leasing S.A. remains the champion of the new businesses implementation amounting to €202 million, despite the COVID-19 crisis.

More specifically, the new businesses carried out in 2021 by all Greek leasing companies, amounted to €642 million (source: Association of Greek Leasing Companies, 2021 statistical data), where the 31.5% covered from Ethniki Leasing S.A.

Factoring

The Bank has been active in the provision of factoring services since 1994. In May 2009, Ethniki Factors S.A. was established as a wholly owned factoring subsidiary of the Bank, as part of its strategic decision to expand its factoring operations in Greece. Ethniki Factors S.A. offers a comprehensive range of factoring services to provide customers with integrated financial solutions and high quality services tailored to their needs.

Brokerage

National Securities S.A. ("NBG Securities") was established in 1988 and constitutes the brokerage arm of NBG Group. Offering a wide spectrum of integrated and innovative investment services to both individual and institutional customers, NBG Securities aims at providing investment services tailored to their needs.

In 2021, given the continuing concern caused by the successive waves of the health crisis escalation, NBG Securities remained focused on the protection and safety of both its employees and customers. In this context, the company continued to operate throughout the year under extended remote management of its day to day operations.

At the same time, NBG Securities continued to explore synergies with NBG and achieving economies of scale.

In this direction, in June 2021, the company relocated its Headquarters to the Athinon Ave. Group building.

In 2021, NBG Securities increased its market share on the Athens Stock Exchange to 10.0% vs. 9.3% in the previous year.

Asset Management

The Group's domestic fund management business is operated by NBG Asset Management, which is wholly owned by the Group and was the first mutual fund management company to be established in Greece. Set up in 1972, NBG Asset Management manages private and institutional client funds, made available to customers through the Bank's extensive branch network. The Company's objective is to achieve competitive returns in relation to domestic and international competition.

As of 31 December 2021, total assets under management in mutual funds and discretionary asset management amounted to €1.7 billion, with NBG Asset Management maintaining a market share in mutual funds in Greece of 8.1% (Source: Hellenic Fund and Asset Management Association—report of 31 December 2021). The number of clients serviced by NBG Asset Management are in excess of 39,000, including 66 Institutional investors.

€ million	2021	2020
Mutual Funds under management	904	826
Discretionary Funds under management	795	726
Total Funds under management	**1,699**	**1,552**
Market Share	**8.1%**	**10.2%**

The 21 mutual funds of NBG Asset Management, among them four in Luxembourg, cover a wide range of investment categories (Equity, Bond, Balanced and Fund of Funds) in Greece and International markets. Such a wide spectrum of investment products gives great flexibility to investors who wish to build their personal investment plan according to their investment profile and objectives through mutual fund portfolios with a high degree of diversification.

In addition to mutual fund management, NBG Asset Management offers the following services for institutional and private investors:

- Discretionary Portfolio Management Investment Services;
- Advisory Services;

It also offers a range of financial products and services that cover the needs of:

- Social Security / Pension Funds;
- Insurance companies;
- Corporates.

Group Real Estate

NBG Group Real Estate is responsible for the comprehensive management of the Group's total real estate portfolio and for the provision of valuation and technical services on a fully integrated basis. The real estate portfolio is composed of properties owned or leased by the Group to house its operations (branch network, administrative offices and headquarters), the portfolio of repossessed assets ("REOs"), and special purpose vehicles housing large properties.

Over the last few years, Group Real Estate has undertaken an increasingly more important role in the Bank's strategic objectives, expanding its activities beyond its traditional real estate management activities to include asset repossession, maturation and divestment of properties, thereby actively contributing to the Bank's NPE reduction strategy and the overall targets of the Healthy Balance Sheet Workstream of the Bank's Transformation Program.

For Group Real Estate, 2021 was a record year in terms of property sales despite pandemic related restrictions and investor appetite slowdown. REO divestment targets were exceeded, achieving a historic record year performance. Total Group real estate sales reached 393 properties with value of c. €124 million. It should be noted that from the above sales, 338 properties with value of c. €52 million were sold through the website portal, either via electronic tender or through the buy now process. At the same time, the acquisition of properties from public auctions and consensual agreements was limited to 69 properties with value of c. €14 million.

Key drivers for this result was the adoption of a new strategy for the comprehensive management of all promotional channels (electronic channels, brokers, branch network), and the transition from a traditional model of physical tenders to a more flexible, integrated model, in order to ensure the efficient exploitation of real estate portfolios with a large geographical spread. More specifically, for the promotion of REOs, as well as other properties of the Group, an Agents' registry with nationwide coverage was created, the web portal www.realestateonline.gr was significantly upgraded, incorporating a platform for electronic tenders, ensuring transparency, greater efficiencies and further enhancing flexibility in real estate transactions.

Currently, there are 1,318 properties with value of c. €187 million uploaded on this website and ready for sale, with an additional c. 600 properties valued at c. €80 million to be uploaded within the first half of 2022.

In addition to the above, as part of the Transformation Program, the remaining properties held in the Bank's legacy portfolio, consisting of c. 360 properties with value c. €110 million, were fully reviewed to establish their monetization potential and the majority were transferred to the REO Division for divestment.

In 2021, the Property Management Division intensified efforts on the Bank's Real Estate Spending Optimization objectives with respect to the Branch Network and HQ' buildings under the relevant Transformation Program, reducing overall costs via lease terminations and subleasing of vacant spaces to third parties. In addition, the Division enlisted the assistance of expert advisors for the resolution of long-standing issues stemming from burdened legacy assets owned both by the Bank and NBG Group's SPVs. In this context, the Bank initiated discussions with the relevant authorities (Municipalities and Ministries) and is currently in the advanced stages of resolving burdens or expediting the conclusion of expropriations on several legacy properties. In addition, the Bank proceeded with the first sale, after many years, of properties owned by EKTENEPOL SA (100% NBG subsidiary), successfully concluding the sale of 10 land parcels in Komotini.

Furthermore, the Bank proceeded to donate one of the most important historical Mosques in Giannitsa to the Ministry of Culture, ensuring the maintenance and restoration of this monument in the context of the Bank's corporate social responsibility objectives and in support of Goal 11 of the UN Sustainable Development action ("Sustainable Cities and Communities").

Finally, the Property Management Division continued extensive efforts to contribute to the Bank's Environmental and Social Corporate Governance objectives and particularly the reduction of the Group's carbon footprint, through the extensive program of energy upgrades of the Bank's buildings with the assistance of the Technical Unit.

Group Real Estate covers all the valuations and related real estate advisory activities of the Group through the Central Unit for Technical Assessments ("CUTA"). The Unit is responsible for conducting all types of valuations, technical assessments & investment plan appraisals (e.g. hotels, malls, renewable energy plants, industrial plants) for all movable (equipment, machinery, airplanes, intangible assets, goods & commodities) & immovable collateral assets. Moreover, it provides multifaceted relevant services and support to all NBG Group Business Units (Corporate, Retail, TAU, Leasing, owned real estate assets) and ad hoc appraisal services to third parties. The Unit has a total manpower of 54 experts (engineers & economists) and manages a c. 400 strong External Valuers network throughout Greece.

With respect to the Unit's core service area, 2021 was a record year with c. 97,000 valuations of total Market Value of c. €20.5 billion euro and an additional c. 37,000 valuation reviews. In addition, the Unit achieved registration as a 'Regulated by Royal Institution of Chartered Surveyors ("RICS") unit in 2021. The latter constitutes a recognized mark for adhering to the ethical and professional RICS standards and it conveys a consistent message of confidence and quality to relating parties.

The spectrum of offered services has been broadened over the last 2 years, as CUTA significantly expanded essential bespoke advisory services ("Lender's Technical Advisor") with respect to the assessment and monitoring of new construction projects financed by the Bank. Furthermore, a centralized internal information and communications management hub has been established, in order for the Unit to efficiently address the significant volume of various requests from the Group's Business Units.

Overall, due to its unique expertise, CUTA crucially contributes to a significant number of regulatory projects and Bank initiatives.

The Technical Unit offers a wide spectrum of technical services to the NBG Group, starting from its traditional services of facility management of Bank buildings, focusing primarily on maintenance and refurbishment of Group infrastructure and facilities, to the undertaking of specialized studies and projects, provision of certifications, surveys, property controls, and fire safety. In this context, the Unit ensures the Group's compliance with all rules and regulations of a technical nature pertaining to buildings.

The Unit's key activities in 2021 fell into two broad categories: property refurbishments (primarily Branches) and ESG related upgrades, with the successful implementation of numerous projects in fulfillment of the Group's domestic and international needs. The most significant project initiatives were: the Renovation of Branches, the Restructuring of the Branch Network, the provision of technical advice to the Group's warehouse company (Pronomiouhos Single Member S.A. Genikon Apothikon Hellados) with respect to its new investment program and the technical support of the relocation project of Stopanska Banka's Headquarter Building.

Finally, the most notable ESG implementation projects included the collaboration with the Strategic Energy Consultant for the Bank's Environmental Strategy with respect to its buildings, in the context of which sophisticated Energy monitoring systems were installed in buildings with high consumption levels whilst the property energy upgrade program was continued, i.e., lighting, heating and cooling systems were upgraded and water consumption reduction systems were installed, amongst other actions, in several buildings. The continuation and successful completion of the energy upgrading of all of the Bank's buildings is a key target in the upcoming years, in which all Group Real Estate units are involved.

Activities outside Greece

As at 31 December 2021, the Bank's international network comprised 78 branches, which offer traditional banking services and financial products and services. The Bank has also three commercial banking subsidiaries, in North Macedonia, Cyprus and Malta. In 2021, the Bank decided to cease its operation in its banking subsidiary in Malta and its branches in Egypt and London.

The Bank's international operations accounted for €2.7 billion or 3.3% of the Group's total assets excluding non-current assets held for sale as at and for the year ended 31 December 2021. Loans and advances to customers were €1.5 billion at 31 December 2021, whereas deposits "Due to customers" amounted to €1.9 billion at 31 December 2021.

Non-Current Assets and Disposal Groups classified as held for sale and discontinued operations

Non-current assets held for sale at 31 December 2021 comprise of NIC, CAC Coral Ltd and Probank Leasing S.A. (Project "Pronto"). Non-current assets held for sale as of 31 December 2021, also include loan portfolio contemplated disposals mainly relating to Projects "Frontier II", "Solar" and "Pronto".

Related Party Transactions

Based on the existing regulatory framework, the Group must disclose any transaction between the Bank, its subsidiaries and all its related parties as defined in IAS 24 "Related Parties", which took place during the year ended 31 December 2021. Management's total compensation, receivables and payables must be also disclosed separately. Regarding the transactions with the Bank's main shareholder HFSF, other than the ordinary shares issued by the Bank and held by HFSF, no material transactions or balances exist with HFSF. The following table presents the transactions between the Bank and its subsidiaries, while there are no significant transactions with its associates.

For further details, see Note 42 of the Annual Financial Statements.

Subsidiaries

(€ million)	Assets	Liabilities	Income	Expenses	Off Balance Sheet (net)
National Securities S.A.	1	84	3	1	28
NBG Asset Management Mutual Funds S.A.	1	32	4	-	-
Ethniki Leasing S.A.	564	21	10	1	126
NBG Property Services Single Member S.A.	-	1	-	-	-
Pronomiouhos Single Member S.A. Genikon Apothikon Hellados	2	25	-	2	2
NBG Greek Fund Ltd	-	-	-	-	-
National Bank of Greece (Cyprus) Ltd	1	30	-	2	1
NBG Management Services Ltd	-	-	-	-	-
Stopanska Banka A.D.-Skopje	24	-	2	-	-
NBG International Ltd	-	25	-	-	-
NBG Finance Plc	-	55	-	-	-
NBG Asset Management Luxembourg S.A.	-	-	-	-	-
Ethniki Hellenic General Insurance S.A. (Group)*	178	353	22	6	2
KADMOS S.A.	-	-	-	-	-
DIONYSOS S.A.	-	-	-	-	-
EKTENEPOL Construction Company Single Member S.A.	-	1	-	-	-
Mortgage, Touristic PROTYPOS Single Member S.A.	-	-	-	-	-
Hellenic Touristic Constructions S.A.	-	-	-	-	-
Ethniki Ktimatikis Ekmetalefsis Single Member S.A.	-	-	-	-	-
NBG International Holdings B.V.	-	4	-	-	-
NBG Leasing SRL.	5	-	1	-	-
NBG Finance (Dollar) Plc**	-	280	-	-	-
NBG Finance (Sterling) Plc**	-	119	-	-	-
NBG Bank Malta Ltd***	35	147	-	-	31
Ethniki Factors S.A.	452	36	10	-	326
ARC Management One SRL (Special Purpose Entity)	-	-	-	-	-
ARC Management Two EAD (Special Purpose Entity)	-	-	-	-	-
I-BANK DIRECT S.A.**	-	1	-	-	-
Probank Leasing S.A.*	33	1	1	-	-
Probank Insurance Brokers S.A.	-	2	-	-	-
Bankteco EOOD	-	-	-	1	-
CAC Coral Limited*	71	4	2	-	-
Total	**1,367**	**1,221**	**55**	**13**	**516**

**Held for sale subsidiaries.*
***Under liquidation.*
****In 2021, the Bank decided to cease its operation in its banking subsidiary in Malta.*

The External Auditors

The Board of Directors' Audit Committee reviews the independence of the external auditors, as well as their relationship with the Group, including monitoring mandates for non-audit services and the amount of audit and non-audit fees paid to the auditors. In accordance with the requirements set by the Amended Relationship Framework Agreement[35], the Bank has to rotate its auditors every five years. However, according to the article 28 of Greek Law 4701/2020, HFSF and the financial institutions who participated in recapitalization plans, or the beneficiary financial institutions that resulted from fully or partial carve-outs of banking operations in the context of Greek Law 4601/2019 (corporate transformation law), may decide to extend the term of its external auditors for a period not exceeding 10 years in total (according to article 17 EU 537/2014 (L158)) provided that the General Meeting of the financial institution approves reasoned proposal of the Board of Directors, following the recommendation of the Audit Committee.

The appointment of PwC was approved by the 2017 Annual General Meeting of the NBG Shareholders held on 30 June 2017 who elected PwC for the first time as the statutory auditors of the Bank and the Group for the year ended 2017. The Annual General Meeting of the NBG Shareholders held on 30 July 2021 appointed PwC as the statutory auditors of the Bank and the Group for the year ended 31 December 2021.

For information regarding the Independent auditor's fees, see Note 45 of the Annual Financial Statements.

[35] As a result of recapitalizations in 2013 and 2015, the HFSF and the Bank entered to a revised Relationship Framework Agreement dated 3 December 2015 (the "Amended Relationship Framework Agreement"), which amended the initial Relationship Framework Agreement dated 10 July 2013 between the Bank and the HFSF (the "Relationship Framework Agreement").

Risk Management

The Group, as an international organization operating in a rapidly growing and changing environment, acknowledges its exposure to risks and the need for these risks to be managed effectively. Risk management and control forms an integral part of the Group's commitment to pursue sound returns to its shareholders.

Risk management and control play a fundamental role in the overall strategy of the Group, aiming to both effectively manage the risks of the organization and to align with the legal and regulatory requirements.

The Group aims at adopting best practices regarding risk governance, taking into account all relevant guidelines and regulatory requirements, as set by the Basel Committee on Banking Supervision, the EBA, the ECB\SSM, the Bank of Greece, the Hellenic Capital Market Commission ("HCMC") legislation, as well as any decisions of the competent authorities supervising the Group's entities.

Group Risk Management Governance Framework

(Audited)

Group Risk Management at NBG has a structured and tiered approach, based on a number of governance bodies, internal policies, procedures and control framework.

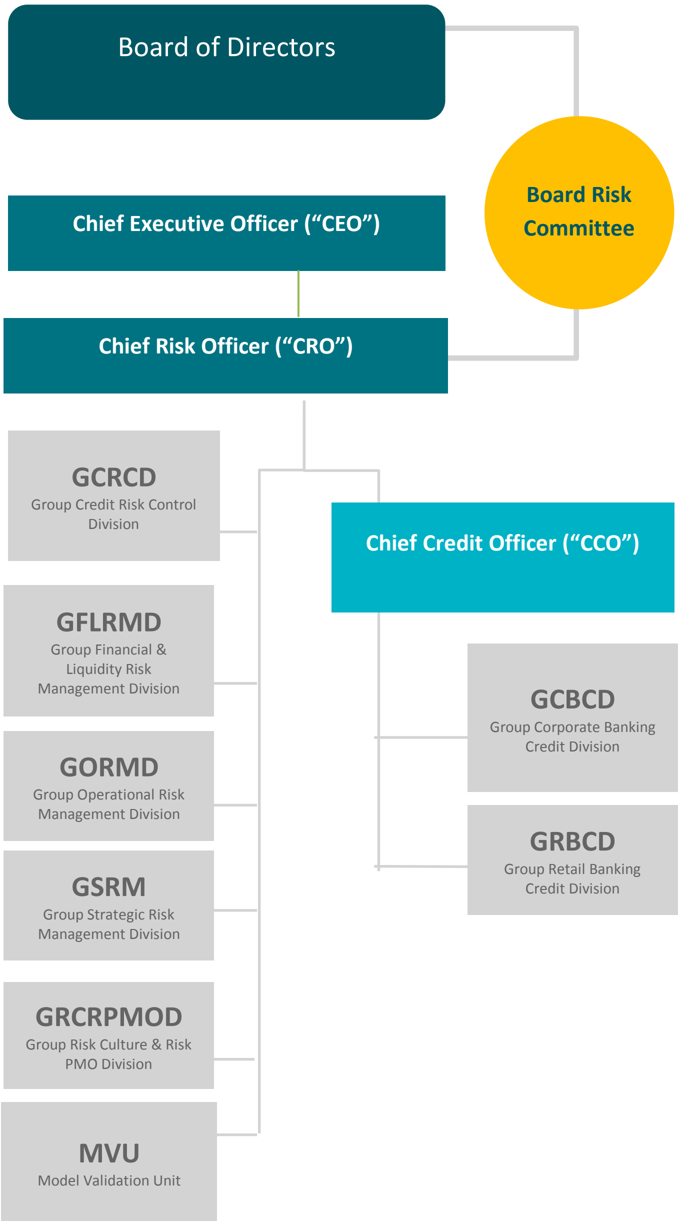
The Board of Directors bears ultimate accountability for NBG's risk position. It signs off on the risk strategy and risk appetite and monitors the effectiveness of risk governance and management advised by its two specialized committees: the Board Risk Committee ("BRC") and the Board Audit Committee. The Bank's Senior Executive Committee and other committees supporting the Senior Executive Committee are in charge of daily management actions and steer of the business. The Group Chief Risk Officer ("CRO") is a member of the Senior Executive Committee. The CRO has direct access to the Board of Directors, has delegated decision-authority for executive matters over risk and leads the Group Risk Management Function. Please see section "*Corporate Governance Statement—D. Board of Directors and other management, administrative and supervisory Bodies -Board of Director's Committees – Board Risk Committee*" and "*Management, administrative and supervisory bodies of the Bank-Executive Committees*".

The Group Risk Management Function has specialized teams per risk type. The Group Risk Management Function's teams conduct day-to-day risk management activities according to policies and procedures as approved by the BRC, the Senior Executive Committee and other executive committees. The perimeter is based on the industry standard "Three Lines of Defence" model. The Group Risk Management Function's activities are supported by underlying systems and infrastructure. Finally, risk culture is viewed as a core component of effective risk management, with the tone and example set by the Board of Directors and the Senior Management. Objective of the Bank is to establish a consistent Risk Culture across all units.

The Group's Risk Management is spread on three different levels, in order to create Three Lines of Defence. The duties and responsibilities of all lines of defense are clearly identified and separated, and the relevant units are sufficiently independent. For the Three Lines of Defence please refer to section "*Corporate Governance Statement - E. Internal Control System and Risk Management*".

The Group Risk Management Function

The organizational chart and reporting lines of Group Risk Management Function are depicted in the figure below:



The CRO reports to the CEO, has direct access to the BRC and is its main rapporteur. The CCO, is operating under the CRO, supervises two Credit Divisions, as above, which are involved in the credit approval process for the Group's corporate banking, retail banking and subsidiaries' portfolios.

Group Risk Management

The Bank acknowledges the need for efficient risk management and has established five specialized Divisions and one Unit: the GCRCD, the GFLRMD, the GORMD, the GSRM, the GRCRPMOD and the MVU, to properly identify, measure, analyze, manage and report the risks entailed in all its business activities. All risk management units of the Group subsidiaries adequately report to the aforementioned Divisions/Unit.

In addition, the two Credit Divisions, which are independent of the credit granting units, are involved in the credit approval process for the Group's corporate banking, retail banking and subsidiaries portfolios. They perform an independent assessment of the credit risk undertaking in respect of each portfolio and have the right of veto.

Based on its charter, the mission and the constitution of each Division/Unit are as follows:

Group Credit Risk Control Division ("GCRCD")

The mission of the GCRCD is to:

- specify and implement credit risk policies emphasizing on rating systems, risk assessment models and risk parameters, according to the guidelines set by the Bank's Board of Directors;
- establish guidelines for the development of methodologies for Expected Credit Loss ("ECL") and its components, i.e. Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") for each segment of corporate and retail asset class;
- implement a number of clearly defined and independent credit risk controls on credit risk models, which enable an effective oversight of risks emerging from credit activities at all levels. These controls are appropriately executed, and the results are documented and communicated to the business units on a quarterly basis. GCRCD itself monitors these controls on a quarterly basis, assuring they are operating effectively and remain altogether sufficient for the purposes they were established;
- provide regular assurance that models continue to perform adequately, thus complementing the periodic validation and usage reviews;
- assess the adequacy of methods and systems that aim to analyze, measure, monitor, control and report credit risk undertaken by the Bank and other financial institutions of the Group;

- estimate Regulatory Capital required in respect with Credit Risk and prepare relevant regulatory and Management Information System ("MIS") reports;
- coordinate all involved units and stakeholders for the estimation of Internal Capital against all material risks (ICAAP), perform scenario and sensitivity analysis for specific credit risk cases, prepare and submit the required ICAAP package to the regulatory authorities; and
- coordinate all involved Units and stakeholders during the review and update of the RAF document, provide significant input to the update of the RAF across RAF elements, including, in addition to RAF indicators and thresholds, governance arrangements, principles that govern the Risk Appetite Framework ("RAF").

The GCRCD consists of the:

- Credit Risk Control & Model Development Sector, which in turn consists of the Corporate Credit Risk Control Subdivision, the Retail Credit Risk Control Subdivision, the Corporate Credit Risk Model Development Subdivision, and the Retail Credit Risk Model Development Subdivision;
- Credit Risk Reporting (Regulatory & Internal) Sector, which in turn consists of the Credit Risk Regulatory Reporting Subdivision and Credit Risk Internal Reporting Subdivision;
- ICAAP & Risk Appetite Framework Monitoring Subdivision; and
- Risk Management Operations Support Subdivision.

Group Financial & Liquidity Risk Management Division ("GFLRMD")

The mission of the GFLRMD is to:

- plan, specify, implement and introduce market, counterparty, liquidity and Interest Rate Risk in the Banking Book ("IRRBB") risk policies, under the guidelines of the Bank's Board of Directors;
- develop and implement in-house models for pricing and risk measurement purposes;
- run appropriate tests to ensure that the models continue to perform adequately, thus complementing the periodic validation reviews;
- assess the adequacy of methods and systems that aim to analyze, measure, monitor, control and report the aforementioned risks undertaken by the Bank and other financial institutions of the Group;
- independently evaluate financial products, assets and liabilities of the Bank and the Group;
- estimate Regulatory Capital required in respect with market risk and counterparty credit risk, calculate the regulatory metrics for Liquidity Risk and IRRBB and prepare relevant regulatory and MIS reports; and
- provide timely and accurate information to the Bank's senior competent bodies (the BRC and the Asset Liability Committee ("ALCO") and the Regulator (SSM), with sufficient explanatory and investigation capabilities on the materiality and trend of the aforementioned risks, as well as handle all issues pertaining to market, counterparty, liquidity and IRRBB risks, under the guidelines and specific decisions of the BRC, the ALCO and the SSM.

The GFLRMD consists of the:

- Market Risk & Counterparty Credit Risk Management Sector, which in turn consists of the
  - Market Risk Management Subdivision
  - Counterparty Credit Risk Subdivision
  - Market Risk and Counterparty Credit Risk Stress-testing and ICAAP Framework Monitoring Subdivision
- IRRBB and Liquidity Risk Management Sector which in turn consists of the:
  - IRRBB Management Subdivision;
  - Liquidity Risk Management Subdivision;
  - ILAAP Framework Monitoring Subdivision;
  - IRRBB Stress-testing Subdivision;
- Financial Risks' Models Development Subdivision.

Group Operational Risk Management Division ("GORMD")

The mission of the GORMD is to:

- design, propose, support and periodically validate the Operational Risk Management Framework ("ORMF"), ensuring that it is aligned with the best practices, the regulatory requirements and the directions set by the Board of Directors;
- ensure the development of policies, methods and systems for the identification, measurement and monitoring of operational risks and their periodic assessment and validation;
- design and implement training programs on operational risk, the use and implementation of programs, methods and systems as well as any other action aiming at knowledge sharing and the establishment of operational risk culture Group-wide;
- address all operational risk related issues as per the directions and decisions of the BRC;
- continuously monitor and review the Group operational risk profile and report to the Management and to the Supervisory Authorities.

The GORMD consists of the:

- Operational Risk Framework Implementation Sector, which in turn consists of the Operational Risk Program Implementation, the Information & Communication Technology ("ICT") Risks Oversight and the Operational Risk Internal Events Collection Subdivisions;
- Operational Risk Framework Development Subdivision;
- Operational Risk Reporting Subdivision; and
- Operational Risk Awareness and Training Subdivision.

Group Strategic Risk Management Division ("GSRM")

The mission of GSRM, is shaped taking into account the wide spectrum of risks that may be correlated to the Group's Strategy, in alignment with the prevailing business needs. GSRM is responsible for:

- monitoring, analysing & evaluating risks that are evident or related to the Business Strategy of the Group and may negatively impact the profitability and the dynamic structure of the Balance Sheet for both the Bank and/or the Group;
- analyzing the hypothesis and assumptions embedded in the Strategic Planning, Business Planning (business model mapping) and Future Profitability;
- analyzing of risks related to the implementation of the Business Strategy;
- analyzing risks and potential impacts measured via appropriate Key Risk Indicators ("KRIs") and stemming from deviations in relation to the expressed targets set in the Business Strategy & Business Planning;
- developing scenarios and the execution of Stress Testing Exercises;
- performing sensitivity analyses related to the risks entailed in the dynamic profitability evolution and of the Asset & Liability Structure;
- monitoring the development, execution, and revising of financial targets related to the Strategy of NPE's;
- selecting and using appropriate performance measures which are adjusted based on risk (risk-adjusted performance metrics) aiming to evaluate the Strategy Risks;
- executing of industry wide Stress Test exercises according to regulatory demands and guidelines (EBA, SSM, etc) in cooperation with the involved units;
- executing modelling and sensitivity analyses under different scenarios;
- monitoring of the evolution of NPEs; and
- monitoring of the dynamic evolution of Assets & Liabilities (Dynamic Asset Liability Management ("ALM")).

The GSRM consists of the:

- Business Strategy Risk Monitoring Sector which in turn consists of the Profitability Risk Monitoring Subdivision, the Risk Adjusted Performance Monitoring Subdivision & the Strategic Risk Evaluation & Action Planning Subdivision;
- Scenario Planning & Analysis Sector which in turn consists of the NPE Monitoring Subdivision, the Stress Testing & Sensitivity Analysis Subdivision & the Strategic Risk Evaluation & Unified platform management Subdivision; and
- Dynamic Modelling & Asset Liability Management Subdivision.

Group Risk Culture & Risk PMO Division ("GRCRPMOD")

The mission of the GRCRPMOD is to:

- measure, monitor, control and report the Group's Risk Culture to Senior Management, as well as to develop and coordinate, in collaboration with the Risk Culture stakeholders, the Risk awareness enhancement activities for the reinforcement of Risk Culture across the Group;
- coordinate project management activities related to Risk Management Function projects;
- support the Risk Management Function's Units with regards to activities that fall under the responsibilities of the Segment Risk and Control Officer ("SRCO").

The GRCRPMOD consists of the following:

- the Risk Culture Subdivision;
- the Risk PMO Subdivision;
- the Risk Segment Risk & Control Subdivision.

Model Validation Unit ("MVU")

MVU's responsibility is to:

- establish, manage, and enforce the Model Validation Policy based on applicable regulatory guidance and requirements;
- develop new and enhance the existing Model Risk Management standards;
- update the Model Validation Policy based on applicable regulatory guidance and requirements;
- communicate and escalate model risk assessments to the Board of Directors, the BRC, the CRO and the Senior Management;
- independently validate and approve new and existing models based on their materiality;
- document material model changes in the validation reports;
- recertify models on a regular basis, depending on their materiality and review the results of on-going model monitoring.

The MVU consists of the:

- Market Risk Models Validation Subdivision;
- Retail Credit Risk Models Validation Subdivision; and
- Corporate Credit Risk Models Validation Subdivision.

Group Corporate Banking Credit Division ("GCBCD")

The mission of the GCBCD is to participate in the independent function of credit risk management of the corporate portfolio of the Bank and its Subsidiaries and Branches outside Greece. GCBCDs key responsibilities are:

- participation in the Credit Committees for corporate clients with the right of veto;
- review all Corporate (incl. TAU) credit proposals, submitted for assessment and approval by the competent credit committees;
- review the outcome of the individual assessment for impairment of lending exposures performed by the Credit Granting units for the corporate portfolio of the Bank;
- participation in the formulation / revision of Corporate Credit Policies and Credit Procedures Manuals and other relative regulations;
- drafting and circulation of guidelines / instructions for the effective implementation of relevant policies and regulations;
- participation in the classification process of Obligors;
- monitoring of the implementation and the timely management of the Early Warning alerts for each corporate client of the Bank as well as the outcome of relevant actions;
- monitoring, on a quarterly basis, the proper use of existing internal rating models for corporate clients of the Bank; and
- monitoring, on a monthly basis, the timely renewal of credit ratings of corporate clients of the Bank.

Group Retail Banking Credit Division ("GRBCD")

The mission of the GRBCD is to provide an independent assessment of domestic and international retail credit. This is achieved through the following:

- manage the Retail Credit Policy in co-operation with GCRCD;
- form the relevant Retail Banking Regulations;
- participate in the development of Retail products in all stages of the credit cycle (new credit, rescheduling, restructuring) and determine the framework and dynamic controls of the relevant credit criteria;
- set in detail through the frameworks referred in the relevant Regulations the appropriate approval procedure;
- participate in decision-making, in accordance with the approval authority tables, based on the credit proposals of the relevant Credit Granting units, which are solely responsible for the correct presentation of the quantitative and qualitative data contained in those. The GRBCD reviews the correct implementation of the Credit Policy and Regulations.

The GRBCD consists of the:

- Retail Banking Credit Policy Subdivision (Domestic);
- Applications Assessment Subdivision (Domestic);
- Portfolio Analysis (Domestic) & International Subsidiaries Retail Credit Subdivision; and
- Credit Policy Implementation Review Subdivision.

Each Division/Unit has distinct responsibilities and covers specific types of risk and all Divisions/Units report ultimately to the CRO.

Risk Profile Assessment

The ongoing assessment of the Group's risk profile is a key component of the Group risk management process and comprises a series of specific steps. Every type of risk is analyzed and assessed on the basis of its specific characteristics and the qualitative features (policies, procedures, control mechanisms) applied in its management. A common component is the "internal capital" approach, which enables different types of risks to be captured under the same (and, therefore, comparable) terms, and also enables the risk profile of the Group to be expressed in a single measure ("total internal capital").

The ICAAP Framework provides a list of the main risk categories and sub-categories covered by the ICAAP, as well as information regarding their definitions, risk management framework and the methodologies and models used for their assessment. Under ICAAP, the Group plans and monitors its capital adequacy by utilizing two quantification/ estimation approaches for capital requirements:

- Regulatory capital, whereby regulatory rules are used to calculate the capital requirement;
- Internal capital, whereby internal methodologies are used to calculate the capital requirement.

Apart from the ICAAP Framework, NBG has also developed an ICAAP Methodological Manual which describes in detail the methodologies used by the NBG Group for each material risk, aiming to measure internal capital requirements where quantification in the near-to-medium term is deemed possible.

Material Risk Types/Themes and their treatment in 2021 ICAAP

Risk Types/Risk Themes	Capital requirements approaches: Regulatory Capital	Internal Capital	Qualitative Analysis
Credit Risk	√	√	√
Concentration Risk	-	√	√
Settlement Risk	-	-	√
Residual Risk	-	-	√
Securitization Risk	-	-	√
Market Risk	√	√	√
Interest Rate Risk	√	√	√
Issuer Risk	√	√	√
Country Risk	-	-	√
Equity Risk	√	√	√
Underwriting Risk	-	-	√
Foreign Exchange Risk	√	√	√
Commodity Risk	√	√	√
Counterparty Risk	√	√	√
Gamma Risk & Vega Risk	√	√	√
IRRBB	-	√	√
Operational Risk	√	√	√
Conduct Risk	-	√	√
Information & Communication Technology ("ICT") Risk	-	√	√
Model Risk	-	√	√
Legal Risk	-	√	√
Environmental Risk (Climate Change)	-	√	√
Money Laundering Risk	-	√	√
Outsourcing Risk	-	√	√
Compliance Risk	-	-	√
Reputational Risk	-	-	√
Strategic Risk	-	-	√
Business Risk	-	√	√
Capital Access Risk	-	-	√
Liquidity Risk	-	-	√
Real Estate Risk	-	√	√
Pension Risk	-	-	√
Country Risk	-	√	√

Internal Capital Adequacy Assessment Process ("ICAAP")

NBG Group has devoted substantial resources to the assessment of its capital adequacy, relating to both risk and capital management. The process is continuously developed and formalized so as to enhance business benefits and support the strategic aspirations of NBG Group.

ICAAP objectives are the:

- proper identification, measurement, control and overall assessment of all material risks;
- development of appropriate systems to measure and manage those risks;
- evaluation of capital required to cover those risks (the "internal capital").

The term "internal capital" refers to the amount of own funds adequate to cover losses at a specified confidence level within a certain time horizon (both set in accordance with the RAF).

The Group has created an analytical ICAAP Framework for the annual implementation of the ICAAP. The ICAAP Framework is formally documented and describes the components of ICAAP at both Group and Bank level in detail. The respective framework comprises the following:

- Group risk profile assessment;
- Risk measurement and internal capital adequacy assessment;
- Stress testing development, analysis and evaluation;
- ICAAP reporting;
- ICAAP documentation.

Both the Board of Directors and the Bank's executive committees are actively involved and support the ICAAP. Detailed roles and responsibilities are described in the ICAAP Framework document. The BRC approves the confidence interval for "internal capital", reviews the proper use of risk parameters and/or scenarios where appropriate, and ensures that all forms of risk are effectively covered, by means of integrated controls, specialized treatment, and proper coordination at Group level. The Board of Directors bears ultimate responsibility for the adequacy and proper execution of the ICAAP.

ICAAP's design and implementation Framework concerns the entire Group's material risks. The parameters taken into account are the size of the relevant Business Unit/Group's Subsidiary, the exposure per risk type and the risk methodology and measurement approach for each type of risk.

The identification, evaluation and mapping of risks to each relevant Business unit/Group subsidiary is a core ICAAP procedure. Risks' materiality assessment is performed on the basis of certain quantitative (e.g., exposure as percentage of the Group Risk Weighted Assets ("RWAs")) and qualitative criteria (e.g. established framework of risk management policies, procedures and systems, governance framework and specific roles and responsibilities of relevant units, limits setting and evaluation).

The calculation of NBG Group "Total Internal Capital" consists of two steps: in the first step, internal capital per risk type is calculated on a Group basis. NBG Group has developed methodologies allowing the calculation of the required internal capital for quantifiable risks. These are reassessed on a regular basis and upgraded in accordance with the global best practices. In the second step, internal capital per risk type is summed up to yield the Group's "Total Internal Capital".

Capital allocation aims at distributing the "Internal Capital" to the Business units and Subsidiaries so that ICAAP connects business decisions and performance measurement.

For 2021, the Bank implemented the ICAAP by estimating the relevant internal capital for all major risk types at Group level. Calculations were based on methodologies already developed in the ICAAP Framework. Moreover, the Group conducted a bank-wide macro Stress Test exercise, relating to the evolution of its CET I Funds under adverse scenarios (so as to ensure relevance and adequacy of the outcome with a realistic and non-catastrophic forward-looking view of downside tail risks).

In addition to the institution-wide bottom-up solvency stress test, a number of Business risk and portfolio stress tests as well as reverse stress tests and sensitivity analysis were also performed, aiming at increasing the Group's awareness of its vulnerabilities.

It should be noted that the Bank implements, monitors and uses the ICAAP aiming at achieving full compliance with the EBA and ECB guidelines and standards concerning ICAAP/ILAAP, the SREP and Stress Testing.

Internal Liquidity Adequacy Assessment Process ("ILAAP")

The scope of the ILAAP is to assess that the Group has adequate liquidity sources to ensure that its business operations are not disrupted, both in a going concern status, as well as under stressed conditions. Within the ILAAP the Group evaluates its liquidity and funding risk in the context of a management framework of established policies, systems and procedures for their identification, management, measurement and monitoring.

The ILAAP is an integrated process, therefore it is aligned with the Group's Risk Management Framework and takes into account its current operating environment. Moreover, besides describing the Group's current liquidity state, it further serves as a forward-looking assessment, by depicting the prospective liquidity position, upon the execution of the Bank's Funding Plan. Finally, the ILAAP examines the potential impact of the realization of extreme stress scenarios, on the Bank's liquidity position, ensuring that the Group can withstand such severe shocks and continue operating.

BCBS 239

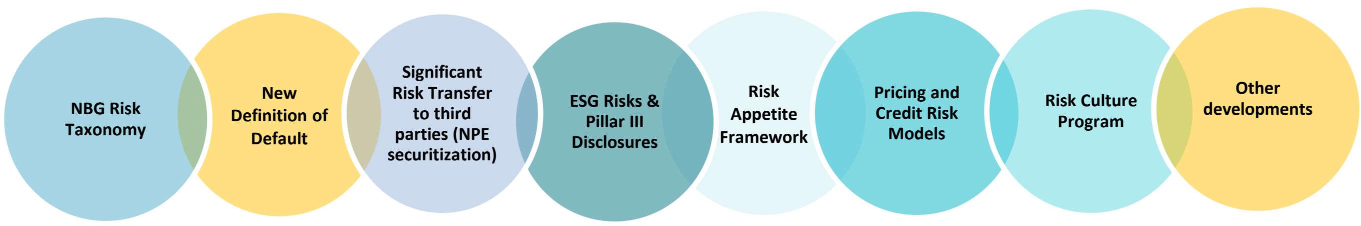
BCBS 239 is the Basel Committee on Banking Supervision's standard with an overall objective to strengthen the banks' risk data aggregation capabilities and internal risk reporting practices, in turn, enhancing the group risk management and decision making processes at banks.

NBG initiated the BCBS 239 Program in April 2019 to reach the desired target state of compliance with the three main pillars, namely Governance and Infrastructure, Risk Data Aggregation Capabilities and Risk Reporting Practices, which embed all the main principles set by the standard. More specifically, the Bank completed the implementation of a set of mitigating actions, such as:

- Development of 40 Service Level Agreements, standardizing data exchanges between Risk Divisions and Non-Risk Divisions or Subsidiaries of the Bank and providing a clear mapping of the data flow and the dependencies among the involved counterparties.
- Review of the IRRBB framework.
- Establishment of a formal adjustment log within Data Governance Tool and monitoring functionality.
- Standardization of Risk documentation and alignment to a common template.
- Assessment of NPE reporting process and establishment of quality metrics for the NPE stock.
- Integration of the BCBS 239 self-assessment function.

The Bank further enhances compliance with all 11 overarching principles for effective risk data aggregation, governance and reporting, through actions such as improvement in automation in data management and reporting process, monitoring and documentation of data quality controls.

New developments within 2021 and 2022 initiatives



NBG Risk Taxonomy

In order to integrate Enterprise Risk Management ("ERM") practices and enhance the overall risk Group Management Framework, the Risk Management Function reviewed and updated the NBG Risk Taxonomy Framework, in collaboration with all involved parties. NBG Risk Taxonomy was approved by the Senor Executive Committee in February 2022.

The Framework aims to:

- establish a common language allowing for the effective classification and coverage of the entire range of the risks that NBG faces;
- describe the associated governance and review process;
- update and outline the Risk Types that the Group is exposed to, in order to serve as a unique point of reference for all relevant risk management processes.

In terms of taxonomy content, Risk Types were reviewed and updated with additional emphasis on the Non-Financial Risks (Operational Risk and Strategic Risk) as well as on the pursuit of alignment with new regulatory requirements (i.e., the incorporation of ESG risk factors) and best practices.

The Bank recognizes ESG as transversal, cross-cutting risks rather than stand-alone risks and considers them as drivers of existing types of financial and non-financial risks. Moreover, for the Non-Financial Risks (Operational risk and Strategic risk), ESG risks are treated as distinct Risk Themes as per the table below.

The main objectives of the NBG Risk Taxonomy Framework are to improve:

- Risk identification by providing a benchmark that can be used as a prompt in determining the particular risks faced by the organization;
- Risk assessment by facilitating comparison and aggregation of related data and providing a basis for validation;
- Risk monitoring by providing a common frame of reference that enables meaningful analysis and oversight of the outputs generated by any risk management tool;
- Risk reporting by providing a consistent way of describing risks enabling comparison across different business entities, business lines and geographic regions.

NBG's Risk Taxonomy comprises of Risk Types which support a multi-level tree categorization in which NBG's risks are classified and of Risk Themes which are sub-categories of Non-Financial Risks, the inclusion of which in the NBG Risk Taxonomy Framework provides an additional dimension improving the overall risk classification. Risk Themes are also used in order to accommodate additional regulatory compliance requirements and internal risk analysis and reporting needs.

Risk Types

Risk Type Level 1	Risk Type Level 2
Credit Risk	Concentration Risk
	Residual Risk
	Underwriting Risk
Counterparty Credit Risk	Pre-settlement Risk
	Settlement Risk
	CVA Risk
	Wrong-way-Risk
	Concentration Risk
Market Risk	Interest rate Risk
	Equity Risk
	Foreign Exchange (FX) Risk
	Commodity Risk
	Vega Risk
	Market Liquidity Risk
	Credit Spread Risk
	Issuer Risk
	Concentration Risk
	Correlation Risk
	Underwriting Risk
Liquidity Risk	Funding Risk
	Asset Encumbrance Risk
	Concentration Risk
Interest rate risk in the banking book (IRRBB)	Gap Risk
	Basis Risk
	Option Risk
	Credit spread risk from non-trading book activities ("CSRBB")
Real Estate Risk	
Pension Risk	
Country Risk	Sovereign Risk
	Transfer Risk
	Convertibility Risk
Strategic/Business Model Risk	Strategic Positioning Risk
	Strategy Execution Risk
Securitization Risk	
Operational risk	Internal Fraud
	External Fraud
	Employment Practices and Workplace Safety
	Clients, products and business practice
	Damage to Physical Assets
	Business disruption and systems failure
	Execution, delivery and process management

Risk Themes

- Legal Risk
- Compliance Risk
- Financial Crime Risk
- Conduct Risk
- Model Risk
- ICT Risk
- ICT Failure
- Cyber-attack (internal & external)
- Data Quality Risk
- Vendor/3rd Party Risk
- Outsourcing Risk
- Environmental Risk

- Social Risk
- Business Continuity Risk
- Project Risk
- Human Resources Risk
- Reputational Risk

New Definition of Default ("DoD")

In September 2016, the EBA published the Final Guidelines for the new definition of default with the intention of harmonizing its application among European Financial institutions and improving consistency in the way these institutions estimate regulatory requirements to their capital positions. The Guidelines which provide detailed clarifications and cover key aspects are effective from January 2021.

The three main pillars for the identification of the new DoD are:

- **New Days Past Due counting**

The DPD start to count when both relative and absolute materiality thresholds are breached.

- **New Default 90+**

A delinquency default event shall be deemed to have occurred when both materiality limits are exceeded for more than 90 consecutive days, while the exit criterion is a 3-month probation period for the non-forborne exposures.

- **Unlikeliness to Pay Criteria**

  - Default definition is fully aligned with the NPE criteria,
  - Exposures in non-accrued status are directly transferred to a Default/NPE status,
  - Assessment of the loss of a sale of a credit financial obligation and
  - Avoidance of Restructuring Solutions with low impact in Net Present Value ("NPV").

During 2021, the Bank completed some extra tasks required for the smooth application of the new definition of default and more specifically, it achieved:

- The automation of the default calculation process, according to the new default definition rules, in its core systems on a monthly basis and specifically for days past due ("DPD") counting on a daily basis
- The communication to all Business Units of the Pillars, methodology and rules through a dedicated training
- The update of internal reports to business units of the new rules and the DPD counting.
- Upon the application of the new DoD and throughout 2021, there was no material impact to the NPE portfolio reported on the Bank's figures.

Significant Risk Transfer to third parties (NPE securitization)

NBG in the context of Project "Frontier" NPE securitization (see section "*Key Highlights - Key achievements and significant developments of NBG Group in 2021 - Disposal of NPE portfolios - Project "Frontier"*"), in November 2021, notified ECB, by seeking recognition of Significant Risk Transfer ("SRT") to third parties in accordance with Art. 244(2) of the CRR. Based on the information reported in the notification, ECB concluded that the conditions of Art. 244(2) of the CRR are met, conditioned to the completion of sale of subordinated notes to third parties and the existence of a guarantee from HAPS for the 100% of the nominal value of the retained Senior Note. For the ongoing monitoring of SRT, the Bank will provide reports and ad-hoc templates as per the requests of the supervisor.

The Bank has performed all required implementations and User Acceptance Testing ("UAT") and is well on track to provide RWA calculations and population of Common Reporting Framework ("COREP") regulatory templates for the securitization reporting. Moreover, for the interval that the Bank will act as transitional servicer, additional implementation has been performed to calculate credit risk data for the relevant reports used for monitoring purposes such as European Securities and Markets Authority ("ESMA") reporting and cash manager reporting.

ESG Risks & Pillar III Disclosures

In June 2021, the EBA published its Report on ESG risks management and supervision. The Report, which is a key component of the EBA's broader ESG work, provides a comprehensive proposal on how ESG factors and ESG risks should be included in the regulatory and supervisory framework for credit institutions and investment firms, focusing on the resilience of institutions to the potential financial impact of ESG risks across different time horizons.

The Report outlines the impact that ESG factors, especially climate change, can have on institutions' counterparties or invested assets, affecting financial risks, illustrates available indicators, metrics and evaluation methods that are needed for effective ESG risk management and identifies remaining gaps and challenges on this front. It also provides recommendations for institutions to incorporate ESG risks-related considerations in strategies and objectives, governance structures, and to manage these risks as drivers of financial risks in their risk appetite and internal capital allocation process and calls for a phase-in approach. To that end, NBG has embedded the relevant points in its ICAAP and Risk Appetite Framework whereas it also assesses ESG Risk through idiosyncratic sensitivity analysis in ICAAP Stress Testing exercise.

Following a public consultation initiated in March 2021, EBA published in January 2022 binding Implementing Technical Standards on Pillar III disclosures on ESG risks, to put forward comparable disclosures for all the above factors and their ratios, including the Green Asset Ratio ("GAR"), on exposures financing taxonomy-aligned activities, such as those set under Paris Agreement goals.

Institutions will have to start disclosing this information from June 2022. The first disclosure will be annual and thereinafter it will be semi-annual. This means that in practice the first disclosure will take place in 2023 for the disclosure reference date as of the end of December 2022, with a phase in period until June 2024 for the disclosures on institutions' "Scope 3" emissions and GAR.

The Bank is committed to fulfill all the above disclosure requirements, has thoroughly studied the disclosure templates and associated instructions and made synergies with all involved Units to properly and effectively seek for all needed additional information from its counterparties and incorporate it in its IT systems aiming to a fully automated internal procedure and controls.

Risk Appetite Framework

GCRCD has in place a Risk Appetite Framework ("RAF"). The objective of the RAF is to set out the level of risk that the Group is willing to take in pursuit of its strategic objectives, also outlying the key principles and rules that govern the risk appetite setting. The RAF constitutes an integral part of the Group's Risk & Capital Strategy and the overall Group Risk Management Framework. The RAF has been developed in order to be used as a key management tool to better align business strategy, financial targets and risk management, and enable a balance between risk and return. It is perceived as a reference point for all relevant stakeholders within the Bank, as well as the supervisory bodies, for the assessment of whether the undertaken business endeavors are consistent with the respective risk appetite.

An effective RAF is fundamental to a strong risk management and governance framework. The RAF is not just a Key Performance Indicator (KPI) monitoring system; it constitutes an essential mechanism to support the Board of Director's oversight of the strategy execution within the risk boundaries that the Group is willing to operate. Through the RAF, overall aspirations of the Board of Directors are translated to specific statements and risk metrics, enabling planning and execution, while promoting firm-wide thinking. In 2021, the RAF was updated to reflect the latest developments and to get aligned with the new Business Plan of the Group.

NBG has in place an effective RAF that:

1. is formed by both top-down Board of Directors guidance and leadership and bottom-up involvement of the Senior Management and other Stakeholders, and understood and practiced across all levels of the Bank;
2. incorporates quantitative risk metrics and qualitative Risk Appetite statements that are easy to communicate and assimilate;
3. supports the Group's business strategy by ensuring that business objectives are pursued in a risk-controlled manner that allows to preserve earnings stability and protect against unforeseen losses;
4. reflects the types and level of risk that the Bank is willing to operate within, based on its overall risk appetite and risk profile, sets the guidelines for new products development, as well as the maximum level of risk that the Group can withstand, through the risk capacity;
5. contributes in promoting a risk culture across the Group;
6. is aligned with other associated key processes of the Bank.

Within this context, the RAF allows:

1. to strengthen the ability to identify, assess, manage and mitigate risks;
2. to facilitate the monitoring and communication of the Bank's risk profile quickly and effectively.

The assessment of the Bank's risk profile against the RAF is an ongoing and iterative process. With regards to the timing that the RAF update takes place (as part of the regular annual update process), the interaction with other key processes of the Bank is taken into consideration. Specific focus is placed to RAF's interplay with the Business Plan, as the two processes feed into each other: in certain cases the risk appetite is expected to act as backstop / constraint to the Business Plan, while for other cases, the Business Plan provides input for setting risk tolerance levels. RAF is also interrelated with other key processes such as ICAAP, ILAAP, Recovery Plan, NPE Plan.

Pricing and Credit Risk Models

The Bank has in place a well-defined risk-adjusted pricing framework that is based on fundamental pricing principles and is governed by relevant policies, robust methodologies and tools.

Following the incorporation of specific IFRS 9 elements into the pricing models (i.e. PDs and CCFs) and capturing this way the impact of IFRS 9 Framework of Expected Credit Loss ("ECL"), the Bank, during 2021, commenced the revision of its Corporate & Retail pricing models by incorporating the newly established NBG's Funding Cost Curve (FCC). In addition, the Bank is in the process of further optimizing the pricing methodology and procedure, by:

I. utilizing updated and granular estimates for operating cost, as well as

II. investigating the LGD harmonization between pricing process, IFRS 9 ECL and credit granting process.

Furthermore, the Bank in a continuous effort to improve its efficiency and the quality of the services provided, is moving to a more advanced credit risk models suite for the retail households' portfolios.

In that context, it was found necessary to upgrade and optimize the existing credit risk models that will allow the Bank to cope with a constantly evolving technological and business environment and better capture the underlying risk. During 2020, the Bank developed new Customer Level Behavior scorecards for the retail households' clientele, which were implemented in the Bank's IT systems during 2021. In parallel, origination scorecards re-development project was initiated covering applications for all retail products. The outcome of this modeling process was three new models for unsecured lending applications and a new model for mortgage. All four models are expected to be implemented in the Bank's origination systems during the first half of 2022.

Leveraging on the above, the Bank is planning to implement portfolio management strategies and solutions that will allow the customer offers' optimization i.e., balancing profit and loss and offering products to the right clientele and at the right levels to secure credit risk and profitability targets are met. Accordingly, the development of the new restructure model suite will be the basis for the optimization of the restructuring process and the relative solutions offering.

A project of development of a new suite of models for the Small Business portfolio was initiated during 2021. The new models will cover application and transactional data (current accounts, cheques etc.) and leveraging on the existing behavioral models will provide a combined score covering the overall customers' relationship with the Bank. The development process for these innovative models is planned to be completed within first half of 2022.

Migration to CreditLens - Credit Underwriting Platform

On February 2021, NBG migrated to Moody's CreditLens which replaced Moody's Risk Analyst platform that was used for the Corporate portfolio rating assessment. CreditLens is a modern tool which is used to evaluate Corporate clients by analyzing their financial information.

The new platform maximizes the effectiveness of the credit decision framework and aims to help the Bank make better commercial lending decisions, with increased speed and efficiency.

Installing Moody's CreditLens into the Bank's core systems was a challenging and demanding procedure due to time restrictions, database complexities and interconnections with other existing processes and systems; however, it was delivered on time without any disruptions to the credit process.

New Corporate Rating Model

During 2021, the New Corporate Rating Model ("CRM") development was finalized and approved by the competent authorities. New CRM is an optimized version of the current Corporate Rating Model, with more recent, representative data which is also enhanced with Early Warning System capabilities (i.e., integration of customer behavioral score in the evaluation process). The optimization project was very demanding affecting several significant processes of the Bank. The model development procedure covered all model aspects and resulted in a more balanced, stable and optimized model. New CRM has been thoroughly tested for several snapshots and is expected to capture all recent economic changes.

IFRS 9 Models Review in 2021

IFRS 9 Corporate LGD

In 2021, NBG finalized and launched a new Corporate LGD model which is utilized for IFRS 9 purposes from 2Q.21 onwards. The new model is considered as a major development in the Bank because, in contrast to the previous methodology used, it has the ability to produce obligor specific risk sensitive estimates. The model considers three basic model components that lead to the implementation of conceptually sound estimates.

IFRS 9 Mortgage / Consumer Term Loans PD

In early 2021, the Bank finalized and launched the re-fitted / re-optimized Mortgage and Consumer Term Loans PD models which are utilized for IFRS 9 purposes from 4Q.20 onwards. These new models incorporate the new Definition of Default and handle various issues concerning the initial model versions.

IFRS 9 Mortgage LGD

In early 2021, the Bank finalized and launched the re-calibrated / re-optimized Mortgage LGD model which is utilized for IFRS 9 purposes from 4Q.20 onwards. This new model version incorporates the new Definition of Default, having the various model components (transition matrixes and recovery rates) re-calibrated appropriately.

IFRS 9 Models Review in 2022

In the context of IFRS 9 Models Review project, 5 new models will move into production. In more specific, Consumer Term Loans LGD model is in re-development phase, SME Retail PD and SME Retail LGD model are in implementation phase while Corporate and SME Retail EAD model development has been finalized. The deliverables of the project will help the Bank achieve high quality and sound implementation of IFRS 9 principles that meet regulatory expectations.

Update of Model Development Policy

In 2022, the Bank will finalize the update of the Model Development Policy ("Policy") which will be submitted for approval to the competent committees. The purpose of the Policy is to set out a coherent framework of principles and standards governing the development, documentation and monitoring of credit risk models, providing guidance for their quantitative validation. The Policy applies to all models used for credit risk measurement purposes, including financial reporting and credit impairment calculation, regulatory, credit decision making, as well as Internal Capital Adequacy and Stress Testing purposes. The Policy is in line with the requirements of the regulatory guidelines and market leading practices and ensures that credit risk models are "fit for purpose" taking into account their ability to generate accurate and consistent estimates for the measurement of credit risk on an on-going basis.

Risk Culture Program

Risk Culture is defined as an institution's norms, attitudes and behaviors related to risk awareness, risk taking and risk management, and the controls that shape decisions on risk. Risk Culture influences the decisions of management and employees during the day-to-day activities and has an impact on the risks they assume.

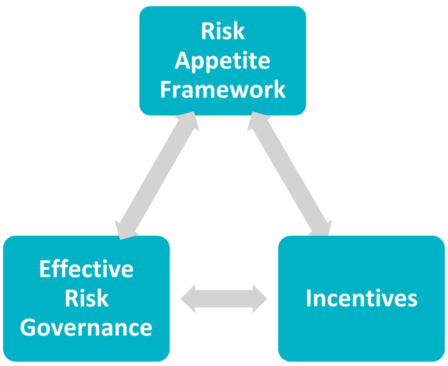
The objective of NBG is to establish a sound and consistent Risk Culture across all Units that is appropriate for the scale, complexity, and nature of the Bank's business, in line with regulatory/supervisory requirements and in accordance with best business practices, based on solid values which are articulated by the Bank's Board of Directors and Group's Senior Management.

The Group Risk Management Function, as part of the Risk Culture Program, established the Risk Culture Framework ("RCF"), with the objective to define and document the principles, processes and methodologies that pertain to the identification, measurement, monitoring and reporting of Risk Culture in NBG. The RCF is a key element for the establishment of a sound Risk Culture within the Group. It constitutes an essential tool for the Board of Directors and Senior Management to ensure that the Risk Culture is monitored and measured consistently over time and risk awareness enhancement actions are taken when necessary, while at the same time meets the Supervisory Authorities' expectations on efficient risk governance, based on common perception of risk culture-related issues.

NBG has in place an effective RCF that:

1. Is aligned with the core Human Resources values;
2. Is formed by both top-down Board and Senior Management guidance and leadership and bottom-up involvement of management and other stakeholders, and is understood and applied across all levels of the Bank;
3. Incorporates Risk Culture Principles that are easy to communicate and assimilate;
4. Describes the process for the definition and implementation of personnel's risk awareness and corresponding behaviors' enhancement initiatives;
5. Incorporates a forward-looking view about the Group's Risk Culture profile expectations through setting the corresponding Risk Culture Principles;
6. Establishes the governance arrangements for its update and monitoring.

Risk Culture Framework: Foundational Elements and Assessment Indicators



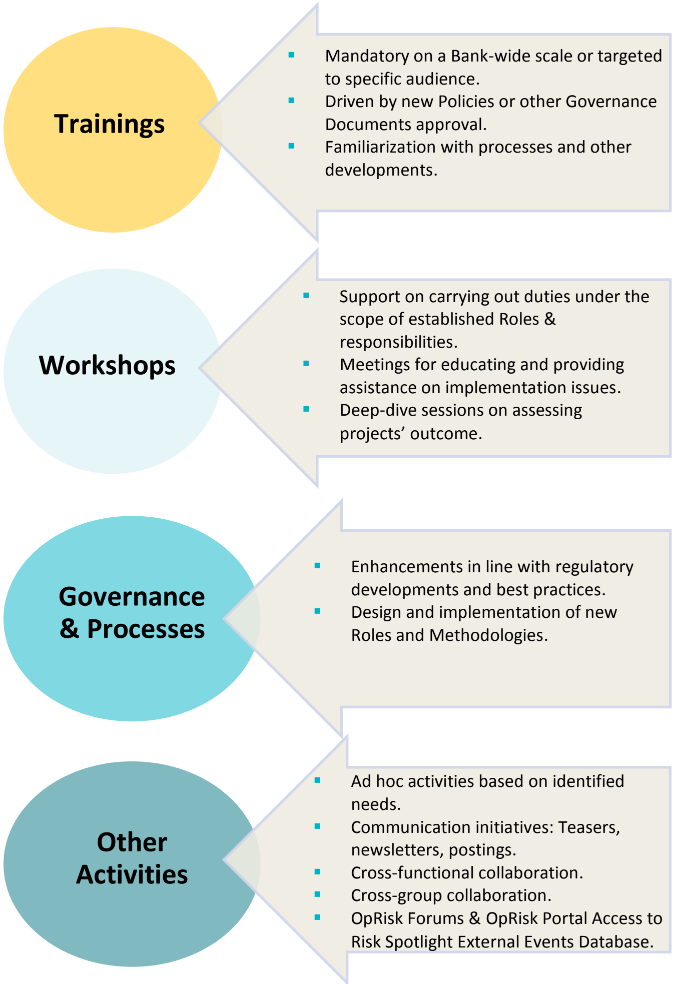
Risk Culture: Assessment Indicators

In 2021, the Risk Culture Program:

- Implemented the annual plan of the Risk Awareness Enhancement activities, which consisted of:
  - Bank-wide trainings.
  - Workshops with targeted groups to provide support on newly established roles, responsibilities and processes.
  - Launching and planning of new Portals (intranet sites) for fostering effective communication and improving access to available policies and processes.
  - Communication campaigns and forums for ensuring consistent awareness across all personnel.
- Continued the implementation of the initiative to harmonize NBG Group Subsidiaries' approach with regards to setting, measuring, monitoring, reporting and enhancing Risk Culture.
- Identified, in cooperation with Risk Culture Stakeholders, the plan for the Risk Awareness enhancement initiatives for 2022.

2022 Risk Awareness enhancement initiatives overview

Given NBG's objective to promote risk and control awareness, seeking that all employees are fully aware of the risks arising in the course of their work and have adequate skills for their management, including the establishment of adequate and efficient controls, the Risk Culture Stakeholders develop and implement, on an annual basis, Risk Awareness Enhancement Activities around the following:



Other developments

○ Market Risk and Counterparty Credit Risk

As part of the Bank's continuous effort to enhance the robustness and completeness of its Market Risk and Counterparty Credit Risk management processes and in order to comply with the revised regulatory framework (Basel III), the GFLRMD proceeded with the following actions within 2021:

- The optimization of the new Market Risk capital requirements framework (standardized approach for Fundamental Review of the Trading Book "SA-FRTB"), which came into effect for reporting purposes in 3Q.21.
- The implementation of the new standardized approach for Counterparty Credit Risk ("SA-CCR"), which came into force for capital calculations in 2Q.21.
- The implementation of the Basic Approach for the calculation of the regulatory Credit Valuation Adjustment ("BA-CVA") capital requirements and revision of the current process, in alignment with SA-CCR.

Moreover, the GFLRMD will explore the impact of the new, more complex regulatory Internal Model Approach for Market Risk ("IMA-FRTB") under Basel III, on the Bank's regulatory capital.

Finally, the GFLRMD is in the process of revising the calculation of credit exposure for bilateral derivatives contracts with corporate clients.

○ Interest Rate Risk in the Banking Book

Following the successful roll-out of the new IRRBB calculation engine in 2020, the IRRBB framework moved to a business-as-usual ("BAU") mode, improving and streamlining the relevant processes, including the development and UAT testing of new IRRBB IT infrastructure.

Furthermore, a number of new models for key product classes (e.g., TLTRO) were introduced in the IRRBB engine.

Finally, further development of NBG's IRRBB calculation engine is scheduled for this year, reflecting the publication of new regulatory IRRBB and Credit Spread Risk in the Banking Book ("CSRBB") Guidelines, currently in consultation.

○ Liquidity Risk

In line with the Bank's aim to continuously improve its Liquidity Management Framework, the Bank completed in 2021 the following exercises / enhancements:

- The calculation and reporting of NSFR has been amended, to incorporate the CRR II provisions that have been effective from 2Q.21;
- The current database of the Liquidity Platform has been complemented with a large set of historical data, covering the entire period of liquidity crises, since 2010. This initiative has further enhanced historical analysis capabilities, which are expected to support liquidity stress testing exercises;
- In line with SRB requirements for "Liquidity and Funding in Resolution", the Bank performed a Resolution-related stress test exercise that was submitted to the Regulator. With this project, the Bank assessed its capabilities to identify, measure and report its liquidity position in resolution;

Moreover, several enhancements and new initiatives are planned to be implemented during 2022. More specifically:

- Deliver two more exercises to SRB for "Liquidity and Funding in Resolution" (part of the wider Resolution project initiated by SRB), focusing on collateral monetisation in Resolution;

- Perform the annual ILAAP, enhanced with analysis from the new historical database.

Strategic/Business Model Risk

In the context of the review of the NBG Risk Taxonomy (see above), the current or prospective risks of the Group's Business Model on the viability and sustainability, i.e. the Business Model becoming obsolete or irrelevant and/or losing the ability to generate results aligned with the Group's strategic objectives and stakeholders' expectations, were redefined.

These risks are associated with vulnerabilities in Strategic Positioning or Strategy Execution (delivery) as a result of external or endogenous risk factors and possible inability to effectively react thereon.

The impact of Strategic risks is demonstrated through:

1. failure to deliver the expected results, i.e., material deviations from a defined Business plan in terms of Profitability, Capital and/or Brand perception; and
2. long term deterioration of competitiveness, i. e., worsening relative position compared to peers benchmarks in strategically important areas.

More specifically:

Strategic Positioning risk: the prospective risk in the Group's long-term competitive position, i.e. the Business model becoming obsolete or irrelevant. The Strategic positioning risk impact is demonstrated through relative underperformance compared to peers benchmarks in strategically important areas. The risk sources are potential vulnerabilities in the strategic design, lack of diversification in revenue generation, external disruptive factors (such as new market entrants) and inability to effectively/timely adapt the Business model components to the market dynamics (adaptability in terms of value proposition, customer segments, servicing channels, partnerships, internal resources utilization and efficiency).

Strategy Execution risk: The current or prospective risk to profitability and/or Franchise (Brand) perception, due to failed or inadequate delivery of a defined Business plan Execution risks are arising from changes in the external business environment (competition, regulation, market conditions) or from endogenous failure to successfully conclude strategic initiatives and projects in line with the Business plan, and the inability to react effectively thereon.

Operational Risk Management

In a continuous effort to further improve Operational Risk Management throughout the Group several initiatives were undertaken during 2021.

A significant accomplishment was the initiation of the Enterprise Risk Management Project which is part of the Bank's Transformation Plan. The two major initiatives were the development of the NBG Risk Taxonomy Framework, as well as the enhancement of the Taxonomy of Risks that the Bank is exposed to (Risk Types and Risk Themes), focusing mainly in the Non-Financial Risks (Operational and Strategic).

Another key enhancement was the development of a new Key Risk Indicators ("KRIs") Dashboard for NBG. KRIs, that serve as metrics used to provide an early signal of increasing operational risk exposure, are collected and reported on a dashboard that highlights the outcome of the KRIs monitoring and their trend. Explicit reasoning of any data breaches, and actions necessary to mitigate the identified risks, are also recorded, monitored and reported.

Additionally, a major project initiative was the implementation of Common GRC Platform Operational Risk Management Module. Group Operational Risk Team prepared the designated requirements for all Operational Risk Programs, organized the Solution Design workshops and the relevant configuration streams, set up the data import processes, completed the User Acceptance Testing ("UAT") & signed off the UAT. The shift of the Risk Operational Risk Management module to the Production environment is currently at the final stage and is expected to be completed by the 1Q.22.

Other projects which were completed in 2021 and are related to the enhancement of management of Operational Risk are the following:

- The Risk & Control Self Assessment exercise, which emphasises in the systematic identification and efficient mitigation of potential operational risk exposures, was completed throughout all Bank's Business Units and Group's Subsidiaries, based on an updated Operational Risk Management methodology developed by GORMD;
- Aiming at the identification and measurement of potential future, significant operational risk exposures, the Bank's Executive and Senior Management conducted for a third consecutive year, an evaluation of the Group's main risks (Top Operational Risks) based on the Scenario Analysis Methodology;
- The Bank, acknowledging the importance of risks stemming from ESG factors and in line with the regulatory Guidelines, procceeded with the incorporation of climate-related, environmental, social and governance risks in the wider risk management framework. The alighnment of the Operational Risk Taxonomy and all other Operational Risk Programs with the inclusion of ESG related references was also completed based on the requirements set by the competent authorities;
- In order to assess the potential impact of failed or inadequate services related to the outsourcing arrangements of the Bank, GORMD developed an Outsourcing Risk Assessment Methodology. Within the risk assessment process, with the participation of 1st and 2nd Line of Defence Units, and based on a set of questionnaires that weigh potential risks that may arise from outsourcing arrangements, the Bank is in the position to identify emerging outsourcing risks and manage them appropriately. Additionaly, an Outsourcing Committee, responsible for overseeing the outsourcing arrangements of the Group was established and operates in accordance with the applicable legal and regulatory framework.

Finally, and in order to establish and develop a number of Risk Culture initiatives, Group Operational Risk applied an extensive Operational Risk training program that was provided throughout the Group. It additionally launched Operational Risk Forums within Greece as well as for international subsidiaries and it developed an Operational Risk Portal, serving as a centralized access point for all relevant Operational Risk material.

Moreover, a number of enhancements and new initiatives are planned to be implemented during 2022. More specifically:

Update of the Operational Risk Management Framework and related Policies.

- Operational Risk documents will be updated based on the new sound practices & regulatory requirements proposed by Basel authorities.

Outsourcing Risk Management

- Group Operational Risk, will finalise the Outsourcing Risk Management process and further enhance the risk monitoring of the outsourcing arrangements.

Common GRC Platform

- Operational Risk Management module of the Common GRC platform will be fully operational by 1Q.22, whereas all Bank & Foreign Subsidiaries users will receive the appropriate training in the new platform.

Operational Risk Loss database

- GORMD is planning to thorough review and reclassify recorded operational internal loss events, based on the updated Operational Risk Taxonomy in order to facilitate better analysis and proactive risk management.

Enterprise Risk Management

- Further implementation of the Enterprise Risk Management Project through the definition of detailed governance & risk management activities for specific Risk Themes.

The Bank has adopted the Standardized Approach for the calculation of operational risk regulatory capital requirements, both on a Bank and a Group level.

Management of Risks

Credit Risk

(Audited)

Credit risk is the risk of financial loss relating to the failure of a borrower to honour its contractual obligations. It arises in lending activities as well as in various other activities where the Group is exposed to the risk of counterparty default, such as its trading, capital markets and settlement activities. Credit risk is the largest single risk the Group faces. The credit risk processes are conducted separately by the Bank and each of its subsidiaries. The credit risk procedures established by the subsidiaries are coordinated by the GCRCD.

The Group's credit granting processes include:

- credit-granting criteria based on the particular target market, the borrower or counterparty, as well as the purpose and structure of the credit and its source of repayment;
- credit limits that aggregate in comparable and meaningful manner, different types of exposures at various levels;
- clearly established procedures for approving new credits as well as the amendment, renewal and re-financing of existing credits.

The Group maintains on-going credit administration, measurement and monitoring processes, including in particular:

- documented credit risk policies;
- internal risk rating systems;
- information systems and analytical techniques that enable measurement of credit risk inherent in all relevant activities.

The Group's controls implemented for the above processes include:

- proper management of the credit-granting functions;
- periodical and timely remedial actions on deteriorating credits;
- independent, periodic audit of the credit risk management processes by the Group Internal Audit Division, covering in particular the credit risk systems/models employed by the Group.

Additionally, the GCRCD measures and monitors credit risk on an on-going basis through documented credit risk policies, internal rating systems, as well as information systems and analytical techniques that enable measurement of credit risk inherent in all relevant activities. Thus, the Group achieves active credit risk management through:

- the application of appropriate limits for exposures to a particular single or group of obligors;
- the use of credit risk mitigation techniques;
- the estimation of risk adjusted pricing for most products and services;
- a formalized validation process, encompassing all risk rating models, conducted by the Bank's independent MVU.

The Credit Policies for the Corporate and the Retail Banking portfolios of the Bank and its subsidiaries set the minimum credit criteria, present the fundamental policies, procedures and guidelines for the identification, measurement, approval, monitoring and managing of credit risk undertaken in Corporate and Retail Banking Portfolios respectively, both at the Bank and Group levels.

The Credit Policy of the Bank is approved by the Board of Directors upon recommendation of the BRC following proposal by the CRO to the Senior Executive Committee and the BRC, and is reviewed on an annual basis and revised whenever deemed necessary and in any case every two years.

Credit Policies of each subsidiary are approved by the competent local boards or committees, following a recommendation by the responsible officers or subsidiaries' bodies, according to the decisions of the Bank and the provisions of the Credit Policies. Each proposal must bear the prior consent of the Group Chief Credit Officer ("CCO"), or the Head of NBG's Group Retail Credit Division depending on the portfolio, in collaboration with the Head of NBG's GCRCD for issues falling under their responsibility. The subsidiaries' Credit Policies are reviewed on an annual basis and revised whenever deemed necessary and in any case every two years.

Through the application of the Retail Banking Credit Policy, the evaluation and estimation of credit risk, for new as well as for existing products, are effectively facilitated. NBG's Senior Management is regularly informed on all aspects regarding the Credit Policy. Remedial action plans are set to resolve the issues, whenever necessary, within the risk appetite and strategic orientation of the Bank. The Bank's Retail Banking Credit Policy is approved and can be amended or revised by the Board of Directors following recommendation from the BRC and is subject to periodic revision. Retail Banking Credit Policy is reviewed on an annual basis and revised whenever deemed necessary and in any case every two years. All approved policy changes are incorporated in the Policy Manual.

Concentration Risk

(Audited)

The Bank manages the extension of credit, controls its exposure to credit risk and ensures its regulatory compliance based on an internal limits system. The GCRCD is responsible for limits setting, limits monitoring and regulatory compliance.

The fundamental instruments for controlling Corporate Portfolio concentration are obligor limits, reflecting the maximum permitted level of exposure for a specific obligor, given its Risk Rating and sector limits, that set the maximum allowed level of exposure for any specific industry of the economy; industries are classified in groups on the basis of NACE (General Industrial Classification of Economic Activities within the European Communities) codes. Sector limits constitute part of the Bank's RAF and are revised at least annually. Excesses of the Industry Concentration Limits should be approved by the BRC following a proposal of the General Manager of Group Risk Management CRO. Any risk exposure in excess of the authorized internal obligor limits must be approved by a higher level Credit Approving Body, based on the Credit Approval Authorities as presented in the Corporate Credit Policy. Like Sector Limits, obligor limits are subject to BRC approval on an annual basis.

Credit risk concentration arising from a large exposure to a counterparty or group of connected clients whose probability of default depends on common risk factors is monitored, through the Large Exposures and Large Debtors reporting framework.

Finally, within the ICAAP, the Bank has adopted a methodology to measure the risk arising from concentration to economic sectors (sectoral concentration) and to individual companies (name concentration). Additional capital requirements are calculated, if necessary, and Pillar 1 capital adequacy is adjusted to ultimately take into account such concentration risks.

Market Risk

(Audited)

Market Risk is the current or prospective risk to earnings and capital arising from adverse movements in interest rates, equity and commodity prices and exchange rates, as well as, their levels of volatility. The main contributor to market risk in the Group is the Bank. NBG seeks to identify, estimate, monitor and effectively manage market risk through a robust framework of principles, measurement processes and a valid set of limits that apply to all the Bank's transactions. The most significant types of market risk are the following: interest rate risk, equity risk, foreign exchange risk, foreign exchange risk and Value at Risk.

Interest Rate Risk is the risk related to the potential loss on the Bank's portfolio due to adverse movements in interest rates. A principal source of interest rate risk stems from the interest rate, over-the-counter ("OTC") and exchange traded derivative transactions, as well as from the trading and the held to-collect-and-sell ("HTCS") bond portfolios.

More specifically, the Bank maintains a material derivatives portfolio of mainly vanilla interest rate products, which are mostly cleared in Central Counterparties ("CCPs") or managed through bilateral International Swaps and Derivatives Association ("ISDA") and Credit Support Annexes ("CSAs") agreements. Their main function is to hedge the IR risk of the bonds classified in the HTCS and Held to Collect ("HTC") portfolios or the exposure of other derivative products in the Trading Book. Additionally, the Bank retains a significant securities portfolio, mainly comprising of Greek and other periphery sovereign bonds, which is primarily held in the Baking Book and predominantly in the HTC portfolio. Furthermore, NBG holds moderate positions in Greek and international corporate bonds. Overall, NBG has moderate exposure to interest rate risk in the Trading Book, while it enters into vanilla IRS transactions in order to mitigate the interest rate risk of the bonds listed in the Banking Book.

Equity Risk is the risk related to the potential loss due to adverse movements in the prices of stocks and equity indices. The Group holds a limited portfolio of stocks, the majority of which are traded on the Athens Exchange (the "ATHEX") and retains positions in stock and equity index derivatives traded on the ATHEX, as well as, on international exchanges. The cash portfolio comprises of trading (i.e. short-term) and held to collect and sell (i.e. long-term) positions. The portfolio of equity derivatives is mainly used for the hedging of equity risk arising from the Group's cash position and equity-linked products offered to customers and to a lesser extent for proprietary trading.

Foreign Exchange Risk is the risk related to the potential loss due to adverse movements in foreign exchange rates. The Open Currency Position ("OCP") of the Bank primarily arises from foreign exchange spot and forward transactions, as well as from the mark-to-market of NBG's OTC derivatives' trades denominated in foreign currency. The OCP is distinguished between trading and structural. The structural OCP contains all of the Bank's assets and liabilities in foreign currency (for example loans, deposits, etc.), along with the foreign exchange transactions performed by the Treasury Division. Apart from the Bank, the foreign exchange risk undertaken by the rest of the Group's subsidiaries is insignificant. The Group trades in all major currencies, holding mainly short-term positions for trading purposes and for servicing its institutional /corporate, domestic and international customers.

Value at Risk ("VaR"). The Bank uses market risk models and dedicated processes to assess and quantify its portfolios' market risk, based on best practice and industry-wide accepted risk metrics. More specifically, the Bank estimates the market risk of its Trading and HTCS portfolios, using the Variance-Covariance ("VCV") VaR methodology. The VaR estimates are used both for internal management as well as for regulatory purposes. In order to verify the predictive power of the VaR model, the Bank conducts back-testing on a daily basis. Moreover, since the daily VaR estimations refer to "normal" market conditions, a supplementary analysis is necessary for capturing the potential loss that might arise under extreme and unusual circumstances in the financial markets. Thus, the Bank conducts stress testing on a weekly basis, on both the Trading and HTCS portfolios, based on specific scenarios per risk factor category (interest rates, stock index prices, exchange rates). For more details on the VaR model and the respective results, as well as on the back-testing and stress-testing procedures, please see Note 4.3 of the Annual Financial Statements.

The Bank has also established a framework of VaR limits, in order to control and manage the risks to which it is exposed, in an efficient way. These limits are based on the Bank's Risk Appetite, as outlined in the RAF, the anticipated profitability of the Treasury Division, as well as on the level of the Bank's own funds (capital budgeting), in the context of the Group strategy. The VaR limits refer not only to specific types of market risk, such as interest rate, foreign exchange, equity and commodities but also to the overall market risk of the Bank's Trading and HTCS portfolios, taking into account the respective diversification between portfolios. Moreover, the same set of limits are used to monitor and manage risk levels on the Trading Book, on an overall basis and per risk type, since this is the aggregation level relevant for the calculation of the own funds requirements for Market Risk, under the Internal Model Approach ("IMA").

The principles and practices for sound market risk management at NBG are set forth in the Market Risk Management Policy ("Policy") which is subject to ongoing revision, as changes in business conditions, amendments to existing regulations and other events may affect market risk practices and controls. The Policy is established to evidence the Bank's commitment to develop and adhere to the highest standards for assessing, measuring, monitoring and controlling market risk arising from trading and non-trading activities. Additionally, the VaR model as well as the processes followed by the GFLRMD for the measurement and monitoring of Market Risk are described in the VaR/sVaR Model Methodology document, which is subordinate to the Market Risk Management Policy and is subject to changes, in accordance with amendments to the Policy.

The adequacy of the Market Risk Management Framework as a whole, as well as the appropriateness of the VaR model, were successfully reassessed by the SSM, in the context of the Targeted Review of Internal Models ("TRIM"). ECB concluded in its final Decision that NBG may continue calculating the own funds requirements for general market risk with the internal model approach, which verifies the robustness of the Bank's Market Risk management model. Furthermore, the Bank's independent MVU assesses the validity of the VaR model, on an annual basis, while the Internal Audit Division evaluates the effectiveness of the relevant controls, on a periodic basis. Finally, the GFLRMD implemented the new standardized approach for the calculation of the Market Risk capital requirements under Basel III (SA-FRTB), in the current risk engine. The revised framework came into force for reporting purposes in 3Q.21.

Interest Rate Risk in the Banking Book (Audited)

IRRBB refers to the current or prospective risk to the Bank's capital and earnings arising from adverse movements in interest rates that affect the Bank's Banking Book positions. The main sources of IRRBB are the following:

- Gap risk: the risk related to the timing mismatch in the maturity and re-pricing of assets and liabilities and off-balance sheet short- and long-term positions;
- Basis risk: arises from imperfect correlation in the adjustment of the rates earned on and paid on different instruments with otherwise similar repricing characteristics;
- Option risk: arises from embedded options in the Group's assets, liabilities or off-balance sheet portfolios.
- Credit Spread Risk in the Banking Book ("CSRBB"): the risk driven by changes in the market perception about the price of credit risk, liquidity premium and potentially other components of credit-risky instruments, which is not explained by IRRBB or by expected credit (i.e., jump-to-default) risk.

Interest rate fluctuations affect the economic value of the Group's assets, liabilities and off-balance sheet items, through corresponding changes in the cash flows' amounts and discount rates and – therefore – their present value. Changes in interest rates also affect the Group's earnings by increasing or decreasing its NII and the level of other interest rate-sensitive income and operating expenses. It is therefore important to examine IRRBB from these two complementary views; and quantify the effect of interest rate changes using both value and earnings measures.

The Group's Banking Book consists mainly of loans and advances to customers, reserves with the Central Bank, due from banks, securities measured at amortised cost and Fair Value through Other Comprehensive Income ("FVTOCI") (mainly Greek government and other EU sovereign fixed rate bonds), due to customers, due to banks, debt securities in issue, Eurosystem Funding and other borrowed funds that are measured at amortised cost. The Group maintains adequate measurement, monitoring, and control functions for IRRBB, including:

- measurement systems of interest rate risk that capture all material sources of interest rate risk and that assess the effect of interest rate changes in ways that are consistent with the scope of the Group's activities;
- measurement of vulnerability to loss under stressful market conditions;
- processes and information systems for measuring, monitoring, controlling, and reporting interest rate risk exposures in the Banking Book; and
- a documented policy regarding the management of IRRBB.

IRRBB is measured, monitored, and controlled by GFLRMD, based on the Group's established RAF. Specifically, GFLRMD calculates a number of risk metrics for the purpose of monitoring and controlling IRRBB:

- NII sensitivity, a measure of the effect of interest rate changes to the Group's expected interest earnings. NII sensitivity measures changes to interest income under varying interest rate scenarios over a one-year horizon and assuming a constant balance sheet over this period. Its main purpose is to measure the vulnerability of the Group's profitability to changing interest rates conditions.
- Economic Value of Equity ("EVE") Sensitivity, a measure of the Bank's Balance sheet value vulnerability to interest rate changes. EVE Sensitivity represents the change in the net present value of all cash flows in the Bank's balance sheet under a set of interest rate stress scenarios and is calculated on the entire balance sheet under a run-off assumption, i.e., no replenishment of matured transactions.

Both metrics are used in establishing the Group's IRRBB capital requirements. The evaluation and review of IRRBB measurement systems and processes is undertaken annually by the Group's Internal Audit Division in relation to capital requirements calculations performed for the ICAAP exercise. Furthermore, the Bank's independent MVU granted full approval to the IRRBB calculation framework during 2020, and recertified the model in 2021, in line with MVU's annual ongoing validation process.

A set of IRRBB limits are defined in the Group's RAF in relation to the EVE sensitivity measure and in alignment with the limits prescribed in the Supervisory Outlier Test of the latest IRRBB Regulatory Guidelines. In addition, new IRRBB limits of the Bank's NII sensitivity to interest rate fluctuations have been introduced and approved in the latest Group RAF update. Both EVE and NII limits are monitored and reported to the BRC as well as the ALCO on a monthly basis. The Group is exposed to moderate levels of IRRBB, as evidenced by the current levels of the established limit structure utilization, which are comfortably below the Risk Tolerance level defined in the Group's RAF.

Counterparty Credit Risk (Audited)

Counterparty Credit Risk ("CCR") for the Group stems from OTC derivative and other interbank secured and unsecured funding transactions, as well as commercial transactions, and is due to the potential failure of a counterparty to meet its contractual obligations.

The framework for managing CCR that pertains to Financial Institutions ("FIs") is established and implemented by the GFLRMD. It consists of:

- measuring the exposure to each counterparty, on a daily basis;
- establishing the respective limits per counterparty;
- monitoring the exposure against the defined limits, on a daily basis.

The estimation of the exposure to each counterparty depends on the type of the financial product. In the case of unsecured interbank transactions and commercial transactions, exposure is equal to the nominal amount of the transaction, whereas secured interbank transactions and OTC Derivatives create Pre-Settlement Risk, which is measured through each product's Credit Equivalent Factors ("CEFs"), as described in the Counterparty Credit Risk Management Framework.

For the efficient management of counterparty credit risk, the Bank has established a framework of counterparty limits, which are based on the credit rating of the financial institutions as well as the product type. The credit ratings are provided by internationally recognized rating agencies, in particular by Moody's and Standard & Poor's. According to the Bank's policy, if the agencies diverge on the creditworthiness of a financial institution, the lowest credit rating is considered. Limits exist for each product type and are set at the respective counterparty's Group level, as analyzed in the Counterparty Credit Risk Framework. Sub-limits are then allocated to the subsidiaries of each counterparty Group, in accordance with the business needs of the Bank.

Counterparty limits apply to all financial instruments in which the Treasury is active in the interbank market. The Bank is also active in international trade finance, therefore a limit framework is in place for the efficient management of counterparty credit risk arising from funded commercial transactions. A similar limit structure for the management of counterparty credit risk applies across all of the Group's subsidiaries.

The limit-framework is revised periodically, according to business needs of the Bank and the prevailing conditions in the international and domestic financial markets.

Subsequently, all limits are monitored by GFLRMD on a daily basis.

NBG seeks to further mitigate CCR by standardizing the terms of the agreements with counterparties through ISDA and Global Master Repurchase Agreement ("GMRA") contracts that encompass all necessary netting and margining clauses. CSAs have also been signed with almost all active FIs, so that net current exposures are managed through margin accounts, on a daily basis, by exchanging mainly cash or debt securities as collateral. Moreover, NBG performs OTC transactions with CCPs, either directly or through qualified clearing brokers.

Also, NBG avoids taking positions on derivative contracts where the values of the underlying assets are highly correlated with the credit quality of the counterparty (wrong way risk).

Finally, the calculation of the counterparty credit risk capital requirements is based on the revised standardized approach (SA-CCR) introduced by Basel III, which became effective on 30 June 2021.

Country Risk

(Audited)

Country risk is the current or prospective risk to earnings and capital caused by events in a particular country, which are at least to some extent, under the control of the government but not under the control of a private enterprise or individual. The main categories of country risk consist of sovereign, convertibility and transfer risk. Sovereign risk stems from a foreign government's lack of capacity and/or unwillingness to repay its debt or other obligations. Convertibility and transfer risk arise when a borrower is unable to convert funds from local to foreign currency, in order to repay external obligations. Therefore, country risk stems from all cross border transactions, either with a central government, or with a financial institution, a corporate or a retail client.

The on and off-balance sheet items, which potentially entail country risk are the following:

- participation in the equity of the Group's subsidiaries, which operate in other countries;
- interbank secured and unsecured placements and risk that arises from OTC transactions, with financial institutions that operate abroad;
- loans and advances to corporations or financial institutions that operate abroad, positions in corporate bonds of foreign issuers and cross-border project finance loans;
- funded and unfunded commercial transactions with foreign counterparties; and
- holdings of foreign sovereign debt.

In this context, NBG's exposure to country risk arises from the participation in the Group's subsidiaries operating abroad, the Bank's holdings in foreign sovereign bonds and cross border activities in the form of interbank/commercial transactions and corporate lending.

GFLRMD monitors country risk exposure, as defined above, on a daily basis, mainly focusing on the countries where the Group has presence. Country risk has been decreasing during the last years, as the Bank is divesting international subsidiaries in accordance with its Restructuring Plan (see also "*Key Highlights - Key achievements and significant developments of NBG Group in 2021 - 2019 Revised Restructuring Plan*").

Liquidity Risk (Audited)

Liquidity Risk is defined as the risk arising from the institution's inability to meet its liabilities when they come due without incurring unacceptable losses.

It reflects the potential mismatch between incoming and outgoing payments, taking into account unexpected delays in repayments (term Liquidity Risk) or unexpectedly high outflows (withdrawal/call risk). Liquidity Risk captures both the risk of the Bank being unable to liquidate assets in a timely manner with reasonable terms, and the risk of unexpected increases in the Bank's cost of funding.

The Bank's executive and senior management has the responsibility to implement the Liquidity Risk appetite approved by the BRC and to develop the policies, methodologies and procedures for identifying, measuring, monitoring and controlling Liquidity Risk, consistent with the nature and complexity of the Bank's activities. The Bank's executive and senior management is informed daily of the Bank's Liquidity Risk position, ensuring that the Group's Liquidity Risk stays within approved levels.

On a daily basis, senior management receives the Bank's liquidity report, which presents a detailed analysis of the Bank's funding sources, liquidity buffer, cost of funding and other liquidity metrics and indicators in line with the Bank's RAF, Recovery Plan and Contingency Funding Plan. Risk Management is also able to produce and report the LCR to executive management daily, leveraging the capabilities of the in-house developed liquidity platform. Additionally, Risk Management reports monthly to ALCO, all approved liquidity metrics and indicators, as well as liquidity stress testing outcomes, maturity gaps between assets and liabilities, and cost of funding evolution.

Liquidity Risk management aims to ensure that the Bank's liquidity risk is measured appropriately and reported frequently to confirm that liquidity metrics are within set risk appetite, and management is promptly informed of any developing liquidity risks. In addition, the Group's subsidiaries measure, report and manage their own individual Liquidity Risk, ensuring they are self-sufficient in a liquidity stress (i.e., not reliant to the Parent entity). The Group's subsidiaries maintain an adequate liquidity buffer, well above 10% of their total deposits, which ensures their funding self-sufficiency in case of a local crisis.

Current Liquidity Status

NBG's robust liquidity position has been successfully tested and confirmed in real stressed conditions, and more recently with the COVID-19 crisis. The Bank's strong liquidity position stems from the stability of its funding sources, and from the high level of its liquidity buffer, making the Bank very resilient to a potential liquidity stress.

In addition to the Bank's strong liquidity position, the COVID-19 crisis has also tested the Bank's operational readiness and effectiveness, as the entire Risk Management was working remotely. During this period, the Bank was able to confirm the robustness of its current infrastructure, as liquidity management and monitoring teams were able to work seamlessly, despite the increased work load and country-wide restrictions.

The Bank's strong liquidity position is representative of a healthy balance sheet, which was further strengthened by the completion of the Frontier securitization, significantly improving the quality of its asset side. Regarding liabilities, the balance sheet was strengthened by a c. 10% increase in customer deposits (similar to last year) and the moderate increase of stable long-term funding through the favorable terms offered by the ECB's TLTRO III refinancing operations program. Moreover, LCR and NSFR, as well as the Bank's liquidity buffer currently stand at the highest historical levels, while cost of funding has decreased to below zero, the lowest historical cost.

Funding Sources and Key Liquidity Metrics

The Bank's principal sources of liquidity are its customer deposits, Eurosystem funding currently via the TLTROs with ECB, repurchase agreements (repos) with major FIs and wholesale funding through the issuance of (MREL-eligible) senior unsecured debt, as well as the Tier II debt. ECB funding and repos with FIs are collateralized mainly by high quality liquid assets, such as, EU sovereign bonds, Greek government bonds and T-Bills, as well as by other assets, such as highly rated corporate loans and own issued covered bonds.

On 31 December 2021, the Bank's customer deposits stood at €52.2 billion, a significant increase of €4.7 billion compared to 31 December 2020, due to retail and corporate deposit inflows driven by fiscal measures. More specifically, this increase is mainly due to the growth of the Bank's most stable deposit class, the savings deposits, by €4.4 billion, absorbing the decrease by €2.2 billion of retail time deposits, as low rates do not incentivize customers to rollover their time deposits.

Additionally, both the LCR and the NSFR, remained strong and were both steadily increasing during 2021, driven by the significant increase of customer deposits. More specifically, during 2021, the Bank's LCR remained significantly above the regulatory and internal limits, at all times, and on 31 December 2021 increased by 9.4% compared to 31 December 2020 and stood at 229.3% (Group 242.0%). The Bank's NSFR steadily improved during 2021 and, with the application of the new CRR II framework, reached its highest historical level on 31 December 2021 of 133.5% (Group 134.6%). In addition, NBG's secured interbank transactions amounted to €1.2 billion, as at 31 December 2021. Furthermore, NBG continued to benefit from ECB's temporary liquidity measures and increased the Bank's participation to the favourable ECB Funding by €1.1 billion, to a total of €11.6 billion as at 31 December 2021, consisting exclusively of TLTROs. Loan-to-Deposit ratio stood at 56.9% and 56.1% as of 31 December 2021, on a domestic (Greece) and on a Group level, respectively.

The Bank's funding cost stood at the historically low level of -2bps as of 31 December 2021, a decrease of 9bps compared to the respective figure as of 31 December 2020, driven by the decrease of the cost of customer deposits by 8bps, as well as the increased participation in Eurosystem funding, which stands at -64bps.

Finally, the Bank's ample liquidity buffer, which stood at €24.5 billion as at 31 December 2021, increased by €6.6 billion compared to the respective figure as of 31 December 2020, due to the significant deposits growth. More specifically, it comprises of €15.2 billion in the form of cash deposited with the Bank of Greece and other cash deposited in Nostro accounts, €4.4 billion of collateral eligible for ECB funding and €4.9 billion of unencumbered tradable collateral that could be used for secured interbank funding with FIs.

Operational Risk

NBG Group defines Operational Risk as the risk of loss resulting from inadequate or failure in internal processes, people and systems or from external events. This definition includes legal risk, excludes strategic and business risk, but takes into consideration the reputational impact of Operational Risk.

The Group Operational Risk Management Division is responsible for overseeing and monitoring the risks assessment, providing appropriate tools and methodologies, coordination and assistance to the Business Units and proposing appropriate risk mitigation measures.

NBG has established a Group-wide ORMF that provides the foundations, principles and governance arrangements for designing, implementing, monitoring, reviewing and continually strengthening operational risk management throughout the Group.

In particular, under this ORMF, NBG aims to:

1) establish a consistent Group-wide approach to operational risk management leading to a proactive approach in avoiding unexpected events and minimizing of operational risk losses;
2) support the Group's business strategy by ensuring that business objectives are pursued in a risk-controlled manner;
3) improve the quality of operational risk information leading to more informed risk decision-making and capital allocation;
4) ensure consistency with best practices and compliance with regulatory (quantitative and qualitative) requirements;
5) promote a Group-wide operational risk awareness and culture further contributing to process efficiency and control effectiveness.

GORMD reports to the Operational Risk Management Committee ("ORCO"), a sub-committee of the Senior Executive Committee. ORCO, that has the overview of the ORMF implementation, meets regularly on a quarterly basis, providing a semi-annual report to the Senior Executive Committee.

The overall responsibility for the management of Operational Risk relies within the First Line of Defense Business Units, that are responsible and accountable for directly identifying, assessing, controlling and mitigating operational risk within their business activities in compliance with the Bank's policies and procedures.

Operational Risk Management is integrated into the day-to-day business, adding value to the organization by applying a proactive approach. A series of techniques and tools have been defined by the Group in order to identify, measure and assess Operational

Risk. The most important operational risk mechanisms used by the Group are the following:

- **The Risk & Controls Self Assessment ("RCSA")** process: it is a recurring, forward looking process performed on an annual basis aiming at the identification and assessment of the operational risks faced by the Group. The scope of RCSA extends to all business lines, thereby to all business, support or specialized Units;
- **The Internal Events Management** process: NBG requires accurate and timely knowledge of operational risk related internal events and has therefore established an appropriate event management process that covers the event life cycle, comprising the event identification, categorization, analysis, on-going management, remediation actions and reporting;
- **The Key Risk Indicators definition and monitoring** process: NBG defines as Key Risk Indicator any simple or combined data variable, which allows the assessment of a situation exposing the Bank to operational risk, as well as its trend, by monitoring/comparing its values over time. Therefore, KRIs are metrics providing early warning signs, preventing and detecting potential risks and vulnerabilities in the activities of the Bank;
- **The Scenario Analysis** process: NBG defines Risk Scenario as the creation of a potential event or consequence of events that expose the organization to significant operational risks and can lead to severe operational losses. Scenario Analysis is the process that reveals all the long-term exposures to major and unusual operational risks which can have substantial negative impacts on the organization's profitability and reputation;
- **The Training Initiatives and Risk Culture awareness** actions: Group Operational Risk Management Division designs and implements training programs on operational risk and the ORMF, the use and implementation of programs, methods and systems as well as other actions aiming at knowledge sharing and the establishment of Operational Risk culture Group-wide.

In 2021, GORMD completed the annual revision of the ORMF. By the 2H.21, all Policy documents that constitute the ORMF, namely the RCSA Policy, the KRI Policy, the Scenario Analysis Policy and the Internal Events Management Policy, were approved by the Board Risk Committee. In December 2021, as part of the Transformation Project and in order to integrate ERM practices and enhance the overall risk management framework, the Risk Taxonomy Framework was developed, in collaboration with all involved parties.

Additionally, in the 2H.21 GORMD:

- recorded the Existing Controls & Planned Mitigating Actions for the Top Operational Risks identified during the 2021 Scenario Analysis exercise;
- continued offering extensive Training and Risk Awareness Activities within the Bank's Business Units;
- launched the 2nd and 3rd Operational Risk Forum with the participation of all SRCOs/URCOs as well as representatives from the 2nd and 3rd Lines of Defense and the 1st Operational Risk Forum with the participation of all foreign subsidiaries.

Finally, during the 2H.21, GORMD continued with:

- the implementation of the RCSA according to the Project Plan,
- the development of additional Key Risk Indicators and the finalization of the NBG KRI Dashboard,
- the collection of the COVID-19 related Operational Risks losses.

All the above information is regularly communicated to the ORCO, Senior Executive Committee and BRC.

Model Risk

Model Risk is the potential loss the Group may incur, as a consequence of decisions that could be principally based on the output of the models deployed, due to errors in the development, implementation or use of these models.

Model Risk occurs primarily for two reasons:

- a model may produce inaccurate outputs due to errors in its design, methodology, data inputs or implementation;
- a model may be used incorrectly or inappropriately, without following the proper considerations regarding its limitations and assumptions.

Model Risk is measured, monitored, and controlled by the MVU. Specifically, the MVU has elaborated a set of policies, guidelines, methodologies and controls that comprise the Model Risk Management ("MRM") Framework. The suitable application of the MRM Framework to cover models' lifecycle, empowers the MVU to perform and to be engaged in various control activities as part of the model validation process. In case that certain deficiencies are identified following the completion of a model validation cycle, the MVU raises Required Action Items "RAIs" which are acted upon after their competent approval and may effect material changes to the models.

Since 2018, the MVU has organized its tasks towards the following directions, aiming to thoroughly implement the mentioned MRM Framework:

- *Key Policy and Governance Elements*: The MVU regularly updates the Bank's Model Validation Policy, develops and introduces in a phased approach, documents and guidelines subordinate to the Policy to enhance the actual MRM Framework. Based on them, relevant controls have been designed and an issue and action plan management workflow has been inaugurated. The

MVU has compiled a set of business processes in the form of workflows, that serve the management of models' lifecycle and has also developed a Model Risk quantification methodology. The latter has been approved in April 2020 and is utilized for ICAAP reporting purposes.

- *Model Risk Management Tools and Platform:* The MVU has put in effect automation tools and has developed in-house processes and libraries, following best practices and engineering standards, to effectively perform all quantitative validation tasks. The MVU is also participating in the new Common *GRC* platform implementation team. All necessary actions regarding the Common GRC Platform's MRM module that will mainly assist the Unit's day-to-day business, including the IT configuration of the platform and the extended UAT phases that have contributed to the module's release to production in December 2020, have been duly completed. The module has been meticulously customized to comply with the existing MRM Framework thus facilitating its integration into the Unit's and the Bank's daily processes. An MRM module User Workbook, which meets the training needs of the platform's delegated users by incorporating the module's various functionalities, has been compiled by the Unit. Furthermore, the Unit has already proceeded with the registration of the majority of material models in the module's embedded Model Inventory.

During 2022, MVU aims to undertake further initiatives towards the above two directions. Firstly, an update of the Model Validation Policy and its Annexes is underway, mainly focusing on their alignment with the Bank's internal control mechanisms and their enhanced integration with the MRM Framework's recent developments.

Moreover, the MRM module's use is scoped to be further expanded by completing the registration process of all the Bank's models being in use, including even those recognized as non-material, that are not currently contributing to the quantification of Model Risk. Additionally, MVU plans to formulate processes related to the existing communication needs through the issuance of specific directives concerning the adoption of MRM module's use and the widened introduction of the comprising model lifecycle workflows, the training of the appropriate personnel and finally, will be working towards embedding the reporting stream produced by various Risk and Control Units into the Common GRC Platform, integrating all reports being pertinent to the Model Risk management process as encoded in the controls developed by the MVU, the related Policy documents and their Annexes.

The Key aspects of the Model Risk Management framework are:

- *Policies and Processes:* In an effort to ensure the accurate, timely and flowless Model Risk quantification process and to manage it in its entirety, a comprehensive set of guidelines regarding the models' lifecycle being in effect as well as Policy and methodology documents relevant to model governance, management and validation have been elaborated. The set consists of clear and streamlined workflows and methodology documents resulting from MVU's expertise and "deep dive" analysis which are concerning the Banks' existing business processes and the relevant regulatory framework.

- *Model Materiality Tiering and Model Risk Assessment:* As required by the regulator, the scrutiny under which each model is validated, monitored and managed, is proportional to the model's materiality. The MVU has introduced a model materiality tiering procedure, with the explicit intent to ascertain the level of each model's importance or significance. Furthermore, the mentioned classification and the models' validation outcome are appropriately combined in an internally developed methodology, with the aim to quantify Model Risk in terms of internal capital.

- *Issues and Action Plans:* The MVU has accomplished a specific issue tracking business process, implemented in the Bank's new Common GRC platform, for the purpose of communicating model issues to the model owners, tracking their statuses, approving action plans regarding the necessary mitigating initiatives, keeping track of their accomplishment and finally reporting the completion of issues' resolution to the BRC. This multitude of processes ensures that validation exercises are contributing effectively to maintain the models sound and functional, keeping them fit for purpose and assisting at the same time active Model Risk management while ensuring that their business essence is not to be solely performed for the fulfilment of reporting need and purposes.

- *Model Inventory and Model Risk Management Module:* The Group's Risk Units have worked extensively towards the adoption of a workflow management system which aims among other purposes, to automate the majority of the procedures being pertinent to the models' lifecycle. This need will be covered by the Model Risk Management module being part of the Common GRC Platform, that also incorporates a self-contained model inventory comprising a thorough and concise model registry in terms of model attributes. These attributes can provide the required supportive evidence to the mentioned issues workflow management system. Furthermore, they will be utilized – in their entirety or partly – as a pool of necessary inputs for Model Risk estimation purposes. The inventory is intended to become the Bank's comprehensive model repository and to play an essential role in the centralized and holistic approach of Model Risk assessment.

The structure of the Model Risk Management process followed by the MVU, is built around a set of distinct phases.

Initially, when the development of a new model is decided, the model has to be registered in the Model Inventory by its owner. Effective Model Risk Management requires the maintenance of a complete and exhaustive inventory, comprising the entirety of the models employed by the Bank, so that the prioritization of the validation exercises and also the tiering and the monitoring of the Model Risk can be adequately supported. During the models' development phase, the MVU is kept informed of the performed process's progress status. Upon model development completion, the Model Inventory is updated by the model owner with the essential material that is needed to conclude the model materiality tiering, the Model Risk assessment and the model review and finally the completion of the validation process as a whole.

After a new model is registered, if it is assessed to present material Model Risk it is determined that the model's Initial Validation is required. This process is also a key component of the efficient Model Risk management, as it allows for an accurate Model Risk estimation. During an Initial Validation exercise, the model is examined through a series of controls that cover a multitude of qualitative and quantitative aspects, being mainly designed to mitigate specific areas constituting Model Risk sources, such as input data quality issues, model design deficiencies, non-adherence to internal or/and external requirements, improper model use, erroneous model implementation and inadequate model performance. These checks are performed utilizing a set of inputs made available by the model owner through the Common GRC Platform, contained in the data quality reports, the model development report, the model use reports etc. The outcome of the model validation effort is a combined assessment regarding the classification of the model's risk rating, the type of model's approval, an ensuing list of RAIs if any issues/deficiencies are observed in the model assessment areas and need to be remediated.

Following the model's approval by the competent management level or committee, the model is implemented in the appropriate system. The implementation phase constitutes an additional source of Model Risk. The MVU conducts an implementation review to assess if the implementation process and all available reports covering the IT and UAT tests were suitably performed and examined, with the aim to determine if the deployed model is fit for the intended purpose and functions as expected. Deployed models and their correct use are regularly monitored by their owners, while they are also re-visited by the MVU through ongoing validation exercises (yearly in case of models that present material Model Risk, or less frequently for the rest of the models), focusing mainly on models' discriminatory power, accuracy and stability. Any validation exercise could potentially lead to the issuance of RAIs and could possibly trigger the necessity of creating a new model version in case of required material model changes. The latter could consequently kick-off a new model lifecycle and maintenance set of actions, as described above.

Other Risk Factors

Cyber security

The Group's information systems and networks have been, and will continue to be, exposed and vulnerable to an increasing risk of continually evolving cyber security or other technological risks which could result in the unavailability of IT services or in the disclosure of confidential client or customer information, damage to its reputation, additional costs to it, regulatory penalties, and financial losses.

A significant portion of the Group's operations rely heavily on the secure processing, storage, and transmission of confidential and other information as well as the monitoring of a large number of complex transactions on a minute-by-minute basis. The Group stores an extensive amount of personal and client specific information for its retail, corporate and governmental customers and clients and must accurately record and reflect their extensive account transactions. These activities have been, and will continue to be, subject to an increasing risk of cyber-attacks, the nature of which is continually evolving.

The Group endeavours to safeguard its systems and processes and strives to continuously monitor and develop them to protect its technology infrastructure and data from misappropriation. However, its computer systems, software and networks have been and will continue to be exposed and possibly vulnerable to unauthorized access, loss, or destruction of data (including confidential client information), account takeovers, unavailability of service, computer viruses or other malicious code, cyber-attacks and other external attacks or events, as well as internal breaches. These threats may derive from human error, fraud, or malice on the part of employees or third parties or may result from accidental technological failure. If one or more of these events occurs, it could result in the disclosure of confidential client information, damage to the Group's reputation with its clients and the market, additional costs (such as repairing systems or adding new personnel or protection technologies), regulatory penalties and financial losses to both the Group and its clients. Such events could also cause interruptions or malfunctions in the Group's operations (such as the lack of availability of its online banking systems) or otherwise hinder its operational effectiveness, as well as the operations of its clients, customers or other third parties. Given the volume of its transactions, certain errors or actions may be repeated or compounded before they are discovered and rectified, which would further increase these costs and consequences.

In addition, third parties with which the Group does business with, may also be sources of cyber security or other technological risks. Although the Group adopts a range of actions to eliminate the exposure resulting from outsourcing, such as not allowing third party access to the production systems and operating a highly controlled IT environment, unauthorized access, loss or destruction of data or other cyber incidents could occur, resulting in similar costs and consequences to the Group as those discussed above.

The EU General Data Protection Regulation was directly applicable in Greece as of 25 May 2018 and the penalties in case of personal data leakage could impact the Bank and the Group.

While the Group maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber risks such as fraud and financial crime, such insurance coverage may be insufficient to cover all losses.

The Group, due to its business activities, produces and exchanges large volume of data. In order to support these business activities and in the context of digital transformation for its services, implements a plethora of solutions that often interact and connect with multiple systems inside or/and outside the Group. Due to the criticality of the non-stop delivery of services to its customers and personnel (e.g., Internet Banking, Mobile Banking, teleworking systems) cybercrime, in cyberspace, possesses a significant threat to the Group.

Potential increase of cyber risk due to new conditions introduced by the COVID-19 and the recent geopolitical updates, regarding the Russia - Ukraine tension

COVID-19 affected and will continue to affect the global cybersecurity landscape. Advanced social engineering attacks targeted phishing attacks, and the exploitation of special conditions created by working from home were on the rise during the reporting period. The Group has successfully identified and addressed the risks from the onset of the pandemic.

Moreover, following the Russian invasion in Ukraine in February 2022, significant cyber activity has been noted. While the situation is evolving rapidly and the attack on Ukraine continues to widen, the Bank adopts a heightened posture when it comes to cybersecurity and the protection of its most critical assets. Controls are in place in order to reduce the likelihood of a damaging cyber intrusion, mechanisms to ensure that the Bank is prepared to respond if an intrusion occurs, whereas plans have been developed to maximize the Bank's resilience to a destructive cyber incident.

The Group safeguards its systems and processes and continuously monitors and develop them to protect its technology infrastructure and data from embezzlement. The Bank, in order to certify that follows best practices regarding information security and to strength its security footprint has been certified against ISO 27001 for the scope of IT infrastructure and services.

The digital global landscape is continuously changing and evolving, thus the risks related to information security in the banking sector are also increasing.

NBG Group's cyber security systems continue to improve with the strengthening of detection, response, and protection mechanisms, in order to ensure high quality of customer service, protection of personal data, increase of service efficiency and secure business activity.

Deferred tax assets as regulatory capital or as an asset

Risk related to the recognition of the main part of deferred tax assets as regulatory capital or as an asset

The Group currently includes deferred tax assets ("DTAs") in calculating the Group's capital and capital adequacy ratios. As at 31 December 2021, the Group's DTAs, excluding the amount of the DTA that was classified as non-current assets held for sale, amounted to €4.9 billion (31 December 2020: €4.9 billion).

The Bank reviews the carrying amount of its DTAs at each reporting date, and such review may lead to a reduction in the value of the DTAs on the Bank's Statement of Financial position, and therefore reduce the value of the DTAs as included in the Group's regulatory capital.

EU Regulation 575/2013 provides that DTAs recognized for IFRS purposes that rely on future profitability and arise from temporary differences of a credit institution and exceed certain thresholds must be deducted from its CET1 capital.

The deduction would have a significant impact on Greek credit institutions, including the Bank. However, as a measure to mitigate the effects of the deduction, 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 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, 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.

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. In addition, in 2021 Greek Law 4831 further amended article 27 of Greek Law 4172/2013. According to this amendment the annual amortization / deduction of the debit difference arising from PSI losses is deducted at a priority over the debit difference arising from realized NPL losses. The amount of annual deduction of the debit difference arising from realized NPL losses is limited to the amount of the profits determined according to the provisions of the tax law as in force before the deduction of such debit differences and after the deduction of the debit difference arising from PSI losses. The remaining amount of annual deduction that has not been offset, is transferred to be utilized in the 20 subsequent tax years, in which there will be sufficient profit after the deduction of the above debit differences (PSI & NPL losses) that correspond to those years. In the order of deduction of the transferred (unutilized) amounts, older balances of debit difference have priority over newer balances. If at the end of the 20-year amortization period, there are balances that have not been offset, these qualify as tax losses which is subject to the 5-year statutes of limitation.

As at 31 December 2021, the Group's eligible DTAs amounted to €4.1 billion (31 December 2020: €4.3 billion). 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 Capital Requirement Directive (“CRD”) IV, and as a result such DTAs are not deducted from CET1, hence improving a credit institution’s capital position.

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.

If the regulations governing the use of Deferred Tax Credit (“DTCs”) as part of the Group’s regulatory capital change, this may affect the Group’s capital base and consequently its capital ratios. As at 31 December 2021, 85.2% of the Group’s CET1 capital (including the profit for the period) was comprised of DTA eligible for DTC. Additionally, there can be no assurance that any final interpretation of the amendments described above will not change or that the European Commission will not rule the treatment of the DTCs under Greek law illegal and as a result Greek credit institutions will ultimately not be allowed to maintain certain DTCs as regulatory capital. If any of these risks materialize, this could have a material adverse effect on the Group’s ability to maintain sufficient regulatory capital, which may in turn require the Group to issue additional instruments qualifying as regulatory capital, to liquidate assets, to curtail business or to take any other actions, any of which may have a material adverse effect on the Group’s operating results and financial condition and prospects.

Risk related to COVID-19 outbreak

See section “*Response to COVID-19 crisis*”.

Non-Financial Statement

Sustainability Highlights 2021

Awards & Distinctions

In recognition of its ongoing endeavour to serve the needs of its stakeholders, and to provide full and transparent information on its sustainability actions, NBG received a number of important awards and distinctions in 2021, including:

"CR-Index Award 2020-2021"

NBG was awarded the top **Diamond** distinction for 2020-2021, for the third year running, in recognition of its overall contribution in the areas of Corporate Responsibility and Sustainable Development, within the Corporate Responsibility ("CR") Index 2020-2021 of the CR Institute.

NBG was also awarded the distinction: **Praise** for the Workplace, in the context of the evaluation by CR-INDEX.

"Best Corporate Governance-Greece" award from CFI

NBG has received for yet another year the "Best Corporate Governance-Greece" award for 2021 from the international organization Capital Finance International ("CFI"), on the basis of the corporate governance practices it has in place. CFI enjoys the support of international bodies and organizations such as the Organisation for Economic Cooperation and Development ("OECD"), the European Bank for Reconstruction and Development ("EBRD") and the United Nations Conference on Trade and Development ("UNCTAD").

Best Bank in Greece 2021 award – The Banker

The National Bank received an important international distinction from The Banker Magazine, which declared it "Bank of the Year in Greece". The Banker is a company affiliated with the Financial Times Group and operates as an international communication platform, which is visited and used mainly by professionals in the banking and financial sector, and fund management companies around the world.

The awarding of the "Bank of the Year in Greece" award, in the light of the challenges posed by the pandemic around the world, is a sign of recognition of the results of the successful Transformation Program of NBG in terms of both strengthening the balance sheet and improving organic profitability, as well as by optimizing the Bank's operating and service model.

"Best Bank 2021" - HRIMA Business Awards 2021

The "Best Bank Award" was won by NBG in the context of the Business Awards 2021 – HRIMA.

"Lloyd's List Greek Shipping Awards 2021"

NBG was named Maritime Financier of the Year at the 18th Lloyd's List Greek Shipping Awards. NBG is awarded for the third time, since the beginning of the institution, more times than any other Greek bank. This is the most important award ceremony of the protagonists of the Greek shipping that is organized on an annual basis since 2004.

"Focus Economics - Forecast Awards 2021"

NBG took the first place among the Greek banks in the "Focus Economics - Forecast Awards 2021" and noted top distinctions for the accuracy of its macroeconomic forecasts for Greece and the economies of Southeastern Europe & the Mediterranean. The importance of achievement is enhanced by the unprecedented variability and challenges posed by the pandemic.

"Global Finance Awards"

The "Best Trade Finance Bank in Greece" award was won by NBG for the 9th year, after evaluation of the international publication Global Finance, with the participation of industry analysts, business executives and technology experts.

“Hellenic Innovation Forum & Awards 2021”

NBG Business Seeds was awarded as the best ecosystem enhancement initiative at the Hellenic Innovation Forum & Awards 2021.

“Digital Banking Awards 2021”

NBG was awarded with three prizes in the context of World Finance Magazine’s international awards “Digital Banking Awards 2021”:

Best Consumer Digital Bank in Greece

Best Mobile App in Greece

Best Digital SME Bank in Greece

“Business IT Excellence Awards 2021”

Organized by Boussias Communications under the auspices of the Labour Inspectorate Body (SEPE) and with the honorary support of the Electronic Business Lab (ELTRUN) of the Athens University of Economics and Business, where NBG won three awards:

Gold award in the category
“Mobile”
for the service “**Upgraded NBG Mobile Banking app by NBG**”

Silver award in the category
“Digital Transformation of Business Processes”
for the service “**Upgraded Digital Offering by NBG**”

Silver award in the category
“Digital transactions with companies / state / banks”
for the service “**National Bank action plan & actions to address the impact of Covid-19 on customers’ trading habits**”.

“Loyalty Awards 2021”

In the context of Loyalty Awards 2021, the NBG’s go4more Reward Program was awarded with two high awards. Specifically:

Gold award in the category
«Best New Product / Service Loyalty Initiative»

Gold award in the category
«Banking & Insurance»

“e-volution Awards 2022”

Organized by Boussias Communications, where NBG won the following four awards:

Gold award in the category
“Best in Banking & Insurance”
for the service “**Digital Offering through Internet & Mobile for Retail & Business Customers by NBG**”

Gold award in the category
“E-Banking Services & Electronic Payment Systems”
for the service “**Digital Offering through Internet & Mobile for Retail & Business Customers by NBG**”

Bronze award in the category
“Digital Transformation”
for the service “**Digital Offering through Internet & Mobile for Retail & Business Customers by NBG**”

Bronze award in the category
“Mobile App”
for the service “**Digital Offering through Mobile by NBG**”

"Mobile Excellence Awards 2022"

Organized by Boussias Communications with the honorary support of the Hellenic Association of Innovative Application Companies of Greece (SEKEE), the Greek Mobile Operators Association (EEKT) and the Labour Inspectorate Body (SEPE). NBG won the following three awards:

Gold award in the category
"Improve Customer Service and Retention"
for the service "**Digital Offering through Mobile by NBG**"

Silver award in the category
"Banking & Payment Services"
for the service "**Digital Offering through Mobile by NBG**"

Silver award in the category
"Mobile Digital transactions"
for the service "**National Bank action plan & actions to address the impact of Covid-19 on customers' trading habits**".

Memberships / Participations

UN Global Compact:

From June 2018, NBG has joined the voluntary initiative of the United Nations, UN Global Compact as a Participant.

UNEP FI:

In September 2020, NBG recognizing the significance of responsible practices for ensuring the sustainability of its long-term operation, as well as the creation of value for its shareholders, customers, employees and the community at large, endorsed the UNEP FI Principles for Responsible Banking, aiming at further enhancing its commitment to its long-term strategic planning for contributing to a sustainable future for all.

Global Compact Network HELLAS:

NBG is a member of the local network of UN Global Compact, Global Compact Network Hellas (GCNH). Its role is to support UNGC Greek members to implement the 10 principles of the UN Global Compact and to create opportunities for cooperation and common actions with stakeholders.

The Hellenic Network for Corporate Social Responsibility:

NBG has been a core member of the Hellenic Network for Corporate Social Responsibility ("CSR Hellas") since December 2008.

Hellenic Bank Association ("HBA"):

NBG takes part in the regulatory process and the decision-making process regarding the drafting of relevant legislation. With regard to actions related to sustainable development, the HBA has set up an interbank Committee of which NBG is an active member.

Climate Action in Financial Institutions Initiative ("CAFI"):

NBG joined in April 2020 the CAFI. The CAFI initiative is an unprecedented coalition of public and private financial institutions around the globe aiming to systematically integrate climate change considerations across their strategies, programs and operations.

Launched in 2015, the initiative aims to provide public and private financial institutions an opportunity to learn from each other, to disseminate good practice and lessons learned and to collaborate on areas of common interest.

European Climate Pact:

NBG joined the European Climate Pact in December 2021, showcasing concrete actions taken for the climate and the environment, through its Carbon Disclosure Project ("CDP"). The European Climate Pact is a Commission initiative to engage with different stakeholders and civil society with the aim to commit them to climate action and more sustainable behavior. The European Climate Pact will create a lively space to share information, debate and act on the climate crisis. It will offer support for a European climate movement to grow and consolidate. The European Climate Pact, is part of the Green Pact and helps the EU achieve its goal of being the world's first climate-neutral continent.

Indices / Ratings

Bloomberg Gender Equality Index 2022:

NBG was included for the fifth time running in the group of 418 international companies in 45 countries whose business covers various sectors that make up the Bloomberg Gender Equality Index 2022.

FTSE4Good Index Series:

NBG has been positively assessed for its social and environmental performance by independent analysts and as a result remains a constituent of the FTSE4Good Index Series.

2021 MSCI Research:

In 2021 MSCI research maintained NBG to level “BBB”, regarding the evaluation criteria used ("ESG Ratings").

Carbon Disclosure Project:

NBG published for the 15th consecutive year, information and data on its sustainability and climate change strategy, policy and actions, through the Independent Not-for-Profit Organization carbon disclosure project, which holds the largest database of primary corporate climate change information. NBG was assessed and classified during 2021 with Level C "Awareness". Level C includes businesses that have proven recognition of the impact of climate change on their operation, as well as their own operation's impact on the environment.

ISS Corporate Solutions:

NBG was rated in 2021 by ISS Corporate Solutions regarding the pillars of “Environment”, “Society” and “Governance”. The Bank was ranked in the higher Category 2 for the "Environment”, “Society” and “Governance” pillar.

Certifications

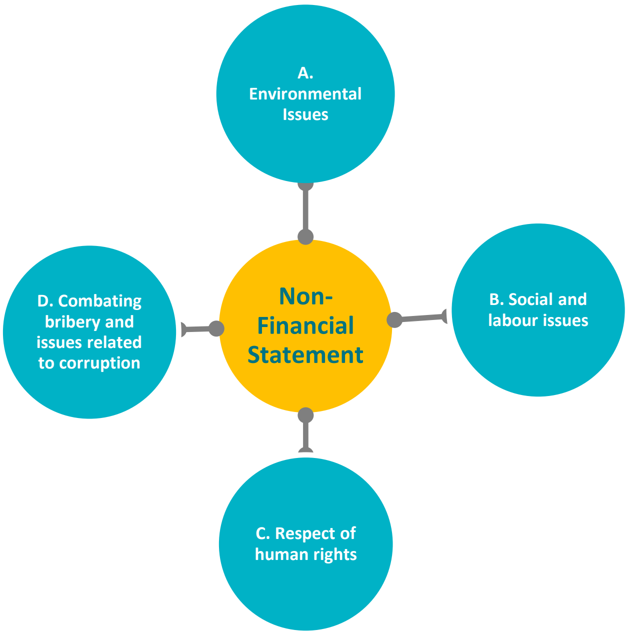
Attestation of the implementation of ISO 26000:2010 on Corporate Social Responsibility

In the context of the Bank’s Compliance with best international practices and Corporate Social Responsibility Standards, the Group Corporate Governance and Compliance General Division, after being successfully audited by the independent audit organization TÜV AUSTRIA Hellas, received on 26 September 2019 an Attestation for the implementation, monitoring and coordination of the corporate social responsibility principles for the Bank and the Group as defined in the international Guidelines of ISO 26000:2010. Following a demanding and highly successful certification process that was carried out in November 2021, the Bank maintained the abovementioned certification for yet another year.

ESG Report external assurance

From 2010 onwards the ESG Report of the Bank is annually receiving external assurance by an independent Assurance Body and includes performance indicators (KPIs) for Sustainable Development and Corporate Responsibility.

In accordance with the Articles 151 and 154 of Greek Law 4548/2018 as in force, the Bank is required to include in its Board of Directors Report a Non-Financial Statement disclosure aiming at the understanding of the development, performance, level and impact of the activities of the Bank and the Group. In the context of the aforementioned provisions, the Non-Financial Statement includes the following sections:



Within the scope of the requirement for the disclosure of non-financial information, the Bank took into account international practices and standards such as the Organization for Economic Co-operation and Development ("OECD") Guidelines for Multinational Enterprises (2011), the Global Reporting Initiative ("GRI") Standards (Core option), the Sustainability Accounting Standards Board ("SASB") Standards, the ATHEX ESG Index, RobeccoSAM, the Climate Disclosure Standards Board ("CDSB"), the Task Force on Climate-related Financial Disclosures ("TCFD") and the EU Guidelines on non-financial reporting: Supplement on reporting climate-related information.

References required regarding NBG's business model are available in section "*Economic and financial review – Business Overview*". Additionally, the Bank, acknowledging the importance and potential impact of the risks stemming from climate-related and environmental factors, and aligning with the respective regulatory guidelines:

- has incorporated them in the Risk Taxonomy, recognizing them as transversal, cross-cutting risks rather than stand-alone risks and considering them as drivers of existing types of financial and non-financial risks (Risk Themes); and
- is in the process of conducting the materiality assessment of such risks in the course of the 2022 Internal Capital and Liquidity Assessment Processes ("ICAAP" and "ILAAP").

Moreover the Bank has initiated multiple actions for their incorporation in the overall risk management framework, and is committed to monitoring, assessing and managing these particular risks going forward.

Eligibility to EU Taxomony

The Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council specifies the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU, concerning environmentally sustainable economic activities, and also specifies the methodology to comply with that disclosure obligation.

More specifically, under Article 10, para 3, from *1 January 2022 until 31 December 2023, financial undertakings shall disclose:*

(a) the proportion in their total assets of the exposures to Taxonomy non-eligible and Taxonomy-eligible economic activities;

(b) the proportion in their total assets of the exposures referred to in Article 7, paragraphs 1 and 2;

(c) the proportion in their total assets of the exposures referred to in Article 7(3);

(d) the qualitative information referred to in Annex XI.

Credit institutions shall also disclose the proportion of their trading portfolio and on demand inter-bank loans in their total assets.

In this context, the respective requirement for the Bank as of 31 December 2021, is presented below (*amounts in € million*):

Article 10 (para 3)		Taxonomy eligible *	% coverage over Total Assets	Taxonomy non eligible **	% over Total Assets
(a)	**Total Assets**	8,509	**10.8%**	70,011	**89.2%**
	of which trading portfolio			*271*	*0.3%*
	of which on demand inter-bank loans			*187*	*0.2%*
(b)	**Total exposure to central governments, central banks and supranational issuers**			28,914	**36.8%**
	Total exposure to derivatives			4,331	**5.5%**
(c)	**Total exposure to non-NFRD[1] companies**			6,535	**8.3%**
Annex XI disclosures for qualitative information in support of the quantitative indicators including the scope of assets and activities covered by the KPIs, information on data sources and limitation					
(d)	The taxonomy eligibility has been assessed on the following assets and activities: - financial assets at amortised cost; - financial assets at fair value through other comprehensive income; - investments in subsidiaries, joint ventures and associates;				

- financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss;
- real estate collaterals obtained by credit institutions by taking possession in exchange for the cancellation of debts.

The following assets excluded from taxonomy eligibility assessment:

- financial assets held for trading;
- on-demand interbank loans;
- exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU.

The Bank' s eligible exposures mainly include mortgages and assets acquired through foreclosure proceedings amounted to €8.4 billion (mandatory disclosures), as well as, potential eligible loans and securities amounted to €0.1 billion issued by Greek companies in the fields of energy, construction and manufacturing for which official information on the eligibility of the activities of our corporate clients was not available when preparing this Annual Report. As a general approach, the taxonomy eligibility of the exposures assessed by the use of Statistical classification of economic activities in the European Community ("NACE codes") of the corporations, for which data extracted directly by the Bank's systems. Other available data also used for the activity of the corporations in order to determine the taxonomy eligibility.

Total exposure to non-NFRD companies mainly includes all investments in subsidiaries and associates, Investment securities exposures to unlisted companies, loans to SME companies and public sector corporations and exposures to non-large companies with average staff less than 500 employees.

Notes:

**"Taxonomy-eligible economic activity" means an economic activity that is described in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2), and Article 15(2), of Regulation (EU) 2020/852, irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts;*

***"Taxonomy-non-eligible economic activity" means any economic activity that is not described in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2), of Regulation (EU) 2020/852.*

[1] For companies not obliged to publish non-financial information pursuant to Article 19a or 29a of the Non-Financial Reporting Directive ("NFRD") of Directive 2013/34/EU.

Per Reporting Taxonomy eligibility and Taxonomy alignment the Bank, prior to January 2024, is required to report on Taxonomy eligibility only. From January 2024 onward, the Bank should report both Taxonomy eligibility and alignment.

A stakeholder focused approach

The Bank publishes its ESG Report on an annual basis, which provides information and is being evaluated by third parties and various Rating Services regarding the corporate social responsibility actions carried out. What shall be further noted is that the Bank applies the AA1000 Accountability Principles Standard ("AA1000 APS") 2008, in order to include the stakeholders (authorities, State, NGOs, media, employees, business people, suppliers, shareholders, investors, etc.) in the process of identifying, understanding and responding to CSR issues. The AA1000 APS and the Guidelines of GRI Standards, are the basis for the Bank's ESG Report.

Subsequently, the Bank proceeds in concrete actions aimed at meeting the needs and expectations of stakeholders in order to enhance cooperation with each group of stakeholders and address their key issues and expectations.

Stakeholders

NBG's stakeholders are comprised of persons and legal entities who influence and are influenced or are likely to be influenced by NBG's business decisions and activities.

The Bank applies specific procedures in order to identify its stakeholders. Accordingly, it recognizes the following basic groups as stakeholders:

Investors and Shareholders
Customers
Suppliers and partners
Business Community (Business Associations, Peers, Rating Agencies/Analysts etc.)
Employees
State and Regulators (i.e. Ministries, State Bodies, Regulatory Authorities, Intergovernmental organizations)
Society – Communities (i.e. Media, NGOs, Civil Society Organizations, Local Authorities)

NBG communicates on a regular basis with each stakeholder group understanding the importance of this communication in obtaining the necessary information to improve its actions.

Stakeholder engagement aims at identifying key topics and mutually acceptable solutions with mutual benefits through correct business practices. The expectations of stakeholders, as well as the business environment in which the Bank operates, are constantly evolving. Evaluating the key issues helps us to identify and prioritize the environmental, socio-economic and governance issues that are of highest concern to stakeholders and the Bank. This process is carried out annually or no later than every two years and was last completed in October 2021.

The main issues of concern including the basic engagement methods and their frequency, as recorded through the Bank's communication channels and assessed by the Bank in the context of implementing the AA1000APS.v3 standard, are as follows:

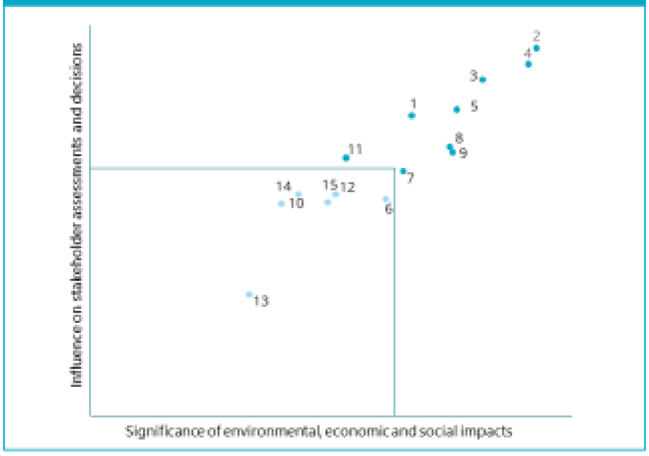
Main stakeholder groups	Main issues of concern	Communication and engagement channels	Frequency of communication and engagement				
			Daily	Quarterly	Annually	Ongoing basis	Ad hoc/On a case-by-case basis
Investors and Shareholders	▪ Impacts of products and services to the acceleration of the circular economy (resource efficiency/security). ▪ In-house environmental impacts. ▪ Impacts of products and services to the creation of employment. ▪ Impacts of products and services to the acceleration of economic convergence. ▪ Impacts of products and services to supporting inclusive and healthy economies.	**Presentation of Financial Results**	○	●	○	○	○
		Annual Financial Report	○	○	●	○	○
		Ordinary general meeting of shareholder	○	○	●	○	○
Customers	▪ Impacts of products and services to the creation of employment. ▪ Impacts of products and services to the acceleration of the circular economy (resource efficiency/security). ▪ Impacts of products and services to climate change. ▪ Impacts of products and services to the acceleration of economic convergence. ▪ Privacy & data security.	**Satisfaction surveys**	○	○	●	○	○
		Contact centre	●	○	○	○	○
		Sector for Governance of Customer Issues (complaints)	●	○	○	○	○
Suppliers and partners	▪ In-house environmental impacts. Impacts of products and services to climate change. ▪ Impacts of products and services to the acceleration of the circular economy (resource efficiency/security). ▪ Impacts of products and services to the acceleration of economic convergence. ▪ Impacts of products and services to the creation of employment.	**Evaluation process**	○	○	○	●	○
		Online participation in competitions	○	○	○	○	●
		Supplier relationships/complaints management	●	○	○	○	○
Business Community (Business Associations, Peers, Rating Agencies/Analysts etc.)	▪ Impacts of products and services to climate change. ▪ Impacts of products and services to the acceleration of the circular economy (resource efficiency/security). ▪ Impacts of products and services to the creation of employment. ▪ Risk management (i.e. incorporation of ESG Factors in Credit Analysis). ▪ Impacts of products and services to the acceleration of economic convergence.	**Meetings**	○	○	○	○	●
		Conferences	○	○	○	○	●
		Business organizations	○	○	○	○	●
Employees	▪ Dignity and equality (i.e. equal opportunities, diversity, human rights). ▪ Occupational health, safety and wellbeing. ▪ Human capital development. ▪ Impacts of products and services to the creation of employment. ▪ Privacy & data security.	**Internal communication channels with the Bank**	●	○	○	○	○
		Meetings and communication between NBG's employee unions and Management	○	○	○	○	●
		Staff evaluation	○	○	●	○	○
State and Regulators (i.e. Ministries, State Bodies, Regulatory Authorities, Intergovernmental organizations**)**	▪ Impacts of products and services to climate change. ▪ In-house environmental impacts. ▪ Dignity and equality (i.e. equal opportunities, diversity, human rights). ▪ Privacy & data security. ▪ Impacts of products and services to the creation of employment.	**Cooperation and consultation with institutional representatives of the State, the Bank of Greece and Regulatory Authorities**	○	○	○	○	●
Society – Communities	▪ Impacts of products and services to the creation of employment. ▪ Impacts of products and services to the acceleration of the circular economy (resource efficiency/security). ▪ Impacts of products and services to climate change. ▪ In-house environmental impacts. ▪ Impacts of products and services to the acceleration of economic convergence.	**Consultation with local representatives**	○	○	○	○	●
		Collaboration with local authorities	○	○	○	○	●
		Sponsorship	○	○	○	●	○
		Donations of goods	○	○	○	●	○

Material non-financial topics

Our Strategy has taken into account the GRI Materiality, Completeness, Sustainability Context and the Stakeholder Inclusiveness Principles. In 2021, we carried out a materiality e-survey that contributed to the shaping of our Sustainable Development Strategy. Through the materiality e-survey, the material topics that NBG has identified as relevant to the impact it creates to its stakeholders and the broader economy, society and environment, were assessed, resulting in the materiality map found below, along with their prioritization.

Although the highlighted topics were prioritized as material, as a result of the stakeholder engagement, NBG appreciates that all identified topics are significant and therefore these have been included in Chapters 2, 3 and 4 of the NBG ESG Report 2020 posted on the Bank's website www.nbg.gr (https://www.nbg.gr/en/group/esg) along with their relevant metrics (where these are currently available) measuring the Bank's performance in these areas.

Materiality map 2021



Note: *Material topics are indicated in blue.*

Identified sustainability topics	
1.	In-house environmental impacts
2.	Impacts of products and services to climate change
3.	Impacts of products and services to the acceleration of the circular economy (resources efficiency/security)
4.	Impacts of products and services to the creation of employment
5.	Impacts of products and services to the acceleration of economic convergence
6.	Impacts of products and services to the provision of housing
7.	Impacts of products and services to supporting inclusive and healthy economies
8.	Customer financial protection
9.	Privacy & data security
10.	Human capital development
11.	Occupational health, safety and wellbeing
12.	Dignity and equality (i.e. equal opportunities, diversity, human rights)
13.	Governance body composition, roles and responsibilities
14.	Regulatory compliance and business ethics (i.e. anti-corruption, anti-competitive behavior, responsible tax payments, data protection, responsible procurement, remuneration policy etc.)
15.	Risk management (i.e. incorporation of ESG Factors in Credit Analysis)

Sustainable NBG Initiative

During 2021, NBG launched a holistic ESG Program, ensuring compliance with evolving regulatory framework and implementation of ESG best practices across the organization. Key initiatives relevant to the implementation of NBG's strategy with respect to ESG have been incorporated into NBG's Transformation Program, to ensure high level of focus and discipline in execution in this critical area.

NBG ESG Strategy

We have defined ESG strategic themes across the pillars of Environment, Society and Governance, that are aligned with our purpose and values to create a more prosperous and sustainable future together with our customers, people, and shareholders. At the same time, our ESG strategic themes complement our business strategy & transformation, and our vision of becoming the undisputed Greek Bank of First Choice. Our ESG strategic themes are listed below (1-9) in alignment with our values across the ESG pillars:

Environment (E)

In alignment with our core values of Growth and Responsiveness we are building on NBG's leading position in energy to address climate impact & support transition to a sustainable economy through initiatives where we:

1. Lead the market in sustainable energy financing,
2. Accelerate transition to a sustainable economy
3. Role-model environmentally responsible practices.

Society (S)

In alignment with our core value of Human Centricity we are continuing NBG's long-standing tradition of positive contribution to communities, culture, inclusiveness and well-being through initiatives where we:

1. Champion diversity & inclusion
2. Enable public health & well-being
3. Promote Greek heritage, culture & creativity
4. Foster entrepreneurship & innovation
5. Support prosperity through learning & digital literacy.

Governance (G)

In alignment with our core value of Trust we are focusing on maintaining best-in-class transparency and accountability practices through initiatives where we:

1. Adhere to the highest governance standards.

NBG Group Sustainability Policy

Taking into consideration all the above, NBG has elaborated and adopted in 2021 the NBG Group Sustainability Policy, which is posted on the Bank's website www.nbg.gr (https://www.nbg.gr/en/group/esg/environment/sustainable-development-policy).

The Policy is in harmony with the requirements of the applicable legislative and regulatory framework and international practices included in international conventions and initiatives, and which concern actions aiming at sustainable development, corporate social responsibility and business ethics. Specifically, the Policy is based on:

1. The applicable legislation on sustainable development, sustainable and responsible financing / investment, management of environmental, social and governance risks, environmental, sustainable governance and transparency;
2. The relevant recommendations and decisions of European and international institutions;
3. The 17 Goals relating to Sustainable Development set by the United Nations;
4. The UNEP FI's Principles for Responsible Banking;
5. The Precautionary Principle, as formulated by the UN in accordance with the proclamation of the Rio Authority for Environment and Development (Precautionary Principle - Principle 15 of 'The Rio Declaration on Environment and Development');
6. The Principle of Materiality, as set out in line with GRI Standards, by which the Group is committed to prioritize, with the participation of its stakeholders, at least every two years the most important economic, social and environmental impacts it creates; as well as all the other GRI Principles for defining sustainability reports' content and quality.
7. The 10 Principles of the United Nations Global Compact.
8. Task Force on Climate Related Financial Disclosures ("TCFD") recommendations.

Fully aware of the significance of our role in contributing to sustainable development, the purpose of the Policy is to set the framework for the development of actions that assist in the management of economic, social, governance and environmental impacts of the Bank and the Group of Companies and mainly lead in:

i. Reducing - and, where possible, offsetting - of our environmental impacts (including those related to climate change), as such arises from the financing of our customers' activities, as well as from the operation of NBG itself (including energy consumption of buildings);

ii. Generating long-term value for our Stakeholders, and the economy at large and the communities where all our Group companies operate in Greece and abroad;

iii. Undertaking initiatives and innovative actions in the fields of Corporate Governance, Corporate Social Responsibility and Business Ethics, in addition to ensuring compliance with the current legal and regulatory framework for these issues, thereby contributing to our common goal of making NBG the Bank of First Choice;

iv. Protecting the reputation and reliability of the Group and the cultivation / strengthening of our renewed value system.

Establishment of ESG Management Committee

See section "*Corporate Governance Statement - Management, administrative and supervisory bodies of the Bank-Executive Committees - ESG Management Committee*".

Establishment of Innovation and Sustainability Committee

See section "*Corporate Governance Statement - Board of Director's Committees - Innovation and Sustainability Committee*".

ESG Governance, roles and responsibilities

Regarding environmental and social issues, a dedicated Group Corporate Social Responsibility & Sustainability Division has been established within the Bank, operating under the Group Chief Compliance and Corporate Governance Officer, which is competent for corporate social responsibility, as well as sustainability and climate change related issues, activities and projects of the Bank.

According to the provisions of our Corporate Governance Code in setting the strategy, the Board should focus on sustainability and considers among others climate-related and environmental risks when developing the overall business strategy, objectives and risk management framework and exercises effective oversight of climate-related and environmental risks. Within this context, the Board ensures that material environmental and social considerations are integrated into the Bank's strategy, business model and risk management system and addressed in its public disclosures.

Apart from individual Committee responsibilities relating to ESG as per the Committees' Charters, the Board is assisted by the Compliance, Ethics and Culture Committee through which the holistic oversight of ESG is effectively achieved. The Committee is competent among others to oversee policies/issues/reports on corporate social responsibility, sustainability, community investment, environmental, climate change sustainability criteria, social and other similar projects and activities of the Bank and to oversee social & environmental risks, as well as financial risks that can derive from ethics and culture practices (for more details on the Compliance, Ethics and Culture Committee please see the Corporate Governance Statement below).

A. Environmental Issues

The Bank, as one of the four systemically significant banks and one of the largest financial institutions in Greece, considering that sustainability issues are critical, both for the development of its activities and the decision-making processes, has already been voluntarily adjusting to international best practices. In particular, it has established and implements the Group Sustainability Policy, the Code of Ethics, the Code of Ethics for Financial Professionals and the Corporate Governance Code, while it has developed since 2004 an Environmental Management System which is in conformity with the requirements of the international standard ISO 14001.

Environmental impact

A key principle of the NBG Group's philosophy is to operate effectively, in a timely and decisive manner, focusing on its long-term sustainability and growth, ensuring sustainable development through innovative ideas and breakthrough solutions, while contributing to addressing the challenges of climate change for the benefit of all Stakeholders who trust its brand and reputation.

As regards the Bank's environmental impact in the context of strengthening its contribution to sustainable development, NBG is committed to reducing any adverse impact on the environment arising, primarily, from its financing operations, and from its own operations.

Recognizing climate change as a major environmental challenge of our times, these commitments focus on the Bank's role as a financier and advisor in the transition effort to a net zero - Greenhouse gases ("GHG") emissions economy, more cyclical and with less dependency on natural resources. The relevant commitments of the Bank address the following areas:

■ Environmental Impacts of financing activities

Reduction of environmental impacts (including on climate, water, air, land, biodiversity, use of resources) that arise from the financing of our customers' activities and the allocation of products and services of the Bank to its customers.

To achieve it:

- Emphasis is placed on promoting sustainable finance and investment, as well as, "green" banking, in response to growing interest of customers in services and products that contribute to environmental protection and sustainable development, but also reduce the impact of climate change;
- The Bank enhances its lending policies and processes, incorporating environmental (including climate change), social and governance risks, applied both at the obligor and the transaction level, the latter based on prescribed Sustainable Lending Criteria that are, to a large extent, aligned with key objective of the EU Taxonomy.

■ Environmental impacts of internal operation and infrastructure

Reduction of the Bank's environmental footprint and its impacts (including on climate, water, air, land, biodiversity, use of resources) resulting from its operation and management of its infrastructure. In this context, priority issues are:

- Improving the energy efficiency of its buildings
- Conservation of natural resources and energy
- Efficient management of paper and solid waste
- Rationalization of business-related travel and encouraging the use of public transport
- Enhancement of the staff's environmental awareness
- Compliance with environmental legislation

In addition to the abovementioned issues, NBG takes into account the following:

- Deployment of environmental standards in procurements.

Environmental Management of the Bank and the Group

Aiming at the continuous promotion of the concept of sustainable development and corporate social responsibility, the Bank took over important initiatives and completed projects with positive environmental impact.

Specifically:

- **UNEP FI**

After becoming a signatory of UNEP FI in September 2020, NBG under its 2050 NET Zero strategy decided to establish a dedicated project-program, for properly and effectively implementing the UNEP FI Principles for Responsible Banking, within the designated four-year time frame.

In particular, the Bank established the "Sustainable NBG" initiative into its transformation program, in order to approach holistically sustainability issues. Under "Sustainable NBG", UNEP FI's implementation program, is distinctively subordinated. During 2021, several actions have been undertaken towards this implementation objective, which are highlighted hereunder:

- Embedding UNEP FI's principles and implementation process status in the new reshaped NBG's Sustainability Report (PRB 1 - Alignment, PRB 3 – Clients and Customers, PRB 4 – Stakeholders, PRB 6 – Transparency and Accountability).
- Identifying and acknowledging NBG's key sectors' contribution to the – potential - positive and negative impacts through its financing. These key sectors' identification, resulted from the Impact analysis of NBG's Corporate, Business and Retail portfolios by the use of the updated – version 2 - "UNEP FI Portfolio Impact Analysis tool" (PRB 2 – Impact and Target Setting).
- NBG SMART targets will be related to "Climate" and "Inclusive, healthy economies", as the Bank has acknowledged those areas as its significant impact areas. Within the first year of the issuance, 70% of the proceeds have been allocated to 42 renewable energy projects across Greece, in total. Further, the Bank will set out relevant mitigating actions, where feasible, in order to maximize the positive impact of the set targets (PRB 2 – Impact and Target Setting, PRB 3 – Clients and Customers, PRB 4 - Stakeholders).

- Establishment of NBG's ESG Committee in the context of the Bank's strategic approach, for managing effectively the Environmental, Social and Governance issues (PRB 5 – Governance and Culture).
- Submission of NBG's first Self-assessment PRB report during the 1st quarter of 2022 (PRB 6 – Transparency and Accountability).

- **Impact analysis**

Regarding NBG's business activity impact on the economy, society and the environment, NBG conducted in 2021 an impact analysis to identify the potential impacts of its Corporate, Business and Retail portfolios, using the UNEP FI Portfolio Impact Analysis tool.

For the purposes of its first impact analysis, under this framework, NBG focused on its business activities in Greece, representing over 95% of total activities. The results of the impact analysis showcased the key sectors that contribute to the potential positive and negative impacts caused through the financing provided by the Bank. The impact Radar areas identified have been based on the developed through UNEP FI's Positive Impact Initiative Radar in 2018.

The Radar investigates a holistic set of 22 impact areas across three pillars of sustainable development, namely:

1. Availability, accessibility, affordability and quality in domains essential to human dignity and development.
2. Quality and/or efficient use of our environment.
3. Economic value creation for people and society as a means for meeting human needs within the confines of our environment.

The results of the impact analysis per business portfolio are presented below:

Corporate Portfolio*

Type of impact	Potential Impact areas	Associated SDG	Sectors that impact each area	
Negative	Resources efficiency/security	6, 12, 13, 14, 15	• Sea and coastal freight water transport • Copper production	• Rental and operating of own or leased real estate • Trade of electricity • Buying and selling of own real estate • Production of electricity
	Climate	13	• Construction of residential and non-residential buildings	
Positive	Housing	3, 11	• Rental and operating of own or leased real estate • Buying and selling of own real estate • Engineering activities and related technical consultancy • Construction of residential and non-residential buildings • Other specialised construction activities n.e.c.	
	Economic convergence	1, 10, 17	• Trade of electricity • Hydroelectric power generation • On-shore solar electric power generation • On-shore wind electric power generation • Production of electricity	• Construction of roads and motorways • Construction of other civil engineering projects n.e.c.

*The above mentioned results have taken into account the renewable energy sectors included in the impact analysis as distinct sectors.

Business Portfolio

Type of impact	Potential Impact areas	Associated SDG	Sectors that impact each area	
Negative	Resources efficiency/security	6, 12, 13, 14, 15		• Rental and operating of own or leased real estate • Taxi operation • Other passenger land transport n.e.c. • Freight transport by road • Production of electricity
	Climate	13	• Construction of residential and non-residential buildings	
Positive	Housing	3, 11	• Construction of residential and non-residential buildings • Rental and operating of own or leased real estate • Engineering activities and related technical consultancy	
	Resources efficiency/security	6, 12, 13, 14, 15	• Retail sale of other goods in specialized stores	

Retail Portfolio

Type of impact	Potential Impact areas	Associated SDG	Products that impact each area
Negative	Resources efficiency/security	6, 12, 13, 14, 15	• Home loans/mortgages • Vehicle related loans
	Inclusive, healthy economies	8, 9	• Current accounts • Savings accounts • Certificates of deposit • Consumer loans & overdraft • Home loans /mortgages • Vehicle related loans
Positive	Employment	8	
	Inclusive, healthy economies	8, 9	

- **Green Bond**

NBG's inaugural Green Senior Bond issued in October 2020 is the first green bond from Greek bank amounting to €500 million. This issuance attracted a diverse pool of investors and high-quality accounts, with approximately 30% of the allocations, placed by investors that are highly committed to responsible investing.

Within the first year of the issuance, 70% of the proceeds have been allocated to 43 renewable energy projects across Greece, in total. The generation source of those projects are Onshore wind energy, Solar thermal energy, and Small hydro projects (<20 MW) which contribute to the UN's SDGs "7" Affordable and clean energy, "9" Industry, Innovation, and Infrastructure and "13" Climate Action. In particular, 81% of the total net proceeds of €494 million, have been allocated to wind, 13% to solar and 6% to hydro projects. The remaining 30% of the proceeds will be exclusively allocated to new energy projects, as per NBG's commitment for a 50:50 split between refinancing and new financing of projects.

The dedicated NBG's Green Bond Framework Committee ensures, the proper process implementation of evaluating, validating and monitoring the eligible assets, by reviewing and approving their eligibility, throughout the duration of the Green Bond.

Furthermore, it has to be mentioned that the Green Bond Framework Committee has a direct reporting line to the NBG's ESG Management Committee.

Climate-related Green Bond Ratio: 52.6%.

- **Removal of asbestos waste from the former industrial unit "AMIANTIT"**

One of the largest environmental asbestos management projects carried out in Greece was completed by the National Bank in collaboration with the Region of Western Greece, with the removal of 2,795 tons of asbestos waste from the former industrial unit "AMIANTIT" in Drepano, Achaia.

The cleaning works took place in the old industrial area, with a total area of 134,750 m^2. The asbestos waste was placed in appropriate certified packaging and then transported, to licensed asbestos landfills, to EU countries.

Upon completion of the project, the legally required inspections and air measurements were carried out by an independent body and the required documents were issued, certifying the complete removal and proper management of the waste.

- **Resolving Environmental Complaints**

During 2021, 10 complaints regarding the Bank's environmental impact were filed via official grievance mechanisms and were settled within the year. The said complaints concerned the following issues: condition of external areas/facades of Branches, repair of damages and atmosphere or cleaning inside the Branches.

The Bank always makes every possible effort to comply with the relevant regulations and the applicable legislation. In this context, the Bank took all appropriate measures to clean buildings and repair any damages.

In 2021, the Bank has not identified any non-compliance with environmental laws and/or regulations, and no fines were imposed on the Bank regarding the environment.

B. Social and labour issues

Socio-economic impact

The Bank undertakes to contribute to the creation of positive economic and social impacts for its Stakeholders and more broadly for the economies and societies where it operates, through its activities (the provision of funds, products and services), within its role as an employer, as well as with the development of specific programs for CSR actions. Its relevant commitments cover the following issues: Contribution to the creation of jobs, promotion of decent work, economic development, entrepreneurship, housing, mobility, innovation, good health, education, gender equality, but also the protection and preservation of historical and cultural heritage through:

- the distribution of economic value to stakeholders including payroll, payments to suppliers, taxes;
- the allocation of funds, the provision of appropriate products and services for the needs of customers with the same standards of completeness, quality and good behavior and the provision of correct and adequate information;
- the protection of customers' financial decisions, of their data privacy and information concerning them and their interests in general;
- the provision of financial services and products with equal treatment and without exclusions;
- the access to finance without discrimination or exclusion;
- the "Responsibility" corporate responsibility program with actions for the support of social welfare programs, vulnerable social groups, health, and for contribution to the arts, culture and education;
- actions of the Bank's Cultural Foundation ("MIET"), and Bank's Historical Archive;
- the evolution of a working environment where the Bank ensures good and safe working conditions for its Staff, with equal rights and opportunities, with the implementation of a meritocratic performance appraisal system, and the provision of significant learning and development programs (including staff awareness programs on sustainable development issues) for the continuous enhancement of its staff's skills.

The development and retention of highly qualified staff is a primary concern of the Bank as it understands that its success is based on its staff. The relevant commitments of the Bank in this sphere include:

- ✓ Learning and Development of human capital.
- ✓ Health, safety and well-being at work.

- ✓ Dignity and Equality: Respect for Diversity.
- ✓ No Discrimination, Offensive Behavior or Social Exclusion.
- ✓ Respect for human rights.
- ✓ Defending the work-life balance.

Policy on Donations, Sponsorships, Charity Contributions and other Actions of the Group

The NBG Group has developed and implemented, since May 2016, Policy on Donations, Sponsorships, Charity Contributions and other Actions of the Group. This Policy aims, among others, at setting specific principles and rules concerning actions related to donations, sponsorships, charitable contributions, scholarships and other related activities in the context of this Policy, at ensuring high level of ethics on donations, complying with the applicable legal and regulatory framework regarding actions that fall into the scope of this policy (e.g. transparency) as well as adopting procedures that promote transparency in NBG Group's donations. According to the Policy, the NBG Group shall not undertake and / or participate in actions to support political organizations, parties or movements.

Furthermore, in accordance with international best practices related to donations, sponsorships and other related actions and in compliance with the provisions of Article 6 of Greek Law 4374/2016 regarding transparency in the relationships between banks and media companies and sponsored persons, the Bank discloses information on all payments made within the relevant fiscal year, to media companies and sponsored persons.

Code of Ethics

As defined within the Code of Ethics of the Bank and the Group, the Bank constantly aims at ensuring equal treatment of all staff members. The Bank:

- Develops a meritocratic system for the assessment of performance, promotions and remuneration of the staff.
- Designs and implements actions, development and incentive systems aiming at the recruitment, selection and further leverage of human resources.
- Supports the constant improvement of the staff's skills by holding significant training and educational programs for their professional development.

The Bank and the Group subsidiaries philosophy is founded on respect for each employee's personality. In this context, the Bank and Group companies express their commitment to observe and promote values such as integrity, accountability, honesty, transparency, trust, equality and high ethical standards in all operations. To this end, the Group:

- Without restricting the independence of employees, fosters equality, diversity, respect and team spirit in a positive and fulfilling working environment.
- Does not tolerate any kind of discrimination or offensive behavior against one's personality (for example, moral, sexual or other kind of harassment, intimidation, persecution and other), or social exclusion or unfair treatment due to nationality, race, colour, ethnic or social origin, membership of a national minority, property, birth, disability, age, sexual orientation, gender, genetic features, family status, religious or political views or physical disabilities, veteran status, citizenship status, marital status, or pregnancy.
- Highly values the ideas and perspectives of employees from different backgrounds and who possess diverse talents and characteristics, which contribute to business growth and ensures that equal opportunities are provided to employees.
- Aims at implementing measures that ensure equal opportunities for all genders, including with regard to career perspectives and improving the representation of the underrepresented gender in management positions.

The Code of Ethics is posted on the Bank's website www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/corporate-governance-framework). The Code of Ethics is periodically reviewed, integrating new principles, updating and enriching the context of the respective Code, as well as redesigning the format of the Code, so as to facilitate a better understanding of the rules of conduct and obligations arising from the regulatory framework. It is noted that the Bank ensures that its staff is trained through special e-learning programs, regarding the content of the Code of Ethics. In this context, in 2021, the dedicated mandatory e-learning program of the Code of Ethics was updated to incorporate the changes introduced in 2020.

NBG Group Policy against Violence and Harassment at Work

The development of a working environment that respects, guarantees and promotes the right of every person to work without violence and harassment is a commitment and priority for the Group of Companies of the National Bank of Greece.

In this context, the purpose of the newly adopted Policy is to establish a specialized framework for the prevention and control of all forms of violence and harassment that occurs, whether related to or arising from work, including gender-based violence and harassment, as well as sexual harassment.

It is noted that the Policy is in accordance with the provisions of the International Labor Convention No. 190 for the elimination of violence and harassment in the world of work, which was ratified by Article 1 of Greek Law 4808/2021, as well as the provisions of articles 2 et seq. of Greek Law 4808/2021.

NBG Group Internal Violence and Harassment Complaints Management Policy

To the same direction, and in order to best implement the Group's commitment to tackling and - ultimately - eliminating violence and harassment in the workplace, the Bank implements the Internal Violence Complaints Management Policy and Harassment, which provides guidance on the credible reporting of an incident or incidents of violence and harassment at work.

In general, the Bank encourages all those involved in the scope of the Policy to report any form of violence and harassment that occurs during, or is associated with, the work, including violence and harassment due to gender and sexual harassment as soon as it comes to their notice. These reports can be made anonymously or not anonymously through the established Internal Complaints Channels.

Accordingly, the Bank is committed, both through the Policy and through its other procedures, to ensuring the complete confidentiality and protection of the complainant. All complaints will be taken seriously and investigated with full objectivity and independence. The Bank assures that those who make complaints will be protected from retaliation, and that the personal data of all parties involved will be protected through the implementation of the necessary technical and organizational security measures.

Responsible Procurement

Standing by its longstanding commitment to responsible operations, NBG has adopted policies, regulations and processes which are given formal substance in relevant Codes of Conduct ensuring transparency and impartiality as well as avoidance of conflicts of interest in its supplies and implementation of technical projects. NBG uses a Suppliers Relationship Management System (SRM-SAP), which facilitates cooperation with its suppliers representing most of the business sectors. Pursuant to the institutional framework, all parties involved in procurement and technical projects must be aware of and conform with the Bank's and the Group's Code of Ethics, which also applies to purchasing and technical projects.

The Bank reviews and evaluates its suppliers (in terms of quality, certifications, respect for human/employee rights, etc.) on an ongoing basis.

People

- **Learning and Development**
- **Selection, Recruitment and Placement**
- **Employee Commitment**
- **Health and Safety**
- **Gender Equality**
- **Staff number per geographical area**
- **Human Resources priorities for 2022**

Learning and Development

Despite the ongoing health crisis, the Bank further strengthened its Learning and Development momentum in 2021 by modernizing its approach and strategy and adopting cutting-edge distance learning methods.

Extensive and long-term development activities were prioritized throughout the year for key populations supporting the Bank's Transformation Program effort, while a variety of in-house and external learning programs focused on developing technical, behavioural and leadership skills. More specifically, particular emphasis was placed throughout the year on the training of IT-developers on new cutting-edge technologies in order to support and further accelerate the Bank's digital transformation effort. We focused our efforts on enhancing the customer-centric culture of the Branch Network through systematic training activities aimed at providing first-class customer service and experience. Likewise, cultivating Leadership skills and mentality that will support our Executives in meeting future opportunities and challenges of the modern unstable environment, was considered a top priority.

Lastly, new compulsory e-learning programs on ethics, values, whistle-blowing, risk management and internal controls have significantly strengthened our efforts to establish a relevant culture among our Human Resources.

Training Type	Number of training events	Number of participants	Training Hours
In-house	524	7,900	105,493
External	286	5,339	67,030
e-Learning	73*	35,007	60,290
Total	**883**	**48,246**	**232,813**

** webinars (asynchronous E-Learning seminars are counted by participations)*

2021 Learning and Development expenditure amounted to €2 million.

Selection, Recruitment and Placement

In addition to our efforts regarding Learning and Development, we recognize the importance of talent and the ongoing updating and upgrading of skills in the Bank in an ever-changing work environment. Our efforts in 2021 focused on identifying and attracting specialized talent from the labour market, by utilizing new search tools through professional social networks and strategic partnerships with specialized companies, to guide or complement existing teams in key functional areas. At the same time, a program was designed to promote beneficial transfers within the Bank with a view to aligning on an ongoing basis our Human Resources profile with the competitive market requirements. In addition, attracting capable future executives across the organization remains a key priority as we expand our transformation efforts. To this end, the Bank continued to participate in university and career events, while at the same time strengthened its outward orientation by expanding its cooperation with distinguished university bodies. At the same time, emphasis has been placed on the provision of advice/guidance through personalized feedback and coaching sessions and the design of personal development plans for targeted groups of employees.

Employee Commitment

Purpose & Values of NBG: "*On 16 June 2021 we talk about what unites us*"

For the first time, we were All Together on 16 June 2021, in a digital event, which is a milestone for NBG. All the Bank's employees connected to the event through a digital platform, which had many cutting-edge organizational features with the help of technological and digital solutions.

The objective was to talk about everything that unites us and makes us better, about our Purpose and the Values that govern our mentality and operation on a day-to-day basis.

Our Purpose and Values, as set out in detail by the Bank's CEO:

Our **Purpose** is expressed in three simple words. We are here because ***"Together we create future".***

- Together - we are a Team, with a great sense of respect for our customers and our colleagues
- We create - we deliver results every day by efficiently implementing a clear plan
- Future - we do our best, looking ahead and taking steps forward to break new ground for our customers and ourselves.

Our Values guide our day-to-day actions, not in theory but in practice.

We wish to operate with:

Human - we place the needs and choices of our customers and our people at the center of everything we do.

Trustworthy - we operate with transparency, knowledge and experience.

Responsive - we provide flexible solutions tailored to the needs of our customers.

A Growth Catalysts - we accelerate progress and prosperity in the markets where we operate.

Employee Experience Survey

People form the foundation of our success. In 2021, the Bank focused on further strengthening and empowering the working environment following the implementation of the 1st Work Experience Survey.

Our objective is to identify strong points and areas for improvement, in order to create an environment that inspires and supports. Thus, at team level, open discussions of their results were organized with a view to drawing up action plans for the areas of concern in their day-to-day activities; and investigating how through targeted actions they can enhance experience, cooperation and efficiency.

Regular & Open Internal Communication at Bank level

Aiming to enhance transparency and open communication and to disseminate our strategy and orientation to our people, a roadmap of senior leadership touchpoints was prepared, according to which various actions were carried out, such as:

1. CEO Breakfasts, Management Team Visits to the Branch Network and customer contacts, Townhalls at General Division and/or team level.
2. "The Bank is each and every one of us": Enhancement of management by centrally scheduling all Internal Announcements that circulate in-house with distinct templates. In addition, internal campaigns where our people star and working groups on key issues enabling us to work together with our people.
3. Launching "NBG Flash News". A type of newsletter that differs from internal announcements and communicates everyday "stories" and current events of the Bank. Flash news are targeted, in a simple and direct way, and cover a variety of topics.
4. Upgrading internal communication channels:
   - total renewal of the Internal Communication site in cloud sharepoint and change of the pop-up page.
   - launch of a new single Human Resources Intranet as a hub providing information from all Human Resources Units to the organization.
5. Launching "ASK HR":

On 16 March 2021, the Human Resources Division set up "ASK HR", a new communication channel, with a view to:

- redesigning the mode of communication and handling of clarifications, queries and questions, and
- promptly responding to issues concerning the day-to-day working experience of all NBG employees, e.g. financial issues (allowances, travel expenses, etc.), payroll, loans, placement procedure, career development, leave, Human Resources policies & procedures, learning issues, complaints/suggestions/requests.

Employees can communicate by email or phone, as well as through the "ASK HR" Intranet site, where useful FAQ on various topics have been posted.

During the first calendar year of operation of the new communication channel, "ASK HR" received 3,769 questions (2,748 phone calls and 1,021 emails), of which 98% were answered on the same day.

On the "ASK HR" Intranet site, 26,710 views or 6,407 hits from unique viewers were recorded across the various FAQ topics.

Health and Safety

Health and safety in the workplace remain a priority both for the Bank and the Group companies in order to ensure a safe working environment, enhance the quality of employees' professional life, and prevent any associated risks. (See *"Response to COVID-19-crisis - Key Focus on Employees, Customer Support and, Other Stakeholders and Society in response to the COVID-19 crisis*»).

In this context, the Bank conducts regular audits to ensure the appropriateness and adequacy of the existing standards of health and safety in the workplace, ensures the appropriate training and consultation with employees on such issues, while it has also prepared emergency plans aimed at preventing occupational hazards and supporting employees in cases of violent incidents (robberies and verbal/physical abuse).

The Bank, in implementation of Greek Law 3850/2010, put into effect the Regulation for the Protection of the Health and Safety of NBG employees, which covers all its staff, while for hygiene and safety issues the Bank has set up the Staff Health and Safety Committee. In seeking to address health and safety issues as efficiently as possible, the Bank holds seminars on related issues, such as fire safety (including fire-safety legislation), crisis management etc.

In 2021, the Incidence Rate (IR) amounted to 0.08 ((IR= total number of accidents / total working hours) x 200,000).

Gender Equality

In order to achieve effective equality between women and men at all levels, multiple initiatives have been put in place.

Equal employment opportunities between women and men are a priority for the Bank.

	Number of employees	%
Women	**3,761**	**52.7%**
Men	**3,378**	**47.3%**
18-29 years	223	3.1%
30-44 years	3,434	48.2%
45-59 years	3,379	47.3%
60+ years	103	1.4%

Staff number per geographical area

The number per geographical area from ongoing activities on a Group level is broken down as follows:

Country	*Staff number on* **31 December 2021**
Greece	7,346
Bulgaria	35
North Macedonia	983
Romania	18
Cyprus	137
United Kingdom	22
Malta	29
Luxembourg	3
Egypt	200
Total*	**8,773**

** The table above excludes 896 employees as at 31 December 2021 of the subsidiary NIC that is classified as assets held for sale and discontinued operations.*

Human Resources priorities for 2022

Human Resources priorities for 2022 include the following:

- continuous and effective management of the impact of COVID-19 on the health and safety of the Bank staff;
- implementation of the new Performance Management System of the Bank;
- integration of variable remuneration schemes based on performance; and focused improvement of existing skills;
- development of project management skills and customer-centric orientation;
- gradual implementation of the new educational approach of NBG Academy in key roles of Corporate and Investment Banking (RM Academy);
- enhancement of the new Human Resources Function and the relevant procedures towards efficiency and effectiveness;
- identification and evaluation of talent within the organization, aimed at its targeted development in order to enhance its readiness in the context of preparing succession plans for critical positions;
- implementation of a learning & development system for all employees through an open learning platform, providing access to a wide range of learning events;
- implementation of the 2[nd] **Work Experience Survey** (covering the period 1/2021–1/2022) in April 2022;
- a **"Value/Behaviour Rate"** will be introduced in the Survey (part of a wider activation plan of the Bank);
- implementation of actions related to Values & Behaviours. Seeking, through a more holistic approach, to implement actions at various levels, in order to enhance the mentality/culture within the Bank, by transforming our work environment to a place that inspires, supports and empowers.

  Implementation of **optimization projects and introduction of new, modern internal communication tools** in order to carry out more extended actions (both digital and phygital) with the active participation of employees (such as installation of a central NBG Online platform for conferences/ speeches/ events, a new push notifications/pop-up mechanism, activation of MS Stream, introduction of NBG Q Newsletter, etc.) within the period 2022-2023.

C. Respect of human rights

The Code of Ethics sets out clearly the ethical moral principles and values, as well as the rules of conduct upheld by the Bank and Group. To this end, the Bank, is aware of its responsibility to

respect human rights, meaning avoiding infringing on the human rights of others and addressing such impacts where they occur.

For the fifth consecutive year the Bank's participation in the international index Bloomberg Gender Equality Index (GEI), proves the constant dedication to ESG issues, as well as its commitment to continue and strengthen gender equality initiatives and eliminate all forms of discrimination.

The Bloomberg Gender Equality Index (GEI) is an internationally recognized gender equality index that is constantly expanding to a wide range of companies, now reaching 418 companies from 45 countries.

The Bank's policies on gender equality, non-discrimination (such as pay, education and development, benefits, etc.) and its corporate culture for labour equal opportunities were assessed for Bank's inclusion in the Gender Equality Index.

No incidents of discrimination have been recorded or reported across the entire NBG staff and no complaints have been filed by employees or third parties on discrimination incidents.

D. Combating bribery and issues related to corruption

In Greece, bribery (either active or passive) is considered a criminal act and is punished according to the provisions of the Penal Code. Furthermore, bribery is one of the main offenses of Greek Law 4557/2018, as in force, regarding the prevention of money laundering and the combat of terrorism. Moreover, Greece has ratified/adopted the following Conventions:

- The Convention of the OECD on Combating Bribery of Foreign Public Officials in International Business Transactions (through Greek Law 2656/1998); and
- The Convention on Combating Bribery of Foreign Public Officials of the E.U. Member States (1997), (through Greek Law 2802/2000).

The Group's fundamental values and principles governing its business activities strongly emphasize the importance of ensuring ethical conduct at all times, while the Group shows zero tolerance on corruption and bribery and it is of its high priorities to prevent and combat them. The Bank's activities entail exposure to corruption and bribery phenomena, which if not appropriately and timely managed, they may present a significant risk for the Bank, and could adversely affect its financial results, with a serious impact on the Bank and its subsidiaries' reputation, as well as on the further development of its activities, while they could cause adverse effects on the interests of its clients, shareholders and employees.

In this context, preventive control mechanisms are applied so as to safeguard against any potential risk of bribery and corruption to which the Bank may be exposed in the course of its business/operations. To that end, the Bank's anti-bribery program consists of various essential components, such as anti-bribery and anti-corruption risk assessments, policies and procedures, tone from the top, financial and non-financial controls, raising concerns, management information and periodic reporting, and records' keeping.

This approach is reflected in the Codes and Policies that the Bank has adopted, on the controls embedded within the procedures followed in the Bank's day-to- day operations and on the monitoring and audit processes applied.

The Bank has in place procedures and internal controls which serve to mitigate potential risk and ensure that the Bank is compliant with laws and regulations, which in the event of non-compliance could have a material effect on the Financial Statements. The effective operation of these procedures and internal controls are independently monitored by the various Risk and Control Functions and audited periodically by the Group Internal Audit Function, while the Audit Committee of the Bank's Board of Directors and the Board of Directors through its committees are duly and timely informed through reporting on internal controls, as well as any material identified incidents, by the various Risk and Control Functions.

Additionally, in accordance with particular requirements within the applicable regulatory framework (Bank of Greece Governor's Act 2577/2006) imposes in this respect, external auditors review and assess the effectiveness of the Bank's Internal Control System on a three-year basis. The Bank has appointed the external auditor for the period 2019-2021.

A set of Codes and Policies which the Board of Directors has approved include several measures against the risk of bribery and corruption. Indicatively, such measures are incorporated in the NBG Group Code of Ethics, the Code of Ethics for Financial Professionals, the Anti-Fraud Policy, the Conflict of Interest Policy and the Anti-Bribery Policy.

Furthermore, process level controls are in place for the timely prevention or detection of fraud risks. Such control types include clearly defined approval / authorization levels, verifications, physical controls, reconciliation controls, controls over information used in the control and controls with a review element. The nature of controls in place are a mix of automated, semi-automated or manual.

At a further level, the Whistleblowing Policy in force, provides for the existence of appropriate communication channels enabling the submission of whistle-blowers' reports, both in case these may come from within the Bank as well as in case such are being submitted by third-parties.

The Board of Directors is committed to prevent bribery and corruption and promotes the establishment of a culture against them, according to which any form of bribery and corruption is non-acceptable, while it is responsible for approving the relevant Policies, as well as overseeing its implementation and periodic assessment.

Further, mandatory learning programs on the NBG Group's applicable Code of Ethics, which, focuses, among others, on bribery, corruption issues, and whistle blowing policy are provided to all employees of the Bank, and all personnel has access to the internal e-communication network of the Bank (intranet), through which they are able to get prompt and full information on all key matters regarding Group's developments and operations, including internal communication announcements, internal circulars, policies that the Bank has in place etc.

In this context, with the Bank laying great emphasis on ensuring that the highest standards on ethics and integrity are applied throughout all of its activities in accordance with international best practices, the Bank has established the Compliance, Ethics and Culture Committee of the Board of Directors.

Information on the Committee's responsibilities and workings in 2021 is presented below in the Corporate Governance Statement, under section "D. *Board of Directors and other management, administrative and supervisory Bodies"*.

Additionally, detailed information on the responsibilities, composition and modus operandi of the Compliance, Ethics and Culture Committee is included in the Charter of the Committee posted on the Bank's website, at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/boards-of-directors).

Lastly, the Group Compliance and Corporate Governance Functions were certified with the international standard ISO 37001:2016 (Anti-bribery management systems) for the anti-bribery management systems in line with the above standard.

With a view to the Bank's full compliance with the current legal and regulatory framework, as well as international best practices and guidelines regarding the combating of corruption and bribery, and considering that these phenomena are very common in international business transactions and undermine the effective corporate governance of the companies, the Bank has in place the following arrangements, Policies and Codes:

Code of Ethics for Financial Professionals

The Code of Ethics for Financial Professionals sets out the key ethical obligations and standards of conduct applying to persons who are involved in the procedures for the preparation, compilation and submission of financial statements and other financial disclosures of the Bank and the Group companies.

Its main purpose is to promote ethical conduct, including the prevention of situations where there is actual or potential conflict of interest, to promote transparency and ethical conduct during the performance of Financial Professionals' duties as well as to ensure compliance with the applicable regulatory framework, complete and accurate preparation of financial statements and any other financial disclosures, timely submission of internal reports in the event of the Code's breach and binding of Financial Professionals to comply with the provisions of the Code and the ethical rules underlying the regulatory framework applying to the Bank and/or the Group companies.

Group Anti-bribery and Anti-corruption Policy

Aiming to further strengthen the commitment to the ethical values and credibility of the Bank and recognizing the negative consequences of its possible involvement in bribery or corruption events that could jeopardize both its reputation and its interests, the Bank has set in force the revised Group Anti-Bribery & Anti-Corruption Policy.

The Policy has been set according to the requirements of the legal framework for combating bribery and corruption, as well as, the international best practices and guidelines of international organizations and bodies for preventing and combating financial crime (OECD, FATF, Wolfsberg Group, etc.).

The revised Policy was circulated in the Bank in June 2021 and respectively communicated to the Group's Entities in Greece and abroad for their own actions.

This Policy applies to all activities and operations of the Group, irrespective of their jurisdiction, country or business including all activities performed by any Bank Unit, Group subsidiary or affiliate company, as well as by agents, consultants or others acting on behalf of or in co-operation with the Group. More specifically, the Policy:

- establishes the basic principles of the Bank and the Group Companies for preventing and combating bribery and corruption,
- applies to all third parties who provide services for or on behalf of the Group,
- applies wherever the Group does business,
- aims to manage, monitor and address all types of bribes that can take place within the context of the Bank's operations (e.g. Procurement, Credit, Branches, payments, disbursements etc.),
- aims to be embedded in the NBG Group's culture and its people's behavior and attitude.

Whistleblowing Policy for the Bank and the Group

The Bank has adopted the Whistleblowing Policy for the Bank and the Group through which procedures are established for the submission of confidential reports or comments by any party, either anonymously or not, regarding behaviour of the Bank and the Group's executives, which indicate the existence of an irregular activity or misconduct or omission relating to breaches in regards to internal Policies and Procedures. The Policy complies with the provisions of Greek Law 4261/2014 regarding the internal procedures for violation complaints, as well as the Directive 2019/1937 on the protection of persons who report breaches of Union law which entered into force on December 2021.

The Compliance, Ethics and Culture Committee of the Bank's Board of Directors is responsible for the establishment and the continuous monitoring of the implementation of these procedures, which ensure confidentiality and secrecy of the reports or comments received.

Contact details for the submission of confidential reports are available on the Bank's website www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/whistleblowing).

Anti-Fraud Policy

The Bank, as all credit institutions, is exposed to the risk of fraud and illegal activities of any type, which, if not addressed in a timely and effective manner, they could have negative effects on its business activities, financial condition, results of its activities and its prospects for success.

Management, has among its highest priorities the prevention and combating of fraud as well as of any other irregular activity, and accounting and auditing practice inconsistent with international practices and applicable provisions, activities which are contrary to the fundamental Values and Principles governing the Bank and the Group's business activities.

Through the Anti-Fraud Policy, and taking into account the obligations stemming from the institutional, legal and regulatory framework, at a national and international level, the Bank aims at:

- defining specific principles and rules for the prevention and combating of fraud and developing a single business conduct for its handling,
- raising awareness and vigilance of Group employees for the detection and avoidance of actions related to fraud,
- encouraging the submission of confidential reports on suspicions of fraud, through appropriate communication channels that ensure the protection of the persons and the proper investigation of the reported incident,
- developing systems, procedures and control mechanisms that help to promote prevention and combating of fraud.

Prevention of conflicts of interest

The Bank and the Group Companies place emphasis and take the appropriate measures to handle cases that may cause or lead to conflict of interest within the context of the services they provide. With the purpose of preventing real or potential cases of conflict of interest, the Bank and the Group has adopted the following Policies:

- Policy for avoiding Conflicts of Interest for Board Members, Senior Executives and other Related Parties of NBG, to control and manage real or potential conflicts of interests between the Bank and its Board Members, Senior Executives and other Related Parties.
- Conflict of Interest Policy that sets out the framework for the prevention, detection and management of conflict of interest between the Bank, the Group and its customers, as well as among the customers themselves during the provision of investment and ancillary services.
- Policy for Connected Borrowers of the Bank and the Group in Greece, established with the purpose of ensuring that Connected Borrowers are not treated preferentially in comparison to non-Connected Borrowers, i.e., the same criteria as those stipulated by the relevant Credit Policies of the Bank shall apply for Connected Borrowers. The Policy establishes the basic rules applying in extending credits and in the treatment of forbearance and restructuring requests concerning loans of Connected Borrowers, while it facilitates the monitoring of appropriate implementation of the Policy through special functionality that has been developed in the Bank's system.

Policies for combating money laundering and terrorist financing issues

The Bank and the Group consider of primary importance the prevention and combating of money laundering and terrorist financing phenomena (Anti-Money Laundering / Counter-Terrorist Financing – ("AML/CFT")), through the use of their products and services. These actions are contrary to the fundamental values and principles governing the conduct of the business activities of the Group and lead or could lead to undesirable consequences, with a significant impact on the Bank and the Group companies' reputation as well as on the interests of its customers, shareholders and staff, exposing the Group to an unacceptable level of associated risks.

For this reason, and in compliance with applicable regulatory requirements for the prevention and combatting of AML/CFT issues, the Group has adopted the following Policies:

- AML/CFT Policy, which incorporates New Customers Acceptance Policy.
- AML/CFT Policy on Cross-border correspondent banking relationships.

At this point, it is mentioned that the Group AML/CFT Policy and Customer Acceptance Policy has been recently reviewed and updated, in order to effectively incorporate the current developments in the legislative and regulatory framework both at national and at EU level, as well as to include procedures already adopted by the Bank, especially regarding the use of digital channels for the establishment of new business relationships and all the important international trends regarding the assessment of ML/TF risks.

In addition to the above and aiming to ensure compliance at all times, the Group, during the year 2021, adopted the following two new policies that supplement the AML/CFT Policy:

- The NBG Group Sanctions Policy.
- The NBG Group Policy for Virtual Assets.

The NBG Group Sanctions Policy is one more evident step of the Group's commitment to comply with all laws, regulations and decisions related to sanctions.

The Policy describes the required criteria and the systemic controls that the Group already adopts and implements in order to handle sanctions and restrictive measures efficiently and effectively.

The Policy for Virtual Assets, which incorporates all the current available national and international guidelines and legislation, supplements the AML/CFT Policy of the Bank and aims to identify, assess and effectively manage -via commensurate measures- the ML/TF risk connected to Virtual Assets.

The adoption of the above-mentioned Policies ensures compliance with the applicable regulatory requirements of the Supervisory Authorities on combatting ML/TF, averts the imposition of criminal and/or administrative sanctions against the Bank and the Group companies on the basis of direct or indirect involvement in ML/TF issues and protects the Group's good reputation by taking timely and appropriate measures that will prevent the use of its services for ML/TF purposes. The Policies are accompanied by the necessary procedures and guidelines and are supported by appropriate IT systems for the continuous monitoring and identification of suspicious or unusual transactions or activities, aiming at the mitigation of ML/TF risks that are emerging in the Bank.

Our performance

In line with the Bank's framework of operations as outlined above, the sustainable development initiatives that NBG undertook and developed in 2021, responding to the challenges and expectations of all stakeholders are presented below.

NBG fully recognizes its role in generating sustainable growth for its stakeholders, and has been applying increasingly systematic management techniques in its approach, aiming to promote economic development, support actions designed to foster environmentally friendly growth, further enhance the quality of its workforce, offer more efficient services to its customers, and contribute, in general, to the community.

Supporting SMEs and professionals:

The Bank continued to launch initiatives within the context of supporting SMEs and professionals (with turnover up to €2.5 million) in light of the adverse economic environment, with a view to enhancing their growth and supporting their viability. In 2021, the Bank continued to take relevant initiatives:

- New collaboration with the "EAT-TMEDE GUARANTEE FUND" for financing Small and Medium Enterprises, which have undertaken a project execution and/or a study of public interest and are active in the eligible sectors, with working capital loans under the Fund's guarantee at a rate of 80%.
- The Bank concluded an agreement of €70 million with the EIF intending to further facilitation of the access of companies operating in the agricultural and agri-food sector to bank financing, for the implementation of the new ESIF EAFRD Greece guarantee program of the Agricultural Development Guarantee Fund. The EIF guarantee is at a rate of 80% of each loan and is provided for a maximum period of 15 years from the date of the contract signing with the borrower.
- In collaboration with the EIF, the Bank participates in the ESIF ERDF Greece Guarantee Fund ("EEGGF"), for financing of investment and business projects by SMEs operating in Greece. The EIF guarantee is at a rate of 80% of each loan. Through this guarantee program, with a total budget of €150 million, financing with favorable terms is provided to SMEs for investing in tangible and intangible assets, as well as for working capital for their development.
- In collaboration with the European Investment Bank (EIB), NBG, in the context of strengthening financial support for investments that contribute to the achievement of climate action targets, as well as healthy businesses that support women entrepreneurship and strengthen the presence of women in leading posts, within 2021 continued the provision of the respective programs.
- Within 2021, the Bank started offering the BUSINESS EXPRESS loan, exclusively through the internet banking application. The product concerns financing with the provision of an overdraft limit, amounting from €6,000 to €35,000. This is the first product to be provided fully digitally, from the application to the disbursement. Aimed at both Legal Entities and Individual Businesses / Freelancers.
- With the POS FINANCING product which is available exclusively to companies already contracted with the Bank that accept as a mean of payment the charge of their credit/debit/prepaid customer card, from a POS device of NBG. The product operates with an overdraft limit linked to the company's current account, through which the changes of its limit are performed.
- The Bank, in total, finances investment projects for the production of green energy through a loan for fixed assets for the implementation of Photovoltaic Parks, both through special products, such as programs through the EIB, but also through its own funds.
- Within 2021, companies and individuals affected by the current crisis who had not already joined the Instalment Suspension Program were given the opportunity to join the relevant program for a maximum period of up to nine months from the date of accession. A relevant possibility

was given to customers who had already joined an Instalment Suspension Program, provided that their total stay in the program did not exceed 9 months.

- In addition, recognizing the dynamic and growth potential of the agricultural sector as a key pillar of the primary sector of the Greek economy, the Bank in recent years has applied an expanded action plan for the sector's support and growth, using funding tools and solutions across the entire range of banking operations. In this context, NBG has been participating since 2017 in the initiative of the Ministry of Rural Development & Food promoting the distribution of the "Farmer's Card" to farmers/livestock breeders. The said product offers to those entitled to financial support for agricultural activity a boost in liquidity at favorable terms, so as to be able to cover their operational needs. In addition, NBG continued in 2021 its Contract Farming financing program by which it finances farmers and livestock breeders who cooperate with selected agricultural product trading and processing companies for the production of products that are bought by the latter on the basis of sales agreements between both parties. As a result, the production and trading cycle of the buyers and farmers is upgraded, and both sides enjoy significant benefits (reduction of production cost, better planning of inventories). In the production period of 2021, more than 800 farmers enjoyed the benefits of the program.

For the COVID-19 support schemes, that the Bank participated in 2021, see section "*Response to COVID-19 crisis - Customers Support measures in response to COVID-19*".

In addition, the Bank continued launching in 2021 the following green banking products, which contribute to environmental protection:

- Loans for participation in the "Energy-Saving at Home II" (A & B Cycle, Energy-Saving – Be Autonomous) program co-funded by HDB (ex. ETEAN S.A.), on favorable terms for energy improvements in homes. In 2021, 4,181 of such loan applications were approved of amount €24 million, while 2,912 loans were disbursed corresponding to a total of €14 million, which concern the total financing and not only the Bank's funds.
- "Green Loan": a loan granted under favourable terms and conditions for financing the purchase and installation of energy-saving equipment and new hybrid technology cars, as well as new electric vehicles
- "Estia Green Home" loan for the purchase, repair or construction of energy upgraded homes.
- National Bank participated in the program "Astypalea: Smart & Sustainable Island", offering the residents of Astypalea the opportunity to finance the purchase of new electric vehicles on favorable terms, through a special Green Loan product.
- For yet another year the Bank contributed to the country's efforts to improve its environmental footprint by financing RES projects worth €569 million.

- **Restructuring of retail banking loans (individuals & SMEs)**

The total portfolio of restructuring consumer and housing credit amounted to €133 million. The total portfolio of settlement consumer and housing credit amounted to €3,508 million. The total portfolio of restructuring and rescheduling SME's credit amounted to €203 million.

With a view to optimizing the handling of loan and advances to customers that require special management and providing real support to Greek businesses and the economy in general, the Bank has established two dedicated and independent internal units, one responsible for the management of the Bank's retail loans (the Retail Collection Unit ("RCU")) and the other for the Bank's corporate delinquent exposures (the Special Assets Unit ("SAU")).

The respective units seek to provide tailor-made restructuring aiming to reduce the debt repayment obligations to sustainable levels. Please refer to section "*Economic and financial review – Business Overview - NPE Management (Troubled Asset Units)*".

Staff Learning and development

Please refer to section "*People- Learning and development*".

Environmental footprint

In the context of the implementation of its Sustainability Policy and Environmental Management System, the Bank also carried out the following actions in 2020 - 2021:

- NBG achieved for 2020 a reduction in total energy consumption by 10.2% compared to 2019, and by 18.9% compared to the energy consumed in 2018, which is mainly due to a series of energy saving actions.
- In addition, NBG achieved in 2020 a reduction of it's related to energy consumption CO_2e emissions (Scope 1, Scope 2 and Scope 3) by 4.6% compared to 2019. The corresponding reduction between 2020 and 2018 was 10.8%.
- Effective energy management and reduction in energy consumption in our buildings are significant components of our actions that form part of our ESG strategy. Through energy saving actions implemented in 2021, NBG avoided **133,397,852 kg CO_2 emissions** and saved **156,939 kWh.**
- Recycling programs were implemented with the participation of employees. Indicatively, 93 tonnes of paper, 2,361 kg of small and large batteries, and approximately 196 tonnes of electronic and electrical equipment were recycled. In addition, 2,681 kg of low voltage lamps and lighting equipment and 160 kg of plastic and aluminum were recycled through the expansion of recycling across the Bank's branch network.

All these recycling programs were implemented in cooperation with licensed contractors.

- In the context of the «NBG Environmental Footprint» initiative, a series of actions were carried out aiming at saving energy and natural resources that are presented below:
  - **Plug-In Hybrid Cars:** In 2021, a total of 54 Plug-in Hybrid cars were acquired, with their average carbon emissions amounting to 34gr CO_2 / km. The annual carbon emission reduction is estimated at **108,000 kg CO_2 / year**.
  - **Discontinuation of plastics from NBG Canteens:** By discontinuing plastic material usage in 4 NBG canteens, it is estimated that the use of 123,850 pieces of plastic (utensils, cups etc.) was avoided per year.
  - **Ecological cleaners:** By replacing the existing cleaning materials with 100% ecological, the usage of **15,250 lt** of harmful cleaners was avoided per year.
  - **WC photocell taps:** By installing 343 WC photocell taps in 6 Administrative buildings, it is estimated that approximately **4,600 m³** (or 4,600,000 lt) are saved per year.
  - **Recycling bins (paper / plastic / aluminum):** By installing recycling bins in 10 buildings, the following were collected (and recycled as appropriate) on an annual basis:
    - Ungraded paper: **4,500 kg.**
    - Plastic / Aluminum: **160 kg.**
  - **100% recycled A4 paper:** From consuming 22,880 bundles of 100% recycled paper, the following were saved on an annual basis:
    - Wood: **680,000 kg.**
    - Water: **2,000,000 lt.**
    - Energy: **680,000 kWh.**
    - CO_2 emissions: **129,500 kg CO_2.**

Also, within 2021, the following actions were completed, the results of which are not yet calculated:

1. Initiation of a procedure for the issuance of a LEED certificate for the Karatza Mansion.
2. Energy upgrade studies in 14 Administration buildings.
3. Implementation of energy upgrade actions in 2 Administration buildings.
4. Installation of a central platform for measuring and monitoring electricity consumption in 49 NBG buildings.
5. Configuration of an energy policy strategy for NBG buildings.
6. Installation of a Photovoltaic Park in the facilities of the warehouses of PAEGAE in Magoula with a capacity of 1.8 MWp, whose connection to the HEDNO network and its activation is pending.
7. Integration in all new projects (adaptations, relocations, etc.) of new energy actions such as installation of motion detectors and new air conditioning systems.

- The development of processes/transactions with a view to reducing operating costs, rationalizing printing and saving natural resources (paper) was continued in 2021.

- As regards prevention of consumption of natural resources, note that in the course of the Bank's normal business activity the bulk of solid waste is paper. Since 2011, the Bank’s correspondence (internal and to third parties) is fully managed by the Internal Electronic Document Management System, resulting in a significant reduction in printing and paper consumption. In 2021, 520,533 documents were exchanged through the Internal Electronic Document Management System, thus saving almost 1,301,332 page prints. Furthermore, the use of the e-signature application also contributed towards limiting paper consumption (c. 9.5 million print-outs during 2021). Additionally, during 2021, the connection of myNBG system and internet banking with e-Gov was implemented, enabling customers to update their data digitally, without the need to submit documents.

- As regards toner management, the Bank has arranged since 2014 the outsourcing of Managed Print Services (“MPS”) printing needs of Central NBG Services hosted in central buildings and its Branch Network. Environmentally friendly management of waste originating from the device consumables, is also part of this outsourcing arrangement. This program leads to the reduction of printouts and, as a consequence, the reduction of paper and toner consumption. The project establishes centralized management of printing needs. The number of the system's current users amounts to c. 7,365 individuals. In 2021, the toners supplied through the MPS. system totalled 6,045 items, while 1,791 items were recycled through the 2,829 MPS units. It is anticipated that the future benefit for the Bank will be a 25% - 35% reduction in printing costs.

- Aiming at environmental protection, the Bank launched its i-bank statement service whereby its customers receive electronic statements regarding their credit cards and mortgage or consumer loans and savings accounts and stopped receiving printed statements. The i-bank statement service has been activated for more than 2 million statements. Moreover, NBG's i-bank delivery channels are being enriched on an ongoing basis with new services and more transactions enabling customers to carry out transactions 24/7 from home or with their mobile phone. Note that more than 450,000 new users were registered in 2021 for NBG's Internet/Mobile Banking services.

NBG's social contribution

Despite the particularly urgent and adverse global health conditions, that create an unfavorable economic climate, NBG - standing by its commitment to social support- during 2021 continued its sponsorship program, including "MIET", with funds amounting to c. €6 million. The three key pillars of the "RESPONSIBILITY" CSR program are: Community - Culture - Environment.

Specifically:

Community

Society

- Strengthening of actions to upgrade health services, with emphasis on the prevention and treatment of COVID-19.
- Development of social solidarity programs.
- Supporting the work of bodies and organizations with distinguished track records in the alleviation of social problems.
- Supporting vulnerable social groups and individuals.

Science / Research / Learning

- Sponsorship for scholarship programs for bachelor and master's degrees in Greece and abroad.
- Contribution to the enhancement of the education provided and support for educational programs.
- Contribution to the enhancement of the building infrastructure and laboratory equipment of educational institutions.
- Sponsorships for research programs, awards, and support for innovative ideas.
- Support for scientific work and promotion of research, predominately in the form of sponsoring scientific meetings (conferences, workshops) covering the entire spectrum of sciences.
- Sponsorship for the publication of books and special editions.

Sports

- Continuation of sponsorship support to sports organizations and distinguished individual athletes preparing for participating in international sporting events.

Cultural Heritage

Culture / History /Art

- Sponsoring the preservation and showcasing of the historical and cultural heritage.
- Sponsorship support for a variety of events and actions, in the context of celebrating the 200th anniversary of Greek Revolution.
- Launching of the "Bicentennial Initiative 1821-2021", which implements a program that includes more than 130 events, focusing on science, cultural heritage, music and arts.
- Supporting actions and events that involve music and the performing arts.

MIET

The significant work of the NBG Cultural Foundation (MIET) includes the promotion of literature, science and the arts.

MIET, with its distinguished actions claims a worthy leading role in Greece's cultural life.

NBG Historical Archive (NBG-HA)

Particularly noteworthy, is the NBG's Historical Archive, an important centre of documentation with regard to the economic, political, cultural and social history of the country, which brings together a complete historical archive, with time limits almost identical with the existence of the modern Greek state. Today, the NBG's Historical Archive operates in the fields of archival, historical, research, publishing and educational activities, pioneering in the implementation of new technologies regarding the management of its archival material.

Other

- Support for publications, conferences and other events dealing with investment and financial issues.

Environment

- Supporting for programs and conferences that highlight the benefits of sustainable development and environmentally friendly technologies.
- Support for the production of publications and digital content in order to enhance environmental awareness and aiming to mitigate the effects of climate change.
- Contribution to the work of bodies that are involved in environmental preservation and sustainable development actions.

Corporate Governance Statement

Introduction

In accordance with Article 152 of Greek Law 4548/2018 on Sociétés Anonymes, the Bank is obliged to include the Corporate Governance Statement, as a specific part of the Annual Board of Directors' Report. As per the said article, the Bank's Corporate Governance Statement includes the following sections, in which additional information required by Greek Law 4706/2020 on "Corporate Governance for Sociétés Anonymes, Contemporary Capital Market, transposition of Directive (EU) 2017/828 of the European Parliament and of the Council, implementation measures of Regulation (EU) 2017/1131 and other provisions" is also included:

- **A.** Corporate Governance Code
- **B.** NBG's Corporate Governance Key Policies and Practices
- **C.** General Meeting of Shareholders and Shareholders' rights
- **D.** Board of Directors and Other Management, Administrative and Supervisory Bodies
- **E.** Internal Control System and Risk Management

It is noted that additional information in relation to public offers for acquisitions, as mandated by Article 10 of the European Directive 2004/25/EC, required pursuant to par. 1 d) of Article 152 of Greek Law 4548/2018, is included in a separate section of the Board of Directors' Report, namely, the Supplementary Report to the Annual General Meeting of Shareholders.

A. Corporate Governance Code

The Bank's corporate governance framework is aligned with the requirements of Greek and European legislation, the decisions and acts of the Bank of Greece, the guidance of the European Central Bank, the guidelines of the European Banking Authority and the European Securities and Markets Authority, as well as the decisions and guidance of the HCMC. Additionally, the stipulations of the Relationship Framework Agreement ("RFA") between the Bank and the HFSF, and the obligations of the Bank towards the Monitoring Trustee (in accordance with particular procedures foreseen as long as these are in force) are applied.

In February 2006, the Bank's Board of Directors adopted a directional framework that describes the Bank's corporate governance structure and policy, while throughout the years this framework has been revised as deemed necessary, in alignment to regulatory provisions, guidelines, best practices and developments in the Bank's internal governance arrangements. As far as year 2021 is concerned, the Bank's Corporate Governance Code was amended in January 2021, further enhancing provisions on the role of the Senior Independent Director. In June 2021, in accordance with article 17 of Greek Law 4706/2020, the Bank adopted the Hellenic Corporate Governance Code of the Hellenic Corporate Governance Council, which constitutes the Hellenic Corporate Governance Code for Companies with securities listed on the stock market, in accordance with Article 17 of Greek Law 4706/2020 and Article 4 of the Decision of the Hellenic Capital Market Commission (Decision 2/905/3.3.2021 of the Board of Directors of the HCMC). Further, the Bank's Corporate Governance Code, which was amended in June 2021, mainly in order to adjust to the respective stipulations of Greek Law 4706/2020, includes additional provisions in compliance with more specific corporate governance framework applying to credit institutions, as well as provisions on internal arrangements and processes that the Bank implements in compliance with the relevant legal and regulatory framework. The Bank monitors developments in the applicable framework and relevant guidelines, as well as best practices in the area of corporate governance and proceeds to actions deemed appropriate in order to ensure compliance with the applicable legal and regulatory framework, as in force, as well as relevant guidelines.

The Bank follows the Hellenic Corporate Governance Code of the Hellenic Corporate Governance Council, as well as the provisions of the more specific corporate governance framework applying to credit institutions, as these are included in the Bank's Corporate Governance Code. The determination of authorities and responsibilities of the Bank's management bodies and the delegation of authorities of the Board of Directors to Bank's executives are carried out in accordance with its Articles of Association and the applicable legislation, as incorporated in the Bank's internal framework.

In the context of the Hellenic Corporate Governance Code and the rest corporate governance framework that the Bank follows, the Board of Directors has in place a self-assessment system for its operation, as well as the operation of its Committees based on a methodology, which has been formed and approved by the Corporate Governance and Nominations Committee, while additionally the HFSF monitors and evaluates the performance of the Board of Directors and its Committees in accordance with the criteria stipulated in the legal and regulatory framework and the Relationship Framework Agreement entered into between the Bank and the HFSF. Every three years, the assessment of the performance of the Board of Directors and its Committees, is carried out by an external advisor, the selection and monitoring of whom falls within the responsibilities of the aforementioned Board Committee. The assessment is carried out with the use of a methodology based on the best practices and includes the use of detailed questionnaires, covering all the activities of the Board of Directors and its Committees. Further details on the evaluation of the Board of Directors and its Committees are presented below.

The Hellenic Corporate Governance Code of the Hellenic Corporate Governance Council and the Bank's internal Corporate Governance framework can be viewed on the Bank's website: www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/corporate-governance-framework).

B. NBG's Corporate Governance Key Policies and Practices

The Bank continuously monitors developments in the applicable framework and relevant guidelines and best practices and proceeds to the actions deemed appropriate in order to ensure that the policies followed are in alignment with the prevailing applicable regulatory framework and relevant guidelines:

Group Governance Policy (B.1)	Includes the main corporate governance principles at NBG Group level and provisions concerning Group companies' governance bodies, cooperation with NBG, Internal Control System and regulatory requirements, establishing a unified corporate governance framework for the Group.
Group Remuneration Policy (B.2)	Sets out the general framework for remuneration throughout the Group and defines the basic principles on which the NBG Group approaches issues regarding the remuneration of executives and employees.
NBG Board of Directors' & Senior Managers' Remuneration Policy (B.3)	Sets out the general framework for the remuneration of the members of the Board of Directors and Senior Managers (General & Assistant General Managers), in accordance with the applicable legal and regulatory provisions, and in alignment with the principles set out in the NBG Group Remuneration Policy, and covers the total remuneration awarded to all Board Directors (Executive and Non-Executive), i.e. fixed and variable remuneration, including benefits, participation in Committees fees and other potential compensation, as well as the total remuneration awarded to all members of Senior Management (i.e. General Managers and Assistant General Managers).
Policy for the Annual Training of members of the Board of Directors and its Committees	Establishes procedures with the purpose of supporting the Board of Directors in enhancing its performance and expanding the relevant skill base and competencies. More detailed information on this Policy is included in Section "*D. Board of Directors and other management, administrative and supervisory Bodies/ Induction, Continuous Education and Training of Directors*".

Board Self-Assessment Policy	Sets out the procedures for the evaluation of the Board of Directors and Board Committees collective performance and the evaluation of Directors on an individual basis with the view of ensuring the effective workings of the Board of Directors. More detailed information on this Policy is included in Section “*D. Board of Directors and other management, administrative and supervisory Bodies/ Evaluation of the Chief Executive Officer, the Board of Directors and the Board Committees*”.
Board Members’ Nominations Policy	Sets the framework and the criteria for the nomination of candidates to the NBG Board, it describes the process for their nomination and selection, while it includes the target Board profile in accordance with the eligibility criteria determined based on Greek Law 3864/2010, as in force. More detailed information on this Policy is included in Section *“D. Board of Directors and other management, administrative and supervisory Bodies/ Directors’ Nomination & Suitability Assessment”.*
Board Suitability Assessment Policy and Procedure (B.4)	Sets out the criteria to be used in the suitability assessment of the Board members (initial and ongoing), including the suitability criteria provided on the applicable regulatory framework and explains in greater detail the policies, practices and processes applied by the Bank when assessing the suitability of members of the Board.
Board of Directors Diversity Policy	Sets out the Bank’s approach for accomplishing the desired diversity on its Board of Directors, in order to achieve a variety of views, experiences and perceptions which facilitate independent opinions and sound decision-making within the Board. More detailed information on this Policy is included in Section *“Diversity policy concerning Bank’s management, administrative and supervisory bodies”*
Policy for the nomination and suitability assessment of Senior Management (B.5)	Sets out the principles and process for the nomination and suitability assessment of members of Senior Management with the highest professional and personal skills and moral caliber, while conforming to the applicable regulatory framework, internal bank regulations and international best practices.
Insurance Cover for members of the Board of Directors and Executives of the Group companies (B.6)	Covers the civil liability of the Directors and Executives of all the Group entities, with respect to the civil liability for claims against the Bank and its subsidiaries arising from negligence, error or oversight by Directors, Executives and employees, and damages arising from fraud, including electronic fraud, as well as cyber security breaches.
Internal Regulation of NBG S.A. (B.7)	Includes information on the Board of Directors and its Committees, the organizational structure of the Bank, the senior executives, the Internal Control System, compliance and notification procedures, transactions with related parties, and the policies of the Bank. The Regulation is supplementary to the provisions of the Articles of Association and the Corporate Governance Code.

(B.1) Group Governance Policy:

With a view to further enhancing the unified corporate governance framework of NBG Group and further optimizing the cooperation between the NBG and its Group companies, in April 2020 the Board of Directors revised the NBG Group Governance Policy, as this was initially adopted in January 2018. One of the main novelties brought forward was the introduction of the Tiered Subsidiary Governance Model, in accordance with which the level of implementation of the group governance framework shall be determined based on the classification of group entities, thus establishing the appropriate governance/reporting structures and practices for each subsidiary.

Within the context of the Group Governance Policy, the Bank as the parent company aims to appropriately balance the degree of control that needs to be exercised by the parent company over the group subsidiaries and the degree of independence that needs to be provided to the subsidiaries. At the same time, it should be ensured that the Group places systems and processes which will assure the Bank’s Board of Directors that the "downstream governance" of the subsidiaries reflects effectively the same values, ethics, controls and processes as at the parent level.

(B.2) Group Remuneration Policy:

The Bank’s and the Group’s remuneration practices are consistent with the framework provided by Greek Law 4261/2014 (which transposed European Directive 2013/36/EU CRD IV), as amended by Greek Law 4799/2021, which transposed Directive 878/2019/EU (CRD V), Greek Law 4548/2018, Greek Law 3864/2010 (“the HFSF Law”), the Bank of Greece Governor’s Act 2577/2006, as amended by the Bank of Greece Executive Committee’s Act 158/10.5.2019, and the Amended Relationship Framework Agreement between the Bank and the HFSF.

The Group Remuneration Policy was revised during 2021.The revision included alignment of the Policy with provisions of the

Directive 878/2019/EU (CRD V) and the Bank of Greece Executive Committee's Act 158/10.5.2019, as well as changes, so that relevant procedures upheld by the Bank and Group are clearly outlined. The Bank further monitors developments in the applicable framework.

Information on the Bank and Group Remuneration Policy and general remuneration practices is available on the Bank's website at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/corporate-governance-framework and https://www.nbg.gr/en/group/investor-relations/annual-reports-offering-circulars).

(B.3) Directors' & Senior Managers' Remuneration Policy:

In accordance with Directive (EU) 2017/828, as this has been (partly) transposed into the Greek legal framework with Greek Law 4548/2018 on Sociétés Anonymes, listed companies are required, among others, to establish a remuneration policy as regards directors and shareholders have the right to vote on the remuneration policy at the General Meeting. Additionally, in accordance with article 110 para. 1 of Greek Law 4548/2018, by statutory provision the Policy may also include in its scope the key management personnel, as defined in International Accounting Standard (IAS) 24 para. 9.

Within this context and with the aim at further enhancing transparency in the remuneration framework of the Bank's management structure especially by extending the scope of the Policy so as to include not only Board members but also Senior Managers, the Bank's Annual General Meeting of Shareholders, held on 31 July 2020, following proposal of the Board of Directors, as assisted by the Corporate Governance and Nominations Committee and the Human Resources and Remuneration Committee, approved the revised NBG Board of Directors' & Senior Managers' Remuneration Policy. With this revision, the Board aims to offer shareholders and the market the highest level of transparency and clarity in the remuneration scheme applicable to Senior Manager, further strengthening the investment profile of the Bank in order to ensure external competitiveness.

The NBG Board of Directors' & Senior Managers' Remuneration Policy shall be applicable for a period of four years, unless revised earlier or in cases of temporary derogations, in alignment with the relevant applicable provisions.

The NBG Board of Directors' & Senior Managers' Remuneration Policy is available on the Bank's website, at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/corporate-governance-framework).

(B.4) Board Suitability Assessment Policy and Procedure:

Within the context of the Bank's obligations in relation to the (initial and ongoing) assessment of the suitability of Board members and the collective suitability of the Board, the Bank as of September 2020 has in place the Board Suitability Assessment Policy and Procedure. The Policy was initially adopted by the Board of Directors, following proposal of the Corporate Governance and Nominations Committee, while on 30 July 2021, in alignment to the provisions of Greek Law 4706/2020, the Policy was approved by the General Meeting of Shareholders, as submitted by the Board of Directors following proposal of the Corporate Governance and Nominations Committee. The Policy aims to strengthen the internal fit and proper process and has incorporated the relevant obligations in alignment with the applicable framework (especially the Greek Laws 4706/2020, 4261/2014 and 3864/2010 and relevant Hellenic Capital Market Commission Circulars, the ECB/SSM Guide to Fit and Proper Assessments, the joint EBA-ESMA Guidelines on the assessment of suitability of members of the management body and key function holders, the Bank of Greece Executive Committee Act 142/11.6.2018, as in force), so as to ensure prudent and effective management of the Bank.

The NBG Board Suitability Assessment Policy and Procedure is available on the Bank's website, at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/corporate-governance-framework).

More detailed information on this Policy is included in Section *"D. Board of Directors and other management, administrative and supervisory Bodies/ Directors' Nomination & Suitability Assessment"*.

(B.5) Policy for the nomination and suitability assessment of Senior Management:

Within the context of enhancing the overall process for the nomination of the Bank's Senior Management, considering also the Bank's obligations in relation to the suitability assessment of key function holders, in January 2021 the Board of Directors, following proposal of the Corporate Governance and Nominations Committee, approved the Policy for the nomination and suitability assessment of Senior Management. The Policy lays out the applying Principles and the Nomination processes followed in the case of Senior Managers' positions falling within its scope, in alignment with regulatory provisions and taking also into account international best practices. Among the key objectives of the Policy are to establish a transparent, effective and time-efficient nomination and suitability assessment process; ensure that the structure of the Bank's Senior Management meets the highest suitability requirements in terms of ethical standards and skills, and is fully aligned with the current regulatory framework governing the Bank; and ensure the effective and prudent management of the Bank and the effectiveness and soundness of the Bank's governance arrangements, so as to protect the interests and the reputation of the Bank and its Group.

(B.6) Insurance Cover for members of the Board of Directors and Executives of the Group companies:

In compliance with the provisions of the Corporate Governance Code, the Bank has entered into a multi-insurance contract in order to cover the civil liability of the Directors and Executives of all the Group entities, with respect to the civil liability for claims against the Bank and its subsidiaries arising from negligence, error or oversight by Directors, Executives and employees, and damages arising from fraud, including electronic fraud, as well as cyber security breaches. During 2017, the Bank entered into a new insurance contract including increased coverage limits and improved contract wording and terms. These contracts were renewed in 2018, 2019, 2020 with enhanced policy texts, as well as in accordance with the applicable legal and regulatory framework. In 2021, the above policy texts were renewed.

(B.7) Internal Regulation of NBG S.A.

The Internal Regulation has been drafted in the context of Greek Law 4706/2020 on Corporate Governance of Sociétés Anonymes, taking into consideration the relevant provisions of the legal and regulatory framework (particularly Greek Law 4548/2018, Law 3016/2002, Law 4514/2018, Law 4261/2014, Law 4799/2021, Directive 2013/36/EU (CRD IV), Directive 2019/878/EU (CRD V), Law 3864/2010 (the "HFSF Law"), as in force, decisions and acts issued by the Bank of Greece, the European Central Bank and the Hellenic Capital Market Commission, as well as the Bank's obligations as defined in the Relationship Framework Agreement with the HFSF.

The Regulation includes information on the Board of Directors and its Committees, the organizational structure of the Bank, the senior executives, the Internal Control System, compliance and notification procedures, transactions with related parties, and the policies of the Bank.

The Regulation is supplementary to the provisions of the Articles of Association and the Corporate Governance Code.

A summary of the Regulation is duly published on the Bank's website, at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/corporate-governance-framework).

The Board of Directors reviews the Regulation whenever required, in order to ensure its adequacy regarding the principles adopted and the rules applied by the Group, as well as the applicable legal and regulatory framework and international best practices. The Bank ensures that its key subsidiaries draft an Internal Regulation.

The Internal Regulation was adopted by the NBG Board of Directors at the meeting held on 30 June 2021.

It is noted that:

- The Bank has also in place, among others, the following policies and practices, which are described in detail in the section "*Non-Financial Statement - Corporate Responsibility*":
  - NBG Group Code of Ethics
  - Code of Ethics for Financial Professionals
  - Bank and Group Anti-bribery Policy
  - Whistleblowing Policy for the Bank and the Group
  - Anti-Fraud Policy
  - Policy for avoiding Conflicts of Interest for Board Members, Senior Executives and other Related Parties of NBG.
  - Policy for Connected Borrowers of the Bank and the Group in Greece.
  - Policy on Donations, Sponsorships, Charity Contributions and other Actions of the Group.
  - NBG Group Sustainability Policy.

The Bank has established policies which ensure that the Board of Directors is provided with sufficient information on related parties transactions, by taking into account the abovementioned Policy in order to avoid Conflicts of Interest for Board Members, Senior Executives and other Related Parties of NBG, as well as, the Policy for Connected Borrowers of the Bank and the Group in Greece.

In March 2021, in the context of the annual review of Board Committee Charters, all Board Committee Charters were revised for the purpose of further alignment among them, as well as of incorporating certain developments in internal Policies / arrangements and being aligned with regulatory developments. In February 2022, a new Board Committee, the Innovation and Sustainability Committee ("ISC"), was established by Board decision (meeting no. 1718/24.2.2022), following the elevation of the IT & Innovation Advisory Council (established by the Board in January 2021) to a Board Committee and the enhancement of its duties. The Charter of the ISC was approved at the same Board meeting.

Diversity policy concerning Bank's management, administrative and supervisory bodies

In accordance with Greek Law 4261/2014, as in force, which incorporated Directive 2013/36/EU into Greek legislation, Greek Law 4706/2020 and applicable guidelines (HCMC Circular No. 60, Joint European Banking Authority (EBA) and European Securities and Markets Authority (ESMA) Guidelines on the assessment of suitability of members of the management body and key function holders), as well as HFSF Corporate Governance Objectives and Standards and HFSF Voting Policy, the Bank should engage a broad set of qualities and competencies when recruiting members to the Board of Directors and for that purpose shall put in place a policy promoting diversity on the Board of Directors.

Within this context, the Bank follows practices and policies that promote diversity both at the level of the Board of Directors, as well as at executive level, aiming at promoting a diverse pool of members of its supervisory and management bodies. In particular, the Bank aims at engaging a broad set of qualities and competencies when recruiting members of the Board of Directors and of its executive management, with a view to achieving a variety of views and experiences and to facilitating sound decision making. Collectively, there is a set of skills and expertise in place so as to contribute to the efficient operation of the Bank's supervisory and management bodies, aiming at collective suitability of the said, while the Board of Directors shall collectively have the skills to present its views and influence the decision-making process within the executive management body.

In particular, the Bank gives great emphasis on ensuring diversity including in terms of gender representation, age, nationality and variety of educational background, experience and expertise. As regards the composition of the Board of Directors, which is in accordance with the Bank's Board of Directors Diversity Policy, the Corporate Governance and Nominations Committee during the process for the selection and appointment of Board members, as well as during the assessment (collectively and individually) of Board suitability and succession planning, takes into account the aforementioned diversity aspects, while also considering particular provisions on Board members eligibility criteria to which the Bank is subject to, including the criteria provided in Article 10 of Greek Law 3864/2010, as each time applicable.

The Corporate Governance and Nominations Committee, as the responsible body for monitoring the implementation and reviewing the Bank's Board of Directors Diversity Policy and relevant procedures, reviews and assesses, both annually and ad hoc, Board and Board Committees' composition including on the basis of the aforementioned diversity aspects and recommends to the Board any changes required in order to ensure that it reflects an appropriate range and balance of skills, experience and backgrounds.

As far as gender representation to the Board, the Bank, in line with the Board of Directors Diversity Policy, has already achieved and aims to maintain an adequate representation of at least 30% Board members of both genders and in any case of no less than 25% of total Board members (rounded to the previous integer). More specifically, currently the representation of women on the Board of Directors is at 33.0% (one Executive Member and three Independent Non-Executive Members of the Board of Directors are women).

Further, at executive level, important senior executive positions are held by female executives, like the positions of General Manager - Troubled Assets Unit, General Manager of Group Marketing, General Manager of Group Human Resources, Assistant General Manager - Group Chief Control Officer, Assistant General Manager of Group Real Estate, Assistant General Manager - Corporate Special Assets and Assistant General Manager - Head of Network, while there are women in a number of important positions like Heads of Group Corporate Governance Division, Group Business Regulatory Compliance and Client Conduct Division, Group Financial Crime Compliance Division, Group CSR & Sustainability Division, Group Finance Division, Group Human Resources Operations Division, Group Strategic Risk Management Division, Group Operational Risk Management Division, Group Marketing & Product Communication Division and so on.

In terms of age, the age of Board members varies and is in the range of 50 to 70, except for one Director being over 70, and one Director being under 50, while the age of Senior Executives is mainly in the range of 40 to 60.

The Board of Directors of the Bank has a multinational composition, including six different nationalities, with Greek, Dutch, French, British, Belgian and Romanian Board members having international experience among others by previously being Board members or Senior Executives in a number of different countries, including the United Kingdom, U.S., France, China, the Netherlands and Romania.

The Bank's Directors and Senior Executives have a variety of educational backgrounds and work experience, including indicatively educational background in Economics, Business Administration, certifications and prior experience in Accounting, Audit and Risk, extensive Banking and Financial Services experience, corporate governance and legal background, strategy development, transformation and commercial prior experience as well as in human resources, culture and in digital banking, IT and operations. In any case, the purpose is for the Bank to ensure that areas of knowledge and experience required in accordance with the Bank's business activities are covered, while at the same time also being aligned with the provisions of the applicable legal and regulatory framework that applies, like for example as aforementioned in terms of specific eligibility criteria applying to Board members in accordance with Greek Law 3864/2010 as in force.

The Bank's Board of Directors Diversity Policy is available on the Bank's website, at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/corporate-governance-framework).

C. General Meeting of Shareholders and Shareholders' rights

The Bank's Articles of Association (Articles 7-16 and 30-35) describe the modus operandi of the General Meeting of Shareholders, its key responsibilities and authorities as well as the Shareholders' rights, taking into consideration especially the provisions of Greek Law 4548/2018, Greek Law 3864/2010 and the Relationship Framework Agreement between the Bank and the HFSF.

The Bank's Articles of Association are available on the Bank's website www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/corporate-governance-framework).

1. Responsibilities of the General Meeting

The General Meeting is the Bank's supreme, collective body. Its lawful resolutions are binding to all Shareholders, even to those absent or dissenting. All of the Bank's Shareholders are entitled to participate in the General Meeting. Shareholders may be represented at the General Meeting by other, duly authorised persons, in line with the applicable provisions of law. Each share entitles the holder to one vote as stipulated by law, with the reservation of the rights of 13,481,859 dematerialized ordinary shares held by HFSF, falling under the restrictions of Article 7a par. 2 of Greek Law 3864/2010, as described in detail in Section E *("Restrictions to voting rights")* of the Supplementary Report of the Board of Directors. The Bank ensures the equal treatment of Shareholders who hold the same position.

The General Meeting is the sole corporate body vested with authority to decide on:

- amendments to the Bank's Articles of Association; such amendments shall be deemed to include share capital increases (ordinary or extraordinary) or decreases;
- election of the members of the Board of Directors and the auditors;
- determination of the type of the Audit Committee, the term of office, the number and the qualities of its members, in line with article 44 of Greek Law 4449/2017;
- approval of the overall management in line with Article 108 of Greek Law 4548/2018 and discharge of the auditors;
- approval of the Group and the Bank's Annual Financial Report as well as the interim financial statements;
- appropriation of the annual profits;
- approval of remuneration or advance payment of remuneration in line with Article 109 of Greek Law 4548/2018;
- approval of the remuneration policy under Article 110, which may also apply to senior managers upon relevant resolution of the General meeting approving the policy, and of the remuneration report under Article 112 of Greek Law 4548/2018;

- approval of the board members suitability policy, under Article 3 of Greek Law 4706/2020;
- merger, split-off, transformation, revival, extension of duration or dissolution of the Bank;
- appointment of liquidators; and
- any other matter provided for by law.

The provisions of the previous paragraph do not apply to the issues provided under Article 117 par. 2 of Greek Law 4548/2018, as also to other issues provided for in the law and the current Articles of Association.

2. Operation of the General Meeting

2.1. Convening of General Meeting

a) Ordinarily

The General Meeting decides on all Board of Directors proposals included in the agenda. It is convened by the Board of Directors, or as otherwise provided for by law and held on a mandatory basis at the Bank's registered office or in the area of another municipality within the region where the Bank's registered office is located, at least once a year, at the latest until the tenth (10th) calendar day of the ninth month following the end of each financial year, in order to approve the annual financial statements and the election of auditors (ordinary general meeting). The ordinary General Meeting may decide on any other matter within its remit.

b) Extraordinarily

- Subject to Article 121, par. 2 of Greek Law 4548/2018, the Annual General Meeting may also be convened extraordinarily whenever deemed expedient, at the discretion of the Board of Directors.
- At the auditors' request, the Board of Directors is obliged to convene a General Meeting within ten days as of the date such request was submitted to the Chair of the Board of Directors, determining the agenda thereof as per the auditors' request.
- The representative of the HFSF to the Board of Directors has the right to convene the General Meeting. In line with para. 4 of Article 7 of Greek Law 3864/2010, as amended by Greek Law 4340/2015 and Greek Law 4346/2015, the minimum time limits for the calling of the General Assembly is seven (7) days and the deadline for the convocation of the General Meeting that will decide the share capital increase for the issuance of common shares, convertible bonds or other financial instruments, is ten (10) calendar days. The deadline for the convocation of every repeat or adjourned is reduced to the one third (1/3) of the deadlines stipulated in Greek Law 4548/2018, as in force. The previous subparagraph is applied in every General Meeting convened in the context of Greek Law 3864/2010 or related thereto.

2.2 Invitation to the General Meetings and relevant disclosures

a) Invitation

With the exception of repeated General Meetings and General Meetings deemed similar thereto, the invitation to the General Meeting shall be published at least 20 full days before the date set for it. The said 20-day period shall be exclusive of the date the invitation is published and the date the General Meeting is held.

The invitation to the General Meeting, shall include the information provided for by law from time to time, including inter alia the place where the General Meeting is to be held, i.e. the premises along with the exact address, the date and time thereof, the items on the agenda, clearly specified, and the shareholders entitled to participate therein, along with precise instructions as to the method of participation and exercise of the rights thereof in person or by legally authorized proxy or even by distance participation.

The invitation shall be published within the above 20-day deadline, and registered with the General Commercial Register ("GEMI") in line with the provisions of law, posted on the Bank's website and published within the same deadline in a manner that ensures fast and non-discriminatory access thereto, by whatever means the Board of Directors, at its discretion, considers reliable for effective communication of information to investors, such as, in particular, through printed and electronic media on a national and European basis.

In the event of repeat General Meetings, the specific provisions of the current legal and regulatory framework apply.

b) Annual Financial Report

The Annual General Meeting reviews and approves the Annual Financial Report. The Annual General Meeting elects at least one certified auditor or audit firm, as specifically provided for under par. 1 of Article 32 of the Articles of Association.

The Annual Financial Report is available to the Shareholders at least ten days prior to the Annual General Meeting, and in accordance with the applicable regulatory framework shall incorporate: a) the Certifications of the Board of Directors, b) Board of Directors' Report, c) Supplementary Report, d) the Audit Committee Report, e) Independent Auditor's Report, f) the Annual Financial Statements including the separate and consolidated financial statements and the notes thereto, g) Disclosures of Greek Law 4261/2014 Art. 81 & Art. 82 & Disclosures of Greek Law 4374/2016 Art. 6, h) the Annual Report for the distribution of capital of the financial year it concerns, provided that the distribution has not been finalized or that it was finalized during the second semester, and was drawn from a share capital increase in the form of cash or upon issuance of a bond loan, following the references made in the relevant Prospectus of the issuance, and i) reference to the website where the Annual Financial Reports at www.nbg.gr, (https://www.nbg.gr/en/group/investor-relations/financial-statements-annual-interim/financial-statements) and the Annual Financial Statements of the consolidated non-listed companies (at www.nbg.gr, https://www.nbg.gr/en/group/activities/companies) that represent an amount higher that 3% of the consolidated turnover or the consolidated assets or the consolidated results after the deduction of the corresponding part concerning minority shareholders are published.

2.3. Right to participate and vote

a) General provisions

Persons entitled to participate in and vote at the General Meeting (initial and repeat), whether in person or by legally authorized proxy, are those who have shareholder's status according to the provisions of Article 124 par. 6 of Greek Law 4548/2018 in the files of the organization holding the securities of the company.

Shareholder status is evidenced by any means provided by law and, in any case, by means of the information obtained by the Bank from the central securities depository, if providing registry services, or, in any other case, through the registered intermediaries who are members of the central securities depository.

In accordance with the provisions of Article 127 of Greek Law 4548/2018, the members of the Board, as well as the auditors are entitled to be present at the General Meeting. Additionally, the Chair of the General Meeting may, under their responsibility, allow the presence of other persons, who do not have shareholder status or are not shareholders' representatives, insofar as this is not against the company interest. These persons are not considered to participate in the Meeting just for having received the floor on behalf of a present shareholder or at the invitation of the Chair. The participation of the aforementioned persons in the General Meeting can also be done by electronic means, if the invitation of the General Meeting so provides.

In case of a General Meeting that decides the share capital increase for the issuance of common shares, convertible bonds or other financial instruments as well as every General Meeting convened in the context of Greek Law 3864/2010 or related thereto, Article 7 of Greek Law 3864/2010 shall apply.

The HFSF exercises its voting right in the General Meeting as stipulated in Article 7a of Greek Law 3864/2010 and the Relationship Framework Agreement between the Bank and the HFSF.

The procedure and deadline for submitting the legalization documents of proxies and representatives of the Shareholders are set out in par. 3 to 5 of Article 128 of Greek Law 4548/2018. Disclosure of the appointment and revocation of appointment or replacement of the proxies can be effected in writing or via e-mail at the address stated in the General Meetings Invitation. Shareholders that have not adhered to the above provisions, may participate in the General Meeting, unless the General Meeting refuses their participation on serious grounds.

In addition, following relevant decision of the Board of Directors, the shareholders may vote at the General Meeting by distance voting, either by exercising their voting rights by electronic means or by mail, prior to the meeting, as per the applicable provisions of law. In that case, the shareholders shall be specifically notified on the procedure via the relevant General Meeting Invitation.

Upon relevant decision of the Board of Directors, the General Meeting may not convene in a place, but may convene entirely with the participation of the shareholders remotely by electronic means, in accordance with the provisions and conditions of the applicable legislation (i.e., Greek Law 4548/2018).

b) Approval of overall management/Discharge of auditors from liability

Following approval of the Annual Financial Report, the Annual General Meeting, by virtue of a decision taken by open vote and as per the Articles of Association, may approve the overall management carried out during the relevant financial year, as well as the discharge of the auditors from any liability.

The members of the Board of Directors that are shareholders of the Bank may take part in the said voting, only on the basis of the number of shares they hold or as proxies of other shareholders provided they have obtained relevant authorization with express and specific voting instructions. The same apply to the Bank's employees.

The Bank may waive claims against members of the Board of Directors or other individuals or proceed with a settlement with them, only if the conditions of Article 102 par.7 of Greek Law 4548/2018 are met.

2.4. Chairing of the General Meeting

The Chair of the Board provisionally chairs the General Meeting. Should s/he be unable to attend the General Meeting, s/he will be replaced by her/his substitute as per par. 3 of Article 20 of the Articles of Association or by the CEO. Should such substitute be also unable to attend, the General Meeting will be provisionally chaired by the Shareholder that owns the largest number of shares, or by the proxy thereof. The Chair, or her/his substitute, shall appoint individuals to serve as provisional Secretaries of the General Meeting. Subsequently, the General Meeting promptly elects the Chair and two secretaries, the latter also acting as vote counters.

2.5. Quorum and Majority required to passing resolutions

The General Meeting forms a quorum and validly deliberates on the items on the agenda when Shareholders owning at least 1/5 of the paid-up capital are present or represented thereat.

Should there be no such quorum, the General Meeting must reconvene within twenty (20) days as of the date of the meeting that was cancelled, by at least ten (10) full days' prior invitation to this effect; at such repeat meeting, the General Meeting forms a quorum and validly deliberates on the original agenda irrespective of the portion of the paid-up share capital represented.

In the event that no quorum is formed, if the place and time of the repeat meetings prescribed by law are specified in the original invitation, no further invitation is required, provided the repeat General Meeting takes place at least five days after the cancelled General Meeting.

Exceptionally, with respect to resolutions concerning:

- a change in corporate nationality;
- a change in corporate activities;
- an increase in Shareholder liability;
- an ordinary share capital increase, unless imposed by law or implemented through capitalization of reserves;

- a decrease in share capital, unless carried out in accordance with Article 21 par. 5 or Article 49 par. 6 of Greek Law 4548/2018;
- a change in the profit appropriation method;
- a corporate merger, split-off, transformation, revival, extension of duration or dissolution of the Bank;
- delegation or renewal of powers to the Board of Directors to decide for the share capital increase as per para. 1 of Article 24 of Greek Law 4548/2018;
- a Bond issue in the form of convertible bonds, as per Article 71 par. 1a of Greek Law 4548/2018;
- an issue of Warrants as per Article 56 par. 1 of Greek Law 4548/2018;
- the approval of deviations in the use of capital raised as per Article 22 of Greek Law 4706/2020, the disposal of assets as per Article 23 of Greek Law 4706/2020; and
- in any other case provided for by law.

The General Meeting forms quorum and validly deliberates on the agenda when Shareholders representing 1/2 of the paid-up share capital are present or represented thereat. Should no quorum be formed at the first meeting, as described in the preceding paragraph, a repeat meeting must convene within twenty (20) days as of the first meeting, with at least ten (10) full days' prior invitation, and forms quorum and validly deliberates on the original agenda when at least 1/5 of the paid-up share capital is represented thereat. If the place and time of the repeat meetings prescribed by law in the event that no quorum is formed are specified in the original invitation, no further invitation is required, provided each repeat General Meeting takes place at least five (5) days after the cancelled General Meeting.

Resolutions are adopted by absolute majority of the votes represented at the General Meeting. Exceptionally, resolutions on items that require increased quorum are adopted by a majority of 2/3 of the votes represented at the General Meeting. The voting results shall be subject to the applicable legislation.

Specifically, for the resolutions for the share capital increase mentioned in para. 2 of Article 7 of Greek Law 3864/2010, including the resolutions for the issuance contingently convertible bonds or other convertible financial instruments, are taken by the General Meeting, representing at least 1/5 of the paid-up share capital and with absolute majority of the votes represented in the General Meeting. If this is not the case, para. 2 of Article 130 of Greek Law 4548/2018 is applied.

2.6. Rules governing amendments to the Articles of Association

The General Meeting is the sole corporate body vested with authority to decide on amendments to the Bank's Articles of Association, in accordance with Article 117 of Greek Law 4548/2018 and Article 9 of the Bank's Articles of Association. The General Meeting convened for the purpose of introducing amendments to the Articles of Association or for the adoption of resolutions requiring enhanced quorum and majority (statutory General Meeting) may be ordinary or extraordinary.

3. Minority Shareholder's Rights

The shareholders' rights of minority are in accordance with the applicable provisions of Greek Law 4548/2018, as in force, and also, with the relevant Articles of Association. In particular:

a) Rights regarding the General Meeting

- At the request of Shareholders representing 1/20 of the paid-up share capital, the Board of Directors is obliged to convene an extraordinary General Meeting setting the date thereof not later than forty-five (45) days as of the date on which the request was submitted to the Chair of the Board of Directors. The request indicates the items on the agenda.
- At the request of Shareholders representing 1/20 of the paid-up share capital, the Board of Directors shall add to the agenda of the General Meeting that has been convoked additional items, provided the respective request is submitted to the Board of Directors at least fifteen (15) days prior to the said General Meeting and meets the requirements of Article 30 par.2 of the Articles of Association.
- Shareholders representing 1/20 of the paid-up share capital may submit, pursuant to Article 123 par.3 of Greek Law 4548/2018, draft resolutions on the items included in the initial or the revised agenda, provided the respective request has been submitted to the Board of Directors at least seven (7) days prior to the date of the General Meeting and the draft resolutions be made available to the shareholders, pursuant to par. 3 Article 123 of Greek Law 4548/2018, at least six (6) days prior to the date of the General Meeting. The Board of Directors is under no obligation to take any of these steps if the content of the respective request by shareholders clearly infringes the law and decent conduct.

  Specifically, for the General Meetings convened in accordance with Article 7 of Greek Law 3864/2010, the above deadlines are reduced to three (3) and four (4) days respectively.
- At the request of Shareholder(s) representing 1/20 of the paid-up share capital, pursuant to Article 123 par.3 of Greek Law 4548/2018, the Chair of the General Meeting shall postpone, only once, decision-making by the General Meeting, whether it is annual or extraordinary, for all or certain items in the Agenda, for a new General Meeting to be held on the continuation date indicated in the Shareholders' request, but not later than twenty (20) days as of the said postponement.

  Specifically, for the General Meetings convened in accordance with Article 7 of Greek Law 3864/2010, the above deadline is reduced to three (3) days.
- The General Meeting held following such postponement, being a continuation of the previous General Meeting, is not subject to publication requirements as regards the invitation to Shareholders, and new Shareholders may also participate therein, duly complying with the formalities regarding participation.

- At the request of Shareholders representing 1/20 of the paid-up share capital, decision-taking on the General Meeting agenda shall be by open vote.
- At the request of any Shareholder filed to the Bank at least five (5) full days before the date of the General Meeting, the Board of Directors provides the General Meeting with any such specific information on the Bank's business as may be requested, insofar as they are relevant to the items in the Agenda.

  Specifically, for the General Meetings convened in accordance with Article 7 of Greek Law 3864/2010, the above deadline is reduced to three (3) days.

  The Board of Directors may provide a single answer to shareholders' requests that are of similar content. No such obligation to provide information applies, in the event that the said information is already available on the company's website, particularly in the form of questions and answers. Moreover, at the request of Shareholders representing 1/20 of the paid-up share capital, the Board of Directors informs the General Meeting, provided it is an annual one, of the amounts paid by the Bank to each Director or the Managers of the Bank over the last two years, and of any benefits received by such persons from the Bank for whatever reason or under any agreement with the Bank. In all of these cases, the Board of Directors is entitled to decline the provision of the information requested, for good reasons, which are recorded in the minutes. Depending on the circumstances, one such good reason may be the requesting Shareholders' representation on the Board of Directors as per Articles 79 or 80 of Greek Law 4548/2018.
- At the request of Shareholders representing 1/10 of the paid-up share capital, filed with the Bank at least five (5) full days before the General Meeting, the Board of Directors shall provide the General Meeting with information on the current status of corporate affairs and assets of the Bank.

  For the General Meetings convened in accordance with Article 7 of Greek Law 3864/2010 the above deadline is reduced to three (3) days.

  The Board of Directors may decline to supply the information requested for good reasons, which are recorded in the minutes. Such good reason may be, depending on the circumstances, the requesting shareholders' representation on the Board of Directors, pursuant to Articles 79 or 80 of Greek Law 4548/2018, provided that the respective directors have received the relevant information in an adequate manner.

In the cases of paragraphs 6 and 7 of Article 30 of the Bank's Articles of Association, any dispute as to the validity of the reason for declining to provide the Shareholders with the information requested shall be settled by a judgment rendered by the competent court of the place of the Bank's registered office. By virtue of the said judgment, the Bank may be required to provide the information it had declined. The said judgment shall not be challenged before Courts.

Under all circumstances, when requesting shareholders exercise their rights as above, they are required to produce proof of their shareholder capacity and number of shares, with the exception of first sub paragraph of par. 6 of Article 30 of the Bank's Articles of Association. Shareholder status is evidenced by any means provided by law and, in any case, by means of the information obtained by the Bank from the central securities depository, if providing registry services, or, in any other case, through the registered intermediaries who are members of the central securities depository.

b) Rights regarding extraordinary audit

- Shareholders representing at least 1/20 of the paid-up share capital are entitled to file with the competent court a petition for an extraordinary audit of the Bank in accordance with the procedure provided for by law. The said audit is ordered if the acts alleged by the petitioners are deemed likely to contravene provisions of the law, or of Articles of Association, or of General Meeting resolutions. Under all circumstances, audit requests as above must be filed within three (3) years of approval of the Annual Financial Statements for the year in which such acts allegedly occurred.
- Shareholders representing 1/5 of the paid-up share capital may file with the competent court a petition for an extraordinary audit of the Bank if the overall corporate performance suggests that the management of corporate affairs has not been based on sound or prudent practices.

Shareholders requesting an audit as above shall provide the court with proof of ownership of the shares entitling them to the audit request.

4. Other Shareholder Rights

Additional information on the Shareholder rights and their exercise is included in the Supplementary Report for the Annual General Meeting, as required by Article 4 of Greek Law 3556/2007, as in force, which is part of the Bank's Annual Board of Directors' Report.

D. Board of Directors and Other Management, Administrative and Supervisory Bodies

Board of Directors of the Bank

The Bank is managed by the Board of Directors, which is responsible for ensuring strategic direction, management supervision and adequate control of the Bank, with the ultimate goal of increasing the long-term value of the Bank and protecting the corporate interest at large, in compliance with the current legal and regulatory framework, including the provisions of the Amended Relationship Framework Agreement between the Bank and the HFSF and the obligations of the Bank towards the Monitoring Trustee.

NBG's Board of Directors composition is as follows:

Gikas Hardouvelis
Chair of the Board
Non-Executive
Number of shares*
3,300

Prof. Gikas A. Hardouvelis (born 1955) is the Chair of the Board of Directors of the National Bank of Greece since July 2021. In the previous two years he was the Senior Independent Director. Currently, he is also Professor of Finance and Economics in the Department of Banking and Financial Management of the University of Piraeus in Greece, First Vice Chairman of the Board of Directors and Member of the Executive Committee of the Foundation of Economic and Industrial Research (IOBE), Member of the Board of Trustees of Anatolia College, and Research Fellow at the Centre for Economic Policy Research in London.

Prof. Hardouvelis holds a Ph.D. in Economics from the University of California, Berkeley (1985), as well as a B.A. (Magna cum Laude) and a M.Sc. in Applied Mathematics from Harvard University (1978). He has taught at Columbia and Rutgers universities and his academic work has been published in prestigious top-ranking academic journals.

Prof. Hardouvelis served as Research Adviser & Senior Economist at the Federal Reserve Bank of New York (1987-1993) and as Adviser to the Bank of Greece (1994-1995), where he also acted as Alternate to the Governor at the European Monetary Institute (precursor to the ECB).

In the private financial sector, he held key managerial positions at the National Bank of Greece (1996-2004) and Eurobank (2005-2014). He was a founding member of the Board of Directors of the Athens Derivatives Exchange (1998-2000). He has also been a member of the Academic Council of the Hellenic Bank Association (HBA), its President and the HBA EBF-EMAC (European Banking Federation -Economic and Monetary Affairs Committee) representative.

His long standing academic and banking career was also accompanied by intermissions for public sector service in senior government positions. He served twice as the Director of the Economic Office of the Greek Prime Minister of the time (May 2000 - March 2004 and November 2011 - May 2012), and as Minister of Finance of the Hellenic Republic (June 2014 - January 2015).

Pavlos Mylonas
Executive Board Member
Chief Executive Officer

Number of shares*
3,341

Chair of the Senior Executive Committee, the Senior Credit Committee, the ALCO and the Provisions and Write-Offs Committee

Mr. Pavlos Mylonas (born 1958) was appointed Chief Executive Officer of National Bank of Greece in July 2018. He joined NBG in 2000 and served, inter alia, as Deputy CEO, CRO and Head of Strategy.

He worked as a Senior Economist on the staff of the Organisation for Economic Co-operation and Development ("OECD") from 1995 to 2000, as well as, at the International Monetary Fund from 1987 to 1995. In the years 1985-1987 he was visiting Assistant Professor at the Department of Economics in Boston University.

He holds a Bachelor of Science in Applied Mathematics-Economics (Magna cum Laude and Phi Beta Kappa) from Brown University, as well as a Master of Arts and a Ph.D. in Economics from Princeton University.

Christina Theofilidi
Executive Board Member
General Manager of Retail Banking

Number of shares*
Nil

Member of the Senior Executive Committee and the ALCO

Mrs. Christina Theofilidi (born 1967) was elected Executive Board Member in July 2019.

She was appointed as General Manager of Retail Banking and Member of the Executive Committee of NBG in December 2018. She also serves as a Non-Executive Member at the Board of Directors of Ethniki Hellenic General Insurance S.A., and a Non-Executive Member at the Board of Directors of National Bank of Greece Cultural Foundation ("MIET"). She is also a member of the Executive Committee of the Hellenic Banking Association.

She started her career in the banking sector in 1988 working for Societe Generale and Citibank by holding positions in Marketing and Branch Network. In 1997, she joined Eurobank group and held various senior positions in Retail Banking, as Commercial Manager of Eurobank Cards S.A., as Assistant General Manager of International Activities of Eurobank, as General Risk Manager of Eurobank Household Lending S.A. and in 2013 as Managing Director of Eurobank Household Lending S.A. In 2014, she joined in Eurobank the newly founded Troubled Assets unit and held the position of Retail Remedial General Manager. From September 2016 up to December 2018, she served as Individual Banking and Retail Products General Manager.

She holds a Master in Business Administration ("MBA") Degree from INSEAD (European Institute of Business Management) and a Bachelor's Degree with a double major in Economics and Psychology from Swarthmore College of Pennsylvania, USA.

Avraam Gounaris
Senior Independent Director
Number of shares*
Nil

Member of the Audit Committee and the Compliance, Ethics and Culture Committee

Mr. Avraam Gounaris (born 1969) was appointed as Independent Non-Executive Director of the Board of Directors in July 2019. On 22 December 2021, the Board of Directors elected Mr. Avraam Gounaris as Senior Independent Director.

He has diverse managerial experience with an emphasis on restructuring and transition management and is considered an expert in multiple stakeholder management.

In the past, he held several senior positions in both the public and private sectors and has served, among others, as non-executive member of the Board of Directors of Euroconsultants, executive member of the Board of Directors of ECUSA and Chairman of the Board of Directors of Investment Bank of Greece.

He holds a Bachelor of Science in Business Administration (Finance) and an MBA from the University of Nevada, Reno.

Claude Piret
Independent
Non-Executive Member
Number of shares*
Nil

Chair of the Board Risk Committee, Vice-Chair of the Audit Committee

Member of the Strategy and Transformation Committee

Mr. Claude Piret (born 1951) has been member of the Board of Directors of National Bank of Greece since November 2016 and for the period of April -December 2021 he was temporarily serving as interim Senior Independent Director.

He possesses extensive experience in the international financial sector, having a career of over 35 years in international banking institutions. He has served in high-ranking positions for a number of years at Dexia Group, and has extensive experience in audit, risk management commercial banking and in the areas of management of non-performing loans. Currently he is a member of the Board of Directors of Saint Pierre Hospital in Belgium.

Mr. Piret holds a Diploma in Civil Engineering from The Université catholique de Louvain (Belgium) and a post-graduate degree in Management (Finance) from The Université Libre de Bruxelles (ULB) - Solvay Institute.

Wietze Reehoorn
Independent
Non-Executive Member

Number of shares*
Nil

Chair of the Corporate Governance and Nominations Committee and the Strategy and Transformation Committee

Vice-Chair of the Board Risk Committee

Mr. Wietze Reehoorn (born 1962) was appointed as Independent Non-Executive Director of the Board of Directors in July 2019.

Mr. Reehoorn is an experienced senior banking executive, having held a number of senior managerial positions in a market leading international bank. His diverse experience offers skills relating to risk, strategy and corporate governance.

He was a member of ABN Amro for over 30 years, where he held various positions some of which include being a member of the Managing Board during the last 8 years (2010- 2017) being the Chief Risk Officer, as well as the Chief of Strategy/Corporate Development/Investor Relations/Economic Affairs and he also led the integration of ABN Amro with Fortis. Moreover, he held the position of Chairman of the Supervisory Board of IFN Group.

Currently, Mr. Reehoorn serves as Chairman of the Supervisory Board of MUFG Bank (Europe) N.V. (MBE) and MUFG Securities (Europe) N.V. and as member of the Supervisory Board of Anthos Private Wealth Management B.V. Additionally, he holds the positions of the member of the Supervisory Council and Chair of the Audit Committee of Rijksuniversiteit Groningen, Chairman of the Supervisory Council of Stichting Topsport Community, member of the Supervisory Council of Frans Hals Museum, member of the Board of Directors of ABE Bonnema Stichting and member/Director of Koninklijke Hollandsche Maatschappij der Wetencchappen.

Mr. Reehoorn holds a Master's Degree in law from Rijksuniversiteit Groningen.

Anne Marion-Bouchacourt
Independent
Non-Executive Member

Number of shares*
Nil

Chair of the Human Resources and Remuneration Committee

Member of the Corporate Governance and Nominations Committee, of the Audit Committee and of the Innovation and Sustainability Committee

Mrs. Anne Marion-Bouchacourt (born 1958) was appointed as Independent Non-Executive Member of the Board of Directors of the National Bank of Greece in April 2020.

During her long career, she has served in various positions, gaining extensive expertise in the fields of human resources and culture, accounting and financial auditing, and having considerable experience in strategy, organization and business transformation.

Mrs. Anne Marion-Bouchacourt possesses significant experience in the banking sector and has served in high-ranking positions in international financial organisations and firms.

She has served, among others, as senior executive at Societe Generale Group for over 15 years, in particular, as Group Chief Country Officer for China (2012 – 2018), as Senior Executive Vice President, Corporate Human Resources (2006 – 2012), and she has also worked as an auditor (1981 – 1986) and as a consultant (1986 – 1999) with PricewaterhouseCoopers (PwC), having been appointed Director in PwC's Financial Services sector, while she had additionally been a consultant in strategy and organization at Solving International (2002 – 2004) and at Gemini Consulting (1999 – 2002).

Currently, she serves as Chair of Societe Generale Private Banking Switzerland and she also acts as Societe Generale Group Country Head for Switzerland and CEO of Societe Generale Zurich, as Non-Executive Member at Credit du Nord, as well as an Independent Non-Executive Member at Ipsos. Additionally, she serves as President of 'Conseillers du Commerce extérieur de la France (Suisse)' and as Member of the Board of the 'Association des banques étrangères en Suisse'.

Mrs. Marion-Bouchacourt graduated from the École Supérieure de Commerce de Paris (ESCP), she holds a post-graduate diploma in Finance from the Paris Dauphine University and is a Chartered Accountant.

Matthieu Kiss
Independent
Non-Executive Member

Number of shares*
Nil

Chair of the Audit Committee

Vice-Chair of the Strategy and Transformation Committee

Member of the Corporate Governance and Nominations Committee

Mr. Matthieu Kiss (born 1956) was appointed as Independent Non-Executive Member of the Board of Directors of the National Bank of Greece in December 2020.

Mr. Kiss possesses extensive experience in the banking sector, having served in prominent financial organizations, and expertise in the area of audit.

He had served as Global CFO, Retail Banking & Wealth Management at HSBC Group, as well as CFO of HSBC France & Continental Europe. In addition, he has served as member of Boards and Audit Committees at various financial organisations, including at CCF-Charterhouse and Elysées-bourse (the brokerage subsidiary of CCF), Aurel-Leven and Charterhouse bank.

Mr. Kiss has been a Member of the Board at HSBC Asset Management France since 2009. Since 2009, he has also been serving as a Member of the Board and the Audit Committee at HSBC Insurance France, where he has been Chair of the Audit Committee since 2015, while he also serves as Non-Executive Director at Europe Arab Bank S.A. (EAB).

He holds a BA in law from the University of Paris II, an MBA Degree from Institut d'études Politique de Paris and a diploma in Public Administration from L' École Nationale d' Administration.

Elena Ana Cernat
Independent
Non-Executive Member

Number of shares*
Nil

Vice Chair of the Human Resources and Remuneration Committee and of the Innovation and Sustainability Committee

Member of the Board Risk Committee and the Compliance, Ethics and Culture Committee

Mrs. Elena Ana Cernat (born 1974) was appointed as Independent Non-Executive Director of the Board of Directors in July 2019.

Mrs. Cernat is a highly experienced banker, having held several senior executive and non - executive positions during her career, with emphasis in business development and innovation. She possesses substantial experience in retail banking, developing new business, digital and multichannel strategies.

In the past, Mrs. Cernat held the position of member of the Board of Directors of Euroline Retail Services (member of Eurobank Group).

Currently, she holds the position of an executive member (CEO) of the Board of Directors of Alior Bank Warsaw– Bucharest branch. She is also a Board member at Yoga Vidya Romania.

She holds a B.A. in Philology, Applied Modern Languages from Babes - Bolyai University, Romania, an MBA, Romanian - Canadian MBA Program Certificate from Bucharest School of Management, as well as several certifications including among others Certification in Banking Marketing and she is authorized by the Central Bank of Romania (BNR) in Credit, Risk and Capital Management.

Aikaterini Beritsi
Independent Non-Executive Member

Number of shares*
Nil

Chair of the Compliance, Ethics and Culture Committee

Vice-Chair of the Corporate Governance and Nominations Committee

Member of the Strategy and Transformation Committee

Mrs. Aikaterini Beritsi (born 1955) was appointed as Non-Executive Director of National Bank of Greece in July 2019. In July 2021, Mrs. Beritsi was appointed Independent Non-Executive Member of the Board.

She has substantial experience in the Greek Banking sector by holding senior positions at major systemic banks. In addition, she is an expert in corporate governance, following her directorships in three other Greek banks (two of them systemic), where she had a leading role in introducing best practice and addressing significant internal control issues.

In the past, she had served as member of the Board of Directors and all statutory committees of Piraeus Bank and Eurobank, Chairperson of the Board of Directors of New Proton Bank and of Proton Bank S.A., as well as member of the Board of Directors of Credit Agricole Group/Emporiki Bank's subsidiaries in South Eastern Europe.

Currently, she serves as an independent non-executive member of the Board of Directors and as the Chairperson of the Audit Committee of E.Y.D.A.P.

She is a graduate of the Department of Economics of the National and Kapodistrian University of Athens and she has completed the program Modern Governance in Banking at INSEAD, while she has participated in multiple financial seminars and managerial training programs.

JP Rangaswami
Independent
Non-Executive Member

Number of shares*
Nil

Chair of the Innovation and Sustainability Committee

Member of the Audit Committee and of the Human Resources and Remuneration Committee

Mr. JP Rangaswami (born 1957) was appointed as Non-Executive Member of the Board of Directors of the National Bank of Greece in October 2020. In July 2021, Mr. Rangaswami was appointed Independent Non-Executive Member of the Board.

He possesses extended experience of over 35 years in the IT sector and has served in senior positions in multinational organizations, including financial institutions.

He has served, among others, as Chief Data Officer and Group Head of Innovation at Deutsche Bank, as well as Global Chief Information Officer at Dresdner Kleinwort Wasserstein.

Currently, he holds the position of an independent non-executive member of Admiral Group Plc, Allfunds Bank SA, the Daily Mail and General Trust Plc and EMIS Group Plc, he is Board Chairman of Webscience Trust, member of the Trust Board at Cumberland Lodge, while he is also an Adjunct Professor in Electronics and Computer Science at the University of Southampton.

He holds a BA in Economics from the University of Calcutta, while he has extended his education having participated in high level educational programs.

Periklis Drougkas
Representative of the HFSF

Non-Executive Member

Number of shares*
Nil

Member of Board of Directors and Board Committees

Mr. Periklis Drougkas (born 1953) was appointed as Representative of the HFSF at NBG Board of Directors in July 2018.

He has an extensive professional experience in senior-level executive positions in leading regional and multinational banking and financial services organizations.

He held a series of executive roles with Citibank. From 1994 to 2004 Periklis Drougkas served as Assistant General Manager, Head of Retail Banking of ING BANK NV, as General Manager, Head of Retail Banking of Egnatia Bank S.A., while he was also appointed Chairman of the Board and Managing Director of Egnatia Fin S.A. and General Manager of Egnatia Insurance Broker Co. Ltd. In 2004, he joined EFG Eurobank Group as General Manager in Open24 S.A. In 2008, he was appointed in Alpha Bank Serbia AD as Deputy President of Executive Board, Head of Retail Banking Business Unit. In 2012, he was appointed Chief Executive Officer and Chairman of Management Board of Alpha Bank Albania SHA.

Furthermore, he held a series of advisory positions and served as Chairman of the Albanian Association of Banks and President of the Hellenic Business Association in Albania. Currently, he serves as independent non-executive director of Board of Directors and Audit Committee in a regional bank (Tirana Bank).

He has graduated from the Athens University of Economics and Business while he has extended his education in advanced management programs.

Panos Dasmanoglou
Board of Directors and Board Committees Secretary

General Manager - Group Compliance and Corporate Governance
Number of shares*
80

Member of the Senior Executive Committee with no voting rights

Mr Panos Dasmanoglou (born 1963) was elected Secretary of the Bank's Board of Directors and of its Committees in January 2014.

He was appointed as Group Chief Compliance and Corporate Governance Officer at National Bank of Greece in December 2016.

He has been a senior Compliance, Legal and Governance Officer at the National Bank of Greece since 1990. He has served the C-suite level of NBG Group in several senior management positions during the last 20 years, including, as Group Chief Compliance Officer and Head of International Legal Department, while from July 2018 to July 2019 he served as an Executive Board member. Furthermore, Mr. Panos Dasmanoglou serves as Chairman of the Board of Directors of NBG Securities S.A. and Vice-Chairman of the Board of Directors of National (Ethniki) General Insurance. For a number of years, he has been an active participant in the workings of the Hellenic Bank Association and the European Banking Federation, specifically in the committees on international banking issues, compliance, consumer issues, anti-money laundering, derivatives and repos. Further, he serves as member on the Board of the Hellenic Ombudsman for Banking-Investment Services.

He holds a law degree (LL.B) from the University of Athens Law School and a Master's degree in European Law from the University of Brussels. He is a holder of INSEAD Certificate in Corporate Governance, as well as of international executive post graduate certifications in banking management and international financial law from INSEAD Business School and Oxford University.

**Number of common shares as at 31 December 2021.*

The composition of the Board of Directors reflects the knowledge, skills and experience required for the discharge of its responsibilities, in alignment to the Bank's Board Suitability Policy, its strategy and business model.

The Board of Director's tasks, key responsibilities and authorities are set out in Greek Law 4548/2018, Greek Law 4261/2014, EU Regulation 468/2014, Greek Law 4706/2020, Greek Law 3864/2010, all as each time in force, the Relationship Framework Agreement between the Bank and the HFSF, the Hellenic Corporate Governance Code of the Hellenic Corporate Governance Council and the Bank's internal Corporate Governance framework, i.e. the Bank's Articles of Association and the Corporate Governance Code, which is available on the Bank's website, at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/corporate-governance-framework).

Appointment of Directors and Operation of the Board

The members of the Board of Directors are elected by the Bank's General Meeting of the Shareholders for a term that cannot exceed three (3) years and ends at the ordinary General Meeting of the Shareholders of the year in which such provisioned term expires. Uneven terms of office may be provisioned for each Director, insofar as this is prescribed by the current legal and regulatory framework. All members can be re-elected, subject to the fulfillment of requirements set by each time applicable legal and regulatory framework. The General Meeting of Shareholders determines each time the exact number of the members of the Board of Directors (the Board of Directors may consist of a minimum of seven (7) up to a maximum of fifteen (15) members) and its independent members.

HFSF Representative

A HFSF Representative also participates in the Bank's Board of Directors, in line with Greek Law 3864/2010, as in force. In accordance with the Amended Relationship Framework Agreement between the Bank and the HFSF, signed in December 2015, the HFSF is also entitled to the appointment of an observer (HFSF Observer-without voting right) to the Board of Directors of the Bank. Currently, Mr. Christoforos Koufalias is the HFSF's Observer to the Bank's Board of Directors and Board Committees.

Board Members' Removal and Replacement

The Board of Directors' members can be removed at any time by the General Meeting. In the event that a member ceases to participate in the Board of Directors, due to resignation, disease or having forfeited their office for whatever reason, and in case its replacement by deputy members, that have potentially been elected by the General Meeting is impossible, the rest of the members may either provisionally elect another member to cover the unoccupied seat for the period of time that remains until the replaced member's term of office ends, or may continue to manage and represent the Bank without replacing the missing Director(s), provided that the number of the remaining Directors shall remain within the range prescribed by the Bank's Articles of Association (currently at least seven), which is in accordance with the applicable framework.

In the event that a new Director is provisionally elected, the election shall be valid for the remaining term of office of the Director replaced and is announced by the Board of Directors at the immediately following General Meeting, which may replace the Directors even if no relevant item is included on the agenda. Under all circumstances, the remaining Directors, irrespective of number, may call a General Meeting solely for electing a new Board.

Election of Chair and CEO

The Board of Directors elects, by absolute majority from its members, the Chair and the CEO who manages the affairs of the Bank and decides on the appointment of executive and non-executive members of the Board. Moreover, the Board of Directors may also elect from among its members one or more Vice Chairs. Furthermore, the Board of Directors decides on the appointment and duties of the Deputy Chief Executive Officer(s).

The Bank constantly monitors developments internationally in the field of corporate governance and aims to adopt best practices and continuously updates its corporate governance framework, in which context, as well as in accordance with the current regulatory framework, and best practices in corporate governance, the Bank distinguishes the role of the Chair from that of the Chief Executive Officer.

Operation of the Board of Directors

i) Constitution into a Body

The Board of Directors is constituted into a body at its first meeting following each election of Directors by the General Meeting, as well as under any circumstances when the Chair's or the Chief Executive Officer's post is vacated for whatever reason. Until the Board of Directors elects a new Chair or Chief Executive Officer, the relevant duties are exercised by the substitute thereof. Furthermore, the Board of Directors may be constituted into a body anytime, following relevant decision by majority, determining anew its executive and non-executive members.

ii) Convocation

The Board of Directors convenes as prescribed by Greek legislation, the Bank's Articles of Association and the Corporate Governance Code, as well as according to the provisions of the Amended Relationship Framework Agreement between the Bank and the HFSF and the obligations of the Bank towards the Monitoring Trustee. The Board of Directors is convened by the Chair:

- upon invitation sent by the Board of Directors Secretary to the Board of Directors members at least three (3) business days before the meeting. The invitation must clearly specify the items on the agenda, otherwise decisions cannot be reached unless all members of the Board of Directors' are present or represented at the meeting and no member objects to decision-making or
- at the request of at least two (2) directors, within seven (7) days from the submission of the written request, which should clearly specify the agenda of the Board of Directors meeting requested or
- upon request of the HFSF representative within seven (7) days from the submission of the request to the Chair.

In case the Board of Directors Chair does not proceed with convocation of the Board of Directors upon request of at least two (2) directors or the HFSF representative within the above deadline or does not include in the invitation all proposed items on the agenda, then said directors or the HFSF representative respectively are able to convene the Board of Directors within five (5) days from expiry of the above deadline of seven (7) days. The invitation shall be notified to all Board of Directors members and to the HFSF observer.

iii) Inclusion of Items on the Agenda

- Any member may request the Chair to include one or more items on the agenda of the next Board of Directors' meeting.
- Two (2) or more members may require the Chair to include one or more items on the agenda of the next Board of Directors meeting.
- The HFSF representative also has the right to include items on the agenda and, to that end, must send to the Chair of the Board of Directors in writing, the proposed/additional items at least two (2) business days prior to the date of the Board of Directors meeting. The Chair of the Board of Directors must include those items on the agenda of the scheduled Board of Directors' meeting.

iv) Decision making

The Board of Directors forms a quorum and validly deliberates when one half plus one of the Board of Directors are present or represented, but under no circumstances may the number of Directors present be less than five (5). In case of meetings concerning the Bank's financial statements or issues for which General Meeting approval by increased quorum and majority is required in accordance with L. 4548/2018, the Board shall form a quorum as provided by article 5 para 3 of Greek Law 4706/2020. The Articles of Association describe in detail the requirements of Directors' representations for valid resolutions adoption.

v) Board Secretariat System

Since 2016 and in the context of further enhancing the efficient operation of the Board of Directors, the Bank has implemented special Board Secretariat system to further support operation of the Board of Directors, thus providing Board of Directors members with appropriate information and notifications, accessing remotely the Board of Directors and Board Committees' material and facilitating exchange of opinions and commenting on issues placed under consideration of the Board of Directors and Board Committees, signing of meeting minutes and better monitoring of issues discussed by the Board of Directors and its Committees.

Responsibilities of the Board of Directors

Among other matters, the Board of Directors is responsible for:

- reviewing and approving the strategic direction of the Bank and the Group, including the business plan, the annual budget and the key strategic decisions as well as providing guidance to the Bank's and the Group's Management;
- reviewing the Group's corporate structure, monitoring its embedded risks and ensuring the cohesiveness and effectiveness of the Group's corporate governance system;
- acquiring shareholdings in other banks in Greece or abroad, or divestment thereof;
- establishing Branches, Agencies, and Representation Offices in Greece and abroad;
- establishing associations and foundations under Article 108 and participating in companies falling under Article 784 of the Greek Civil Code;
- approving the Bank's internal labour regulations;
- nominating General Managers and other executives of the Bank, as appropriate in line with the applicable framework and accordingly following proposals by the Bank's responsible bodies;
- reviewing and approving the Group and the Bank's annual and interim financial report;
- issuing Bonds of any type, with the exception of those for which the Bank's General Meeting is exclusively responsible in accordance with the Greek law;
- approving and reviewing a Code of Ethics for the employees of the Bank and the Group and the Code of Ethics for financial professionals;
- approving the Bank's and the Group's CSR Policy; and
- approving and reviewing the Group Remuneration Policy upon decision of its non-executive members, following recommendation by the Human Resources and Remuneration Committee of the Board of Directors.

Moreover, pursuant to Article 10 of Greek Law 3864/2010 (the "HFSF Law"), as in force, as well as according to the Amended Relationship Framework Agreement entered into with the HFSF, the representative of the HFSF may, *inter alia*, veto the decision making process of the Board of Directors in relation to dividend allocation and remuneration of the Chair of the Board of Directors, the Chief Executive Officer and Board members, as well as the General Managers and their substitutes.

Directors Nomination & Suitability Assessment

According to Greek Laws 4548/2018 and 4706/2020, as well as Article 9 of the Bank's Articles of Association, the General Meeting of the Shareholders is the sole corporate body vested with the authority to elect of the members of the Board of Directors, as well as to determine the independent non-executive members, while a representative of the HFSF participates in the Bank's Board, pursuant to Greek Law 3864/2010, as in force. In particular, according to the Bank's Corporate Governance Code, the Board of Directors, assisted by the Corporate Governance and Nominations Committee, proposes to the General Meeting candidate Directors on the basis of the Nominations Policy and in alignment with the Board Suitability Assessment Policy and Procedure and the relevant regulatory framework which requires them to meet the "fit and proper" criteria and not have any systematic conflict of interest with the Bank. Exceptionally, according to the provisions of para. 3 of Article 17 of the Bank's Articles of Association and Article 82 of Law 4548/2018, in the event that as a result of resignation, death or forfeiture for whatever reason a Director ceases to be on the Board of Directors and his replacement by substitute Directors elected by the General Meeting is not feasible, the remaining Directors may either provisionally elect another Director to fill the vacancy for the remaining term of office of the Director replaced, or continue to manage and represent the Bank without replacing the missing Director(s), provided that the number of the remaining Directors shall be within the range prescribed by the Bank's Articles of Association (currently at least seven), which is in accordance with the applicable framework. Additionally, particularly with regards to the independent non-executive members of the Board, according to the provisions of para. 4 of article 9 of Greek Law 4706/2020, in the event that as a result of resignation, death or in any other way loss of the status of an independent non-executive member, the number of the independent non-executive members becomes less than the minimum required by law, the Board of Directors appoints as independent non-executive member until the next General Meeting either an alternative member, where one exists under article 81 of Greek Law 4548/2018, or an existing non-executive member or a new member that is elected for substitution, under the condition that the independence criteria of par. 1 are fulfilled. When pursuant to a decision of the competent body of the company, it is provided for a number of independent non-executive members greater than the one provided in par. 2 of article 5, and following the replacement, the number of the independent non-executive members of the Board of Directors is less than the aforementioned provided number, a relevant announcement shall be published to the website of the bank and remains published until the next General Meeting.

In any case, the election of members of the Board of Directors is subject to constant review and approval by the SSM.

The nomination of the Bank's Board of Directors is performed in accordance with the Bank's detailed Directors' Nomination Policy, the Board Suitability Assessment Policy and Procedure and the Board Diversity Policy, the provisions of the Bank's Articles of Association, the Corporate Governance Code and the Corporate Governance and Nominations Committee Charter, the provisions of the relevant regulatory framework especially, Greek Laws 4706/2020, 4548/2018 and 4261/2014 which transposed into Greek law Directive 2013/36/EU (CRD IV), Greek law 3864/2010 (the "HFSF Law"), and the Bank of Greece Executive Committee's Act No. 142/11.6.2018, as in force, as well as relevant guidelines of the European Central Bank, the European Banking Authority and the HFSF, while taking into account international best practices. Each nominee fulfils such criteria that ensure the appropriate governance and guidance of the Bank's strategy in respect of economic, business and policy issues, so as to ensure the required approval of the supervisory authorities in national and European level.

Following each election of Directors by the General Meeting of the Shareholders, as well as under any circumstances when the Chair's or the Chief Executive Officer's post is vacated for whatever reason, the Board of Directors constitutes into a body at its first meeting thereof and elects its Chair and the CEO who manages the affairs of the Bank, by absolute majority from among its members. According to the Bank's Corporate Governance Code, the Bank distinguishes the role of the Chair of the Board of Directors and the role of the Chief Executive Officer. Moreover, the Board of Directors has the authority to elect Vice Chair(s) and to decide on the appointment and duties of Deputy Chief Executive Officer(s), while also the Board may elect, from among its independent non-executive members, a Senior Independent Director.

In order to be considered as a suitable candidate, prospective nominees should at least: (a) fulfil the minimum requirements provided in the regulatory framework and the Bank's Corporate Governance Code and internal policies, including with regard to qualifying criteria for Board membership, directors' incompatibilities, and independence criteria (where appropriate); (b) fulfil the minimum eligibility criteria stipulated in Greek Law 3864/2010 (HFSF Law), as in force; (c) meet the minimum suitability criteria set out in Article 91 of the CRD, as in force, namely: (i) experience; (ii) reputation; (iii) conflicts of interest and independence of mind; (iv) time commitment; and (v) collective suitability (as further detailed in Annex I of the Policy); (d) have no systematic conflict of interest with the Bank as per the applicable regulatory and internal framework (including the Bank's Articles of Association, NBG Group Code of Ethics and Policy for avoiding Conflicts of Interest for Board members, Senior Executives and other Related Parties of NBG; (e) meet particular criteria as each time determined for the role and duties of the specific position.

In selecting and proposing to the General Meeting of the Shareholders potential members of the Board of Directors, or in appointing new members in replacement of members who for whatever reason cease to be on the Board of Directors, the Board of Directors shall seek to propose candidates whose nomination ensures that the Board of Directors as a collective body presents above all the following profile:

- has a thorough knowledge of the financial industry, counting among its members individuals who are serving or have served in the past in leadership positions in financial institutions. More specifically, Board membership shall have the appropriate mix and experience in financial services or commercial banking and adequate time to provide effective oversight of a Group that offers a diverse range of financial services and operates on an international scale. Some of its members have significant long-time experience in financial management, accounting, and risk and capital management and control. Board members are also aware of the legal and regulatory requirements of the banking industry;
- has substantial business and professional experience, counting among its members individuals who are serving or have served in the past as Chair, Chief Executive Officers or senior managers of large organizations that are active in the areas of banking, audit, risk management or distressed asset management and have built a reputation that demonstrates the ability to make the kind of important and sensitive business decisions that the Board of Directors is called upon to make;
- has a full understanding of the structure and dynamics of NBG's customer universe, and of the principal markets in which the Group is currently active;
- has substantial international experience and can contribute to NBG's aspirations in the specific geographical region in which NBG is active;
- ensures, as far as possible, adequate representation of both genders;
- reflects the business model and the financial condition of the Bank;

- includes at least three (3) experts as independent non-executive members with adequate knowledge and international experience of at least fifteen (15) years in relevant banking institutions of which at least three (3) years' experience on a board of an international banking group not operating on the Greek market. These experts should have no relationship over the previous ten (10) years with credit institutions operating in Greece;
- at least one board member shall have relevant expertise and international experience of at least five (5) years in the risk management or management of NPLs. This board member will focus on management of non-performing loans at board level and chair the board committee of that deals with Non-Performing Loans;
- the principle of diversity is respected in the selection of Directors for the Board. Diversity is one factor that can enhance the functioning of the Board of Directors, as it addresses the phenomenon of "group think" and facilitates independent opinions and constructive challenging in the process of decision making.

The Bank's Corporate Governance Code, as well as the Board Suitability Assessment Policy and Procedure and the Directors' Nomination Policy describe specific suitability criteria that shall be met by candidates as regards their initial and ongoing suitability, professional competencies that are incompatible with the position of Board member at the Bank, criteria concerning independence of non-executive members, participation of candidates on other boards, as well as other cases that are incompatible with the position of Board member. The Bank aims to ensure the best composition for the Board of Directors and that, in any case and at all times, all members of its Board of Directors are individually suitable for their respective roles and that the Board collectively possesses adequate knowledge, skills and experience to be able to understand the Bank's activities, including the main risks.

The Bank, in alignment also to the provisions of Greek Law 4706/2020, affirms on an annual basis fulfilment by independent non-executive Board members of the independence criteria set by the applicable framework and particularly Article 9 of Greek Law 4706/2020. Specifically, the Bank has carried out checks to confirm fulfilment by independent non-executive Board members of the independence requirements laid down in the applicable framework, including the independence requirements of Article 9 of Law 4706/2020, both prior to the Annual General Meeting of the Bank's Shareholders of 30 July 2021 when the new Board of Directors was elected, as well as before publication of the present Annual Financial Report.

The Bank monitors developments in the applicable framework and relevant guidelines and best practices and proceeds to the actions deemed appropriate in order to ensure that the policies followed are in alignment with each time applicable regulatory framework and relevant guidelines.

Evaluation of the Chief Executive Officer, the Board of Directors and the Board Committees

According to the Bank's Corporate Governance Code and the Policy and Procedures for the annual evaluation of the Board of Directors, the Board, assisted by the Corporate Governance and Nominations Committee, conducts an annual Board effectiveness review to evaluate its own performance as a collective body and its members' contribution in line with the Board of Directors evaluation procedure formulated by the Corporate Governance and Nominations Committee, taking also into consideration the applicable legal and regulatory framework. The evaluation is carried out every three (3) years by an external consultant whose oversight is the responsibility of the Corporate Governance and Nominations Committee. The HFSF is entitled to monitor/review this evaluation.

The Corporate Governance and Nominations Committee determines the exact timing for the initiation of the annual evaluation of the Board and its Committees and the assessment of the Board members on an individual basis, as well as the evaluation timetable and the methodology that shall be applied and oversees the evaluation process. The self-evaluation is carried out through questionnaires to be completed by members of the Board, while the questionnaires related to the performance of each Board Committee are completed only by the members of such Committee. The content of the questionnaires is reviewed on an annual basis by the Corporate Governance and Nominations Committee in order to ascertain that the questionnaires continue to correspond to the conditions each time prevailing, including the Bank's priorities, the applicable regulatory framework and the best corporate governance practices. The results of the overall evaluation of the Board of Directors and its Committees, as well as anonymous statistical data regarding members' self-evaluation on an individual basis are presented and discussed at Board level, while the individual outcome reports are discussed in individual feedback sessions, as appropriate.

In addition, the HFSF is also entitled to carry out with the assistance of an independent consultant of international reputation and established experience and expertise an annual assessment of the efficiency of the Board of Directors and the Committees, which will extend also to the individual members of the Board of Directors and its Committees. The evaluation will be carried out based on the criteria set out by Greek Law 3864/2010, the Relationship Framework Agreement entered into between the Bank and the HFSF, as well as on criteria that the HFSF establishes with the assistance of an independent consultant and will be updated at least once every two years and more often if there is material change in the financial position of the Bank. The HFSF will inform the Board of Directors on the results of the evaluation being entitled to develop specific recommendations for improvements and changes in the corporate governance, taking also all measures provided for in Article 10 of Greek Law 3864/2010 to this end. The results of HFSF evaluation of the Board of Directors are being reviewed and discussed at the level of the

Board of Directors by the competent Board Committee, being the Corporate Governance and Nominations Committee of the Board and if necessary the Bank proceeds and closely monitors any corrective action as per case.

Within the above context, during 2021 the Board, with the assistance of the Corporate Governance and Nominations Committee and the facilitation of an external consultant (Stanton Chase and their strategic partner The Board Practice), conducted the individual evaluation of the Board Members, complementing the annual collective evaluation of the Board and its Committees, and the consolidated results were discussed at the Board. The evaluation was carried out through questionnaires which were completed anonymously by using an online platform provided by the external consultant. The overall result was positive, indicating that there is an effective Board in place discharging its duties fully and with the Committees being in general effective and supporting the Board well, while particularly considering circumstances in 2021, the evaluation indicated that the COVID-19 pandemic has been well managed. Additionally, Directors are considered highly effective with high scores across the Board, highly skilled, prepared, diligent and contribute adequately to the deliberations of the Board, showing determination and devoting time to understand the Bank and its operations. All Board Members are working towards effective and successful relationships with the other Directors and the officers of the Bank. Moreover, the Chairman with the contribution of the Board Secretary ensure an effective Corporate Governance operational framework for the Board. Respective initiatives, following the aforementioned evaluation, have already been followed upon and incorporated in each competent Board Committee activities.

Additionally, the Board conducted the CEO Evaluation for the year 2020, while also reviewed the framework for the evaluation of the CEO for the year 2021.

Furthermore, during 2021 the Board was also externally evaluated within the context of the latest HFSF Corporate Governance Review, which was carried out with the assistance of an international external consultant (Fidelio Partners). The review was in line with prudent international practices by applying criteria that go beyond supervisory fit and proper requirements, as well as under the HFSF's responsibilities as defined in Greek Law 3864/2010. Findings and recommendations, as well as relevant action plans were presented at the Board of Directors and most recommendations have already been addressed.

Directors Remuneration

Board Directors' remuneration is determined by the Bank's Annual General Meeting of Shareholders, upon recommendation of the Board of Directors (non-executive members), following proposal by the Corporate Governance and Nominations Committee. The Executive members do not attend or take part in the Committee meetings at which their remuneration is discussed and decided. Prior to its submission to the Annual General Meeting, the remuneration proposal is subject to consultation with the competent bodies according to Greek Law 3864/2010, as in force. The proposal is formulated in line with the legal and regulatory framework to which the Bank is subject, as well as the Bank's internal framework (esp. the Directors' & Senior Managers' Remuneration Policy and the Charter of the Corporate Governance and Nominations Committee of the Board), and takes into consideration, among others, the general employment and payment conditions applying to the total of NBG staff, looking to ensure consistency, the differences in responsibilities and impact ability of each directorship position and industry best practices, in a way that adequately reflects the time and effort the members are expected to contribute to the work of the Board of Directors, while at the same time promoting effectiveness of the Board of Directors' operations.

According to Article 10 of Greek Law 3864/2010, as in force, the representative of the HFSF can, inter alia, exercise his/her veto right in the Board decision making process with regards to the distribution of dividends and the remuneration policy for Board members. As long as the Bank is subject to the provisions of Greek Law 3864/2010 (Article 10 para 3, as currently and as long as it is in force), Directors' remuneration shall in no case exceed compensation of the Governor of the Bank of Greece. In accordance with the provisions of Greek Law 3864/2010 (Article 10 para 3), as currently in force and as long as this is applicable, no bonus is paid to Executive and Non-Executive Directors, and in this context during 2021 no variable remuneration was granted to Board members. With regards to executive members of the Board of Directors, their remuneration is determined in accordance with best market practices and aiming to provide a competitive level of remuneration that reflects skills, experience and time commitment, while it is noted that Executive Directors do not receive any additional remuneration for their participation as Board members.

On 30 July 2021, following the proposal by the Board of Directors after relevant recommendation of the Board's Corporate Governance and Nominations Committee, the Annual General Meeting of the Shareholders approved the remuneration of the members of the Board of Directors of the Bank for the financial year 2020 (pursuant to Article 109 of Greek Law 4548/2018), and determined the remuneration of the Chair of the Board of Directors and executive and non-executive members of the Board of Directors through to the Annual General Meeting of 2022. Additionally, the Annual General Meeting approved for the financial year 2020, the remuneration of the Bank's Directors in their capacity as members of the Bank's Audit, Corporate Governance & Nominations, Human Resources & Remuneration, Risk, Strategy & Transformation and Ethics & Culture Committees, and determined their remuneration until the Annual General Meeting of 2022, as per the relevant regulatory framework.

Moreover, in accordance with Article 9b of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement, as this has been transposed into the Greek legal framework by means of Article 112 of Greek Law 4548/2018 on Sociétés Anonymes, listed companies are required, among others, to draw up a Remuneration Report, providing a comprehensive overview of the remuneration of individual directors, including to newly recruited and to former directors, during the most recent financial year, in accordance with the remuneration policy as per Article 110 of Greek Law 4548/2018. Within this context, the Bank's Annual General Meeting of Shareholders, held on 30 July 2021, following proposal by the Board of Directors, as assisted by the Corporate Governance and Nominations Committee, casted a positive vote on the fiscal year 2020 NBG Board of Directors' Remuneration Report, in alignment with the relevant applicable provisions.

Further information and the NBG Board of Directors' Remuneration Report are available on the Bank's website, at www.nbg.gr (https://www.nbg.gr/en/group/investor-relations/general-meetings-all-data).

Induction, Continuous Education and Training of Directors

The Bank offers new Board members an introductory informative program, which includes an induction program, covering among others, issues concerning the Bank's corporate governance and organizational arrangements and including meetings with key executives of Bank. As part of the induction program, new Directors are informed about governance, compliance, key developments at Group level, matters concerning internal audit, finance and accounting. Upon their appointment, new Board members are also provided with detailed material that includes a manual prescribing basic rights and obligations of Board members in accordance with applicable legislation, the Bank's key policies, as well as all other relevant regulatory provisions or documents concerning for example obligations of the Bank deriving from the Amended Relationship Framework Agreement with the HFSF. Additionally, induction and thematic sessions per Board Committee take place, focused on the particular issues falling within the competence of each Board Committee.

Further, the Board of Directors has adopted a Policy for the Annual Training of members of the Board of Directors and its Committees, with the objective of assisting the Board of Directors in enhancing its performance by expanding its existing Directors' relevant skill base and competencies. The Policy establishes the procedures for the formulation of the Annual Training Plan for members of the Bank's Board of Directors and Board Committees which is developed taking into consideration the Board of Directors and its Committees' educational needs, the Bank's priorities and requirements and any existing learning and development programs, in accordance with current developments in the legal and regulatory framework as well as best practices in corporate governance. In this context, briefings of the Board by Bank's competent executives may be arranged on matters with which Directors should familiarise themselves, for example concerning developments in the applicable corporate governance framework, on risk related issues, on issues concerning non-performing exposures, while also external trainings can take place as may be deemed appropriate. During 2021, focused trainings of the Board of Directors members were conducted on CRD V/CRR, ESG, Strategy and Data, and at Committee level, trainings conducted included Value Based Management (VBM) and Credit Spread and Models, while briefings were provided on Regulatory Compliance and AML, as well as on developments and trends in Corporate Governance.

Board of Directors – Structure

HFSF Representative

Pursuant to Greek Law 3864/2010 and the Amended Relationship Framework Agreement between the Bank and the HFSF, the HFSF participates in the Board of Directors through the appointment of a representative. As notified to the Bank by HFSF's Letter dated 23 July 2018, the duties of the HFSF's Representative, in the context of Greek Law 3864/2010, are exercised by Mr. Periklis Drougkas. The HFSF representative is entitled to participate in the Board Committees and committees which do not solely comprise of executive members and has the rights and authorities prescribed by Greek Law 3864/2010 as in force and the Relationship Framework Agreement between the NBG and the HFSF. Moreover, the Relationship Framework Agreement also provides for the appointment of an HFSF Observer (with no voting rights) at the Board of Directors and all Board Committees.

Monitoring Trustee

In the context of overseeing the implementation of the restructuring plan of the banking sector and specifically, the implementation of any other commitments undertaken by the Greek Government relating to the Bank's operations, Grant Thornton has been appointed as "Monitoring Trustee" with a view to ensuring compliance of the Bank with the aforesaid commitments. The Monitoring Trustee is entitled to participate as an observer in meetings of the Board of Directors and certain Board/Executive Committees and has full access to any of the Bank's records including board minutes.

Employees' Representative

Moreover, in June 2017, an Employees' representative was appointed as Observer in the Board of Directors with all rights of a board member except voting rights. The Observer Employee Representative has consultation rights on the Human Resources and Remuneration Committee agenda, monthly access to the Chair of the Human Resources and Remuneration Committee to discuss proposals or matters of concern and the right to address the Human Resources and Remuneration Committee on request.

Senior Independent Director

Furthermore, as of July 2019, the Bank's Board of Directors established the role of the Senior Independent Director, who is selected from among its independent non-executive members. The duties of the Senior Independent Director, as set out in the Bank's Corporate Governance Code indicatively include: acting as a sounding board for the Chair and serving as an intermediary for the other Directors; being a key point of contact for shareholders, regulators and other stakeholders along with the Chair of the Board; coordinating the non-executive Board members, and discussing with other Directors issues on which the Chair might have a conflict of interest and acting as intermediary between Directors and the Chair, as necessary; acting as a facilitator, to facilitate and improve relations with shareholders and to assist in the resolution of conflict in case of crisis or in case of dispute, as for instance: i) there is a dispute between the Chair and CEO; ii) shareholders or non-executive directors have expressed concerns that are not being addressed by the Chair or the Chief Executive Officer; iii) the relationship between the Chair and CEO is particularly close; and leading the annual evaluation of the Chair according to the Bank's Board Evaluation Policy.

During 2021, the Corporate Governance and Nominations Committee formulated a detailed profile for the role of Senior Independent Director ("SID"), based on regulatory provisions, international best practices and relevant HFSF guidelines (role specification). The SID Profile specifies the role of the SID and the desired skills and qualities given the key responsibilities of the position, as well as eligibility in accordance with the current regulatory and legal framework and international best practice, while also foresees provisions relating to time commitment and participation in Board Committees. The profile includes, inter alia, elaborated provisions in the areas of acting as liaison between Board members and the Board Chair and fulfilling the role of acting as a sounding Board to the Board Chair, as suggested by international best practices; in fostering an environment of open dialogue and constructive feedback; and in the area of promoting solid and continuous interaction with shareholders and stakeholders (e.g. regulators, employees, clients, etc.) and the investor community (existing and potential shareholders). Additionally, the Corporate Governance and Nominations Committee also determined the process for the selection of the Senior Independent Director, having previously considered relevant international best practices.

Since the initial establishment of the role of Senior Independent Director in 2019, the Board, with the support of the Corporate Governance and Nominations Committee, has thoroughly discussed and further detailed the role of the Senior Independent Director, taking into account regulatory provisions, international best practices and relevant guidelines provided by the HFSF.

The following table sets forth the current composition of National Bank of Greece Board of Directors:

Position in Board | Name	Start of Term*	End of Term	Profession | Main Expertise, Experience
The Non-Executive Chairman of the Board of Directors			
Gikas Hardouvelis Chair (Non-Executive)	30 July 2021	2024	Chair of the Board/Professor/Economist/Risk, Strategy and Corporate Governance Experience
Executive members			
Pavlos Mylonas (CEO)	30 July 2021	2024	Chief Executive Officer
Christina Theofilidi	30 July 2021	2024	Executive Board Member, General Manager of Retail Banking
Independent non-executive members			
Avraam Gounaris (Senior Independent Director as of December 2021)	30 July 2021	2024	Economist / Financial Services
Anne Marion-Bouchacourt	30 July 2021	2024	Independent Non-Executive Expert Member as prescribed by Art.10 of Greek Law 3864/2010 as in force/Human Resources and Culture Experience
Claude Piret	30 July 2021	2024	Independent Non-Executive Expert Member as prescribed by Art.10 of Greek Law 3864/2010 as in force/ Risk experience/ Financial Services
Wietze Reehoorn	30 July 2021	2024	Independent Non-Executive Expert Member as prescribed by Art. 10 of Greek Law 3864/2010 as in force/ Risk, Strategy and Corporate Governance Experience
Matthieu Kiss	30 July 2021	2024	Independent Non-Executive Expert Member as prescribed by Art.10 of Greek Law 3864/2010 as in force/Financial & Audit experience
Elena Ana Cernat	30 July 2021	2024	Banking/Digital Banking Experience
Aikaterini Beritsi	30 July 2021	2024	Corporate Governance Experience
JP Rangaswami	30 July 2021	2024	IT/Digital Transformation Experience
Non-Executive Representative of the HFSF (Greek Law 3864/2010)			
Periklis Drougkas	30 July 2021	2024	Economist
Board and Board Committees' Secretary			
Panos Dasmanoglou	30 July 2021	2024	General Manager of Group Compliance and Corporate Governance

* Date of election of the Members of the Board of Directors by the Annual General Meeting of Shareholders held on 30 July 2021.

- During 2021 the Board of Directors convened 28 times in total.
- During 2021 the Bank's Board Committees convened 103 times in total.
- The 33.0% (4 out of 12) of the Board of Directors Members are women.
- A budget exists for the Board of Directors.
- During 2021, the Board was assisted by an international advisory firm on corporate governance projects.

Board of Director's Committees

Seven Committees operate at Board level:

- **Audit Committee**
- **Board Risk Committee**
- **Corporate Governance and Nominations Committee**
- **Human Resources and Remuneration Committee**
- **Strategy and Transformation Committee**
- **Compliance, Ethics and Culture Committee.**
- **Innovation and Sustainability Committee**

The Bank is subject to the eligibility criteria of Article 10 of Greek Law 3864/2010, as well as to the provisions on Board Committees' composition of the Relationship Framework Agreement entered into between the Bank and the HFSF.

The Charters of the Committees are posted on the Bank's website, at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/boards-of-directors).

Audit Committee

The Audit Committee was established in 1999 and operates in accordance with the provisions of the Bank of Greece Governor's Act No. 2577/2006 and Greek Law 4449/2017 (Article 44), as in force.

During 2021 the Audit Committee convened twenty-one times.

The members of the Committee are appointed by the Board or by the General Meeting of Shareholders upon recommendation of the Corporate Governance and Nominations Committee. In any case, in accordance with Greek Law 4449/2017, as in force, the structure of the Audit Committee, and the number and capacity of the Committee members shall be decided by the General Meeting of Shareholders. The Chair and the Vice Chair of the Committee should be appointed by its members. The Committee shall be composed of at least three (3) Board members. One member shall be the HFSF representative at the Board of Directors. Furthermore, in accordance with the provisions of the revised Relationship Framework Agreement between the Bank and the HFSF, the members of the Committee shall not exceed 40% (rounded to the nearest whole number) of total Board members (excluding the HFSF Representative on the Board) and cannot be fewer than three. All members of the Committee shall be non-executive members of the Board, while 75% (rounded to the nearest whole number) of the members (excluding the HFSF Representative on the Board) shall be independent non-executive members of the Board, in accordance with the definition of independence specified in the relevant framework, particularly Article 9 of Greek Law 4706/2020, and the Bank's Corporate Governance Code. At least one member of the Committee, which is an independent non-executive member, should have adequate knowledge and experience in auditing or accounting.

The Committee is currently composed of six non-executive Members, of which five are independent and one is the HFSF Representative at the Board of Directors. The mandates of the Committee members shall automatically expire if they cease to be members of the NBG Board, while in accordance with Greek Law 4449/2017, as in force, the term of appointment shall be decided by the General Meeting of Shareholders. In that context, pursuant to the resolution of the Annual General Meeting of Shareholders of 30 July 2021, the term of office of the Committee members appointed by the Board of Directors in accordance with Article 44 par. 1 case c) of Greek Law 4449/2017 shall follow their term of office as Board members, i.e. until the Annual General Meeting of year 2024 and shall, in any case, automatically expire if they cease to be members of the NBG Board. The Committee employs a specialized consultant who reports directly to the Chair of the Committee. The Committee convenes regularly at least six times per annum or extraordinarily, whenever deemed necessary, keeps minutes of its meetings and reports to the Board of Directors every three months or more frequently if deemed necessary.

The Committee is comprised of the following members:

Audit Committee	
Chair	**Matthieu Kiss**
Vice-Chair	**Claude Piret**
Members	**Anne Marion-Bouchacourt**
	Avraam Gounaris
	JP Rangaswami
	Periklis Drougkas (HFSF representative)

Detailed information on the responsibilities, composition and modus operandi of the Committee are included in the Committee's charter (which was last revised by the Board on 31 March 2021) posted on the Bank's website, at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/boards-of-directors).

Main responsibilities

- Review and approval of annual and interim Financial Statements and disclosures.
- Recommendations for appointment & remuneration of audit firm that conducts the statutory audit.

- Monitoring & assessment of internal control and regulatory and compliance environment.
- Review of Internal Audit Function effectiveness.
- Review of developments in legal and regulatory framework.
- Preparation of the annual Audit Committee Report, to be submitted to the Annual General Meeting of Shareholders pursuant to Article 44 par. 1 case i) of Greek Law 4449/2017.

2021 Key workings of the Committee include among others

- Approval of the annual and interim Financial Statements & review of procedure for their preparation, as well as of the relevant Press Release.
- Review of the Critical Accounting Judgments and Estimates made in the preparation of the annual and interim financial statements (e.g., deferred tax, withholding taxes, and provisions for doubtful debts and other impairments including the effects of the COVID-19 pandemic).
- Monthly business performance reviews on the Bank's preliminary results with benchmarks to the 2021 Budget targets and 2020 Actual results.
- Update on 2021 Budget (jointly with the Group Strategy & Transformation Committee).
- Regular update on the evolution of the Group Regulatory Capital Ratios.
- Regular updates on the activity of Group Internal Audit Function, approval of its Annual Work Plan for 2022 and the mid-year revision of the 2021 Group Internal Audit Annual Plan, revision of Internal Audit Charters and organization structure and assurance that the Group Internal Audit was appropriately staffed and had the necessary resources.
- Continued to closely monitor the successful reduction of overdue audit issues, and audit issues' evolution, including audit issues that have been closed due to risk acceptance or downgraded.
- Review of plan submitted to the SSM following relevant request regarding the effective management of the backlog of internal audit issues as well as progress vs. the plan, update on SSM's request regarding on-site inspection of the Residential Real Estate and Corporate portfolios and presentation of Internal Audit Self-Attestation as per DG Competition requirement.
- Recommendation to the Board for the reappointment of PwC as the Group Statutory Auditors of FY.22 following alignment of Greek legislation with EU framework allowing extension of statutory audit services for a period of up to 10 years and provided assurance that the audit fees for the FY.21 were in accordance with the fee levels agreed in the tender process.
- Approval of any additional services, other than the statutory audit, offered by the Statutory Auditors to the Bank & its subsidiaries to ensure that these services & their related fees were permitted by existing EU and Greek legislation & did not impinge on the independence of the Statutory Auditors. Briefing on Non-Audit Fees Thresholds Monitoring Process to provide assurance of the Group's compliance with relevant regulatory framework.
- Regular meetings with the Statutory Auditors throughout the year, in compliance with the new EU and Greek legislation.
- Review of status and financial & accounting implications of various Projects undertaken.
- Review and approval of the Group Internal Control Function's Annual Activity Plan for 2021 and informed quarterly on its progress and results, informed on NBG Group Control Taxonomy and on key amendments to the NBG Group Methodology for Control Identification and Assessment.
- Review and approval, jointly with the Board Compliance, Ethics and Culture Committee, of the 2021 Money Laundering Reporting Officer ("MLRO") Annual Report and the Compliance Division's 2021 Annual Report.
- Approval of NBG Group Sustainability Policy, and revised Policy of Impairment of Financial Instruments under IFRS 9.
- Review of Expenditure Analysis for 2020, and regular update on specific items including Collaterals Management, Capital Plan, VBM Project, compliance with hiring former Auditors' policy.
- Regular briefings on legal cases of the Bank and the Group.
- Regular update on the NBG's cyber-security posture (jointly with the Board Risk Committee).
- Presentation by PwC on recent developments in IFRS and Greek accounting matters.
- Preparation of the annual Audit Committee Report for the year 2020, which was submitted to the Annual General Meeting of the Bank's shareholders of 30 July 2021 pursuant to Article 44 par. 1 case i) of Greek Law 4449/2017.

The Audit Committee has received and reviewed the Annual Assessment Report on System of Internal Controls of NBG and its Group for 2020 prepared, in accordance with the provisions of the Bank of Greece Governor's Act 2577/2006, by the Group Internal Audit Function and which is submitted to the Bank of Greece through the Audit Committee.

For the Audit Committee Report to the Shareholders on its activities during 2021, see separate section "*Audit Committee Report*".

Board Risk Committee

The Board Risk Committee ("BRC") was established by Board decision (meeting no. 1308/20.07.2006) in accordance with the requirements of Bank of Greece Governor's Act No. 2577/9.3.2006. The Committee has two roles, namely it operates: a) as the Board Risk Management Committee and b) as the Board Committee Responsible for Non-Performing Loans/Exposures (NPLs/NPEs) as prescribed by Art. 10 par. 8 of Greek Law 3864/2010, as in force.

During 2021, the Board Risk Committee convened sixteen times.

The BRC shall be composed exclusively of non-executive Board members. One member shall be the HFSF Representative at the Board of Directors. Committee members shall be at least three in number, one third of which (excluding the HFSF representative and rounded to the nearest whole number) shall be independent non-executive members of the Board, in accordance with the definition of independence specified in the relevant framework, particularly Article 9 of Greek Law 4706/2020, and the Bank's Corporate Governance Code. The members of the Committee (including the Chair and Vice-Chair) are appointed by the Board of the Bank, following recommendation by the Board's Corporate Governance and Nominations Committee. The Committee is currently composed of four non-executive Members, of which three are independent and one is the HFSF Representative at the Board of Directors. The Committee members shall be appointed for a term of one year, which shall be automatically renewed for successive one-year renewal terms, unless otherwise decided. In any case, the mandates of the Committee members shall automatically expire if they cease to be members of the NBG Board of Directors.

The BRC convenes regularly at least on a monthly basis, as well as extraordinarily, whenever deemed necessary by its Chair. Committee keeps minutes of its proceedings and reports regularly to the Board of Directors.

The Committee is comprised of the following members:

Board Risk Committee	
Chair	**Claude Piret**
Vice-Chair	**Wietze Reehoorn**
Members	**Elena Ana Cernat**
	Periklis Drougkas (HFSF representative)

Detailed information on the responsibilities, composition and modus operandi of the BRC are included in the Committee's charter of the BRC (which was last approved by the Board on 31 March 2021) posted on the Bank's website at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/boards-of-directors).

Main responsibilities

- Ensuring that the Bank has clearly and adequately defined the Group's risk appetite & strategy and ensuring that the Board is adequately apprised of all matters relating to NBG's risk strategy, risk appetite and the Bank and the Group's actual risk profile.
- Ensuring the establishment of risk culture as a core component of effective risk management.
- Oversight of the overall effectiveness of risk governance and risk management.
- Approval of risk strategies, frameworks and policies.
- Oversight of capital and liquidity management.
- Oversight of risk management function.
- Dual role of the BRC operating also as the Board Committee Responsible for Non-Performing Loans/Exposures (NPLs/NPEs) as prescribed by Art. 10 par. 8 of Greek Law 3864/2010, as in force.

2021 Key workings of the Committee include among others

- Review of Risk Appetite Framework & Risk and Capital Strategy and ongoing monitoring of compliance.
- Enhancements in risk reporting.
- Update and implementation of the RCSA Guidelines at Group Level.
- Update of ILAAP Framework, Market Risk Management Framework (Policies and the VaR/sVaR Model Methodology document), IFRS 9 Models (Mortgage PD/LGD, Consumer Term Loans PD, Corporate LGD), Operational Risk Management Framework (Policy, Documents).
- Submission of ICAAP, ILAAP, NPE Plan & NPE Strategy Implementation report.
- Regular monitoring of post-moratoria implications and effective response to Supervisory reviews throughout the year.
- Review of Policies (e.g. NPE and Forbearance Policy, Treasury Market Risk Policy).
- Review of top corporate exposures, NBG Loan portfolio Quality Benchmarking, NBG cybersecurity posture.
- Review of Models used and respective Model Validation Unit assessments (VaR/sVaR, IFRS 9, Pillar II, Corporate Rating Models).
- Execution/delivery of 2021 ECB Stress Test; launch of 2022 ECB Climate Risk Stress Test preparation.
- Review of Stress scenarios & sensitivity analyses contributing to the Strategy setting and evaluation process, including Budget approval for 2022.
- Implementation of Risk Awareness Enhancement Initiatives.
- Identification and monitoring of Top Operational Risks of the Group.

Corporate Governance and Nominations Committee

The Corporate Governance and Nominations Committee was established by Board decision (meeting no. 1259 on 5 May 2005).

During 2021 the Corporate Governance and Nominations Committee convened twenty-five times.

The Committee shall be composed of at least three Board members. One member shall be the HFSF representative at the Board of Directors. The members of the Committee (including the Chair and Vice-Chair) are appointed by the Board of the Bank, pursuant to proposal of the Chair of the Board in consultation with the Chair of the Corporate Governance & Nominations Committee. All members of the Committee shall be non-executive Board members, in their majority (including the Chair, excluding the HFSF representative) independent non-executive members of the Board, in accordance with the definition of independence specified in the relevant framework, particularly Article 9 of Greek Law 4706/2020, and the Bank's Corporate Governance Code. The Committee is currently composed of five non-executive Members, of which four are independent and one is the HFSF Representative at the Board of Directors. Committee members are appointed for a one-year term of office, which shall be automatically renewed for successive one-year renewal terms, unless otherwise decided. In any case, the mandates of the Committee members shall automatically expire if they cease to be members of the NBG Board. The Committee convenes at least three times per annum and keeps minutes of its proceedings and reports regularly to the Board of Directors.

The Committee is comprised of the following members:

Corporate Governance and Nominations Committee	
Chair	**Wietze Reehoorn**
Vice-Chair	**Aikaterini Beritsi**
Members	**Matthieu Kiss**
	Anne Marion-Bouchacourt
	Periklis Drougkas (HFSF representative)

Detailed information on the responsibilities, composition and modus operandi of the Corporate Governance and Nominations Committee are included in the Committee's Charter (which was last approved by the Board on 31 March 2021) posted on the Bank's website, at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/boards-of-directors).

Main responsibilities

- Review of Board of Directors composition and organization.
- Oversight of development and implementation of a sound group corporate governance framework.
- Development and review of NBG's Corporate Governance Code, policies in relation to the nomination and suitability assessment of the Board and Senior Management, Board evaluation, succession planning and remuneration, and other corporate governance policies.
- Review of Bank's organizational chart and delegation of authorities.
- Proposals on Board's induction and ongoing training.
- Suitability Assessment of individual Board members' knowledge, skills, experience and independence and the Board collectively, as well as of Senior Management.
- Board of Director's Members and Senior Executives nominations, as well as suitability assessment of candidates in subsidiary Boards.

2021 Key workings of the Committee include among others

- *Board of Directors and Board Committees structure*: Board Chair succession planning/recruitment process, Assessment of Individual and Collective Suitability and the fulfillment of independence criteria (prior to the submission of Proposal on Board election to the Annual General Meeting of 2021), taking also into account input from various governance projects carried out throughout the year and including also an independent review in collaboration with external consultants/lawyers, Review of the ideal size of the Board, Review of Board Committees composition/ Board Committees reconstitution.
- *Board Governance*: Discussions on the role and appointment process of the Senior Independent Director (SID), adoption of the SID Profile and the Appointment Process, conduct of eligibility assessment of the SID candidate and election of new SID.
- *Annual General Meeting*: Revision and approval (where appropriate) of Annual General Meeting Material, including the Annual General Meeting Invitation Agenda, the proposal for the Election of a new Board of Directors and appointment of independent non-executive members, along with the individual profiles containing information submitted for the first time to the AGM as per the provisions of Greek Law 4706/2020, the proposal for the redetermination of the type of the Audit Committee, the term of office, the number and the qualities of its members, in alignment to the provisions of Greek Law 4706/2020, and the Directors' Remuneration Report.
- *Governance projects*: Annual Self-Evaluation of the Board and Board Committees, Update of the CEO Evaluation Framework for the year 2021, execution of the CEO Evaluation for the year 2020, Conclusion of the Board Collective Suitability Assessment Exercise - Update in view of AGM 2021, Update of Board Succession planning project/Target Board Profile, CEO/Executive Management Team Succession Planning project.
- *Ongoing monitoring of*: regulatory developments and best practices, respective briefings on all important regulatory developments in corporate governance (e.g.

Greek Law 4706/2020, revised ECB Guide to Fit and Proper Assessments).

- *Corporate Governance Framework – Policies*: Revision of NBG Internal Governance Framework, in alignment to regulatory developments and global trends in corporate governance (new Board Diversity Policy, Board Committee Compositions Review Methodology, Suitability Policy and Procedures, revision of Non-executive Directors' remuneration methodology, new Internal Regulation and adjustments to Corporate Governance Code and Bank Policies among others in alignment to the law enacted in July 2021 on Listed Entities' Corporate Governance, Update of Board Committee Charters).
- *Group governance and Oversight*: Nominations to NBG subsidiaries Boards, eligibility assessment of subsidiary Board members, Reporting Presentations of NBG Group subsidiaries, Reporting Briefings on ad hoc issues of NBG Group subsidiaries.
- *Review proposals on*: nominations for Senior Management positions, Performance Management System ("PMS") Evaluation of other Executive Board member.
- *Ongoing training and development*: Annual Board Training Plan for the year 2021, Induction program for new Board members.

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee ("HRRC") was established by Board decision (meeting no. 1259/ 5.5.2005).

During 2021, the Human Resources and Remuneration Committee convened twelve-times.

The Committee shall solely consist of non-executive members of the Board, which shall be at least three in number. One member shall be the HFSF Representative at the Board of Directors. In their majority (including the Chair, excluding the HFSF representative) Committee members shall be independent non-executive Board members, in accordance with the definition of independence specified in the relevant framework, particularly Article 9 of Greek Law 4706/2020, and the Bank's Corporate Governance Code. The Committee composition shall include members possessing experience in the financial sector, while at least one member shall possess adequate expertise and professional experience in risk management and audit activities, mainly in alignment of remuneration policy with the risk and capital profile of the Bank.

The members of the Committee (including the Chair and Vice-Chair) are appointed by the Board of the Bank, following recommendation by the Board's Corporate Governance and Nominations Committee. The Committee members shall be selected on the basis of their competence and experience. The Committee is currently composed of four non-executive Members, of which three are independent and one is the HFSF Representative at the Board of Directors. The Committee members shall be appointed for a term of one year, which shall be automatically renewed for successive one-year renewal terms, unless otherwise decided. In any case, the mandates of the Committee members shall automatically expire if they cease to be members of the NBG Board. The Committee convenes at least four times a year and keeps minutes of its proceedings and reports regularly to the Board of Directors.

The Committee is comprised of the following members:

Human Resources and Remuneration Committee	
Chair	**Anne Marion-Bouchacourt**
Vice-Chair	**Elena Ana Cernat**
Members	**JP Rangaswami**
	Periklis Drougkas (HFSF representative)

Detailed information on the responsibilities, composition and modus operandi of the HRRC are included in the Committee's charter of the HRRC (which was last approved by the Board on 31 March 2021) posted on the Bank's website, at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/boards-of-directors).

Main responsibilities

- Review and monitoring of Group Human Resources policies and practices.
- Oversight of Group's Remuneration Policy and relevant procedures.
- Formulation of a framework for fairly evaluating effort and rewarding performance. Developing and maintaining a coherent system of values and incentives for Human Resources throughout the NBG Group.
- Proposals on executive contract terms and remuneration.

2021 Key workings of the Committee include among others

- Monitoring of PMS implementation.
- Review of Human Resources Policies (NBG Group Remuneration Policy, Workplace Violence & Harassment Policy) and of Variable Remuneration Schemes (Branch Network, Head Office, Stock Options Plan)
- Oversight/monitoring of a number of important Transformation Initiatives related to Human Resources issues and Human Resources masterplan. (NBG Academy, Redesign of Human Resource Unit, Talent Management/Succession Planning, Career Framework etc.), Review of Human Resources technology masterplan.
- Launch of 2021 Voluntary Exit Scheme.
- Proposals on contract terms of Bank's Senior Management.
- Review of role evaluations (including impact and compensation).

Strategy and Transformation Committee

The Strategy Committee was established by Board decision (meeting no. 1387/ 29.9.2009), while it was renamed to Strategy and Transformation Committee by Board Decision (meeting no. 1622/26.07.2018).

During 2021 the Strategy and Transformation Committee convened eighteen times.

The Committee shall be composed of at least five members, of which three shall be independent non-executive Board members, in accordance with the definition of independence specified in the relevant framework, particularly Article 9 of Greek Law 4706/2020, and the Bank's Corporate Governance Code and one member shall be the HFSF Representative at the Board of Directors.

The Committee members (including its Chair and Vice-Chair) are appointed by the Board of Directors upon recommendation of the Corporate Governance and Nominations Committee. The Committee members shall be selected on the basis of their competence and experience and appointed for a one-year term of office, which can be automatically renewed for successive one-year renewal terms, unless otherwise decided. In any case, the mandates of the Committee members shall automatically expire if they cease to be members of the NBG Board of Directors. The Committee is currently composed of five non-executive Members, of which four are independent and one is the HFSF Representative at the Board of Directors. The Committee shall meet at least three times per year, keeps minutes of its proceedings and reports regularly to the Board of Directors.

The Committee is comprised of the following members:

Strategy and Transformation Committee	
Chair	**Wietze Reehoorn**
Vice-Chair	**Matthieu Kiss**
Members	**Claude Piret**
	Aikaterini Beritsi
	Periklis Drougkas (HFSF representative)

Detailed information on the responsibilities, composition and modus operandi of the Committee are included in the Committee's charter (which was last approved by the Board on 31 March 2021) posted on the Bank's website, at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/boards-of-directors).

Main responsibilities

- Approval and review of Bank's and Group's strategic direction.
- Review of all significant actions concerning corporate and Group structure.
- Oversight of Strategic and Corporate Transformation Projects implementation.
- Proposals on Bank and Group Business Plan and review of its implementation.
- Review and monitoring of the Bank and the Group Annual Budget.

2021 Key workings of the Committee include among others

- Hosting of Board Strategy Days 2021 and detailed sessions covering Group Strategy.
- Review of Transformation Plan & other strategic priorities for 2022 (incl. follow ups from Board Strategy Days), Oversight/monitoring of the implementation of the Bank's Transformation Program Initiatives.
- Review of –the Bank and Group Business Plan and monitoring of its implementation.
- Monitoring actual activity against 2021 Annual BudgetReview of 2022 Annual Budget (incl. update on stress tests scenarios).
- Oversight of International footprint Strategy/Activities, Briefing/oversight of Real Estate Masterplan, Deep-dive on ESG strategy, Briefing/oversight of Marketing & communications initiatives, VBM updates, Deep-dive on Recovery & Resilience Fund.
- Oversight of the Bank's IT and Digital Strategy Projects, close monitoring on issues discussed at the IT & Innovation Advisory Council.
- Oversight of Bank's Strategic Transactions.
- Oversight of Stakeholder Management.

Compliance, Ethics and Culture Committee

The Ethics and Culture Committee was established by Board decision (meeting no. 1622/26.07.2018). In November 2020 the Committee was renamed to Compliance, Ethics and Culture Committee and its Charter was revised, aiming to strengthen the holistic compliance supervision at Board level.

During 2021, the Compliance, Ethics and Culture Committee convened eleven times.

The Committee shall be composed of at least three Board members. One member shall be the HFSF representative at the Board of Directors. All members of the Committee shall be non-executive Board members, in their majority (including the Chair, excluding the HFSF representative) independent non-executive members of the Board, in accordance with the definition of independence specified in the relevant framework, particularly Article 9 of Greek Law 4706/2020, and the Bank's Corporate Governance Code. The Compliance, Ethics and Culture Committee Chair shall be an Independent Non-Executive Director with deep knowledge in Ethics and Compliance and good understanding of Social and Environmental issues. At least one of the members of the Bank's Audit Committee shall also be a member of the Compliance, Ethics and Culture Committee, so as to support coordination among the two Committees. The members of the Committee (including the Chair and Vice – Chair) shall be appointed by the Board of Directors on the recommendation of the Corporate Governance & Nominations Committee. The Committee is currently composed of four non-executive Members, of which three are independent and one is the HFSF Representative at the Board of Directors. The Committee members shall be appointed for a term of one year, which shall be automatically renewed for successive one-year renewal terms, unless otherwise decided. In any case, the mandates of the Committee members shall automatically expire if they cease to be members of the NBG Board. The Committee convenes regularly, keeps minutes of its proceedings and reports regularly to the Board of Directors.

The Committee is comprised of the following members:

Compliance, Ethics and Culture Committee	
Chair	**Aikaterini Beritsi**
Members	**Elena Ana Cernat**
	Avraam Gounaris
	Periklis Drougkas (HFSF representative)

Detailed information on the responsibilities, composition and modus operandi of the Committee are included in the Committee's charter (which was last revised by the Board on 31 March 2021) posted on the Bank's website, at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/boards-of-directors).

Main responsibilities

- Monitor and assess the regulatory and compliance environment.
- Oversee compliance issues and the compliance function.
- Promote the highest standards of ethics and integrity in accordance with international best practices.
- Oversee senior management's initiatives on ethics and culture.
- Review the Codes of Ethics.
- Review the Policy on Politically Exposed Persons.
- Have authority over cases of misconduct and any other ethical issue.
- Review the Bank's Corporate Social Responsibility policies.

2021 Key workings of the Committee include among others

- Systematic oversight of all Compliance related topics through the extension of remit of Compliance, Ethics and Culture Committee.
- Monthly briefings and in-depth discussion on compliance and regulatory framework developments.
- Review of compliance reports (such as the Annual Compliance Report and Plan), report and statistical data on Complaints, and briefings on related parties' transactions and Connected Borrowers.
- Briefings on Supervisory Priorities and Key Issues.
- Briefing on trends and proposed EU Regulation on Crypto-Assets and on Digital Euro context and impact on Bank's Compliance.
- Oversight of Compliance / AML Strategic Projects (European Supervisory Authorities ("ESAs") Project implementation, New Financial Services Crime & Compliance Management ("FCCM") Roll – out).
- Oversight of Ethical Conduct Framework and Bank initiatives on raising awareness on misconduct behaviours (e.g. new Whistleblowing training program, new Anti-Bribery Policy).
- Monitoring of developments in the regulatory framework and trends concerning ESG and Bank's related initiatives.
- Review and update of Compliance, Conduct and ESG Policies (e.g. new Sustainability Policy, revised Conflict of Interest Policy, Outsourcing Policy, Suitability Policy of Insurance-Based Investment Products, Sanctions Policy, Complaints Handling Policy).
- Development of Dashboard for the ongoing review of Key Risk Indicators.
- Oversight of Compliance Monitoring Program (e.g. review of Compliance Testing Yearly Results), Compliance Technology Evolution Initiatives, RegMiner Tool Implementation Project.
- Updates on Group Entities Key Compliance issues.

Innovation and Sustainability Committee

The Innovation and Sustainability Committee ("ISC") was established by Board decision (meeting no. 1718/24.2.2022), following the elevation of the IT & Innovation Advisory Council (established by the Board in January 2021) to a Board Committee and the enhancement of its duties.

The Committee shall be composed of a maximum number of five Board members. The members of the Committee (including its Chair and Vice-Chair) are appointed by the Board of the Bank, on the recommendation of the Corporate Governance & Nominations Committee. The Committee Chair shall be independent non-executive Board member, in accordance with the definition of independence specified in the relevant framework, particularly Article 9 of Greek Law 4706/2020, and the Bank's Corporate Governance Code. The Committee is currently composed of four non-executive members, of which three are independent and one is the HFSF Representative at the Board of Directors. The Committee may convene with an estimated quarterly frequency and keeps minutes of its proceedings.

The Committee is comprised of the following members:

Innovation and Sustainability Committee	
Chair	**JP Rangaswami**
Vice-Chair	**Elena Ana Cernat**
Members	**Anne Marion-Bouchacourt**
	Periklis Drougkas (HFSF representative)

Detailed information on the responsibilities, composition and modus operandi of the Committee are included in the Committee's charter (which was approved by the Board on February 2022) posted on the Bank's website, at www.nbg.gr (https://www.nbg.gr/en/group/esg/corporate-governance/boards-of-directors).

Main responsibilities
■ Support the Board of Directors in ensuring there is continuous monitoring and tracking of important developments and long-term trends related to Innovation, Sustainability, Information Technology, ESG and Banking. ■ Act as an out-of-the-box thinker, explorer and incubator of innovative ideas and practices and advise the Board/its Committees as may be deemed appropriate.

Attendance of each member of the Board of Directors and the Board Committees' meetings (times) in 2021 and respective compensation

The table below sets out the attendance of each member of the Board of Directors and the Board Committees' meetings in 2021, the respective compensation, as well as the gross annual remuneration for dependent employment for year 2021. As a result of the relationship with the Bank, in 2021, the Chair, the Executive members and the Non-executive members of the Board of Directors, received compensation, as follows:

Name	Board	Audit Committee	Board Risk Committee	Human Resources and Remuneration Committee	Corporate Governance and Nomination Committee	Strategy & Transformation Committee	Compliance, Ethics & Culture Committee	Compensation for participation to the Board of Directors and Committees (in €)	Gross Annual Remuneration for Dependent Employment for year (in €)
Chair (Non-Executive member)									
Costas Michaelides[1]	19	-	-	-	-	-	-	-	153,135.18
Gikas Hardouvelis[2]	26	6	12	-	8	14	-	84,102.78	112,110.28
Executive members									
Paul Mylonas	28	-	-	-	-	-	-	-	361,607.09
Christina Theofilidi	28	-	-	-	-	-	-	-	281,249.80
Independent Non-Executive members									
Aikaterini Beritsi[3]	27	-	-	12	24	17	11	134,999.88	-
JP Rangaswami[4]	26	15	-	9	-	17	10	127,749.97	-
Claude Piret[5]	28	21	16	3	25	18	-	177,341.68	-
Avraam Gounaris [6]	28	21	-	-	-	18	11	120,000.00	-
Wietze Reehoorn	28	21	16	-	25	18	-	155,000.04	-
Elena Ana Cernat	27	-	15	12	-	18	-	111,999.96	-
Anne Marion Bouchacourt[7]	27	-	-	12	21	17	11	137.764,38*	-
Matthieu Kiss[8]	28	21	15	-	-	4	10	129,855.55	-
Non- Executive member/HFSF Representative									
Periklis Drougkas	28	21	16	12	25	18	11	154,000.08	-

**Including the amount of €7,014.39 which concerns retroactive fees for 2020.*

Notes:

(1) Chair of the Board of Directors until the Annual General Meeting of Shareholders of the Bank of 30 July 2021.

(2) Senior Independent Director until 22 April 2021. Chair of the Board of Directors since 30 July 2021. Vice-Chair of the Board Risk Committee until 30 July 2021. Vice – Chair of the Audit Committee from 18 December 2020 until 31 March 2021. Member of the Corporate Governance and Nominations Committee until 22 April 2021 and Member of the Strategy and Transformation Committee until 30 July 2021. In the context of Mr. Hardouvelis' candidacy for the position of the Board Chair he did not participate in the respective Board sessions and Corporate Governance and Nominations Committee sessions concerning the Board Chair Recruitment Process, for the avoidance of conflict of interest.

(3) Non-Executive Member from 16 April 2020 until the Annual General Meeting of Shareholders of the Bank of 30 July 2021, which elected Ms. Beritsi as Independent Non-Executive Member.

(4) Non-Executive Member from 22 October 2020 until the Annual General Meeting of Shareholders of the Bank of 30 July 2021, which elected Mr. Rangaswami as Independent Non-Executive Member. Vice Chair of the Compliance, Ethics and Culture Committee, Member of the Audit Committee and Member of the Human Resources and Remuneration Committee since 31 March 2021.

(5) Mr. Piret was serving temporarily as Senior Independent Director from 22 April 2021 until 22 December 2021. Member of the Human Resources and Remuneration Committee until 31 March 2021.

(6) Senior Independent Director since 22 December 2021.

(7) Member of the Corporate Governance and Nominations Committee since 31 March 2021.

(8) Member of the Risk Committee and the Compliance, Ethics and Culture Committee since 28 January 2021. Member of the Strategy and Transformation Committee from 30 July 2021.

In 2021, the above individuals did not receive any additional compensation (bonus).

Additional to the above, a Board member received termination payment of a total of €287,583.30.

It is further noted that, more detailed information on the remuneration granted to the members of the Board of Directors during 2021 will be included in the fiscal year 2021 Directors' Remuneration Report. The fiscal year 2020 Directors' Remuneration Report had been published, along with the other documents on the items of the agenda of the Annual General Meeting of 30 July 2021, within the deadline set by Greek Law 4548/2018. The fiscal year 2021 Directors' Remuneration Report will be published accordingly, along with the other documents on the items of the agenda of the Annual General Meeting of 2022.

Management team

The table below presents the profiles of the Bank's executive management (other than the Executive Members of the Board of Directors and the Board of Directors and Board Committees Secretary - General Manager of Group Compliance and Corporate Governance, described in Section D. Board of Directors and other management, administrative and supervisory Bodies above) that participate in the Bank's Senior Executive Committee and the Bank's key Executive Committees as described below under section "Management, administrative and supervisory bodies of the Bank-Executive Committees":

Christos Christodoulou

General Manager
Group Chief Financial Officer

Number of shares: NIL*

Member of the Senior Executive Committee, the Senior Credit Committee, the ALCO and the Provisions and Write-Offs Committee

Christos Christodoulou (born 1976) was appointed Group Chief Financial Officer and a Member of the Executive Committee of National Bank of Greece in July 2019.

Before rejoining NBG he was Chief Executive Officer and Executive member of the Board of Directors of National Bank of Greece (Cyprus) while before that he served as CFO of United Bulgaria Bank A.D. (UBB), a former NBG Group subsidiary.

He also serves as a Non-Executive member at the Board of Directors of Ethniki Hellenic General Insurance SA, Stopanska Banka A.D. and National Bank of (Cyprus) Ltd.

Mr. Christodoulou holds a BSc Honors degree in Economics from the University College London and is a Fellow Chartered Accountant (FCA) with the Institute of Chartered Accountants of England and Wales (ICAEW).

Ioannis Vagionitis

General Manager
Group Risk Management
(Chief Risk Officer)

Number of shares: NIL*

Member of the Senior Executive Committee, the Senior Credit Committee, the ALCO and the Provisions and Write-Offs Committee

Ioannis Vagionitis (born 1960) was appointed General Manager of Group Risk Management (Chief Risk Officer) in September 2017. Since April 2017 he was General Manager - Chief Credit Officer, and previously, in July 2015, he was appointed Assistant General Manager - Chief Credit Officer.

He has served as a Board Member of Finansbank from January 2014 up to June 2016 and he was member of the Risk Management Committee, the Audit Committee and the Credit Committee of Finansbank.

From October 2010 up to November 2013 he was Head of Corporate Banking - Large Corporate Division of NBG.

From May 2008 up to October 2010 he was Head of Credit Division and International Credit Division of NBG Group, while from October 2006 up to May 2008 he was Head of Credit Division of National Bank of Greece. Mr. Vagionitis joined NBG in 2004 under the Group Risk Management Division. He worked for HSBC for over ten years (1992-2003). He also held executive level positions in the field of corporate banking at the Bank of Cyprus (2003-2004).

Mr. Vagionitis holds a BSc and an MSc in Mechanical Engineering from the University of Manchester Institute of Science & Technology (UMIST) and an MBA from Manchester Business School.

Vassilis Karamouzis

General Manager
Corporate and Investment Banking

Number of shares: NIL*

Member of the Senior Executive Committee, the Senior Credit Committee and the ALCO

Vassilis Karamouzis (born 1977) was appointed General Manager of Corporate and Investment Banking in February 2020. He joined NBG in September 2017, as Assistant General Manager of Corporate and Investment Banking.

He worked for eight years (2009-2017) at HSBC in various managerial positions: he started at HSBC in Greece as Head of Global Market Sales and Debt Capital Markets for Greece and Cyprus. Later on he moved to HSBC in London, where he worked as Head of Structured Finance Origination for Southern Europe and Capital Financing for Greece and Cyprus, and, finally, as Managing Director, Member of EMEA Financing Management and Head of Investment Banking Greece and Cyprus.

He started his professional career in 2001 at Deutsche Bank in London, where he stayed until mid-2009. Initially he worked in Hedge Fund Sales, while in the period 2006-2009 he held the position of Head of FX and Commodities Sales for Greece and Middle East.

Vassilis Karamouzis holds an MSc in Finance from Birkbeck College, University of London and a bachelor degree of Economics from the University of Piraeus.

Ernestos Panayiotou
General Manager Transformation, Business Strategy & International Activities
Number of shares: 13*

Member of the Senior Executive Committee

Ernestos Panayiotou (born 1977) was appointed General Manager of Transformation, Business Strategy and International Activities in September 2020. He joined NBG in May 2019, as General Manager of Transformation and Business Strategy.

Before rejoining NBG in 2019, he was Partner at McKinsey & Company, where he worked during the periods 2001-2005 and 2012-2018. At McKinsey, he focused on serving financial institutions in Greece, Cyprus, the USA and the Middle East on strategy, transformation and risk topics. During the period of 2006-2011, he served the NBG Group as strategy advisor.

He holds a Bachelor of Arts in Philosophy, Politics & Economics (First Class Honours) from the University of Oxford and a Master in Public Administration & International Development from the Kennedy School of Government, Harvard University.

Fotini Ioannou
General Manager Troubled Assets Unit
Number of shares: NIL*

Member of the Senior Executive Committee and participant in the Senior Credit Committee in discussions on corporate special assets

Fotini Ioannou (born 1977) joined NBG as General Manager of the Troubled Assets Unit, in May 2019, having already served NBG in various positions within Strategy and Corporate Banking during the period 2006-2017. She is the Chair of the NPL Committee of the Hellenic Bank Association.

Before rejoining NBG, she was Executive General Manager of Corporate & Investment Banking of Piraeus Bank and member of the Executive Committee, Chairman of the Board of Director of Piraeus Factoring and Vice Chairman of the Board of Director of Piraeus Leasing.

She holds a BA in Economics from the University of Cambridge and an MSc in Management Science & Operational Research from the University of Warwick. Ms. Ioannou is a chartered accountant and a member of the Institute of Chartered Accountants of England and Wales.

Vasileios Kavalos
General Manager Group Treasury and Financial Markets
Number of shares: 4,001*

Member of the Senior Executive Committee and the ALCO

Vasileios Kavalos (born 1958) was appointed General Manager - Group Treasury and Financial Markets in July 2019. In June 2015 he was appointed Assistant General Manager - Group Treasurer and Financial Markets.

He joined NBG in 1981 and from 2011 up to 2015, he served as Corporate Treasurer with the main task of securing liquidity and allocating it within the Group.

He holds a BSc in Business Administration from Deree College of American College of Greece and is a certified Portfolio Manager by the Bank of Greece.

Stratos Molyviatis
General Manager
Group Chief Operating Officer
Number of shares: NIL*

Member of the Senior Executive Committee

Stratos Molyviatis (born 1970) was appointed General Manager of Group Chief Operating Officer (Group COO), managing both IT and Operations, in October 2020. He joined NBG in August 2018, as Assistant General Manager Group Chief Information Officer.

He started his professional career working for Andersen Consulting in 1998, and continued in its successor Accenture, where he worked for 15 years. During this period, he was engaged in large core banking implementations, strategic initiatives, system integration projects and M&As, in Greece, Europe and Middle East. In 2011 he became the Financial Services lead for Accenture's Greek Office.

In late 2012, he joined the global payments leader First Data as the CIO for its local office, in 2013 he undertook Poland and the Baltic countries, whereas in 2015 he was promoted to VP Technology for First Data Europe. In 2017, he became First Data CIO for Central, Eastern and South Eastern Europe.

He holds a BSc in Mathematics from the National University of Athens and an MSc in Informatics and Cybernetics from the University of Reading in U.K.

Georgios Triantafillakis
Group General Manager
Legal Services
Number of shares: 1,743*

Member of the Senior Executive Committee with no voting rights

Georgios Triantafillakis (born 1957) was appointed General Manager of Legal Services in April 2017.

He joined NBG in 1998 and in June 2015 was appointed as Assistant General Manager of Legal Services, responsible for the supervision and coordination of the activities of the Legal Services Division and external lawyers providing services to the Bank.

Since 2017, he is President of the Legal Council of the Hellenic Bank Association. Since 1992 he is Attorney-at-law authorised to practice before the Supreme Court.

Georgios Triantafillakis is Professor of law at the Democritus University of Thrace ("DUTH") and Professor at the National School of Judges. He was member of the Competition Commission for 10 years and member of legislative committees and legal science societies.

He is a graduate of the University of Athens Law School (with honors) and holds a doctoral degree in commercial law from the German University of Tübingen Law School.

Ioannis Kyriakopoulos
General Manager
Group Real Estate
Number of shares: NIL*

Member of the Extended Senior Executive Committee

Ioannis Kyriakopoulos (born 1959) was appointed General Manager of Group Real Estate in July 2019, while during the period, September 2015 to July 2019, he held the position as Group Chief Financial Officer.

He joined NBG in 1977 and through the course of his career he served as Deputy General Manager of International Activities from April 2011 to January 2012 and as Deputy Chief Financial Officer from April 2009 until April 2011 while from August 2002 to April 2009, he was the Director of the Financial and Management Accounting Division. During the period January 2012 to June 2015 he was the Chief Financial and Operating Officer of Hellenic Financial Stability Fund.

He holds a BSc in Mathematics and a BSc in Economics from the University of Athens and an MSc in Statistics and Operational Research from Loughborough University in the United Kingdom.

Evi Hatzioannou
General Manager
Group Human Resources
Number of shares: NIL*

Member of the Extended Senior Executive Committee

Evi Hatzionannou (born 1978) was appointed General Manager of Group Human Resources Officer in March 2020. She joined NBG in February 2019 as General Manager - Group Human Resources Strategy & Development.

Before joining NBG, she worked from 2008 to 2019 for the Barilla Group holding various senior positions in Human Resources Department: Human Resources Manager Greece, Human Resources Senior Manager Eastern Europe, Human Resources Director Europe and Group Organization Director. During the period 2003 to 2008 she worked at Elais Unilever Hellas S.A., where from 2005 she assumed the position of Human Resources Manager.

She is a graduate in Mechanical Engineering from the Aristotle University of Thessaloniki and holds a MSc in Human Resources Management & Industrial Relations from the University of Manchester.

Chara Dalekou
General Manager
Group Marketing
Number of shares: NIL*

Member of the Extended Senior Executive Committee

Chara Dalekou (born 1970) was appointed General Manager of Group Marketing in March 2019.

Ms Dalekou has 24 years of experience in commercial roles in Multinational and Greek companies. Her career started when she joined the Fast-Moving Consumer Goods (FMCG) industry at Unilever in 1996 where she worked initially in sales and then in marketing. In 2004 she was appointed Commercial Manager of Hellenic Entertainment Parks and in 2008 she joined Sony Ericsson, where she was a head of Marketing initially for Greece and the Balkans and then for the wider Southeast Mediterranean region. Her career continued at AEGEAN where she was responsible for the Company's Marketing Management for 8 years. During these years she also worked systematically for the development of the Tourism as a member of the Board of Director's of Marketing Greece and This is Athens and Partners.

She is a member of the Women's Business Committee of the Hellenic American Chamber of Commerce.

She holds a Bachelor's degree in Business Administration from the Athens University of Economics and Business and a Master's degree in Marketing from the University of Stirling, Scotland. She also holds a Certificate in French Business and Economic Studies from the Commercial and Industrial Chamber of Paris.

Beate Randulf
Assistant General Manager
Group Chief Control Officer
Number of shares: NIL*

Member of the Extended Senior Executive Committee

Beate Randulf (born 1966) was appointed Assistant General Manager of Group Chief Control Officer in April 2019, having already served the NBG Group as the NBG Group external auditor, during the period from 2007-2014.

Before joining the NBG Group, she was the Senior Director of the CFO Office of Piraeus Bank (November 2017 to March 2019). She has 26 years of public audit practice with Deloitte Greece during the period 1991-2017 and was an Equity Partner since 2006.

She is a Fellow Certified Charted Accountant (FCCA), a member of the Association of Chartered Certified Accountants (ACCA) as well as a Greek CPA, she is also a Certified Internal Control Auditor (CICA) and a member of the Institute of Internal Controls. Beate is Norwegian and holds a Bachelor's Degree in Business Administration with a major in Accounting and Finance from Deree College of the American College of Greece.

Kostas Adamopoulos
Assistant General Manager
Strategic Transactions
Number of shares: NIL*

Member of the Extended Senior Executive Committee

Kostas Adamopoulos (born 1974) was appointed Assistant General Manager of Strategic Transactions in April 2019.

He joined NBG in 2000 and held various positions in Finance and Strategy until 2013. During the period 2013 – 2016, he was appointed as Assistant General Manager of Corporate Strategy & Business Planning at Piraeus Bank and in 2017 CFO of Credicom Consumer Finance. Up to 2019, he was active in the Greek NPL space advising NPL servicers and capital providers on NPE transactions.

He holds an MSc in Finance from Queen Mary & Westfield (University of London), a BSc in Economics from University of Athens and he is a Chartered Financial Analyst (CFA) charterholder since 2004.

Constantinos Vossikas
General Manager
Group Chief Credit Officer
Number of shares: 13*

Member of the Senior Credit Committee

Constantinos Vossikas (born 1968) was appointed General Manager – Group Chief Credit Officer in May 2019.

He joined NBG in 2005 as a Credit Risk Manager for Group Risk Management and subsequently as a Senior Credit Officer for Credit Division. Since 2010, he served as Director of NBG Group International Credit and in 2013 he was appointed Assistant General Manager and Chief Credit Risk Officer. In July 2015 he was appointed Assistant General Manager of Corporate Special Assets and in April 2017, he was appointed General Manager of Corporate Special Assets.

Before joining NBG, during the period from 1994 to 2005, he worked in the Corporate Banking Departments of Midland Bank as a Credit Officer and Egnatia Bank, where he held the position of Head of Corporate and Investment Banking. During the period from 1990 to 1994 he worked in the audit departments of Moore Stephens and Arthur Andersen, participating in external and internal audits for companies operating in various sectors of the Greek economy, valuations, feasibility studies, etc.

Mr. Vossikas is a Certified Public Accountant, member of the Institute of Certified Public Accountants in Ireland and holds a degree (B.Sc.) in Accounting and Finance from Deree College.

**Number of shares as at 31 December 2021.*

Management, administrative and supervisory bodies of the Bank-Executive Committees

The following executive committees are included in the supervisory, management and administrative bodies of the Bank, being the key executive committees which have, apart from strategic and executive duties, approval authority as well: 1) the Senior Executive Committee and Extended Senior Executive Committee, 2) the Asset and Liability Committee ("ALCO"), 3) the Senior Credit Committee, 4) the Provisions and Write-Offs Committee, 5) ESG Management Committee. The committees are composed of executive Board members, General Managers and Assistant General Managers of the Bank.

Senior Executive Committee

The Senior Executive Committee was established in 2004 and operates via a specific Charter. It is the supreme executive body that supports the Chief Executive Officer of the Bank in his duties. The Senior Executive Committee has strategic and executive powers in regard to the more efficient operation of the Group and the monitoring of the execution of the Bank's business plan, as well as approval authority that cannot be delegated to other members of the Bank's management or to other collective bodies of the Bank, while it exercises supervisory powers on risk management in accordance with the decisions taken by the Board of Directors and the Board Risk Committee.

The Senior Executive Committee has the authority to decide on matters falling within the authority of the Compliance and Reputational Risk Committee, whenever deemed necessary by the Chair or Deputy Chair of the Compliance and Reputational Risk Committee.

The Senior Executive Committee is comprised of the following members:

Chair	Pavlos Mylonas	CEO
Members	Christina Theofilidi	Executive Board Member & General Manager – Retail Banking
	Vassilis Karamouzis	General Manager – Corporate and Investment Banking
	Vasileios Kavalos	General Manager – Group Treasury and Financial Markets
	Fotini Ioannou	General Manager – Troubled Assets Unit
	Ioannis Vagionitis	General Manager – Group Risk Management, Chief Risk Officer ("CRO")
	Christos Christodoulou	General Manager – Group Chief Financial Officer ("CFO")
	Stratos Molyviatis	General Manager – Chief Operations Officer ("COO")
	Ernestos Panayiotou	General Manager – Transformation, Business Strategy & International Activities
Members without voting rights	Panos Dasmanoglou	General Manager – Group Compliance and Corporate Governance
	Georgios Triantafillakis	General Manager – Group Legal Services

The Committee is convened by its Chair and meets regularly at least twice every calendar month and extraordinarily, whenever deemed necessary by its Chair.

> At the invitation of its Chair, it is possible for (Assistant) General Managers as well as other Bank executives to attend the meetings of the Senior Executive Committee, the presence of which is deemed necessary.

An Extended Senior Executive Committee also operates which, additionally to the above members, is comprised of the following members:

Members	Ioannis Kyriakopoulos	General Manager – Group Real Estate
	Evi Hatzioannou	General Manager – Group Human Resources
	Chara Dalekou	General Manager – Group Marketing
	Beate Randulf	Assistant General Manager – Group Chief Control Officer
	Kostas Adamopoulos	Assistant General Manager – Strategic Transactions

The Committee is convened by its Chair and meets regularly at least once every calendar month and extraordinarily, whenever deemed necessary by its Chair.

The Committee members do not receive any remuneration for their participation in the Committee.

Asset and Liability Committee

ALCO was established in 1993 and operates via a specific Charter. The Committee's key purpose is to establish the Bank's and its Group financial sector entities' strategy and policy as to matters relating to the structuring and management of assets and liabilities taking into account the current regulatory framework and market conditions, as well as the risk limits set by the Bank.

The ALCO Committee is comprised of the following members:

Chair	Pavlos Mylonas	CEO
Deputy Chair and Member	Ioannis Vagionitis	General Manager – Group Risk Management, Chief Risk Officer ("CRO")
Members	Christina Theofilidi	Executive Board Member & General Manager – Retail Banking
	Christos Christodoulou	General Manager – Group Chief Financial Officer ("CFO")
	Vassilis Karamouzis	General Manager – Corporate and Investment Banking
	Vasileios Kavalos	General Manager – Group Treasury and Financial Markets

The Committee convenes regularly once a month or extraordinarily, at the invitation of its Chair.

At the invitation of its Chair, it is possible for other executives of the Bank and the Group to attend its meetings.

The Committee members do not receive any remuneration for their participation in the Committee.

Senior Credit Committee

The Senior Credit Committee was established in 2008, operates via a specific Charter and its purpose is the optimization and the sound operation of the risk taking limits.

The Senior Credit Committee is comprised of the following members:

Chair	Pavlos Mylonas	CEO
Members	Vassilis Karamouzis	General Manager – Corporate and Investment Banking
	Ioannis Vagionitis	General Manager – Group Risk Management, Chief Risk Officer ("CRO")
	Constantinos Vossikas	General Manager – Chief Credit Officer

* In the case of meetings where issues regarding corporate special assets are discussed, Mrs Fotini Ioannou, General Manager - Troubled Assets Unit, participates in the Committee.

** In case of impediment or absence of the General Manager – Corporate and Investment Banking, the General Manager of Corporate SMEs and Shipping, Mr. Georgios Koutsoudakis, shall participate in the Committee, while in case of impediment or absence of the General Manager - Troubled Assets Unit, the Assistant General Manager - Corporate Special Assets, Mr. Dimitris Papadopoulos shall participate in the Committee.

The Committee convenes regularly at least twice every calendar month and extraordinarily, whenever deemed necessary by its Chair.

The General Manager of Group Legal Services is invited and attends the meetings of the Committee.

The Chair can invite other executives of the Bank and Group to attend, if necessary.

The Committee members do not receive any remuneration for their participation in the Committee.

Provisions and Write Offs Committee

The Committee was established in 2010 and operates via a specific Charter. Its purpose is the decision making process on the provisions and write offs of NBG Group claims of any nature, which are considered by the Committee to be liable of a loss in value in accordance with the relevant "Provisions and Write Offs Policy" of the Group.

The Provisions and Write Offs Committee is comprised of the following members:

Chair	Pavlos Mylonas	CEO
Members	Christos Christodoulou	General Manager - Group Chief Financial Officer ("CFO")
	Ioannis Vagionitis	General Manager - Group Risk Management, Chief Risk Officer ("CRO")

The Committee is convened at the invitation of its Chair.

The Chair can invite other executives of the Bank and Group to attend, if necessary.

The Committee members do not receive any remuneration for their participation in the Committee**.**

ESG Management Committee

The Committee was established in 2021 and operates via a specific Charter. Its purpose is in the context of its strategic approach and commitment to continuously promote sustainable development and responsible entrepreneurship, and aiming at effective management of ESG, sustainability and sustainable financing issues, in line with regulatory requirements and taking into account best practices included in international treaties and initiatives, the Bank established the ESG Management Committee to contribute to the governance of multiple aspects of NBG's ESG strategy and implementation

The Senior Executive Committee is comprised of the following members:

Chair	Pavlos Mylonas	CEO
Members	Christina Theofilidi	Executive Board Member & General Manager – Retail Banking
	Panos Dasmanoglou	General Manager – Group Compliance and Corporate Governance
	Ioannis Vagionitis	General Manager – Group Risk Management, Chief Risk Officer ("CRO")
	Vassilis Karamouzis	General Manager – Corporate and Investment Banking
	Ernestos Panayiotou	General Manager – Transformation, Business Strategy & International Activities
	Christos Christodoulou	General Manager – Group Chief Financial Officer ("CFO")
	Stratos Molyviatis	General Manager – Chief Operations Officer ("COO")
	Evi Hatzioannou	General Manager – Group Human Resources
	Chara Dalekou	General Manager – Group Marketing
	Ioannis Kyriakopoulos	General Manager – Group Real Estate

The Committee is convened by its Chair and meets regularly once every calendar month and extraordinarily, whenever deemed necessary by its members.

At the invitation of its Chair, it is possible for (Assistant) General Managers as well as other Bank executives to attend the meetings of the ESG Management Committee, the presence of which is deemed necessary.

E. Internal Control System and Risk Management

Objectives of the Internal Control System

Aiming to safeguard the reputation and credibility of the Bank and the Group towards its shareholders, customers, investors and the supervisory and other independent authorities, the Board of Directors provides for the continuous enhancement, at Group level, of its **Internal Control System ("ICS")**.

The ICS is designed to ensure effective and efficient operations, adequate identification, measurement and mitigation of risks through adequately and efficiently designed and implemented controls, prudent conduct of business, sound administrative and accounting procedures, reliability of financial and non – financial information reported or disclosed (both internally and externally) and compliance with laws, regulations, supervisory requirements and the NBG Group Internal Policies, Procedures and Regulations.

"Internal control" is a process effected by the Board of Directors, Senior Management, Risk Management and other Control Functions, as well as by the staff within the Organisation to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. The Bank uses as a reference the COSO 2013 Internal Control Integrated Framework and the ICS is based on the five main, per COSO components of internal control: **Control Environment, Risk Assessment, Control Activities, Information and Communication as well as Monitoring Activities**. The internal control process aims to create the necessary fundamentals for the entire Group to contribute to the effectiveness and high quality of internal control through, for instance, clear definitions, assignments of roles and responsibilities and methodologies, tools and procedures.

The ICS aims to achieve, among others, the following key objectives:

- Consistent implementation of the Group's business strategy through the efficient use of available resources;
- Pursuit of a risk- based decision making;
- Identification of the Group's process universe;
- Identification and management of all undertaken risks, including operational risks;
- Compliance with the local, European and international legal and regulatory frameworks that governs the operations of the Bank and the Group, including internal regulations, IT systems and Code of Ethics;
- Adequate and efficient design of controls as well as their operating effectiveness;
- Completeness, accuracy and reliability of data and information that are necessary for the accurate, timely preparation and true and fair view of the Bank and the Group's published financial information and financial performance;
- Adoption of international Corporate Governance best practices; and
- Prevention and detection and correction of any errors and irregularities that may put at risk the reputation and the credibility of the Bank and the Group towards its, shareholders, customers, investors and the supervisory and other independent authorities.

In the context of developing the business strategy and identifying the main business risks, the **Board of Directors**, with the support of its Committees, adopts appropriate policies, procedures and regulations aiming to ensure an adequate and an effective ICS for the Bank and the Group.

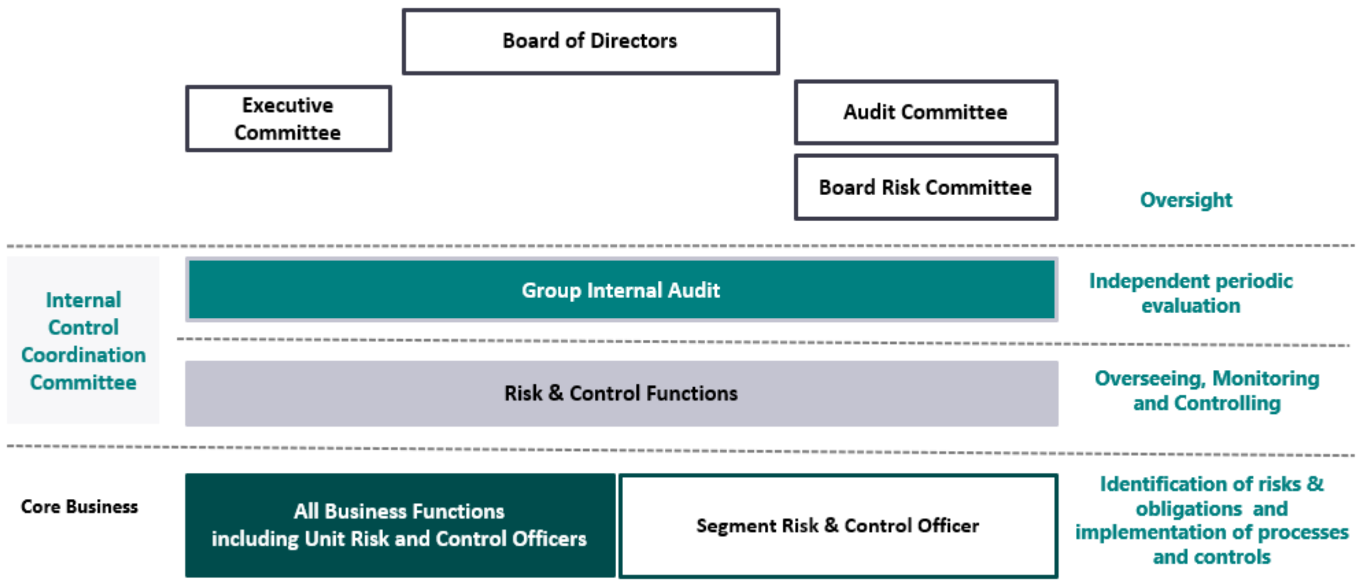
Management is responsible for:

- the effective design and implementation of adequate and efficient controls, as well as their operating effectiveness, arising from adequate and efficient procedures, relevant to the range, risks and nature of the activities undertaken by the Bank and the Group,
- identifying and assessing any ICS's deficiencies and
- undertaking the necessary corrective actions through the establishment of the appropriate and timely action plans.

Specifically, the ICS and Risk Management related activities are performed on by the First and Second Line of Defence. The roles and responsibilities with respect to Risk Management are divided into Three Lines of Defence, as follows:

- **First Line of Defence ("1LoD")**, includes the Business and Support Functions which are responsible for identifying, assessing and managing the risks and compliance obligations they undertake by designing and implementing adequate and efficient controls as well as by monitoring their operating effectiveness on a continuous basis.
- **Second Line of Defence ("2LoD")**, includes the various Risk and Control Functions that monitor the effectiveness of risk management, the compliance obligations and the adequate and efficient design of controls as well as their operating effectiveness.
- **Third Line of Defence ("3LoD")**, includes the Group Internal Audit Divisions ("GIAD's") which perform periodic assessment, in order to evaluate the adequacy and effectiveness of the Bank's and the Group's governance, risk management and internal control processes, as these are designed by the Board of Directors and Management. The Group Chief Audit Executive reports periodically on the GIAD's activities to the Bank's Board of Directors, through the Audit Committee.

Roles and responsibilities for the ICS



The Board of Directors and the Senior Management aims at the continuous enhancement of the ICS in order to mitigate risks through the establishment of adequate and efficient controls and ensure their operating effectiveness. The Internal Control Coordination Committee ("ICCC") which comprise of Group Internal Audit and the various Risk and Control Functions assists in the continuous enhancement of the ICS.

Internal Control Coordination Committee

The ICCC whose aim is to foster collaboration among the various Risk and Control Functions has as key objectives:

- the enhancement of synergies across the Three Lines of Defence;
- the adoption of a common methodology framework;
- the monitoring and reporting of emerging risks;
- the monitoring and reporting of the effectiveness of the Internal Control System.

The ICCC is coordinated by the General Manager of Group Internal Audit and its members are the General Manager of Group Risk Management (Group Chief Risk Officer), the General Manager of Group Compliance and Corporate Governance, the General Manager of Group Legal Services, the General Manager - Group Chief Operating Officer, the Assistant General Manager of Operations, the Assistant General Manager - Group Chief Information Officer, the Assistant General Manager - Group Chief Control Officer, the Head of Group Operational Risk Division, the Head of Group Cyber Security Division and the Head of Regulatory Affairs and HFSF Relations Division.

The ICCC convened five times during 2021 and multiple working groups supported its key initiatives to deal with the following matters:

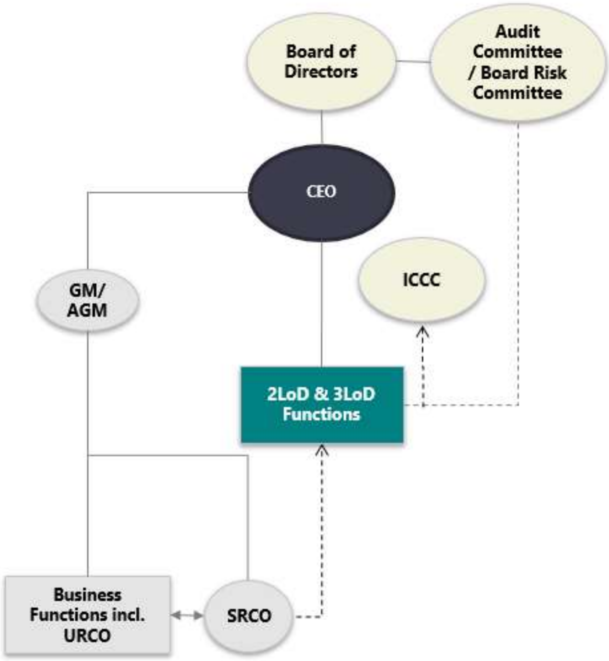
- Operationalisation of the newly established roles of the SRCO and URCO.
- Development of a Common NBG Group Control Taxonomy.
- Design and implementation of the common GRC Platform for the Bank and the Group.
- Development of a charter for the cross-functional team responsible for coordinating the functions' activities with regards to the maintenance and use of the common GRC Platform.
- Management of internal audit issues with action plans and responsible officers from multiple business areas.

Segment Risk and Control Officer and Unit Risk and Control Officers

The Senior Management in its effort to further strengthen the ICS established the role of the SRCO and the URCO in January 2020.

- The SRCO reports to the respective business line General Manager ("GM")/Assistant General Manager ("AGM"), is independent from the respective Business Units and liaises with 2LoD and 3LoD units with main responsibility to coordinate efforts in order to ensure that operational risks are appropriately identified and assessed, the internal controls are appropriately designed and operate effectively as well as to assist in further enhancing the risk, compliance and control awareness and culture.

- The URCOs report to the Head of the Division or Independent Sector to which they belong and cooperate on the responsibilities set out above with the respective SRCO of the respective business line.



Common Governance, Risk and Compliance (GRC) Platform

As part of the Board of Directors and Senior Management's efforts to further enhance the efficiency and the effectiveness in operational risk management, compliance, internal control and internal audit activities, the Bank has selected an integrated GRC Platform to be used by the various Risk and Control Functions (Operational Risk Management, Internal Control, Compliance, Information Security, Model Validation, Regulatory Affairs and HFSF Relations and Internal Audit). Following the common GRC Platform implementation, the Bank will be able to further enhance the management of its operational risks, will increase Board's and Management's oversight and will be able to use a homogenized integrated reporting tool contributing to the holistic view of the ICS of the Bank and the Group. The GRC Platform's implementation is planned to be performed in phases due to its complexity and the number of the involved functions. Each phase is supported and closely monitored by a Steering Committee combining experts from all the above functions. The Steering Committee has established a Project Management Office to ensure the successful implementation. Phase 1 was successfully executed in 2020 and the Model Validation Module went successfully live in December 2020. Phase 2 is currently close to finalization and includes the design and implementation of the Operational Risk Management module. Phase 3 that includes the design and implementation of Group Internal Audit Module, is currently in progress and Phase 4 that includes the design and implementation of the module that will be commonly used by Group Internal Control Function, Group Compliance and Group Information Security is planned to commence in 1H.22.

Group Internal Control Function

The Group ICF is mainly responsible for:

a) Contributing to the establishment and enhancement of a robust control culture and promoting control awareness within the Bank and the Group.

b) Developing and regularly reviewing and updating, if required, the NBG Group Methodology for the Control Identification & Assessment by the Group Internal Control Function (NBG Group IC Methodology) based on the mutually agreed by the members of the Internal Control Coordination Committee ("ICCC"), "Common Principles of Operational Risk and Control Assessment" for the Bank and the Group regarding roles, responsibilities, policies, procedures, flows of information and systems required for the appropriate design and the operating effectiveness of controls.

c) Ongoing monitoring of the adequate and efficient design of controls, their operating effectiveness, as well as the monitoring of the progress of the pending action plans for the remediation of control deficiencies identified to ensure their timely and appropriate execution.

d) Providing training and support to the Bank's Units and the Segment Risk and Control Officers/Segment Risk and Control Officers Teams/Unit Risk and Control Officers/Unit Risk and Control Officers Teams in the application of the approved NBG Group IC Methodology as well as providing specialized knowledge with respect to the controls.

e) Collaborating with the Group Companies and supporting their work, in the application of the NBG Group IC Methodology.

The Group Internal Control Function consists of:

- Loans and Branch Network Internal Control Sector;
- IT Systems Internal Control Sector;
- Business and Back Office Operations Internal Control Sector; and
- Quality Assurance and Project Management Subdivision.

During 2021, the Group Internal Control Function achieved the following:

- **Successful execution of the Group ICF Annual Activity Plan 2021 which included**:
  - Documentation of adequate and efficient controls for very high and high priority processes as identified by the GM/AGMs and assessment of design effectiveness in close collaboration with the SRCOs.
  - Developed and launched a campaign on the Group ICF mission.
  - Rolled out E-learning regarding the NBG Group IC Methodology.
- **Roll out of the Internal Controls Awareness and Communication Program in the context of the Transformation Program** with the overall objective to raise the awareness regarding internal controls across the Bank.
- **Approval of the revised NBG Group IC Methodology.**
- **Approval of the NBG Group Control Taxonomy.**

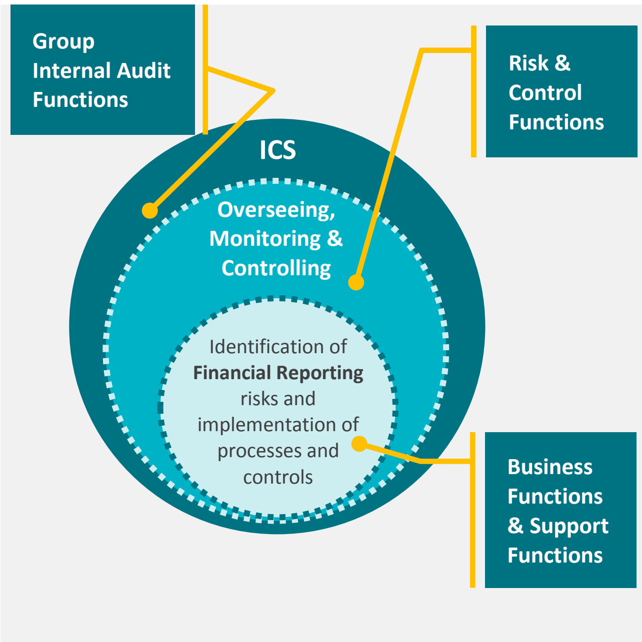
For 2022 the NBG Group Internal Control Function's Annual Activity Plan will focus on the following:

- Documentation of adequate and efficient controls and assessment of design effectiveness based on the NBG Group IC Methodology for Very High Priority Processes, as identified by the GM/AGMs in close collaboration with the SRCOs.
- Implementation of the shared module in the Common GRC Platform to be commonly used by the Group Internal Control Function, Group Compliance and Group Information Security.
- Roll out of various training initiatives to further enhance the control awareness.

Management of risks relating to the Internal Controls over Financial Reporting process

The **Audit Committee**, in accordance with the Greek Law 4449/2017, Article 44 para. 3b, is responsible for the oversight of the **Internal Controls over Financial Reporting ("ICFR")** and reports any improvements to ensure its integrity to the Board of Directors. Furthermore, the Audit Committee monitors the progress of the corrective actions undertaken in the context of ICS including ICFR.

Management is responsible for the preparation and fair presentation of the Bank and Group financial statements in accordance with the International Financial Reporting Standards ("IFRS") and for **such Internal Controls over Financial Reporting** as Management determines are necessary to enable the preparation of these financial statements to be free from material misstatement, whether due to fraud or error.



Roles and responsibilities are clearly defined in NBG Operating Model, where the identification of Financial Reporting risks along with the implementation of processes and controls to mitigate these risks lie with the **Business Functions and Support Functions** while the **Risk & Control Functions** oversee, monitor and control the Financial Reporting risks and the Internal Controls over Financial Reporting process.

Group Internal Audit

The Group Internal Audit Function is an independent NBG Group wide function, which ensures that business operations reflect the Bank's values and corporate culture and deliver its socially responsible strategy. Serving as the third line role, the Group Internal Audit Function provides the Board of Directors and the Audit Committee with independent assurance regarding the quality, adequacy and effectiveness of corporate governance, risk management and internal control frameworks and processes. The Group Chief Audit Executive ("CAE") reports, functionally, to the Audit Committee and, administratively, to the CEO and has unrestricted access to both.

The Group Internal Audit Function, through a risk-based approach and with unrestricted access to all data and staff of the organization, covers all entities and activities of NBG Group. It evaluates the risk exposures relating to the achievement of the Group's strategic objectives, the compliance with applicable regulatory framework and supervisory requirements, the reliability of financial and operating information, the implementation of information systems and projects, the conduct of operational activities, and the safeguarding of assets. Special focus and priority are placed on areas of higher risk. Executive management is responsible for ensuring that issues raised by the Group Internal Audit Function are addressed within an appropriate and agreed timeframe.

Group Internal Audit Function and the Internal Audit Units of subsidiaries use:

- a common audit methodology, which is in compliance with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013") principles and the International Internal Auditing Standards of the Institute of Internal Auditors ("IIA");
- an information systems audit methodology that is based on the Control Objectives for Information and Related Technologies ("COBIT") framework of the Information Systems Audit and Control Association ("ISACA");
- a common web-based software platform, which allows for the effective management of the audit activities and provides: (i) real time monitoring of the audit function across all subsidiaries, (ii) information sharing among the Group's internal auditors and (iii) standardisation of the audit methodology. Moreover, audit efficiency and effectiveness are ensured through established key performance indicators and internal quality reviews.

As of 31 December 2021, the Group Internal Audit Function of the Bank employed 75 internal auditors with in-depth knowledge and experience in banking and audit, independent to the audited activities and with no involvement in the design, selection, implementation or operation of the Group's internal controls.

Each year, the Group Internal Audit Function prepares an annual audit plan, at Group level, ensuring synergies and improved coverage of audit areas. Group Internal Audit Function, as part of its 2021 Audit Plan, covered risks related to, among others, NPE management, ICAAP & ILAAP processes and internal risk models, impairment of financial assets, project "Frontier", AML/KYC, COVID-19 post moratoria strategy, outsourcing / third parties, retail and private banking, corporate and investment banking, business model sustainability, procurement, real estate property management, data governance, IT and cybersecurity, Human Resources management, compliance with PSD II and other regulations / internal policies. Group Internal Audit Function also performed branch network and subsidiaries' audits, anti-fraud and continuous auditing activities as well as consulting engagements. For 2022, the Audit Plan will focus, among others, on the following areas:

- **NPE Management**
- **Risk management**
- **Capital and Liquidity Adequacy**
- **Retail and Corporate Banking**
- **Payment Services**
- **AML / CFT**
- **Outsourcing**
- **IT change management procedures**
- **Cloud Implementations**
- **Anti-fraud and continuous auditing.**

As required by IIA standards, the Group Internal Audit Function is periodically assessed by an external evaluator. The conclusion of the last quality review was that Group Internal Audit "Generally Conforms" (highest possible IIA rating) to the international standards for the professional practice of internal auditing and was benchmarked among peer organizations as a very mature audit unit with a score of 4.44/5.

The use of data analysis technology is a strategic objective for the Group Internal Audit Function. During 2021, Group Internal Audit further enhanced its Continuous Auditing and Fraud Detection software platform, by developing additional scenarios, for both fraud and continuous audit purposes, across various product and business areas. The software platform features artificial intelligence and fuzzy-logic techniques and its coverage is being expanded to facilitate more business areas. A major upgrade is planned for 2022 to further enhance the system capabilities.

During 2021, Group Internal Audit experts, as members of a project team consisting of other Bank's risk and control functions experts, participated in the implementation of two critical phases of the common Governance, Risk and Compliance (GRC) Platform. The platform's implementation, which started in 2020, will continue in 2022 under the close co-ordination and monitoring of the respective project team.

Moreover, during 2021, Group Internal Audit met its strategic goals, including: the added value offered to NBG Group business units through its recommendations and improvement proposals, further expansion of the use of new technology with regards to new and improved anti-fraud & continuous auditing scenarios, initiation of the new Common GRC Platform's implementation for Group Internal Audit module, continuous adaptation of Internal Audit staff to new technology and best practices and further staff empowerment through training, certification and career development.

In 2021, Group Internal Control Coordination Committee (established in 2019), convened five times under the coordination of the Group CAE and continued to support the key objectives (see above "*Internal Control Coordination Committee*") through the establishment of multiple work groups.

Risk Management Governance Framework

See section "*Risk Management*".

Regulatory Compliance and Corporate Governance

Within the context of appropriately incorporating the applicable Greek and EU legal and regulatory framework and best practices into the Group's operation, Group Compliance and Corporate Governance Functions, oversee all compliance matters, in line with the applicable Greek and EU regulatory framework and supervisory authorities' decisions, as well as all Corporate

Governance and Shareholder activities. In particular, the Group Compliance and Corporate Governance Functions include distinct Divisions, having competence over Corporate Governance, Corporate Social Responsibility, Regulatory Compliance, AML/CFT. It is noted that in 2021, the Group Compliance and Governance Functions have been re-organized, focusing on enhanced compliance monitoring initiatives and ESGs.

The Group Compliance and Corporate Governance Functions continuously monitor developments in the applicable framework and best practices, each in their field of responsibility, and provide guidelines and support to the Bank Units and the Group Entities, while they monitor implementation of the applicable provisions.

In that context, Group Compliance and Corporate Governance Functions in 2021, continued to focus on the establishment of an adequate and effective compliance environment, in order to safeguard the reputation and credibility of the Bank and the Group against all stakeholders, including shareholders, customers, Supervisory and other Authorities,

Moreover, the Group Compliance and Governance Functions, throughout 2021, in the context of their traditional role as key advisors and partners to the business continued to play a vital role providing ongoing support and guidance, both in terms of crisis management in the Bank's response to COVID-19 and in terms of initiatives undertaken for the Bank's evolution. In order to comply with the regulatory framework in force, the Bank has set up policies and procedures. The monitored areas include among others Corporate Governance, AML/CFT, Tax and other Public Authorities requests, Consumer Protection, Banking secrecy, Personal Data Protection etc.

Given the particular emphasis which the Group places in ensuring constant enhancement of corporate governance arrangements and practices applied, during 2021, the Group Corporate Governance Division has continued to monitor, on an ongoing basis, all regulatory developments and best practices, and proceeded with incorporating these in the corporate governance policies, arrangements and practices (for further details see section "*A. Corporate Governance Code*" and section "*B. NBG's Corporate Governance Key Policies and Practices*" above), providing continuous support to the Board of Directors and Board Committees. Moreover, in the context of further enhancement of the Director's Induction and ongoing training and development, Group Corporate Governance Function, updated the introductory informative program for the new Board members, covering, among others, issues concerning the Bank's Corporate Governance and organizational arrangements.

The Group Corporate Governance Division also proceeded with informing the Board Corporate Governance and Nominations Committee on developments in the legal and regulatory framework and latest trends and practices in corporate governance, while it also briefed the Audit Committee and the Compliance, Ethics and Culture Committee on related parties' transactions.

Additionally, the Compliance and Corporate Governance Functions also provided support, advice and guidance to the Bank's Units in the context of ensuring the alignment and compliance of the Bank to the new regulatory framework and proceeded to actions regarding changes in policies and procedures, as well as, compliance with EU and national legislation. Furthermore, the Compliance and the Corporate Governance Functions continued to help all business lines embed compliance vision, strategy, and principles into the Bank's culture and day-to-day operation and activities by strengthening their accountability as risk owners and grasping good compliance as a business enabler. Finally, the Compliance and Corporate Governance Functions continued to systematically follow and monitor developments and compliance in accordance with the applicable framework, handled and participated in a number of major projects of the Bank, such as projects regarding the digitalization of Bank's operations and the provision of products and services, provided continuous support and advice to the competent Units regarding the new challenges that were introduced due to COVID-19 regarding Bank's operations, customers' service, and personnel remote working to ensure and maintain Business Continuity, while in parallel also being involved in the submission of a series of regular and ad hoc reports to supervisory Authorities and constituting the point of contact and liaison between the Authorities and the Bank.

Non-audit related fees in 2021

The fees of the independent auditor PwC for non-audit related fees in 2021 amounted to €0.4 million for the Group and €0.3 million for the Bank, with no impact on the auditor's objectivity and independence. For the monitoring of the auditors fees, see "*Board of Director's Committees – Audit Committee – Main responsibilities*".

Information provided pursuant to Directive 2004/25/EU of the European Parliament and Council

The information of Directive 2004/25/EU of the European Parliament and Council, required pursuant Article 152 of Greek Law 4548/2018 on Sociétés Anonymes are included to the Supplementary Report to the Annual General Meeting of Shareholders, which is a separate section of this Annual Financial Report.

Athens, 15 March 2022

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER
GIKAS A. HARDOUVELIS	PAVLOS K. MYLONAS

Important Information

ESMA Alternative Performance Measures (“APMs”), definition of financial data and ratios used

The Board of Directors’ report contains financial information and measures as derived from the Group and the Bank’s financial statements for the year ended 31 December 2021 and for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as endorsed by the EU. Additionally, it contains financial data which is compiled as a normal part of our financial reporting and management information systems. For instance, financial items are categorized as foreign or domestic on the basis of the jurisdiction of organization of the individual Group entity whose separate financial statements record such items.

Moreover, it contains references to certain measures which are not defined under IFRS, including “pre-provision income” (“PPI”), “net interest margin” and others, as defined below. These measures are non-IFRS financial measures. A non-IFRS financial measure is a measure that measures historical or future financial performance, financial position or cash flows but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. The Group believes that the non-IFRS financial measures it presents allow a more meaningful analysis of the Group’s financial condition and results of operations. However, the non-IFRS financial measures presented are not a substitute for IFRS measures.

Name	**Abbreviation**	**Definition**
Balance Sheet		Statement of Financial Position
Common Equity Tier 1 ratio	**CET1**	CET1 capital as defined by Regulation No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact over RWAs.
CET1 ratio fully loaded	**CET1FL**	CET1 capital as defined by Regulation No 575/2013, without the application of the regulatory transitional arrangements for IFRS 9 impact over RWAs.
Core Income		Net Interest Income (“NII”) + Net fee and commission income.
Core Operating Profit		Core income less operating expenses and loan impairments.
Core Pre-Provision Income	**Core PPI**	Core Income less operating expenses.
Cost of Risk	**CoR**	Loan impairments of the year over average loans and advances to customers.
Cost-to-Core Income ratio	**C:CI**	Operating expenses over core income.
Cost-to-Income ratio		Operating expenses over total income.
Deposits		Due to customers.
Depreciation		Depreciation and amortisation on investment property, property & equipment and software & other intangible assets
Domestic banking activities		Refers to banking business in Greece and includes retail, corporate and investment banking. Group’s domestic operations includes Ethniki Leasing S.A (Ethniki Leasing), Probank Leasing S.A. (Probank Leasing) and Ethniki Factors S.A. (Ethniki Factors).
Net Fees & Commissions / Fees / Net Fees		Net fee and commission income.
Funding cost		The weighted average cost of deposits, ECB refinancing, repo transactions, covered bonds and securitization transactions.
Gross loans		Loans and advances to customers before Expected Credit Loss (“ECL”) allowance for impairment on loans and advances to customers at amortised cost and mandatorily at FVTPL.
Interest earning assets		Interest earning assets include all assets with interest earning potentials and includes cash and balances with central banks, due from banks, financial assets at fair value through profit or loss (excluding Equity securities and mutual funds units), loans and advances to customers and investment securities (excluding equity securities and mutual funds units).
Liquidity Coverage Ratio	**LCR**	The LCR refers to the liquidity buffer of High Quality Liquid Assets (“HQLAs”) that a Financial Institution holds, in order to withstand net liquidity outflows over a 30 calendar-day stressed period as per Regulation (EU) 2015/61.
Loan Impairments		Impairment charge for ECL, excluding for 2021 the positive impact of €0.2 billion from Project “Frontier” and €8 million from other transactions.
Loans-to-Deposits Ratio		Loans and advances to customers over due to customers, at year end.

Name	Abbreviation	Definition
Net Interest Margin	NIM	Net interest income over average interest earning assets. Net Interest Margin equals net interest income divided by the average of interest earning assets (the average of interest earning assets at the end of the current year and the end of the previous year and all quarter ends in between (5 periods) for the year end).
Net Stable Funding Ratio	NSFR	The NSFR refers to the portion of liabilities and capital expected to be sustainable over the time horizon considered by the NSFR over the amount of stable funding that must be allocated to the various assets, based on their liquidity characteristics and residual maturities.
Non-Performing Exposures	NPEs	Non-performing exposures are defined according to EBA ITS technical standards on Forbearance and Non-Performing Exposures as exposures that satisfy either or both of the following criteria: a. Material exposures which are more than 90 days past due. b. The debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral, regardless of the existence of any past due amount or of the number of days past due.
NPE Coverage Ratio		ECL allowance for impairment for loans and advances to customers divided by NPE, excluding loans and advances to customers mandatorily classified as FVTPL, at period end.
NPE formation		Net increase / (decrease) of NPEs, before write-offs.
NPE Organic Formation		NPE balance change, excluding sales and write-offs
NPE ratio		NPEs divided by loans and advances to customers at amortised cost before ECL allowance for impairment at the end of the period.
Non-Performing Loans NPLs	NPLs	Loans and advances to customers at amortised cost that are in arrears for 90 days or more.
Operating Expenses		Personnel expenses + General, administrative and other operating expenses ("G&As") + Depreciation and amortisation on investment property, property & equipment and software and other intangible assets, excluding the additional social security contribution for LEPETE to e-EFKA and other one-off costs. More specifically, for 2021, operating expenses exclude personnel expenses of €35 million related to defined contributions to LEPETE and other one-off costs of €97 million. For 2020, operating expenses exclude personnel expenses of €37 million related to defined contributions to LEPETE and other one-off costs of €15 million.
Operating Profit / (Loss)		Total income less operating expenses and loan impairments.
Other impairments		Impairment charge for securities and Other provisions and impairment charges
Adjusted Profit after Tax	PAT	Refers to the adjusted profit for the year/period ended from continuing operations
Adjusted profit for the period (PAT) from continuing operations		Profit for the period from continuing operations, excluding the additional social security contribution for LEPETE to e-EFKA, restructuring cost and one-off costs. More specifically, for 2021, operating expenses exclude personnel expenses of €35 million related to defined contributions to LEPETE, VES cost of €83 million, restructuring cost of €28 million, one-off ECL release of €0.2 billion relating to Project "Frontier" closing and other one-off costs of €105 million. For 2020, operating expenses exclude personnel expenses of €37 million related to defined contributions to LEPETE, VES cost of €126 million, restructuring cost of €11 million and other one-off costs of €15 million.
Pre-Provision Income	PPI	Total income less operating expenses, before loan impairments.
Risk Weighted Assets	RWAs	Assets and off-balance-sheet exposures, weighted according to risk factors based on Regulation (EU) No 575/2013.
Risk Adjusted NIM		NIM minus CoR
Staff Costs		Personnel expenses excluding the additional social security contribution for LEPETE to e-EFKA and one-off costs. More specifically, for 2021, operating expenses exclude personnel expenses of €35 million related to defined contributions to LEPETE and other one-off costs of €77 million. For 2020, operating expenses exclude personnel expenses of €37 million related to defined contributions to LEPETE and other one-off costs of €3 million.
Tangible Equity / Book Value		Common equity less goodwill, software and other intangible assets.
Total Capital Ratio		Total capital as defined by Regulation No 575/2013, with the application of the regulatory transitional arrangements for IFRS 9 impact over RWAs.
Trading and Other Income / Non-Core Income		Net trading income / (loss) and results from investment securities ("trading income/(loss)") + Gains / (losses) arising from the derecognition of financial assets measured at amortised cost + Net other income / (expense) ("other income / (expense)")

Disclaimer

The information, statements and opinions set out in the Board of Director's Report (the "Board of Director's Report") have been provided by National Bank of Greece S.A. (the "Bank") (together with its consolidated subsidiaries (the "Group"). They serve informational only purposes and should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and do not take into account particular investment objectives, financial situation or needs. It is not a research report, a trade confirmation or an offer or solicitation of an offer to buy/sell any financial instruments.

Accuracy of Information and Limitation of Liability

Whilst reasonable care has been taken to ensure that its contents are true and accurate, no representations or warranties, express or implied are given in, or in respect of the accuracy or completeness of any information included in the Board of Director's Report. To the fullest extent permitted by law in no circumstances will the Bank, or any of its respective subsidiaries, shareholders, affiliates, representatives, directors, officers, employees, advisers or agents be responsible or liable for any direct, indirect or consequential loss or loss of profit arising from the use of the Board of Director's Report, its contents (including the internal economic models), its omissions, reliance on the information contained within it, or on opinions communicated in relation thereto or otherwise arising in connection therewith.

Recipients of the Board of Director's Report are not to construe its contents, or any prior or subsequent communications from or with the Bank or its representatives as financial, investment, legal, tax, business or other professional advice. In addition, the Board of Director's Report does not purport to be all-inclusive or to contain all of the information that may be required to make a full analysis of the Bank. Recipients of the Board of Director's Report should consult with their own advisers and should each make their own evaluation of the Bank and of the relevance and adequacy of the information.

The Board of Director's Report includes certain non-IFRS financial measures. These measures presented in this section under "*ESMA Alternative Performance Measures (APMs), definition of financial data and ratios used*". Section herein may not be comparable to those of other credit institutions. Reference to these non-IFRS financial measures should be considered in addition to IFRS financial measures, but should not be considered a substitute for results that are presented in accordance with IFRS.

Due to rounding, numbers presented throughout the Board of Director's Report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Forward-Looking Statements

The Board of Director's Report contains forward-looking statements relating to management's intent, belief or current expectations with respect to, inter alia, the Bank's businesses and operations, market conditions, results of operation and financial condition, capital adequacy, risk management practices, liquidity, prospects, growth and strategies ("Forward Looking Statements"). Forward Looking Statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "may", "will", "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", "would", "could" or similar expressions or the negative thereof. Forward Looking Statements reflect knowledge and information available at the date of the Board of Director's Report and are subject to inherent uncertainties and qualifications and are based on numerous assumptions, in each case whether or not identified in the Board of Director's Report. Although Forward Looking statements contained in the Board of Director's Report are based upon what management of the Bank believes are reasonable assumptions, because these assumptions are inherently subject to significant uncertainties and contingencies, including the aftermath of the COVID-19 outbreak, that are difficult or impossible to predict and are beyond the Bank's control, no assurance can be provided that the Bank will achieve or accomplish these expectations, beliefs or projections. The evolution of the disease and its economic impact remains highly uncertain. Therefore, this outbreak constitutes another factor that could cause actual results to differ materially from the ones included in the Forward-Looking Statements. Forward-Looking Statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. The Bank's actual results may differ materially from those discussed in the Forward-Looking Statements. Some important factors that could cause actual results to differ materially from those in any Forward Looking Statements could include, inter alia, changes in domestic and foreign business, market, financial, political and legal conditions including changing industry regulation, adverse decisions by domestic or international regulatory and supervisory authorities, the impact of market size reduction, the ability to maintain credit ratings, capital resources and capital expenditures, adverse litigation and dispute outcomes, impact of COVID-19 and the effect of such outcomes on the Group's financial condition. There can be no assurance that any particular Forward-Looking Statement will be realized, and the Bank expressly disclaims any obligation or undertaking to release any updates or revisions to any Forward-Looking Statement to reflect any change in the Bank's expectations with regard thereto or any changes in events, conditions or circumstances on which any Forward-Looking Statement is based. Accordingly, the reader is cautioned not to place undue reliance on Forward-Looking Statements.

No Updates

Unless otherwise specified all information in the Board of Director's Report is as of the date of the Board of Director's Report. Neither the delivery of the Board of Director's Report nor any other communication with its recipients shall, under any circumstances, create any implication that there has been no change in the Bank's affairs since such date. Except as otherwise noted herein, the Bank does not intend to, nor will it assume any obligation to, update the Board of Director's Report or any of the information included herein. The Board of Director's Report is subject to Greek law, and any dispute arising in respect of the Board of Director's Report is subject to the exclusive jurisdiction of the Courts of Athens.

for the year ended 31 December 2021

Supplementary Report

Supplementary Report of the Board of Directors

To the Annual General Meeting of Shareholders of National Bank of Greece Pursuant to article 4 of Greek Law 3556/2007

Pursuant to article 4 of Greek Law 3556/2007, listed companies must submit a Supplementary Report to the Annual General Meeting of Shareholders providing detailed information on specific issues. This Board of Directors' supplementary report to the Annual General Meeting of Shareholders contains all the required additional information.

A) Share capital structure

Following the resolution of the Bank's Annual General Meeting of 26 July 2018, the Bank's share capital amounted to €2,744,145,459, divided into 914,715,153 common shares of a nominal value of €3.00 each.

By resolution of the Bank's Annual General Meeting of 30 July 2021, it was decided to reduce the Bank's share capital by €1,829,430,306 through reduction of the nominal value of each common registered share from €3.00 to €1.00, for the purpose of setting off equal cumulative accounting losses of previous years in the context of launching a Stock Options Program in accordance with Article 113(4) of Law 4548/2018, described in detail in Section H below *("H. Board of Directors' authority for the issue of new shares or the purchase of own shares" – "Stock options*"). As a result, the Bank's share capital would stand at €914,715,153.00 divided into 914,715,153 common shares of a nominal value of €1.00 each.

Following the above resolution and the receipt of the required approvals by competent authorities, on 18 November 2021, the Bank announced the aforementioned share capital decrease by reduction of the nominal value of its share, determining 22 November 2021, as the date of change of the nominal value of the Bank's share to €1.00.

Further to the above, the Bank's share capital on 31 December 2021 amounted to €914,715,153.00 and is divided into 914,715,153 common shares of a nominal value of €1.00 each.

The Bank's shares are listed for trading on the Athens Exchange ("ATHEX").

The rights of the shareholders of the Bank, arising from each share, are at first proportional to the percentage of the share capital to which they correspond. Each share carries the rights stipulated by law and the Articles of Association, with the reservation of the rights of 13,481,859 dematerialized ordinary shares held by HFSF, falling under the restrictions of article 7a par. 2 of Greek Law 3864/2010. In particular:

1. The following rights arise out of the 901,233,294 ordinary shares (corresponding to an amount of €901,233,294 or 98.53% of the Bank's total share capital) of which 355,986,916 owned by HFSF (corresponding to an amount of €355,986,916 or 38.92% of the Bank's total share capital):

    - The right to participate in and vote at the General Meeting of Shareholders.

- The right to a statutory minimum dividend from the Bank's profit for the year ended, which amounts to 35% of the distributable profits, following deduction of the amounts specified in the applicable legal framework. The distribution of a supplementary dividend is subject to General Meeting resolution. Shareholders entitled to a dividend are those whose names appear in the Register of the Bank's Shareholders on the date the dividend beneficiaries are determined, and a dividend on each share owned by them is paid within two (2) months of the date of the General Meeting of Shareholders that approved the Annual Financial Statements of the Group and the Bank, as incorporated in the Annual Financial Report. The dividend payment method and place are announced as prescribed by the applicable framework. After the lapse of five years from the end of the year in which the General Meeting approved the dividend, the right to collect the dividend expires and the corresponding amount is forfeited in favour of the Greek state. It is noted that, in accordance with Article 149A par. 1 of Greek Law 4261/2014, as well as in accordance with Article 35 of the Bank's Articles of Association, by way of derogation from case c of par. 2 of Article 160, as well as from par. 2 of Article 161 of Greek Law 4548/2018, the Bank is not subject to obligation for minimum dividend distribution. Further, in accordance with par. 2 of Article 149A of Greek Law 4261/2014, and Article 35 of the Bank's Articles of Association, in case of dividend distribution in kind, in implementation of par. 4 and 5 of Article 161 of Greek Law 4548/2018 and/or for distribution in kind for additional Tier 1 capital instruments and Tier 2 capital instruments, prior approval by the Bank of Greece is required.
- The pre-emptive right to each share capital increase in cash and issue of new shares.
- The right to access the Bank's Annual Financial Report which incorporates: a) the Certifications of the Board of Directors, b) Board of Directors' Report, c) Supplementary Report, d) Annual Report of the Audit Committee, e) Independent Auditor's Report, f) the Annual Financial Statements, including the separate and consolidated financial statements, and the notes thereto, g) the Annual Report for the distribution of capital of the financial year it concerns, via the Bank's website ten (10) days before the Annual General Meeting.
- The General Meeting of Shareholders maintains all of its rights during liquidation proceedings (pursuant to Article 37 of the Bank's Articles of Association).

2. The 13,481,859 common shares held by HFSF (corresponding to an amount of €13,481,859 or 1.47% of the Bank's total share capital) according to the Article 7a par. 2 of the Greek Law 3864/2010, as in force, give the right to HFSF to exercise its voting rights in the General Meeting of Shareholders with the restrictions described in detail in Section E below (*"Restrictions to voting rights"*).

Moreover, the common shares held by HFSF provide also, as the common shares held by other private investors, dividend rights, pre-emptive right in case of share capital increase and the right to access the Annual Financial Report, as mentioned above.

Furthermore, these common shares provide the HFSF representative to the Bank's Board of Directors, the following rights under the Greek Law 3864/2010, as in force:

- The right to request convening of the General Meeting of the Shareholders.
- Veto power over any decision taken by the Board of Directors:
  i. Regarding the distribution of dividends and the remuneration policy concerning the Chair, the CEO as well as other members of the Board of Directors, the General Managers and their deputies; or
  ii. If the decision in question could seriously jeopardize the interests of depositors or seriously affect the Bank's liquidity or solvency or its overall sound and smooth operation (such as business strategy, management of assets and liabilities, etc.)
  iii. Related to corporate actions of paragraph 3 of article 7a of Greek Law 3864/2010, as in force, meaning decisions regarding amendments to the Articles of Association, including capital increase or reduction or providing authorisation to the Board of Directors to that effect, merger, division, conversion, revival, extension of duration or dissolution of the company, material asset transfers, including sales of subsidiaries, or any other matters that requires an increased majority as provided in Greek Law 4548/2018, which might substantially influence the Fund's participation at the share capital of the credit institution.
- The right to request an adjournment of any meeting of the Bank's Board of Directors for three (business) days, in order to receive instructions from the HFSF Executive Board. This right may be exercised until the end of the Board of Directors' meeting.
- The right to request convocation of the Board of Directors.
- The right to approve the appointment of the Chief Financial Officer.

While exercising the aforementioned rights to the Bank's Board of Directors, the HFSF Representative shall respect the Bank's business autonomy. Furthermore, for the purposes of Greek Law 3864/2010, as in force, the HFSF has free access to the Bank's books and records with employees or with consultants of its choice.

B) Restrictions on transfers of the Bank's shares

The Bank's Articles of Association do not impose restrictions on the transfer of the common shares of the Bank. The disposal of shares of the Bank held by the HFSF is made pursuant to the provisions of the Greek Law 3864/2010 ("HFSF Law"), article 8, as amended and in force. It is noted that, on 26 October 2020 Ministerial Decision No 121476 EX 2020 was issued, which provides for an extension to the deadline for the disposal of shares held by the HFSF, in accordance with article 8 par. 1 of Greek Law 3864/2010, for two further years, until 1 November 2022.

C) Significant direct and indirect holdings as per Greek Law 3556/2007

As of 31 December 2021, there are no significant direct or indirect holdings as per Greek Law 3556/2007, i.e. of a direct or indirect participation percentage equal to or higher than 5% of the aggregate number of the Bank's ordinary shares, except for the 369,468,775 ordinary dematerialised registered shares with voting rights held by HFSF following the Bank's recapitalization in 2013 and 2015, of which 13,481,859 falling under the restrictions of article 7a par. 2 of Greek Law 3864/2010, as in force.

D) Shares with special control rights

There are no shares with special control rights with the following exceptions.

According to the stipulations of article 10 par. 2 of Greek Law 3864/2010, as amended and in force, HFSF has since 11 June 2012 a representative to the Bank's Board of Directors, with the abovementioned rights of Greek Law 3864/2010, as in force.

In particular, the objective of the HFSF according to Greek Law 3864/2010, as amended and in force, is to contribute to the maintenance of the stability of the Greek banking system, for the sake of public interest.

In pursuing its objective, the HFSF should, among others, (i) monitor and assess how credit institutions, to which capital support is provided by the HFSF, comply with their restructuring plans, (ii) exercise its shareholding rights in compliance with the rules of prudent management of its assets and in compliance with State aid and Competition rules of the European Union, (iii) ensure that the Bank operates on market terms, and (iv) that in due time the Bank returns to private ownership in an open and transparent manner.

For the purpose of accomplishing the aforementioned, the Bank and HFSF entered into a Relationship Framework Agreement dated 10 July 2013 (the initial Relationship Framework Agreement). Furthermore, in view of the capital injected to the Bank, as a result of the recapitalization, which was completed in December 2015, and in order for the HFSF to fulfill its objectives under Greek Law 3864/2010, as in force, exercise its rights and obligations and comply with the commitments undertaken through the Financial Assistance Facility Agreement[36] ("FFA") and the Memorandum of Understanding[37] ("MoU"), the HFSF and the Bank entered into the revised Relationship Framework Agreement dated 3 December 2015, which amended the initial Relationship Framework Agreement.

The Relationship Framework Agreement determines the relationship between the Bank and the HFSF and the matters related with, amongst others, (a) the corporate governance of the Bank, (b) the Restructuring Plan and its monitoring, (c) the monitoring of the implementation of the Bank's Non-Performing Loans ("NPLs") management framework and of the Bank's performance on NPL resolution. In addition to that, the Relationship Framework Agreement deals with (d) the Material Obligations and the switch to full voting rights, (e) the monitoring of Bank's actual risk profile against the approved Risk and Capital Strategy (f) the HFSF's consent for Material Matters, (g) Material Litigation and Proceedings concerning the Bank, and (h) the duties, rights and obligations of HFSF's Representative in the Board of Directors.

Moreover, the Relationship Framework Agreement mentions that subject to its provisions, the applicable Law and the Charter Documents, the Bank's decision making bodies will continue to determine independently, amongst others, the Bank's commercial strategy and policy in compliance with the Restructuring Plan and the decisions on the day-to-day operation of the Bank will continue to rest with the Bank's competent bodies and officers, as the case may be, in accordance with their statutory, legal and fiduciary responsibilities.

Furthermore, under the Relationship Framework Agreement, the Bank shall provide HFSF with all information and data concerning the Group and related matters that the HFSF reasonably deems necessary in order to safeguard its assets, monitor the Bank's implementation of the Restructuring Plan and to exercise its statutory rights and obligations, as well as the Contractual Obligations. In the context of efficient implementation of the Relationship Framework Agreement, the Bank and the HFSF shall cooperate effectively. Bank's and the HFSF's officers shall meet periodically and work collaboratively as part of the monitoring process of the Bank's Restructuring Plan in accordance with Clause 2.3 of the Relationship Framework Agreement. The HFSF's Executive Board of Directors and the Bank's Executive Committee members shall meet at least once per quarter while the Bank's management (including the Chief Financial Officer, the Chief Risk Officer, Head of Strategy, depending on the items of the agenda) and the HFSF's Directors and Portfolio Manager shall meet at least once per month.

In addition to the above, the HFSF Representative to the Bank's Board of Directors is appointed as a member in all Board Committees, while the Relationship Framework Agreement also provides for the appointment of an HFSF Observer (with no voting rights) at the Board of Directors and all Board Committees.

Further, the amended Relationship Framework Agreement foresees among others that:

- The Bank shall at each time adopt and apply a corporate governance structure that ensures the implementation of the Relationship Framework Agreement, compliant at any time with the requirements of the Law, the Contractual Obligations and the Restructuring Plan.

[36] The agreement signed on 19 August 2015 by and between the European Stability Mechanism ("ESM"), the Hellenic Republic, the Bank of Greece and the HFSF.

[37] Means the memorandum signed on 19 August 2015 between the ESM, on behalf of the European Commission, the Hellenic Republic and the Bank of Greece.

- Provide to the HFSF the documents, as required, in order to ensure the effective monitoring of the implementation of the Restructuring Plan and the NPL management framework, to effectively allow the HFSF to perform its statutory role.
- If the Bank has engaged, prior to the signing of the Relationship Framework Agreement, an external audit firm for more than five years, the Bank should replace the audit firm. The new engagement contracts should not exceed five years. The Bank's initial five-year period expired following the 2016 financial year. In this context, the Board of Directors approved at the meeting held on 18 January 2017 PwC as the most appropriate audit firm for the audit of the Group for the year ending 31 December 2017, following the recommendation of the Audit Committee. The appointment of PwC was first approved by the 2017 Annual General Meeting of the NBG shareholders and its reappointment has been approved at each of the subsequent four Annual General Meetings, following the relevant proposal of the Audit Committee.

However, according to the article 28 of Greek Law 4701/2020, HFSF and the financial institutions who participated in recapitalization plans, or the beneficiary financial institutions that resulted from fully or partial carve-outs of banking operations in the context of Greek law 4601/2019 (corporate transformation law), may decide to extend the term of its auditors for a period not exceeding the 10 years in total (according to article 17 EU 537/2014 (L158)) provided that the General Meeting of the financial institution approves reasoned proposal of the Board of Directors, following the recommendation of the Audit Committee.

- In case of any actual or reasonably foreseeable adverse deviations in the Group's performance and risk profile, relative to the base scenario of the Restructuring Plan, or relative to the budget, or with respect to the Risk and Capital Strategy if adverse deviations have already been approved by the HFSF through the approval of the budget, the Board of Directors should promptly submit its recommended corrective strategic actions to the HFSF for its review and consent.
- Performance against the Restructuring Plan as well as progress on key initiatives undertaken by the Bank (e.g. Divestments, Integrations, etc.) will be performed as follows:

i. Regular meetings between the Bank's management and the HFSF.

ii. A formal monitoring review of performance against the Restructuring Plan or relative to the budget, if adverse deviations have already been approved by the HFSF through the approval of the budget, will be conducted on a quarterly basis, in line with the Bank's results reporting cycle. For the purpose of the monitoring reviews, the Bank will provide the HFSF with a report on its financial and business performance against the Restructuring Plan or relative to the budget, if adverse deviations have already been approved by the HFSF through the approval of the budget quarterly targets, clearly highlighting performance to date vs. restructuring plan targets as well as vs. budget, key initiatives and expected impact for the next four quarters rolling and identifying any adverse deviations from the targets and associated corrective measures /initiatives, which must be approved by the HFSF.

- The HFSF will monitor and evaluate the performance of the Bank's Board of Directors and its Committees.
- The Bank must receive the HFSF's prior written consent for a number of "Material Matters", as prescribed in the Relationship Framework Agreement.
- The Bank will inform in writing the HFSF as soon as it executes a non-binding agreement /MoU for the sale of (or receives any proposal from third parties for the acquisition of) a subsidiary of the Bank, or part of its business.
- The Board of Directors should conduct a self-assessment exercise on an annual basis not only as a whole, as per current legislation but also for each of its Committees. The results of this evaluation should be disclosed in the Annual Report on Corporate Governance.
- The Board of Directors should approve the following policies and amendments thereof: the Bank's Group Strategy, Policy and Governance regarding the management of its Arrears and NPLs, conflict of Interest policy, related party transactions policy, provisioning & write off policy, sponsorship/donation policy, outsourcing policy, Board / Committees self-assessment policy.

According to the provisions of the Relationship Framework Agreement, the HFSF Representative in the Board of Directors has the following rights:

- To request the Board of Directors to convoke the General Assembly of Shareholders or to include items on the agenda to be discussed at a General Assembly to be convoked by the Board of Directors. The request regarding the convocation of the General Assembly shall be addressed to the Chair of the Board of Directors in writing and shall include the proposed items on the agenda. The Board of Directors shall have the obligation to convoke the General Meeting upon respective request of the HFSF Representative. Furthermore, the Board of Directors shall have the obligation to include the proposed items in the respective invitation for the convocation of the General Meeting.
- To request that the Board of Directors is convened within the next seven calendar days from the HFSF's Representative written request to the Chair of the Board of Directors. The relevant request shall be addressed to the Chair of the Board of Directors in writing and include the proposed items on the agenda. If the Chair of the Board of Directors does not proceed to the convocation of the Board of Directors within the above deadline or does not include all the proposed items in the invitation, then the HFSF Representative shall be entitled to convoke the Board of Directors within five days as of the expiry of the above seven days period. Such invitation shall be notified to all the members of the Board of Directors.
- To include items in the agenda of a scheduled Board of Directors meeting, including any item which may be related to any entity of the Group. For this purpose, HFSF Representative will submit in writing to the Chair of the Board of Directors the desired additional items on the agenda at least two (2) business days prior to the date of the Board of Directors meeting. The Chair of the Board of

Directors must include these items in the agenda of the scheduled Board of Directors meeting.

- To request an adjournment of any meeting of the Board of Directors or the discussion of any item up to three business days, if they find that the material, data or information and the supporting documents submitted to the HFSF pursuant to the items of the agenda of the forthcoming Board of Directors meeting are not sufficient.
- To approve the appointment of the Bank's Chief Financial Officer.

The HFSF has the right to perform/order field reviews and ad hoc audits with the participation of experts and or external auditors appointed by the HFSF, in order to fulfill its contractual obligations under the Relationship Framework Agreement. The HFSF shall have free access to the Bank's books and records for the purposes of Greek Law 3864/2010 as in force, with employees and/or consultants of HFSF's choice in order to ensure the effective exercise of the HFSF rights under the said Law, including monitoring of the implementation of the Restructuring Plan.

E) Restrictions to voting rights

There are no restrictions to voting rights attached to the Bank's ordinary shares, except for the restrictions on ordinary shares held by HFSF which are subject to the provisions of article 7a par. 2 of Greek Law 3864/2010, as in force, as abovementioned.

More specifically, said shares give the right to HFSF to exercise its voting rights in the General Meeting of Shareholders only for decisions regarding amendments to the Articles of Association, including increase or reduction of capital or provision of authorisation to the Board of Directors to that effect, merger, division, conversion, revival, extension of duration or dissolution of the company, transfer of assets, including the sale of subsidiaries or any other issue requiring an increased majority as provided by Greek Law 4548/2018. Specifically, in order to calculate quorum and majority at the General Meeting, these shares of HFSF are not taken into account regarding decisions on matters other than those mentioned above. According to Article 7a of Greek Law 3864/2010, as in force, HFSF exercises its full voting rights without the aforementioned limitations in case it is concluded, by decision of the HFSF General Council, that there is a breach of material obligations which are included in the restructuring plan or which promote its implementation or which are described in the Relationship Framework Agreement between the Bank and the HFSF.

F) NBG Shareholders' agreements

The Bank is not aware of any agreements between its shareholders resulting to restrictions in share transfers or in the exercise of voting rights. The only restrictions in share transfers or in the exercise of voting rights concern shares held by the HFSF, as outlined in Sections B and E above ("*Restrictions on transfers of the Bank's shares*" and "*Restrictions to voting rights*").

G) Rules regarding the appointment and replacement of Board of Directors members and amendments to Articles of Association

The provisions of the Bank's Articles of Association regarding the appointment and replacement of members of the Board of Directors, as well as for amendments to the Articles of Association are in alignment with the corresponding provisions of Greek Law 4548/2018, as in force. Relevant provisions regarding the appointment and replacement of Board of Directors members are included in the Corporate Governance Code and the Charter of the Corporate Governance and Nominations Committee, to which more detailed reference is made in Sections "*A. Corporate Governance Code*" and "*B. Corporate Governance Key Policies and Practices*" of the Corporate Governance Statement.

In the context of the recapitalization of the Greek banks and specifically pursuant to the provisions of Greek Law 3864/2010, as currently in force, and Cabinet Acts 15/2012 and 38/2012, and following the contribution on 28 May 2012 to the Bank by HFSF of EFSF bonds as an advance for the participation in the Bank's future share capital increase, HFSF, pursuant to the Presubscription Agreement dated 28 May 2012 and executed by the Bank, HFSF and EFSF, as amended and restated on 21 December 2012, has a Representative to the Bank's Board of Directors, who has the rights provided by Greek Law 3864/2010 and the terms of the Relationship Framework Agreement, as in force.

H) Board of Directors' authority for the issue of new shares or the purchase of own shares

Issue of new shares

Pursuant to the provisions of Greek Law 4548/2018 Article 24 par. 1, by General Meeting resolution, subject to the publication requirements provided for under Greek Law 4548/2018 Articles 12 and 13, the Board of Directors can increase the Bank's share capital through the issue of new shares by resolution adopted on a two-third-majority basis. In that case, pursuant to Article 5 of the Bank's Articles of Association, the Bank's share capital may increase up to three times the level of the capital in existence as at the date the said powers are delegated to the Board of Directors (extraordinary increase). The said authorization may be renewed from the General Meeting, each time for a period of up to 5 years.

On 30 June 2020, the Annual General Meeting of shareholders granted authorization to the Bank's Board of Directors to resolve on a share capital increase, pursuant to Article 24 par. 1 of Greek Law 4548/2018 and/or on the issue of corporate convertible bond loans pursuant to Article 71 of Greek Law 4548/2018, and/or on the issue of profit participation bonds loans pursuant to Article 72 of Greek Law 4548/2018, and/or on the issue of stock Warrants pursuant to Article 56 par. 2 of Greek Law 4548/2018, and Article 5 par. 5 of the Bank's Articles of Association.

Stock options

In accordance with Greek Law 4548/2018 Article 113, pursuant to a General Meeting resolution a Stock Options Program may be launched for the Board members and staff of the Bank and its affiliated companies in the form of options to acquire shares of the Bank as per the terms of the resolution. The General Meeting resolution determines the maximum number of shares to be issued if the beneficiaries' stock options are exercised, whose total nominal value by law cannot exceed 1/10 of the Bank's existing shares, as well as the purchase price and the terms of allocation of the shares to the beneficiaries.

The Annual General Meeting of the Bank's shareholders held on 30 July 2021 approved the Bank's share capital decrease by reducing the nominal value of each common registered share of the Bank from €3.00 to €1.00 (without any change in the total number of common registered shares) in order to set off equal cumulative accounting losses of previous years, in the context of launching a Stock Options Program in accordance with Article 113(4) of Greek Law 4548/2018 (See also Section A "*Share capital structure*" above). Furthermore, it decided to amend accordingly Article 4 of the Bank's Articles of Association and to grant relevant authorizations. Further, the Annual General Meeting granted authorization to the Bank's Board of Directors to launch a five-year Stock Options Program in the form of options to acquire shares of the Bank pursuant to Article 113(4) of Greek Law 4548/2018, addressed to Board members, Senior Management executives and staff of the Bank and its affiliated companies, in the context of Article 32 of Greek Law 4308/2014, subject to the restrictions imposed by Article 10(3) of Greek Law 3864/2010 (for as long as these restrictions remain in force) with respect to the provision of any kind of additional benefit (bonus) to Board members and Senior Management.

On 25 November 2021, the Bank's Board of Directors approved the Proposal on the Stock Options Scheme, to complement and operationalize the existing provisions of the Group's Variable Remuneration Policy through the extension (issuance and award) of stock options as long-term incentives, and the authorization of the Group CEO to sign any and all respective documents required, to amend the schemes' operational terms.

However, the said Stock Options Scheme has not yet been activated.

Purchase of own shares

Articles 49 and 50 of Greek Law 4548/2018 prescribe provisions for the acquisition of own shares, pursuant to a General Meeting resolution. However, pursuant to the restrictions imposed by article 16C of Greek Law 3864/2010 as in force, during the period of HFSF participation in the capital of the Bank, it is prohibited for the Bank to purchase own shares without HFSF approval.

During 2021, National Securities S.A. (the Bank's subsidiary which conducts treasury shares transactions for its brokerage business) acquired 6,274,150 and disposed 6,572,455 of the Bank's shares at the amount of €15 million and €16 million respectively. On 31 December 2021, the Bank did not hold any own shares, while NBG Securities S.A., held 37,513 own shares corresponding to 0.004% of the Bank's total share capital.

I) Significant agreements that come into effect, are modified or terminated in the event of a change in control following a public offering

There are no significant agreements that shall come into effect, be modified or terminated in the event of a change in control of the Bank following a public offering.

J) Agreements with Board of Directors members or officers of the Bank

In the case of the Chair and executive members of the Board of Directors and Senior Managers (General Managers and Assistant General Managers) the Bank reserves the right for groundless termination of their employment contracts by paying specific levels of compensation, as specified in the contract. Especially as to Executive directors and Senior Managers, (General Managers and Assistant General Managers), the compensation is determined in accordance with the NBG Directors' and Senior Managers' Remuneration Policy, as approved by the Annual General Meeting of Shareholders in 2020.

Athens, 15 March 2022

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER
GIKAS A. HARDOUVELIS	PAVLOS K. MYLONAS

Audit Committee Report

to the Shareholders on its activities during 2021

Chair of the Audit Committee

"Dear Shareholders,

In my capacity as the Audit Committee Chair of NBG, I am pleased to submit to you the 2021 Audit Committee Report on behalf of the Audit Committee (the "Committee") in compliance with current legislation.

In 2021, the Audit Committee worked systematically to achieve its goal in assisting the Board of Directors in fulfilling its oversight responsibility relating to the Effectiveness of the Internal Control System, the Performance of Internal Audit Function, the Financial Reporting Process and the External Audit Process in challenging times, by taking into consideration the Bank's transformation for more than three years, the continuation of the COVID-19 pandemic and the continuously changing regulatory environment including the ESG developments.

The Committee devoted significant time receiving updates from the Group Chief Financial Officer, the Group Chief Audit Executive, the Group Chief Control Officer, the Group Chief Compliance Officer and the external auditors on the progress and results of the matters relating to their area of responsibility. The Committee also assessed the effectiveness, objectivity and independence of the external auditors and met with them to discuss any matters arising from the audit.

The collaboration of the Committee with the Board of Directors is very efficient and constructive and the communication with the Audit Committees of the subsidiaries is considered to be satisfactory. The Committee also performed its self evaluation for 2021, which concluded that it operates in an effective manner and that it discharges its duties fully.

Finally, I would like to thank all the Committee members for their valuable contribution and commitment to, the Committee in achieving its goals and in facing the emerging challenges of the regulatory environment.

Athens, 15 March 2022

Matthieu Kiss
Audit Committee Chair

The Committee is currently comprised of the following members:

Chair	**Matthieu Kiss**
Vice-Chair	**Claude Piret**
Members	**Anne Marion-Bouchacourt**
	Avraam Gounaris
	JP Rangaswami
	Periklis Drougkas (HFSF representative)

Note:

Mrs. Anne Marion Bouchacourt is a Member of the Audit Committee since 24 February 2022.

Mr. JP Rangaswami is a Member of the Audit Committee since 31 March 2021.

Mr. Wietze Reehoorn was Member of the Audit Committee until 24 February 2022.

Mr. Gikas Hardouvelis was Vice – Chair of the Audit Committee until 31 March 2021.

The Committee was assisted in its work by its Secretary and its external advisor.

The Committee met 21 times during 2021. In some instances, joint meetings were held with other Board Committees. Due to the COVID-19 restrictions, all meetings were held by teleconference. For the frequency for the convention and the main responsibilities of the Audit Committee please refer to of the "*Corporate Governance Statement - Board of Director's Committees - Audit Committee*" of the Board of Director's Report.

Committee Governance

The Audit Committee reported its activities to the Board of Directors through quarterly reports which included its comments and suggestions for the settlement of outstanding matters, covering activities included in the Annual Work Plan.

The Committee meetings were also attended by the Chair of the Board of Directors, the Group Chief Audit Executive and the Group Chief Financial Officer as well as the external auditors. The CEO and other members of Management, were also invited to attend meetings according to the items on the agenda in order for the Committee to be updated on matters under its jurisdiction, giving priority to the areas of Finance, Internal Audit, Internal control, Compliance and Risk Management.

The meetings of the Committee were conducted in a way which ensured the regular and detailed updating of the Committee members. The attendance and participation by its members in the meetings is considered very satisfactory. Their participation was active and contributed to a free expression of speech in a spirit of constructive dialogue, while the discussion included constructive challenging. The Committee complied with the terms of its Charter approved by the Board of Directors and satisfactorily completed its Annual Work Plan for 2021.

The Chair held regular communication with members of the Senior Management, the Group Chief Audit Executive, the Group Chief Financial Officer, the Group Chief Compliance Officer, the Group Chief Control Officer and the external auditors to discuss agenda planning and specific issues as they arose during the year outside the formal Committee process. This helped to ensure that matters which needed to be discussed at the Committee were highlighted in time. The Committee also regularly met separately with the internal and external auditors and other senior management to discuss matters in private.

Throughout the year, the Committee, through its Chair, communicated with the Chairmen of the Audit Committees of the Bank's subsidiaries so as to promote a common group approach in the tackling of the various matters under discussion.

The collaboration of the Committee with the Board of Directors, the Management, the seniors of the Bank and the Group and the internal and external auditors is considered very satisfactory and did not present any hindrance to the operation of the Committee. The Committee was provided with all the details and information it requested, as well as, the means necessary to carry out its work.

The Committee Secretary as well as the external advisor regularly met with the Chair to ensure the Committee fulfilled its governance responsibilities, and to consider input from stakeholders when finalizing meeting agendas, tracking progress on actions and Committee priorities.

Compliance with regulatory requirements

The Board of Directors has confirmed that each member of the Committee is independent, in accordance with the definition of independence specified in the relevant framework, and the Committee continues to have competence relevant to the sector in which the Group operates. The Board has determined that the Chair of the Committee meets the requirements of a "financial expert" for the purpose of Greek Law 4449/2017.

The Committee Chair had regular meetings with the regulators including ECB/SSM as well as meetings with the Group's external auditors (PwC).

It also monitored the legal and regulatory environment relevant to its responsibilities.

How the Committee discharged its responsibilities

Internal Control System

The Committee monitored the effectiveness of the Internal Control System of the Group without impairing its independence.

In 2021, the Committee devoted significant time in overseeing Management's approach to enhancing the Internal Control System with particular focus on the control environment that supports financial and other regulatory reporting, to meet the evolving expectations of regulators and other stakeholders.

The Committee received regular updates and confirmations that Management had taken, or was taking, the necessary actions to remediate timely and appropriately any control deficiencies identified by the various Risk and Control Functions, Group Internal Audit, as well as by the external auditor and other regulators. For further details on how the Board reviewed the effectiveness of key aspects of Internal Control System, please refer to "*Corporate Governance Statement - E. Internal Control System and Risk Management*" of the Board of Director's Report.

The Committee assessed and proposed to the Board of Directors the appointment of PwC for the three year assessment of the adequacy of the Internal Control System in accordance with the Bank of Greece Governor's Act 2577/2006. The report will be issued and submitted to the Bank of Greece in June 2022.

Financial Reporting

The Committee is responsible for reviewing the Group's financial reporting during the year, including the annual and interim Financial Statements, quarterly press releases and Pillar 3 disclosures. As part of discharging its responsibilities, the Committee:

- reviewed and approved the 2020 Group Annual Financial Statements, as well as, the 2021 interim Group and Bank Financial Statements and made positive recommendations to the Board for their approval;
- held meetings with the Group Finance Division regarding the adequacy and the effectiveness of the procedures for the preparation of the annual and interim financial statements of the Bank and the Group;
- received monthly reviews from the Group Finance Division on the Group's and Bank's performance;
- was updated regarding the implementation of new or amended International Financial Reporting Standards ("IFRSs");
- was informed on the work performed by the Group Finance Division;
- assessed the adequacy of resources of the Group Finance Division.

True & Fair, balanced and understandable

Following review and challenge of the annual and interim financial statements including the relevant disclosures, the Committee recommended to the Board of Directors that the annual and interim financial statements, taken as a whole, were reasonably true & fair, balanced and understandable. The financial statements provided the shareholders with the necessary information to assess the Group's and Bank's financial position and performance, business model, strategy and risks facing the business, including the necessary disclosures regarding increasingly important ESG considerations.

The Committee reviewed the 2021 Annual Financial Report and the press release announcements. This work enabled the Committee to provide reasonable positive assurance to the Board to assist them in making the statement required in compliance with the Greek Law 3556/2007.

Financial Statements

The accounting policies which were followed in the preparation of the annual and the interim financial statements for 2021 were materially unchanged from those followed in the previous year. In their entirety they are in conformity with the IFRSs as these have been adopted by the European Union.

The preparation of financial statements in accordance with IFRSs requires the use of estimates and assumptions by Management which affect not only the account balances of the assets and liabilities, but also the income and expenses recognized in the financial statements of the Bank and the Group, as well as the relevant disclosures. The Group Finance Division regularly updated the Committee on the critical accounting judgments and estimates made by Management. Management believes that the estimations made and the assumptions adopted for the preparation of the Group and Bank financial statements reflect adequately the events and conditions which existed during 2021 and as at 31 December 2021.

During 2021, the Committee continued to pay particular attention to certain critical matters such as the calculation and accounting for deferred tax, the procedure for the measurement of the ECL allowance, including the effect of the COVID-19 pandemic, the collectability of receivables other than loans to customers, staff related matters, the synchronization of the Bank's computer applications, etc. The Committee also reviewed the significant and unusual transactions that had material effect on the annual and interim financial statements and the relevant disclosures.

The Committee had a series of meetings with the Bank's external auditors and the Committee was regularly updated regarding the preparation and carrying out of their work program for the audit of the 2021 annual and interim financial statements, the progress of the audit and any significant audit and accounting issues which they encountered.

The Bank's Group Finance Division, the External Auditors and Group Internal Audit, based on the work that they have carried out, have confirmed to the Committee that they have not encountered any outstanding matters which, up to the date of their approval by the Board of Directors, would have had a material effect on the 2021 Annual Financial Statements of the Group and the Bank.

Going Concern

The Committee considered the current position of the Group and the Bank, along with the emerging risks and carried out a robust assessment of the Group's and Bank's prospects, before making a recommendation to the Board on the Group's Going Concern Assessment, that the Group continues to adopt the going concern basis in preparing the 2021 Annual Financial Statements. See also, "*Economic and financial review - Financial Results of 2021 - Going concern*" of the Board of Director Report.

Group Internal Audit

Group Internal Audit is an independent and objective, assurance and consulting activity, designed to add value and improve the Group's operational effectiveness, and to protect its assets and reputation. Internal Audit assists the Group in accomplishing its objectives, by contributing to the regular, systematic evaluation and improvement of the effectiveness of the Group's corporate governance, risk management and internal control environment.

Group Internal Audit is independent of the audited activities, and it is not involved in the design, selection, implementation or operation of specific internal control measures. It performs its assignments on its own initiative, in an unbiased manner, in all areas and activities of the Group.

Group Internal Audit adheres to The Institute of Internal Auditors' mandatory guidance. The Group Chief Audit Executive reports to the NBG Board of Directors through the Audit Committee and frequent and regular meetings are held between them.

The annual assessment of the Internal Control System in accordance with Bank of Greece Governor's Act 2577/2006 is reported to the Audit Committee. Regular reporting provided to the Audit Committee includes highlights of the internal audit activity and the key deficiencies identified as well as the progress of the related remediation action plans. The risk-based Group Internal Audit Annual Plan and its revisions, on the basis of emerging risks, are approved by the Audit Committee.

Pursuant to its responsibilities, during 2021, the Committee supervised the operation of the Group Internal Audit, monitored the completion of its approved Group Internal Audit Annual Plan, including the follow up performed for the open control deficiencies, and evaluated its performance. It also received information on the implementation of key new technologies by Group Internal Audit.

In accordance with the Bank of Greece Governor's Act 2577/2006, the Committee evaluated the Group Internal Audit's Annual Regulatory Report on the Internal Control System of the Bank and the Group which was presented to the Board for approval and forwarded to the Bank of Greece.

Additionally, the Committee approved the 2022 Group Internal Audit Annual Plan which included the Group Internal Audit's budget for the year and its staff capacity plan. It also, approved the revision of the 2021 Group Internal Audit Annual Plan.

The Committee reviewed the revisions of the Internal Audit Units Charter and the Group Internal Audit organizational structure.

The Committee also presented reports to the Board, summarizing Group Internal Audit's quarterly activity reports and followed up the developments relating to reported deficiencies. The Committee reports that the procedure for the mitigation and remediation of deficiencies continues to improve.

During the year, the Committee carried out its annual evaluation of the performance of the Chief Audit Executive.

Group Internal Control Function

The Committee is responsible for monitoring the work of the Group Internal Control Function ("ICF") through regular meetings as provided by the ICF's Charter. As part of its discharging its responsibilities, the Committee:

- approved the ICF Annual Activity Plan 2021;
- received quarterly reports on the progress and results of the approved Group Internal Control Function Annual Activity Plan for 2021 which included:
    - the progress of the Documentation and Enhancement of Internal Controls for processes prioritized based on the ICF Annual Activity Plan, in accordance with the Group Internal Control Methodology for Control Identification and Assessment ("NBG Group IC Methodology");
    - the progress of remediation of any control deficiencies in design, as well as the progress and results of the additional activities included in the Group ICF Annual Activity Plan 2021.

The Committee assessed, challenged and approved NBG Group Control Taxonomy for the categorization of controls in the context of the establishment of the NBG Group Control Register and the key updates in NBG Group IC Methodology.

External Auditors

The Committee has the primary responsibility for overseeing the relationship with the Group's external auditor, PwC.

The Committee, following approval by the HFSF, recommended to the Board of Directors the appointment of the external auditors for 2021, in order for the Board to propose them to the Annual General Meeting of Shareholders.

PwC completed its fifth audit, providing robust challenge to management and sound independent advice to the Committee on specific financial reporting judgements and the control environment. The signing partner is Marios Psaltis who has been in the role since 2017. The Committee reviewed the external auditor's approach and strategy for the annual audit and received regular updates on the audit, including observations on the control environment. Key audit matters discussed with PwC are set out in the Independent Auditor's Report.

The Committee held meetings with the external auditors during the planning, execution and completion of the audit to discuss accounting policies and practices, significant matters and communication with the Bank management and also met the external auditors without the presence of the Bank's management in order to discuss all issues occurred during the audit.

External audit plan

The Committee reviewed the audit approach, including the materiality, risk assessment and scope of the audit. PwC highlighted the changes being made to their approach to enhance the quality and effectiveness of the audit.

Effectiveness of external audit process

The Committee assessed the effectiveness regarding the quality and output of PwC as the Group's external auditor. PwC highlighted the actions taken in response to this assessment, including the development of audit quality indicators, which would provide a balanced scorecard and transparent reporting to the Audit Committee. The assessment focused on the following areas:

- **Quality of services and responsiveness**: The quality of the audit services provided by the audit firm throughout 2021 was in line with the agreed performance standards in terms of efficiency and auditor's responsiveness required for the preparation of the Group's financial statements within the set strict deadlines. Furthermore, the audit work performed and the hours spent was sufficient for the size, complexity, and risks of the Group.
- **Audit team skills, expertise and resource**: The audit firm has the relevant industry expertise, geographical reach, sufficient network resources, and appropriate specialists necessary to continue to serve the Group. PwC has demonstrated the availability of the necessary mix of expertise, skills and knowledge of the specific business risks, processes, systems, and operations of the Bank in order to address the risks of any material misstatements. In this respect, any complex accounting and auditing matters are addressed by experts of the audit firm timely and efficiently.
- **Communication and interaction with the Bank's Management**: The lead audit partners as well as the audit engagement team maintained a professional and open dialogue with the Bank's management, explaining accounting and auditing issues or concerns in an understandable manner, and providing any additional feedback that was requested by the Group. There were no significant differences in views between Management and the external auditor.

The Committee will continue to receive regular updates from PwC and Management on the progress of the external audit plan and PwC performance across the audit quality indicators.

The Committee monitored the policy on hiring employees or former employees of the external auditor, and there were no breaches of the Policy highlighted during the year.

The external auditor attended most Committee meetings and the Chair maintains regular contact with the audit partner and his team throughout the year.

The Committee communicated to the Board of Directors the external audit results and elaborated on the role of the external audit and the Committee in relation to the integrity of the financial reporting.

The external auditors provided the Committee with their special report on their audit of the 2021 Financial Statements as required by EU and Greek Law 4449/2017.

Independence and objectivity

The Committee assessed any potential threats to independence that were self-identified or reported by PwC. The Committee considered PwC to be independent and PwC, in accordance with professional ethical standards and applicable rules and regulations, provided the Committee with written confirmation of its independence for the duration of the audit of FY.21.

The Committee confirms it has complied with the provisions of the Greek Law 4449/2017 regarding the tender process of the external auditors.

The appointment of PwC was approved by the 2017 Annual General Meeting of the NBG Shareholders held on 30 June 2017 who elected PwC for the first time to undertake the audit/review of the Annual and Semi-Annual Financial Statements of the Bank and the Group for the year 2017. The Annual General Meeting of the NBG Shareholders held on 30 July 2021 re-elected PwC to undertake the audit/review of the Annual and Semi-Annual Financial Statements of the Bank and the Group for the year ended 31 December 2021.

According to the Relationship Framework Agreement, the Bank should replace the audit firm every five years. However, following alignment of Greek legislation with EU framework allowing extension of statutory audit services for a period of up to 10 years in accordance with the article 28 of Greek Law 4701/2020, the Bank decided to extend the term of its external auditors and the Committee recommended to the Board the reappointment of PwC as the Group external auditors for the financial year 2022.

Non-audit services

The Committee is responsible for setting, reviewing and monitoring the appropriateness of the provision of non-audit services by the external auditor. It also applies the Group's Policy regarding non-audit services being awarded to the external auditor. The non-audit services are carried out in accordance with the external auditor independence policy to ensure that services do not create a conflict of interest. All non-audit services are either approved by the Committee, or by the Group Chief Financial Officer when acting within delegated limits and criteria set by the Committee.

During the period, PwC did not provide any non-permissible non-statutory audit services. The non-statutory audit services carried out by PwC included engagements approved during the year. Group Finance Division, as a delegate of the Committee, considered that it was in the best interests of the Group to use PwC for these services because they were:

- audit-related engagements that were largely carried out by members of the audit engagement team, with the work closely related to the work performed in the audit;
- engagements covered under other assurance services that require obtaining appropriate audit evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information; or

- other permitted services to advisory attestation reports on internal controls of a service organization primarily prepared for and used by third-party end users.

For fees paid to PwC, please refer to Note 45 of the Annual Financial Statements.

Whistleblowing regarding financial reporting and auditing matters

As set out in the "*Non-Financial Statement*" of the Board of Director Report, the Compliance, Ethics and Culture Committee of the Bank's Board of Directors is responsible for the establishment and the continuous monitoring of the implementation of these procedures, which ensure confidentiality and secrecy of the reports or comments received.

On a semi-annual basis the Committee is informed by the Compliance, Ethics and Culture Committee regarding any whistleblowing cases that relate to financial reporting and auditing matters.

Compliance and other Committee Activities

In accordance with the Bank of Greece Governor's Act 2577/2006, the Committee also evaluated the reports which the Compliance Division presented to the Board of Directors for approval and forwarding to the Bank of Greece, including the report for issues relating to money laundering and terrorist financing.

It also approved new policies prepared by the Compliance Division and the Group Finance Division on subjects under the Committee's jurisdiction.

Committee evaluation and effectiveness

Regarding the evaluation and the effectiveness of the Committee, see section "*D. Board of Directors and other management, administrative and supervisory Bodies - Evaluation of the Chief Executive Officer, the Board of Directors and the Board Committees*". The overall result was positive, indicating that there is an effective Committee in place discharging its duties fully.

NBG Group Sustainability Policy

In 2021, the Committee approved the NBG's Group Sustainability Policy (see "*Non-Financial Statement - NBG Group Sustainability Policy*" of the Board of Director's Report).

Throughout its history, NBG has consistently demonstrated its concern and long-standing interest in the promotion of the Greek economy, the support of society, as well as the protection of the natural environment.

Management is committed to continuing NBG's social contribution, demonstrating its respect for all stakeholders, and understanding their features, expectations and needs, through communication and interaction with them, to address the material issues that they are concerned about. For this purpose, the Bank established in 2021, the ESG Management Committee (see "*Corporate Governance Statement - Management, administrative and supervisory bodies of the Bank-Executive Committees - ESG Management Committee*" of the Board of Directors Report).

Furthermore, in February 2022, the Board established the Innovation and Sustainability Committee ensuring there is continuous monitoring and tracking of important developments and long-term trends related to Innovation, Sustainability, Information Technology, ESG and Banking (see section "*Corporate Governance Statement - Board of Director's Committees - Innovation and Sustainability Committee*").

Fully aware of the importance of its role in the transition to a sustainable economy, NBG's strategic decision is to constantly upgrade its role and contribution to sustainable development in the context of its activities and operations. In this respect, the Group Sustainability Policy determines the framework of NBG's Sustainable Development actions.

The main lines of actions for Sustainable Development of the Group and the Bank carried out with the aim of either reducing the negative impacts or enhancing the positive ones, as well as the commitments of the Bank, are described in section "*Non-Financial Statement*" by impact category, and more specifically, in sub section "*A. Environmental Issues*" for the environmental Impact of financing activities and of internal operation and infrastructure. For the Socio-economic Impact see subsection "*B. Social and labour issues".*

For the sustainable development initiatives that Bank undertook and developed in 2021, see section "*Non-Financial Statement - Our performance*".

Responsible Governance Impact

Recognizing its leading role as a responsible company, the Bank is committed to adopting principles that ensure a high level of corporate governance, structures that generate reliable standards of professional conduct and business ethics, policies that contribute to the smooth operation of the organization and the market, and practices that contribute to strengthening of all Stakeholders' trust. In this light, the Bank focuses on the following issues:

- Board membership, roles and authorities.
- Regulatory compliance and business ethics (including combating corruption and bribery, prevention of money laundering & terrorist financing, and unfair competition practices, responsible tax behaviour, data protection, responsible procurement).
- Transparency and Reliability (accurate, equal, timely, regular, reliable and accessible information for all, regarding issues of financial and non-financial reporting/disclosures).
- Remuneration policies.
- Equal treatment of shareholders.
- Robust and effective Internal Control System (i.e., Risk Management Framework, etc.).

The full text of the Group Sustainability Policy can be found on the Bank's website (https://www.nbg.gr/en/group/esg/environment/sustainable-development-policy).

Focus of future activities

At the beginning of each year, the Committee discusses its key priorities for the year ahead. In 2022, the Committee will continue to focus strongly on the successful execution of the Annual Work Plan for 2022. A key priority will be to further embed ESG and climate-related disclosures, to meet increasing expectations of stakeholders, in particular the implementation of robust processes and controls to support these disclosures.

The Committee will also closely track:

- how the economy will settle after the COVID-19 crisis;

- the impact of expected evolution of the economic context (inflation, interest rate rise, reduction of ECB quantitative easing and asset purchases);
- the consequences of the change of the geopolitical context due to the war in Ukraine.

Translation from the original text in Greek

Independent Auditor's Report

To the Shareholders of "National Bank of Greece S.A."

Report on the audit of the Group and Bank annual financial statements

Our opinion

We have audited the accompanying financial statements of "National Bank of Greece S.A." (Bank or/and Group) which comprise the statement of financial position as of 31 December 2021, the statements of income, comprehensive income, changes in equity and cash flow for the year then ended, and notes[1] to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Bank and the Group as at 31 December 2021, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Bank and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Bank and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Bank and its subsidiaries, for the year ended 31 December 2021, are disclosed in the note 45 to the financial statements.

Key audit matters

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

[1] *Certain required disclosures have been presented elsewhere in the Board of Directors Report, rather than in the notes to the financial statements. These disclosures are cross-referenced from the financial statements and are identified as audited.*

Key audit matter	*How our audit addressed the key audit matter*
Expected credit loss allowances for loans and advances to customers under IFRS 9	
Due to the magnitude of the loans and advances balances and the extent of management judgement inherent in the impairment calculations, allowance for impairment of loans and advances to customers has been identified as an area of most significance in the current year audit of the Bank and Group financial statements. Determining expected credit losses ('ECL') involves management judgement and assumptions and is subject to a high degree of estimation uncertainty, both of which have significantly increased as a result of the COVID-19 pandemic. The significant assumptions that we focused on in our audit included those with the higher management judgement and most significant impact on ECL. These included: o The development by the Group's Economic Analysis Division of a number of future macroeconomic scenarios and their relative probabilities of occurrence, which are incorporated into the Stage allocation process and the calculation of expected credit loss allowances. o For lending exposures with signs of credit impairment, that are assessed on an individual basis, the significant judgements made for determining whether these loans are impaired and the estimation of their ECL, based on the expected future cash flows and collateral liquidations and the timing of their recovery. o For the collectively assessed lending exposures, for which ECL allowances are estimated on a portfolio basis, the modelling methodologies used for the determination of the probability of default (PD), the exposure at default (EAD) and loss given default (LGD) and the validation of their performance. o Management's applied overlays where they believe that the estimated loss amounts are not appropriate, either due to model limitations, or when the emerging risks or the current conditions and environment derived from the COVID-19 crisis are not captured. o Management's estimates around the measurement of loans classified as held for sale either due to direct portfolio sales or loans securitizations. Please refer to notes 3.6, 4.2 and 21 of the annual financial statements for more details on critical judgements and estimates on how the Bank and Group	Our work included understanding of management's process and assessment of the design of governance and controls over the determination of the allowance for impairment on loans and advances to customers. We understood the impairment estimation process due to credit risk and assessed the design, implementation and operation of key internal controls around: (i) the determination of the economic scenarios used and the probability weightings applied to them, (ii) the model monitoring and validation, and (iii) the flow of critical data from source systems to ECL models. With the support of our internal specialists, when needed, we performed the following procedures: o For the generation, selection and weighting applied to economic scenarios, we: (i) assessed the identification and use of appropriate external economic data, (ii) assessed the methodology for determining the economic scenarios used and the probability weightings applied to them, and (iii) assessed the risk of bias in the forecasts, as well as the existence of contrary evidence. o Where impairment provisions were calculated on a collective basis, we: (i) tested the completeness and accuracy of data used in the impairment models by agreeing details to the source systems, (ii) assessed the design and implementation of the models, including significant assumptions and the quality of the observable data used to derive model parameters, and (iii) assessed the reasonableness of the impairment model methodology applied by management and key modelling judgements to determine the credit risk parameters for the expected credit loss calculation. In addition, our procedures included, among others, the following test of details: o For a sample of individually impaired loans, we re-performed the impairment calculation and tested key inputs including the expected cash flows to be collected, expected timing of the collection, discount rates used and the valuation of any collateral held that was included in the expected cash flows. o For the aforementioned sample we inspected legal agreements and supporting documentation to confirm the existence and legal right to the collateral. We assessed the collateral valuation techniques applied against Bank and Group policy and valuation standards.

manage and measure credit risk, and for the allowance for impairment on loans and advances to customers.	○ Assessed the appropriateness of management's overlays in light of recent economic events and circumstances, including COVID-19 crisis impact. ○ For the loans held for sale, both through outright sales transactions and through securitisations, we inspected the respective offers and/or agreements and assessed management's calculations for determining their fair value. Based on the evidence obtained, we found that the methodologies, impairment model assumptions, management judgements and data used within the allowance assessment were appropriate and in line with the requirements of IFRS 9.
Recoverability of Deferred Tax Assets ('DTA')	
The Bank and Group recognised DTA of €4.9bn in relation to tax deductible temporary differences. Assessing its recoverability requires significant judgement and the use of estimates. The Bank and the Group have recognised DTA for deductible temporary differences to the extent it considers this to be recoverable. These differences relate to: ○ The losses resulted from Group's participation in the Greek debt voluntary restructuring ("PSI+") and subsequent debt buyback program of 2012, which are subject to a 30 year tax amortization, starting from year 2012; and ○ the loan impairment losses that can offset future taxable gains according to current tax legislation. The recoverability of the recognised DTA is dependent on the Bank's and the Group's ability to generate future taxable profits sufficient to cover the deductible temporary differences when such differences crystallise for tax purposes. Management's assessment regarding the ability of the Bank and the Group to generate future taxable profits requires the use of significant judgement and estimates as indicated below: ○ The assumptions that underpin the business plan of the Group; ○ the projections required to cover the time horizon up to the legal expiration of the period within which the DTA can be recovered; and ○ the adjustments required to derive the estimated tax profits from the projected accounting profits to infer the amount of DTA that will be recoverable in future periods. Business plans may be impacted by the risks and uncertainties stemming from the macroeconomic environment in Greece.	We have assessed the reasonableness of the assumptions used in drafting the business plan, that was approved by the Bank's and Group's Board of Directors taking into account the execution risks and uncertainties stemming from the macroeconomic environment in Greece. Specifically, we: ○ Compared these to our own expectations derived from our knowledge of the industry and our understanding obtained during our audit, and ○ Performed a sensitivity analysis to determine the effect of changes in the assumptions and how estimation uncertainty may affect the Bank's and the Group's projected profitability. For the purpose of our recoverability assessment, we have evaluated the appropriateness of the adjustments applied to convert accounting profits into taxable ones and have assessed management's projections beyond the business plan horizon. Furthermore, our procedures also included assessing management's interpretations of current tax legislation with respect to the accounting write-offs and the gradual amortisation of the crystallised tax loss arising from nonperforming loans' disposals, and debt forgiveness arrangements. We evaluated the adequacy of the financial statements' disclosures, including disclosures of key assumptions and judgements. Based on the evidence obtained we found management's assessment with respect to the recoverability of the DTA to be reasonable.

Please refer to notes 3.2 and 27 of the annual financial statements for more details on critical accounting judgements and estimates and note of deferred tax asset.	
IT systems	
The Bank's and Group's financial statements are highly reliant on information generated, processed and reported by the Bank's and Group's Information Technology (IT) systems and automated processes and controls implemented in these systems. The Bank and the Group have implemented a framework of governance and IT controls to address risks related to user access management, program development and changes as well as IT operations to ensure the continued integrity of the IT systems that are relevant to financial reporting. We considered this a significant area of focus for our audit, due to the complexity, the high volume of transactions and pervasiveness of IT systems on the Bank's and Group's operations and financial reporting processes.	Our procedures included evaluating and testing the design and operating effectiveness of certain controls over the continued integrity of the IT systems that are relevant to financial reporting. We tested on a sample basis access, change and program development and IT operations processes and controls for key layers of underlying infrastructure (i.e. application, operating system, database) in relation to the IT systems in scope of the audit. We also performed testing, on a sample basis, of supporting IT application controls and IT dependencies in manual controls that were key to our audit in order to assess the accuracy of certain system calculations, the generation of certain reports and the effective operation of certain automated controls and where applicable, further supplemented by other substantive audit procedures.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Certification of the Board of Directors, the Board of Directors' Report, the Supplementary Report of the Board of Directors, the Audit Committee Report**,** Disclosures of Law 4261/2014 Art.81, Disclosures of Law 4261/2014 Art. 82 and Disclosures of article 6 of Law 4374/2016 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018 and the Corporate Governance Statement required by article 152 of Law 4548/2018 has been prepared.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the Board of Directors' Report for the year ended at 31 December 2021 is consistent with the financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150, 151, 153 and 154 of Law 4548/2018,
- The Corporate Governance Statement provides the information referred to items (c) and (d) of paragraph 1 of article 152 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Bank and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors Report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Law 4548/2018, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Bank's and Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs that have been transposed into Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's and Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Bank and Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Our opinion on the accompanying financial statements is consistent with our, as per Art.11 of Regulation (EU) 537/2014 required, additional Report to the Audit Committee of the Bank.

2. Appointment

We were first appointed as auditors of the Bank by the decision of the annual general meeting of shareholders on 30 June 2017. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 5 years.

3. Operating Regulation

The Bank has an Operating Regulation in accordance with the content provided by the provisions of article 14 of Law 4706/2020.

4. Assurance Report on the European Single Electronic Format

We have examined the digital files of the Bank and the Group, which were compiled in accordance with the European Single Electronic Format (ESEF) defined by the Commission Delegated Regulation (EU) 2019/815, as amended by Regulation (EU) 2020/1989 (hereinafter "ESEF Regulation"), and which include the financial statements of the Bank and the Group for the year ended December 31, 2021, in XHTML format 5UMCZOEYKCVFAW8ZLO05-2021-12-31-el.html, as well as the provided XBRL file 5UMCZOEYKCVFAW8ZLO05-2021-12-31-el.zip with the appropriate marking up, on the aforementioned consolidated financial statements.

Regulatory framework

The digital files of the European Single Electronic Format are compiled in accordance with ESEF Regulation and 2020 / C 379/01 Interpretative Communication of the European Commission of 10 November 2020, as provided by Law 3556/2007 and the relevant announcements of the Hellenic Capital Market Commission and the Athens Stock Exchange (hereinafter "ESEF Regulatory Framework").

In summary, this Framework includes the following requirements:

- All annual financial reports should be prepared in XHTML format.
- For consolidated financial statements in accordance with International Financial Reporting Standards, the financial information stated in the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows should be marked-up with XBRL 'tags', according to the ESEF Taxonomy, as in force. The technical specifications for ESEF, including the relevant classification, are set out in the ESEF Regulatory Technical Standards.

The requirements set out in the current ESEF Regulatory Framework are suitable criteria for formulating a reasonable assurance conclusion.

Responsibilities of the management and those charged with governance

The management is responsible for the preparation and submission of the financial statements of the Bank and the Group, for the year ended December 31, 2021, in accordance with the requirements set by the ESEF Regulatory Framework, as well as for those internal controls that management determines as necessary, to enable the compilation of digital files free of material error due to either fraud or error.

Auditor's responsibilities

Our responsibility is to plan and carry out this assurance work, in accordance with no. 214/4 / 11.02.2022 Decision of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB) and the "Guidelines in relation to the work and the assurance report of the Certified Public Accountants on the European Single Electronic Format (ESEF) of issuers with securities listed on a regulated market in Greece" as issued by the Board of Certified Auditors on 14/02/2022 (hereinafter "ESEF Guidelines"), providing reasonable assurance that the financial statements of the Bank and the Group prepared by the management in accordance with ESEF comply in all material respects with the current ESEF Regulatory Framework.

Our work was carried out in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standard Board for Accountants (IESBA Code), which has been transposed into Greek Law and in addition we have fulfilled the ethical responsibilities of independence, according to Law 4449/2017 and the Regulation (EU) 537/2014.

The assurance work we conducted is limited to the procedures provided by the ESEF Guidelines and was carried out in accordance with International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information". Reasonable assurance is a high level of assurance, but it is not a guarantee that this work will always detect a material misstatement regarding non-compliance with the requirements of the ESEF Regulation.

Conclusion

Based on the procedures performed and the evidence obtained, we conclude that the financial statements of the Bank and the Group for the year ended December 31, 2021, in XHTML file format 5UMCZOEYKCVFAW8ZLO05-2021-12-31-el.html, as well as the provided XBRL file 5UMCZOEYKCVFAW8ZLO05-2021-12-31-el.zip with the appropriate marking up, on the aforementioned consolidated financial statements have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

PricewaterhouseCoopers S.A.

268 Kifissias Avenue, Halandri 152 32

SOEL Reg. No. 113

Athens, 29 March 2022

The Certified Auditor

Marios Psaltis

SOEL Reg. No. 38081

NATIONAL BANK
OF GREECE

Group and Bank Financial Statements

2021

As at and for the year ended 31 December 2021

Statement of Financial Position
as at 31 December 2021

€ million	Note	Group 31.12.2021	Group 31.12.2020 As restated	Bank 31.12.2021	Bank 31.12.2020 As restated
ASSETS					
Cash and balances with central banks	17	15,827	9,313	15,539	9,006
Due from banks	18	3,639	3,478	3,539	3,378
Financial assets at fair value through profit or loss	19	314	541	295	523
Derivative financial instruments	20	4,331	5,585	4,331	5,585
Loans and advances to customers	21	30,439	27,017	28,886	25,444
Investment securities	22	14,937	15,227	14,552	14,721
Investment property	23	80	125	2	6
Investments in subsidiaries		-	-	1,133	1,166
Equity method investments	24	18	22	17	20
Goodwill, software and other intangible assets	25	353	282	345	278
Property and equipment	26	1,655	1,664	1,240	1,214
Deferred tax assets	27	4,912	4,915	4,906	4,906
Current income tax advance		289	338	285	330
Other assets	28	2,671	2,282	2,584	2,187
Non-current assets held for sale	29	4,493	6,695	866	3,246
Total assets		**83,958**	**77,484**	**78,520**	**72,010**
LIABILITIES					
Due to banks	30	14,731	12,736	14,900	13,021
Derivative financial instruments	20	3,014	3,321	3,014	3,321
Due to customers	31	53,493	49,061	52,228	47,510
Debt securities in issue	32	912	910	912	910
Other borrowed funds	33	79	60	-	-
Deferred tax liabilities	27	15	16	-	-
Retirement benefit obligations	11	271	294	269	293
Current income tax liabilities		4	2	-	-
Other liabilities	34	2,250	2,658	1,956	2,340
Liabilities associated with non-current assets held for sale	29	3,417	3,341	-	-
Total liabilities		**78,186**	**72,399**	**73,279**	**67,395**
SHAREHOLDERS' EQUITY					
Share capital	36	915	2,744	915	2,744
Share premium account	36	13,866	13,866	13,863	13,863
Less: treasury shares	36	-	(1)	-	-
Reserves and retained earnings	38	(9,264)	(11,866)	(9,537)	(11,992)
Amounts recognised directly in equity relating to non-current assets held for sale		233	322	-	-
Equity attributable to NBG shareholders		**5,750**	**5,065**	**5,241**	**4,615**
Non-controlling interests	39	22	20	-	-
Total equity		**5,772**	**5,085**	**5,241**	**4,615**
Total equity and liabilities		**83,958**	**77,484**	**78,520**	**72,010**

Athens, 15 March 2022

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
GIKAS A. HARDOUVELIS	PAVLOS K. MYLONAS	CHRISTOS D. CHRISTODOULOU

The notes on pages 188 to 314 form an integral part of these Annual Financial Statements

Income Statement
for the year ended 31 December 2021

€ million	Note	Group 12-month period ended 31.12.2021	Group 12-month period ended 31.12.2020 As restated	Bank 12-month period ended 31.12.2021	Bank 12-month period ended 31.12.2020 As restated
Continuing Operations					
Interest and similar income		1,361	1,385	1,260	1,276
Interest expense and similar charges		(149)	(206)	(158)	(216)
Net interest income	6	**1,212**	**1,179**	**1,102**	**1,060**
Fee and commission income		421	367	370	324
Fee and commission expense		(134)	(107)	(121)	(96)
Net fee and commission income	7	**287**	**260**	**249**	**228**
Net trading income / (loss) and results from investment securities	8	180	386	172	383
Gains / (losses) arising from the derecognition of financial assets measured at amortised cost	8	283	770	283	773
Net other income / (expense)	9	(59)	(58)	(81)	(81)
Total income		**1,903**	**2,537**	**1,725**	**2,363**
Personnel expenses	10	(545)	(532)	(503)	(489)
General, administrative and other operating expenses	12	(207)	(199)	(179)	(170)
Depreciation and amortisation on investment property, property & equipment and software & other intangible assets	23, 25 & 26	(163)	(154)	(142)	(136)
Credit provisions and other impairment charges	13	(78)	(1,101)	(60)	(1,155)
Restructuring costs	14	(111)	(137)	(109)	(135)
Profit before tax		**799**	**414**	**732**	**278**
Tax benefit / (expense)	15	(15)	(13)	-	-
Profit for the period from continuing operations		**784**	**401**	**732**	**278**
Discontinued Operations					
Profit for the period from discontinued operations	29	**85**	**(366)**	**(3)**	**(275)**
Profit for the period		**869**	**35**	**729**	**3**
Attributable to:					
Non-controlling interests		2	2	-	-
NBG equity shareholders		**867**	**33**	**729**	**3**
Earnings per share (Euro) - Basic and diluted from continuing operations	16	**€0.86**	**€0.44**	**€0.80**	**€0.30**
Earnings per share (Euro) - Basic and diluted from continuing and discontinued operations	16	**€0.95**	**€0.04**	**€0.80**	**-**

Athens, 15 March 2022

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
GIKAS A. HARDOUVELIS	PAVLOS K. MYLONAS	CHRISTOS D. CHRISTODOULOU

The notes on pages 188 to 314 form an integral part of these Annual Financial Statements

Statement of Comprehensive Income
for the year ended 31 December 2021

€ million	Note	Group 12-month period ended 31.12.2021	Group 12-month period ended 31.12.2020 As restated	Bank 12-month period ended 31.12.2021	Bank 12-month period ended 31.12.2020 As restated
Profit for the period		**869**	**35**	**729**	**3**
Other comprehensive income / (expense):					
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale securities, net of tax		(88)	97	-	-
Investments in debt instruments measured at fair value through other comprehensive income ("FVTOCI"), net of tax		(145)	(264)	(145)	(264)
Currency translation differences, net of tax		10	(11)	1	(3)
Cash flow hedge, net of tax		22	(16)	22	(16)
Total of items that may be reclassified subsequently to profit or loss		**(201)**	**(194)**	**(122)**	**(283)**
Items that will not be reclassified subsequently to profit or loss:					
Investments in equity instruments measured at FVTOCI, net of tax		11	(37)	10	(37)
Remeasurement of the net defined benefit liability / asset, net of tax		9	(18)	10	(17)
Total of items that will not be reclassified subsequently to profit or loss		**20**	**(55)**	**20**	**(54)**
Other comprehensive income / (expense) for the period, net of tax	37	**(181)**	**(249)**	**(102)**	**(337)**
Total comprehensive income / (expense) for the period		**688**	**(214)**	**627**	**(334)**
Attributable to:					
Non-controlling interests		2	2	-	-
NBG equity shareholders		**686**	**(216)**	**627**	**(334)**

Athens, 15 March 2022

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
GIKAS A. HARDOUVELIS	PAVLOS K. MYLONAS	CHRISTOS D. CHRISTODOULOU

The notes on pages 188 to 314 form an integral part of these Annual Financial Statements

Statement of Changes in Equity - Group

for the year ended 31 December 2021

€ million	Share capital	Share premium	Treasury shares	Securities at FVTOCI reserve	Currency translation reserve	Net investment hedge reserve	Cash flow hedge reserve	Defined benefit plans	Other reserves & Retained earnings	Total	Non-controlling Interests	Total
	Attributable to equity holders of the parent company											
	Ordinary shares	Ordinary shares										
Balance at 31 December 2019	**2,744**	**13,866**	**(1)**	**621**	**70**	**(111)**	**(24)**	**(191)**	**(11,715)**	**5,259**	**18**	**5,277**
Impact of IAS 19 - IFRIC	-	-	-	-	-	-	-	1	8	**9**	-	**9**
Balance at 31 December 2019 and at 1 January 2020	**2,744**	**13,866**	**(1)**	**621**	**70**	**(111)**	**(24)**	**(190)**	**(11,707)**	**5,268**	**18**	**5,286**
Other Comprehensive Income/ (expense) for the period	-	-	-	(191)	(11)	-	(16)	(18)	-	**(236)**	-	**(236)**
Gains/(losses) from equity instruments at FVTOCI reclassified to retained earnings	-	-	-	(13)	-	-	-	-	13	**-**	-	**-**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	33	**33**	2	**35**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**-**	**(204)**	**(11)**	**-**	**(16)**	**(18)**	**46**	**(203)**	**2**	**(201)**
Balance at 31 December 2020 and at 1 January 2021	**2,744**	**13,866**	**(1)**	**417**	**59**	**(111)**	**(40)**	**(208)**	**(11,661)**	**5,065**	**20**	**5,085**
Other Comprehensive Income/ (expense) for the period	-	-	-	(223)	10	-	22	9	-	**(182)**	-	**(182)**
Gains/(losses) from equity instruments at FVTOCI reclassified to retained earnings	-	-	-	1	-	-	-	-	(1)	**-**	-	**-**
Profit for the period	-	-	-	-	-	-	-	-	867	**867**	2	**869**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**-**	**(222)**	**10**	**-**	**22**	**9**	**866**	**685**	**2**	**687**
Reduction of par value per share	(1,829)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	1,829	**-**	**-**	**-**
Acquisitions, disposals & share capital increases of subsidiaries/equity method investments	-	-	-	-	-	-	-	-	(1)	**(1)**	-	**(1)**
(Purchases)/ disposals of treasury shares	-	-	1	-	-	-	-	-	-	**1**	-	**1**
Balance at 31 December 2021	**915**	**13,866**	**-**	**195**	**69**	**(111)**	**(18)**	**(199)**	**(8,967)**	**5,750**	**22**	**5,772**

Statement of Changes in Equity - Bank
for the year ended 31 December 2021

€ million	Share capital	Share premium	Securities at FVTOCI reserve	Currency translation reserve	Cash flow hedge reserve	Defined benefit plans	Other reserves & retained earnings	Total
	Ordinary shares	Ordinary shares						
Balance at 31 December 2019 and 1 January 2020	**2,744**	**13,863**	**377**	**(49)**	**(24)**	**(183)**	**(11,795)**	**4,933**
Impact of IAS 19-IFRIC	-	-	-	-	-	1	2	**3**
Balance at 1 January 2020	**2,744**	**13,863**	**377**	**(49)**	**(24)**	**(182)**	**(11,793)**	**4,936**
Other Comprehensive Income/ (expense) for the period	-	-	(288)	(3)	(16)	(17)	-	**(324)**
Gains/(losses) from equity instruments at FVTOCI reclassified to retained earnings	-	-	(13)	-	-	-	13	**-**
Profit for the period	-	-	-	-	-	-	3	**3**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**(301)**	**(3)**	**(16)**	**(17)**	**16**	**(321)**
Balance at 31 December 2020 and 1 January 2021	**2,744**	**13,863**	**76**	**(52)**	**(40)**	**(199)**	**(11,777)**	**4,615**
Other Comprehensive Income/ (expense) for the period	-	-	(136)	1	22	10	-	**(103)**
Gains/(losses) from equity instruments at FVTOCI reclassified to retained earnings	-	-	1	-	-	-	(1)	**-**
Profit for the period	-	-	-	-	-	-	729	**729**
Total Comprehensive Income / (expense) for the period	**-**	**-**	**(135)**	**1**	**22**	**10**	**728**	**626**
Reduction of par value per share	(1,829)	-	-	-	-	-	1,829	**-**
Balance at 31 December 2021	**915**	**13,863**	**(59)**	**(51)**	**(18)**	**(189)**	**(9,220)**	**5,241**

The notes on pages 188 to 314 form an integral part of these Annual Financial Statements

Cash Flow Statement
for the year ended 31 December 2021

	Group		Bank	
	12-month period ended		12-month period ended	
€ million	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Cash flows from operating activities		As restated		As restated
Profit before tax	**901**	**67**	**729**	**3**
Adjustments for:				
Non-cash items included in income statement and other adjustments:	**12**	**524**	**14**	**424**
Depreciation and amortisation on investment property, property & equipment and software & other intangible assets	163	154	142	136
Amortisation of premiums /discounts of investment securities, debt securities in issue and other borrowed funds	101	28	96	33
Credit provisions and other impairment charges	75	1,583	88	1,468
Provision for employee benefits	25	12	8	10
Result from fair value and cash flow hedges	34	(34)	34	(34)
Dividend income from investment securities	(4)	(8)	(3)	(12)
Net (gain) / loss on disposal of property & equipment and investment property	(8)	(17)	(4)	(4)
Net (gain) / loss on disposal of investment securities	(182)	(415)	(172)	(381)
Gain on exchange of Greek Government Bonds	(209)	(766)	(209)	(766)
Accrued interest from financing activities and results from repurchase of debt securities in issue	-	(2)	2	(5)
Accrued interest of investment securities	16	(33)	16	(31)
Valuation adjustment on instruments designated at fair value through profit or loss	2	-	2	-
Other non-cash operating items	(1)	22	14	10
Net (increase) / decrease in operating assets:	**183**	**(2,732)**	**223**	**(2,765)**
Mandatory reserve deposits with Central Bank	3	4	4	2
Due from banks	232	(933)	298	(911)
Financial assets at fair value through profit or loss	212	(27)	207	(27)
Derivative financial instruments assets	1,236	(749)	1,235	(749)
Loans and advances to customers	(1,078)	(1,134)	(1,125)	(1,150)
Other assets	(422)	107	(396)	70
Net increase / (decrease) in operating liabilities:	**5,534**	**13,249**	**5,607**	**13,257**
Due to banks	1,995	8,270	1,879	8,242
Due to customers	4,430	4,726	4,701	4,749
Derivative financial instruments liabilities	(567)	283	(567)	283
Retirement benefit obligations	(21)	(8)	(25)	(5)
Insurance related reserves and liabilities	80	64	-	-
Income taxes (paid) / received	32	26	52	32
Other liabilities	(415)	(112)	(433)	(44)
Net cash from / (for) operating activities	**6,630**	**11,108**	**6,573**	**10,919**
Cash flows from investing activities				
Participation in share capital (increase)/decrease of subsidiaries	-	-	(19)	(2)
Disposals of subsidiaries, net of cash disposed	-	55	-	55
(Acquisition) / disposal of equity method investments	-	(14)	-	(14)
Dividends received from investment securities & equity method investments	4	8	3	10
Purchase of investment property, property & equipment and software & other intangible assets	(179)	(178)	(167)	(167)
Proceeds from disposal of property & equipment and investment property	19	64	5	12
Purchase of investment securities	(13,122)	(14,202)	(11,571)	(11,471)
Proceeds from redemption and sale of investment securities	13,006	9,255	11,582	6,854
Net cash (used in) / provided by investing activities	**(272)**	**(5,012)**	**(167)**	**(4,723)**
Cash flows from financing activities				
Proceeds from debt securities in issue and other borrowed funds	19	558	-	509
Repayments of debt securities in issue, other borrowed funds and preferred securities	-	(952)	-	(959)
Principal elements of lease payments	(57)	(59)	(45)	(42)
Proceeds from disposal of treasury shares	16	17	-	-
Repurchase of treasury shares	(15)	(17)	-	-
Net cash from / (for) financing activities	**(37)**	**(453)**	**(45)**	**(492)**
Effect of foreign exchange rate changes on cash and cash equivalents	-	(7)	(1)	(8)
Net increase / (decrease) in cash and cash equivalents	**6,321**	**5,636**	**6,360**	**5,696**
Cash and cash equivalents at beginning of period	9,784	4,148	9,450	3,754
Cash and cash equivalents at end of period	**16,105**	**9,784**	**15,810**	**9,450**

The notes on pages 188 to 314 form an integral part of these Annual 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 180 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, however it does also have branches in the UK, Cyprus and Egypt and subsidiaries in North Macedonia, Romania, Bulgaria, Cyprus, Malta and Luxembourg.

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

The Non-Executive Chairman of the Board of Directors
Gikas A. Hardouvelis [(1)]

The Chief Executive Officer
Pavlos K. Mylonas

Executive Members
Christina T. Theofilidi

Independent Non-Executive Members
Avraam C. Gounaris Senior Independent Director [(2)]
Wietze J.P. Reehoorn
Aikaterini K. Beritsi[(1)]
Anne Clementine L. Marion-Bouchacourt
Elena Ana E.V. Cernat
Claude Edgar L.G.Piret
Matthieu A. Kiss
Jayaprakasa (JP) C.S. Rangaswami[(1)]

Non-Executive Members - Hellenic Financial Stability Fund representative
Periklis F. Drougkas

[(1)] On 30 July 2021, at the Bank's Annual General Meeting of Shareholders, the term of Mr. Costas P. Michaelides expired. On the same date, Mr. Gikas A. Hardouvelis was elected as the Non-Executive Chairman of the Board of Directors. Furthermore, the same Annual General Meeting of Shareholders appointed Ms. Aikaterini K. Beritsi and Mr. JP Rangaswami, previously Non-Executive Members of the Board, as Independent Non-Executive Members of the Board.

[(2)] On 22.12.2021, the Board of Directors elected the Independent Non-Executive Board member Mr. Avraam C Gounaris as Senior Independent Director in replacement of Mr. Claude Piret, who had been temporarily discharging the duties of SID since 22.4.2021.

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.

Given that the three-year term of the entire NBG Board of Directors was due to end at the Annual General Meeting of 2021, the Annual General Meeting of the Bank's Shareholders held on 30 July 2021 elected a new Board of Directors with a term of three years, expiring at the Annual General Meeting of 2024. On the same day, the new Board of Directors convened and constituted into a body, in line with the law and the Bank's Articles of Association.

The Annual Financial Statements are subject to approval by the Bank's Annual Shareholder's Meeting.

These Annual Financial Statements have been approved for issue by the Bank's Board of Directors on 15 March 2022.

NOTE 2 Summary of significant accounting policies

2.1 Basis of preparation

The consolidated Financial Statements of the Group and the separate Financial Statements of the Bank as at and for the year ended 31 December 2021 (the "Annual Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union (the "EU").

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 the current year's presentation.

The Annual 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.

The preparation of the Annual Financial Statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Use of available information and application of judgment are inherent in the formation of estimates in the following areas: impairment of loans-and-receivables, valuation of financial instruments not quoted in active markets, including OTC derivatives and certain debt securities, impairment of investment securities, impairment assessment of intangible assets, assessment of the recoverability of deferred tax assets ("DTA"), estimation of retirement benefits obligation, insurance reserves, liabilities from unaudited tax years and contingencies from litigation. Actual results in the future may differ from those reported.

In connection with assessing 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 assessed fair values of financial instruments that are carried at fair value. Based upon our assessment as of 31 December 2021, no significant impairments have been recorded and there have been no significant changes in fair values nor in the fair value hierarchy classifications. For the effect of COVID-19 on expected credit losses ("ECL") calculation please see Note 13 "Credit provisions and other impairment charges".

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Annual Financial Statements are disclosed in Note 3 "Critical judgments and estimates".

The Group and the Bank have restated the comparative amounts with respect to the Annual Financial Report published for the year ended 31 December 2020, please see Note 48 "Restatement".

2.2 Going concern

Going concern conclusion

After considering (a) the significant profitability both at Group and Bank level (b) 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") which is well above 100% (c) the Group's Common Equity Tier 1 ("CET1") ratio at 31 December 2021 which exceeded the Overall Capital Requirements ("OCR"), and (d) the extensive and continuous fiscal and monetary support of the European and Greek authorities in response to the unprecedented COVID-19 crisis (see "Response to Covid-19 crisis" of the Board of Directors Report), 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 Annual Financial Statements is appropriate.

Profitability

The profit for the period from continuing operations for the year ended 31 December 2021 amounted to €784 million and €732 million for the Group and the Bank, respectively whereas the corresponding amounts for the year ended 31 December 2020, amounted to €401 million and €278 million, respectively.

Earnings per share increased from €0.44 in 2020 to €0.86 in 2021 for the Group whereas the corresponding figure for the Bank increased from €0.30 in 2020 to €0.80 in 2021.

Liquidity

As at 31 December 2021, funding from the ECB increased by €1.1 billion compared to the previous year through TLTROs to €11.6 billion (31 December 2020: €10.5 billion, solely TLTRO$_S$). Additionally, as at 31 December 2021, the Bank's secure interbank transactions with foreign financial institutions amounted to €1.2 billion, while the Bank's liquidity buffer at cash values amounted to €24.5 billion, with the LCR and NSFR ratios well above 100%.

Capital adequacy

The Group's Common Equity Tier 1 ("CET1") and Total Capital ratios as at 31 December 2021 were 14.1% and 14.7% respectively, exceeding the OCR ratios of 11.50% and 11.75% for 2021 and 2022 respectively, post capital relief measures (see Note 4.7 "Capital Adequacy").

Macroeconomic developments

Greece's economic recovery exceeded expectations in FY.2021, with GDP growth at 8.3% y-o-y in FY.2021 – one of the strongest among the euro area countries. GDP in FY.2021 was only 1.5% below its pre-pandemic level in 2019, in constant prices. This solid performance was underpinned by a synchronized strengthening in all major GDP expenditure components.

Private consumption grew by a robust 7.2% y-o-y in FY.2021 (9.7% y-o-y in 4Q.2021) buoyed by improving sentiment, favorable labor market conditions and the release of pent-up demand. A number of key indicators from the business sector (turnover, profits/gross operating surplus, and gross fixed capital formation) recorded a substantial improvement, surpassing their pre-pandemic levels. Tourism rebounded strongly – increase in revenue by 144% y-o-y in FY.2021, at almost 60% of the respective 2019 outcome – whereas goods exports increased to a new all-time high in levels in 4Q.2021. The responsiveness of the labor market to the rebound of the economic activity was very encouraging, with the unemployment rate declining significantly to 12.8% in December 2021 and employment increasing by 4.5% y-o-y in 2H.2021.

High-frequency information from business surveys, business turnover, industrial production, google mobility trends and tax revenue data indicate that the strong momentum continued into 1Q.2022. Moreover, the Economic Sentiment Indicator ("ESI") for Greece increased to a 21-year high in January 2022 – led by the industry and services sectors – suggesting that the economy remains resilient to the pressures from the accelerating energy-driven inflation and deteriorating COVID-19 trends. However, economic data releases are not yet reflecting the impact of the Russian invasion in Ukraine in February 2022 and the upward pressure on energy prices which is not expected to ease until 2023.

The surge in inflation worldwide, through a combination of sharply increasing energy prices and persistent disruptions in global supply chains, started to affect the Greek economy in 4Q.2021. Consumer price inflation increased to a 10½-year high of 4.5% y-o-y in 4Q.2021 (1.2% y-o-y on average in FY.2021), with fuel and electricity prices accounting for the most part of the increase. Inflation, in our baseline scenario, is expected to peak in the first months of 2022 and gradually decelerate in the second half of the year. However, increasing geopolitical tensions (crisis in Ukraine) and the imposition of severe sanctions to Russia by the EU and the US led to a significant upward revision of market-based forecasts of energy prices in the coming quarters. Increases in energy prices and other categories of imported inflation are rapidly transmitted through higher production and transportation costs to a broad range of products and services prices. In this respect, there are significant risks regarding the magnitude of the inflation peak, the speed of deceleration in 2022 and the potential impact to the financial position of households and firms. Moreover, additional downside risks for growth could emerge from a further escalation of the ongoing geopolitical crisis, which could weigh heavily on economic sentiment and economic activity in Greece and the euro area.

The government has already announced the extension of measures to ameliorate the impact of rising electricity and natural gas prices, but the business sector is likely to be significantly affected in the coming months. Moreover, the risk of a more persistent upsurge in inflation internationally starts to weigh on the markets' assessment of monetary policy developments, after a prolonged period of ultra-expansionary stance. Against this backdrop, government bond yields increased in January 2022 to the highest level in more than 1 year, as the markets start to discount a more rapid unwinding of their extraordinary monetary stimulus. The 10-year Greek Government bond yield increased to a 2-year high of 2.6% in 1Q.2022 (spread over bund of 240 bps), compared with an all-time low of 0.9%, on average, in 2021 (average spread over bund of 120 bps in FY.2021).

State support started to unwind in 2H.2021, following an additional fiscal expansion in 1H.2021. Budget 2022 envisages a modest decline in the general government primary deficit to 7.3% of GDP in 2021 from 7.9% in 2020 (corresponding to an increase in deficit of 2.5 pps in cyclically adjusted terms). However, the annual fiscal outcome is likely to overperform in comparison with the Budget 2022 target, since the State Budget primary deficit declined by 43.2% y-o-y in 12M.2021, to 1.5% of GDP below the Budget target. Budget 2022 envisages a substantial decrease in the general government primary deficit to 1.2% of GDP in 2022, supported by favorable cyclical effects, with the decrease in the cyclically adjusted primary deficit estimated at 3.8% of GDP between 2022 and 2021. Higher GDP growth has also been the key determinant of the better-than-expected public debt outcome. General government debt peaked in 2020 – a year earlier than previously estimated – to 206.3% of GDP and is projected to decline to 197.1% in 2021. In 2022, the General Government debt is projected to fall to 189.6% of GDP or even lower when adjusting for higher GDP growth and potentially better than the budgeted fiscal outcome in 2021. In fact, the fiscal outcomes (government balance and public debt) as per cent of GDP are expected to be lower than the Budget estimates, since FY.2021 GDP (released by ELSTAT on March 4, 2022) was 2.9% higher than the estimate included in the Budget 2022. However, rising energy costs and the increasing risk of a further acceleration in inflation due to energy components could lead to higher government spending, in order to support most vulnerable households and firms.

The Greek real estate market showed consistent signs of dynamism, especially in the residential segment. House prices increased by an average pace of 6.1% y-o-y in 9M.2021 and 7.9% y-o-y in 3Q.2021. Commercial real estate prices (referring to the average price of retail and office spaces) increased by 1.4% y-o-y in 1H.2021 from 1.0% y-o-y in 2H.2020 (1.7% in FY.2020).

Overall, the Greek economy enters 2022 on a firm footing, following the strong and widespread turnaround in economic activity during 2021, with GDP growth estimated to continue at a healthy pace of 4.4% in FY.2022, but with downside risks increasing, following the escalation of uncertainty related to geopolitical and energy developments. This performance will be supported, mainly, by: i) an estimated positive carryover effect from 2021 GDP growth of 1.6%; ii) a combined increase in private and public investment heading to an investment-led recovery, with public investment at an 18-year high according to Budget estimates; iii) significant untapped upside potential for tourism to move closer to its 2019 performance following an encouraging 2021; iv) strong liquidity buffers in the private sector and increased credit expansion; v) supportive labor market conditions combined with increases in the minimum wage, offsetting the inflation drag on real disposable income; and vi) supportive external demand, with euro area growth remaining healthy.

Downside risks, mainly, relate to the following factors:

- More persistent, energy-driven inflation pressures, amplified by geopolitical tensions – following the Russian invasion in Ukraine in February 2022 – and combined with new supply-side pressures, leading to additional strain on private sector disposable income and the financial position of most exposed firms.
- Weakening of economic growth, due to a combined erosion of disposable income from inflation and of economic sentiment from heightened uncertainty against a backdrop of worsening geopolitical tensions and retaliatory sanctions, particularly those affecting the energy sector. Although the direct economic exposure of the Greek economy to the crisis zone (Russia, Ukraine) remains low, the energy factor represents a significant risk for economic growth in Greece and the euro area as a whole, whereas a prolonged increase in geostrategic risks could impose significant pressure to the performance of other sectors of economic activity, including tourism.
- Geopolitical and financial shocks which could increase risk aversion, leading to a deferral of private spending decisions – especially for new investment on fixed capital – and posing pressure on collateral values.
- The risk of emergence of more contagious COVID-19 variants, which could interrupt the upward trend in economic activity, halting tourism recovery and having significant macroeconomic impact in the absence of additional fiscal support. However, this development would slow inflation momentum through the deceleration of demand.

For a list of measures that have been adopted in 2021, in order to provide support to the European banking system and the Greek economy in dealing with COVID-19, see "Response to COVID-19 crisis" of the Board of Directors Report.

2.3 Adoption of International Financial Reporting Standards (IFRS)

Amendments to existing standards effective from 1 January 2021

-IFRS 16 (Amendment): COVID-19-Related Rent Concessions (effective for annual periods beginning on or after 1 June 2020 and effective for the separate and 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 amendment is mandatory for annual reporting periods beginning on or after 1 June 2020 and thus for the consolidated and separate interim and annual financial statements from 1 January 2021. The adoption of this amendment did not have a material impact on the consolidated and separate Financial Statements.

-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). The amendments introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the InterBank Offered Rate ("IBOR") reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform 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 impact of this amendment on the consolidated and separate Annual Financial Statements is disclosed in sections 2.8.9 "IBOR reform- Treatment of changes in the basis used for determining the contractual cash flows of the component of a hedge", 2.11.1 "Derecognition of financial assets" and 2.12 "IBOR Reform" below.

-IFRS 4 (Amendment): Extension of the Temporary Exemption from Applying IFRS 9 (effective for annual periods beginning on or after 1 January 2021). 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. The Bank's insurance subsidiary Ethniki Hellenic General Insurance S.A. ("NIC"), which is a discontinued operation has adopted this amendment.

The amendments to existing standards effective from 1 January 2021 have been endorsed by the EU.

New standards and amendments to existing standards and the conceptual framework effective after 1 January 2021

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. The Bank's insurance subsidiary NIC, is classified as a discounted operation as at 31 December 2021.

Amendments

-IFRS 16 (Amendment): COVID-19-Related Rent Concessions (effective for annual periods beginning on or after 1 April 2021 and effective for the consolidated and separate financial statements from 1 January 2022). The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022. The adoption of this amendment had no effect on the consolidated and separate Financial Statements of the Group and the Bank.

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

-IAS 16 (Amendments): Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on 1 January 2022). 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 the Income Statement. The adoption of this amendment had no effect on the consolidated and separate Financial Statements of the Group and the Bank.

-IAS 37 (Amendments): Onerous Contracts: Cost of Fulfilling a Contract (effective for annual periods beginning on 1 January 2022). The amendments specify which costs a company includes when assessing whether a contract will be loss-making. The adoption of this amendment had no effect on the consolidated and separate Financial Statements of the Group and the Bank.

-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 and separate Statement of Financial Position 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.

-IAS 1 and IFRS Practice Statement 2 (Amendments): Disclosure of Accounting Policies (effective for annual reporting periods beginning on or after 1 January 2023). The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'Four-Step Materiality Process'.

-IAS 8 (Amendment): Definition of Accounting Estimates (effective for annual reporting periods beginning on or after 1 January 2023). The amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

-IAS 12 (Amendments): Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after 1 January 2023). The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations.

-IFRS 17 (Amendment): Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 1 January 2023) The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for the users of financial statements.

-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 and the Bank 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 2021 have been endorsed by the EU, except for the amendments to IAS 1 Presentation of Financial Statements; IAS 1 and IFRS Practice Statement 2; IAS 8 Accounting policies, Changes in Accounting Estimates and Errors; IAS 12 Income Taxes; and IFRS 17 Insurance Contracts, which have not 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 the Statement of Other Comprehensive Income, rather than in the Income Statement, 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, NIC to 1 January 2023 (please see above).

As at 31 December 2021 NIC is classified as a discontinued operation and shall continue applying the requirements of IAS 39.

International Financial Reporting Interpretations Committee (IFRIC) Agenda

- **Decision-IAS 19 "Employee Benefits" - Attributing Benefit to Periods of Service:** An agenda decision was published in May 2021 by the IFRIC in relation to IAS 19 "Employee Benefits" and more specifically to how the applicable principles and requirements in IFRS Standards apply to attributing benefit to periods of service. The Group and the Bank have restated the comparative amounts with respect to the Annual Financial Statements published for 2020 as a result of this agenda decision please see Note 48 "Restatement".

2.4 Consolidation

2.4.1 Basis of consolidation

The Annual Financial Statements incorporate the consolidated and separate financial statements of the Bank and its subsidiaries (including structured entities), which are entities controlled by the Bank. Control is achieved, if and only if, the Bank has: a) power over the subsidiaries, b) exposure, or rights to variable returns from its involvement with the subsidiaries and c) the ability to use its power over the subsidiaries to affect the amount of the Bank's returns.

Income and expenses and other comprehensive income of subsidiaries acquired or disposed of during the year are included in the consolidated Income Statement and in the consolidated Statement of Comprehensive Income, respectively, from the effective date of acquisition and up to the effective date of disposal, as appropriate. Profit/(loss) for the period and total comprehensive income/(expense) of subsidiaries is attributed to the owners of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

2.4.2 Non-controlling interests

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income/(expense) is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.4.3 Changes in the Group's ownership interests in subsidiaries that do not result in loss of control

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Bank.

2.4.4 Loss of control

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. For assets of the subsidiary carried at fair value with the related cumulative gain or loss recognised in other comprehensive income, the amounts previously recognised in other comprehensive income are accounted for as if the Bank had directly disposed of the relevant assets (i.e. reclassified to the income statement or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

2.4.5 Associates

Associates are entities over which the Group has significant influence, but which it does not control. If the Group holds, directly or indirectly, 20% or more of the voting power of the investee, it is presumed that the Group has significant influence, unless it can be clearly demonstrated that this is not the case. Investments in associates are accounted for by applying the equity method of accounting. Under the equity method of accounting, the investment is initially recorded at cost. Goodwill arising on the acquisition of an associate is included in the carrying amount of the investment (net of any accumulated impairment loss). The carrying amount of the investment is increased or decreased by the proportionate share of the associate’s post-acquisition profits or losses (recognised in the Group income statement) and movements in reserves (recognised in reserves). Dividends received from the associate during the year reduce the carrying value of the investment. Investments in associates for which significant influence is intended to be temporary because such investments are acquired and held exclusively with a view to their subsequent disposal within twelve months from their acquisition, are recorded as assets held for sale. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associate. Unrealised losses are also eliminated but considered as an impairment indicator of the asset transferred. Where necessary, the associate’s financial statements used in applying the equity method are adjusted to ensure consistency with the accounting policies adopted by the Group.

2.4.6 Joint arrangements

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

a) The parties are bound by a contractual arrangement and

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

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

A joint arrangement is either a joint operation or a joint venture.

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

The Group determines the type of joint arrangement in which it is involved and classifies the joint arrangement as a joint operation or a joint venture depending upon the rights and obligations of the parties to the arrangement.

In case of a joint operator the Group recognises:

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

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

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

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

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

When the Group acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3 *Business combinations*, it applies, to the extent of its share in accordance with previous paragraph, all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in IFRS 11 *Joint arrangements*. This applies to the acquisition of both the initial interest and additional interests in a joint operation in which the activity of the joint operation constitutes a business.

In case of a joint venture the Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method. (see 2.4.5 Associates above).

2.4.7 Investments in subsidiaries, associates and joint ventures in individual financial statements

In the Bank’s separate financial statements subsidiaries, associates and joint ventures are measured at cost less impairment.

2.4.8 Impairment assessment of investments in subsidiaries, associates and joint ventures in individual financial statements

At each reporting date, the Group and the Bank assesses whether there is any indication that an investment in a subsidiary, associate or joint venture may be impaired. If any such indication exists, the Group estimates the recoverable amount of the investment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

2.5 Business combinations

2.5.1 Acquisition method

Acquisitions of businesses within the scope of IFRS 3 are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the Income Statement as incurred.

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date (see 2.28.2 “Share based payment transactions” below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

2.5.2 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the Income Statement. As at 31 December 2021 and 2020 the Group had no separately recognisable goodwill.

2.5.3 Contingent consideration

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration that is either a financial instrument within the scope of IFRS 9 or a non-financial asset or liability, is remeasured, at fair value at each subsequent reporting date and the changes in fair value are recognised in the Income Statement.

2.5.4 Business combination achieved in stages

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Income Statement. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the Income Statement where such treatment would be appropriate if that interest were disposed of.

2.5.5 Provisional accounting

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see 2.5.3 Contingent consideration above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.6 Foreign currency translations

Items included in the Financial Statements of each entity of the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (“the functional currency”). The consolidated and separate Financial Statements of the Group are presented in millions of Euro (€), which is the functional currency of the Bank.

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement, except when deferred in other comprehensive income as gains or losses from qualifying cash flow or net investment hedging instruments. Translation differences on debt securities and other monetary financial assets re-measured at fair value are included in "Net trading income and results from investment securities". Translation differences on non-monetary financial assets are a component of the change in their fair value and are recognised in the Income Statement for equity securities held for trading, or in other comprehensive income for equity securities measured at fair value through other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction.

When preparing these Financial Statements, assets and liabilities of foreign entities are translated at the exchange rates prevailing at the reporting date, while income and expense items are translated at average rates for the period. Differences resulting from the use of closing and average exchange rates and from revaluing a foreign entity's opening net asset balance at closing rate are recognised directly in foreign currency translation reserve within Other Comprehensive Income.

When a monetary item forms part of a reporting entity's net investment in a foreign operation and is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, the exchange differences that arise in the individual financial statements of both companies are reclassified to other comprehensive income upon consolidation. When a foreign entity is sold, such translation differences are recognised in the Income Statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.7 Classification and Measurement of financial instruments

2.7.1 Classification of financial assets

The Group uses the following measurement categories for financial assets:

- Debt instruments at amortised cost.
- Debt instruments at Fair Value through Other Comprehensive Income ("FVTOCI") with cumulative gains and losses reclassified to profit and loss on derecognition.
- Equity instruments designated as measured at FVTOCI with gains and losses remaining in Other Comprehensive Income ("OCI") without recycling to profit or loss on derecognition.
- Debt instruments, derivatives, equity instruments and mutual funds at Fair Value through Profit or Loss ("FVTPL").

Except for debt instruments that are designated at initial recognition or mandatorily recognised at FVTPL, such assets are classified at amortised cost or FVTOCI on the basis of:

(a) The Group's business model for managing the financial asset and

(b) the contractual cash flow characteristics of the financial asset.

IFRS 9 precludes the separation of any embedded derivatives from a hybrid contract when the host contract is a financial asset within its scope. Instead, the entire hybrid financial asset is classified into one of the categories listed above. The Group continues to recognise financial assets on a trade basis.

2.7.2 Business model assessment

The business models reflect how the Group manages its debt financial assets in order to generate cash flows. This assessment is performed on the basis of scenarios that the Group reasonably expects to occur. The assessment is based on all relevant and objective information that is available at the time of the business model assessment. The Group has identified the following business models for debt financial assets:

- **Held to collect contractual cash flows:** The Group's objective is to hold the financial assets and collect the contractual cash flows. All the assets in this business model give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Debt instruments classified in this business model are measured at amortised cost. Loans and advances to customers within this category may be sold to manage the concentration of the Group's credit risk to a particular obligor, country or industrial sector, without an increase in the asset's credit risk. Such sales are consistent with the business model's objective if they are infrequent (even if significant in value) or insignificant in value both individually and in the aggregate (even if frequent). In such cases, i.e. if more than an infrequent number of sales are made or those sales are more than insignificant in value (either individually or in aggregate), the Group assess whether and how such sales are consistent with the objective of collecting contractual cash flows.
- **Held to collect contractual cash flows and sell:** The objective of this business model is to meet everyday liquidity needs and such objective is achieved by both collecting contractual cash flows and selling debt instruments. Assets within this business model are not sold with the intention of short-term profit taking, however frequent sales may occur and such sales may be significant in value. All the assets in this business model give rise to cash flows that are SPPI. The debt instruments in this business model are accounted for at FVTOCI.
- **Held for trading:** Under this business model, the Group actively manages the instruments in order to realise fair value gains arising from changes in credit spreads and yield curves. The assets in this business model are accounted for at FVTPL.

- **Held and managed on a fair value basis:** Refers to assets that are managed by the Group on a fair value basis without the intention to sell them in the near future. The assets in this business model are accounted for at FVTPL.

2.7.3 Contractual cash flow characteristics

The Group assesses the characteristics of its financial assets' contractual cash flows at initial recognition in order to determine whether they are SPPI. This is referred to as the "SPPI test". Interest amount within a basic lending arrangement, is typically the consideration for the time value of money and the credit risk. Interest may also include consideration for other basic lending risks such as liquidity and costs (e.g. administration associated with holding the financial asset for a particular period of time), as well as a profit margin. Interest may also be negative if the Group decides to effectively pay a fee for the safekeeping of its money for a particular period of time. The Group considers that an originated or a purchased financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form and irrespective if it was purchased at a deep discount.

2.7.4 Non-recourse loans

When a financial instrument's contractual cash flows are specifically derived from specified assets of the borrower, the Group assesses whether the cash flows arising from the debt instrument are SPPI. In order to conclude whether the loan represents a basic lending agreement and its return does not vary based on the performance of the underlying asset or project, the Group assesses whether there is an adequate buffer to absorb credit losses.

2.7.5 Equity instruments designated at FVTOCI

The Group may acquire an investment in an equity instrument that is not held for trading, nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies. At initial recognition, the Group may make an irrevocable election to present in OCI subsequent changes to the fair value of the investment, except for equity securities that give an investor significant influence over an investee, which are accounted for in accordance with IAS 28 Investments in Associates and Joint Ventures.

The election to designate an investment in an equity instrument at FVTOCI is made on an instrument-by-instrument basis. Investments in mutual funds cannot be designated at FVTOCI, as they do not meet the definition of an equity instrument under IAS 32, hence these are mandatorily measured at FVTPL.

2.7.6 Measurement of financial assets

Financial assets measured at amortised cost

A debt financial asset is measured at amortised cost if it is held in a business model that has an objective to hold financial assets to collect contractual cash flows and the contractual terms of the financial asset result in cash flows that pass the SPPI test.

The financial assets classified within this category, mainly include the following asset classes:

- Cash and balances with central banks
- Sight and time deposits with banks
- Securities purchased under agreements to resell
- Deposits in margin accounts
- Other receivables due from banks
- Loans and advances to customers at amortised cost
- Debt securities (Investment securities measured at amortised cost)
- Other receivables included in line item "Other assets"

Subsequent to initial recognition, the debt financial asset is measured at amortised cost using the effective interest rate ("EIR") method for the allocation and recognition of interest revenue in line item "Interest and similar income" of the Income Statement over the relevant period. The amortised cost is the amount at which the financial asset is measured at initial recognition minus any principal repayments, plus or minus the cumulative amortisation using the EIR method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount is the amortised cost of a financial asset before adjusting for any loss allowance. Interest income on debt financial assets is calculated on the gross carrying amount if the asset is classified in Stage 1 or Stage 2. When a debt financial asset becomes credit-impaired (classified in Stage 3), interest income is calculated on the amortised cost (i.e. the gross carrying amount adjusted for the impairment allowance).

The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to its gross carrying amount. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (e.g. prepayment, extension, call and similar options). The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the EIR, transaction costs, and all other premiums or discounts. Fees that are an integral part of the EIR of a financial instrument are treated as an adjustment to the EIR.

Except for purchased or originated financial assets that are credit-impaired ("POCI") on initial recognition, expected credit losses ("ECL") are not considered in the calculation of the EIR. For a POCI financial asset, the credit-adjusted EIR is applied when calculating the interest revenue and it is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset to the asset's amortised cost. The Group includes the initial ECL in the estimated cash flows when calculating the credit-adjusted EIR for such assets.

Debt instruments measured at FVTOCI

A debt financial asset is measured at FVTOCI if it is held in a business model that has an objective to hold financial assets to collect contractual cash flows and sell the assets and the contractual terms of the financial asset result in cash flows that pass the SPPI test.

After initial recognition, investments in debt financial assets are measured at fair value in the statement of financial position (with no deduction for sale or disposal costs) with unrealised gains and losses reported in OCI, net of applicable income taxes, until such investments are derecognised (i.e. when sold or collected). Upon derecognition, the cumulative gains or losses previously recognised in OCI are reclassified from equity to "Net trading income/(loss) and results from investment securities" of the Income Statement, as a reclassification adjustment.

For debt financial assets measured at amortised cost or FVTOCI, the following items are recognised in the Income Statement:

- ECL allowance recognised in "Credit provisions and other impairment charges".
- Foreign exchange gains and losses, calculated based on the amortised cost of the instrument, are recognised in "Net trading income/(loss) and results from investment securities".
- Interest income calculated with the EIR method is recognised in "Interest and similar income".
- Modification gains or losses, recognised in "Credit provisions and other impairment charges".

Equity instruments designated at FVTOCI

After initial recognition, investments in equity instruments designated at FVTOCI are measured at fair value, with no deduction for sale or disposal costs. With the exception of dividends received, the associated gains and losses (including any related foreign exchange component) is recognised in OCI. Amounts presented in OCI are not subsequently recycled to the Income Statement, instead the cumulative gain or loss is transferred within equity from accumulated OCI to retained earnings.

Dividends are recognised in "Net other income/(expense)" line item of the Income Statement when all of the following criteria are met:

- the Group's right to receive payment of the dividend is established;
- it is probable that the economic benefits associated with the dividend will flow to the Group;
- the amount of the dividend can be measured reliably;
- the dividend clearly does not represent a recovery of part of the cost of the investment.

Financial assets and financial liabilities measured at FVTPL

After initial recognition, financial assets and financial liabilities that are classified as at FVTPL are measured at fair value, with no deduction for sale or disposal costs. Gains and losses arising from fair value remeasurement are recognised in their entirety in "Net trading income/(loss) and results from investment securities". All changes to the fair value of a FVTPL liability due to market risk are recorded in profit and loss while changes due to the Group's own credit risk are recorded in OCI. The amount presented in OCI is not subsequently transferred to profit or loss even when the liability is derecognised and the amounts are realised. The cumulative gain or loss is transferred within equity from accumulated OCI to retained earnings.

Reclassification of financial assets

The Group reclassifies all affected financial assets only when the Group changes its business model for managing financial assets. The reclassification is applied prospectively from the reclassification date, which is the first day of the first quarterly reporting period following the change in the business model.

Changes in the Group's business models are usually the result of external or internal changes, affecting significantly the Group's operations.

Investments in equity instruments that are designated as at FVTOCI, or any financial assets or liabilities that are designated at FVTPL, cannot be reclassified because the election to designate them as at FVTOCI or FVTPL respectively, at initial recognition, is irrevocable.

2.7.7 Impairment - Expected Credit Losses

ECL are recognised for all financial assets measured at amortised cost, debt financial assets measured at FVTOCI, lease receivables, financial guarantees and certain loan commitments. ECL represent the difference between contractual cash flows and those that the Group expects to receive, discounted at the financial asset's EIR. For loan commitments and other credit facilities in scope of ECL, the expected cash shortfalls are determined by considering expected future draw downs.

Recognition of expected credit losses

At initial recognition, an impairment allowance is required for ECL resulting from default events that are possible within the next 12 months (12-month ECL), weighted by the risk of a default occurring. Instruments in this category are referred to as instruments in Stage 1. For instruments with a remaining maturity of less than 12 months, ECL are determined for this shorter period.

In the event of a significant increase in credit risk ("SICR"), an ECL allowance is required, reflecting lifetime cash shortfalls that would result from all possible default events over the expected life of the financial instrument ("lifetime ECL"), weighted by the risk of a default occurring. Instruments in this category are referred to as instruments in Stage 2.

Lifetime ECL are always recognised on financial assets for which there is objective evidence of impairment, that is they are considered to be in default or otherwise credit-impaired. Such instruments are referred to as instruments in Stage 3.

POCIs are classified as credit impaired. An instrument is POCI if it has been purchased with a material discount to its par value that reflects the incurred credit losses.

For POCI financial assets, the Group recognises adverse changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in the Income Statement. POCI are initially recognised at fair value with interest income subsequently being recognised based on a credit-adjusted EIR. POCI may also include financial instruments that are newly recognised following a substantial modification and remain a separate category until maturity. Any favourable changes for POCI assets are ECL impairment gains even if the resulting expected cash flows exceed the estimated cash flows on initial recognition.

The Group does not apply the practical expedient that allows a lifetime ECL for lease receivables to be recognised irrespective of whether a SICR has occurred. Instead, all such receivables are incorporated into the standard ECL calculation.

Impairment charge for ECL is recognised in the Income Statement with a corresponding ECL allowance reported as a decrease in the carrying value of financial assets measured at amortised cost on the statement of financial position. For financial assets measured at FVTOCI, the carrying value is not reduced, but the ECL allowance is recognised in OCI. For off-balance sheet financial instruments, the ECL allowance is reported as a provision in "Other liabilities". Impairment charge for ECL is recognised in the Income Statement in "Credit provisions and other impairment charges".

Write-off

A write-off is made when the Group does not have a reasonable expectation to recover all or part of a financial asset. Write-offs reduce the principal amount of a claim and are charged against previously established allowances for credit losses. Recoveries, in part or in full, of amounts previously written off are generally credited to "Credit provisions and other impairment charges". Write-offs and partial write-offs represent derecognition or partial derecognition events.

Definition of default

The Group has aligned the definition of default for financial reporting purposes, with the non performing exposures (NPE) definition used for regulatory purposes, as per EBA Implementing Technical Standards on Supervisory reporting on forbearance and non-performing exposures, as adopted by the Commission Implementing Regulation (EU) 2015/227 of 9 January 2015 amending Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council ("EBA ITS"). Following the financial crisis, the EBA established tighter standards around the definition of default (CRR Article 178) to achieve greater alignment across banks and jurisdictions being applied from 1 January 2021. The definition of default for financial reporting purposes is consistent with the one used for internal credit risk management purposes.

For more information on the definition of default please refer to Note 4.2.6.

Measurement of Expected Credit Losses

The Group assesses on a forward-looking basis the ECL associated with all financial assets subject to impairment under IFRS 9. The Group recognises an ECL allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The Group uses three macroeconomic scenarios and estimates the ECL that would arise under each scenario. A weighting is allocated to each scenario, such that the weighted probabilities of all three scenarios are equal to one. The distribution of possible ECL may be non-linear, hence three distinct calculations are performed, where the associated ECLs are multiplied by the weighting allocated to the respective scenario. The sum of the three weighted ECL calculations represents the probability-weighted ECL.
- The time value of money.
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For the purposes of measuring ECL, the estimate of expected cash shortfalls reflects the cash proceeds expected from collateral liquidation (if any) and other credit enhancements that are part of the contractual terms and are not recognised separately by the Group. The estimate of expected cash shortfalls on a collateralized loan exposure reflects the assumptions used regarding the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether the foreclosure is probable or not.

The ECL calculations are based on the following factors:

- **Exposure at Default ("EAD"):** This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

- **Probability of Default ("PD"):** Represents the likelihood of a borrower/issuer defaulting on its financial obligation, assessed on the prevailing economic conditions at the reporting date, adjusted to take into account estimates of future economic conditions that are likely to impact the risk of default either over the next 12 months for Stage 1 financial assets, or over the remaining lifetime, for Stage 2 financial assets**.**
- **Loss given default ("LGD"):** Represents the Group's expectation of the extent of loss on a defaulted exposure. The LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. The determination of LGD takes into account expected future cash flows from collateral and other credit enhancements or expected payouts from bankruptcy proceedings for unsecured claims and, where applicable, time to realization of collateral and the seniority of claims. LGD is expressed as a percentage loss per unit of EAD**.**
- **Discount Rate:** The implied discount factor based on the original EIR of the financial asset or an approximation thereof.

The PD and LGD are determined for three different scenarios whereas EAD projections are treated as scenario independent.

The ECL is determined by projecting the PD, LGD and EAD for each time step between future cash flow dates and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival, if appropriate. This effectively calculates an ECL for each future period, which is then discounted back to the reporting date and summed.

The Group recognises an ECL allowance on irrevocable commitments to extend credit, financial guarantee contracts and letters of credit, on the date that the Group becomes a party to the irrevocable commitment. No ECL allowance is recognised on revocable loan commitments, as such commitments do not meet the definition of a financial instrument. For revolving lending exposures (i.e. facilities that include both a loan and a revocable undrawn commitment component), the EAD represents the expected balance at default, taking into account any expected drawdowns, based on the Group's historical experience. The ECL allowance on financial guarantees and letters of credit written by the Group, is based on the Credit Conversion Factor ("CCF") applicable to the relevant financial instrument type, which converts the off-balance sheet amount to an EAD amount.

The impact from new economic conditions, as a result of unexpected events, may not be timely reflected in ECL model outputs, as the inputs and models used for calculating ECL may not capture all characteristics of the market at the date of the financial statements. The management critically assesses these conditions and may occasionally conclude to the requirement of ad hoc overlays in order to capture any additional risks. Indicative cases where overlays may be applied include, inter alia, customer support measures (i.e. in the context of the COVID-19 pandemic), as well as recovery strategies to be pursued for NPEs.

Forward looking economic inputs

Forward looking information (FLI) is incorporated in the ECL measurement of collectively assessed loans and debt securities through the PD and LGD models. The expected recoveries (cash flow recoveries or liquidation of collateral) used in the ECL measurement of wholesale lending exposures individually assessed, takes into account FLI based on the Bank's forecasts of the relevant macroeconomic factors.

The Group applies three scenarios, i.e. baseline, optimistic, adverse, developed by the Bank's Economic Analysis Division ("EADN"). The macroeconomic scenarios used for measuring ECL are the same with the ones used for evaluating SICR.

The main macroeconomic variables utilized by the Group, affecting the level of ECL are the following:

- GDP growth rate
- House price index (HPI)

Significant Increase in Credit Risk

A financial asset is classified as Stage 2 when a SICR since initial recognition has occurred and the financial asset does not meet the definition for Stage 3. At each reporting date, the Group performs the SICR assessment comparing the risk of a default occurring over the remaining expected lifetime of the exposure with the expected risk of a default as estimated at origination.

The Group's process to assess SICR is multi-factor and has three main components:

- **a quantitative elemen**t, i.e. reflecting a quantitative comparison of PD or credit rating at the reporting date versus the respective metric at initial recognition;
- **a qualitative element**, i.e. all Forborne Performing Exposures (FPE), in accordance with EBA ITS, internal watch list for corporate obligors; and
- **"backstop" indicators**. The Group applies on all lending exposures the IFRS 9 presumption that a SICR has occurred when the financial asset is more than 30 days past due. In addition, for accounts not pertaining to the low credit risk segment, the Bank also applies the EBA backstop indicator of the threefold increase in PD as a rule for Stage 2 allocation.

The first two criteria are analysed below per type of exposure:

a. Corporate lending exposures

The Group assesses SICR based on changes in the obligor's internal credit rating since origination.

b. Retail lending exposures

Stage allocation is performed by the comparison of scenario weighted lifetime PDs from the risk assessment performed at origination versus the lifetime PDs at each reporting date, for the financial asset's residual term. Lifetime PD at origination decreases over time, as the loan gets closer to its maturity.

c. Debt securities and other financial assets

All debt securities and financial assets due from sovereigns and financial institutions are assessed on an individual basis in order to determine if a SICR has occurred since initial recognition, based on external credit ratings. If an external credit rating is available for a debt security, then SICR is assessed based on this rating, rather than the issuer's rating, in order to incorporate in the analysis any instrument-specific credit characteristics. All other financial assets due from sovereigns and financial institutions, such as money market placements, reverse repurchase agreements and unrated debt securities, are assessed for SICR based on the counterparty's or issuer's external credit rating. Any of the aforementioned financial assets rated as 'investment grade' at the reporting date, are assumed as having low credit risk and are classified within Stage 1 without any further SICR analysis.

d. Transfer of financial assets from Stage 2 to Stage 1

Lending exposures, debt securities and financial assets due from sovereigns and financial institutions move back to Stage 1 when the SICR criteria are no longer met.

For more information on SICR please refer to Note 4.2.6.

2.8 Derivative financial instruments and hedging

2.8.1 Derivative financial instruments

Derivative financial instruments including foreign exchange contracts, forward rate agreements, currency and interest rate swaps, interest rate futures, currency and interest rate options (both written and purchased) and other derivative financial instruments are initially recognised in the Statement of Financial Position at fair value and subsequently are re-measured at their fair value. Derivatives are presented in assets when favourable to the Group and in liabilities when unfavourable to the Group. Where the Group enters into derivative instruments used for trading purposes, realised and unrealised gains and losses are recognised in the Income Statement in "Net trading income / (loss) and results from investment securities".

A derivative may be embedded in another financial instrument, known as "host contract". IFRS 9 precludes the separation of any embedded derivatives from a hybrid contract when the host contract is a financial asset within its scope. Instead, the hybrid financial asset is measured at fair value in its entirety.

2.8.2 Continuation of IAS 39 hedge accounting requirements

IFRS 9 includes an accounting policy choice to continue IAS 39 hedge accounting, which the Group has exercised, and will comply with the revised annual hedge accounting disclosures as required by the related amendments to IFRS 7 *Financial Instruments: Disclosures*. Refer to Note 20 "Derivative financial instruments".

2.8.3 Hedge accounting

Certain derivative instruments transacted as effective economic hedges under the Group's risk management positions, do not qualify for hedge accounting under the specific rules of IAS 39 and are therefore treated in the same way as derivative instruments held for trading purposes.

The Group also uses derivative instruments as part of its asset and liability management activities to manage exposures to interest rate, foreign currency and credit risks, including exposures arising from forecast transactions. The Group applies fair value, cash flow or net investment hedge accounting when transactions meet the specified criteria to obtain hedge accounting treatment. The Group's criteria for a derivative instrument to be accounted for as a hedge include:

i. at inception of the hedge, there is formal designation and documentation of the hedging instrument, hedged item, hedging objective, strategy and relationship;

ii. the hedge is documented showing that it is expected to be highly effective in offsetting the risk in the hedged item throughout the hedging period. A hedge is considered to be highly effective when the Group achieves offsetting changes in fair value between 80 percent and 125 percent for the risk being hedged; and

iii. the hedge is highly effective on an ongoing basis.

2.8.4 Fair value hedges

For qualifying fair value hedges, the change in fair value of the hedging derivative is recognised in the Income Statement along with the corresponding change in the fair value of the hedged item that is attributable to that specific hedged risk. If the hedge relationship no longer meets the criteria for hedge accounting, for reasons other than the derecognition of the hedged item, or the hedging designation is revoked, the cumulative adjustment to the carrying amount of the hedged item, is, in the case of interest bearing financial instruments, amortised to the Income Statement over the remaining term of the original hedge item, while for non-interest bearing instruments that amount is immediately recognised in the Income Statement. If the hedged item has been derecognised, e.g. sold or repaid, the unamortized fair value adjustment is recognised immediately in the Income Statement.

2.8.5 Cash flow hedges

Fair value gains or losses associated with the effective portion of a derivative designated as a cash flow hedge are recognised initially in other comprehensive income. When the cash flows that the derivative is hedging (including cash flows from transactions that were only forecast when the derivative hedge was effected) materialize, resulting in income or expense, then the associated gain or loss on the hedging derivative is simultaneously transferred from other comprehensive income to corresponding income or expense line item.

If a cash flow hedge for a forecast transaction is deemed to be no longer effective, or the hedge relationship is terminated, the cumulative gain or loss on the hedging derivative previously reported in other comprehensive income is transferred to the Income Statement when the committed or forecast transaction occurs.

The foreign currency risk of a highly probable forecast intragroup transaction may qualify as a hedged item in the consolidated financial statements, provided that: (a) the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction; and (b) the foreign currency risk will affect the consolidated Income Statement.

2.8.6 Net investment hedge

Hedges of net investments in foreign operations are accounted for in a similar way to cash flow hedges. The gain or loss on the effective portion of the hedging instrument is recognised in other comprehensive income; any gain or loss on the ineffective portion is recognized immediately in the Income Statement. Gains and losses accumulated in other comprehensive income are recycled in the Income Statement on the disposal of the foreign operation.

2.8.7 Hedge effectiveness testing

To qualify for hedge accounting, the Group requires that at the inception of the hedge and throughout its life, each hedge must be expected to be highly effective (prospective test) and demonstrate actual effectiveness (retrospective test) on an ongoing basis.

The documentation of each hedging relationship sets out how effective the hedge is assessed. The method the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

The Group implements a number of reliefs that apply to all hedging relationships directly affected by interest rate benchmark reform (i.e. Interest Rate Benchmark Reform Phase 1). The reliefs apply during the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“RFR”). A hedging relationship is affected if interest rate benchmark reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. The reliefs cease to apply once certain conditions are met. These include when the uncertainty arising from IBOR reform is no longer present with respect to the timing and amount of the benchmark-based cash flows of the hedged item, if the hedging relationship is discontinued or once amounts in the cash flow hedge reserve have been released.

Hedge ineffectiveness is recognized in the Income Statement in “Net trading income / (loss) and results from investment securities”.

2.8.8 Novation of derivatives and continuation of hedge accounting

When a) a derivative designated as a hedging instrument is novated to a clearing counterparty and b) certain conditions are met, a relief from discontinuing hedge accounting is provided.

2.8.9 IBOR reform- Treatment of changes in the basis used for determining the contractual cash flows of the component of a hedge

Non-discontinuation of hedges

The documentation of the existing hedges shall be updated to reflect the changes brought about by the reform of the reference interest rate (IBOR reform) on the basis for determining the contractual cash flows of the hedging components. These updates resulting from the IBOR reform do not cause the discontinuation of the hedge nor the designation of a new accounting hedge if the aim of such updates is only to:

- designate the alternative reference interest rate (contractually or non-contractually specified) as a hedged risk;
- update the description of the hedged item, including a description of the hedged portion of cash flows or of the fair value;
- update the description of the hedging instrument;
- update the description of the method used to assess the effectiveness of the hedge. These updates are performed as and when changes are made to the hedged items or the hedging instruments; an accounting hedge may be updated several successive times.

Changes not directly resulting from the application of the IBOR reform and impacting the basis used for determining the contractual cash flows of the hedging relationship components or the hedging documentation are analysed beforehand in order to confirm compliance with the qualifying criteria for hedge accounting.

Specific accounting treatments

Regarding fair value hedges and cash flow hedges, the applicable accounting requirements remain unchanged for the recognition of gains and losses resulting from the reassessment of the hedged component and the hedging instrument taking account of the changes described above.

For the purpose of the retrospective effectiveness assessment, the cumulative fair value changes may be reset to zero on a case by case basis for each hedging relationship modified.

The amounts of gains or losses recognised in equity (as unrealised or deferred gains and losses), for the cash flow hedges that have been discontinued prospectively after a change in the reference interest rate used as a basis for the future cash flows hedged are kept in equity until the hedged cash flows are recorded on the Income Statement.

For the Bank's derivative instruments that have been designated as hedging instruments the change over from EONIA to €STER took place during 2021 and there was no effect on the consolidated and separate Income Statement.

2.9 Fair value of financial instruments

The Group measures the fair value of its financial instruments based on a framework for measuring fair value that categorises financial instruments based on a three-level hierarchy of the inputs to the valuation technique, as discussed below.

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active market. An active market, is a market in which transactions for assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis and are characterized with low bid/ask spreads.

Level 2: Observable inputs other than Level 1 quoted prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data (for example derived from prices) for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments, as well as debt securities without quoted prices and certain derivative contracts whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes government and corporate debt securities with prices in markets that are not active and certain over-the-counter ("OTC") derivative contracts.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant Management judgment or estimation.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety, is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

2.10 Recognition of deferred Day 1 profit or loss

When the fair value is determined using valuation models for which not all inputs are market observable prices or rates, the Group initially recognises a financial instrument at the transaction price, which is the best indicator of fair value, although the value obtained from the relevant valuation model may differ. Such a difference between the transaction price and the model value is commonly referred to as "Day 1 profit or loss". The Group does not recognise that initial difference, immediately in the Income Statement.

Deferred Day 1 profit or loss is amortised over the life of the instrument. Any unrecognised Day 1 profit or loss is immediately released to Income Statement if fair value of the financial instrument in question can be determined either by using market observable model inputs or by reference to a quoted price for the same product in an active market or upon settlement.

After entering into a transaction, the Group measures the financial instrument at fair value, adjusted for the deferred Day 1 profit or loss. Subsequent changes in fair value are recognised immediately in the Income Statement without reversal of deferred Day 1 profits and losses.

2.11 Derecognition

2.11.1 Financial assets

A financial asset (or, where applicable, a part of a financial asset or group of similar financial assets) is derecognised when:

i. the rights to receive cash flows from the asset have expired;

ii. the Group retains the right to receive cash flows from the asset, but assumes a contractual obligation to pay the cash flows to one or more recipients under a 'pass through' arrangement; or

iii. the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

iv. When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement in the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

As part of its activities, the Group securitises certain financial assets, generally through the sale of these assets to special purposes entities, which issue securities collateralised with these assets.

To the extent that the Group sells these securities to third party investors, the transferred assets may qualify for derecognition in full or in part. Gains or losses on transfers that qualify for derecognition are based on the carrying amount of the financial assets derecognised and the retained interest, based on their relative fair values at the date of the transfer.

Modification

Forbearance measures do not lead to derecognition unless changes to the original contractual terms, result in a substantially different loan i.e. the loan is altered in a manner that the terms under the modified contract are substantially different from those under the original contract. When the modification is not considered substantial in order to lead to derecognition, the gain or loss arising from the modification is calculated as the difference between the present value of the new contractual cash flows (i.e. based on the modified terms) discounted by the original effective interest rate of the loan and the carrying amount post write-off (if any).

IBOR Reform- Treatment of changes in the basis for determining the contractual cash flow of financial assets and liabilities

The basis for determining the contractual cash flows of a financial asset or liability may be modified:

- either by amending the contractual terms and conditions set during the initial recognition of the financial instrument (e.g.: when the agreement is renegotiated, the contractual terms and conditions are amended to replace the initial reference interest rate by an alternative one),
- or by applying the appropriate external dispositions without requiring a change in contractual terms (e.g.: the method for determining the reference interest rate is modified without any change in the contractual terms and conditions, i.e., the EONIA has been quoted by reference to the €STER + 8.5bp since October 2019),
- or as a result of the activation of an existing contractual term or condition (example: application of the contractual rate replacement provision, or "Fallback" provision).

If, in the context of the IBOR reform, there is a change in the basis for determining the contractual cash flows of a financial asset or liability at amortised cost or of a financial asset at FVTOCI, the reassessment of the contractual cash flows is regarded as a modification of the EIR applied to determine the future interest income or expense and does not generate a gain or loss in the Income Statement.

This treatment depends on compliance with the following conditions:

- a change in the basis for determining the contractual cash flows is required and results directly from the IBOR reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the former basis used before the change.

The cases giving rise to a new basis for determining the contractual cash flows considered economically equivalent to the former basis are, for example:

- the replacement of an existing reference interest rate used to determine the contractual cash flows of a financial asset or liability by:
    - an alternative reference interest rate (or by changing the method used to determine the reference interest rate in question), with
    - the addition of a fixed spread necessary to compensate for the difference in basis between the existing reference interest rate and the alternative one;
- changes in the determination of the amount of interest resulting from the use of a new reference interest rate; and
- the addition of a Fallback provision to the contractual terms and conditions of a financial asset or liability to allow for the implementation of the changes described above (such as replacement of the rate).

2.11.2 Financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference between the carrying amount of the extinguished or transferred liability and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Income Statement.

When equity instruments issued to a creditor to extinguish all or part of a financial liability are recognised initially, the Group measures them at the fair value of the equity instruments issued, unless that fair value cannot be reliably measured.

2.12 IBOR Reform

The interest rate benchmark reform, initiated by the Financial Stability Board in 2014, aims at replacing these benchmark rates with alternative rates, in particular the Risk-Free Rates ("RFR"). This reform accelerated on 5 March 2021, when the Financial Conduct Authority, the supervisor of LIBOR, announced the official dates for the cessation and loss of representativeness:

- EUR and CHF LIBOR (all terms); GBP and JPY LIBOR (terms: overnight, 1 week, 2 months and 12 months); LIBOR USD (terms: 1 week and 2 months): the publication of these benchmark settings contributed by a panel of banks has permanently ceased as of 1 January 2022.

Besides, regarding the major euro area interest rate benchmark indexes:

- EURIBOR: European Money Markets Institute ("EMMI"), administrator of the index, does not plan to cease its publication. The EURIBOR will thus be maintained in the coming years.
- EONIA: its publication ceased definitively on 3 January 2022. The successor rate recommended by the ECB working group on the euro area is the €STR on which the EONIA was based since end 2019.

In parallel, other interest rate indexes based on LIBOR are also subject to reform (e.g. SOR, MIFOR, THBFIX, ICE swap rate). Local regulators or administrators continue clarifying the roadmap and issuing recommendations to reduce the risks associated with these transitions.

Impact of the reform to the Group

With the cessation deadlines announced for LIBOR and EONIA in mind, the public authorities and the working groups set up by the central banks issued recommendations to the industry. These recommendations aim at stopping the production of new contracts referencing these indexes as well as at migrating the existing contracts referencing said indexes to alternative benchmark rates. The Group took the following steps with respect to the Reform:

- strengthening of the new contracts through the inclusion of fallback clauses and risk warnings;
- cessation of the production of new transactions referencing LIBOR and EONIA (with some exceptions provided for by regulators on USD LIBOR) and use of alternative solutions;
- fair and homogenous treatment of customers through the involvement of the compliance teams in the renegotiations of contracts.

In 2021 the Group focused its action on transitioning its agreements referencing GBP LIBOR, CHF LIBOR, as well as EONIA. Depending on the products, the transition has, overall, been carried out according to three major modalities:

- loans and credit lines are subject to individual renegotiations, together with the related hedging instruments, in order to maintain their effectiveness;
- most of the derivative products have been transitioned at the instigation of the clearing houses or through the activation of their fallback clauses (protocol set up by the ISDA). Some derivative products have, however, been renegotiated bilaterally;
- lastly, for some products (typically: cash accounts and similar), the transition has been done through an update of the general conditions.

At the end of December 2021, the Group considers that it has achieved substantially all of its legal transition programme regarding the contracts on indexes ending or ceasing to be representative at the end of 2021.

Group's Exposures as at 31 December 2021

Financial assets and liabilities and derivatives impacted by the interest rate benchmarks reform:

Current benchmark interest rates	New risk-free rates likely to/or has replaced current benchmark interest rates	Financial assets (excluding derivatives) impacted by the reform	Financial liabilities (excluding derivatives) impacted by the reform	Derivatives impacted by the reform	
		Carrying value		Notionals	Fair Value
Indices whose listing ends on 31.12.2021					
LIBOR - London Interbank Offered Rate CHF	Swiss Average Rate Overnight (SARON)	273	2	0	0
LIBOR - London Interbank Offered Rate EUR	Euro Short-Term Rate (€STR)	1	0	0	0
LIBOR - London Interbank Offered Rate GBP	Reformed Sterling Overnight Index Average (SONIA)	32	1	292	-7
Total		**306**	**3**	**292**	**-7**
Index whose listing ends on 30.06.2023					
LIBOR - London Interbank Offered Rate - USD	Secured Overnight Financing Rate (SOFR)	1,546	10	3,871	-41
Total		**1,546**	**10**	**3,871**	**-41**

Risks associated with the rate reform

The risks related to the IBOR reform are now mainly limited to USD LIBOR for the period running until June 2023. They have been identified as follows:

- programme governance and execution risk, liable to cause delays and loss of opportunities, is monitored as part of the work of regular committees and arbitration bodies;
- legal documentation risk, liable to lead to post-transition litigations, is managed through fallback clauses inserted in the contracts depending on the availability of market standards;
- market risk, with the creation of a basis risk between the rate curves associated with the different indexes, is the subject of close monitoring and supervision;
- operational risks in the execution of the transition of transactions, depending in particular on the willingness and preparedness of our counterparties, the volume of transactions to be migrated and their spread over time;
- liquidity risk related to increased drawdowns in a context of increased credit costs; the relevance of the integration of this component into the liquidity models will be assessed during the annual review of the drawdown models;
- regulatory risk managed according to the Group guidelines which are in line with the recommendations of the regulators and working groups on the LIBOR transition; these guidelines concern the products which, by exception, continue referencing USD LIBOR;
- misconduct risk, related to the end of LIBOR, notably managed through:
  - specific guidelines detailed by business line;
  - training of the teams;
  - communications to customers regarding the transition-related risks, the alternative solutions that may be implemented, and on how they could be affected.

2.13 Sale and repurchase agreements

Securities sold subject to a commitment to repurchase them at a predetermined price (‘Repos’) are retained on the Statement of Financial Position and the counterparty liability is included in amounts due to banks, due to customers or other deposits, as appropriate. Securities purchased under agreement to resell (‘Reverse Repos’) are recorded as due from banks or loans and advances to customers, as appropriate. The difference between sale and repurchase price (or the purchase and resale price) is treated as interest expense (or income) and accrued over the life of the Repos (or Reverse Repos) agreement using the effective interest rate method. The Group’s policy is to monitor the market value of the principal amount loaned under resale agreements and obtain collateral from or return collateral pledged to counterparties when appropriate, thus these financing agreements do not create material credit risk.

2.14 Securities borrowing and lending

Securities lending and borrowing transactions are usually collateralised by securities or cash. Cash advanced or received as collateral is recorded as an asset or liability.

Securities borrowed are not recognised in the statement of financial position, unless they are then sold to third parties, in which case, the obligation to return the securities is recorded at fair value as a trading liability with any gains or losses included in net trading income.

The Group monitors the market value of the securities borrowed and lent on a regular basis and provides or requests additional collateral in accordance with the underlying agreements. Fees and interest received or paid are recorded as interest income or interest expense, on an accrual basis.

2.15 Regular way purchases and sales

“Regular way” purchases and sales of financial assets and liabilities (that is, those that require delivery within the time frame established by regulation or market convention) are recognised on the settlement date apart from trading and investment securities and derivative financial instruments, which are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Other purchases and sales of trading securities are treated as derivatives until settlement occurs.

2.16 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when, and only when there is currently a legally enforceable right to offset the recognised amounts and there is an intention to realise the asset and settle the liability simultaneously or on a net basis.

2.17 Commodity broker-trader

The Bank acts as a broker-dealer with respect to emission rights and measures those emission rights, that do not qualify as a derivative but as a commodity, at fair value less costs to sell. These emission rights are presented in “Other assets” in the Statement of Financial Position and the changes in fair value less costs to sell are recognised in the Income Statement in the period of the change and are presented in “Net trading income and results from investment securities”.

2.18 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue associated with the rendering of services is recognized by reference to the stage of completion of the transaction at the end of the reporting period.

2.18.1 Interest and similar income

Interest from interest-bearing assets and liabilities are recognized as net interest income using the effective interest rate (“EIR”). EIR is the rate that discounts expected future cash receipts through the expected life of the financial instrument to its gross carrying amount. The calculation takes into account the contractual interest rate, along with any fees or incremental costs that are directly attributable to the instrument and all other premiums or discounts.

2.18.2 Fee and commission income

Fee and commission income includes asset management fees, commission fees, investment banking fees and credit card fees. The Group recognizes asset management fees based on time elapsed, which depicts the rendering of investment management services over time.

Commission income includes sales, mutual fund management fees and brokerage commissions. Sales and brokerage commissions are generally recognized at a point in time when the transaction is executed. Mutual fund management fees are recognized over time and are generally calculated based on the average daily net asset value of the fund during the period.

Investment banking fees include advisory fees and underwriting fees and are generally recognized at a point in time as income upon successful completion of the engagement.

2.19 Property and equipment, RoU assets and foreclosed assets

Property and equipment include land and buildings, leasehold improvements, transportation and other equipment, held by the Group for use in the supply of services or for administrative purposes. Property and equipment are initially recorded at cost, which includes all costs necessary to bring an asset into operating condition. Right-of-Use (“RoU”) assets are presented together with Property and equipment in the Statement of Financial Position and are analysed in Note 26 “Property and equipment”. For more information on the accounting for RoU Assets see Section 2.24 “Leases”.

Property and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Costs incurred subsequent to the acquisition of an asset which is classified as property and equipment are capitalised only when it is probable that they will result in future economic benefits to the Group beyond those originally anticipated for the asset, otherwise they are expensed as incurred.

Depreciation begins when the asset is available for use and ceases only when the asset is derecognised. Depreciation of an asset that is retired from active use does not cease unless it is fully depreciated, but its useful life is reassessed. Property and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Land	No depreciation
Buildings	Not exceeding 50 years
Leasehold improvements	Residual lease term, not exceeding 12 years
Furniture and related equipment	Not exceeding 12 years
Motor vehicles	Not exceeding 10 years
Hardware and other equipment	Not exceeding 5 years
Right-of-use assets	Straight-line basis over the lease term

At each reporting date the Group assesses whether there is any indication that an item of property and equipment and RoU may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Where the carrying amount of an asset exceeds its estimated recoverable amount, it is written down to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining profit/(loss) before tax.

Foreclosed assets

Assets that are classified as "Foreclosed assets" are included in "Other assets" upon actual foreclosure or when physical possession of the collateral is taken, through mutual agreement or court action. Foreclosed assets arise when the Group initiates legal actions for debt collection upon the recognition that repayment or restructuring of the debt cannot be achieved. In case the exposures are collateralized with assets, legal actions involve the initiation of an auction program that targets the repayment of the loans through the collateral liquidation value. Foreclosed assets are initially measured at the fair value of the property less estimated costs to sell. Prior to foreclosure, any write-downs, if necessary, are charged to the ECL allowance.

Subsequent to acquisition, gains or losses on the disposal of, and losses or gains up to the amount of previous write-downs arising from the (periodic) revaluation of repossessed properties are recorded in "Net other income/(expense)". Foreclosed assets that are held for capital appreciation or rental income, are classified as "Investment property".

2.20 Investment property

Investment property includes land and buildings owned by the Group (or held through a finance lease agreement) with the intention of earning rent or for capital appreciation or both, and is initially recorded at cost, which includes transaction costs.

Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and any accumulated impairment losses.

Investment property is depreciated on a straight-line basis over its estimated useful life, which approximates the useful life of similar assets included in property and equipment. Investment property is reviewed for impairment when there is an indication of impairment or at least on an annual basis.

2.21 Goodwill, software, and other intangible assets

2.21.1 Goodwill

Subsequent to initial recognition, goodwill is stated at cost, as established at the date of acquisition (see 2.5 Business combinations-– 2.5.2 Goodwill above) less accumulated impairment losses.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

The Group assesses goodwill for possible impairment annually or more frequently if there are indications for impairment. The assessment involves estimating whether the carrying amount of the goodwill remains fully recoverable. When making this assessment the Group compares the carrying value of the CGU to which the goodwill is allocated to its recoverable amount, which is the higher of fair value less cost to sell and value in use. Fair value is estimated by reference to market value, if available, or is determined by a qualified evaluator or pricing model. If the recoverable amount is less than the carrying amount, an irreversible impairment loss is recognised, and the goodwill is written down by the excess of the carrying amount of the unit over its recoverable amount.

2.21.2 Intangible assets acquired through business combinations

Intangible assets acquired through business combinations include brand names, which have an indefinite life and core deposits and customer relationships, which have a finite life and are amortised on a straight line basis over their useful lives of 6-11 years.

2.21.3 Software

Software includes costs that are directly associated with identifiable and unique software products controlled by the Group that are anticipated to generate future economic benefits exceeding costs beyond one year. Expenditure, which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

Software is amortised using the straight-line method over the useful life, not exceeding a period of 20 years.

In particular for **internally generated software,** the amount initially recognised is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally generated intangible asset can be recognised, development expenditure is charged to the income statement in the period in which it is incurred.

Research costs are expensed as incurred. An internally generated software arising from development expenditure incurred on an individual project is recognized only when the Group can demonstrate:

i. the technical feasibility of completing the internally generated software so that it will be available for use,

ii. its intention to complete and use the asset,

iii. the ability to use the asset,

iv. how the asset will generate future economic benefits,

v. the ability of adequate technical, financial and other resources to complete the development and use the asset and

vi. the ability to measure reliably the expenditure during development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and impairment losses.

Expenditure on starting up an operation or branch, training personnel, advertising and promotion and relocating or reorganizing part or the entire Group is recognised as an expense when it is incurred.

2.22 Impairment of intangible assets

The Group assesses intangible assets for possible impairment annually or more frequently if there are indications for impairment. If such indications exist an analysis is performed to assess whether the carrying amount of intangible assets is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount.

2.23 Insurance operations

The amendment to IFRS 4 *Insurance Contracts* “Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts”, adopted by the European Union on 3 November 2017, provides the option for entities that predominantly undertake insurance activities to defer the effective date of IFRS 9 until 1 January 2023. The effect of such a deferral is that those entities may continue to report their financial statements under the existing standard IAS 39.

This temporary exemption from IFRS 9, which was limited to groups that predominantly undertook insurance activities according to the IASB amendment, has been extended to the insurance sector of financial conglomerates as defined by the Directive 2002/87/EC as adopted by the European Union.

The Group applies this amendment to NIC, its insurance business, which continues to apply IAS 39 “Financial instruments: Recognition and Measurement”.

NIC is a non-current asset held for sale thus all results affecting the Income Statement are classified under “Profit/loss for the period from discontinued operations”. Likewise, all its assets and liabilities are classified under “Non-current assets held for sale” and “Liabilities associated with non-current assets held for sale”, respectively.

Financial securities of NIC

2.23.1 Financial assets and liabilities at fair value through profit or loss

This category has the following two sub-categories:

(a) Trading and

(b) Financial assets and liabilities designated as at fair value through profit or loss.

Trading

The trading category includes securities, which are either acquired for generating a profit from short-term fluctuations in price or dealer’s margin, or are included in a portfolio in which a pattern of short-term profit making exists, and derivatives unless they are designated as and are effective hedging instruments.

Trading securities may also include securities sold under sale and repurchase agreements (see 2.13 Sale and repurchase agreements above).

Financial assets and liabilities designated as at fair value through profit or loss

Financial assets may be designated at fair value through profit or loss (in accordance with IAS 39) when:

i. Doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mismatch") that would otherwise arise if the related derivatives were treated as held for trading and the underlying financial instruments were carried at amortised cost for such as loans and advances to customers or banks and debt securities in issue;

ii. A group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to key Management personnel of NIC, for example the Board of Directors and Chief Executive Officer;

iii. The financial instruments contain one or more embedded derivatives that significantly modify the cash flows resulting from those financial instruments and would have to be separated if not in this category.

The fair value designation, once made, is irrevocable.

Financial assets and liabilities at fair value through profit or loss (both trading and designated) are initially recognised at fair value and subsequently re-measured at fair value. Dividend income is recognised in the income statement when the right to receive payment is established. This is the ex-dividend date for equity securities.

Investment securities

Investment securities are initially recognised at fair value (including transaction costs) and are classified as available-for-sale, held-to-maturity, or loans-and-receivables based on the securities' characteristics and Management intention on purchase date. Investment securities are recognised on the trade date, which is the date that NIC commits to purchase or sell the asset. All other purchases and sales, which do not fall within market convention, are recognised as derivative forward transactions until settlement.

Available-for-sale investment securities are measured subsequent to initial recognition at fair value. Unquoted equity instruments whose fair value cannot be reliably estimated are carried at cost. Unrealised gains and losses arising from changes in the fair value of available-for-sale investment securities are reported in other comprehensive income, net of taxes (where applicable), until such investment is sold, collected or otherwise disposed of, or until such investment is determined to be impaired.

Available-for-sale investment securities may be sold in response to needs for liquidity or changes in interest rates, foreign exchange rates or equity prices. When an available-for-sale investment security is disposed of or impaired, the accumulated unrealised gain or loss included in other comprehensive income is transferred to the income statement for the period. Gains and losses on disposal are determined using the moving average cost method.

Held-to-maturity investment securities consist of non-derivative, securities that are quoted in an active market, with fixed or determinable payments and fixed maturity, which the Management of NIC has the positive intent and ability to hold to maturity.

Loan and receivable investment securities consist of non-derivative investment securities with fixed or determinable payments that are not quoted in an active market.

Held-to-maturity and Loan and receivable investment securities are carried at amortised cost using the effective interest rate method, less any provision for impairment. Amortised cost is calculated by taking into account any fees, points paid or received, transaction costs and any discount or premium on acquisition.

Impairment: NIC assesses at each reporting date whether there is objective evidence that an investment security or a group of such securities is impaired.

Particularly for equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired.

If any objective evidence of impairment exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the Income Statement) is removed from Other Comprehensive Income and recognised in the Income Statement. Impairment losses recognised in the Income Statement on equity instruments are not reversed through the Income Statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss is reversed through the Income Statement.

The amount of the impairment loss for held-to-maturity and loans and receivable investment securities, which are carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate.

2.23.2 Contract classification

In accordance with the requirements of IFRS 4, NIC classifies its contracts into insurance contracts and investment contracts.

a. Insurance contracts

Insurance contracts are defined as those contracts that contain significant insurance risk at the inception of the contract. A contract which exposes the insurance company to financial risk without material insurance risk is not an insurance contract.

The Group classifies its financial guarantee contracts issued by its insurance companies as insurance contracts.

Insurance contracts are categorized in two categories according to the nature of the insurance risk.

a1. Life insurance contracts

Life insurance includes all types of traditional coverage (term, whole life, endowment, annuities) and unit-linked products for which a guaranteed premium return is provided at maturity. The associated premiums are recognized on issuance or renewal of the contracts.

a2. Property & casualty insurance contracts (P&C)

Premiums are recorded on inception of the policies and are recognized as revenue (earned premiums) on a pro rata basis over the related policy term. Deferred income is carried over to the unearned premium reserve.

b. Investment contracts

Investment contracts are defined as those contracts that are not classified as Insurance Contracts.

b1. Deposit Administration Funds (DAF)

Such policies offer a guaranteed investment return on members contributions plus a discretionary participation feature. Policies are written to employees of companies, which define the benefits to be received. Any shortfalls are covered by the company whose employees are insured.

b2. Unit Linked investment contracts

Policies linked with financial instruments where the insured bears the investment risk.

2.23.3 Deferred acquisition costs (“DAC”)

Commissions and other acquisition costs incurred during the financial period for issuing new contracts and /or renewing existing contracts, which are related to subsequent financial periods are deferred and recognised over the period in which the revenue is recognised.

2.23.4 Insurance reserves

Insurance reserves include the statutory reserves for life and non-life insurance and the results of the test performed to assess the adequacy of these reserves:

Mathematical reserves: Life insurance mathematical reserves represent net premium statutory reserves calculated using a specific technical basis regarding the underlying interest and mortality rates.

Outstanding claims reserve: Outstanding claims reserves consist of the case provisions set by the assessors and the actuarially estimated additional amounts to cover the possible inadequacy of these provisions, the cost of not reported (IBNR) claims and the associated claims handling expenses. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods. The main assumption underlying these techniques is that a Group’s past claims development experience can be used to project future claims development and hence ultimate claims costs.

Unearned premium reserve: Calculated on a pro-rata basis for the time period from the valuation date to the end of the period for which premium has been booked.

Unexpired risk reserve: Represents an estimate for the additional amount required to cover the inadequacy of the unearned premium reserve in case of high loss and expense ratios.

Liability Adequacy Test (“LAT”): The Group assesses whether its recognised insurance liabilities are adequate by applying a LAT, by using current estimations of future cash flows. Additional liability resulting from the LAT, increases the carrying amount of insurance liabilities as determined in accordance with the above mentioned policies and is charged to the Income statement.

2.23.5 Reinsurance

The Group has reinsurance treaties that transfer significant insurance risk. Liabilities for reinsured contracts are calculated gross of reinsurance and a separate reinsurance asset is recorded. Amounts paid for retroactive reinsurance are reported as reinsurance receivables, increased to the amount of the recorded reserves relating to the underlying reinsured contracts. Any resulting gain is deferred and amortised over the remaining settlement period. Where the amount paid exceeds recorded reserves, the excess is recognized in the income statement.

2.24 Leases

The Group at the inception of a contract assess whether the contract is or contains a lease based on whether the Group has the right to control the use of an identified asset for a period of time obtaining substantially all the economic benefits from the use of the asset in exchange for consideration.

2.24.1 A Group company is the lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets for which lease payments are recognised as operating expenses on a straight-line basis over the lease term.

At the commencement date of the lease the Group:

a) Recognises a right of use (“RoU”) asset representing the Group’s right to use the underlying asset in the statement of financial position.

b) Recognises a lease liability that represents the present value of the Group’s obligation to make lease payments over the lease terms in the statement of financial position.

c) Recognises depreciation on the RoU asset.

d) Reviews the RoU assets for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable over the remaining life. Any impairments are charged to the income statement.

e) Recognises interest expense on the lease liabilities in the income statement.

f) Separates the total amount of cash paid into the principal portion presented within financing activities and the accrued interest expense portion presented within operating activities in the cash flow statement.

2.24.2 RoU assets

As stated above, the Group recognises RoU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). RoU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of RoU assets includes the amount of lease liabilities recognised, initial direct costs incurred, restoration costs and lease payments made at or before the commencement date less any lease incentives received. RoU assets are depreciated on a straight-line basis over the lease term.

The RoU assets are presented in “Property and equipment”.

2.24.3 Lease liabilities

As stated above, at the commencement date of the lease, the Group recognises lease liabilities which are initially measured at the present value of the future lease payments, discounted using the rate implicit in the lease or, if this rate cannot be readily determined, the lessee’s incremental borrowing rate (IBR). The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the RoU asset in a similar economic environment.

The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or a rate, if there is a change in the Group’s estimate of the amounts expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the RoU asset, or is recorded in the Income Statement if the carrying amount of the RoU asset has been reduced to zero.

2.24.4 Short-term leases and leases of low-value assets

The Group has elected not to recognize RoU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (€5,000 or less). The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term (Note 12).

2.24.5 A Group company is the lessor

Finance lease: When assets are leased out under a finance lease, the present value of the minimum lease payments is recognized as a receivable. Lease income is recognized over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return. Finance lease receivables are included in loans and advances to customers.

Operating lease: Property leased out under operating leases are included in the Statement of Financial Position based on the nature of the asset. They are depreciated over their useful lives on a basis consistent with similar owned property. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.25 Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, unrestricted balances held with central banks, amounts due from other banks and highly liquid financial assets with original maturities of less than three months from the date of acquisition such as treasury bills and other eligible bills, investment and trading securities which are subject to insignificant risk of changes to fair value and are used by the Group in the management of its short-term commitments.

2.26 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

2.27 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial guarantee contract, other than those assessed as insurance contracts, is recognised initially at their fair value and subsequently measured at the higher of: (a) the unamortized balance of the related fees received and deferred, and (b) the amount of the loss allowance determined in accordance with IFRS 9.

2.28 Employee benefits

Group companies operate various post-employment benefit plans in accordance with local conditions and practices in their respective countries. Such plans are classified as defined benefit and defined contribution plans.

2.28.1 Pension plans

a. Defined benefit plans

A defined benefit plan is a post-employment benefit plan that defines an amount of benefit to be provided, determined using a number of financial and demographic assumptions. The most significant assumptions include age, years of service or compensation, life expectancy, the discount rate, expected salary increases and pension rates. For defined benefit plans, the liability is the present value of the defined benefit obligation as at the reporting date minus the fair value of the plan assets. The defined benefit obligation and the related costs are calculated by independent actuaries on an annual basis at the end of each annual reporting period, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds or government bonds that are denominated in the currency in which the benefits will be paid and, which have terms to maturity approximating the terms of the related liability, or for currencies for which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency shall be used. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined liability/(asset). Service cost (current service cost, past service cost (including the effect of curtailments) and gains or losses on settlements) and net interest on the net defined benefit liability/(asset) are charged to the income statement and are included in staff costs. The defined benefit obligation net of plan assets is recorded on the Statement of Financial Position, with changes resulting from remeasurements (comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan asset (excluding interest)) recognized immediately in OCI, with no subsequent recycling to profit or loss, in order to fully reflect the full value of the plan deficit or surplus.

b. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions, if the entity does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods. Group contributions to defined contribution plans are charged to the income statement in the year to which they relate and are included in staff costs.

2.28.2 Share based payment transactions

The fair value of the employee services received in exchange for the grant of the options is measured by reference to the fair value of the share options at the date on which they are granted and is recognised in the income statement over the period that the services are received, which is the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted. Fair value of the options granted is determined using an option-pricing model that takes into account the share price at the grant date, the exercise price of the option, the life of the option, the expected volatility of the share price over the life of the option, the expected dividends on it, and the risk-free interest rate over the life of the option.

When the options are exercised and new shares are issued, the proceeds received net of any transaction costs are credited to share capital (par value) and the surplus to share premium. There were no share based payment transactions in 2020 or 2021 for the Group and the Bank.

2.28.3 Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group and the Bank can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.29 Income taxes

Current income tax liability is based on taxable profit for the year. Taxable profit differs from profit/(loss) for the period as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current income tax liability is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

The principal temporary differences arise from revaluation of certain financial instruments, including securities and derivatives, insurance reserves, provisions for defined benefit obligations and other post retirement benefits, loss from the Private Sector Initiative ("PSI") and property and equipment. DTA relating to the unused tax losses carried forward are recognised to the extent that it is probable that sufficient taxable profits will be available in the future against which these deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted or substantially enacted at the reporting date.

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

Recognition of deferred tax assets is based on Management's belief that it is probable that the tax benefits associated with certain temporary differences, such as tax losses carried forward and tax credits, will be realized, based on all available evidence. The carrying amount of deferred tax assets is reviewed semi-annually and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. In making such determination, the Group and the Bank consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income and recent financial results. In the event the Group and the Bank were to determine that it would be able to realize their deferred income tax assets in the future in excess of their recorded amount, it would make an adjustment to increase the carrying amount of deferred tax assets.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax advances against current income tax liabilities and when they relate to income taxes levied by the same taxation authority and the Management intends to settle its current tax assets and liabilities on a net basis.

Deferred income tax is recognised for temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

Deferred income tax relating to fair value changes of investment securities measured at FVTOCI and cash flow hedges, which are charged or credited to other comprehensive income, is also credited or charged to other comprehensive income where applicable and is subsequently recognised in the Income Statement together with the deferred gain or loss.

2.30 Debt securities in issue and other borrowed funds

Debt securities issued and other borrowed funds are initially recognised at fair value net of transaction costs incurred. Subsequent measurement is at amortised cost (unless they are designated as at fair value through profit or loss) and any difference between net proceeds and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest rate method.

2.31 Share capital, treasury shares and other equity items

Share and other equity items issue costs: Incremental external costs directly attributable to the issue of shares and other equity items, other than on a business combination, are deducted from equity net of any related income tax benefit.

Dividends on ordinary shares, preference shares and preferred securities: Dividends on ordinary shares are recognised as a liability in the period in which they are approved by the Bank's Shareholders at the Annual General Meeting. Dividends on preference shares and preferred securities classified as equity are recognised as a liability in the period in which the Group becomes committed to pay the dividend.

Treasury shares: NBG shares held by the Group are classified as treasury shares and the consideration paid including any attributable incremental external costs, net of income taxes, is deducted from total shareholders' equity until they are cancelled, reissued or resold. Treasury shares do not reduce the number of shares issued but affect the number of outstanding shares used in the calculation of earnings per share. Treasury shares held by the Bank are not eligible to receive cash dividends. Any difference between acquisition cost and ultimate proceeds from subsequent resale (or reissue) of treasury shares is included in shareholders' equity and is therefore not to be considered a gain or loss to be included in the Income Statement.

2.32 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to, and assesses the performance of, the operating segments of an entity. The Group has determined the Senior Executive Committee as "its chief operating decision-maker".

All transactions between business segments are conducted on an arm's length basis, with inter-segment revenue and costs being eliminated. Income and expenses directly associated with each segment are included in determining business segment performance.

Geographical segments include income from assets that are either located or are managed in the respective geographical areas.

2.33 Assets and liabilities held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification except as permitted by IFRS 5, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale on initial classification are measured at their lower of their carrying amount and their fair value less costs to sell. Assets and liabilities of disposal groups classified as held for sale and non-current assets classified as held for sale are shown separately on the face of the Statement of Financial Position.

Impairment losses on initial classification as held for sale are included in the income statement, even when there is a revaluation. The same applies to gains and losses on subsequent re-measurement.

If the Group has classified an asset (or disposal group) as held for sale, but the criteria for classification as such are no longer met, the Group ceases to classify the asset (or disposal group) as held for sale. The Group measures a non-current asset (or disposal group) that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

(a) its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation or amortisation that would have been recognised had the asset (or disposal group) not been classified as held for sale, and

(b) its recoverable amount at the date of the subsequent decision not to sell.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is classified as held for sale or is a subsidiary acquired exclusively with a view to resale. Classification as discontinued operations occurs upon disposal or when the operations meet the criteria to be classified as held for sale.

The results of discontinued operations are shown as a single amount on the face of the income statement comprising the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognized either on measurement to fair value less costs to sell or on the disposal of the discontinued operation.

2.34 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property, plant and equipment are included in other liabilities and are credited to the Income Statement on a straight-line basis over the expected lives of the related assets.

The Group accounts for the potential reduction in the borrowing rate under the Targeted Longer-Term Refinancing Operations III program ("TLTRO III") as government grant under IAS 20. The income from the government grant is presented in net interest income and is recognized when there is reasonable assurance that the Group will receive the grant and will comply with the conditions attached to the grant.

2.35 Related party transactions

Related parties include entities, which the Bank has the ability to exercise significant influence in making financial and operating decisions. Related parties include the members of the Board of Directors, the General Managers, the members of the Executive Committees of the Bank, the key management of the Group companies, their close relatives, companies controlled or joint controlled by them and companies over which they can influence the financial and operating policies.

2.36 Fiduciary and trust activities

The Group provides fiduciary and trust services to individuals and other institutions, whereby it holds and manages assets or invests funds received in various financial instruments at the direction of the customer. The Group receives fee income for providing these services. Trust assets are not assets of the Group and are not recognised in the financial statements. The Group is not exposed to any credit risk relating to such placements, as it does not guarantee these investments.

2.37 Earnings /(losses) per share

A basic earnings per share (EPS) ratio is calculated by dividing the profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period excluding the average number of ordinary shares purchased by the Group and held as treasury shares.

A diluted earnings per share ratio is computed using the same method as for basic EPS, but the determinants are adjusted to reflect the potential dilution that could occur if convertible debt securities, options, warrants or other contracts to issue ordinary shares were converted or exercised into ordinary shares.

NOTE 3 Critical judgments and estimates

The preparation of the Financial Statements in accordance with IFRS requires Management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities, income and expense in the consolidated and separate Financial Statements and accompanying notes. The Group believes that the judgments, estimates and assumptions used in the preparation of the consolidated and separate financial statements are appropriate.

The most significant areas, for which judgments, estimates and assumptions are required in applying the Group's accounting policies, are the following:

3.1 Fair value of financial instruments

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. These include present value methods and other models based mainly on observable input parameters and to a small extent on non-observable input parameters. Valuation models are used primarily to value derivatives transacted in the over-the-counter market.

These models take into consideration the impact of credit risk. For derivatives, this impact is estimated by calculating a separate credit value adjustment ("CVA") for each counterparty to which the Group has exposure. The calculation considers expected exposures generated using simulation techniques, as well as netting agreements and collateral postings. Furthermore, the CVA is based on expected loss rates derived from Credit Default Swaps ("CDS") rates observed in the market, or, if these are not available, the probability of default of the counterparty derived from internal rating models, or otherwise the regulatory risk weight is applied. With respect to the impact of own credit risk on the valuation of derivatives, the Group applies a methodology symmetric to the one applied for CVA.

All valuation models are validated before they are used as a basis for financial reporting. Valuation results of material models are periodically reviewed by qualified personnel independent of the area that performed the development. Wherever possible, the Group compares valuations derived from models with quoted prices of similar financial instruments and with actual values when realised, in order to further validate and calibrate its models. A variety of factors are incorporated into the Group's models, including actual or estimated market prices and rates, such as time value and volatility, market depth and liquidity, and changes in own credit risk for financial liabilities.

The Group applies its models consistently from one period to the next, ensuring comparability and continuity of valuations over time, but estimating fair value inherently involves a significant degree of judgment. Management therefore periodically reviews the output of the model to cover the risks associated with the estimation of unobservable input parameters and the assumptions within the models themselves.

Although a significant degree of judgment is, in some cases, required in establishing fair values, Management believes the fair values recorded in the Statement of Financial Position and the changes in fair values recorded in the Income Statement or the Statement of Other Comprehensive Income are prudent and reflective of the underlying economics, based on the controls and procedural safeguards employed.

Additional information related to fair value of financial instruments is disclosed in Note 4.8 "Fair values of financial assets and liabilities".

3.2 Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the provision for income taxes and the amount of deferred tax asset that is recoverable. The Group considers many factors including statutory, judicial and regulatory guidance in estimating the appropriate accrued income taxes for each jurisdiction. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on the technical merits of tax position taken and estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which the final outcome is determined.

Deferred tax assets are recognized in respect of tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the losses and deductible temporary differences can be utilized. Estimating the expected future taxable income requires the application of judgment and making assumptions about the future trends of the key drivers of profitability, such as loan and deposits volumes and spreads and operating expenses.

As of 31 December 2021 the Bank assessed the recoverability of its deferred tax asset, taking into account the actual performance for the year ended 31 December 2021, the completed and agreed disposals of NBG's subsidiaries, the funding from the Eurosystem and the extensive and continuous fiscal and monetary support from the European and Greek authorities in response to the unprecedented COVID-19 crisis (see Note 2.2 "Going concern").

Taking into consideration the above, Management prepared analytical financial projections up to the end of 2023 and used its best estimates regarding the growth assumptions thereafter. Based on the above, Management concluded that a deferred tax asset of €4,912 million for the Group and €4,906 million for the Bank may be treated as realizable.

The amount of the deferred tax asset on tax losses and deductible temporary differences is currently treated as non-realizable, however, could be recognised in future periods if estimates of future taxable income during the carry-forward period are increased. Taxable income is calculated in accordance with applicable Greek tax laws and regulations; accordingly taxable income should not be considered as equal to or an alternative to net income.

3.3 Pension benefits - Defined benefit obligation

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions such as mortality, disability and rates of employee turnover and financial assumptions such as the discount rate, salary changes and benefit levels. Any changes in these assumptions will impact the carrying amount of defined benefit obligations. The Group determines the appropriate discount rate at the end of each year by reference to market yields based on high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related defined benefit obligations. Where a deep market in these bonds does not exist, estimates of rates which take into account the risk and maturity of the related liabilities are used.

Additional information related to other key assumptions for defined benefit obligations is disclosed in Note 11 "Retirement benefit obligation".

The Group and the Bank have restated the comparative amounts with respect to the Annual Financial Statements published for 2020 please see Note 48 "Restatement".

3.4 Impairment assessment of investments in subsidiaries, associates and joint ventures in individual financial statements

The Bank accounts for and assesses for impairment investments in subsidiaries, associates and joint ventures in its separate financial statements as described in Note 2.4.8. This assessment requires the use of certain assumptions and estimates, which Management believes are reasonable and supportable in the existing market environment and commensurate with the risk profile of the assets valued. However, different ones could be used which would lead to different results.

3.5 Assessing whether the contractual cash flows are SPPI: Non-recourse features

The Group applies judgment when considering whether non-recourse features significantly affect future cash flows. In order to conclude whether the loan represents a basic lending agreement and its return does not vary based on the performance of the underlying asset or project, the Group assesses whether there is an adequate buffer to absorb credit losses primarily by comparing the value of asset performance indicators, (e.g. loan-to-value and average debt servicing coverage ratio) against predefined thresholds.

3.6 Measurement uncertainty in determination of ECL estimates

The measurement of ECL requires Management to apply significant judgment and make estimates and assumptions that involve significant uncertainty at the time they are determined. Changes to these estimates and assumptions can result in significant changes to the amount and timing of ECL allowance to be recognised. The most significant sources of measurement uncertainty relate to the following ECL factors:

Determination of a significant increase of credit risk

The Group assesses whether a SICR has occurred since initial recognition based on qualitative and quantitative criteria that include significant management judgment. Refer to Note 2.7.7 for further information on the criteria applied. More stringent criteria could significantly increase the number of instruments being classified into Stage 2. All staging criteria and thresholds determined based on FLI are subject to validation by the Bank's Model Validation Unit. Changes in the staging criteria are approved by the Group's Executive Committee and Board Risk Committee.

Model risk inherent in the IFRS 9 models

Compliance with the IFRS 9 impairment model requires the use of a variety of models. The complexity of the models as well as dependency to other model-based inputs is high therefore any changes in inputs and data (e.g. internal credit ratings, behavioural scores etc.), as well as new or revised models, may significantly affect ECL. The models are validated by the Bank's Model Validation Unit, in accordance with the Group's Model Validation Framework.

Forward looking information

FLI is incorporated in the ECL measurement of collectively assessed loans and debt securities through the PD and LGD models. The expected recoveries (cash flow recoveries or liquidation of collateral) used in the ECL measurement of corporate lending exposures individually assessed, takes into account FLI based on the Bank's forecasts of the relevant macroeconomic factors. Management selects forward-looking scenarios and judges the suitability of respective weights to be applied. Each of the scenarios is based on Management's assumptions around future economic conditions in the form of macroeconomic, market and other factors. Changes in the scenarios and weights, the relevant macroeconomic variables and the assumptions made under those variables for the forecast horizon would have a significant effect on the ECL allowance. For more details please see Note 4.2.6 "Impairment of amortised cost and FVTOCI financial assets".

NOTE 4 Financial risk management

The Group considers effective risk management to be a key factor in its ability to deliver sustained returns to the shareholders. The Group allocates substantial resources to keep upgrading its policies, processes, methods and infrastructure to ensure compliance with best international practices and the guidelines of the Basel Committee for Banking Supervision.

4.1 Group Risk Management Governance Framework

The Group aims to adopt practices regarding risk management governance, taking into account all relevant guidelines and regulatory requirements. The risk management processes of the Group distinguish among the following kinds of risk: credit risk, concentration risk, market risk, interest rate risk in the banking book, counterparty credit risk, liquidity risk, operational risk and model risk.

The Group Risk Management Governance Framework is described in detail in the Risk Management section of the Board of Directors Report.

4.2 Credit risk

Credit risk is the risk of financial loss relating to the failure of a borrower to meet its contractual obligations. It arises in lending activities as well as in various other activities where we are exposed to the risk of counterparty default, such as our trading, capital markets and settlement activities. Credit risk is the largest single risk NBG Group faces. The credit risk processes are conducted separately by the Bank and each of its subsidiaries. The credit risk procedures established by the subsidiaries are coordinated by the Group Credit Risk Control Division (GCRCD). The sections below refer to the processes followed by the Bank.

4.2.1 Credit policy for corporate lending

The credit policies for corporate lending of the Bank and its Subsidiaries present the fundamental principles for the identification, measurement, approval, monitoring and reporting of the credit risk related to the corporate portfolio and ensure equal treatment for all obligors.

The credit policy of the Bank ("Corporate Credit Policy") is approved by the BoD upon recommendation of the Board Risk Committee (BRC) following proposal by the Group CRO to the Senior Executive Committee and the BRC. The Corporate Credit Policy is reviewed on an annual basis and revised whenever deemed necessary and in any case every two years.

Exceptions to the Corporate Credit Policy are approved by the BoD upon recommendation of the BRC following proposal by the Group CRO to the Senior Executive Committee and the BRC.

4.2.2 Credit policy for retail lending

The credit policy for retail lending ("Retail Credit Policy") sets the minimum credit criteria, principles, procedures and guidelines for managing and controlling credit risk undertaken in retail portfolios, both at Bank and Group level. Its main scope is to enhance, guide and regulate the effective and adequate management of credit risk, thus achieving a viable balance between risk and return.

The Retail Credit Policy is communicated through the use of respective credit policy manuals ("Credit Policy Manual"). The Credit Policy Manual is made to serve three basic objectives:

- to set the framework for basic credit criteria, rules and procedures,
- to consolidate retail credit policies of the Group, and,
- to establish a common approach for managing retail banking risks.

The Retail Credit Policy is approved by the BoD upon the recommendation of the BRC, following proposal by the Group CRO to the Senior Executive Committee and the BRC. Credit policy is reviewed on an annual basis and is revised whenever deemed necessary and in any case at least every two years.

The NBG Group Retail Credit Division reports directly to the Chief Credit Officer ("CCO") and its main task is to evaluate, design and approve the Credit Policy that governs the retail banking products, both locally and abroad. Furthermore, the NBG Group Retail Credit Division closely monitors the consistent implementation of both the Retail Credit Policy provisions and credit granting procedures.

Through the application of the Retail Credit Policy, the evaluation and estimation of credit risk, for new as well as for existing products, are effectively facilitated. The Senior Executive Committee is regularly informed on all aspects covered by the Retail Credit Policy. Remediation Action Plans are put together to resolve the issues, whenever necessary, within the risk appetite and strategic orientation of the Bank.

4.2.3 Credit granting processes

The Group's credit granting processes are described in the "Risk Management" section of the Board of Directors Report, under "Management of Risks | Credit Risk".

4.2.4 Credit risk assessment, monitoring and internal ratings

The credit risk process for the Bank on obligor level is managed centrally by GCRCD, working closely with the Credit Units and the centralised underwriting units, responsible for the particular types of credit.

The Bank uses different credit risk rating models and methodologies, according to the specific characteristics of credit portfolios, which are monitored systematically by GCRCD and validated according to the validation cycle defined in the Model Validation Policy by the independent MVU. More specifically:

Corporate Portfolio

NBG has developed a corporate portfolio rating system which, following approval and certification by the Bank of Greece, is used to quantify risk parameters, such as Probability of Default ("PD"), and supports mainly the credit approval process while it is also utilized for pricing, ICAAP calculation, reporting and provisioning purposes. The rules for classifying obligors into rating grades are set out in detail in the Corporate Credit Policy. In brief, NBG's Obligor Risk Rating (ORR) scale contains 21 grades, 19 of which correspond to obligors who are not in default status and 2 to obligors who are in default status. Different exposures against the same obligor receive the same rating grade, regardless of the specificities of various characteristics of credit (e.g. type of facility, collateral provided, etc.). The rating procedure is carried out at least annually or earlier in cases where new information or new financial data is made available and may affect the risk undertaken. The Bank uses four types of models to assess the creditworthiness of corporate obligors. All these models, are hosted on the Credit Lens (CL) platform, developed by Moody's. Corporate obligors are assessed via the following models:

1. Corporate Rating Model (CRM): A "Hybrid" rating model implemented via Credit Lens (CL) platform (upgraded version of Moody's Risk Analyst software) focusing on companies with full financial data.
2. Expert judgement model: Used for specific type of obligors (such as Local Authorities and municipal enterprises, Non-Profit Organizations, etc,) that cannot be rated by the remaining number of models for the Corporate portfolio, hosted on Credit Lens platform.
3. Specialised Lending – Slotting Criteria Scorecards: Project and Object Finance credits.
4. Limited Financials Scorecards: Applied to newly founded companies and smaller firms with limited financial data, which keep simplified B-class accounting ledgers (i.e. single entry books).

All these models produce ordinal rankings of obligors (or credits, in the case of project and object finance) in the ORR scale which are then mapped into a unique PD. Models are calibrated, whenever necessary.

Apart from the above models, NBG has developed and implemented the Early Warning System (EWS) for its Corporate Clientele; a comprehensive framework that identifies, monitors and manages obligors with credit deterioration at very early stages. EWS was introduced in 2018, and comprises efficient and effective structures, processes and tools to support early arrears management.

With regard to the pricing of the Corporate Obligors, NBG has established a well-defined Risk-Based Pricing (RBP) Framework that is based on fundamental pricing principles and is governed by relevant policies, robust pricing methodologies and tools. NBG's RBP Framework covers the new business production as well as the renewal of existing credit relationships for Corporate portfolio. It takes into account the Bank's Risk Appetite Framework (RAF), the current regulatory framework, the international accounting standards and the relevant provisioning models, the macroeconomic trends, as well as the fair and proportional treatment of all clients. On a regular basis (at least annually) it is reviewed and revised, if deemed necessary.

The universe of all models related to corporate portfolio is presented below.

Credit Risk Models by use, type and portfolio

Model Use	Model Type	Corporate
IFRS 9 Models	PD	1
	EAD	1
	LGD	1
ICAAP (Pillar II)	PD	5
	EAD	-
	LGD	-
Pricing Tools		1
Early Warning System (EWS)		1
Total		10

Retail Portfolio

The management of credit risk in the retail portfolio starts with the approval stage. The underwriting process is centralised which ensures segregation of duties and uniform enforcement of underwriting standards. Every new application is assessed using product based application/origination scorecards. Furthermore, throughout the life of each credit, the payment behaviour is regularly monitored, using statistically-developed behavioural scorecards. Monitoring reports about the quality of each retail loan book are regularly (more frequently than annually) provided by GCRCD for management review and corrective measures are proposed to mitigate and control credit risk, whenever necessary.

The **mortgage** portfolio in particular, is reviewed using more advanced methods since the Bank adopted the A- IRB approach in 2008 for estimating capital requirements against credit risk for mortgage exposures. The Bank's PD model was developed in 2009, and based on more recent re-calibrations, was used for capital calculation purposes under the IRB Approach. Since the Bank's reversion to the Standardized Approach in June 2019, the model is used for Internal Capital (ICAAP) calculation purposes as well as for internal reporting and portfolio monitoring purposes. Any non-defaulted exposure is rated using this PD model on a monthly basis and is classified in one of 10 rating grades with common risk attributes (pools). Each rating grade is assigned a different PD. All defaulted exposures receive a PD equal to 100%.

Furthermore, an internally developed LGD model for mortgage loans is used mainly for financial reporting purposes, but also for ICAAP, Stress Test and Budget/Business/NPE/Recovery Planning purposes. The model consists of three components; the first component produces transition probabilities to any discrete state an account can be found from the previous state it has been classified taking into account macro-economic factors, the second one estimates recovery rates and the third component incorporates the expected recovered amount from collateral liquidation. Both the aforementioned PD and LGD models are validated according to the validation cycle set as defined in the Model Validation Policy by the independent Model Validation Unit (MVU) and is monitored regularly by GCRCD.

As far as loans and advances to **SBL** customers are concerned, the same basic principle of centralised assessment and monitoring is followed as in the corporate portfolio. All credit applications are evaluated first, at inception, and then at least once a year and certainly, on credit limits renewal dates. The assessment uses the SBL Model that generates a rating score, which in turn corresponds to a PD. This model incorporates an independent "behavioural score" variable. A standard behavioural scorecard examines the customer's behaviour in respect to all of his accounts, both credit and deposit ones, weighs a number of variables accordingly (e.g. delinquencies, limit usage, etc.) and generates automatically a score every month. The addition of a behavioural score led to a significant increase in the predictive power of the SBL PD Model.

Loans and advances to SBL customers are, like corporate credits, secured by various types of eligible collateral types aiming to mitigate credit risk. These collateral types include pledges over business premises or residential real estate, post-dated checks, invoices and other receivables. The LGD model was internally developed in 2011 and was used for capital calculation purposes under the Internal Ratings Approach (IRB). Since June 2019, when the Bank reverted to the Standardized Approach, the model serves the purposes of monitoring portfolio performance, management reporting, as well as the calculation of internal capital (ICAAP). The model estimates the percentage loss in case of default for each borrower and consists of two modules, which are a. the estimation of the probability of transferring to denouncement status (NPL status) and b. the estimation of recovery rate since the date of the denouncement.

As in the Corporate Portfolio, NBG implements an EWS for its retail population and more specifically for Mortgage, Consumer & SBL portfolios, aiming at identifying possible credit losses at a very early stage. The framework is supported by the appropriate procedure documents, controls and tools for achieving effective early arrears management.

As far as the pricing is concerned, a well-established Risk-Based Pricing (RBP) Framework is also implemented for the retail clientele, governed by relevant policies, robust pricing methodologies and tools.

The universe of all models related to retail portfolio is presented below.

Credit Risk Models by use, type and portfolio

Model Use	Model Type	Mortgage loans	Consumer Term Loans	Credit Cards & Open Loans	Retail SME	Total
IFRS 9 Models	PD	1	1	1	1	**4**
	EAD	-	-	1	1	**2**
	LGD	1	1	1	1	**4**
ICAAP (Pillar II)	PD	1	-	-	3	**4**
	EAD	-	-	-	1	**1**
	LGD	1	-	-	1	**2**
Pricing Tools		1	1	1	1	**4**
Early Warning System (EWS)		1	1	2	1	**5**
Score cards	Application	1	2	2	-	**5**
	Behavioral	3	2	6	-	**11**
Total		**10**	**8**	**14**	**10**	**42**

4.2.5 Concentration risk management

The Bank manages the extension of credit, controls its exposure to credit risk and ensures its regulatory compliance based on an internal limits system. The process for managing concentration risk is described in the "Risk Management" section of the Board of Directors Report, under "Management of Risks | Concentration Risk".

4.2.6 Impairment of amortised cost and FVTOCI financial assets

An ECL allowance is recognised for all financial assets measured at amortised cost, debt financial assets measured at FVTOCI, lease receivables, financial guarantee contracts and certain loan commitments that meet the financial instrument definition. The Bank has established a policy for impairment of financial instruments under IFRS 9 (the "Impairment Policy"), which also applies to all subsidiaries and establishes guidelines on measurement of ECL. The Group's accounting policies on recognition and measurement of ECL are described in Note 2.7.7 *Impairment – Expected Credit Losses*. Based on the Impairment Policy, the Group's Financial Assets Impairment Provision and Write-off Committee is responsible for:

- Approving the macroeconomic scenarios and the probability weights proposed to each scenario.
- Ensuring that the ECL allowance on all financial assets and off-balance sheet commitments within the scope of IFRS 9 is estimated in accordance with the impairment Policy.
- Ensuring compliance with the approved procedures for calculating financial assets impairment provision.
- Reviewing and approving the amount of the ECL allowance which has been measured either on an individual basis by the responsible Divisions, or on a collective basis by the dedicated ECL calculation system.
- Reporting to the BRC the amount of the ECL allowance for annual and interim, separate and consolidated financial statements.
- Reporting to the BRC and the AC changes in the credit risk parameters used in the ECL allowance calculation.

Definition of default

The Group has aligned the definition of default for financial reporting purposes, with the NPE definition used for regulatory purposes, as per the EBA ITS, thus a financial asset is considered as credit impaired, and is classified into Stage 3, when it is classified as NPE in accordance with the Group's NPE and Forbearance Classification Policy. Furthermore, EBA published the Final Guidelines (EBA/GL/2016/07) on the application of the definition of default under Article 178 of Regulation (EU) No. 575/2013 and Regulation (EU) 2018/1845 of the European Central Bank (ECB), in relation to the threshold for assessing the materiality of credit obligations past due, with the intention of harmonizing its application among European Financial institutions and improving consistency in the way these institutions estimate regulatory requirements to their capital positions, being applied from 1 January 2021.

The new definition of default results in classification of exposures (except for those held for trading or debt securities where the borrower has no other exposures with the Group) into Stage 3 according to the following main criteria:

a) Unpaid payments of over €100 for Retail and €500 for Non-retail, for more than 90 consecutive days, representing at least 1% of the total exposure of the obligor. For the Corporate portfolio, the assessment takes place at obligor level across the Group, as opposed to a facility level assessment for Retail exposures. In case of credit cards, the exposure is considered non-performing in case of more than three (3) unpaid monthly instalments. Only missed payments related to business litigations, specific contractual features or IT failures (i.e. 'technical past due' situations) may avoid automatic transfer into Stage 3 after 90 days.

b) A 3-month probation period for non-forborne exposures, during which no default trigger applies.

c) Identification of other criteria that evidence, even in the absence of missed payments, that it is unlikely that the counterparty could meet all its financial obligations (UTPs), including indicatively the following:

- the granting of concessions towards obligors facing or about to face difficulties in meeting their financial commitments that result in a decrease in the present value of cash flows of more than 1% of its initial value (a distressed restructuring resulting in a diminished financial obligation);
- the partial or full sale of credit obligations at a material credit-related economic loss, i.e. >5%;
- losses recognised in the Income Statement for instruments measured at fair value that represent credit risk impairment.

The adoption of the new definition of default did not have a material impact on the consolidated and separate financial statements.

A commitment is regarded as NPE if, when withdrawn or otherwise used, it would lead to exposures that present a risk of not being paid back in full without realisation of collateral. Financial guarantees written by the Bank are regarded as NPE for their nominal value when the financial guarantee is at risk of being called by the holder of the guarantee, including, in particular, when the underlying guaranteed exposure meets the criteria to be considered as NPE.

A debt security is considered as credit impaired under an objective approach, and classified into Stage 3, when at least one payment of capital or interest is overdue by the issuer, based on the contractual terms of the instrument, irrespective of the days past due. In addition, a debt security is assessed as credit impaired if there is at least one external credit rating on the security or the issuer (if no external rating on the security is available) corresponding to Default or Selective Default.

Significant increase in credit risk (SICR)

A non-credit impaired asset is classified in Stage 2 if it has suffered a SICR, otherwise it is classified in Stage 1. An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining expected lifetime of the financial instrument. The assessment compares the risk of default occurring at the reporting date compared with that at initial recognition, taking into account reasonable and supportable information, including information about past events, current conditions and future economic conditions. The assessment is unbiased, probability-weighted, and to the extent relevant, uses forward-looking information consistent with that used in the measurement of ECL.

The Bank assesses SICR, in accordance with the principles set in the Impairment Policy, which includes the following:

- a quantitative element, i.e. reflecting a quantitative comparison of PD or credit rating at the reporting date versus the respective metric at initial recognition,
- a qualitative element, that is all Forborne Performing Exposures (FPE) and internal watch list for corporate obligors; and
- “Backstop” indicators. The Group applies the IFRS 9 presumption that a SICR has occurred when the financial asset is more than 30 days past due on all lending exposures. In addition, for accounts not pertaining to the low credit risk segment, the Bank also applies the EBA backstop indicator of the threefold increase in PD as a rule for Stage 2 allocation.

Movement of financial assets to Stage 1

Financial assets are transferred back to Stage 1 when the SICR criteria are no longer met.

ECL measurement period

The period over which lifetime ECL is measured is based on the maximum contractual period over which the Bank is exposed to credit risk, which is determined in accordance with the substantive terms of the contract. For revolving lending exposures, the period of exposure is determined based on the expected credit risk management actions and historical experience.

Forward-looking information

ECL measurement incorporates forward-looking information (FLI). The Group selects three forward-looking scenarios of the future path of economic activity in Greece and combines them with a set of weights that represent the probability of occurrence of each of these scenarios. The Group assesses the suitability, prudency and plausibility of the respective weighted scenario, combining relevant information from official sources, major rating agencies and credible sources of private forecasters’ polls, and uses an econometric model relating GDP with the future path of other macroeconomic variables used in ECL calculations, in conjunction with and a minimum set of exogenous forward-looking conditioning variables. The selected scenarios for GDP growth and the related weights are approved by the Management. More specifically, the Bank applies three forward-looking macroeconomic scenarios, i.e. baseline, optimistic and adverse, with a probability weighting of 55%, 20% and 25%, respectively, developed by the Economic Analysis Division. The macroeconomic scenarios and the respective weights are approved by the Group’s Financial Assets Impairment Provision and Write-off Committee and their performance is assessed by the MVU as part of the validation process of the models used to estimate ECL in accordance with the Model Validation Policy. The macroeconomic scenarios used for measuring ECL are the same with the ones used for evaluating SICR.

The macroeconomic variables utilized by the Bank relate to Greek economic factors and the ECL allowance is mainly driven by the changes in gross domestic product (GDP) and house price index (HPI). As regards HPI, the values corresponding to the optimistic scenario are assumed to be equal to those of the baseline over the projection period, in view of the uncertainty and the idiosyncratic non-modeled drivers of this market under the current juncture. The annual average forecasts in the mid-term horizon (2022-2026) under the three macroeconomic scenarios for each of these 2 key variables are the following:

	Baseline	Optimistic	Adverse
GDP growth	3.0	4.7	-1.0
HPI growth	4.4	4.4	1.5

The ECL allowance is sensitive to changes in forward-looking scenarios of the aforementioned macroeconomic variables. Given that the Group's ECL allowance is mainly driven by the Bank, Management assessed and considered the sensitivity of the Bank's ECL allowance on loans and advances to customers at amortised cost against reasonably possible changes in these specific variables, compared to the FLI scenarios utilised in the ECL measurement as of 31 December 2021. The sensitivity analysis was performed assuming a "favourable" and an "adverse" shift in the three FLI scenarios for GDP and HPI growth, while retaining the same probability weights assigned to each scenario (i.e. 55%, 20% and 25% for the baseline, optimistic and adverse scenarios, respectively). These two variations of the original set of GDP growth scenarios have been used to derive two model-based sets of scenarios for all macroeconomic variables (including the HPI) since GDP plays a pivotal role in the modelling of all other variables. Moreover, an additional sensitivity analysis focusing exclusively on the HPI growth was performed keeping all other macroeconomic variables constant to their original values.

The alternative scenarios were applied to the full trajectory of GDP growth and HPI, (2022-2050), with the average deviation assumed for each macroeconomic variable and scenario presented in the following table:

	Change compared to FLI scenarios utilized in the ECL measurement as of 31 December 2021, expressed in percentage points		
Alternative scenario assumed	Baseline	Optimistic	Adverse
Higher GDP	+1.0	+1.0	+1.0
Lower GDP	-1.0	-1.0	-1.0
Higher HPI	+1.0	+1.0	+1.0
Lower HPI	-1.0	-1.0	-1.0

The following table includes the impact on the ECL allowance for each of the alternative scenarios assumed, which is expressed as a percentage of the Bank's ECL allowance on loans and advances to customers at amortised cost as of 31 December 2021. The impact on the ECL allowance should be read in the context of the sensitivity analysis as a whole, in conjunction with the narrative disclosures provided above.

Alternative scenario assumed	ECL impact
Higher GDP	-3.0%
Lower GDP	+3.4%
Higher HPI	-0.7%
Lower HPI	+0.7%

Model risk inherent in the IFRS 9 models

Compliance with the impairment requirements of IFRS 9 requires the use of a variety of models. The complexity of the models as well as dependency to other model-based inputs is high, therefore any changes in inputs and data (e.g. ORRs, behavioral scores etc.), as well as new or revised models, may significantly affect the ECL allowance. The models are validated by the Bank's MVU, in accordance with the Group's Model Risk Management Framework. The Bank's Model Validation Policy describes all key metrics and statistical tests used to quantitatively assess the following models and methodologies used to estimate the credit risk and measure ECL:

- PD, LGD and EAD models
- SICR methodology
- FLI macroeconomic models

The model validation process comprises the assessment of the qualitative and the quantitative aspects of a model as they are presented in detail in the Model Validation Policy and its Annexes. As part of the qualitative assessment, the qualitative aspects mainly examined comprise the completeness, the correctness and the consistency of the input data, the model design, its compliance with the existing internal and external requirements and the model use, while the quantitative aspects cover the estimation of model's discriminatory power, its accuracy and the stability of the produced model outcomes.

4.2.7 Maximum exposure to credit risk before collateral held or other credit enhancements

The following table represents a worst-case scenario of credit risk exposure of the Group and the Bank at 31 December 2021 and 31 December 2020, without taking account of any collateral held or other credit enhancements attached.

Maximum exposure to credit risk before collaterals held or other credit enhancements

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Due from banks (see Note 18)	3,639	3,478	3,539	3,378
Trading Securities (see Note 19)	282	505	276	505
Derivative financial instruments (see Note 20)	4,331	5,585	4,331	5,585
Loans and advances to customers (see Note 21)	30,439	27,017	28,886	25,444
Investment securities (see Note 22)	14,851	15,145	14,475	14,647
Other assets (see Note 28)	2,212	1,820	2,136	1,745
Credit commitments (see Note 35)*	3,979	3,042	4,241	3,302
Total	**59,733**	**56,592**	**57,884**	**54,606**

** In addition to the above, credit commitments also include commitments to extend credit which at 31 December 2021 amount to €9,225 million for the Group (31 December 2020: €7,704 million) and to €8,242 million for the Bank (2020: €6,901 million). Commitments to extend credit at 31 December 2021 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.*

4.2.8 Collateral and other credit enhancements

Counterparty credit risk

The Group's counterparty credit risk management processes are described in the Risk Management section of the Board of Directors Report, under Management of Risks | Counterparty Credit Risk.

Loans and advances to customers

The most common practice used by the Group to mitigate credit risk with respect to loans and advances to customers is receiving collateral. The Group implements guidelines on the eligibility of specific types of collateral, as described in the Corporate Credit Policy and the Retail Credit Policy documents. In the same documents, eligible types of collateral for regulatory purposes (funded and unfunded credit risk mitigation techniques), are also presented.

The main collateral types for loans and advances to customers are:

Real Estate Collaterals

- Residential real estate,
- Commercial real estate,
- Industrial real estate

Financial Collaterals

- Cash collaterals,
- Assigned receivables,
- Pledges over financial instruments, such as debt securities and equities

Other Collaterals

- State guarantees, vessels, equipment, inventory, and other collateral

Guarantees received

- Personal, corporate, public entities, local authorities and other guarantees

The Bank has internally developed a Collateral Management System in order to upgrade the control and monitoring of collaterals received for both corporate and retail loans and advances to customers, as well as to fulfil the requirements arising from the regulatory framework. The user of the Collateral Management System is able to retrieve information regarding collateral at different aggregation levels, to monitor all useful aspects of collateral in order to preserve adequate coverage as well as automatically calculate required haircuts on the collateral values.

Furthermore, the Collateral Management System is designed so as to provide information regarding exposure per guarantor in the case of credit guarantees. The basic types of credit guarantees are:

Bank Guarantees

This guarantee is deemed an acceptable form of unfunded credit protection and takes the form of a Letter of Credit (L/C) or a Letter of Guarantee (L/G) from Financial Institutions, domestically and abroad.

State Guarantee

This guarantee is considered as equivalent to the pledge on a liquid asset only if it is direct, explicit, irrevocable and unconditional, hence no external factors could affect the substance of coverage.

Guarantee by ETEAN Fund (formerly known as TEMPME)

This guarantee is considered as equivalent to the pledge on a liquid asset if the decision of the ETEAN Fund does not include conditions and special clauses concerning factors beyond the Bank's control.

Longer-term finance and lending to corporate entities are generally secured. Revolving credit facilities to individuals are generally unsecured. In addition, in order to mitigate the potential credit loss, the Group will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances to customers. Debt securities, treasury and other eligible bills are generally unsecured.

Valuation of collateral

The collateral associated with loans and advances to customers is initially evaluated during the credit approval process, based on its fair value and is revalued at regular intervals based on the NBG Group Property Valuation Policy.

Fair value assessment of real estate collaterals, which may secure loans and advances to individuals or legal entities, is performed by the Central Unit for Technical Assessments and employs internal or external certified valuers based on predefined criteria (qualifications and expertise), in accordance with the NBG Group Property Valuation Policy.

The real estate valuations are categorized into individual valuations on a specific property and are carried out either through on-site, desktop or by indexed valuations based on statistical methodology (Propindex, etc.)

The real estate valuations performed during the loan origination phase to determine the collateral value are always performed by on-site inspections.

In accordance with NBG Group Property Valuation Policy, NBG Group accepts the following key valuation approaches provided by International and European Valuation Standards (IVS/EVS):

(a) Market approach or Comparative Method

(b) Income approach

(c) Cost Approach or Depreciated Replacement Cost

(d) Residual Method

The frequency of property valuations used as collateral for loans and advances to customers is set out in the NBG Group Property Valuation Policy and is in compliance with the Regulation (EU) 575/2013 and the ECB Guidance to Banks on Non-Performing Loans. The Group updates the collateral valuations of all exposures at least annually based on the NBG Group Property Valuation Policy. Furthermore, the revaluation of the real estate collateral is updated on an individual basis at the time the exposure is classified as non-performing (NPE) and at least annually while it continues to be classified as such.

Management is constantly monitoring the market conditions in the Greek real estate market either internally though macroeconomic reports issued by the Group's Chief Economist, or externally through reports produced by the Central Unit for Technical Assessments or by international independent valuation firms. Changes in market conditions are considered as an important factor in determining the fair value of real estate collateral. A more volatile market may lead to the need for more frequent collateral valuations. Valuations have been prepared taking into consideration the impact of material valuation uncertainty clauses, other uncertainties and adjustments to the assumptions related to COVID-19 outbreak.

When the value of the collateralised property exceeds the loan balance, the value of collateral is capped to the gross carrying amount of the loan. A breakdown of collateral and guarantees received to mitigate credit risk exposure arising from loans and advances to customers is summarised as follows:

Breakdown of collateral and guarantees | Group

	31.12.2021					31.12.2020				
	Value of collateral received					Value of collateral received				
	Real estate collateral	Financial collateral	Other collateral	Total collateral value	**Guarantees received**	Real estate collateral	Financial collateral	Other collateral	Total collateral value	**Guarantees received**
Retail Lending	8,073	389	655	9,117	5,016	8,734	315	770	9,819	5,812
Corporate Lending(1)	3,162	1,690	6,934	11,786	6,231	3,853	1,644	3,257	8,754	8,359
Public Sector Lending	50	40	68	158	119	39	29	32	100	100
Total	**11,285**	**2,119**	**7,657**	**21,061**	**11,366**	**12,626**	**1,988**	**4,059**	**18,673**	**14,271**

[1] Other collateral includes the guarantee provided by the Hellenic Republic under the Hellenic Asset Protection Scheme for the Frontier senior notes (Note 29 "Assets and liabilities held for sale and discontinued operations"). The amount of the guarantee is capped to the gross carrying amount of the Frontier senior notes of €3,145 million.

Breakdown of collateral and guarantees for Credit impaired assets | Group

	31.12.2021					31.12.2020				
	Value of collateral received					Value of collateral received				
	Real estate collateral	Financial collateral	Other collateral	Total collateral value	**Guarantees received**	Real estate collateral	Financial collateral	Other collateral	Total collateral value	**Guarantees received**
Retail Lending	556	24	104	684	563	1,411	29	188	1,628	1,085
Corporate Lending	506	69	169	744	711	913	107	269	1,289	1,207
Public Sector Lending	15	-	1	16	4	15	-	1	16	1
Total	**1,077**	**93**	**274**	**1,444**	**1,278**	**2,339**	**136**	**458**	**2,933**	**2,293**

Breakdown of collateral and guarantees | Bank

	31.12.2021					31.12.2020				
	Value of collateral received					Value of collateral received				
	Real estate collateral	Financial collateral	Other collateral	Total collateral value	**Guarantees received**	Real estate collateral	Financial collateral	Other collateral	Total collateral value	**Guarantees received**
Retail Lending	7,688	372	615	8,675	5,016	8,392	289	718	9,399	5,540
Corporate Lending(1)	2,580	1,686	6,004	10,270	6,207	3,229	1,627	2,360	7,216	6,798
Public Sector Lending	51	40	40	131	119	39	29	29	97	84
Total	**10,319**	**2,098**	**6,659**	**19,076**	**11,342**	**11,660**	**1,945**	**3,107**	**16,712**	**12,422**

[1] Other collateral includes the guarantee provided by the Hellenic Republic under the Hellenic Asset Protection Scheme for the Frontier senior notes (Note 29 **"**Assets and liabilities held for sale and discontinued operations**"**). The amount of the guarantee is capped to the gross carrying amount of the Frontier senior notes of €3,145 million.

Breakdown of collateral and guarantees for Credit impaired assets | Bank

	31.12.2021					31.12.2020				
	Value of collateral received					Value of collateral received				
	Real estate collateral	Financial collateral	Other collateral	Total collateral value	**Guarantees received**	Real estate collateral	Financial collateral	Other collateral	Total collateral value	**Guarantees received**
Retail Lending	534	24	104	662	563	1,385	29	180	1,594	1,085
Corporate Lending	451	69	159	679	711	816	107	207	1,130	1,207
Public Sector Lending	15	-	1	16	4	15	-	1	16	1
Total	**1,000**	**93**	**264**	**1,357**	**1,278**	**2,216**	**136**	**388**	**2,740**	**2,293**

Loan to Value (LTV) Ratio of Mortgage portfolio

Loan to Value Ratio is the relationship between the loan and the appraised value of the property held as collateral. A breakdown of mortgage loans by range of LTV is summarised as follows:

	Group				Bank			
		of which:		of which:		of which:		of which:
	31.12.2021	Credit Impaired	31.12.2020	Credit Impaired	31.12.2021	Credit Impaired	31.12.2020	Credit Impaired
Less than 50%	1,930	66	1,820	133	1,836	63	1,725	130
50%-70%	1,898	84	1,793	205	1,804	83	1,697	197
71%-80%	1,048	63	1,033	137	1,002	58	998	137
81%-90%	795	58	849	133	773	54	842	133
91%-100%	836	47	984	158	834	46	981	157
101%-120%	791	70	1,062	190	788	69	1,062	190
121%-150%	588	62	862	189	586	61	860	188
Greater than 150%	456	88	785	344	452	86	781	341
Gross carrying amount	**8,342**	**538**	**9,188**	**1,489**	**8,075**	**520**	**8,946**	**1,473**
Average LTV	**78.1%**	**98.2%**	**85.4%**	**107.6%**	**78.8%**	**98.8%**	**86.3%**	**108.2%**

4.2.9 Credit quality of loans and advances to customers at amortised cost

Credit quality of loans and advances to customers at amortised cost by range of probability of default

A breakdown of the portfolio by range of probability of default for the Group is summarized as follows:

As at 31 December 2021	**Mortgage loans**				**Consumer loans**			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	4,295	1,701	-	**5,996**	965	154	-	**1,119**
2.01% - 10%	245	910	-	**1,155**	269	47	-	**316**
10.01% - 20%	491	121	-	**612**	19	19	-	**38**
Over 20.01%	-	41	538	**579**	1	13	161	**175**
Gross carrying amount	**5,031**	**2,773**	**538**	**8,342**	**1,254**	**233**	**161**	**1,648**

As at 31 December 2021	**Credit Cards**				**Small Business Lending**			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	299	22	-	**321**	105	8	-	**113**
2.01% - 10%	67	3	-	**70**	410	220	-	**630**
10.01% - 20%	20	4	-	**24**	7	43	-	**50**
Over 20.01%	-	-	22	**22**	51	393	220	**664**
Gross carrying amount	**386**	**29**	**22**	**437**	**573**	**664**	**220**	**1,457**

As at 31 December 2021	**Corporate Lending**				**Public Sector**			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	15,924	469	-	**16,393**	471	3	-	**474**
2.01% - 10%	1,059	438	-	**1,497**	19	6	-	**25**
10.01% - 20%	33	60	-	**93**	-	1	-	**1**
Over 20.01%	36	69	1,241	**1,346**	1	2	31	**34**
Gross carrying amount	**17,052**	**1,036**	**1,241**	**19,329**	**491**	**12**	**31**	**534**

As at 31 December 2021	**Total Loans**			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	22,059	2,357	-	**24,416**
2.01% - 10%	2,069	1,624	-	**3,693**
10.01% - 20%	570	248	-	**818**
Over 20.01%	89	518	2,213	**2,820**
Gross carrying amount	**24,787**	**4,747**	**2,213**	**31,747**

As at 31 December 2020	**Mortgage loans**				**Consumer loans**			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	3,788	820	-	**4,608**	888	165	-	**1,053**
2.01% - 10%	683	1,664	-	**2,347**	289	80	-	**369**
10.01% - 20%	504	144	-	**648**	34	12	-	**46**
Over 20.01%	1	95	1,489	**1,585**	2	36	323	**361**
Gross carrying amount	**4,976**	**2,723**	**1,489**	**9,188**	**1,213**	**293**	**323**	**1,829**

As at 31 December 2020	Credit Cards				Small Business Lending			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	350	5	-	**355**	481	117	-	**598**
2.01% - 10%	35	35	-	**70**	109	168	-	**277**
10.01% - 20%	-	-	-	**-**	23	139	-	**162**
Over 20.01%	-	1	38	**39**	4	118	491	**613**
Gross carrying amount	**385**	**41**	**38**	**464**	**617**	**542**	**491**	**1,650**

As at 31 December 2020	Corporate Lending				Public Sector			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	11,682	308	-	**11,990**	282	114	-	**396**
2.01% - 10%	1,421	374	-	**1,795**	8	29	-	**37**
10.01% - 20%	21	45	-	**66**	-	-	-	**-**
Over 20.01%	66	113	2,045	**2,224**	-	1	28	**29**
Gross carrying amount	**13,190**	**840**	**2,045**	**16,075**	**290**	**144**	**28**	**462**

As at 31 December 2020	Total Loans			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	17,471	1,529	-	**19,000**
2.01% - 10%	2,545	2,350	-	**4,895**
10.01% - 20%	582	340	-	**922**
Over 20.01%	73	364	4,414	**4,851**
Gross carrying amount	**20,671**	**4,583**	**4,414**	**29,668**

A breakdown of the portfolio by range of probability of default for the Bank is summarized as follows:

As at 31 December 2021	Mortgage loans				Consumer loans			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	4,142	1,698	-	**5,840**	486	152	-	**638**
2.01% - 10%	237	829	-	**1,066**	218	24	-	**242**
10.01% - 20%	490	121	-	**611**	18	6	-	**24**
Over 20.01%	-	38	520	**558**	1	5	125	**131**
Gross carrying amount	**4,869**	**2,686**	**520**	**8,075**	**723**	**187**	**125**	**1,035**

As at 31 December 2021	Credit Cards				Small Business Lending			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	262	11	-	**273**	79	5	-	**84**
2.01% - 10%	66	-	-	**66**	360	208	-	**568**
10.01% - 20%	20	4	-	**24**	7	39	-	**46**
Over 20.01%	-	-	21	**21**	51	376	217	**644**
Gross carrying amount	**348**	**15**	**21**	**384**	**497**	**628**	**217**	**1,342**

As at 31 December 2021	Corporate Lending				Public Sector			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	16,249	392	-	**16,641**	446	-	-	**446**
2.01% - 10%	619	298	-	**917**	19	6	-	**25**
10.01% - 20%	3	26	-	**29**	-	1	-	**1**
Over 20.01%	36	9	1,114	**1,159**	1	2	31	**34**
Gross carrying amount	**16,907**	**725**	**1,114**	**18,746**	**466**	**9**	**31**	**506**

As at 31 December 2021	Total Loans			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	21,664	2,258	-	**23,922**
2.01% - 10%	1,519	1,365	-	**2,884**
10.01% - 20%	538	197	-	**735**
Over 20.01%	89	430	2,028	**2,547**
Gross carrying amount	**23,810**	**4,250**	**2,028**	**30,088**

As at 31 December 2020	Mortgage loans				Consumer loans			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	3,645	818	-	**4,463**	666	165	-	**831**
2.01% - 10%	678	1,592	-	**2,270**	51	54	-	**105**
10.01% - 20%	504	143	-	**647**	1	8	-	**9**
Over 20.01%	-	93	1,473	**1,566**	-	7	285	**292**
Gross carrying amount	**4,827**	**2,646**	**1,473**	**8,946**	**718**	**234**	**285**	**1,237**

As at 31 December 2020	Credit Cards				Small Business Lending			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	326	4	-	**330**	445	116	-	**561**
2.01% - 10%	34	4	-	**38**	63	156	-	**219**
10.01% - 20%	-	-	-	**-**	23	138	-	**161**
Over 20.01%	-	-	34	**34**	4	107	454	**565**
Gross carrying amount	**360**	**8**	**34**	**402**	**535**	**517**	**454**	**1,506**

As at 31 December 2020	Corporate Lending				Public Sector			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	12,144	272	-	**12,416**	282	114	-	**396**
2.01% - 10%	852	232	-	**1,084**	8	25	-	**33**
10.01% - 20%	-	10	-	**10**	-	-	-	**-**
Over 20.01%	9	37	1,830	**1,876**	-	1	28	**29**
Gross carrying amount	**13,005**	**551**	**1,830**	**15,386**	**290**	**140**	**28**	**458**

As at 31 December 2020	Total Loans			
12-month PD	Stage 1	Stage 2	Credit impaired	**Total**
0.01% - 2%	17,508	1,489	-	**18,997**
2.01% - 10%	1,686	2,063	-	**3,749**
10.01% - 20%	528	299	-	**827**
Over 20.01%	13	245	4,104	**4,362**
Gross carrying amount	**19,735**	**4,096**	**4,104**	**27,935**

Ageing analysis of loans and advances to customers at amortised cost

Ageing analysis of loans and advances to customers at amortised cost | Group

	Mortgage loans				Consumer loans			
As at 31 December 2021	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	4,998	2,679	318	**7,995**	1,153	200	45	**1,398**
1-30 days	33	72	8	**113**	101	21	6	**128**
31-60 days	-	14	4	**18**	-	9	3	**12**
61-90 days	-	8	2	**10**	-	3	3	**6**
91-180 days	-	-	9	**9**	-	-	7	**7**
Past due over 180 days	-	-	197	**197**	-	-	97	**97**
Gross carrying amount	**5,031**	**2,773**	**538**	**8,342**	**1,254**	**233**	**161**	**1,648**
ECL allowance	(30)	(81)	(184)	**(295)**	(21)	(32)	(111)	**(164)**
Net carrying amount	**5,001**	**2,692**	**354**	**8,047**	**1,233**	**201**	**50**	**1,484**

	Credit Cards				Small Business Lending			
As at 31 December 2021	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	378	15	-	**393**	552	581	53	**1,186**
1-30 days	8	3	1	**12**	21	70	10	**101**
31-60 days	-	5	-	**5**	-	9	1	**10**
61-90 days	-	6	-	**6**	-	4	1	**5**
91-180 days	-	-	3	**3**	-	-	6	**6**
Past due over 180 days	-	-	18	**18**	-	-	149	**149**
Gross carrying amount	**386**	**29**	**22**	**437**	**573**	**664**	**220**	**1,457**
ECL allowance	(5)	(1)	(22)	**(28)**	(10)	(92)	(160)	**(262)**
Net carrying amount	**381**	**28**	**-**	**409**	**563**	**572**	**60**	**1,195**

	Large Corporate				SMEs			
As at 31 December 2021	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	12,991	429	246	**13,666**	3,068	481	112	**3,661**
1-30 days	598	39	205	**842**	395	68	35	**498**
31-60 days	-	2	3	**5**	-	12	4	**16**
61-90 days	-	-	22	**22**	-	5	1	**6**
91-180 days	-	-	29	**29**	-	-	11	**11**
Past due over 180 days	-	-	383	**383**	-	-	190	**190**
Gross carrying amount	**13,589**	**470**	**888**	**14,947**	**3,463**	**566**	**353**	**4,382**
ECL allowance	(102)	(35)	(512)	**(649)**	(30)	(30)	(175)	**(235)**
Net carrying amount	**13,487**	**435**	**376**	**14,298**	**3,433**	**536**	**178**	**4,147**

	Public Sector				Total Loans			
As at 31 December 2021	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Current	488	9	15	**512**	23,628	4,394	789	**28,811**
1-30 days	3	-	-	**3**	1,159	273	265	**1,697**
31-60 days	-	3	-	**3**	-	54	15	**69**
61-90 days	-	-	-	**-**	-	26	29	**55**
91-180 days	-	-	2	**2**	-	-	67	**67**
Past due over 180 days	-	-	14	**14**	-	-	1,048	**1,048**
Gross carrying amount	**491**	**12**	**31**	**534**	**24,787**	**4,747**	**2,213**	**31,747**
ECL allowance	(6)	(1)	(15)	**(22)**	(204)	(272)	(1,179)	**(1,655)**
Net carrying amount	**485**	**11**	**16**	**512**	**24,583**	**4,475**	**1,034**	**30,092**

As at 31 December 2020	Mortgage loans Stage 1	Mortgage loans Stage 2	Mortgage loans Credit impaired	Mortgage loans Total	Consumer loans Stage 1	Consumer loans Stage 2	Consumer loans Credit impaired	Consumer loans Total
Current	4,818	2,335	733	**7,886**	1,100	229	49	**1,378**
1-30 days	158	293	107	**558**	113	29	7	**149**
31-60 days	-	69	49	**118**	-	24	8	**32**
61-90 days	-	26	27	**53**	-	11	5	**16**
91-180 days	-	-	48	**48**	-	-	12	**12**
Past due over 180 days	-	-	525	**525**	-	-	242	**242**
Gross carrying amount	**4,976**	**2,723**	**1,489**	**9,188**	**1,213**	**293**	**323**	**1,829**
ECL allowance	(32)	(74)	(472)	**(578)**	(22)	(42)	(199)	**(263)**
Net carrying amount	**4,944**	**2,649**	**1,017**	**8,610**	**1,191**	**251**	**124**	**1,566**

As at 31 December 2020	Credit Cards Stage 1	Credit Cards Stage 2	Credit Cards Credit impaired	Credit Cards Total	Small Business Lending Stage 1	Small Business Lending Stage 2	Small Business Lending Credit impaired	Small Business Lending Total
Current	357	28	-	**385**	593	433	58	**1,084**
1-30 days	28	7	-	**35**	24	86	9	**119**
31-60 days	-	4	-	**4**	-	14	3	**17**
61-90 days	-	2	-	**2**	-	9	3	**12**
91-180 days	-	-	8	**8**	-	-	14	**14**
Past due over 180 days	-	-	30	**30**	-	-	404	**404**
Gross carrying amount	**385**	**41**	**38**	**464**	**617**	**542**	**491**	**1,650**
ECL allowance	(2)	(1)	(35)	**(38)**	(8)	(54)	(345)	**(407)**
Net carrying amount	**383**	**40**	**3**	**426**	**609**	**488**	**146**	**1,243**

As at 31 December 2020	Large Corporate Stage 1	Large Corporate Stage 2	Large Corporate Credit impaired	Large Corporate Total	SMEs Stage 1	SMEs Stage 2	SMEs Credit impaired	SMEs Total
Current	9,411	372	475	**10,258**	3,072	298	224	**3,594**
1-30 days	536	86	170	**792**	171	45	63	**279**
31-60 days	-	8	3	**11**	-	18	5	**23**
61-90 days	-	8	25	**33**	-	5	11	**16**
91-180 days	-	-	1	**1**	-	-	13	**13**
Past due over 180 days	-	-	568	**568**	-	-	487	**487**
Gross carrying amount	**9,947**	**474**	**1,242**	**11,663**	**3,243**	**366**	**803**	**4,412**
ECL allowance	(78)	(32)	(815)	**(925)**	(30)	(32)	(425)	**(487)**
Net carrying amount	**9,869**	**442**	**427**	**10,738**	**3,213**	**334**	**378**	**3,925**

As at 31 December 2020	Public Sector Stage 1	Public Sector Stage 2	Public Sector Credit impaired	Public Sector Total	Total Loans Stage 1	Total Loans Stage 2	Total Loans Credit impaired	Total Loans Total
Current	276	26	16	**318**	19,627	3,721	1,555	**24,903**
1-30 days	14	1	2	**17**	1,044	547	358	**1,949**
31-60 days	-	113	-	**113**	-	250	68	**318**
61-90 days	-	4	-	**4**	-	65	71	**136**
91-180 days	-	-	-	**-**	-	-	96	**96**
Past due over 180 days	-	-	10	**10**	-	-	2,266	**2,266**
Gross carrying amount	**290**	**144**	**28**	**462**	**20,671**	**4,583**	**4,414**	**29,668**
ECL allowance	(2)	(5)	(15)	**(22)**	(174)	(240)	(2,306)	**(2,720)**
Net carrying amount	**288**	**139**	**13**	**440**	**20,497**	**4,343**	**2,108**	**26,948**

Ageing analysis of loans and advances to customers at amortised cost | Bank

	Mortgage loans				Consumer loans			
As at 31 December 2021	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
Current	4,846	2,602	316	**7,764**	666	173	44	**883**
1-30 days	23	65	8	**96**	57	10	5	**72**
31-60 days	-	12	3	**15**	-	3	2	**5**
61-90 days	-	7	2	**9**	-	1	2	**3**
91-180 days	-	-	8	**8**	-	-	4	**4**
Past due over 180 days	-	-	183	**183**	-	-	68	**68**
Gross carrying amount	**4,869**	**2,686**	**520**	**8,075**	**723**	**187**	**125**	**1,035**
ECL allowance	(30)	(80)	(177)	**(287)**	(16)	(29)	(92)	**(137)**
Net carrying amount	**4,839**	**2,606**	**343**	**7,788**	**707**	**158**	**33**	**898**

	Credit Cards				Small Business Lending			
As at 31 December 2021	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
Current	341	5	-	**346**	489	552	53	**1,094**
1-30 days	7	-	1	**8**	8	66	9	**83**
31-60 days	-	5	-	**5**	-	7	1	**8**
61-90 days	-	5	-	**5**	-	3	-	**3**
91-180 days	-	-	3	**3**	-	-	6	**6**
Past due over 180 days	-	-	17	**17**	-	-	148	**148**
Gross carrying amount	**348**	**15**	**21**	**384**	**497**	**628**	**217**	**1,342**
ECL allowance	(5)	(1)	(21)	**(27)**	(9)	(92)	(158)	**(259)**
Net carrying amount	**343**	**14**	**-**	**357**	**488**	**536**	**59**	**1,083**

	Large Corporate				SMEs			
As at 31 December 2021	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
Current	13,639	310	244	**14,193**	2,524	329	100	**2,953**
1-30 days	413	23	204	**640**	331	48	23	**402**
31-60 days	-	2	3	**5**	-	8	2	**10**
61-90 days	-	-	22	**22**	-	5	2	**7**
91-180 days	-	-	29	**29**	-	-	10	**10**
Past due over 180 days	-	-	344	**344**	-	-	131	**131**
Gross carrying amount	**14,052**	**335**	**846**	**15,233**	**2,855**	**390**	**268**	**3,513**
ECL allowance	(113)	(34)	(483)	**(630)**	(26)	(24)	(131)	**(181)**
Net carrying amount	**13,939**	**301**	**363**	**14,603**	**2,829**	**366**	**137**	**3,332**

	Public Sector				Total Loans			
As at 31 December 2021	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
Current	463	9	16	**488**	22,968	3,980	773	**27,721**
1-30 days	3	-	-	**3**	842	212	250	**1,304**
31-60 days	-	-	-	**-**	-	37	11	**48**
61-90 days	-	-	-	**-**	-	21	28	**49**
91-180 days	-	-	2	**2**	-	-	62	**62**
Past due over 180 days	-	-	13	**13**	-	-	904	**904**
Gross carrying amount	**466**	**9**	**31**	**506**	**23,810**	**4,250**	**2,028**	**30,088**
ECL allowance	(6)	(1)	(15)	**(22)**	(205)	(261)	(1,077)	**(1,543)**
Net carrying amount	**460**	**8**	**16**	**484**	**23,605**	**3,989**	**951**	**28,545**

As at 31 December 2020	Mortgage loans Stage 1	Mortgage loans Stage 2	Mortgage loans Credit impaired	Mortgage loans Total	Consumer loans Stage 1	Consumer loans Stage 2	Consumer loans Credit impaired	Consumer loans Total
Current	4,678	2,268	732	**7,678**	647	199	48	**894**
1-30 days	149	287	107	**543**	71	21	7	**99**
31-60 days	-	67	49	**116**	-	10	8	**18**
61-90 days	-	24	27	**51**	-	4	5	**9**
91-180 days	-	-	47	**47**	-	-	11	**11**
Past due over 180 days	-	-	511	**511**	-	-	206	**206**
Gross carrying amount	**4,827**	**2,646**	**1,473**	**8,946**	**718**	**234**	**285**	**1,237**
ECL allowance	(32)	(74)	(469)	**(575)**	(15)	(34)	(181)	**(230)**
Net carrying amount	**4,795**	**2,572**	**1,004**	**8,371**	**703**	**200**	**104**	**1,007**

As at 31 December 2020	Credit Cards Stage 1	Credit Cards Stage 2	Credit Cards Credit impaired	Credit Cards Total	Small Business Lending Stage 1	Small Business Lending Stage 2	Small Business Lending Credit impaired	Small Business Lending Total
Current	334	2	-	**336**	520	414	54	**988**
1-30 days	26	1	-	**27**	15	82	8	**105**
31-60 days	-	3	-	**3**	-	13	3	**16**
61-90 days	-	2	-	**2**	-	8	3	**11**
91-180 days	-	-	8	**8**	-	-	13	**13**
Past due over 180 days	-	-	26	**26**	-	-	373	**373**
Gross carrying amount	**360**	**8**	**34**	**402**	**535**	**517**	**454**	**1,506**
ECL allowance	(2)	(1)	(33)	**(36)**	(8)	(53)	(326)	**(387)**
Net carrying amount	**358**	**7**	**1**	**366**	**527**	**464**	**128**	**1,119**

As at 31 December 2020	Large Corporate Stage 1	Large Corporate Stage 2	Large Corporate Credit impaired	Large Corporate Total	SMEs Stage 1	SMEs Stage 2	SMEs Credit impaired	SMEs Total
Current	9,775	272	459	**10,506**	2,629	173	210	**3,012**
1-30 days	483	74	170	**727**	118	11	54	**183**
31-60 days	-	7	2	**9**	-	10	4	**14**
61-90 days	-	1	25	**26**	-	3	8	**11**
91-180 days	-	-	1	**1**	-	-	9	**9**
Past due over 180 days	-	-	519	**519**	-	-	369	**369**
Gross carrying amount	**10,258**	**354**	**1,176**	**11,788**	**2,747**	**197**	**654**	**3,598**
ECL allowance	(85)	(27)	(776)	**(888)**	(25)	(26)	(371)	**(422)**
Net carrying amount	**10,173**	**327**	**400**	**10,900**	**2,722**	**171**	**283**	**3,176**

As at 31 December 2020	Public Sector Stage 1	Public Sector Stage 2	Public Sector Credit impaired	Public Sector Total	Total Loans Stage 1	Total Loans Stage 2	Total Loans Credit impaired	Total Loans Total
Current	276	26	16	**318**	18,859	3,354	1,519	**23,732**
1-30 days	14	1	2	**17**	876	477	348	**1,701**
31-60 days	-	113	-	**113**	-	223	66	**289**
61-90 days	-	-	-	**-**	-	42	68	**110**
91-180 days	-	-	-	**-**	-	-	89	**89**
Past due over 180 days	-	-	10	**10**	-	-	2,014	**2,014**
Gross carrying amount	**290**	**140**	**28**	**458**	**19,735**	**4,096**	**4,104**	**27,935**
ECL allowance	(2)	(5)	(15)	**(22)**	(169)	(220)	(2,171)	**(2,560)**
Net carrying amount	**288**	**135**	**13**	**436**	**19,566**	**3,876**	**1,933**	**25,375**

4.2.10 Interest income on loans and advances to customers

Interest income from loans and advances to customers at amortised cost | Group

	31.12.2021		
	Not Credit Impaired Loans	Credit Impaired Loans	Total Interest Income
Retail Lending	375	132	507
Corporate Lending	483	67	550
Total interest income	**858**	**199**	**1,057**

	31.12.2020		
	Not Credit Impaired Loans	Credit Impaired Loans	Total Interest Income
Retail Lending	381	148	529
Corporate Lending	503	79	582
Public sector Lending	1	-	1
Total interest income	**885**	**227**	**1,112**

Interest income from loans and advances to customers at amortised cost | Bank

	31.12.2021		
	Not Credit Impaired Loans	Credit Impaired Loans	Total Interest Income
Retail Lending	319	131	450
Corporate Lending	448	63	511
Total interest income	**767**	**194**	**961**

	31.12.2020		
	Not Credit Impaired Loans	Credit Impaired Loans	Total Interest Income
Retail Lending	326	147	473
Corporate Lending	456	77	533
Total interest income	**782**	**224**	**1,006**

4.2.11 Forbearance

Forbearance measures occur in situations in which the borrower is considered to be unable to meet the terms and conditions of the contract due to financial difficulties. Taking into consideration these difficulties, the Group decides to modify the terms and conditions of the contract to provide the borrower the ability to service the debt or refinance the contract, either totally or partially.

The main restructuring program applied to the mortgage and secured consumer loans' portfolio since April 2019 is the "Split & Settle", a split-balance type of product. Its main characteristic is the separation of the outstanding debt in two parts: the amount to be repaid (Split), which is amortized in monthly instalments (principal plus interest) and the amount to be potentially forgiven (Settle), which remains interest-free. The settle amount is forgiven one month after the end of the repayment period, provided that the contractually agreed conditions, regarding prompt loan repayment, are met. Borrowers, who have applied for protection under bankruptcy Law 3869/2010, are also entitled to participate in this program, as long as they resign from their application.

Furthermore, similar "Split & Settle" programs, with the aforementioned characteristic of debt splitting, have also been introduced since 2018, for the restructuring of SB loans (sole entrepreneurs/ professionals) as well as debt deriving from credit cards and consumer credit products (without collateral).

Finally, the ''Fractional Payment'' forbearance program applied to the Household Retail portfolio (mortgage, consumer loans, credit cards) offers instalment reduction through loan term extension combined with a fractional-payment scheme of 72 months, whereby the customer pays a proportion of the full instalment due, based on affordability. For SBL loans to individuals, the "Restart" program that was introduced in 2021 offers instalment reduction through loan term extension with the option of a reduced fractional payment of up to 24 months in the case of a real estate collateral.

For Corporate loans, the types of forbearance measures usually include a mix of tailor-made solutions to cover current conditions and the borrower's projected cash flows.

The Bank's Credit Policy for both Retail and Corporate portfolios provides clear instructions and guidelines regarding the full range of forbearance products offered to customers, the requirements to be filled for the participation in said products, the handling and monitoring of restructured loans after approval and until the stage of termination of the loan contract. The approval rights of the Credit Committees are also described in the Bank's Credit Policy.

Forborne loans are separately managed and monitored by Management. For example, re-default trends are closely monitored and analysed in order to identify their drivers. In certain cases, monitoring and assessment of the payment history of modified loans can lead to a modification of the forbearance policy.

Forbearance measures do not lead to derecognition unless changes to the original contractual terms, result in a substantially different loan i.e. the loan is altered in a manner that the terms under the modified contract are substantially different from those under the original contract.

The type of forbearance measures extended are summarized in the following table:

Forborne loans and advances to customers at amortised cost by type of forbearance measure

	Group		Bank	
Forbearance measure	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Reduced payment schedule	1,080	1,137	1,080	1,137
Hybrid modifications	843	950	843	950
Term extension	750	997	690	890
Interest only schedule	72	159	71	158
Other type of forbearance measures	204	369	165	326
Net carrying amount	**2,949**	**3,612**	**2,849**	**3,461**

Credit quality of forborne loans and advances to customers at amortised cost

	Group			Bank		
As at 31 December 2021	Loans and advances to customers	Forborne loans	% of forborne loans	Loans and advances to customers	Forborne loans	% of forborne loans
Stage 1	24,787	-	0%	23,810	-	0%
Stage 2	4,747	2,446	52%	4,250	2,380	56%
Credit impaired	2,213	1,100	50%	2,028	1,030	51%
Gross carrying amount	**31,747**	**3,546**	**11%**	**30,088**	**3,410**	**11%**
ECL allowance - Individual	(630)	(322)	51%	(559)	(287)	51%
ECL allowance - Collective	(1,025)	(275)	27%	(984)	(274)	28%
Net carrying amount	**30,092**	**2,949**	**10%**	**28,545**	**2,849**	**10%**
Value of collateral	21,061	2,808	13%	19,076	2,753	14%

As at 31 December 2021, credit-impaired loans and advances to customers at amortised cost subject to forbearance measures include loans with delays less than 90 days:

	Group	Bank
Mortgage loans	305	303
Consumer loans	23	22
Small Business Lending	52	51
Corporate Lending	504	485
Gross carrying amount	**884**	**861**

	Group			Bank		
As at 31 December 2020	Loans and advances to customers	Forborne loans	% of forborne loans	Loans and advances to customers	Forborne loans	% of forborne loans
Stage 1	20,671	-	0%	19,735	-	0%
Stage 2	4,583	2,438	53%	4,096	2,347	57%
Credit impaired	4,414	2,190	50%	4,104	2,079	51%
Gross carrying amount	**29,668**	**4,628**	**16%**	**27,935**	**4,426**	**16%**
ECL allowance - Individual	(1,014)	(503)	50%	(1,005)	(455)	45%
ECL allowance - Collective	(1,706)	(513)	30%	(1,555)	(510)	33%
Net carrying amount	**26,948**	**3,612**	**13%**	**25,375**	**3,461**	**14%**
Value of collateral	18,673	3,627	19%	16,712	3,495	21%

As at 31 December 2020, credit-impaired loans and advances to customers at amortised cost subject to forbearance measures include loans with delays less than 90 days.

	Group	Bank
Mortgage loans	897	896
Consumer loans	36	36
Small Business Lending	69	69
Corporate Lending	784	768
Gross carrying amount	**1,786**	**1,769**

Movement of forborne loans and advances to customers at amortised cost net of ECL allowance

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Opening net carrying amount	**3,612**	**5,327**	**3,461**	**5,142**
New forborne assets	263	418	232	382
Interest income	125	147	123	141
Repayments	(384)	(383)	(354)	(350)
Exposures that exited forbearance status	(459)	(284)	(451)	(243)
Write - offs & sales	(76)	(255)	(68)	(255)
Impairment charge for expected credit losses	61	(144)	68	(142)
Reclassified as held for sale	(193)	(1,214)	(162)	(1,214)
Closing net carrying amount	**2,949**	**3,612**	**2,849**	**3,461**

Forborne loans and advances to customers at amortised cost net of ECL allowance by product line

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Retail Lending	**2,379**	**2,723**	**2,362**	**2,705**
Mortgage Loans	2,160	2,397	2,152	2,388
Consumer Loans	133	172	128	171
Small Business Lending	86	154	82	146
Corporate Lending	**550**	**853**	**467**	**720**
Large	364	586	324	540
SMEs	186	267	143	180
Public Sector Lending	**20**	**36**	**20**	**36**
Net carrying amount	**2,949**	**3,612**	**2,849**	**3,461**

Forborne loans and advances to customers at amortised cost net of ECL allowance by geographical region

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Greece	2,904	3,535	2,849	3,429
South East Europe (SEE) & Other countries	45	77	-	32
Net carrying amount	**2,949**	**3,612**	**2,849**	**3,461**

4.2.12 Repossessed collateral

As at 31 December 2021, repossessed collateral amounted to €490 million and €418 million for the Group and the Bank respectively (2020: €569 million and €411 million respectively). During 2021, the Group obtained assets by taking possession of collateral held as security of €52 million for the Group and €50 million for the Bank respectively (2020: €111 million and €96 million for the Group and the Bank respectively).

Almost all repossessed assets relate to real estate properties. Repossessed properties are sold as soon as practicable. Repossessed assets are classified in the Statement of Financial Position within “Other assets” except for those properties that are held for capital appreciation or rental income, which are classified within “Investment property”.

4.2.13 Credit risk concentration of loans and advances to customers at amortised cost and credit commitments

The credit risk concentration of loans and advances to customers at amortised cost and credit commitments by geographical and industry sector for the Group and the Bank is summarised in the following tables:

Loans and advances to customers at amortised cost, credit impaired loans and ECL allowance by product line, industry and geographical region | Group

	Greece			SEE			Other countries			Total		
As at 31 December 2021	Gross carrying amount	Credit impaired	ECL allowance	Gross carrying amount	Credit impaired	ECL allowance	Gross carrying amount	Credit impaired	ECL allowance	Gross carrying amount	Credit impaired	ECL allowance
Retail lending	**10,880**	**883**	**(710)**	**948**	**42**	**(31)**	**56**	**16**	**(8)**	**11,884**	**941**	**(749)**
Mortgage	8,075	520	(287)	224	4	(2)	43	14	(6)	8,342	538	(295)
Consumer	1,043	124	(136)	593	35	(26)	12	2	(2)	1,648	161	(164)
Credit cards	384	21	(27)	52	1	(1)	1	-	-	437	22	(28)
Small business lending	1,378	218	(260)	79	2	(2)	-	-	-	1,457	220	(262)
Corporate lending	**18,705**	**1,144**	**(805)**	**435**	**53**	**(41)**	**189**	**44**	**(38)**	**19,329**	**1,241**	**(884)**
Industry & mining	3,168	449	(333)	166	23	(16)	17	2	(15)	3,351	474	(364)
Trade and services (excl. tourism)	6,312	260	(187)	109	13	(10)	172	42	(23)	6,593	315	(220)
Construction and real estate development	1,911	116	(67)	59	5	(4)	-	-	-	1,970	121	(71)
Energy	2,287	3	(21)	30	-	(1)	-	-	-	2,317	3	(22)
Tourism	1,212	188	(109)	15	5	(3)	-	-	-	1,227	193	(112)
Shipping	2,191	36	(23)	-	-	-	-	-	-	2,191	36	(23)
Transportation and telecommunications	1,044	48	(40)	10	2	(1)	-	-	-	1,054	50	(41)
Other	580	44	(25)	46	5	(6)	-	-	-	626	49	(31)
Public sector	**534**	**31**	**(22)**	**-**	**-**	**-**	**-**	**-**	**-**	**534**	**31**	**(22)**
Total	**30,119**	**2,058**	**(1,537)**	**1,383**	**95**	**(72)**	**245**	**60**	**(46)**	**31,747**	**2,213**	**(1,655)**

	Greece			SEE			Other countries			Total		
As at 31 December 2020	Gross carrying amount	Credit impaired	ECL allowance	Gross carrying amount	Credit impaired	ECL allowance	Gross carrying amount	Credit impaired	ECL allowance	Gross carrying amount	Credit impaired	ECL allowance
Retail lending	**12,167**	**2,280**	**(1,246)**	**901**	**47**	**(37)**	**63**	**14**	**(3)**	**13,131**	**2,341**	**(1,286)**
Mortgage	8,947	1,473	(574)	197	4	(2)	44	12	(2)	9,188	1,489	(578)
Consumer	1,237	284	(230)	574	37	(32)	18	2	(1)	1,829	323	(263)
Credit cards	401	34	(36)	62	4	(2)	1	-	-	464	38	(38)
Small business lending	1,582	489	(406)	68	2	(1)	-	-	-	1,650	491	(407)
Corporate lending	**15,333**	**1,947**	**(1,347)**	**389**	**59**	**(41)**	**353**	**39**	**(24)**	**16,075**	**2,045**	**(1,412)**
Industry & mining	3,192	764	(554)	132	20	(17)	47	1	(2)	3,371	785	(573)
Trade and services (excl. tourism)	3,133	611	(385)	96	18	(11)	132	19	(16)	3,361	648	(412)
Construction and real estate development	1,981	174	(111)	68	4	(3)	31	9	(1)	2,080	187	(115)
Energy	2,082	2	(21)	29	6	(2)	30	2	(1)	2,141	10	(24)
Tourism	1,236	156	(104)	14	2	(3)	16	2	(1)	1,266	160	(108)
Shipping	1,667	37	(14)	-	-	-	29	-	-	1,696	37	(14)
Transportation and telecommunications	1,198	117	(87)	14	1	(1)	54	3	-	1,266	121	(88)
Other	844	86	(71)	36	8	(4)	14	3	(3)	894	97	(78)
Public sector	**462**	**28**	**(22)**	**-**	**-**	**-**	**-**	**-**	**-**	**462**	**28**	**(22)**
Total	**27,962**	**4,255**	**(2,615)**	**1,290**	**106**	**(78)**	**416**	**53**	**(27)**	**29,668**	**4,414**	**(2,720)**

Loans and advances to customers at amortised cost, credit impaired loans and ECL allowance by product line, industry and geographical region | Bank

	Greece			SEE			Other countries			Total		
As at 31 December 2021	Gross carrying amount	Credit impaired	ECL allowance	Gross carrying amount	Credit impaired	ECL allowance	Gross carrying amount	Credit impaired	ECL allowance	Gross carrying amount	Credit impaired	ECL allowance
Retail lending	**10,832**	**882**	**(709)**	**-**	**-**	**-**	**4**	**1**	**(1)**	**10,836**	**883**	**(710)**
Mortgage	8,075	520	(287)	-	-	-	-	-	-	8,075	520	(287)
Consumer	1,031	124	(136)	-	-	-	4	1	(1)	1,035	125	(137)
Credit cards	384	21	(27)	-	-	-	-	-	-	384	21	(27)
Small business lending	1,342	217	(259)	-	-	-	-	-	-	1,342	217	(259)
Corporate lending	**18,722**	**1,109**	**(793)**	**-**	**-**	**-**	**24**	**5**	**(18)**	**18,746**	**1,114**	**(811)**
Industry & mining	2,799	448	(333)	-	-	-	17	2	(15)	2,816	450	(348)
Trade and services (excl. tourism)	6, 882	226	(175)	-	-	-	7	3	(3)	6, 889	229	(178)
Construction and real estate development	1,834	116	(67)	-	-	-	-	-	-	1,834	116	(67)
Energy	2, 271	3	(21)	-	-	-	-	-	-	2, 271	3	(21)
Tourism	1,201	188	(109)	-	-	-	-	-	-	1,201	188	(109)
Shipping	2,191	36	(23)	-	-	-	-	-	-	2,191	36	(23)
Transportation and telecommunications	1,042	48	(40)	-	-	-	-	-	-	1,042	48	(40)
Other	502	44	(25)	-	-	-	-	-	-	502	44	(25)
Public sector	**506**	**31**	**(22)**	**-**	**-**	**-**	**-**	**-**	**-**	**506**	**31**	**(22)**
Total	**30,060**	**2,022**	**(1,524)**	**-**	**-**	**-**	**28**	**6**	**(19)**	**30,088**	**2,028**	**(1,543)**

	Greece			SEE			Other countries			Total		
As at 31 December 2020	Gross carrying amount	Credit impaired	ECL allowance	Gross carrying amount	Credit impaired	ECL allowance	Gross carrying amount	Credit impaired	ECL allowance	Gross carrying amount	Credit impaired	ECL allowance
Retail lending	**12,083**	**2,245**	**(1,227)**	**-**	**-**	**-**	**8**	**1**	**(1)**	**12,091**	**2,246**	**(1,228)**
Mortgage	8,946	1,473	(575)	-	-	-	-	-	-	8,946	1,473	(575)
Consumer	1,229	284	(229)	-	-	-	8	1	(1)	1,237	285	(230)
Credit cards	402	34	(36)	-	-	-	-	-	-	402	34	(36)
Small business lending	1,506	454	(387)	-	-	-	-	-	-	1,506	454	(387)
Corporate lending	**15,114**	**1,827**	**(1,297)**	**-**	**-**	**-**	**272**	**3**	**(13)**	**15,386**	**1,830**	**(1,310)**
Industry & mining	2,887	741	(548)	-	-	-	25	-	(1)	2,912	741	(549)
Trade and services (excl. tourism)	3,423	518	(346)	-	-	-	51	-	(8)	3,474	518	(354)
Construction and real estate development	1,941	172	(110)	-	-	-	1	-	-	1,942	172	(110)
Energy	2,023	1	(20)	-	-	-	7	-	(1)	2,030	1	(21)
Tourism	1,216	155	(104)	-	-	-	6	-	-	1,222	155	(104)
Shipping	1,667	37	(14)	-	-	-	29	-	-	1,696	37	(14)
Transportation and telecommunications	1,174	117	(87)	-	-	-	39	-	-	1,213	117	(87)
Other	783	86	(68)	-	-	-	114	3	(3)	897	89	(71)
Public sector	**458**	**28**	**(22)**	-	-	-	-	-	-	**458**	**28**	**(22)**
Total	**27,655**	**4,100**	**(2,546)**	**-**	**-**	**-**	**280**	**4**	**(14)**	**27,935**	**4,104**	**(2,560)**

4.2.14 Debt securities

The tables below present the movement of expected credit losses for debt securities during 2021 and 2020, for the Group and the Bank:

ECL Movement for Debt Securities - Group & Bank 2021

	Securities measured at amortised cost		Securities measured at FVTOCI	
	Stage 1	Stage 2	Stage 1	Stage 2
Balance at 1 January	24	68	9	-
Net remeasurement of ECL allowance	(7)	(11)	(3)	1
Impairment losses on new assets	7	-	3	-
Derecognition of debt Securities	(6)	-	(5)	-
Balance at 31 December	**18**	**57**	**4**	**1**

ECL Movement for Debt Securities - Group & Bank 2020

	Securities measured at amortised cost		Securities measured at FVTOCI	
	Stage 1	Stage 2	Stage 1	Stage 2
Balance at 1 January	17	53	7	-
Net remeasurement of ECL allowance	(2)	15	-	-
Impairment losses on new assets	25	-	6	-
Derecognition of debt Securities	(16)	-	(4)	-
Balance at 31 December	**24**	**68**	**9**	**-**

The tables below present an analysis of debt securities, treasury bills and other eligible bills by rating agency designation at 31 December 2021 and 2020, based on the lower rating between Moody's and S&P ratings expressed in Moody's equivalent:

Ratings – Group

As at 31 December 2021	Securities measured at FVTPL	Securities measured at FVTOCI	Securities measured at amortised cost	Total
Aaa	-	525	-	**525**
Aa1 to A3	163	83	-	**246**
Baa1 to Ba3	74	1,931	11,936	**13,941**
Lower than Ba3	31	210	166	**407**
Total	**268**	**2,749**	**12,102**	**15,119**

As at 31 December 2020	Securities measured at FVTPL	Securities measured at FVTOCI	Securities measured at amortised cost	Total
Aaa	53	525	-	**578**
Aa1 to A3	272	84	-	**356**
Baa1 to Ba3	78	2,137	12,324	**14,539**
Lower than Ba3	39	60	15	**114**
Total	**442**	**2,806**	**12,339**	**15,587**

Ratings – Bank

As at 31 December 2021	Securities measured at FVTPL	Securities measured at FVTOCI	Securities measured at amortised cost	Total
Aaa	-	525	-	**525**
Aa1 to A3	163	83	-	**246**
Baa1 to Ba3	74	1,867	11,624	**13,565**
Lower than Ba3	31	211	165	**407**
Total	**268**	**2,686**	**11,789**	**14,743**

As at 31 December 2020	Securities measured at FVTPL	Securities measured at FVTOCI	Securities measured at amortised cost	Total
Aaa	53	525	-	**578**
Aa1 to A3	272	84	-	**356**
Baa1 to Ba3	78	2,071	11,891	**14,040**
Lower than Ba3	39	60	16	**115**
Total	**442**	**2,740**	**11,907**	**15,089**

During 2020, the Hellenic Republic's credit rating was upgraded by Moody's rating agency.

Specifically, the Hellenic Republic's credit rating was upgraded by Moody's to Ba3 from B1.

4.3 Market risk

Market risk is the current or prospective risk to earnings and capital arising from adverse movements in interest rates, equity and commodity prices and exchange rates, and their levels of volatility. The main contributor to market risk in the Group is the Bank. The most significant types of market risk for the Group are interest rate, equity and foreign exchange risk. For more information over the significant types of market risk for the Group, please refer to the "Board of Directors Report" section "Risk management – Management of Risks – Market Risk".

4.3.1 Market risk on trading and HTCS portfolios - Value-at-Risk ("VaR")

The Bank uses internally developed and implemented market risk models and systems to assess and quantify the portfolio market risk, based on best practice and industry-wide accepted risk metrics. More specifically, the Bank estimates the market risk of its trading and the held to collect and sell (HTCS) portfolios using the VaR methodology. This has been implemented in NBG's risk platform which is RiskWatch by Algorithmics (currently SS&C Technologies). In particular, the Bank has adopted the variance-covariance (VCV) methodology, with a 99% confidence interval and a 1-day holding period. The VaR is calculated on a daily basis for the Bank's trading and HTCS portfolios, along with the VaR per risk type (interest rate, equity and foreign exchange risk). The VaR estimates are used internally as a risk management tool, as well as for regulatory purposes. The GFLRMD calculates the VaR of the Bank's trading and HTCS portfolios, for internal use, on a daily basis, using the latest 75 exponentially weighted daily observations to construct the VCV matrices. For regulatory purposes, the calculations apply only on the trading portfolio and the VCV matrices are based on 252, equally weighted, daily observations. The risk factors relevant to the financial products in the Bank's portfolio are interest rates, equity indices, foreign exchange rates and commodity prices. Additionally, the GFLRMD calculates the stressed VaR (sVaR) of the Bank's trading portfolio, which is defined as the VaR, where model inputs are calibrated to historical data from a continuous 1-year period of significant financial stress, relevant to the Bank's portfolio. The relevant VCV matrices are identified over a period starting in January 2008. Similarly, to VaR, NBG calculates sVaR on a daily basis, using a 1-day holding period and 99% confidence level.

The following tables reflect the VaR of the Bank (99%, 1 day) for the years ended 31 December 2021 and 2020, respectively.

2021 (in € 000)	Total VaR	Interest Rate Risk VaR	Equity Risk VaR	Foreign Exchange Risk VaR
31 December	11,034	11,103	1,394	271
Average (daily value)	13,305	12,916	1,064	234
Max (daily value)	28,166	27,721	1,925	571
Min (daily value)	7,947	7,335	523	52

2020 (in € 000)	Total VaR	Interest Rate Risk VaR	Equity Risk VaR	Foreign Exchange Risk VaR
31 December	10,150	9,319	1,684	128
Average (daily value)	21,156	20,222	1,969	243
Max (daily value)	110,122	107,449	4,434	588
Min (daily value)	5,070	4,798	807	64

The Bank is mostly exposed to interest rate risk, which is quantified through IR VaR. The evolution of the IR VaR depends on the sensitivity of the Bank's Trading and HTCS portfolios to key risk factors, mainly the euro swap rates and the EU periphery sovereign yields, as well as on the level of their volatilities.

Within the first six months of 2021, the credit spreads of the EU periphery sovereign bonds presented significant fluctuations, which caused the volatilities of the respective sovereign yields to rise. Moreover, at the end of Q2.2021, the EUR IRS rates and the periphery sovereign yields exhibited non-parallel swings. These two factors, combined with the exposures in the HTCS portfolio, stemming from moderate positions in Greek and other EU sovereign bonds and the respective hedging IRSs, led to higher VaR estimates for the Bank, albeit well below the approved limits. Thereafter, the VaR of the Trading and HTCS portfolio steadily decreased and reverted to level at the end of 2020.

However, following ECB's decision on 28 October 2021, market pressures caused the sovereign credit spreads of periphery countries to increase abruptly and the respective volatilities to soar. This event led to the sharp increase of IR VaR and Total VaR, that reached its highest value on 2 November 2021, at €28 million, thus breaching the VaR soft limit for one day. Subsequently, the VaR retreated, as management took actions to further decrease the exposure in periphery sovereign bonds in the HTCS portfolio. By the end of 2021, the VaR of the Bank's Trading and HTCS portfolio stood at €11 million, slightly above the respective level at the end of the previous year.

Back-testing

The Bank performs back-testing on a daily basis, in order to verify the predictive power of the VaR model. In accordance with the guidelines set out in the Capital Requirements Regulation 575/2013, the calculations only refer to the Bank's trading portfolio and involve the comparison of the hypothetical as well as the actual daily gains/losses of the portfolio, with the respective estimates of the VaR model used for regulatory purposes. The hypothetical gains/losses are the change in the value of the portfolio between days t and t+1, assuming that the portfolio remains constant between the two days. In the same context, the actual gains/losses are the change in the value of the portfolio between days t and t+1, including all transactions and/or any realized gains/losses that took place in day t+1, excluding fees, commissions and net interest income.

Any excess of the hypothetical/actual losses over the VaR estimate is reported to the regulatory authorities within no later than five business days. The Bank's trading book is primarily exposed to interest rate risk in the Eurozone, with the key risk factors being the EUR swap rates and the respective sovereign yields (mainly the German). The volatility in the markets in Q4.2021, caused the swap-spread to widen that subsequently led to a clustering of back-testing over-shootings. By the end of 2021, the Bank had recorded 6 VaR excesses.

Stress Testing

The VaR model is based on certain theoretical assumptions, which do not fully capture the potential "tail events" in the markets.

To enhance the predictability of our VaR model and minimize the effect of the aforementioned limitations, NBG performs stress testing on a weekly basis. The aim of stress testing is to evaluate the gains or losses that may occur under extreme market conditions and applies on both, trading and HTCS portfolios. These scenarios are presented in the following tables:

Interest rate-related scenarios:

Scenario	Description	0-3 Months	3 Months-5 Years	>5 Years
1	Parallel Curve Shift	+200 bps	+200 bps	+200 bps
2	Parallel Curve Shift	−200 bps	−200 bps	−200 bps
3	Steepening	0 bps	+100 bps	+200 bps
4	Flattening	+200 bps	+100 bps	0 bps

Equities/Commodities scenarios:

Scenario	Description
1	-30% for all indices

Foreign exchange rate-related scenarios:

Scenario	Description
1	appreciation by 30%
2	depreciation by 30%

Additionally, the following volatility stress scenarios are defined and the trading and HTCS portfolios are assessed, on a daily basis:

Volatility scenarios:

Scenario	Description
1	IR: normal +1bp, lognormal +1%, EQT & FX: +1%
2	IR: normal +5bp, lognormal +5%, EQT & FX: +5%
3	IR: normal +10bp, lognormal +10%, EQT & FX: +10%
4	IR: normal -1bp, lognormal -1%, EQT & FX: -1%
5	IR: normal -5bp, lognormal -5%, EQT & FX: -5%
6	IR: normal -10bp, lognormal -10%, EQT & FX: -10%

4.3.2 Limitations of the VaR model

The VaR model is based on certain theoretical assumptions, which under extreme market conditions might not capture the maximum loss the Bank may suffer. The restrictions of this methodology are summarized as follows:

- The use of volatilities and correlations as predictive measures for the behaviour of risk factors in the future might prove insufficient in periods of intense volatility in financial markets. However, this limitation is mitigated with the calculation of the stressed VaR;
- The ten-day holding period for the VaR calculations (used for regulatory purposes and capital allocation), implies that the Bank will be able to liquidate all its trading positions within this time period. This assumption might underestimate market risk in periods of insufficient liquidity in the financial markets;
- VaR refers to the plausible loss at a 99% confidence interval, without taking into account any losses beyond that level;
- All VaR calculations are performed on a close-of-business ("COB") basis and not on an intraday basis, thus not taking into account the respective portfolio changes;
- VaR estimates rely on small changes in the level of the relevant risk factors. For bigger movements (tail events), this metric might not fully capture the impact on the value of the portfolio; and
- Returns on individual risk factors are assumed to follow a normal distribution. If this assumption does not hold, the probability of extreme market movements could be underestimated. This limitation is mitigated through the stress testing framework, analysed in the previous section.

4.3.3 Interest rate risk in the banking book

Interest Rate Risk in the Banking Book (IRRBB) refers to the current or prospective risk to the Group's and Bank's capital and earnings arising from adverse movements in interest rates that affect the Banking Book positions. The main sources of IRRBB are the following: re-pricing risk, basis risk and optionality risk. For further analysis please refer to the "Board of Directors Report" section "Risk management – Management of Risks – Interest Rate Risk in the Banking Book").

4.3.4 Interest rate risk based on next re-pricing date

The interest rate risk for the Group and the Bank, relating to financial instruments based on next re-pricing date, is summarised as follows:

Interest re-pricing dates - Group

As at 31 December 2021	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Non interest bearing	Total
Assets							
Cash and balances with central banks	7	1	-	-	-	15,819	**15,827**
Due from banks	3,224	35	136	144	-	100	**3,639**
Financial assets at fair value through profit or loss	31	7	19	100	122	35	**314**
Loans and advances to customers	15,680	4,695	5,117	2,659	1,650	638	**30,439**
Investment securities at fair value through OCI	37	688	121	204	1,699	85	**2,834**
Investment securities at amortised cost	21	77	2,389	534	9,080	2	**12,103**
Other assets	-	3	-	-	-	2,208	**2,211**
Total	**19,000**	**5,506**	**7,782**	**3,641**	**12,551**	**18,887**	**67,367**
Liabilities							
Due to banks	2,570	31	1,588	10,437	105	-	**14,731**
Due to customers	42,679	2,778	4,644	2,575	2	815	**53,493**
Debt securities in issue & other borrowed funds	53	36	118	632	132	20	**991**
Other liabilities	1	-	-	-	-	878	**879**
Lease liability	7	13	59	344	816	-	**1,239**
Total	**45,310**	**2,858**	**6,409**	**13,988**	**1,055**	**1,713**	**71,333**
Total interest sensitivity gap	**(26,310)**	**2,648**	**1,373**	**(10,347)**	**11,496**	**17,174**	**(3,966)**

Interest re-pricing dates - Group

As at 31 December 2020	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Non interest bearing	Total
Assets							
Cash and balances with central banks	130	2	-	-	-	9,181	**9,313**
Due from banks	3,084	-	87	172	-	135	**3,478**
Financial assets at fair value through profit or loss	44	20	41	106	247	83	**541**
Loans and advances to customers	15,780	3,975	4,758	1,395	585	524	**27,017**
Investment securities at fair value through OCI	250	144	830	176	1,406	81	**2,887**
Investment securities at amortised cost	22	25	3,523	882	7,886	2	**12,340**
Other assets	11	-	-	3	-	1,802	**1,816**
Total	**19,321**	**4,166**	**9,239**	**2,734**	**10,124**	**11,808**	**57,392**
Liabilities							
Due to banks	1,774	37	53	10,732	140	-	**12,736**
Due to customers	36,557	3,203	6,174	2,372	2	753	**49,061**
Debt securities in issue & other borrowed funds	51	32	98	524	245	20	**970**
Other liabilities	70	-	-	-	-	1,214	**1,284**
Lease liability	7	13	59	335	834	-	**1,248**
Total	**38,459**	**3,285**	**6,384**	**13,963**	**1,221**	**1,987**	**65,299**
Total interest sensitivity gap	**(19,138)**	**881**	**2,855**	**(11,229)**	**8,903**	**9,821**	**(7,907)**

Interest re-pricing dates - Bank

As at 31 December 2021	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Non interest bearing	Total
Assets							
Cash and balances with central banks	-	1	-	-	-	15,538	**15,539**
Due from banks	3,081	29	188	144	-	97	**3,539**
Financial assets at fair value through profit or loss	20	7	19	100	122	27	**295**
Loans and advances to customers	15,093	4,697	4,936	2,159	1,499	502	**28,886**
Investment securities at fair value through OCI	-	686	97	204	1,699	77	**2,763**
Investment securities at amortised cost	-	77	2,384	341	8,987	-	**11,789**
Other assets	-	-	-	-	-	2,134	**2,134**
Total	**18,194**	**5,497**	**7,624**	**2,948**	**12,307**	**18,375**	**64,945**
Liabilities							
Due to banks	2,739	31	1,588	10,437	105	-	**14,900**
Due to customers	42,223	2,671	4,008	2,470	-	856	**52,228**
Debt securities in issue & other borrowed funds	13	26	116	617	122	18	**912**
Other liabilities	-	-	-	-	-	746	**746**
Lease liability	7	13	59	325	654	-	**1,058**
Total	**44,982**	**2,741**	**5,771**	**13,849**	**881**	**1,620**	**69,844**
Total interest sensitivity gap	**(26,788)**	**2,756**	**1,853**	**(10,901)**	**11,426**	**16,755**	**(4,899)**

Interest re-pricing dates - Bank

As at 31 December 2020	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Non interest bearing	Total
Assets							
Cash and balances with central banks	6	2	-	-	-	8,998	**9,006**
Due from banks	2,966	35	87	172	-	118	**3,378**
Financial assets at fair value through profit or loss	28	20	41	106	247	81	**523**
Loans and advances to customers	14,548	4,799	4,245	1,050	446	356	**25,444**
Investment securities at fair value through OCI	219	144	795	176	1,406	74	**2,814**
Investment securities at amortised cost	-	1	3,407	698	7,801	-	**11,907**
Other assets	-	-	-	-	-	1,744	**1,744**
Total	**17,767**	**5,001**	**8,575**	**2,202**	**9,900**	**11,371**	**54,816**
Liabilities							
Due to banks	1,877	80	88	10,747	156	73	**13,021**
Due to customers	36,161	3,059	5,375	2,234	-	681	**47,510**
Debt securities in issue & other borrowed funds	11	22	98	521	240	18	**910**
Other liabilities	-	-	-	-	-	1,165	**1,165**
Lease liability	7	14	60	314	621	-	**1,016**
Total	**38,056**	**3,175**	**5,621**	**13,816**	**1,017**	**1,937**	**63,622**
Total interest sensitivity gap	**(20,289)**	**1,826**	**2,954**	**(11,614)**	**8,883**	**9,434**	**(8,806)**

4.3.5 Foreign exchange risk

Foreign Exchange Risk is the risk related to the potential loss due to adverse movements in foreign exchange rates. The Open Currency Position ("OCP") of the Bank primarily arises from foreign exchange spot and forward transactions, as well as from the mark-to-market of NBG's OTC derivatives' trades denominated in foreign currency.

The foreign exchange risk concentration for the Group and the Bank as at 31 December 2021 and 31 December 2020 is presented in the following tables:

Foreign exchange risk concentration - Group

As at 31 December 2021	EURO	USD	GBP	JPY	CHF	Other	Total
Assets							
Cash and balances with central banks	15,674	16	6	-	3	128	**15,827**
Due from banks	3,223	301	27	15	21	52	**3,639**
Financial assets at fair value through profit or loss	276	38	-	-	-	-	**314**
Derivative financial instruments	4,214	105	4	-	-	8	**4,331**
Loans and advances to customers	26,796	2,356	32	-	288	967	**30,439**
Securities measured at fair value through other comprehensive income	2,780	7	-	-	-	46	**2,833**
Securities measured at amortised cost	12,039	46	-	-	-	19	**12,104**
Investment property	70	-	-	-	-	10	**80**
Equity method investments	18	-	-	-	-	-	**18**
Goodwill, software and other intangible assets	351	-	-	-	-	2	**353**
Property and equipment	1,637	-	-	-	-	18	**1,655**
Other assets	7,708	123	1	-	3	37	**7,872**
Total assets excl. non-current assets held-for-sale	**74,786**	**2,992**	**70**	**15**	**315**	**1,287**	**79,465**
Non-current assets held for sale	4,451	6	-	-	18	18	**4,493**
Total assets	**79,237**	**2,998**	**70**	**15**	**333**	**1,305**	**83,958**

As at 31 December 2021	EURO	USD	GBP	JPY	CHF	Other	Total
Liabilities							
Due to banks	14,450	16	11	1	253	-	**14,731**
Derivative financial instruments	2,843	159	10	-	-	2	**3,014**
Due to customers	49,321	2,499	138	1	44	1,490	**53,493**
Debt securities in issue & other borrowed funds	975	-	-	-	-	16	**991**
Other liabilities	2,161	55	3	-	-	50	**2,269**
Retirement benefit obligations	270	-	-	-	-	1	**271**
Total liabilities excl. liabilities associated with non current assets held-for-sale	**70,020**	**2,729**	**162**	**2**	**297**	**1,559**	**74,769**
Liabilities associated with non-current assets held for sale	3,403	2	-	-	-	12	**3,417**
Total liabilities	**73,423**	**2,731**	**162**	**2**	**297**	**1,571**	**78,186**
Net on balance sheet position	**5,814**	**267**	**(92)**	**13**	**36**	**(266)**	**5,772**

Foreign exchange risk concentration - Group

As at 31 December 2020	EURO	USD	GBP	JPY	CHF	Other	Total
Assets							
Cash and balances with central banks	9,177	13	7	-	3	113	**9,313**
Due from banks	3,184	155	32	14	40	53	**3,478**
Financial assets at fair value through profit or loss	430	106	-	-	-	5	**541**
Derivative financial instruments	5,409	145	12	4	-	15	**5,585**
Loans and advances to customers	23,794	1,924	30	-	350	919	**27,017**
Securities measured at fair value though other comprehensive income	2,766	53	-	-	-	68	**2,887**
Securities measured at amortised cost	12,237	44	-	-	-	59	**12,340**
Investment property	110	-	-	-	-	15	**125**
Equity method investments	22	-	-	-	-	-	**22**
Goodwill, software and other intangible assets	280	-	-	-	-	2	**282**
Property and equipment	1,645	-	-	-	-	19	**1,664**
Other assets	7,263	196	28	4	4	40	**7,535**
Total assets excl. non-current assets held-for-sale	**66,317**	**2,636**	**109**	**22**	**397**	**1,308**	**70,789**
Non-current assets held for sale	6,525	15	-	-	130	25	**6,695**
Total assets	**72,842**	**2,651**	**109**	**22**	**527**	**1,333**	**77,484**

As at 31 December 2020	EURO	USD	GBP	JPY	CHF	Other	Total
Liabilities							
Due to banks	12,501	11	9	1	204	10	**12,736**
Derivative financial instruments	3,136	152	18	1	11	3	**3,321**
Due to customers	45,349	2,011	139	1	39	1,522	**49,061**
Debt securities in issue & other borrowed funds	951	-	-	-	-	19	**970**
Other liabilities	2,392	209	35	1	-	39	**2,676**
Retirement benefit obligations	293	-	-	-	-	1	**294**
Total liabilities excl. liabilities associated with non current assets held-for-sale	**64,622**	**2,383**	**201**	**4**	**254**	**1,594**	**69,058**
Liabilities associated with non-current assets held for sale	3,329	1	-	-	-	11	**3,341**
Total liabilities	**67,951**	**2,384**	**201**	**4**	**254**	**1,605**	**72,399**
Net on balance sheet position	**4,891**	**267**	**(92)**	**18**	**273**	**(272)**	**5,085**

Foreign exchange risk concentration - Bank

As at 31 December 2021	EURO	USD	GBP	JPY	CHF	Other	Total
Assets							
Cash and balances with central banks	15,510	14	6	-	2	7	**15,539**
Due from banks	3,206	261	16	14	14	28	**3,539**
Financial assets at fair value through profit or loss	257	38	-	-	-	-	**295**
Derivative financial instruments	4,214	105	4	-	-	8	**4,331**
Loans and advances to customers	26,232	2,334	32	-	287	1	**28,886**
Securities measured at fair value through other comprehensive income	2,762	1	-	-	-	-	**2,763**
Securities measured at amortised cost	11,743	46	-	-	-	-	**11,789**
Investments in subsidiaries	1,133	-	-	-	-	-	**1,133**
Investment property	2	-	-	-	-	-	**2**
Equity method investments	17	-	-	-	-	-	**17**
Goodwill, software and other intangible assets	345	-	-	-	-	-	**345**
Property and equipment	1,236	-	-	-	-	4	**1,240**
Other assets	7,645	123	-	-	2	5	**7,775**
Total assets excl. non current assets held for sale	**74,302**	**2,922**	**58**	**14**	**305**	**53**	**77,654**
Non-current assets held for sale	852	-	-	-	14	-	**866**
Total assets	**75,154**	**2,922**	**58**	**14**	**319**	**53**	**78,520**

As at 31 December 2021	EURO	USD	GBP	JPY	CHF	Other	Total
Liabilities							
Due to banks	14,557	74	11	1	253	4	**14,900**
Derivative financial instruments	2,843	159	10	-	-	2	**3,014**
Due to customers	48,913	2,424	218	3	37	633	**52,228**
Debt securities in issue & other borrowed funds	912	-	-	-	-	-	**912**
Other liabilities	1,884	46	1	-	-	25	**1,956**
Retirement benefit obligations	269	-	-	-	-	-	**269**
Total liabilities excl. liabilities associated with non current assets held for sale	**69,378**	**2,703**	**240**	**4**	**290**	**664**	**73,279**
Total liabilities	**69,378**	**2,703**	**240**	**4**	**290**	**664**	**73,279**
Net on balance sheet position	**5,776**	**219**	**(182)**	**10**	**29**	**(611)**	**5,241**

Foreign exchange risk concentration – Bank

As at 31 December 2020	EURO	USD	GBP	JPY	CHF	Other	Total
Assets							
Cash and balances with central banks	8,970	11	7	-	1	17	**9,006**
Due from banks	3,175	112	21	14	33	23	**3,378**
Financial assets at fair value through profit or loss	412	106	-	-	-	5	**523**
Derivative financial instruments	5,409	145	12	4	-	15	**5,585**
Loans and advances to customers	23,130	1,913	29	-	348	24	**25,444**
Securities measured at fair value through other comprehensive income	2,761	53	-	-	-	-	**2,814**
Securities measured at amortised cost	11,863	44	-	-	-	-	**11,907**
Investments in subsidiaries	1,166	-	-	-	-	-	**1,166**
Investment property	6	-	-	-	-	-	**6**
Equity method investments	20	-	-	-	-	-	**20**
Goodwill, software and other intangible assets	278	-	-	-	-	-	**278**
Property and equipment	1,210	-	-	-	-	4	**1,214**
Other assets	7,174	214	27	4	3	1	**7,423**
Total assets excl. non current assets held for sale	**65,574**	**2,598**	**96**	**22**	**385**	**89**	**68,764**
Non-current assets held for sale	3,111	5	-	-	130	-	**3,246**
Total assets	**68,685**	**2,603**	**96**	**22**	**515**	**89**	**72,010**

As at 31 December 2020	EURO	USD	GBP	JPY	CHF	Other	Total
Liabilities							
Due to banks	12,657	61	95	3	204	1	**13,021**
Derivative financial instruments	3,136	152	18	1	11	3	**3,321**
Due to customers	44,758	1,931	128	1	32	660	**47,510**
Debt securities in issue & other borrowed funds	909	-	-	-	-	1	**910**
Other liabilities	2,083	203	33	1	-	20	**2,340**
Retirement benefit obligations	293	-	-	-	-	-	**293**
Total liabilities excl. liabilities associated with non current assets held for sale	**63,836**	**2,347**	**274**	**6**	**247**	**685**	**67,395**
Total liabilities	**63,836**	**2,347**	**274**	**6**	**247**	**685**	**67,395**
Net on balance sheet position	**4,849**	**256**	**(178)**	**16**	**268**	**(596)**	**4,615**

4.4 Country risk

Country risk is the current or prospective risk to earnings and capital, caused by events in a particular country which are at least to some extent under the control of the government but definitely not under the control of a private enterprise or individual. The main categories of country risk consist of sovereign risk, convertibility risk and transfer risk. For more information, please refer to the "Board of Directors Report" section "Risk management – Management of Risks – Country Risk".

4.5 Liquidity risk

4.5.1 Liquidity risk management

Liquidity Risk is defined as the current or prospective risk to earnings and capital arising from the institution's inability to meet its liabilities when they come due without incurring unacceptable losses.

It reflects the potential mismatch between incoming and outgoing payments, taking into account unexpected delays in repayments (term Liquidity Risk) or unexpectedly high outflows (withdrawal/call risk). Liquidity Risk involves both the risk of unexpected increases in the cost of funding of the portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner and on reasonable terms. For more information please refer to the "Board of Directors Report" section "Risk management – Management of Risks – Liquidity Risk".

4.5.2 Contractual undiscounted cash flows

The contractual undiscounted cash outflows of the Group's and the Bank's non-derivative financial liabilities are presented in the tables below. Liquidity risk arising from derivatives is not considered significant.

Contractual undiscounted cash outflows - Group

As at 31 December 2021	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Total
Due to banks	2,107	104	1,670	9,937	741	**14,559**
Due to customers	46,454	2,647	3,653	350	3	**53,107**
Debt securities in issue & Other borrowed funds	11	2	98	202	1,042	**1,355**
Other liabilities	136	454	179	-	48	**817**
Lease liability	7	14	65	293	1,250	**1,629**
Total – on balance sheet	**48,715**	**3,221**	**5,665**	**10,782**	**3,084**	**71,467**
Credit commitments	**976**	**300**	**648**	**441**	**1,612**	**3,977**

Contractual undiscounted cash outflows - Group

As at 31 December 2020	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Total
Due to banks	1,284	32	54	10,475	636	**12,481**
Due to customers	40,506	3,090	4,936	503	50	**49,085**
Debt securities in issue & Other borrowed funds	-	10	86	194	1,044	**1,334**
Other liabilities	123	862	198	1	49	**1,233**
Lease liability	7	14	61	293	1,248	**1,623**
Total – on balance sheet	**41,920**	**4,008**	**5,335**	**11,466**	**3,027**	**65,756**
Credit commitments	**176**	**163**	**825**	**333**	**1,266**	**2,763**

Contractual undiscounted cash outflow - Bank

As at 31 December 2021	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Total
Due to banks	2,281	104	1,670	9,937	741	**14,733**
Due to customers	46,105	2,566	3,349	218	-	**52,238**
Debt securities in issue & Other borrowed funds	-	-	47	188	1,031	**1,266**
Other liabilities	4	462	180	-	48	**694**
Lease liability	7	14	65	290	1,246	**1,622**
Total – on balance sheet	**48,397**	**3,146**	**5,311**	**10,633**	**3,066**	**70,553**
Credit commitments	**974**	**295**	**617**	**411**	**1,944**	**4,241**

Contractual undiscounted cash outflow - Bank

As at 31 December 2020	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 yrs	Over 5 yrs	Total
Due to banks	1,468	81	74	10,491	653	**12,767**
Due to customers	39,635	2,877	4,625	343	47	**47,527**
Debt securities in issue & Other borrowed funds	-	-	47	190	1,038	**1,275**
Other liabilities	4	865	199	-	51	**1,119**
Lease liability	11	14	61	290	1,246	**1,622**
Total – on balance sheet	**41,118**	**3,837**	**5,006**	**11,314**	**3,035**	**64,310**
Credit commitments	**167**	**155**	**795**	**310**	**1,590**	**3,017**

Other liabilities mainly include accrued interest and commissions, payables to suppliers, amounts due to government agencies, taxes payable (other than income taxes), and accrued expense.

4.6 Insurance risk

The insurance contracts issued by the Group include either insurance or financial risk. The risk under any insurance policy is the possibility of the insured event resulting in a claim. By the very nature of an insurance policy, risk is based on fortuity and is therefore unpredictable.

The principal risk that the Group may face under its insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This could occur because the frequency and/or severity of claims is greater than estimated. Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behaviour, changes in public health, pandemics and catastrophic events such as earthquakes, industrial disasters, fires, riots or terrorism.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by the careful selection and implementation of the Group's underwriting policy, reinsurance strategy and internal guidelines, within an overall risk management framework. Pricing is based on assumptions and statistics and the Group's empirical data, taking into consideration current trends and market conditions and past experience.

Reinsurance arrangements include facultative, treaty (proportional or other) and catastrophe coverage.

Life insurance contracts

Life insurance contracts written by the Group include whole life, endowment, term assurance, term assurance with survival benefit, pension, Unit-Linked and rider benefits attached to insurance contracts.

Traditional Life insurance contracts

These contracts insure events associated with policyholders' life (for example, death or survival). Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the financial loss suffered by the policyholder.

The main risks that the Group is exposed to under Life insurance contracts are the following:

Mortality risk: risk of loss arising due to policyholder actual death experience being different than expected.

Longevity risk: risk of loss arising due to the annuitant living longer than expected.

Expense risk: risk of loss arising from expense experience being different than expected.

Lapse/Surrender risk: risk of loss arising due to policyholder behaviour (lapses and surrenders) being different than expected.

Group has also significant exposure to contracts with guaranteed return.

Key assumptions

Life insurance policy estimates are initially made at inception of the policy, where the Group determines the key assumptions applicable to the type of life insurance policy, such as future deaths, voluntary terminations, investment returns and administration expenses. Subsequently, new estimates are developed at each reporting date to determine whether the liabilities are adequate in the light of the current experience.

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

- *Mortality:* Assumptions are based on appropriate standard industry and national tables, according to the type of contract written, reflecting the recent historical experience of the Group and thus reflecting the best estimate for that year. Assumptions are differentiated by sex and type of insurance plan.
- *Expenses:* Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force contracts. The current level of expenses, as at 31 December 2021, is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.
- *Lapse and surrender rates:* Lapses relate to the termination of contracts due to non-payment of premiums. Surrenders relate to the voluntary termination of contracts by policyholders. Policy termination assumptions are determined using historical statistical measures based on the Group's experience and vary by product type.
- *Discount rate:* The liability adequacy test is based on the estimate of future cash flows. Future cash flows are discounted using the risk-free curve, published by European Insurance and Occupational Pensions Authority ("EIOPA"), plus a spread known as illiquidity premium. The illiquidity premium is defined as the parallel shift of the risk-free curve that achieves the matching of liabilities and assets, less by the fundamental spread published by EIOPA.
- *Rate that option to surrender is exercised at the beginning of retirement:* The percentage of insured in individual insurance programs which elect for a lump-sum benefit (surrender value) instead of a monthly pension benefit, which is estimated based on Company's past experience.

Liability adequacy test

Life business comprises of the following three main categories depending on the nature of the cover:

i. *Individual traditional contracts (whole life, endowment, pure endowment, term, pension plans etc.):* The test was based on the projection of the future cash flows using current assumptions in terms of mortality, lapses, proportion of insured persons receiving a lump sum benefit on a monthly basis at the beginning of the retirement, interest rate and expenses for the expected remaining term of insurance contracts. The aforementioned test did not result in additional reserves.

ii. *Unit-Linked contracts with guaranteed return at maturity:* Analysis considered both risks associated to parameters (mortality, lapses, interest rate, expenses) and risks associated to guaranteed return at the end of the policy terms. Despite the increase in the value of the funds during the last year an additional liability was necessary to cover the guaranteed return to policyholders.

iii. *Unit-Linked contracts with guaranteed death benefit:* Following the termination of sales of contracts with a guaranteed benefit, the NIC has issued new investment contracts without guaranteed return. For such contracts, apart from the unit-fund reserve, no additional reserve has resulted for mortality risk and expenses.

iv. *Pension beneficiaries that stem from Deposit Administration Funds ("DAF"):* The process followed was similar to that of individual traditional contracts. The test produced a liability that exceeded reserves to cover longevity risk.

Sensitivity Analysis

The sensitivity analysis set out below is calculated for those factors which are considered significant (discount rate and lapse rates) as regards the effect of their change in the recorded reserves.

The results of the sensitivity analysis refer to the liabilities which relate to the portfolio of individual traditional contracts, to benefits to pensioners who previously held DAF contracts as well as to the portfolio of Unit Linked contracts with NIC's guaranteed benefits.

Sensitivity Analysis

2021	Change in Assumptions	Impact on Insurance Liabilities
Discount Rate	+0.5%	(11)
	-0.5%	46
Lapse / Surrender Rates	Increase by +10%	(1)
	Decrease by -10%	2
Mortality Rates	Increase by +10%	(1)
	Decrease by -10%	2
Operating Expenses	Increase by +10%	0

2020	Change in Assumptions	Impact on Insurance Liabilities
Discount Rate	+0.5%	(46)
	-0.5%	51
Lapse / Surrender Rates	Increase by +10%	(7)
	Decrease by -10%	8
Mortality Rates	Increase by +10%	(1)
	Decrease by -10%	2
Operating Expenses	Increase by +10%	4

Riders on Life insurance products

Life insurance contracts may include personal accident and hospitalization riders, which protect the Group's clients from the consequences of disability or hospital treatment due to an accident or illness of the policyholder or their dependents.

The main risks that the Group is exposed to under Life insurance contracts are the following:

Morbidity risk: risk of loss arising due to policyholder health experience being different than expected.

Expense risk: risk of loss arising from expense experience being different than expected.

Lapse/Surrender risk: risk of loss arising due to policyholder behaviour (lapses and surrenders) being different than expected.

Key assumptions

The key assumptions (apart from lapse / surrender risk, expense risk and discount rate) to which the estimation of liabilities is particularly sensitive are as follows:

- *Morbidity rates:* Rates of hospitalization, by age and type of coverage, derived from the historical experience.
- *Disability:* Disability percentages for life riders with benefits in the event of disability of the policyholder are based mainly on the corresponding rates of reinsurance contracts currently in force.

Liability adequacy test

Life business comprises of the following two main categories depending on the nature of the cover:

- *Hospitalisation riders:* The test was based on current assumptions for discount rate, morbidity ratios, medical claim inflation, lapse rate, expenses and annual premium increase. The aforementioned test did not result in additional reserves.
- *Other riders:* The test was based on current assumptions for discount rate, disability rates, lapses and expenses. The test resulted in additional reserves.

Liability adequacy test for health insurance contracts (health riders) was based on the estimation of the present value of the portfolio's future cash flows. The test did not result in additional technical reserves as it did not exceed Unearned Premium Reserve ("UPR") that was already recorded.

Sensitivity Analysis

The sensitivity analysis set out below is calculated for those factors which are considered significant as regards the effect of their change in Company's technical reserves.

Sensitivity Analysis

2021	Change in Assumptions	Impact on Insurance Liabilities
Disability Rates	Increase by +10%	2
	Decrease by -10%	(2)
Morbidity Rates	Increase by +5%	42
	Decrease by -5%	-

2020	Change in Assumptions	Impact on Insurance Liabilities
Disability Rates	Increase by +10%	2
	Decrease by -10%	(2)
Morbidity Rates	Increase by +5%	31
	Decrease by -5%	-

Non-life Insurance

The Group provides products that cover a large range of risks such as personal, commercial, industrial risks and other risks related to property damage and third party liability.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The diversity of risks is also improved by careful selection and implementation of underwriting policy, reinsurance strategy and internal guidelines, within an overall risk management framework. Pricing is based on past experience taking into consideration current trends and market conditions.

For specific risks arising from an unexpected number of claims or unusually large claims, appropriate proactive practices are applied to all operating levels of the Group:

Underwriting process: The criteria for the acceptance of insurance risk are such that a geographical dispersion of risks and their diversification to different activity sectors are ensured. Furthermore, where necessary, policy limits and claim deductibles are applied in order to reduce the Group's share of the risk. In addition, in many cases insurance contracts include exclusion clauses for risks whose probability of occurrence and financial consequences are difficult to estimate (such as general third party liability or environmental risks with discernible causing events).

Claims handling: The Group's policy for claims handling is focused on the timely settlement of claims and the prevention of fraudulent cases being accepted by the Group. This is achieved by appropriate information systems, reliable claim assessment procedures and qualified personnel with a high degree of ethical standing.

Provisions for Outstanding Claims: In addition to the claim-by-claim procedure, a number of statistical and actuarial techniques are employed for the estimation of the ultimate cost of claims incurred and the calculation of the corresponding reserves. These techniques are based on historic data for the determination of the final cost and on assumptions regarding the average claims' cost, future inflation, changes in legal framework, as well as on expert judgment. The process entails a significant degree of subjectivity, particularly with regards to the estimation of the incurred claims reserve for bodily injury, loss of life, legal cases and damage of property. The process includes the creation of reserves which have not been reported to the Group companies at the reporting date.

Reinsurance Policy: The selection of the optimal reinsurance coverage varies depending on the nature of the risks involved, the Group's solvency and its capacity to absorb losses arising from extreme events. The structure of the reinsurance program ensures the protection against high frequency of claims, exceptional claims or concentration of claims. The Group places particular emphasis on the coverage of catastrophic events, arising from natural perils, such as earthquakes by selecting reinsurance programs that cover events with a small probability of incurrence.

Liability adequacy test

For all lines of businesses a liability adequacy test is performed for the adequacy of the technical provisions. With regards to the motor line of business (the largest line of business), historical data was examined on a per nature of claim basis, for each accident year after 2000 and the following methods were applied in order to estimate the ultimate cost for each accident year: cumulative payments, incurred claims, average claim cost projections and the Bornhuetter-Ferguson, Cape Cod and Benktander methods, of which the results were selected for the estimation of the total cost for each accident year.

Claims development tables

The tables below present the development of the incurred claims cost for each accident year from 2015 to 2021. In addition, the corresponding amounts of the cumulative actual claims payments are included, in order for there to be a distinction between actual payments and reserves. Outstanding claims estimates for years prior to 2015 are presented for reconciliation reasons. Note that for

Motor TPL, where additional reserves, resulted from the LAT performed (for both IBNR claims and adverse future deviation of the case estimates for reported claims) are included in the estimates presented.

For the Fire business (the second largest property and casualty line of business after Motor), the total cost per year is the sum of the cumulative payments and the reserves per case (no additional reserves resulted from the LAT performed).

The Motor and Fire lines of business account for over 80% of the outstanding claim reserves balances.

Motor TPL claims development

		Group							
Accident year	**Reserves prior to 2015**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Total reserves**
Accident year		50	48	40	45	43	35	39	-
One year later		52	46	50	52	47	38	-	-
Two years later		51	48	51	53	50	-	-	-
Three years later		51	48	51	52	-	-	-	-
Four years later		51	47	51	-	-	-	-	-
Five years later		50	46	-	-	-	-	-	-
Six years later		35	-	-	-	-	-	-	-
Current estimate of cumulative claims		**35**	**46**	**51**	**52**	**50**	**38**	**39**	**-**
Accident year		(11)	(11)	(10)	(10)	(9)	(8)	(8)	-
One year later		(18)	(20)	(17)	(17)	(15)	(13)	-	-
Two years later		(21)	(22)	(20)	(20)	(17)	-	-	-
Three years later		(23)	(24)	(21)	(22)	-	-	-	-
Four years later		(25)	(26)	(24)	-	-	-	-	-
Five years later		(31)	(27)	-	-	-	-	-	-
Six years later		(28)	-	-	-	-	-	-	-
Cumulative payments		**(28)**	**(27)**	**(24)**	**(22)**	**(17)**	**(13)**	**(8)**	**-**
Total outstanding claims reserve	**50**	**7**	**19**	**27**	**30**	**33**	**25**	**31**	**222**

Fire claims development

		Group							
Accident year	**Reserves prior to 2015**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Total reserves**
Accident year		36	17	14	14	10	8	11	-
One year later		34	21	22	19	9	8	-	-
Two years later		14	22	22	19	13	-	-	-
Three years later		14	22	21	22	-	-	-	-
Four years later		12	21	11	-	-	-	-	-
Five years later		12	22	-	-	-	-	-	-
Six years later		12	-	-	-	-	-	-	-
Current estimate of cumulative claims		**12**	**22**	**11**	**22**	**13**	**8**	**11**	**-**
Accident year		(5)	(12)	(3)	(9)	(3)	(2)	(3)	-
One year later		(11)	(15)	(7)	(12)	(6)	(6)	-	-
Two years later		(11)	(18)	(8)	(12)	(6)	-	-	-
Three years later		(11)	(19)	(10)	(12)	-	-	-	-
Four years later		(12)	(21)	(11)	-	-	-	-	-
Five years later		(12)	(21)	-	-	-	-	-	-
Six years later		(12)	-	-	-	-	-	-	-
Cumulative payments		**(12)**	**(21)**	**(11)**	**(12)**	**(6)**	**(6)**	**(3)**	**-**
Total outstanding claims reserve	**4**	**-**	**1**	**-**	**10**	**7**	**2**	**8**	**32**

4.7 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 capital requirements for the NBG Group for 2022 and 2021:

	CET1 Capital Requirements				Overall Capital Requirements			
	2022 post capital relief measures	2021 post capital relief measures	2022	2021	2022 post capital relief measures	2021 post capital relief measures	2022	2021
Pillar 1	4.50%	4.50%	4.50%	4.50%	8.00%	8.00%	8.00%	8.00%
Pillar 2	1.69%	1.69%	1.69%	1.69%	3.00%	3.00%	3.00%	3.00%
Capital Conservation Buffer	-	-	2.50%	2.50%	-	-	2.50%	2.50%
O-SII Buffer	0.75%	0.50%	0.75%	0.50%	0.75%	0.50%	0.75%	0.50%
Total	**6.94%**	**6.69%**	**9.44%**	**9.19%**	**11.75%**	**11.50%**	**14.25%**	**14.00%**

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

	Group			Bank		
	31.12.2021	31.12.2021	31.12.2020	31.12.2021	31.12.2021	31.12.2020
		Pro-forma[1]			Pro-forma[1]	
Common Equity Tier 1	**14.1%**	**16.9%**	**15.7%**	**14.1%**	**16.6%**	**15.7%**
Tier 1	**14.1%**	**16.9%**	**15.7%**	**14.1%**	**16.6%**	**15.7%**
Total	**14.7%**	**17.5%**	**16.7%**	**14.8%**	**17.3%**	**16.8%**

(1) Pro-forma figures have been calculated including profit 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. In addition, in 2021 Greek Law 4831 further amended article 27 of Greek Law 4172/2013 (please see "Note 27 Deferred tax assets and liabilities").

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 31 December 2021, the amount of DTAs that were eligible for conversion to a receivable from the Greek State subject to the DTC Law was €4.1 billion (31 December 2020: €4.3 billion). The conditions for conversion rights were not met in the year ended 31 December 2021 and no conversion rights are deliverable in 2022.

2021 EU-wide Stress Test

On 29 January 2021 the European Banking Authority ("EBA") launched the 2021 EU-wide stress test exercise following the postponement of the 2020 EU wide stress test-exercise, due to the COVID-19 pandemic. The exercise was led by the European Central Bank ("ECB"), under the common methodological rules defined by the EBA and the macroeconomic and market scenario assumptions published on the same date.

The ECB published on 30 July 2021 the results of the 2021 stress test, which show that the euro area banking system is resilient to adverse economic developments. The stress test is not a pass or fail exercise and no threshold is set to define the failure or success of banks for the purpose of the exercise. Instead, the findings of the stress test will be part of the ongoing supervisory dialogue.

The Stress Test Exercise was based on a Static balance sheet approach, thus factoring in the Group financial and capital position of 31 December 2020 as a starting point, conducting a 3-year horizon stress simulation (2021-2023), under a Baseline and an Adverse scenario.

Under the baseline scenario the Fully Loaded ("FL") CET 1 ratio, reached to 15.5% in 2023 from 12.8% in 2020 (starting point), while under the adverse the FL CET 1 ratio, reached to 6.4% in 2023.

Given the Static balance sheet methodology, the 2021 SSM Stress Test does not incorporate capital accretive results post 31 December 2020.

COVID 19 outbreak

The 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, (please refer to section *"Response to COVID-19 crisis"* of the Board of Directors Report).

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.

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.
- Prudential treatment of software assets.
- 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.
- Lower risk weight to certain loans granted by credit institutions to pensioners or employees with a permanent contract (35% instead of 75%) and to infrastructure finance (75% instead of 100%).

MREL Requirements

Under the Directive 2014/59 (Bank Recovery and Resolution Directive or ("BRRD"), as amended by Directive 2019/879 (BRRD II), banks in the European Union are required to maintain a Minimum Requirement for own funds and Eligible Liabilities ("MREL"), which ensures sufficient loss-absorbing capacity in resolution. MREL includes a risk- and a leverage-based dimension. MREL is therefore expressed as two ratios that both have to be met: (i) as a percentage of Total Risk Exposure Amount ("TREA"), (the "MREL-TREA"); and (ii) as a percentage of the Leverage Ratio Exposure ("LRE"), (the "MREL-LRE").

Instruments qualifying for MREL are own funds (Common Equity Tier 1, Additional Tier 1 and Tier 2), as well as certain eligible liabilities (mainly senior unsecured bonds). Regulation (EU) No 806/2014 of the European Parliament and of the Council, as amended by Regulation (EU) No 877/2019 of the European Parliament and of the Council allows the Single Resolution Board ("SRB") to set in addition to the MREL requirement, a "subordination" requirement, within MREL, against which only subordinated liabilities and own funds count.

On 24 January 2022, the Bank as being identified by the SRB as the Single Point of Entry ("SPE") of the Group and the only entity required to maintain an MREL capacity, received from the Bank of Greece the SRB's decision that should meet by 31 December 2025 an MREL target of 23.29% of TREA and 5.87% of LRE on a consolidated basis. In addition, as per the MREL decision the Bank should also meet by 1 January 2022 an interim binding target of 14.79% of TREA and 5.85% of LRE on a consolidated basis. To the above requirements the capital buffer requirement ("CBR") must be added, which from 1 January 2022 stands at 3.25% and is expected to increase to 3.50% until 31 December 2025. The Bank maintains the MREL capacity required to meet both the LRE requirements and the 1 January 2022 interim binding target of 18.04 % of TREA (including CBR).

Finally, according to the abovementioned SRB's decision, for 2022 no subordination requirement is set for the Bank.

4.8 Fair values 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 and the Bank's Statement of Financial Position at fair value and the fair value is materially different from the carrying amount.

Financial instruments not measured at fair value - Group

	Carrying amount	Fair value			
	31.12.2021	31.12.2021	Level 1	Level 2	Level 3
Financial Assets					
Loans and advances to customers at amortised cost	30,092	29,467	-	-	29,467
Investment securities at amortised cost	12,102	12,128	3,860	7,057	1,211
Financial Liabilities					
Due to customers	53,026	53,090	44,434	8,656	-
Debt securities in issue	912	974	-	974	-

	Carrying amount	Fair value			
	31.12.2020	31.12.2020	Level 1	Level 2	Level 3
Financial Assets					
Loans and advances to customers at amortised cost	26,947	26,885	-	-	26,885
Investment securities at amortised cost	12,339	12,844	4,322	7,350	1,172
Financial Liabilities					
Due to customers	48,635	48,680	37,704	10,976	-
Debt securities in issue	910	937	-	937	-

Financial instruments not measured at fair value - Bank

	Carrying amount 31.12.2021	Fair value 31.12.2021	Level 1	Level 2	Level 3
Financial Assets					
Loans and advances to customers at amortised cost	28,545	27,919	-	-	27,919
Investment securities at amortised cost	11,790	11,812	3,794	6,807	1,211
Financial Liabilities					
Due to customers	51,761	51,825	43,846	7,979	-
Debt securities in issue	912	974	-	974	-

	Carrying amount 31.12.2020	Fair value 31.12.2020	Level 1	Level 2	Level 3
Financial Assets					
Loans and advances to customers at amortised cost	25,375	25,313	-	-	25,313
Investment securities at amortised cost	11,908	12,407	4,322	6,913	1,172
Financial Liabilities					
Due to customers	47,084	47,129	37,056	10,073	-
Debt securities in issue	910	937	-	937	-

The following methods and assumptions were used to estimate the fair values of the above financial instruments at 31 December 2021 and 31 December 2020:

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

b. Financial instruments measured at fair value

The tables below present the fair values of those financial assets and liabilities presented on the Group's and the Bank's Statement of Financial Position at fair value by fair value measurement level at 31 December 2021 and 31 December 2020:

Financial instruments measured at fair value - Group

As at 31 December 2021	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at Fair Value
Financial Assets				
Financial assets at fair value through profit or loss	167	114	-	281
Financial assets mandatorily at fair value through profit or loss	1	24	354	379
Derivative financial instruments	1	4,296	34	4,331
Investment securities at fair value through other comprehensive income	2,002	807	26	2,835
Other assets	330	-	-	330
Total	**2,501**	**5,241**	**414**	**8,156**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	467	-	467
Derivative financial instruments	-	3,008	6	3,014
Total	**-**	**3,475**	**6**	**3,481**

As at 31 December 2020	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at Fair Value
Financial Assets				
Financial assets at fair value through profit or loss	302	142	-	444
Financial assets mandatorily at fair value through profit or loss	67	23	78	168
Derivative financial instruments	1	5,568	16	5,585
Investment securities at fair value through other comprehensive income	795	2,067	26	2,888
Total	**1,165**	**7,800**	**120**	**9,085**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	426	-	426
Derivative financial instruments	-	3,318	3	3,321
Total	**-**	**3,744**	**3**	**3,747**

Financial instruments measured at fair value - Bank

As at 31 December 2021	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at Fair Value
Financial Assets				
Financial assets at fair value through profit or loss	156	115	-	271
Financial assets mandatorily at fair value through profit or loss	-	24	341	365
Derivative financial instruments	1	4,296	34	4,331
Investment securities at fair value through other comprehensive income	1,995	741	26	2,762
Other assets	330	-	-	330
Total	**2,482**	**5,176**	**401**	**8,059**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	467	-	467
Derivative financial instruments	-	3,007	6	3,013
Total	**-**	**3,474**	**6**	**3,480**

As at 31 December 2020	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at Fair Value
Financial Assets				
Financial assets at fair value through profit or loss	286	142	-	428
Financial assets mandatorily at fair value through profit or loss	65	23	78	166
Derivative financial instruments	1	5,568	16	5,585
Investment securities at fair value through other comprehensive income	789	1,999	26	2,814
Total	**1,141**	**7,732**	**120**	**8,993**
Financial Liabilities				
Due to customers designated as at fair value through profit or loss	-	426	-	426
Derivative financial instruments	-	3,318	3	3,321
Total	**-**	**3,744**	**3**	**3,747**

Other Assets for both the Group and the Bank, include an investment in a spot position for emission rights which is carried at fair value through profit or loss.

The tables below present the fair values for the assets and liabilities classified as held-for-sale in the Group's and the Bank's Statement of Financial Position and measured at fair value for 31 December 2021 and 31 December 2020:

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

As at 31 December 2021	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at Fair Value
Financial Assets				
Financial assets at fair value through profit or loss	7	20	-	27
Investment securities at fair value through other comprehensive income	1,467	1,722	15	3,204
Insurance related assets and receivables	173	112	-	285
Total	**1,647**	**1,854**	**15**	**3,516**

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

As at 31 December 2020	Fair value measurement using			
	Level 1	Level 2	Level 3	Total asset/ liability at Fair Value
Financial Assets				
Financial assets at fair value through profit or loss	6	20	-	26
Derivative financial instruments	-	1	-	1
Investment securities at fair value through other comprehensive income	1,348	1,719	10	3,077
Insurance related assets and receivables	115	126	-	241
Total	**1,469**	**1,866**	**10**	**3,345**

Transfers between Level 1 and Level 2

As at 31 December 2021 and 31 December 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 was €4 and €43 million as at 31 December 2021 and 31 December 2020 respectively.

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

Level 3 financial instruments

Level 3 financial instruments at 31 December 2021 and 31 December 2020 include:

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

(b) Securities mandatorily at fair value through profit or loss, for which the models used to estimate their fair value is based on unobservable credit spreads or which are price-based and the price is obtained from the issuers of the securities. They also include loans and advances to customers mandatorily measured at fair value through profit or loss, valued using discounted cash flow valuation techniques incorporating unobservable credit spreads. Additionally, they include receivables resulted from the disposal of loan portfolios through Project ICON and project Danube (please refer to Note 29: "Assets and liabilities held for sale and discontinued operations”). The main part of these receivables relates to an unconditional consideration to be received at a predetermined future date while the remaining part relates to a contingent consideration to be received based on the achievement of predetermined collection targets. The valuation of the contingent consideration incorporates a range of unobservable inputs, hence the Group assesses the whole receivable to be classified in the lowest level of the fair value hierarchy. Further, they include the Mezzanine tranche of the Frontier securitization (please refer to Note 21: “Loans and advances to customers”) the price of which, was based on the bids received during the closing of the transaction.

(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 year ended 31 December 2021 and 31 December 2020, 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 year ended 31 December 2021 there were no transfers into or out of Level 3.

For the year ended 31 December 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. Transfers from Level 3 into Level 2 include derivative instruments for which the bilateral CVA adjustment is no longer significant to the base fair value of the respective instruments.

Reconciliation of fair value measurements in Level 3 – Group

	2021		
Group	Net derivative financial instruments	Investment securities at FVTOCI	Mandatorily at FVTPL
Balance at 1 January	**13**	**26**	**78**
Gain/(loss) included in Income Statement	16	-	7
Purchases	-	-	296
Settlements	(1)	-	(27)
Balance at 31 December	**28**	**26**	**354**

	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	-	(2)
Gain/(loss) included in OCI	-	(8)	-
Settlements	-	-	(56)
Transfer into/(out of) level 3	5	-	-
Balance at 31 December	**13**	**26**	**78**

Reconciliation of fair value measurements in Level 3 – Bank

	2021		
Bank	Net derivative financial instruments	Investment securities at FVTOCI	Mandatorily at FVTPL
Balance at 1 January	**13**	**27**	**78**
Gain/(loss) included in Income Statement	16	-	7
Purchases	-	-	281
Settlements	(1)	(1)	(25)
Balance at 31 December	**28**	**26**	**341**

	2020		
Bank	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	-	(2)
Gain/(loss) included in OCI	-	(7)	-
Settlements	-	-	(56)
Transfer into/(out of) level 3	5	-	-
Balance at 31 December	**13**	**27**	**78**

Changes in unrealised gains/(losses) included in the income statement of financial instruments measured at fair value using significant unobservable inputs (Level 3), relate to financial assets mandatorily at fair value through profit or loss and net derivative financial instruments, and amount to €(3) million and €18 million respectively, for the Group and the Bank, for the year ended 31 December 2021 and for the year ended 31 December 2020 amount to €(1) million and €8 million respectively, for the Group and the Bank.

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 | 31 December 2021

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs	
				Low	High
Debt securities mandatorily at fair value through profit or loss	1	Discounted Cash Flows	Credit Spread	766 bps	766 bps
	6	Price Based	Price	28.19	28.19
Interest Rate Derivatives	29	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	166 bps	488 bps
	(2)	Discounted Cash Flows	Constant Maturity Swap correlation between different tenors	72.80%	100.00%
Other Derivatives	1	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	352 bps	488 bps
Investment Securities at fair value through other comprehensive income	26	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	61	Discounted Cash Flows	Credit Spread	200 bps	650 bps
	286	Discounted Cash Flows	Credit Spread	n/a[2]	n/a[2]

[1] Equity securities mandatorily at FVTPL and at fair value through other comprehensive income include equity securities which are not traded in active markets. In the absence of an active market we estimate the fair value of these securities 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.

[2]The valuation of the contingent part of the receivables from the loan portfolio sales, has been performed using a discounted cash flow methodology under the income approach and includes a wide range of unobservable inputs, for which is not practicable to quote a relevant range of unobservable inputs, for disclosure purposes.

Quantitative Information about Level 3 Fair Value Measurements | 31 December 2020

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Input	Range of Inputs	
				Low	High
Debt securities mandatorily at fair value through profit or loss	8	Price Based	Price	102.00	102.00
	1	Discounted Cash Flows	Credit Spread	824 bps	824 bps
Interest Rate Derivatives	10	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	210 bps	453 bps
	(1)	Discounted Cash Flows	Constant Maturity Swap correlation between different tenors	72.80%	100.00%
Other Derivatives	3	Discounted Cash Flows, Internal Model (for CVA/DVA)	Credit Spread	210 bps	453 bps
Investment Securities at fair value through other comprehensive income	26	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	69	Discounted Cash Flows	Credit Spread	200 bps	650 bps

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

Sensitivity of Fair Value Measurements to Changes in Unobservable Inputs

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

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

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

The valuation of the contingent part of the receivables from sales of loan portfolios, mandatorily measured at fair value through profit or loss, includes a range of unobservable inputs. A reasonable change in the unobservable inputs used would not result in a significant change in the fair value of these receivables.

4.9 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position where the Group and the Bank currently have a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Group and the Bank enter into various master netting arrangements or similar agreements that do not meet the criteria set by the applicable accounting guidance for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in the event of a default by the counterparty (such as bankruptcy or a failure to pay or perform). The table below presents the recognised financial instruments that are either offset or subject to master netting arrangements or similar agreements but not offset, as at 31 December 2021 and 2020, and shows under "Net amount" what the net impact would be on the Group's and the Bank's Statement of Financial Position if all set-off rights were exercised.

a. Financial assets subject to offsetting, enforceable netting arrangements and similar agreements

At 31 December 2021		Group: Derivative instruments (1)	Group: Reverse repurchase agreements (2)	Group: Deposits in margin accounts (3)	Group: Total	Bank: Derivative instruments (1)	Bank: Reverse repurchase agreements (2)	Bank: Deposits in margin accounts (3)	Bank: Total
Gross amounts of recognised financial assets		**5,060**	**30**	**4,129**	**9,219**	**5,060**	**30**	**4,129**	**9,219**
Positive market values from derivative financial instruments that have been offset		(729)	-	-	**(729)**	(729)	-	-	**(729)**
Negative market values from derivative financial instruments		-	-	(959)	**(959)**	-	-	(959)	**(959)**
Net amounts of financial assets presented in the Statement of Financial Position		**4,331**	**30**	**3,170**	**7,531**	**4,331**	**30**	**3,170**	**7,531**
Related amounts not set off in the Statement of Financial Position	Financial instruments	(496)	(30)	-	**(526)**	(496)	(30)	-	**(526)**
	Cash collateral received	(715)	-	-	**(715)**	(715)	-	-	**(715)**
Net amount		**3,120**	**-**	**3,170**	**6,290**	**3,120**	**-**	**3,170**	**6,290**

(1) *Included in Derivative assets in the Statement of Financial Position of the Group and the Bank as at 31 December 2021.*
(2) *Included in Loans and advances to customers in the Statement of Financial Position of the Group and the Bank respectively, as at 31 December 2021.*
(3) *Included in Due from Banks in the Statement of Financial Position of the Group and the Bank respectively, as at 31 December 2021.*

At 31 December 2020		Group: Derivative instruments (1)	Group: Reverse repurchase agreements (2)	Group: Deposits in margin accounts (2)	Group: Total	Bank: Derivative instruments (1)	Bank: Reverse repurchase agreements (2)	Bank: Deposits in margin accounts (2)	Bank: Total
Gross amounts of recognised financial assets		**6,311**	**200**	**6,557**	**13,068**	**6,311**	**200**	**6,557**	**13,068**
Positive market values from derivative financial instruments that have been offset		(726)	-	-	**(726)**	(726)	-	-	**(726)**
Negative market values from derivative financial instruments		-	-	(2,225)	**(2,225)**	-	-	(2,225)	**(2,225)**
Net amounts of financial assets presented in the Statement of Financial Position		**5,585**	**200**	**4,332**	**10,117**	**5,585**	**200**	**4,332**	**10,117**
Related amounts not set off in the Statement of Financial Position	Financial instruments	(647)	(200)	-	**(847)**	(647)	(200)	-	**(847)**
	Cash collateral received	(880)	-	-	**(880)**	(880)	-	-	**(880)**
Net amount		**4,058**	**-**	**4,332**	**8,390**	**4,058**	**-**	**4,332**	**8,390**

(1) *Included in Derivative assets in the Statement of Financial Position of the Group and the Bank as at 31 December 2020.*
(2) *Included in Due from Banks in the Statement of Financial Position of the Group and the Bank respectively, as at 31 December 2020.*

b. Financial liabilities subject to offsetting, enforceable netting arrangements and similar agreements

At 31 December 2021		Group Derivative instruments (1)	Group Repurchase agreements (2)	Group Total	Bank Derivative instruments (1)	Bank Repurchase agreements (2)	Bank Total
Gross amounts of recognised financial liabilities		**4,702**	**1,239**	**5,941**	**4,701**	**1,239**	**5,940**
Negative market values from derivative financial instruments that have been offset		(729)	-	**(729)**	(729)	-	**(729)**
Deposits in margin accounts		(959)	-	**(959)**	(959)	-	**(959)**
Net amounts of financial liabilities presented in the Statement of Financial Position		**3,014**	**1,239**	**4,253**	**3,013**	**1,239**	**4,252**
Related amounts not set off in the Statement of Financial Position	Financial instruments	(1,253)	(1,239)	**(2,492)**	(1,253)	(1,239)	**(2,492)**
	Cash collateral pledged	(1,204)	-	**(1,204)**	(1,204)	-	**(1,204)**
Net amount		**557**	**-**	**557**	**556**	**-**	**556**

(1) Included in Derivative liabilities in the Statement of Financial Position of the Group and the Bank as at 31 December 2021.
(2) Included in Due to Banks in the Statement of Financial Position of the Group and the Bank as at 31 December 2021.

At 31 December 2020		Group Derivative instruments (1)	Group Repurchase agreements (2)	Group Total	Bank Derivative instruments (1)	Bank Repurchase agreements (2)	Bank Total
Gross amounts of recognised financial liabilities		**6,272**	**517**	**6,789**	**6,272**	**517**	**6,789**
Negative market values from derivative financial instruments that have been offset		(726)	-	**(726)**	(726)	-	**(726)**
Deposits in margin accounts		(2,225)	-	**(2,225)**	(2,225)	-	**(2,225)**
Net amounts of financial liabilities presented in the Statement of Financial Position		**3,321**	**517**	**3,838**	**3,321**	**517**	**3,838**
Related amounts not set off in the Statement of Financial Position	Financial instruments	(1,507)	(517)	**(2,024)**	(1,507)	(517)	**(2,024)**
	Cash collateral pledged	(1,217)	-	**(1,217)**	(1,217)	-	**(1,217)**
Net amount		**597**	**-**	**597**	**597**	**-**	**597**

(1) Included in Derivative liabilities in the Statement of Financial Position of the Group and the Bank as at 31 December 2020.
(2) Included in Due to Banks in the Statement of Financial Position of the Group and the Bank as at 31 December 2020.

NOTE 5 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.

Trouble Assets Units (“TAU”)

In order to (a) manage more effectively delinquent, non-performing and denounced loans 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 two dedicated and independent internal units, one responsible for the management of the Bank’s retail loans (the Retail Collection Unit (“RCU”)) and the other for the Bank’s corporate delinquent exposures (the Special Assets Unit (“SAU”)), which has the overall responsibility for the management of such loans (end-to-end responsibility). In the 2020 Financial

Statements the RCU were included in Retail Banking segment. In order to report in a manner consistent with the internal reporting provided to the chief operating decision-maker, the comparative figures for 2020 segment reporting were restated by reclassifying the RCU figures from the Retail Banking segment to TAU segment. The impact from the restatement is reported at the end of the current Note under "Restatement" table.

Global markets and asset management

Global markets and asset management includes all treasury activities, 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 29 "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 as at 31 December 2021 and 31 December 2020 include CAC Coral Ltd. The profit or losses from discontinued operations for the period ended 31 December 2021 and 31 December 2020, include CAC Coral Ltd. NBG Cyprus Ltd was reclassified as continuing operations (see Note 29 "Assets and liabilities held for sale and discontinued operations").

Other

Includes proprietary real estate management, warehousing business as well as unallocated income and expense of the Group.

12 month period ended 31.12.2021	Retail Banking	Corporate & Investment Banking	TAU	Global markets & Asset Management	Insurance	International Banking Operations	Other	Group
Net interest income	197	464	254	230	-	67	-	**1,212**
Net fee and commission income	141	92	12	21	-	18	3	**287**
Other	(17)	(3)	(26)	464	-	6	(20)	**404**
Total income	**321**	**553**	**240**	**715**	**-**	**91**	**(17)**	**1,903**
Direct costs	(315)	(41)	(5)	(22)	-	(77)	(226)	**(686)**
Allocated costs and provisions[1]	(178)	(46)	(18)	7	-	(16)	(167)	**(418)**
Profit / (loss) before tax	**(172)**	**466**	**217**	**700**	**-**	**(2)**	**(410)**	**799**
Tax benefit / (expense)								**(15)**
Profit for the period from continuing operations								**784**
Non-controlling interests								**(2)**
Profit/(loss) for the period from discontinued operations	-	-	-	-	88	-	(3)	**85**
Profit attributable to NBG equity shareholders								**867**
Depreciation and amortisation[1]	70	4	2	2	-	9	76	**163**
Credit provisions and other impairment charges	17	15	(15)	(20)	-	16	65	**78**
Non current asset additions	13	3	-	-	-	3	152	**171**

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

Breakdown by business segment

12 month period ended 31.12.2020	Retail Banking	Corporate & Investment Banking	TAU	Global markets & Asset Management	Insurance	International Banking Operations	Other	Group As restated
Net interest income	164	456	282	204	-	73	-	**1,179**
Net fee and commission income	128	83	13	17	-	16	3	**260**
Other	(16)	(3)	(10)	1,157	-	1	(31)	**1,098**
Total income	**276**	**536**	**285**	**1,378**	**-**	**90**	**(28)**	**2,537**
Direct costs	(334)	(38)	(17)	(22)	-	(66)	(157)	**(634)**
Allocated costs and provisions[2]	(119)	(85)	(1,064)	(36)	-	(6)	(179)	**(1,489)**
Profit / (loss) before tax	**(177)**	**413**	**(796)**	**1,320**	**-**	**18**	**(364)**	**414**
Tax benefit / (expense)								**(13)**
Profit for the period from continuing operations								**401**
Non controlling interests								**(2)**
Profit / (loss) for the period from discontinued operations					(364)	(2)		**(366)**
Profit attributable to NBG equity shareholders								**33**
Depreciation, amortisation[2]	68	4	1	2	-	6	73	**154**
Credit provision and other impairment charges	(38)	53	1,021	25	-	6	34	**1,101**
Non current asset additions	13	5	-	-	-	2	151	**171**

[2] Includes depreciation and amortisation on investment property, property & equipment, software & other intangible assets.

Breakdown by business segment

	Retail Banking	Corporate & Investment Banking	TAU	Global Markets & Asset Management	Insurance	International Banking Operations	Other	Group
Segment assets as at 31 December 2021								
Segment assets	7,052	18,395	3,559	38,420	-	2,739	4,099	**74,264**
Current income tax advance and deferred tax assets								**5,201**
Non-current assets held for sale			445		3,893		155	**4,493**
Total assets								**83,958**
Segment liabilities as at 31 December 2021								
Segment liabilities	43,482	6,325	186	19,250	-	1,951	3,556	**74,750**
Current income and deferred tax liabilities								**19**
Liabilities associated with non-current assets held for sale	-	-	-	-	3,413	4	-	**3,417**
Total liabilities								**78,186**

	Retail Banking	Corporate & Investment Banking	TAU	Global Markets & Asset Management	Insurance	International Banking Operations	Other	Group
Segment assets as at 31 December 2020								
Segment assets	7,191	13,950	4,416	33,274	-	2,777	3,928	**65,536**
Current income tax advance and deferred tax assets								**5,253**
Non-current assets held for sale	-	25	2,883	-	3,696	91	-	**6,695**
Total assets								**77,484**
Segment liabilities as at 31 December 2020								
Segment liabilities	40,514	4,413	229	18,100	-	2,116	3,668	**69,040**
Current income and deferred tax liabilities								**18**
Liabilities associated with non-current assets held for sale	-	-	-	-	3,340	1	-	**3,341**
Total liabilities								**72,399**

Breakdown by location

12 month period ended 31 December 2021	Greece	S.E. Europe	Other	Group
Net interest income	1,145	58	9	**1,212**
Net fee and commission income	269	13	5	**287**
Other	398	2	4	**404**
Total income	**1,812**	**73**	**18**	**1,903**
Direct costs	(609)	(29)	(48)	**(686)**
Allocated costs and provisions[1]	(402)	(16)	-	**(418)**
Profit / (loss) before tax	**801**	**28**	**(30)**	**799**
Tax benefit / (expense)				**(15)**
Profit for the period from continuing operations				**784**
Non-controlling interests				**(2)**
Profit/(loss) for the period from discontinued operations	88	-	(3)	**85**
Profit attributable to NBG equity shareholders				**867**
Depreciation and amortisation[1]	154	3	6	**163**
Credit provisions and other impairment charges	62	16	-	**78**
Non-current asset additions	168	2	1	**171**
Non-current assets	2,460	33	20	**2,513**

[1] Includes depreciation and amortisation on investment property, property & equipment, software & other intangible assets.

Breakdown by location

12 month period ended 31 December 2020	Greece	S.E. Europe	Other	Group
Net interest income	1,106	55	18	**1,179**
Net fee and commission income	243	11	6	**260**
Other	1,098	4	(4)	**1,098**
Total income	**2,447**	**70**	**20**	**2,537**
Direct costs	(568)	(32)	(34)	**(634)**
Allocated costs and provisions[1]	(1,482)	(9)	2	**(1,489)**
Profit / (loss) before tax	**397**	**29**	**(12)**	**414**
Tax benefit / (expense)				**(13)**
Profit for the period from continuing operations				**401**
Non-controlling interests				**(2)**
Profit/(loss) for the period from discontinued operations	(364)	(2)	-	**(366)**
Profit attributable to NBG equity shareholders				**33**
Depreciation and amortisation[1]	148	4	2	**154**
Credit provisions and other impairment charges	1,095	8	(2)	**1,101**
Non-current asset additions	169	2	-	**171**
Non-current assets	2,446	42	8	**2,496**

[1] Includes depreciation and amortisation on investment property, property & equipment, software & other intangible assets.

Restatement
Breakdown by business segment

12 month period ended 31.12.2020	Retail Banking	Corporate & Investment Banking	TAU	Global markets & Asset Management	Insurance	International Banking Operations	Other	Group
Net interest income	(189)	-	189	-	-	11	(1)	**10**
Net fee and commission income	(10)	-	10	-	-	4	-	**4**
Other	10	-	(10)	-	-	1	-	**1**
Total income	**(189)**	**-**	**189**	**-**	**-**	**16**	**(1)**	**15**
Direct costs	6	-	(6)	-	-	(20)	-	**(20)**
Allocated costs and provisions	931	-	(931)	-	-	5	1	**6**
Profit / (loss) before tax	**748**	**-**	**(748)**	**-**	**-**	**1**	**-**	**1**

NOTE 6 Net interest income

	Group		Bank	
Continuing Operations	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Interest earned on:				
Amounts due from banks	114	70	115	72
Financial assets at fair value through profit or loss	4	7	4	7
Investment securities	186	196	180	191
Loans and advances to customers	1,057	1,112	961	1,006
Interest and similar income	**1,361**	**1,385**	**1,260**	**1,276**
Interest payable on:				
Amounts due to banks	(42)	(24)	(42)	(17)
Amounts due to customers	(33)	(95)	(29)	(96)
Debt securities in issue and other borrowed funds	(49)	(59)	(48)	(59)
Lease liability	(25)	(28)	(39)	(44)
Interest expense and similar charges	**(149)**	**(206)**	**(158)**	**(216)**
Net interest income	**1,212**	**1,179**	**1,102**	**1,060**

NOTE 7 Net fee and commission income

	Group		Bank	
Continuing Operations	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Custody, brokerage & investment banking	11	13	4	8
Retail lending fees	25	23	21	20
Corporate lending fees	92	84	80	74
Banking fees & similar charges	147	130	144	126
Fund management fees	12	10	-	-
Net fee and commission income	**287**	**260**	**249**	**228**

NOTE 8 Net trading income / (loss) and results from investment securities and Gains / (losses) arising from the derecognition of financial assets measured at amortised cost

	Group		Bank	
Continuing Operations	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Net trading result and other net unrealized gains / (losses) from financial instruments	82	-	75	-
Net gain / (loss) from disposal of investment debt securities	98	386	97	383
Total net trading income / (loss) and results from investment securities	**180**	**386**	**172**	**383**

"Net gain / (loss) from disposal of investment debt securities" includes €71 million and €373 million gains from sales of Greek Government Bonds for 31 December 2021 and 31 December 2020, respectively.

	Group		Bank	
Continuing Operations	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Gains / (losses) arising from the derecognition of financial assets measured at amortised cost	**283**	**770**	**283**	**773**

On 13 January 2021, the Greek Public Debt Management Agency ("PDMA") and the Bank carried out a Greek Government Bond ("GGB") exchange. The Bank exchanged bonds of €1.0 billion nominal value, carrying amount of €1.3 billion and settlement amount of €1.5 billion maturing on 20 March 2050, with a series of other Greek Government Bonds with shorter maturities of a total nominal value of €2.8 billion and a settlement amount of €3.6 billion (as per relative Ministry Decree). The exchange was executed at market terms and the difference between the settlement amounts for the bond exchanged and the bonds received was settled in cash. The transaction was settled on 20 January 2021. The Group realized a gain of €209 million in "Gains / (losses) arising from the derecognition of financial assets measured at amortised cost".

In January 2020, the Greek Government, through its Public Debt Management Agency ("PDMA"), and the Bank entered into a Bond exchange, involving Greek Government Bonds held by NBG with a newly issued 30-year Greek Government Bond. 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 relative movement of the Greek sovereign rates.

On 3 December 2020 and 18 December 2020, the Bank entered into two Greek Government Bond exchanges, having the Greek PDMA as a counterparty. Specifically, the Bank exchanged in total €950 million nominal value, carrying amount of €1.2 billion and settlement amount of €1.4 billion of the Greek Government Bond maturing on 20 March 2050, for a series of other GGBs with shorter maturities of a total nominal value of €1.6 billion and a settlement amount of €2.1 billion (as per relative Ministry Decrees). The exchanges were executed at market terms and the difference between the settlement amounts for the bond exchanged and the bonds received was settled in cash. The transactions were settled on 11 December 2020 and 28 December 2020, respectively. The Group and the Bank realized a gain from these exchanges amounted to €251 million in "Gains / (losses) arising from the derecognition of financial assets measured at amortised cost". For more information on the exchanges performed during 2020, please refer to Note 22 "Investment Securities".

NOTE 9 Net other income / (expenses)

	Group		Bank	
Continuing Operations	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Income from non-banking activities	43	45	18	11
Dividends	3	4	3	12
Deposit Insurance Premium	(52)	(52)	(49)	(49)
Withholding taxes and duties on loans granted	(53)	(55)	(53)	(55)
Total	**(59)**	**(58)**	**(81)**	**(81)**

Deposit Insurance Premium includes contributions to Deposit Insurance and Resolution Funds for the Bank of €33 million regarding the regular contribution to the Hellenic Deposit and Investment Guarantee Fund ("HDIGF") Resolution Leg (2020: €31 million) and €15 million contribution towards the Single Resolution Fund ("SRF") (2020: €18 million).

NOTE 10 Personnel expenses

	Group		Bank	
Continuing Operations	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Salaries and other staff related benefits	537	522	496	480
Pension costs: defined benefit plans (see Note 11)	8	10	7	9
Total	**545**	**532**	**503**	**489**

"Salaries and other staff related benefits" for the period ended 31 December 2021, include the amount of €77 million related to IKA-ETAM in accordance with Greek Law 3655/2008, after the incorporation of the Bank's main pension fund into the main pension branch of the state sponsored social security fund IKA–ETAM as of 1 August 2008 and corresponds to the total remaining liability (see Note 11 "Retirement benefit obligation").

Moreover, "Salaries and other staff related benefits" in 2021, include the defined contributions of €35 million related to social security for employees insured with National Bank of Greece Auxiliary Pension Plan ("LEPETE"), to e-EFKA. In 2020, the respective social security contribution was €37 million (see Note 11 "Retirement benefit obligation").

The average number of employees from continuing operations for the Group during the period from 1 January 2021 up to 31 December 2021 was 9,224 (31 December 2020: 9,762) and for the Bank was 7,810 (31 December 2020: 8,191). The decrease on the number of employees as of 31 December 2021 is due to the Voluntary Exit Schemes ("VES"), launched in 2021, which reduced its headcount gradually by 472 and 469 employees for the Group and the Bank, respectively, (see Note 11 "Retirement benefit obligation").

NOTE 11 Retirement benefit obligation

I. Defined Contribution Plans

National Bank of Greece Pension Plan

In accordance with Greek Law 3655/2008, applicable from April 2008, the Bank's main pension plan, which was a defined-contribution plan, has been incorporated into the main pension branch of the state sponsored social security fund IKA–ETAM as of 1 August 2008. This legislation also prescribes that employer contributions made by the Bank will be reduced every three years in equal increments from 26.50% in 2013 until they reach 13.33% of employees' gross salary, for employees who joined any social security plan prior to 1 January 1993.

However, in accordance with Greek Law 4387/2016 and Ministry decision number F11321/OIK.45947/1757/2016 (Govt. Gazette 4458/B/30.12.2016), from 1 January 2017, the Bank's employer contributions reduced equally every year and they reached 13.33% in 2020. Additionally, the aforementioned law introduced a maximum gross monthly income of 5,860.80 euros, upon which social security contributions are calculated, (the amount was increased to 6,500 euros from 1 February 2019). Employer contributions for employees, who joined any social security fund post 1 January 1993, will remain at 13.33%.

National Bank of Greece Auxiliary Pension Plan ("LEPETE")

Regarding the National Bank of Greece Auxiliary Pension Plan ("LEPETE"), on 19 March 2020, a legislative amendment (Article 63, Greek Law 4680/2020) on Article 24 of Greek Law 4618/2019 was passed ("the amendment"), changing the previous status described above. According to the amendment, the employees insured with LEPETE were transferred to the former ETEAEP and are now governed by the legislation of the Auxiliary Insurance Plan of Single Social Security Entity ("e-EFKA"). As a result, the Bank is liable for normal employer's contributions. The Bank is also obligated to pay an additional social security contribution to the Auxiliary Insurance Plan of e-EFKA for the years 2018 to 2032, amounting to 12.0% per annum of the gross salaries of employees with any employment relationship with the Bank on 31 December of each respective year. These additional annual contributions from the Bank for the years 2020 and 2019 amounted to €35 million and €37 million, respectively.

Other Defined Contribution Pension Plans

The London branch of the Bank, NBG Asset Management Mutual Funds, Pronomiouhos S.A. Genikon Apothikon Hellados and NBG Leasing S.A. also make contributions to other defined contribution pension plans and funds for their employees.

Defined contribution health plans

Contributions by the Bank to the National Bank of Greece Health Plan ("T.Y.P.E.T.") amount to 6.25% of employees' salaries. Employees' contributions amount to 2.5% of their salaries. Additional contributions are paid for insured members of the employees' families (such as spouse that does not work and children) and are increased further in the event that the insured spouse is employed or that members of the paternal family are also insured. Contributions of retired employees amount to 4% of their pensions, while additional contributions are paid for other insured members of their families. T.Y.P.E.T. offers health benefits to employees before and after their retirement, and to insured members of their families.

Total contributions to social security funds, state run plans and defined contribution plans for the Group for 2021 and 2020 were €206 million and €174 million, respectively. The respective figures for the Bank were €198 million and €166 million, respectively. As mentioned above, as of 1 August 2008, the Bank's pension plan was incorporated into IKA-ETAM and therefore ceased to exist as separate defined contribution plan.

National Bank of Greece Lump Sum Benefit Plan

Up to 2013, the Bank did not contribute to the aforementioned plan. Following the amendment of the aforementioned plan's regulation, from 1 January 2014 the Bank pays voluntary contribution of 2.0% and up to €11,820.00 total remuneration, as amended on 1 December 2021 from €11,640.00 as of 1 December 2020 and from €11,556.00 as of 1 December 2019.

II. Defined Benefit Plans

Retirement indemnities

Most of the Group companies are required by local law to offer retirement indemnities to employees leaving service to retire. Such retirement indemnities are in the form of a lump sum payment based usually on final salary and years of service, the calculation of which depends on the jurisdiction in which the company operates and the employee's profession (e.g. Greek Law provides for different indemnities for salaried employees, wage earners and lawyers). In some cases, Group company regulations provide for additional benefits to employees above the statutory minimum.

In accordance with Greek Law 4046/2012 and Board of Ministers' Decision (6/28.2.2012), from 14 February 2012 onwards, the employment contracts that lapse on attainment of the normal retirement age or based on the particular retirement conditions, are considered as indefinite duration employment contracts and therefore, the provisions for employees statutory retirement indemnity of Greek Law 2112/1920, are applied.

Prior to the enactment of the above Law, the Bank considered the employment contracts with its employees as finite duration contracts; therefore, no provision for staff leaving indemnity was recognized.

On 12 November 2012, the new Greek Law 4093/2012 (GG A' 222) decreased the Greek Law 2112/1920 statutory indemnity scale in case of employee dismissal or normal retirement. The new law restricts the maximum indemnity payable to an employee upon dismissal or retirement, to 12 monthly salaries instead of 24.

The transitional provisions of the law state that for employees who on 12 November 2012 had 17 or more full years of service to the same employer there is an additional monthly salary as indemnity per year and up to 24 monthly salaries. In case of dismissal the additional monthly salary is restricted to 2,000 euros.

Implementation of the IFRS Interpretations Committee Decision relating to the provisions for staff indemnity relating to the accounting for the allocation of the cost of provision for staff indemnity due to retirement based on IAS 19 Employee Benefits.

In May 2021, the IFRS Interpretations Committee ("IFRIC") issued the final decision ("Decision") on the agenda entitled "Distribution of benefits in periods of service in accordance with International Accounting Standard (IAS) 19". Based on the above Decision, the way in which the basic principles of IAS 19 were applied in Greece in the past in this regard, and consequently, according to what is defined in the IASB Due Process Handbook (par. 8.6) is differentiated. Therefore, entities that prepare their financial statements in accordance with IFRS are required to amend their accounting policies in this regard.

This Decision defines accounting treatment for the formation of the employee benefits for statutory indemnity due to retirement, where according to the provision of the Greek legislation (Greek Law 3198/1955) is capped at 16 years of service within the entity.

The Group and the Bank implemented the aforementioned Decision and resulted in a change in accounting method the retroactive effect of which was recorded in the Group's and the Bank's equity as at 1 January 2020 (see Note 48 "Restatement").

Lump sum and annuity benefits

Former Ethnokarta employees are entitled to benefits from Deposit Administration Fund ("DAF") type policies, which offer lump sum benefits and pension benefits additional to those offered by social security funds or main pension plans. Such benefits are usually based on the employees' salary and years of service and vary depending on the provisions of each policy.

Pension costs – defined benefit plans

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
		As restated		As restated
Service cost	7	7	7	7
Net interest expense on the net defined benefit liability/(asset)	1	3	1	3
Loss / (income) on curtailments /settlements and other expense/ (income)	64	108	63	106
Total	**72**	**118**	**71**	**116**

In 2021, "Loss / (income) on curtailments / settlements and other expense / (income)" include the 2021 VES cost implemented mainly by the Bank, amounting to €64 million for the Group and €63 million for the Bank.

Furthermore, the amount of €64 million and €63 million for the Group and the Bank respectively, is recognised as restructuring cost (see also Note 14: "Restructuring costs"), relates to the cost recognized during 2021 in the context of Bank's commitment under the 2019 Restructuring Plan to decrease its total FTEs at domestic level (see Note 46 "Restructuring Plan").

In 2020, "Loss / (income) on curtailments / settlements and other expense / (income)" mainly include the 2020 VES cost and 2019 ongoing VES cost implemented mainly by the Bank and the domestic subsidiaries, amounting to €108 million for the Group and €106 million for the Bank.

Furthermore, the amount of €108 million is recognised as restructuring cost, relates to the cost recognized during 2020 in the context of Bank's commitment under the 2019 Restructuring Plan to decrease its total FTEs at domestic level (see Note 14 "Restructuring costs").

Net liability in Statement of Financial Position

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
		As restated		As restated
Present value of funded obligations	130	146	130	146
Fair value of plan assets	(3)	(2)	(3)	(2)
	127	**144**	**127**	**144**
Present value of unfunded obligations	144	150	142	149
Total	**271**	**294**	**269**	**293**

Movement in net liability

	Group		Bank	
	2021	2020	2021	2020
		As restated		As restated
Net liability at the beginning of the period	**294**	**267**	**293**	**264**
Adjustment due to change in accounting policy	-	(5)	-	(3)
Actual employer contributions paid	(17)	(5)	(17)	(5)
Benefits paid directly	(69)	(98)	(68)	(95)
Total expenses recognized in the income statement - continuing operations	72	118	71	116
Amount recognized in the OCI	(9)	17	(10)	16
Net liability at the end of the period	**271**	**294**	**269**	**293**

Remeasurements on the net liability

	Group		Bank	
	2021	2020	2021	2020
Liability (gain)/loss due to changes in assumptions	(11)	15	(12)	15
Liability experience (gain)/loss arising during the year	2	2	2	1
Total amount recognized in OCI	**(9)**	**17**	**(10)**	**16**

In 2022, the Group and the Bank are expected to make €8 million and €8 million respectively, in contributions to funded plans, and pay €28 million and €27 million respectively, in retirement indemnities.

Reconciliation of defined benefit obligation

	Group		Bank	
	2021	2020	2021	2020
		As restated		As restated
Defined benefit obligation at the beginning of the period	**296**	**273**	**295**	**270**
Adjustment due to change in accounting policy	-	(5)	-	(3)
Service cost-continuing operations	7	7	7	7
Interest cost -continuing operations	1	3	1	3
Employee contributions	2	1	2	1
Benefits paid from the Fund	(18)	(10)	(18)	(10)
Benefits paid directly	(69)	(98)	(68)	(95)
Losses/(gains) on curtailments / settlements- continuing operations	64	108	63	106
Remeasurements (gains)/losses:				
Loss/(Gain) - financial assumptions	(11)	15	(12)	15
Loss/(Gain) - experience	2	2	2	1
Defined benefit obligation at the end of the period	**274**	**296**	**272**	**295**

Reconciliation of plan assets

	Group		Bank	
	2021	2020	2021	2020
		As restated		As restated
Fair value of plan assets at the beginning of the period	**2**	**6**	**2**	**6**
Employer contributions	17	5	17	5
Employee contributions	2	1	2	1
Benefits paid from the fund	(18)	(10)	(18)	(10)
Fair value of plan assets at the end of the period	**3**	**2**	**3**	**2**

The weighted average assumptions used to determine the pension costs for these defined benefit obligations, for the years ended 31 December 2021 and 31 December 2020 are:

Weighted average assumptions at the end of the reporting period

	Group		Bank	
	2021	2020	2021	2020
Discount rate	0.9%	0.5%	1.0%	0.5%
Price inflation	1.9%	1.5%	2.0%	1.5%
Rate of compensation increase	1.5%	1.5%	1.5%	1.5%
Pension increase	0.0%	0.0%	0.0%	0.0%
Plan duration	11.9	12.9	11.8	13.0

The following table presents a sensitivity analysis for each significant actuarial assumption showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the balance sheet date.

Sensitivity analysis of significant actuarial assumptions-Group		31 December 2021
Actuarial assumption	**Change in Assumptions**	**Increase / (decrease) in defined benefit obligation**
Discount rate	Increase by 50 basis points	(5.7) %
	Decrease by 50 basis points	6.1%
Price inflation	Increase by 50 basis points	0.4%
	Decrease by 50 basis points	(0.6)%
Rate of compensation increase	Increase by 50 basis points	4.4%
	Decrease by 50 basis points	(4.2)%
Pension growth rate	Increase by 50 basis points	1.3%
	Decrease by 50 basis points	(1.4)%
Life Expectancy	Plus 1 year	0.8%
	Minus 1 year	(1.0)%

Sensitivity analysis of significant actuarial assumptions-Bank		31 December 2021
Actuarial assumption	**Change in Assumptions**	**Increase / (decrease) in defined benefit obligation**
Discount rate	Increase by 50 basis points	(5.8)%
	Decrease by 50 basis points	6.1%
Price inflation	Increase by 50 basis points	0.3%
	Decrease by 50 basis points	(0.5)%
Rate of compensation increase	Increase by 50 basis points	4.4%
	Decrease by 50 basis points	(4.2)%
Pension growth rate	Increase by 50 basis points	1.3%
	Decrease by 50 basis points	(1.4)%
Life Expectancy	Plus 1 year	0.8%
	Minus 1 year	(1.0)%

Allocation of plan assets

The allocation of plan assets as at 31 December 2021 for the Group and the Bank of amount €3 million (31 December 2020: €2 million) relates mainly to assets of DAF policies issued by the Group's insurance company NIC.

NOTE 12 General, administrative & other operating expenses

	Group		Bank	
Continuing Operations	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Duties and taxes	15	18	11	12
Utilities	52	50	46	46
ATM and POS related expenses	2	3	2	2
Travelling and transportation expenses	8	9	6	6
Rentals	1	2	1	2
Maintenance and other related expenses	16	14	13	12
Consulting, audit, legal and outsourcing expenses	44	49	36	39
Promotion and advertisement and donation expenses	38	27	36	26
Subscriptions, contributions, consumables and entertainment expenses	18	17	17	16
Other administrative expenses	13	10	11	9
Total	**207**	**199**	**179**	**170**

NOTE 13 Credit provisions and other impairment charges

	Group		Bank	
Continuing Operations	31.12.2021	31.12.2020	31.12.2021	31.12.2020
a. Impairment charge for ECL				
Loans and advances to customers at amortised cost	54	1,058	29	1,103
Net modification loss	18	14	18	14
	72	**1,072**	**47**	**1,117**
b. Impairment charge for securities				
Investment in debt instruments	(20)	25	(20)	25
	(20)	**25**	**(20)**	**25**
c. Other provisions and impairment charges				
Impairment of investment property, property and equipment, software & other intangible assets and other assets	6	(4)	6	4
Impairment of investment in subsidiaries and equity method investments	(10)	(6)	9	4
Legal and other provisions	30	14	18	5
	26	**4**	**33**	**13**
Total	**78**	**1,101**	**60**	**1,155**

Impairment charge for ECL at 31 December 2021 for the Group and the Bank includes a release of €0.2 billion relating to Project Frontier, whereas the impairment charge for ECL at 31 December 2020 for the Group and the Bank includes impairment losses resulting from the HfS classification of the Frontier transaction of €0.4 billion as well as the total estimated COVID-19 impact for the year of €0.4 billion.

NOTE 14 Restructuring costs

For the period ended 31 December 2021, restructuring costs include €83 million for the Exit Schemes for the Group and the Bank and €28 million and €26 million direct expenditure relating to the Transformation Program for the Group and the Bank, respectively.

For the period ended 31 December 2020 restructuring costs for the Group and the Bank include €126 million and €124 million respectively for the 2020 Voluntary Exit Scheme ("VES") and €11 million direct expenditure incurred relating to the Transformation Program.

NOTE 15 Tax benefit /(expense)

	Group		Bank	
Continuing Operations	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Current tax	(13)	(7)	-	-
Deferred tax	(2)	(6)	-	-
Tax benefit / (expense)	**(15)**	**(13)**	**-**	**-**
Profit before tax	**799**	**414**	**732**	**278**
Tax calculated based on the current tax rate of 29% (2020: 29%)	(232)	(120)	(212)	(81)
Effect of different tax rates of subsidiaries	7	7	-	-
Income not subject to taxation and other permanent differences	9	3	4	4
Expenses not deductible for tax purposes	(44)	(17)	(41)	(28)
Effect of unused tax losses and deductible temporary differences not recognised as deferred tax assets	14	(215)	17	(222)
Tax effect of utilization of tax losses not previously recognised	35	178	35	178
Tax effect of utilization of deductible temporary differences not previously recognised	198	149	198	149
Other	(2)	2	(1)	-
Income tax expense	**(15)**	**(13)**	**-**	**-**
Effective tax rate for the period	**1.84%**	**3.24%**	**-**	**-**

The nominal corporation tax rate for the Bank for 2021 and 2020 is 29%. Following Greek Law 4646/2019, the withholding tax on dividends distributed from 1 January 2020 onwards was 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 24 "Equity method investments" and in Note 44 "Group companies", respectively.

Based on Article 120 of Greek Law 4799/2021 (Government Gazette #A78/18.5.2021), effective from 2021, the corporate income tax rate for legal entities, other than credit institutions, was reduced to 22% from 24%.

NOTE 16 Earnings per share

	Group		Bank	
	12-month period ended		12-month period ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit for the period attributable to NBG ordinary shareholders from continuing operations	**782**	**399**	**732**	**278**
Profit / (loss) for the period from discontinued operations	85	(366)	(3)	(275)
Profit for the period attributable to NBG ordinary shareholders from continuing and discontinued operations	**867**	**33**	**729**	**3**
Weighted average number of ordinary shares outstanding for basic and diluted EPS	**914,586,334**	**914,533,676**	**914,715,153**	**914,715,153**
Earnings per share (Euro) - Basic and diluted from continuing operations	**0.86**	**0.44**	**0.80**	**0.30**
Earnings per share (Euro) - Basic and diluted from continuing and discontinued operations	**0.95**	**0.04**	**0.80**	**-**

NOTE 17 Cash and balances with central banks

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Cash in hand	685	614	647	574
Balances with central banks	15,142	8,699	14,892	8,432
Total	**15,827**	**9,313**	**15,539**	**9,006**
Of which				
Obligatory balances with central banks	**234**	**274**	**4**	**7**

The Bank is required to maintain a current account with the Bank of Greece ("BoG") to facilitate interbank transactions with the central bank, its member banks, and other financial institutions through the Trans-European Automated Real-Time Gross Settlement Express Transfer system ("TARGET"). BoG requires all banks established in Greece to maintain deposits with the central bank equal to 1% of total customer deposits as defined by the ECB. Similar requirements apply to the other banking subsidiaries of the Group. The Bank's deposits at BoG bear interest at the refinancing rate as set by the ECB of 0.00% at 31 December 2021 while the corresponding deposits of certain subsidiaries are non-interest bearing.

NOTE 18 Due from banks

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Sight deposits with banks	286	287	187	207
Time deposits with banks	69	82	78	69
Securities purchased under agreements to resell	-	200	-	200
Deposits in margin accounts	2,962	2,586	2,962	2,586
Other	322	323	312	316
Total	**3,639**	**3,478**	**3,539**	**3,378**

NOTE 19 Financial assets at fair value through profit or loss

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Trading Securities:				
Government bonds	221	358	221	358
Treasury bills	30	60	30	60
Equity securities	30	24	19	8
Financial assets mandatorily classified at fair value through profit and loss:				
Other debt securities	17	24	17	24
Mutual funds units	2	12	-	10
Other	14	63	8	63
Total	**314**	**541**	**295**	**523**

NOTE 20 Derivative financial instruments

	Group			Bank		
	31.12.2021			31.12.2021		
	Notional amounts	Fair values Assets	Fair values Liabilities	Notional amounts	Fair values Assets	Fair values Liabilities
Derivatives held for trading						
Interest rate derivatives – OTC	35,534	4,201	2,069	35,534	4,201	2,069
Foreign exchange derivatives – OTC	3,141	64	55	3,130	64	55
Other types of derivatives – OTC	425	60	137	425	60	137
Interest rate derivatives – Exchange traded	1,370	1	-	1,370	1	-
Other types of derivatives - Exchange traded	1,191	1	-	1,178	1	-
Total	**41,661**	**4,327**	**2,261**	**41,637**	**4,327**	**2,261**
Derivatives held for fair value hedging						
Interest rate derivatives – OTC	1,260	4	753	1,260	4	753
Total	**1,260**	**4**	**753**	**1,260**	**4**	**753**
Total	**42,921**	**4,331**	**3,014**	**42,897**	**4,331**	**3,014**

	Group			Bank		
	31.12.2020			31.12.2020		
	Notional amounts	Fair values Assets	Fair values Liabilities	Notional amounts	Fair values Assets	Fair values Liabilities
Derivatives held for trading						
Interest rate derivatives – OTC	33,440	5,467	2,757	33,440	5,467	2,757
Foreign exchange derivatives – OTC	2,535	72	48	2,535	72	48
Other types of derivatives – OTC	793	19	23	793	19	23
Interest rate derivatives – Exchange traded	2,882	-	-	2,882	-	-
Other types of derivatives - Exchange traded	898	3	-	878	3	-
Total	**40,548**	**5,561**	**2,828**	**40,528**	**5,561**	**2,828**
Derivatives held for fair value hedging						
Interest rate derivatives – OTC	910	24	493	910	24	493
Total	**910**	**24**	**493**	**910**	**24**	**493**
Total	**41,458**	**5,585**	**3,321**	**41,438**	**5,585**	**3,321**

Credit risk

The Group calculates a separate CVA for each counterparty to which the Group has exposure. The CVA is estimated considering expected exposures generated using simulation techniques, as well as netting agreements and collateral postings. Furthermore, the CVA is based on implied probabilities of default, derived from CDS rates observed in the market, or, if these are not available, the probability of default of the counterparty derived from internal rating models, or otherwise the regulatory risk weight is applied.

With respect to own credit risk, the Group estimates a Debit Value Adjustment (“DVA”) by applying a methodology symmetric to the one applied for CVA. The bilateral CVA for the Group and the Bank at 31 December 2021 amounted to a cumulative loss of €6 million (31 December 2020: cumulative loss €3 million).

Fair value hedges

The Group's and the Bank's fair value hedges consist of interest rate swaps that are used to protect against changes in the fair value of fixed-rate, long-term financial instruments due to movements in market interest rates.

31.12.2021 Hedging Instruments				
Derivative Instrument	Nominal Amount	Fair Value	Statement of Financial Position Line	Change in fair value
Interest Rate Swaps	425	4	Derivative Assets	13
Interest Rate Swaps	7,204	1	Due from Banks [1]	174
Interest Rate Swaps	675	641	Derivative Liabilities	(420)
Interest Rate Swaps	160	112	Derivative Liabilities	(30)
Interest Rate Swaps	780	15	Due from Banks [1]	16
Total	**9,244**	**(733)**		**(247)**

31.12.2021 Hedged Items			
Carrying Amount	Accumulated hedge adjustment on the hedged item	Statement of Financial Position Line	Change in fair value due to the risk being hedged
10,802	706	Securities measured at amortised cost	208
1,490	N/A	Securities measured at FVTOCI	9
12,292	**706**		**217**

31.12.2020 Hedging Instruments				
Derivative Instrument	Nominal Amount	Fair Value	Statement of Financial Position Line	Change in fair value
Interest Rate Swaps	50	24	Derivative Assets	21
Interest Rate Swaps	4,487	(539)	Due from Banks [1]	(471)
Interest Rate Swaps	800	489	Derivative Liabilities	(339)
Interest Rate Swaps	60	4	Derivative Liabilities	(3)
Interest Rate Swaps	483	(21)	Due from Banks [1]	(20)
Total	**5,880**	**(1,029)**		**(812)**

31.12.2020 Hedged Items			
Carrying Amount	Accumulated hedge adjustment on the hedged item	Statement of Financial Position Line	Change in fair value due to the risk being hedged
8,827	1,154	Securities measured at amortised cost	765
952	N/A	Securities measured at FVTOCI	24
9,779	**1,154**		**789**

(1) Relates to derivatives traded with Central Clearing Counterparties (CCPs). Please refer to Note 4.9 *"Offsetting financial assets and financial liabilities".*

The accumulated amount of fair value hedge adjustments remaining in the Statement of Financial Position for discontinued hedges was €498 million and €379 million as at 31 December 2021 and 31 December 2020 respectively, for the Group and the Bank.

Hedge ineffectiveness recognized in the Income Statement amounted to €(30) million and €(22) million, for the year ended 31 December 2021 and 31 December 2020 respectively, for the Group and the Bank.

Cash flow hedges

As at 31 December 2021 and 2020, the Group's cash flow hedges consist of interest rate swaps, used to hedge the variability in cash flows of the Group's borrowings that are attributable to changes in the market interest rates.

31.12.2021 Hedging Instruments				
Derivative Instrument	Nominal Amount	Fair Value	Statement of Financial Position Line	Change in fair value
Interest Rate Swaps	500	(23)	Due from Banks [1]	2
Total	**500**	**(23)**		**2**

31.12.2021 Hedged Items		
Carrying Amount	Statement of Financial Position Line	Change in fair value due to the risk being hedged
500	Due to Banks	(2)
500		**(2)**

31.12.2020					31.12.2020		
Hedging Instruments					Hedged Items		
Derivative Instrument	Nominal Amount	Fair Value	Statement of Financial Position Line	Change in fair value	Carrying Amount	Statement of Financial Position Line	Change in fair value due to the risk being hedged
Interest Rate Swaps	500	(41)	Due from Banks (1)	(40)	500	Due to Banks	40
Total	**500**	**(41)**		**(40)**	**500**		**40**

(1) Relates to derivatives traded with Central Clearing Counterparties (CCPs). Please refer to Note 4.9 "Offsetting financial assets and financial liabilities".

For the year ended 31 December 2021, hedging gains or losses that were recognized in Other Comprehensive Income amount to €(22) million (2020: €16 million) and hedge ineffectiveness recognized in "Net trading income / (loss) and results from investment securities" amounts to Nil (2020: Nil) for the Group and the Bank.

NOTE 21 Loans and advances to customers

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Loans and advances to customers at amortised cost				
Mortgage loans	8,342	9,188	8,075	8,946
Consumer loans	1,648	1,829	1,035	1,237
Credit cards	437	464	384	402
Small business lending	1,457	1,650	1,342	1,506
Retail lending	**11,884**	**13,131**	**10,836**	**12,091**
Corporate and public sector lending	19,863	16,537	19,252	15,844
Gross carrying amount of loans and advances to customers at amortised cost	**31,747**	**29,668**	**30,088**	**27,935**
ECL allowance on loans and advances to customers at amortised cost	(1,655)	(2,720)	(1,543)	(2,560)
Net carrying amount of loans and advances to customers at amortised cost	**30,092**	**26,948**	**28,545**	**25,375**
Loans and advances to customers mandatorily measured at FVTPL	**347**	**69**	**341**	**69**
Total Loans and advances to customers	**30,439**	**27,017**	**28,886**	**25,444**

As at 31 December 2021, the gross carrying amount of loans and advances to customers at amortised cost includes the Frontier senior notes of €3,145 million.

Loans and advances to customers mandatorily measured at FVTPL include the fair value of the mezzanine notes of €6 million as well as the fair value of the junior notes of €1 million relating to the Frontier securitization. Furthermore, loans and advances to customers mandatorily measured at FVTPL include the fair value of receivables from the sales of the non-performing loan portfolios completed on 12 February 2021 (Project Icon) and on 20 May 2021 (Project Danube), as further detailed in Note 29 "Assets and liabilities held for sale and discontinued operations", which amount to €259 million and €23 million, respectively, for the Group, and to €259 million and €17 million respectively, for the Bank.

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

As at 31 December 2021	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL		Total
			Individually assessed	Collectively assessed	
Loans and advances to customers at amortised cost					
Mortgage loans					
Gross carrying amount	5,031	2,773	-	538	8,342
ECL allowance	(30)	(81)	-	(184)	(295)
Net carrying amount	**5,001**	**2,692**	**-**	**354**	**8,047**
Collateral held for financial assets	4,779	2,594	-	456	7,829
Consumer loans					
Gross carrying amount	1,254	233	-	161	1,648
ECL allowance	(21)	(32)	-	(111)	(164)
Net carrying amount	**1,233**	**201**	**-**	**50**	**1,484**
Collateral held for financial assets	191	68	-	42	301
Credit cards					
Gross carrying amount	386	29	-	22	437
ECL allowance	(5)	(1)	-	(22)	(28)
Net carrying amount	**381**	**28**	**-**	**-**	**409**
Small business lending					
Gross carrying amount	573	664	-	220	1,457
ECL allowance	(10)	(92)	-	(160)	(262)
Net carrying amount	**563**	**572**	**-**	**60**	**1,195**
Collateral held for financial assets	345	456	-	186	987
Corporate lending[(1)]					
Gross carrying amount	17,052	1,036	1,013	228	19,329
ECL allowance	(132)	(65)	(615)	(72)	(884)
Net carrying amount	**16,920**	**971**	**398**	**156**	**18,445**
Collateral held for financial assets	10,311	731	583	161	11,786
Public sector lending					
Gross carrying amount	491	12	30	1	534
ECL allowance	(6)	(1)	(15)	-	(22)
Net carrying amount	**485**	**11**	**15**	**1**	**512**
Collateral held for financial assets	132	10	16	-	158
Total loans and advances to customers at amortised cost					
Gross carrying amount	24,787	4,747	1,043	1,170	31,747
ECL allowance	(204)	(272)	(630)	(549)	(1,655)
Net carrying amount of loans and advances to customers at amortised cost	**24,583**	**4,475**	**413**	**621**	**30,092**
Collateral held for financial assets	15,758	3,859	599	845	21,061
Loans and advances to customers mandatorily measured at FVTPL					**347**
Total loans and advances to customers					**30,439**

[(1)] The senior notes of €3,145 million relating to the Frontier securitization are included in Stage 1 of Corporate lending.

Stage 1 and Credit impaired mortgage exposures include Mortgage Loans of €490 million and €6 million, respectively, guaranteed by the Hellenic Republic. For the purposes of assessing the NPE classification for the specific mortgage guaranteed exposures, the Bank equalizes the guarantor, i.e. the Greek State with the obligor. In substance, for these specific exposures the Greek State guarantee is considered obligor substitution rather than credit enhancement means. Thus, the specific exposures are classified as Stage 1 unless specific circumstances exist.

Credit impaired SBL exposures include SBL loans of €71 million, partially guaranteed by the Hellenic Republic.

Stage 1 corporate exposures include corporate loans of €15 million partially guaranteed by the Hellenic Republic, excluding state guaranteed loans with the participation of Hellenic Development Bank following COVID-19 support measures. Stage 2 and Credit impaired corporate exposures include corporate loans of €1 million and €122 million, respectively, partially guaranteed by the Hellenic Republic.

As at 31 December 2020	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL		Total
			Individually assessed	Collectively assessed	
Loans and advances to customers at amortised cost					
Mortgage loans					
Gross carrying amount	4,976	2,723	-	1,489	9,188
ECL allowance	(32)	(74)	-	(472)	(578)
Net carrying amount	**4,944**	**2,649**		**1,017**	**8,610**
Collateral held for financial assets	4,690	2,518	-	1,227	8,435
Consumer loans					
Gross carrying amount	1,213	293	-	323	1,829
ECL allowance	(22)	(42)	-	(199)	(263)
Net carrying amount	**1,191**	**251**		**124**	**1,566**
Collateral held for financial assets	174	59	-	65	298
Credit cards					
Gross carrying amount	385	41	-	38	464
ECL allowance	(2)	(1)	-	(35)	(38)
Net carrying amount	**383**	**40**		**3**	**426**
Small business lending					
Gross carrying amount	617	542	-	491	1,650
ECL allowance	(8)	(54)	-	(345)	(407)
Net carrying amount	**609**	**488**		**146**	**1,243**
Collateral held for financial assets	358	392	-	336	1,086
Corporate lending					
Gross carrying amount	13,190	840	1,566	479	16,075
ECL allowance	(108)	(64)	(1,001)	(239)	(1,412)
Net carrying amount	**13,082**	**776**	**565**	**240**	**14,663**
Collateral held for financial assets	6,852	613	1,089	200	8,754
Public sector lending					
Gross carrying amount	290	144	24	4	462
ECL allowance	(2)	(5)	(13)	(2)	(22)
Net carrying amount	**288**	**139**	**11**	**2**	**440**
Collateral held for financial assets	79	5	13	3	100
Total loans and advances to customers at amortised cost					
Gross carrying amount	20,671	4,583	1,590	2,824	29,668
ECL allowance	(174)	(240)	(1,014)	(1,292)	(2,720)
Net carrying amount of loans and advances to customers at amortised cost	**20,497**	**4,343**	**576**	**1,532**	**26,948**
Collateral held for financial assets	12,153	3,587	1,102	1,831	18,673
Loans and advances to customers mandatorily measured at FVTPL					**69**
Total loans and advances to customers					**27,017**

Stage 1 and Credit impaired mortgage exposures include Mortgage Loans of €500 million and €74 million, respectively, guaranteed by the Hellenic Republic. For the purposes of assessing the NPE classification for the specific mortgage guaranteed exposures, the Bank equalizes the guarantor, i.e. the Greek State with the obligor. In substance, for these specific exposures the Greek State guarantee is considered obligor substitution rather than credit enhancement means. Thus, the specific exposures are classified as Stage 1 unless specific circumstances exist.

Stage 2 and Credit impaired SBL exposures include SBL loans of €4 million and €81 million, respectively, partially guaranteed by the Hellenic Republic.

Stage 1 corporate exposures include corporate loans of €19 million partially guaranteed by the Hellenic Republic, excluding state guaranteed loans with the participation of Hellenic Development Bank following COVID-19 support measures. Stage 2 and Credit impaired corporate exposures include corporate loans of €4 million and €154 million, respectively, partially guaranteed by the Hellenic Republic.

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

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL		Total
As at 31 December 2021			Individually assessed	Collectively assessed	
Loans and advances to customers at amortised cost					
Mortgage loans					
Gross carrying amount	4,869	2,686	-	520	8,075
ECL allowance	(30)	(80)	-	(177)	(287)
Net carrying amount	**4,839**	**2,606**	**-**	**343**	**7,788**
Collateral held for financial assets	4,642	2,513	-	452	7,607
Consumer loans					
Gross carrying amount	723	187	-	125	1,035
ECL allowance	(16)	(29)	-	(92)	(137)
Net carrying amount	**707**	**158**	**-**	**33**	**898**
Collateral held for financial assets	107	42	-	26	175
Credit cards					
Gross carrying amount	348	15	-	21	384
ECL allowance	(5)	(1)	-	(21)	(27)
Net carrying amount	**343**	**14**	**-**	**-**	**357**
Small business lending					
Gross carrying amount	497	628	-	217	1,342
ECL allowance	(9)	(92)	-	(158)	(259)
Net carrying amount	**488**	**536**	**-**	**59**	**1,083**
Collateral held for financial assets	282	427	-	184	893
Corporate lending[1]					
Gross carrying amount	16,907	725	900	214	18,746
ECL allowance	(139)	(58)	(544)	(70)	(811)
Net carrying amount	**16,768**	**667**	**356**	**144**	**17,935**
Collateral held for financial assets	9,100	491	547	132	10,270
Public sector lending					
Gross carrying amount	466	9	30	1	506
ECL allowance	(6)	(1)	(15)	-	(22)
Net carrying amount	**460**	**8**	**15**	**1**	**484**
Collateral held for financial assets	108	7	16	-	131
Total loans and advances to customers at amortised cost					
Gross carrying amount	23,810	4,250	930	1,098	30,088
ECL allowance	(205)	(261)	(559)	(518)	(1,543)
Net carrying amount of loans and advances to customers at amortised cost	**23,605**	**3,989**	**371**	**580**	**28,545**
Collateral held for financial assets	14,239	3,480	563	794	19,076
Loans and advances to customers mandatorily measured at FVTPL					**341**
Total loans and advances to customers					**28,886**

[1] The senior notes of €3,145 million relating to the Frontier securitization are included in Stage 1 of Corporate lending.

Stage 1 and Credit impaired mortgage exposures include Mortgage Loans of €490 million and €6 million, respectively, guaranteed by the Hellenic Republic. For the purposes of assessing the NPE classification for the specific mortgage guaranteed exposures, the Bank equalizes the guarantor, i.e. the Greek State with the obligor. In substance, for these specific exposures the Greek State guarantee is considered obligor substitution rather than credit enhancement means. Thus, the specific exposures are classified as Stage 1 unless specific circumstances exist.

Credit impaired SBL exposures include SBL loans of €71 million, partially guaranteed by the Hellenic Republic.

Stage 1 corporate exposures include corporate loans of €15 million partially guaranteed by the Hellenic Republic, excluding state guaranteed loans with the participation of Hellenic Development Bank following COVID-19 support measures. Stage 2 and Credit impaired corporate exposures include corporate loans of €1 million and €122 million, respectively, partially guaranteed by the Hellenic Republic.

As at 31 December 2020	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Credit impaired Lifetime ECL Individually assessed	Credit impaired Lifetime ECL Collectively assessed	Total
Loans and advances to customers at amortised cost					
Mortgage loans					
Gross carrying amount	4,827	2,646	-	1,473	8,946
ECL allowance	(32)	(74)	-	(469)	(575)
Net carrying amount	**4,795**	**2,572**	**-**	**1,004**	**8,371**
Collateral held for financial assets	4,545	2,442	-	1,211	8,198
Consumer loans					
Gross carrying amount	718	234	-	285	1,237
ECL allowance	(15)	(34)	-	(181)	(230)
Net carrying amount	**703**	**200**	**-**	**104**	**1,007**
Collateral held for financial assets	110	48	-	62	220
Credit cards					
Gross carrying amount	360	8	-	34	402
ECL allowance	(2)	(1)	-	(33)	(36)
Net carrying amount	**358**	**7**	**-**	**1**	**366**
Small business lending					
Gross carrying amount	535	517	-	454	1,506
ECL allowance	(8)	(53)	-	(326)	(387)
Net carrying amount	**527**	**464**	**-**	**128**	**1,119**
Collateral held for financial assets	290	370	-	321	981
Corporate lending					
Gross carrying amount	13,005	551	1,545	285	15,386
ECL allowance	(110)	(53)	(992)	(155)	(1,310)
Net carrying amount	**12,895**	**498**	**553**	**130**	**14,076**
Collateral held for financial assets	5,692	394	966	164	7,216
Public sector lending					
Gross carrying amount	290	140	24	4	458
ECL allowance	(2)	(5)	(13)	(2)	(22)
Net carrying amount	**288**	**135**	**11**	**2**	**436**
Collateral held for financial assets	76	5	13	3	97
Total loans and advances to customers at amortised cost					
Gross carrying amount	19,735	4,096	1,569	2,535	27,935
ECL allowance	(169)	(220)	(1,005)	(1,166)	(2,560)
Net carrying amount of loans and advances to customers at amortised cost	**19,566**	**3,876**	**564**	**1,369**	**25,375**
Collateral held for financial assets	10,713	3,259	979	1,761	16,712
Loans and advances to customers mandatorily measured at FVTPL					**69**
Total loans and advances to customers					**25,444**

Stage 1 and Credit impaired mortgage exposures include Mortgage Loans of €500 million and €74 million, respectively, guaranteed by the Hellenic Republic. For the purposes of assessing the NPE classification for the specific mortgage guaranteed exposures, the Bank equalizes the guarantor, i.e. the Greek State with the obligor. In substance, for these specific exposures the Greek State guarantee is considered obligor substitution rather than credit enhancement means. Thus, the specific exposures are classified as Stage 1 unless specific circumstances exist.

Stage 2 and Credit impaired SBL exposures include SBL loans of €4 million and €81 million, respectively, partially guaranteed by the Hellenic Republic.

Stage 1 corporate exposures include corporate loans of €19 million partially guaranteed by the Hellenic Republic, excluding state guaranteed loans with the participation of Hellenic Development Bank following COVID-19 support measures. Stage 2 and Credit impaired corporate exposures include corporate loans of €4 million and €154 million, respectively, partially guaranteed by the Hellenic Republic.

Movement of the Gross carrying amount of loans and advances to customers at amortised cost | Group

	Retail lending				Corporate and Public sector lending				Total loans and advances to customers			
As at 31 December 2021	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Gross carrying amount 1.1.2021	**7,191**	**3,599**	**2,341**	**13,131**	**13,480**	**984**	**2,073**	**16,537**	**20,671**	**4,583**	**4,414**	**29,668**
Transfer to Stage 1 (from 2 or 3)	800	(719)	(81)	-	258	(250)	(8)	-	1,058	(969)	(89)	-
Transfer to Stage 2 (from 1 or 3)	(528)	1,205	(677)	-	(515)	593	(78)	-	(1,043)	1,798	(755)	-
Transfer to Stage 3 (from 1 or 2)	(99)	(230)	329	-	(61)	(119)	180	-	(160)	(349)	509	-
New financial assets originated or purchased[1]	882	99	-	981	8,008	118	-	8,126	8,890	217	-	9,107
Derecognition of financial assets	-	-	-	-	-	-	(36)	(36)	-	-	(36)	(36)
Repayments and other changes	(1,005)	(254)	(7)	(1,266)	(3,768)	(275)	(118)	(4,161)	(4,773)	(529)	(125)	(5,427)
Changes due to modifications that did not result in derecognition	-	-	(32)	(32)	-	-	(2)	(2)	-	-	(34)	(34)
Write-offs	-	(4)	(195)	(199)	-	-	(271)	(271)	-	(4)	(466)	(470)
Foreign exchange differences	5	4	2	11	152	7	9	168	157	11	11	179
Reclassified as held for sale	(2)	(1)	(739)	(742)	(11)	(10)	(477)	(498)	(13)	(11)	(1,216)	(1,240)
Gross carrying amount 31.12.2021	**7,244**	**3,699**	**941**	**11,884**	**17,543**	**1,048**	**1,272**	**19,863**	**24,787**	**4,747**	**2,213**	**31,747**
ECL allowance	(66)	(206)	(477)	**(749)**	(138)	(66)	(702)	**(906)**	(204)	(272)	(1,179)	**(1,655)**
Net carrying amount 31.12.2021	**7,178**	**3,493**	**464**	**11,135**	**17,405**	**982**	**570**	**18,957**	**24,583**	**4,475**	**1,034**	**30,092**

[1] The senior notes of €3,145 million relating to the Frontier securitization are included in Stage 1 of Corporate and Public sector lending.

	Retail lending				Corporate and Public sector lending				Total loans and advances to customers			
As at 31 December 2020	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Gross carrying amount 1.1.2020	**7,392**	**4,038**	**8,083**	**19,513**	**11,915**	**860**	**2,837**	**15,612**	**19,307**	**4,898**	**10,920**	**35,125**
Transfer to Stage 1 (from 2 or 3)	687	(672)	(15)	-	93	(75)	(18)	-	780	(747)	(33)	-
Transfer to Stage 2 (from 1 or 3)	(530)	1,138	(608)	-	(279)	349	(70)	-	(809)	1,487	(678)	-
Transfer to Stage 3 (from 1 or 2)	(97)	(330)	427	-	(62)	(84)	146	-	(159)	(414)	573	-
New financial assets originated or purchased	743	50	-	793	5,066	86	-	5,152	5,809	136	-	5,945
Derecognition of financial assets	-	-	-	-	-	-	(53)	(53)	-	-	(53)	(53)
Repayments and other changes	(999)	(274)	(67)	(1,340)	(3,102)	(130)	(83)	(3,315)	(4,101)	(404)	(150)	(4,655)
Changes due to modifications that did not result in derecognition	-	-	(24)	(24)	-	-	(5)	(5)	-	-	(29)	(29)
Write-offs	-	(68)	(489)	(557)	-	(7)	(135)	(142)	-	(75)	(624)	(699)
Foreign exchange differences	-	1	2	3	(151)	(13)	(10)	(174)	(151)	(12)	(8)	(171)
Reclassified as held for sale	(5)	(284)	(4,968)	(5,257)	-	(2)	(536)	(538)	(5)	(286)	(5,504)	(5,795)
Gross carrying amount 31.12.2020	**7,191**	**3,599**	**2,341**	**13,131**	**13,480**	**984**	**2,073**	**16,537**	**20,671**	**4,583**	**4,414**	**29,668**
ECL allowance	(64)	(171)	(1,051)	**(1,286)**	(110)	(69)	(1,255)	**(1,434)**	(174)	(240)	(2,306)	**(2,720)**
Net carrying amount as at 31.12.2020	**7,127**	**3,428**	**1,290**	**11,845**	**13,370**	**915**	**818**	**15,103**	**20,497**	**4,343**	**2,108**	**26,948**

Movement of the Gross carrying amount of loans and advances to customers at amortised cost | Bank

	Retail lending				Corporate and Public sector lending				Total loans and advances to customers			
As at 31 December 2021	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Gross Balance 1.1.2021	**6,440**	**3,405**	**2,246**	**12,091**	**13,295**	**691**	**1,858**	**15,844**	**19,735**	**4,096**	**4,104**	**27,935**
Transfer to Stage 1 (from 2 or 3)	753	(673)	(80)	-	247	(239)	(8)	-	1,000	(912)	(88)	-
Transfer to Stage 2 (from 1 or 3)	(472)	1,147	(675)	-	(453)	528	(75)	-	(925)	1,675	(750)	-
Transfer to Stage 3 (from 1 or 2)	(92)	(220)	312	-	(59)	(108)	167	-	(151)	(328)	479	-
New financial assets originated or purchased[2]	544	73	-	617	7,636	87	-	7,723	8,180	160	-	8,340
Derecognition of financial assets	-	-	-	-	-	-	(36)	(36)	-	-	(36)	(36)
Repayments and other changes	(741)	(216)	(6)	(963)	(3,445)	(232)	(91)	(3,768)	(4,186)	(448)	(97)	(4,731)
Changes due to modifications that did not result in derecognition	-	-	(32)	(32)	-	-	(2)	(2)	-	-	(34)	(34)
Write-offs	-	(4)	(175)	(179)	-	-	(269)	(269)	-	(4)	(444)	(448)
Foreign exchange differences	5	4	1	10	152	7	9	168	157	11	10	178
Reclassified as held for sale	-	-	(708)	(708)	-	-	(408)	(408)	-	-	(1,116)	(1,116)
Gross carrying amount 31.12.2021	**6,437**	**3,516**	**883**	**10,836**	**17,373**	**734**	**1,145**	**19,252**	**23,810**	**4,250**	**2,028**	**30,088**
ECL allowance	(60)	(202)	(448)	**(710)**	(145)	(59)	(629)	**(833)**	(205)	(261)	(1,077)	**(1,543)**
Net carrying amount 31.12.2021	**6,377**	**3,314**	**435**	**10,126**	**17,228**	**675**	**516**	**18,419**	**23,605**	**3,989**	**951**	**28,545**

[1] The senior notes of €3,145 million relating to the Frontier securitization are included in Stage 1 of Corporate and Public sector lending.

	Retail lending				Corporate and Public sector lending				Total loans and advances to customers			
As at 31 December 2020	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total	Stage 1	Stage 2	Credit impaired	Total
Gross Balance 1.1.2020	**6,571**	**3,948**	**7,973**	**18,492**	**11,712**	**646**	**2,541**	**14,899**	**18,283**	**4,594**	**10,514**	**33,391**
Transfer to Stage 1 (from 2 or 3)	655	(640)	(15)	-	65	(48)	(17)	-	720	(688)	(32)	-
Transfer to Stage 2 (from 1 or 3)	(381)	986	(605)	-	(197)	237	(40)	-	(578)	1,223	(645)	-
Transfer to Stage 3 (from 1 or 2)	(97)	(326)	423	-	(64)	(74)	138	-	(161)	(400)	561	-
New financial assets originated or purchased	528	27	-	555	4,685	34	-	4,719	5,213	61	-	5,274
Derecognition of financial assets	-	-	-	-	-	-	(53)	(53)	-	-	(53)	(53)
Repayments and other changes	(831)	(239)	(62)	(1,132)	(2,756)	(85)	(60)	(2,901)	(3,587)	(324)	(122)	(4,033)
Changes due to modifications that did not result in derecognition	-	-	(24)	(24)	-	-	(5)	(5)	-	-	(29)	(29)
Write-offs	-	(68)	(478)	(546)	-	(4)	(100)	(104)	-	(72)	(578)	(650)
Foreign exchange differences	-	1	2	3	(150)	(13)	(10)	(173)	(150)	(12)	(8)	(170)
Reclassified as held for sale	(5)	(284)	(4,968)	(5,257)	-	(2)	(536)	(538)	(5)	(286)	(5,504)	(5,795)
Gross Balance 31.12.2020	**6,440**	**3,405**	**2,246**	**12,091**	**13,295**	**691**	**1,858**	**15,844**	**19,735**	**4,096**	**4,104**	**27,935**
ECL allowance	(57)	(162)	(1,009)	**(1,228)**	(112)	(58)	(1,162)	**(1,332)**	(169)	(220)	(2,171)	**(2,560)**
Net carrying amount as at 31.12.2020	**6,383**	**3,243**	**1,237**	**10,863**	**13,183**	**633**	**696**	**14,512**	**19,566**	**3,876**	**1,933**	**25,375**

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

	Retail lending				Corporate and public sector lending				Total loans and advances to customers			
As at 31 December 2021	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
ECL allowance 1.1.2021	**64**	**171**	**1,051**	**1,286**	**110**	**69**	**1,255**	**1,434**	**174**	**240**	**2,306**	**2,720**
Transfer to stage 1 (from 2 or 3)	53	(23)	(30)	-	20	(18)	(2)	-	73	(41)	(32)	-
Transfer to stage 2 (from 1 or 3)	(6)	176	(170)	-	(7)	32	(25)	-	(13)	208	(195)	-
Transfer to stage 3 (from 1 or 2)	(1)	(18)	19	-	(1)	(15)	16	-	(2)	(33)	35	-
Net remeasurement of loss allowance (a)	(53)	(105)	112	(46)	(31)	6	61	36	(84)	(99)	173	(10)
Impairment losses on new assets (b)	8	7	-	15	45	4	-	49	53	11	-	64
Impairment losses on loans (a+b)	**(45)**	**(98)**	**112**	**(31)**	**14**	**10**	**61**	**85**	**(31)**	**(88)**	**173**	**54**
Derecognition of loans	-	-	199	199	-	-	(15)	(15)	-	-	184	184
Modification impact on ECL	-	-	(14)	(14)	-	-	(2)	(2)	-	-	(16)	(16)
Write-offs	-	(4)	(195)	(199)	-	-	(271)	(271)	-	(4)	(466)	(470)
Foreign exchange differences and other movements	1	2	(17)	(14)	2	(8)	(4)	(10)	3	(6)	(21)	(24)
Change in the present value of the ECL allowance	-	-	(47)	(47)	-	-	(6)	(6)	-	-	(53)	(53)
Reclassified as Held For Sale	-	-	(431)	(431)	-	(4)	(305)	(309)	-	(4)	(736)	(740)
ECL allowance 31.12.2021	**66**	**206**	**477**	**749**	**138**	**66**	**702**	**906**	**204**	**272**	**1,179**	**1,655**

	Retail lending				Corporate and public sector lending				Total loans and advances to customers			
As at 31 December 2020	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
ECL allowance 1.1.2020	**62**	**269**	**3,613**	**3,944**	**89**	**60**	**1,682**	**1,831**	**151**	**329**	**5,295**	**5,775**
Transfer to stage 1 (from 2 or 3)	33	(27)	(6)	-	4	(2)	(2)	-	37	(29)	(8)	-
Transfer to stage 2 (from 1 or 3)	(4)	140	(136)	-	(2)	19	(17)	-	(6)	159	(153)	-
Transfer to stage 3 (from 1 or 2)	(2)	(34)	36	-	(1)	(5)	6	-	(3)	(39)	42	-
Net remeasurement of loss allowance (a)	(26)	48	848	870	(20)	(10)	164	134	(46)	38	1,012	1,004
Impairment losses on new assets (b)	7	1	-	8	40	6	-	46	47	7	-	54
Impairment losses on loans (a+b)	**(19)**	**49**	**848**	**878**	**20**	**(4)**	**164**	**180**	**1**	**45**	**1,012**	**1,058**
Derecognition of loans	-	-	-	-	-	-	(35)	(35)	-	-	(35)	(35)
Modification impact on ECL	-	-	(11)	(11)	-	-	(4)	(4)	-	-	(15)	(15)
Write-offs	-	(68)	(489)	(557)	-	(7)	(135)	(142)	-	(75)	(624)	(699)
Foreign exchange differences and other movements	(3)	1	(33)	(35)	-	9	(21)	(12)	(3)	10	(54)	(47)
Change in the present value of the ECL allowance	-	-	(62)	(62)	-	-	(13)	(13)	-	-	(75)	(75)
Reclassified as Held For Sale	(3)	(159)	(2,709)	(2,871)	-	(1)	(370)	(371)	(3)	(160)	(3,079)	(3,242)
ECL allowance 31.12.2020	**64**	**171**	**1,051**	**1,286**	**110**	**69**	**1,255**	**1,434**	**174**	**240**	**2,306**	**2,720**

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

	Retail lending				Corporate and public sector lending				Total loans and advances to customers			
As at 31 December 2021	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
ECL allowance 1.1.2021	**57**	**162**	**1,009**	**1,228**	**112**	**58**	**1,162**	**1,332**	**169**	**220**	**2,171**	**2,560**
Transfer to stage 1 (from 2 or 3)	48	(18)	(30)	-	19	(17)	(2)	-	67	(35)	(32)	-
Transfer to stage 2 (from 1 or 3)	(4)	174	(170)	-	(5)	30	(25)	-	(9)	204	(195)	-
Transfer to stage 3 (from 1 or 2)	(1)	(13)	14	-	(1)	(13)	14	-	(2)	(26)	28	-
Net remeasurement of loss allowance (a)	(46)	(104)	92	(58)	(25)	(1)	56	30	(71)	(105)	148	(28)
Impairment losses on new assets (b)	6	5	-	11	43	3	-	46	49	8	-	57
Impairment losses on loans (a+b)	**(40)**	**(99)**	**92**	**(47)**	**18**	**2**	**56**	**76**	**(22)**	**(97)**	**148**	**29**
Derecognition of loans	-	-	199	199	-	-	(15)	(15)	-	-	184	184
Modification impact on ECL	-	-	(14)	(14)	-	-	(2)	(2)	-	-	(16)	(16)
Write-offs	-	(4)	(175)	(179)	-	-	(269)	(269)	-	(4)	(444)	(448)
Foreign exchange differences and other movements	-	-	(18)	(18)	2	(1)	(10)	(9)	2	(1)	(28)	(27)
Change in the present value of the ECL allowance	-	-	(47)	(47)	-	-	(6)	(6)	-	-	(53)	(53)
Reclassified as Held For Sale	-	-	(412)	(412)	-	-	(274)	(274)	-	-	(686)	(686)
ECL allowance 31.12.2021	**60**	**202**	**448**	**710**	**145**	**59**	**629**	**833**	**205**	**261**	**1,077**	**1,543**

	Retail lending				Corporate and public sector lending				Total loans and advances to customers			
As at 31 December 2020	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**	Stage 1	Stage 2	Credit impaired	**Total**
ECL allowance 1.1.2020	**54**	**263**	**3,558**	**3,875**	**93**	**49**	**1,549**	**1,691**	**147**	**312**	**5,107**	**5,566**
Transfer to stage 1 (from 2 or 3)	31	(25)	(6)	-	4	(2)	(2)	-	35	(27)	(8)	-
Transfer to stage 2 (from 1 or 3)	(4)	139	(135)	-	(2)	14	(12)	-	(6)	153	(147)	-
Transfer to stage 3 (from 1 or 2)	(2)	(33)	35	-	(1)	(5)	6	-	(3)	(38)	41	-
Net remeasurement of loss allowance (a)	(24)	43	852	871	28	(3)	157	182	4	40	1,009	1,053
Impairment losses on new assets (b)	5	-	-	5	39	6	-	45	44	6	-	50
Impairment losses on loans (a+b)	**(19)**	**43**	**852**	**876**	**67**	**3**	**157**	**227**	**48**	**46**	**1,009**	**1,103**
Derecognition of loans	-	-	-	-	-	-	(35)	(35)	-	-	(35)	(35)
Modification impact on ECL	-	-	(11)	(11)	-	-	(4)	(4)	-	-	(15)	(15)
Write-offs	-	(68)	(478)	(546)	-	(4)	(100)	(104)	-	(72)	(578)	(650)
Foreign exchange differences and other movements	-	2	(35)	(33)	(49)	4	(14)	(59)	(49)	6	(49)	(92)
Change in the present value of the ECL allowance	-	-	(62)	(62)	-	-	(13)	(13)	-	-	(75)	(75)
Reclassified as Held For Sale	(3)	(159)	(2,709)	(2,871)	-	(1)	(370)	(371)	(3)	(160)	(3,079)	(3,242)
ECL allowance 31.12.2020	**57**	**162**	**1,009**	**1,228**	**112**	**58**	**1,162**	**1,332**	**169**	**220**	**2,171**	**2,560**

Modification of loans and advances to customers at amortised cost

As at 31 December 2021, the amortised cost (before modification) of loans and advances to customers with lifetime ECL whose cash flows were modified during the year amounted to €1,001 million for the Group and the Bank (31 December 2020: €1,282 million) resulting in a net modification loss of €34 million for the Group and the Bank (2020: €29 million).

The modification loss represents the difference between the present value of the new contractual cash flows (i.e. based on the modified terms of the loan) discounted by the original effective interest rate of the loan and the carrying amount post write-off (if any). The impact of modification on the ECL allowance associated with these assets for the Group and the Bank was a release of €16 million (2020: €15 million). The net impact on the Income Statement for the period was, therefore, €18 million for the Group and the Bank (2020: €14 million).

Covered bonds

Loans and advances to customers at amortized cost include loans used as collateral in the covered bonds program, as follows:

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Mortgage loans	**3,597**	**3,780**	**3,597**	**3,780**
of which eligible collateral	*3,485*	*3,643*	*3,485*	*3,643*

Under the covered bond Programs I and II, the Bank has the following covered bond series in issue as at 31 December 2021:

Program	Series number	Type of collateral	Issue date	Maturity date	Nominal amount in million €	Interest rate
Program I[(1)]	Series 6	Residential mortgage loans	5 October 2016	5 April 2023	1,500	Paid quarterly at rate of three month Euribor plus a margin of 30 bps
Program II[(1)]	Series 8	Residential mortgage loans	30 July 2018	28 July 2023	200	Paid annually at a fixed rate 1.85%

[(1)] The issues under this Program are currently rated A3 by Moody's and A- by Standards & Poors ("S&P").

On 14 August 2020, the Covered Bond (Series 9) of the remaining amount €300 million under Program II matured subsequently to its partial cancelation of €100 million on 19 March 2020.

On 19 October 2020, the Covered Bond (Series 7) amounting to €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 European Investment Bank ("EIB").

Therefore, the Series 6 and the Series 8 issue have not been sold to institutional investors, are held by the Bank and thus are not presented within "Debt securities in issue" (see Note 32 "Debt securities in issue").

Furthermore, on 25 February 2021, the Bank amended the Final Terms by extending the maturity of the Series 6; from 5 April 2021 to 5 April 2023 and the interest margin reduced from 50 bps to 30 bps with effective date 5 April 2021, onwards.

Information regarding covered bonds can be found at the Bank's site (www.nbg.gr) under "Investor Relations\ Outstanding Debt Issuances".

Loans and advances to customers at amortised cost include finance lease receivables:

	Group	
	2021	2020
Maturity		
Not later than 1 year	175	227
Later than 1 year but not later than 5 years	272	277
Later than 5 years	286	245
	733	**749**
Unearned future finance income on finance leases	(117)	(96)
Net investment in finance leases	**616**	**653**

ECL allowance on finance lease receivables as at 31 December 2021 amounts to €27 million (31 December 2020: €74 million).

The net investment in finance leases may be analysed as follows:

	Group	
	2021	2020
Maturity		
Not later than 1 year	151	207
Later than 1 year but not later than 5 years	208	230
Later than 5 years	257	216
Net investment in finance leases	**616**	**653**

NOTE 22 Investment securities

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Investment securities measured at fair value though other comprehensive income:				
Debt securities				
Greek government bonds	299	1,228	299	1,228
Treasury bills and other eligible bills	712	1,117	649	1,051
Debt securities issued by other governments and public sector entities	1,460	281	1,460	281
Corporate bonds incorporated in Greece	198	169	198	169
Corporate bonds incorporated outside Greece	11	11	11	11
Debt securities issued by Greek financial institutions	69	-	69	-
Total debt securities	**2,749**	**2,806**	**2,686**	**2,740**
Equity securities	86	82	77	74
Total investment securities measured at fair value though other comprehensive income	**2,835**	**2,888**	**2,763**	**2,814**
Investment securities measured at amortised cost:				
Greek government bonds	7,366	7,488	7,366	7,488
Treasury bills and other eligible bills	-	1,924	-	1,798
Debt securities issued by other government and public sector entities	4,550	2,891	4,247	2,595
Corporate bonds incorporated in Greece	27	26	27	26
Debt securities issued by Greek financial institutions	159	10	149	-
Total investment securities measured at amortised cost	**12,102**	**12,339**	**11,789**	**11,907**
Total investment securities	**14,937**	**15,227**	**14,552**	**14,721**

In January 2020, the Greek Government, through its Public Debt Management Agency ("PDMA"), and the Bank entered into a Bond exchange, involving the three aforementioned Greek Government Bonds held by NBG with a newly issued 30-year 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 114.71

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 relative movement of the Greek sovereign rates.

On 3 December 2020 and 18 December 2020, the Bank entered into two Greek Government Bond exchanges, having the Greek PDMA as a counterparty. Specifically, the Bank exchanged in total €950 million nominal value, carrying amount of €1.2 billion and settlement amount of €1.4 billion of the Greek Government Bond maturing on 20 March 2050, for a series of other GGBs with shorter maturities of a total nominal value of €1.6 billion and a settlement amount of €2.1 billion (as per relative Ministry Decrees). The exchanges were executed at market terms and the difference between the settlement amounts for the bond exchanged and the bonds received was settled in cash. The transactions were settled on 11 December 2020 and 28 December 2020, respectively. The Group and the Bank realized a gain from these exchanges amounted to €251 million in "Gains / (losses) arising from the derecognition of financial assets measured at amortised cost".

Furthermore, on 13 January 2021, the Greek PDMA and the Bank carried out another Greek Government Bond exchange. The Bank exchanged €1.0 billion nominal value, carrying amount of €1.3 billion and settlement amount of €1.5 billion of the New Greek Government Bond maturing at 20 March 2050, with a series of other GGBs with shorter maturities of a total nominal value of €2.8 billion and a settlement amount of €3.6 billion (as per relative Ministry Decree). The exchange was executed at market terms and the difference between the settlement amounts for the bond exchanged and the bonds received was settled in cash. The transaction was settled on 20 January 2021. The Group and the Bank realized a gain of €209 million.

Furthermore, on 15 December 2021, the Greek PDMA and the Bank carried out another Greek Government Bond exchange. In particular, the Bank exchanged €128 million nominal value, €173 million carrying value and settlement amount of €171 million of the PSI bonds, with a series of other GGBs of a total nominal value €125 million, and a settlement amount of €171 million. The transaction was executed at market terms and was treated as a modification of the financial instruments exchanged, resulting in a modification loss of €2 million.

The movement of investment securities may be summarised as follows:

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Investment securities measured at fair value though other comprehensive income:				
Balance at 1 January	**2,888**	**2,843**	**2,814**	**2,757**
Additions within the period	9,397	7,471	9,008	6,894
Disposals (sales and redemptions) within the period	(9,389)	(7,535)	(8,997)	(6,945)
Gains / (losses) from changes in fair value	(32)	114	(33)	113
Amortisation of premiums / discounts	(29)	(5)	(29)	(5)
Balance at 31 December	**2,835**	**2,888**	**2,763**	**2,814**
Investment securities measured at amortised cost:				
Balance at 1 January	**12,339**	**6,200**	**11,907**	**5,831**
Additions within the period	4,172	11,631	4,076	11,241
Disposals (sales and redemptions) within the period	(4,357)	(5,440)	(4,147)	(5,111)
Impairment charge	15	(23)	17	(23)
Amortisation of premiums / discounts	(70)	(26)	(67)	(27)
Foreign exchange differences	3	(3)	3	(4)
Balance at 31 December	**12,102**	**12,339**	**11,789**	**11,907**

NOTE 23 Investment property

	Group		
	Land	Buildings	Total
Cost			
At 1 January 2020	**60**	**133**	**193**
Transfers	2	7	**9**
Transfers to Held for Sale	(1)	(5)	**(6)**
Disposals and write offs	(9)	(25)	**(34)**
At 31 December 2020	**52**	**110**	**162**
Accumulated depreciation & impairment			
At 1 January 2020	**(8)**	**(32)**	**(40)**
Transfers	(1)	5	**4**
Disposals and write offs	-	3	**3**
Depreciation charge	-	(3)	**(3)**
Impairment charge	(1)	-	**(1)**
At 31 December 2020	**(10)**	**(27)**	**(37)**
Net book amount at 31 December 2020	**42**	**83**	**125**
Cost			
At 1 January 2021	**52**	**110**	**162**
Transfers	(2)	(3)	**(5)**
Transfers to Held for Sale	(12)	(34)	**(46)**
Disposals and write offs	(3)	(6)	**(9)**
At 31 December 2021	**35**	**67**	**102**
Accumulated depreciation & impairment			
At 1 January 2021	**(10)**	**(27)**	**(37)**
Transfers	-	2	**2**
Transfers to Held for Sale	3	6	**9**
Disposals and write offs	3	8	**11**
Depreciation charge	-	(2)	**(2)**
Impairment charge	(2)	(3)	**(5)**
At 31 December 2021	**(6)**	**(16)**	**(22)**
Net book amount at 31 December 2021	**29**	**51**	**80**

The fair value of investment property as at 31 December 2021 exceeded the carrying amount and amounted to €102 million (31 December 2020: €171 million). Rental income for the year ended 31 December 2021 amounts to €3 million (2020: €3 million).

NOTE 24 Equity method investments

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
At 1 January	**22**	**8**	**20**	**6**
Additions/ transfers	-	14	-	14
Impairment charge	(4)	-	(3)	-
At 31 December	**18**	**22**	**17**	**20**

On 6 July 2020 the Bank participated in the establishment of the entity Perigenis Business Properties S.A. The contribution to the share capital amounted to €14 million and represents a shareholding of 28.5%. The company has been classified as equity method investment.

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

			Group		Bank	
	Country	Tax years unaudited	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Social Securities Funds Management S.A.	Greece	2016-2021	20.00%	20.00%	20.00%	20.00%
Larco S.A.	Greece	2011-2021	33.36%	33.36%	33.36%	33.36%
Eviop Tempo S.A.	Greece	2016-2021	21.21%	21.21%	21.21%	21.21%
Teiresias S.A.	Greece	2011-2021	39.93%	39.93%	39.93%	39.93%
Planet S.A.	Greece	2016-2021	36.99%	36.99%	36.99%	36.99%
Pyrrichos Real Estate S.A.	Greece	2011-2021	21.83%	21.83%	21.83%	21.83%
Sato S.A.	Greece	2016-2021	23.74%	23.74%	23.74%	23.74%
Olganos S.A.	Greece	2011-2021	33.60%	33.60%	33.60%	33.60%
Perigenis Business Properties S.A.	Greece	-	28.50%	28.50%	28.50%	28.50%

Summarised financial information in respect of the Group's equity method investments is set out below based on the most recent financial information available:

	31.12.2021	31.12.2020
Total assets	88	60
Total liabilities	22	27
Net assets	66	33
Group's share of net assets of equity method investments	18	22
Total revenue	**50**	**58**
Total profit/(loss) for the year	**1**	**(1)**

NOTE 25 Goodwill, software and other intangibles assets

	Group			Bank		
	Software	Other intangible assets	Total	Software	Other intangible assets	Total
Cost						
At 1 January 2020	**830**	**44**	**874**	**776**	**38**	**814**
Transfers	-	-	**-**	(1)		**(1)**
Additions	129	-	**129**	127	-	**127**
Disposals and write offs	(6)	-	**(6)**	-	-	**-**
At 31 December 2020	**953**	**44**	**997**	**902**	**38**	**940**
Accumulated amortisation & impairment						
At 1 January 2020	**(628)**	**(44)**	**(672)**	**(577)**	**(38)**	**(615)**
Disposals and write offs	6	-	**6**	-	-	**-**
Amortization charge	(48)	-	**(48)**	(47)	-	**(47)**
Impairment charge	(1)	-	**(1)**	-	-	**-**
At 31 December 2020	**(671)**	**(44)**	**(715)**	**(624)**	**(38)**	**(662)**
Net book amount at 31 December 2020	**282**	**-**	**282**	**278**	**-**	**278**
Cost						
At 1 January 2021	**953**	**44**	**997**	**902**	**38**	**940**
Additions	127	-	**127**	126	-	**126**
Transfers to non-current assets held for sale	-	(3)	**(3)**	-	-	**-**
At 31 December 2021	**1,080**	**41**	**1,121**	**1,028**	**38**	**1,066**
Accumulated amortisation & impairment						
At 1 January 2021	**(671)**	**(44)**	**(715)**	**(624)**	**(38)**	**(662)**
Transfers to non-current assets held for sale	-	3	**3**	-	-	**-**
Amortisation charge	(58)	-	**(58)**	(55)		**(55)**
Impairment charge	2	-	**2**	(4)	-	**(4)**
At 31 December 2021	**(727)**	**(41)**	**(768)**	**(683)**	**(38)**	**(721)**
Net book amount at 31 December 2021	**353**	**-**	**353**	**345**	**-**	**345**

NOTE 26 Property and equipment

Group	Land	Buildings	Vehicles & equipment	Assets under construction	Land & buildings - RoU asset	Leasehold improvements	Total
Cost							
At 1 January 2020	**389**	**188**	**760**	**1**	**1,314**	**209**	**2,861**
Transfers	-	-	-	(1)	-	1	**-**
Additions	2	4	26	1	7	9	**49**
Modifications / Remeasurements / Termination	-	-	-	-	(14)	-	**(14)**
Disposals and write offs	-	(2)	(1)	-	-	-	**(3)**
At 31 December 2020	**391**	**190**	**785**	**1**	**1,307**	**219**	**2,893**
Accumulated depreciation & impairment							
At 1 January 2020	**(163)**	**(97)**	**(679)**	**-**	**(56)**	**(140)**	**(1,135)**
Reclassified from held for sale	-	-	1	-	(4)	-	**(3)**
Disposals and write offs	-	1	1	-	-	-	**2**
Depreciation charge	-	(3)	(19)	-	(73)	(9)	**(104)**
Impairment charge	3	5	-	-	3	-	**11**
At 31 December 2020	**(160)**	**(94)**	**(696)**	**-**	**(130)**	**(149)**	**(1,229)**
Net book amount at 31 December 2020	**231**	**96**	**89**	**1**	**1,177**	**70**	**1,664**
Cost							
At 1 January 2021	**391**	**190**	**785**	**1**	**1,307**	**219**	**2,893**
Transfers	(10)	(14)	-	-	-	-	**(24)**
Additions	1	4	23	1	181	16	**226**
Modifications / Remeasurements / Termination	-	-	-	-	(140)	-	**(140)**
Disposals and write offs	(1)	(3)	(4)	-	-	(3)	**(11)**
At 31 December 2021	**381**	**177**	**804**	**2**	**1,348**	**232**	**2,944**
Accumulated depreciation & impairment							
At 1 January 2021	**(160)**	**(94)**	**(696)**	**-**	**(130)**	**(149)**	**(1,229)**
Transfers	2	4	-	-	-	-	**6**
Disposals and write offs	-	2	4	-	-	1	**7**
Depreciation charge	-	(3)	(15)	-	(75)	(9)	**(102)**
Modifications / Remeasurements / Termination	-	-	-	-	13	-	**13**
Impairment charge	10	1	1	-	4	-	**16**
At 31 December 2021	**(148)**	**(90)**	**(706)**	**-**	**(188)**	**(157)**	**(1,289)**
Net book amount at 31 December 2021	**233**	**87**	**98**	**2**	**1,160**	**75**	**1,655**

Bank	Land	Buildings	Vehicles & equipment	Assets under construction	Land & buildings - RoU asset	Vehicles - RoU asset	Leasehold improvements	Total
Cost								
At 1 January 2020	**82**	**94**	**685**	**1**	**1,051**	**6**	**206**	**2,125**
Transfers	-		2	(1)	5	-	3	**9**
Additions	2	4	24	1	6	1	9	**47**
Modifications / Remeasurements / Termination	-	-	-	-	(17)	(1)	-	**(18)**
Disposals and write offs		(2)		-	-	-	-	**(2)**
At 31 December 2020	**84**	**96**	**711**	**1**	**1,045**	**6**	**218**	**2,161**
Accumulated depreciation & impairment								
At 1 January 2020	**(6)**	**(45)**	**(608)**	**-**	***(63)***	***(1)***	**(138)**	**(861)**
Reclasified to held for sale	-	-	(1)	-	-	-	(2)	**(3)**
Disposals and write offs	-	1		-	-	-	-	**1**
Depreciation charge	-	(1)	(18)	-	(60)	*(1)*	(9)	**(89)**
Modifications / Remeasurements / Termination	-	-	-	-	5	-	-	**5**
At 31 December 2020	**(6)**	**(45)**	**(627)**	**-**	**(118)**	**(2)**	**(149)**	**(947)**
Net book amount at 31 December 2020	**78**	**51**	**84**	**1**	**927**	**4**	**69**	**1,214**
Cost								
At 1 January 2021	**84**	**96**	**711**	**1**	**1,045**	**6**	**218**	**2,161**
Transfers	(9)	(14)				-		**(23)**
Additions		3	22		181	2	16	**224**
Modifications / Remeasurements / Termination	-	-	-	-	(102)	(1)	-	**(103)**
Disposals and write offs	(1)	(3)	(3)	-		-	(2)	**(9)**
At 31 December 2021	**74**	**82**	**730**	**1**	**1,124**	**7**	**232**	**2,250**
Accumulated depreciation & impairment								
At 1 January 2021	**(6)**	**(45)**	**(627)**	**-**	**(118)**	**(2)**	**(149)**	**(947)**
Transfers	2	4		-	-	-		**6**
Disposals and write offs	-	2	3	-	-	-	-	**5**
Depreciation charge	-	(1)	(13)	-	(62)	(1)	(9)	**(86)**
Modifications / Remeasurements / Termination	-	-	-	-	12	-	-	**12**
At 31 December 2021	**(4)**	**(40)**	**(637)**	**-**	**(168)**	**(3)**	**(158)**	**(1,010)**
Net book amount at 31 December 2021	**70**	**42**	**93**	**1**	**956**	**4**	**74**	**1,240**

During 2021 Prodea Investments S.A., the Bank's main lessor, disposed of certain buildings to a third party, and as a result the Bank, signed new lease agreements related to these buildings with the new landlord. This transaction resulted in the derecognition of these leases with Prodea Investments S.A. and the recognition of new leases. The impact of this transaction with respect to the RoU movement amounts to €139 million and €105 million for the Group and the Bank respectively and is included in Modifications / Remeasurements / Terminations. An amount of €172 million is included in "Additions" with respect to the new RoU assets for the Group and the Bank. For the effect upon the lease liability please see Note 34 "Other liabilities".

NOTE 27 Deferred tax assets and liabilities

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Deferred tax assets:				
Unamortised PSI losses eligible for DTC	1,834	1,926	1,834	1,926
Property and equipment and intangible assets	1	1	-	-
Loan losses eligible for DTC	393	1,451	393	1,451
Unamortized debit differences relating to crystalized loan losses eligible for DTC	1,889	937	1,889	937
Loan losses created after 30 June 2015 non eligible for DTC	790	592	790	592
Other differences on loans and advances to customers at amortised cost	2	8	-	-
Tax losses	3	-	-	-
Deferred tax assets	**4,912**	**4,915**	**4,906**	**4,906**

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Deferred tax liabilities:				
Property and equipment and intangible assets	5	5	-	-
Loans and advances to customers at amortised cost	8	8	-	-
Other temporary differences	2	3	-	-
Deferred tax liabilities	**15**	**16**	**-**	**-**

Deferred tax charge in the income statement	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
PSI losses eligible for DTC	(92)	(92)	(92)	(92)
Property and equipment and intangible assets	-	(2)	-	-
Debit differences relating to crystalized loan losses eligible for DTC	(106)	(57)	(106)	(57)
Loan losses created after 30 June 2015 non eligible for DTC	198	149	198	149
Other differences on loans and advances to customers at amortised cost	(1)	(2)	-	-
Tax losses	-	(3)	-	-
Other temporary differences	(1)	1	-	-
Deferred tax charge in the income statement	**(2)**	**(6)**	**-**	**-**
Net deferred tax movement	**(2)**	**(6)**	**-**	**-**

On 23 September 2021, with article 125 of Greek Law 4831/2021, an amendment was introduced to article 27 of Greek Law 4172/2013. According to this amendment the annual amortization / deduction of the debit difference arising from PSI losses is deducted at a priority over the debit difference arising from realized NPL losses. The amount of annual deduction of the debit difference arising from realized NPL losses is limited to the amount of the profits determined according to the provisions of the tax law as in force before the deduction of such debit differences and after the deduction of the debit difference arising from PSI losses. The remaining amount of annual deduction that has not been offset, is transferred to be utilized in the 20 subsequent tax years, in which there will be sufficient profit after the deduction of the above debit differences (PSI & NPL losses) that correspond to those years. In the order of deduction of the transferred (unutilized) amounts, older balances of debit difference have priority over newer balances. If at the end of the 20-year amortization period, there are balances that have not been offset, these qualify as tax losses which is subject to the 5-year statutes of limitation.

The Group and the Bank believe that the realization of the recognized DTA of €4,912 million and €4,906 million for the Group and the Bank, respectively, at 31 December 2021 is probable based upon expectations of the Group's and the Bank's taxable income in the future.

At 31 December 2021, cumulative Group tax losses amounted to €541 million (31 December 2020: €2,638 million) and were incurred in 2017 through to 2021. The amount of €406 million (2020: €2,518 million) relates to the Bank and was incurred in 2017 through to 2021. Management has estimated that tax losses of €29 million for the Group and Nil for the Bank (2020: €29 million and Nil) can be utilised thus a DTA of €3 million and Nil (2020: €3 million and Nil) for the Group and the Bank respectively has been recognised. The unused tax losses amounted to €512 million for the Group and €406 million for the Bank (2020: €2,607 million and €2,518 million) and the unrecognised DTA amounted to €140 million and €118 million (2020: €748 million and €730 million) for the Group and the Bank, respectively.

The following table presents the year of expiration of the unused tax losses for the Group and the Bank.

	Group	Bank
Year	31.12.2021	31.12.2021
2022	238	214
2023	69	-
2024	196	192
2025	21	-
2026	17	-
	541	**406**

The Group and the Bank have offset the deferred tax assets and deferred tax liabilities on an entity by entity basis based on the legally enforceable right to set off the recognized amounts i.e. offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

NOTE 28 Other assets

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Accrued interest and commissions	179	80	179	81
Receivables from the Greek State	894	887	893	883
Tax prepayments and other recoverable taxes	1	5	-	1
Trade receivables	39	21	9	2
Assets acquired through foreclosure proceedings	425	425	418	411
Prepaid expenses	34	37	30	31
Hellenic Deposit and Investment Guarantee Fund	493	494	493	494
Cheques and credit card transactions under settlement	44	46	40	45
Other	562	287	522	239
Total	**2,671**	**2,282**	**2,584**	**2,187**

Receivables from the Greek State of €894 million and €893 million as at 31 December 2021 (31 December 2020: €887 million and €883 million) for the Group and the Bank, respectively, mainly include amounts claimed or eligible to be claimed from the Hellenic Republic relating to mortgage loans guaranteed from the Hellenic Republic.

In accordance with article 9 of Greek Law 4370/07.03.2016, the upper coverage level for the amount of deposits guaranteed by the Hellenic Deposit and Investment Guarantee Fund ("HDIGF") is €100 thousand per client. Accordingly, the contributions paid by credit institutions to HDIGF increased from 2008 onwards.

Greek Law 4370/07.03.2016 article 25 par. 8, 9 and 10 provides that the Supplementary Deposit Cover Fund ("SDCF"), is considered as a distinct group of assets which consists of the annual contributions of the credit institutions, pursuant to paragraph 2 of Article 6 of Greek Law 3714/2008 (A '231). The assets of the SDCF are considered to be assets of the SDCF members credit institutions, according to their participation in it and is part of the funds of and subject to management by the HDIGF, for the achievement of its objectives.

In accordance with article 13 of Greek Law 4370/2016, HDIGF guarantees up to an amount of €30 thousand per client for investing activities. In 2010, the participating credit institutions paid the first contributions. The said contributions are included in a special reserve which is jointly owned by the credit institutions in proportion to their participation. Each credit institution participating in the Investment Cover Scheme ("ICS") has an individual share in it. The individual share of each ICS member is proportional to its participation in the assets of the ICS, article 30 of the Greek Law 4370/2016.

In accordance with article 36 of Greek Law 4370/2016, the Resolution Scheme ("RS") assets, as Resolution Fund for credit institutions, are from ordinary contributions paid in advance, extraordinary contributions and alternative means of funding, pursuant to the internal articles 98, 99 and 100 of article 2 of Greek Law 4355/2015. The contributions are determined in accordance with the provisions in force.

Furthermore, according to Regulation (EU) 806/2014, the Bank participates in the Single Resolution Fund ("SRB"), through predetermined regular annual contributions, set by the SRB.

Included in "Other" is an investment in spot position for emission rights which is carried at fair value through profit or loss for the Group and the Bank of €330 million (31 December 2020: NIL) as well as an investment in a sublease for the Group and the Bank with a carrying amount of €45 million as at 31 December 2021 (31 December 2020: €44 million).

NOTE 29 Assets and liabilities held for sale and discontinued operations

A. Non-Current Assets and Disposal Groups classified as held for sale and discontinued operations

Non-current assets held for sale at 31 December 2021 comprise of NIC, CAC Coral Ltd and Probank Leasing S.A. (Project Pronto) while at 31 December 2020 comprised of NIC and CAC Coral Ltd. Non-current assets held for sale as of 31 December 2021 also include loan portfolio contemplated disposals mainly relating to Projects Frontier II, Solar and Pronto while as of 31 December 2020 include Project Frontier, Project ICON and Project Danube. The profit or losses from discontinued operations for the year ended 31 December 2021, comprises of NIC and CAC Coral Ltd. The comparative profit or loss from discontinued operations also includes NIC and CAC Coral Ltd.

Ethniki Hellenic General Insurance S.A.

NBG relaunched NIC's sales process in October 2019. NBG received a binding offer from CVC Capital Partners on the basis of updated post-COVID-19 due diligence.

On 24 March 2021 NBG's BoD approved the sale of the 90.01% out of 100% stake in NIC and authorized the Bank's Management to proceed with the signing of the SPA on 26 March 2021. The transaction was approved by the Extraordinary General Meeting of NBG's Shareholders held on 21 April 2021. The equivalent nominal consideration corresponding to 100% of NIC amounted to €505 million, including an "earn-out" payment of up to €120 million, which will be subject to meeting agreed upon performance targets for the bancassurance channel of NBG by 2026. The transaction includes a 15-year Bancassurance partnership.

Closing of the transaction is expected in 1H.2022 as it is subject to customary ongoing regulatory approvals. Approval from DG Comp was received on 24 February 2022.

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 within the second quarter of 2022, after approval of the competent regulatory authorities.

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

Project Danube

NBG entered into a definite agreement with Bain Capital Credit for the disposal of a Romanian-risk corporate NPE portfolio ("Project Danube") with a total Net Book Value of €23 million on 20 May 2021, at the date of closing of the transaction.

Project ICON

NBG, on 5 June 2020, entered into a definite agreement with the Investment Firm Bain Capital Credit ("Bain Capital") for the disposal of a portfolio of c. 2,800 non-performing, predominantly secured, corporate loan contracts ("Project Icon") with net book value of €258 million on 12 February 2021. The closing of the transaction took place on 12 February 2021.

Project Frontier

In the context of its NPE deleveraging strategy, NBG signed in October 2021 a definitive agreement with a consortium consisting of affiliates of Bain Capital, Fortress Investment Group and doValue Greece, for the sale of 95% of the Mezzanine and Junior notes from a rated securitization backed by a portfolio of Greek NPEs. The portfolio consists of secured Large Corporate, Small and Medium Enterprises, Small Business Lending, Mortgages and Consumer Loans, accounting for €6.0 billion in terms of gross book value as of 30 June 2020.

On 29 January 2021, the Bank submitted the Hellenic Asset Protection Scheme ("HAPS") application in accordance with the provisions of the Greek Law 4649/2019, which relates to the provision of a guarantee by the Greek State on the senior notes of an amount up to €3.3 billion.

The closing of the transaction took place on 17 December 2021. The portfolio's net book value as of that date amounted to €2.7 billion. NBG retained 100% of the Senior notes, utilizing the provisions of the HAPS, and 5% of the Mezzanine and Junior notes.

Project Frontier II

In the context of deleveraging its NPEs through inorganic actions and according to its NPE Divestment Policy, NBG decided the disposal of a portfolio of Greek Non-Performing Exposures in the form of a rated securitization that will utilize the provisions of HAPS. The Frontier II perimeter stands at approx. €900 million, in terms of gross book value. The portfolio includes secured Large Corporate, Small and Medium Enterprises, Small Business Lending, Residential Mortgage loans and Consumer loans. The transaction is estimated to be completed within the 3rd quarter of 2022.

Project Pronto

The Bank decided the disposal of the Non-Performing leasing exposures (Sale of Probank Leasing S.A. shares, sale of the Bank's leasing portfolio (ex-FBB) and Sale of NBG Leasing S.A. ("NBGL") leasing portfolio). As at 31 December 2021, the net assets of Probank Leasing

S.A., at Group level, amounted to €36 million (Bank level €20 million), while the net book value of the Bank's and NBGL's leasing portfolios, at the same date, amounted to €30 million.

The closing of the transaction is expected to be completed by the end of 2022.

Project Solar

The Bank decided to launch the divestment of the Solar Portfolio through a joint securitization process under HAPS law while in parallel continues to explore divestment through alternative routes in November 2021. NBG's portfolio share includes secured Mid Corporate loans with a gross book value of approx. €170 million.

The divestment is expected to be concluded within the 4th quarter of 2022.

Condensed Income Statement of discontinued operations [1]	Group		Bank	
	12 month period ended		12 month period ended	
€ million	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Net interest income	43	44	-	-
Net fee and commission income	(13)	(2)	-	-
Earned premia net of claims and commissions	113	107	-	-
Net trading income / (loss) and results from investments securities	18	16	-	-
Other income	6	10	-	-
Total income	**167**	**175**	**-**	-
Operating expenses	(89)	(73)	-	(1)
Credit Provisions and other impairment charges	24	(449)	(3)	(274)
Profit before tax	**102**	**(347)**	**(3)**	**(275)**
Tax benefit/(expense)	(17)	(19)	-	-
Profit for the period from discontinued operations	**85**	**(366)**	**(3)**	**(275)**
Total profit for the period from discontinued operations (attributable to NBG equity shareholders)	**85**	**(366)**	**(3)**	**(275)**

[1] Includes NIC and CAC Coral Limited.

€ million	31.12.2021	31.12.2020
Cash Flows from discontinued operations		
Net cash inflows/(outflows) from operating activities	131	125
Net cash inflows/(outflows) from investing activities	(226)	(197)
Net cash inflows/(outflows) from financing activities	98	1
Net Cash inflows /(outflows)	**3**	**(71)**

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

	Group		Bank	
ASSETS	31.12.2021[(1)]	31.12.2020[(2)]	31.12.2021	31.12.2020
Due from banks	64	44	-	-
Financial assets at fair value through profit or loss	27	26	-	-
Derivative financial instruments	-	1	-	-
Loans and advances to customers	606	3,009	497	2.899
Investment securities	3,245	3,117	-	-
Investment property	-	3	-	-
Investment in subsidiaries	-	-	352	335
Deferred tax assets	17	3	-	-
Insurance related assets and receivables	469	435	-	-
Other assets	57	51	-	-
Non-current assets held for sale	8	6	17	12
Total assets	**4,493**	**6,695**	**866**	**3,246**
LIABILITIES				
Insurance related reserves and liabilities	2,575	2,495	-	-
Deferred tax liabilities	(1)	-	-	-
Retirement benefit obligations	73	54	-	-
Current income tax liabilities	5	9	-	-
Other liabilities	765	783	-	-
Total liabilities	**3,417**	**3,341**	**-**	**-**

(1) Includes NIC, Probank Leasing S.A. and CAC Coral Ltd.
(2) Includes NIC and CAC Coral Ltd.

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") had been 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 Annual Financial Statements of the Group and the Bank have been amended retrospectively as if the NBG Egypt never qualified as held for sale and discontinued operations.

In May 2021, an official approval was received by the Central Bank of Egypt for the downsizing and ultimately ceasing our operations in Egypt.

National Bank of Greece (Cyprus) Ltd

As of 31 December 2018, National Bank of Greece (Cyprus) Ltd had been classified as held for sale and discontinued operations.

On 26 November 2019, the Bank signed a Share and Purchase Agreement with Astrobank, for the sale of a 100% stake in National Bank of Greece (Cyprus) Ltd.

However, on 26 November 2020, which was the last date ("Longstop Date") for Astrobank to fulfil certain condition precedents specified in the SPA entered into between NBG and Astrobank, the Bank took note that such condition precedents were not fulfilled and henceforth decided to terminate the SPA on 27 November 2020.

Although the Bank remained committed to implementing all options of compliance with its commitments under its 2019 Revised Restructuring Plan, the efforts on the alternative options of the subsidiary's divestment did not materialise.

Therefore, the financial statements of the Bank and the Group were amended retrospectively as if the National Bank of Greece (Cyprus) Ltd never qualified as held for sale and discontinued operations.

NOTE 30 Due to banks

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Demand deposits due to credit institutions	225	190	258	313
Time deposits due to credit institutions	156	132	295	267
Interbank deposits	3	17	-	43
Amounts due to ECB and Central Banks	11,600	10,500	11,600	10,500
Securities sold under agreements to repurchase	1,239	517	1,239	517
Margin Accounts	989	954	989	954
Other	519	426	519	427
Total	**14,731**	**12,736**	**14,900**	**13,021**

Targeted Longer-Term Refinancing Operations

The European Central Bank (ECB) launched in 2019 a third series of Targeted Longer-Term Refinancing Operations (TLTRO) with the aim of maintaining favourable credit conditions in the euro area. As in the two previous operations, the level of remuneration of the borrowings depends on the performance of the borrowing banking institutions in terms of loans granted to their household customers (excluding real estate loans) and business customers (excluding financial institutions). Depending on these performances, the borrowing institutions may benefit from a reduced interest rate and an additional temporary bonus applicable over the period from 24 June 2020 to 23 June 2021 (reduction by 50 basis points of the average rate of the deposit facility with a floor rate set at -1.0%). These TLTRO III operations are conducted on a quarterly basis between September 2019 and December 2021, for a possible total of 10 drawdowns. Each such operation has a three-year maturity and includes an early repayment option. Some terms and conditions were modified in March 2020, in particular the loan production objectives, rate conditions and drawdown limit, in order to further support the granting of loans in the face of the emergence of the COVID-19 crisis.

In January 2021, the ECB decided to extend the temporary additional bonus rate over the period from 24 June 2021 to 23 June 2022 subject to performance in terms of number of granted loans observed over a new reference period from 1 October 2020 to 31 December 2021. Once the Group has reasonable assurance of being eligible for the bonus rate (i.e., -1.0%) provided for, that rate is used to determine the amount of interest recognised in the Income Statement for the TLTRO loans.

The Group participated in TLTRO III operations and as at 31 December 2021 and 31 December 2020 the total liability amounted to €11.6 billion and €10.5 billion respectively and is presented under "Amounts due to ECB and Central Banks".

Based on the granting of loans for the years 2020 and 2021, the Group has achieved the lending objectives and is eligible to consequently benefit from the bonus rate (i.e., -1%). Interest income recorded in 2020 and 2021 in respect of these transactions and accrued at the bonus rate is presented in Net Interest Income under "Amounts due from banks" (see Note 6: "Net interest income") and amounted to €65 million and €113 million respectively.

NOTE 31 Due to customers

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Deposits:				
Individuals	39,835	36,865	38,333	35,277
Corporate	11,912	9,618	12,156	9,670
Government and agencies	1,746	2,578	1,739	2,563
Total	**53,493**	**49,061**	**52,228**	**47,510**

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Deposits:				
Savings accounts	28,957	24,564	28,667	24,281
Current & Sight accounts	15,311	13,059	15,033	12,691
Time deposits	7,971	10,431	7,293	9,528
Other deposits	1,254	1,007	1,235	1,010
Total	**53,493**	**49,061**	**52,228**	**47,510**

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 31 December 2021, these deposits amounted to €467 million (31 December 2020: €426 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 2021 and until 31 December 2021 has remitted to the Greek State NIL in respect of dormant account balances (2020: €2 million).

NOTE 32 Debt securities in issue

	Group			Bank		
	Weighted Interest rate	31.12.2021	31.12.2020	Weighted Interest rate	31.12.2021	31.12.2020
Fixed rate notes	5.25%	912	910	5.25%	912	910
Total		**912**	**910**		**912**	**910**

The financial terms of debt securities in issue as at 31 December 2021, are as follows:

Issuer	Type	Issue date	Maturity date	Currency	Outstanding Nominal amount	Interest rate
Fixed rate notes						
NBG	Tier II Notes- Global Medium Term Note Program	18 July 2019	July 2029 [1]	EUR	400	Paid annually at a fixed coupon rate of 8.25%
NBG	Green Fixed Rate Resettable Unsubordinated MREL Note	8 October 2020	October 2026 [2]	EUR	500	Paid annually at a fixed coupon rate of 2.75%

[1] First Reset Date: 18 July 2024
[2] First Reset Date: 8 October 2025

The movement of debt securities in issue is summarised as follows:

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Balance at 1 January	**910**	**1,365**	**910**	1,365
Additions within the period	-	500	-	500
Disposals (sales and redemptions) within the period	-	(750)	-	(750)
Sold / (Buy) Backs	-	(200)	-	(200)
Accruals	-	(2)	-	(2)
Amortisation of premiums / discounts	2	(3)	2	(3)
Balance at 31 December	**912**	**910**	**912**	**910**

In 2020, additions within the period includes the Bank's issuance of €500 million Green Fixed Rate Resettable Unsubordinated Minimum Requirement for own funds and Eligible Liabilities ("MREL") Notes (see above), while the disposals (sales and redemptions) within the period include the Bank's Covered Bond (Series 7) of amount €750 million issued under Program II. Furthermore, the buy backs refer to the repurchase of €200 million of Series 8 Covered Bonds by the Bank, which was previously held by the European Investment Bank (EIB).

For NBG's Covered Bonds issued under Programs I and II see Note 21 "Loans and advances to customers".

NOTE 33 Other borrowed funds

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Loans-fixed rate	27	9	-	-
Loans-floating rate	52	51	-	-
Total	**79**	**60**	**-**	**-**

The movement of other borrowed funds may be summarised as follows:

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Balance at 1 January	**60**	**5**	**-**	**-**
Additions within the period	19	58	-	-
Disposals (sales and redemptions) within the period	-	(3)	-	-
Balance at 31 December	**79**	**60**	**-**	**-**

In 2021, fixed and floating rate borrowings of the Group include borrowings from Ethniki Factors S.A. and Stopanska Banka A.D. Fixed rate borrowings amounting to €27 million, all denominated in EUR, while floating rate borrowings amounting to €52 million, (of which denominated in EUR €50 million and in MKD €2 million).

In 2020, fixed and floating rate borrowings of the Group include borrowings from Ethniki Factors S.A. and Stopanska Banka A.D. Fixed rate borrowings amounting to €9 million, all denominated in EUR, and floating rate borrowings amounting to €51 million, (of which denominated in EUR €50 million and in MKD 1 million).

Moreover, in 2021 the additions within the period include mainly the issuance of €19 million new fixed rate borrowings from Stopanska Banka A.D.

Additions within 2020 include mainly the issuance of €50 million new floating rate borrowings from Ethniki Factors S.A.

NOTE 34 Other liabilities

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Accrued interest and commissions	3	4	3	4
Creditors and suppliers	240	256	141	171
Amounts due to government agencies	30	36	30	36
Collections for third parties	154	352	154	352
Other provisions	198	179	202	202
Taxes payable - other than income taxes	26	37	31	34
Accrued expenses and deferred income	125	75	120	71
Payroll related accruals	34	27	33	26
Unsettled transactions on debt securities	3	234	3	234
Lease Liability	1,239	1,248	1,058	1,016
Other	198	210	181	194
Total	**2,250**	**2,658**	**1,956**	**2,340**

The movement of lease liability for the Group and the Bank may be summarised as follows:

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
At 1 January	**1,248**	**1,311**	**1,016**	**1,062**
Transfers from non current assets Held for Sale	-	3	-	-
Additions	180	7	182	7
Modifications / Remeasurements / Termination	(131)	(16)	(94)	(11)
Interest Expense	25	28	39	44
Lease payments during the year	(83)	(85)	(85)	(86)
Balance at 31 December	**1,239**	**1,248**	**1,058**	**1,016**

Lease liability

The lease liability amounted to €1,239 million and €1,058 million as at 31 December 2021 (31 December 2020: €1,248 million and €1,016 million) for the Group and the Bank respectively and was discounted at a weight average discount rate of 1.94% and 3.63% (2020: 2.13% and 4.25%) for the Group and the Bank respectively. During 2021 Prodea Investments S.A., the Bank's main lessor, disposed of certain buildings to a third party, and as a result the Bank signed new lease agreements related to these buildings with the new landlord. This transaction resulted in the derecognition of lease liabilities with Prodea Investments S.A., in the amount of €142 million and €110 million for the Group and the Bank respectively which are included in Modifications / Remeasurements / Termination in the above table. The Group and the Bank recognised new lease liabilities in the amount of €172 million which are included in the line "Additions" in the above table.

Extension options

The Bank leases a number of buildings that have extension options that are exercisable solely at the option of the Bank. These are used to maximize operational flexibility in terms of managing the assets used in the Bank's operations. These leases have a weighted average non-cancellable period of 17 years and an additional weighted average maximum extension period exercisable at the option of the Bank of 10 years (excluding the flexibility and cancelation mechanism described below). The current estimated period of lease contracts to be extended on a weighted average basis is approximately 4.6 years. The Bank only reasonably expects to exercise this option on strategic properties.

Flexibility and Cancelation mechanisms

The flexibility mechanism allows the Bank to terminate leases with Prodea Investments S.A. annually up to 0.83% of the Total Base Rent ("TBR"). The Bank has the right to roll over any unused percentages of the TBR to subsequent lease years for a maximum of three years for each annual unused percentage. No lease can be terminated for some of the leased space and remain in effect for the remainder.

The cancellation mechanism gives the Bank the right to terminate specific leases with Prodea Investments S.A. after 2028 and until their maturity, as long as the leases terminated do not exceed 65% of the TBR, including all leases that have already been terminated with the procedure described in the preceding paragraph.

As of 31 December 2021, the percentage of the lease liability that is eligible for the flexibility and the cancelation mechanism amounted to 72% and 69% (2020: 87% and 85%) for the Group and the Bank respectively.

Other Provisions

The movement of other provisions for the Group and the Bank may be summarised as follows:

	Group							
	2021				2020			
	Litigation	Provisions for forfeiture of letters of guarantee (LG's)	Other	Total	Litigation	Provisions for forfeiture of letters of guarantee (LG's)	Other	Total
Balance at 1 January	**54**	**56**	**69**	**179**	**54**	**51**	**51**	**156**
Provisions utilized during the year	(1)	-	(64)	**(65)**	(6)	-	(116)	**(122)**
Provisions charged/ (released) to income statement during the year	12	(2)	74	**84**	6	5	134	**145**
Balance 31 December	**65**	**54**	**79**	**198**	**54**	**56**	**69**	**179**

	Bank							
	2021				2020			
	Litigation	Provisions for forfeiture of letters of guarantee (LG's)	Other	Total	Litigation	Provisions for forfeiture of letters of guarantee (LG's)	Other	Total
Balance at 1 January	41	105	56	**202**	**49**	**53**	**29**	**131**
Provisions utilized during the year	(1)	(26)	(65)	**(92)**	(6)	-	(109)	**(115)**
Provisions charged/ (released) to income statement during the year	10	(2)	84	**92**	(2)	52	136	**186**
Balance 31 December	**50**	**77**	**75**	**202**	**41**	**105**	**56**	**202**

NOTE 35 Contingent liabilities, pledged, transfers of financial assets and commitments

a. Legal proceedings

The Bank and certain of its subsidiaries are defendants in certain claims and legal actions and proceedings arising in the ordinary course of business. These actions and proceedings are generally based on alleged violations of consumer protection, banking, employment and other laws. None of these actions and proceedings is individually material. The Group and the Bank establish provisions for all litigations, for which they believe it is probable that a loss will be incurred and the amount of the loss can be reasonably estimated. These provisions may change from time to time, as appropriate, in light of additional information. For the cases for which a provision has not been recognized, management is not able to reasonably estimate possible losses, since the proceedings may last for many years, many of the proceedings are in early stages, there is uncertainty as to the likelihood of the final result, there is uncertainty as to the outcome of pending appeals and there are significant issues to be resolved. However, in the opinion of management, after consultation with legal counsel, the final outcome of these matters is not expected to have a material adverse effect on the Group and Bank's Statement of

Financial Position, Income Statement and Cash Flow Statement, taking into account that as at 31 December 2021 the Group and the Bank have provided for cases under litigation the amount of €65 million and €50 million respectively (31 December 2020: €54 million and €41 million respectively).

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 Group and Bank's 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, 2019 and 2020 have been tax audited by PwC S.A. and the tax certificates, which were unqualified, were issued on 26 October 2018, 31 October 2019, 27 October 2020 and 27 October 2021, respectively. The year 2021 will also be tax audited by PwC S.A., however it is not expected to have a material effect on the Group and the Bank's Statement of Financial Position.

On 31 December 2021, the right of the tax authorities to issue a deed for re-calculation of income tax for the years up to and including year 2014 expired. For the years 2015 onwards, in accordance with the Ministerial Decision 1006/2016 there is no exception from tax audit by the tax authorities for those entities that have been tax audited by an independent auditor who has issued an unqualified tax audit certificate.

Therefore, the tax authorities may re-audit the tax books of the Bank for those years. However, the Bank does not expect any material effect on the Group and the Bank's Statement of Financial Position.

For the subsidiaries and associates regarding unaudited tax years refer to Note 44 "Group companies" and Note 24 "Equity method investments", respectively.

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 and the Bank. The Group and the Bank's exposure to credit loss in the event of non-performance by the other party to the financial instrument for commitments to extend credit, commercial and standby letters of credit is represented by the contractual nominal amount of those instruments. The Group and the Bank use the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Standby letters of credit and financial guarantees written	2,960	2,530	3,224	2,790
Commercial letters of credit	1,019	512	1,017	512
Total	**3,979**	**3,042**	**4,241**	**3,302**

In addition to the above, credit commitments also include commitments to extend credit which at 31 December 2021 amounted to €9,225 million for the Group (31 December 2020: €7,704 million) and to €8,242 million for the Bank (31 December 2020: €6,901 million). Commitments to extend credit at 31 December 2021 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		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Assets pledged as collateral	**12,436**	**14,234**	**12,383**	**14,179**

As at 31 December 2021, the Group and the Bank have pledged mainly for funding purposes with the ECB and financial institutions, the following instruments:

- trading and investment debt instruments of €8,824 million (31 December 2020: €7,609 million);
- loans and advances to customers at amortised cost amounting to €1,967 million (31 December 2020: €5,307 million); and
- covered bonds of a nominal value of €1,645 million backed with mortgage loans of total value of €3,372 million (31 December 2020: €1,318 million backed with mortgage loans of total value of €1,914 million).

In addition to the pledged items presented above, as at 31 December 2021, the Group and the Bank have pledged an amount of €313 million (31 December 2020: €315 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 €664 million (31 December 2020: €733 million) for trade finance transactions.

e. Transferred financial assets

As at 31 December 2021 and 31 December 2020 the carrying amount of transferred financial assets, which have been transferred but are subject to continued recognition in full and the associated recognized liabilities are presented in the tables below.

	Group		Bank	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
	31.12.2021			
Amounts due to Eurosystem and Central Banks				
Trading and investment securities	7,101	6,248	7,101	6,248
Loans and advances to customers at amortised cost	1,967	3,845	1,967	3,845
Securities sold under agreements to repurchase				
Trading and investment securities	1,313	1,275	1,259	1,238
Other				
Trading and investment securities	1,074	-	1,074	-
Total	**11,455**	**11,368**	**11,401**	**11,331**

	Group		Bank	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
	31.12.2020			
Amounts due to Eurosystem and Central Banks				
Trading and investment securities	6,458	5,804	6,458	5,804
Loans and advances to customers at amortised cost	5,307	3,517	5,307	3,517
Securities sold under agreements to repurchase				
Trading and investment securities	793	766	738	721
Other				
Trading and investment securities	1,091	-	1,091	-
Total	**13,649**	**10,087**	**13,594**	**10,042**

Transactions whereby financial assets are transferred but continue to be recognized in their entirety on the Group's Statement of Financial Position relate to Eurosystem funding under the general terms applying to such agreements, and securities sold under agreements to repurchase (see Note 2.13 "Sale and repurchase agreements" and Note 30 "Due to Banks"), which, in general, are conducted under standard market agreements. With respect to Eurosystem funding, a haircut is generally applied to the collateral, which results in the associated liabilities having a carrying value less than the carrying value of the transferred assets. As a result of these transactions, the Group and the Bank are unable to use, sell or pledge the transferred assets for the duration of the transaction. The Group and the Bank remain exposed to interest rate risk and credit risk on these pledged instruments. The counterparty's recourse is not limited to the transferred assets.

NOTE 36 Share capital, share premium and treasury shares

Share Capital – Ordinary Shares

The total number of ordinary shares as at 31 December 2021 was 914,715,153, with a nominal value of 1.00 Euro per share and 31 December 2020 was 914,715,153, with a nominal value of 3.00 Euro per share.

Following the decision of the Annual General Meeting of the Bank's shareholders on 30 July 2021, to decrease the Bank's share capital by €1,829 million from €2,744 million, by reducing the nominal value of each common registered share from 3.00 Euros to 1.00 Euro (without any change in the total number of common registered shares), to set off equal cumulative accounting losses of previous years, on 26 October 2021, the Ministry of Development and Investments (Decision No 2420390/26.10.2021), approved the decision.

The Athens Exchange Corporate Actions Committee at its meeting held on 18 November 2021 was informed about the reduction of the nominal value of the Bank's shares. Following this, 22 November 2021, is determined as the date of change of the nominal value of the Bank's share to 1.00 Euro.

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 2020	**300,123**	**1**
Purchases	12,259,613	17
Sales	(12,223,918)	(17)
At 31 December 2020	**335,818**	**1**
Purchases	6,274,150	15
Sales	(6,572,455)	(16)
At 31 December 2021	**37,513**	**-**

NOTE 37 Tax effects relating to other comprehensive income / (expense) for the period

Group	12 month period ended 31.12.2021			12 month period ended 31.12.2020		
	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	(92)	28	(64)	155	(32)	123
Reclassification adjustments on investments in available-for-sale included in the income statement	(28)	3	(25)	(40)	6	(34)
Impairment loss recognized on investments in available-for-sale	1	-	1	10	(2)	8
Unrealised gains / (losses) on investments in debt instruments measured at FVTOCI	(43)	-	(43)	117	-	117
(Gains) / losses on investments in debt instruments measured at FVTOCI reclassified to profit or loss on disposal	(98)	-	(98)	(383)	-	(383)
ECL impairment recognised to profit or loss	(4)	-	(4)	2	-	2
Investments in debt instruments	**(264)**	**31**	**(233)**	**(139)**	**(28)**	**(167)**
Currency translation differences	**10**	**-**	**10**	**(11)**	**-**	**(11)**
Cash flow hedge	**22**	**-**	**22**	**(16)**	**-**	**(16)**
Total of items that may be reclassified subsequently to profit or loss	**(232)**	**31**	**(201)**	**(166)**	**(28)**	**(194)**
Items that will not be reclassified subsequently to profit or loss:						
Gains / (losses) on investments in equity instruments measured at FVTOCI	10	-	10	(24)	-	(24)
(Gains) / losses on investments in equity instruments designated as at FVTOCI transferred to retained earnings upon disposal	1	-	1	(13)	-	(13)
Remeasurement of the net defined benefit liability / asset	9	-	9	(19)	1	(18)
Total of items that will not be reclassified subsequently to profit or loss	**20**	**-**	**20**	**(56)**	**1**	**(55)**
Other comprehensive income / (expense) for the period	**(212)**	**31**	**(181)**	**(222)**	**(27)**	**(249)**

Bank	12month period ended 31.12.2021			12month period ended 31.12.2020		
	Gross	Tax	Net	Gross	Tax	Net
Items that may be reclassified subsequently to profit or loss:						
Unrealised gains / (losses) on investments in debt instruments measured at FVTOCI	(43)	-	(43)	117	-	117
(Gains) / losses on investments in debt instruments measured at FVTOCI reclassified to profit or loss on disposal	(97)	-	(97)	(383)	-	(383)
ECL impairment recognised to profit or loss	(5)	-	(5)	2	-	2
Investments in debt instruments	**(145)**	**-**	**(145)**	**(264)**	**-**	**(264)**
Currency translation differences	**1**	**-**	**1**	**(3)**	**-**	**(3)**
Cash flow hedge	**22**	**-**	**22**	**(16)**	**-**	**(16)**
Total of items that may be reclassified subsequently to profit or loss	**(122)**	**-**	**(122)**	**(283)**	**-**	**(283)**
Items that will not be reclassified subsequently to profit or loss:						
Gains / (losses) on investments in equity instruments measured at FVTOCI	9	-	9	(24)	-	(24)
(Gains) / losses on investments in equity instruments designated as at FVTOCI transferred to retained earnings upon disposal	1	-	1	(13)	-	(13)
Remeasurement of the net defined benefit liability / asset	10	-	10	(17)	-	(17)
Total of items that will not be reclassified subsequently to profit or loss	**20**	**-**	**20**	**(54)**	**-**	**(54)**
Other comprehensive income / (expense) for the period	**(102)**	**-**	**(102)**	**(337)**	**-**	**(337)**

NOTE 38 Reserves & retained earnings

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Statutory reserve	310	308	297	297
Investments in debt and equity instruments reserve	(52)	82	(59)	76
Defined benefit obligations	(190)	(200)	(189)	(199)
Currency translation differences reserve	73	62	(51)	(52)
Other reserves and retained losses	(9,405)	(12,118)	(9,535)	(12,114)
Total	**(9,264)**	**(11,866)**	**(9,537)**	**(11,992)**

The movement on the investment in debt instruments reserve is as follows:

	Group		Bank	
	2021	2020	2021	2020
At 1 January	**82**	**377**	**76**	**377**
Transferred from held for sale	-	6	-	-
Net gains / (losses) on investments in debt instruments measured at FVTOCI	(43)	117	(44)	117
Net (gains) / losses on investments in debt instruments measured at FVTOCI reclassified to profit or loss on disposal	(97)	(383)	(97)	(383)
Impairment loss recognized on investments in debt instruments classified as at FVTOCI	(5)	2	(5)	2
Net gains / (losses) in equity instruments designated at FV measured at FVTOCI	10	(24)	10	(24)
Reclassification to retained earnings due to disposal of equity secs measured at FVTOCI	1	(13)	1	(13)
At 31 December	**(52)**	**82**	**(59)**	**76**

NOTE 39 Non controlling interests

	Group	
	2021	2020
At 1 January	**20**	**18**
Share of net profit of subsidiaries	2	2
At 31 December	**22**	**20**

NOTE 40 Dividends

Greek Law 4548/2018 active from 1 January 2019, on Greek companies imposes restrictions regarding the dividend distribution. Specifically, the laws states that no distribution to the shareholders can take place, if, on the day on which the last financial year ends, the total shareholders' equity, is or, following this distribution, will be, lower than the amount of the share capital increased by the reserves the distribution of which is forbidden by law or the Articles of Association, credit balances in equity (i.e. OCI) the distribution of which is not allowed and any unrealised gains of the year. Such share capital amount is reduced by the amount for which payment has not yet been called.

In addition, the law states that any distributable amount shall not exceed the profit of the last financial year on an unconsolidated basis net of tax, plus retained earnings and reserves the distribution of which is allowed and has been approved by the General Meeting, less any unrealised gains of the year, any losses carried forward and any amounts required by law or its Articles of Association to be allocated towards the formation of reserves.

Due to the above restrictions there were no distributable funds available by the end of 2020, therefore the Annual General Meeting of the Bank's shareholders held on 30 July 2021 took no decision on dividend distribution.

For the same reason the Bank's Board of Directors will not propose any distribution of dividend to the Bank's Annual Shareholders General Meeting of 2022.

Furthermore, pursuant to the Hellenic Financial Stability Fund ("HFSF") Law, and in line with the provisions of the Amended Relationship Framework Agreement with the HFSF, the HFSF's representative who sits on the Board of Directors has a veto right over decisions regarding the distribution of dividends.

NOTE 41 Cash and cash equivalents

	Group		Bank	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Cash and balances with central banks	15,674	9,156	15,536	8,998
Due from banks	351	568	223	423
Trading securities	1	15	1	15
Investment securities	79	45	50	14
Total	**16,105**	**9,784**	**15,810**	**9,450**

For the year ended 31 December 2021, "Due from banks" of the Group, include €19 million relating to subsidiaries classified as Held for Sale.

For the year ended 31 December 2020, "Due from banks" of the Group include €18 million, relating to subsidiaries classified as Held for Sale.

NOTE 42 Related party transactions

The nature of the significant transactions entered into by the Group with related parties during the 12-month period ended 31 December 2021 and 31 December 2020 and the significant balances outstanding as at 31 December 2021 and 31 December 2020 are presented below.

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

The Group and the Bank 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 collaterals, 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 “General Information”.

As at 31 December 2021, loans and advances to customers, deposits/liabilities and letters of guarantee, at Group level, amounted to €4 million, €5 million and NIL respectively (31 December 2020: €3 million, €5 million and NIL respectively), whereas the corresponding figures at Bank level amounted to €4 million, €4 million and NIL respectively (31 December 2020: €3 million, €4 million and NIL respectively).

Total compensation to related parties for the period ended 31 December 2021, amounted to €9 million (31 December 2020: €10 million) for the Group and to €8 million (31 December 2020: €8 million) for the Bank, mainly relating to short-term benefits, in particular salaries and social security contributions.

b. Transactions with subsidiaries, associates and joint ventures

Transactions and balances between the Bank, its subsidiaries, associates and joint ventures are presented at the table below. 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	
	31.12.2021	31.12.2020
Assets	5	9
Liabilities	17	14
Letters of guarantee, contingent liabilities and other off balance sheet accounts	2	2
	12 month period ended	
	31.12.2021	31.12.2020
Interest, commission and other income	-	-
Interest, commission and other expense	3	5

	Bank					
	31.12.2021			31.12.2020		
	Subsidiaries	Associates & Joint Ventures	Total	Subsidiaries	Associates & Joint Ventures	Total
Assets	1,367	5	1,372	1,089	9	1,098
Liabilities	1,221	17	1,238	1,206	14	1,220
Letters of guarantee, contingent liabilities and other off balance sheet accounts	516	2	518	729	2	731
	12 month period ended 31.12.2021			12 month period ended 31.12.2020		
Interest, commission and other income	55	-	55	55	-	55
Interest, commission and other expense	13	3	16	15	5	20

c. Transactions with other related parties

The total receivables of both, the Group and the Bank, from the employee benefits related funds as at 31 December 2021, amounted to €747 million (31 December 2020: €747 million). For these receivables the Group and the Bank recognized a provision of €739 million (31 December 2020: €742 million).

The total payables of the Group and the Bank to the employee benefits related funds as at 31 December 2021, amounted to €112 million and €32 million respectively (31 December 2020: €102 million and €29 million respectively).

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 43 Acquisitions, disposals and other capital transactions

The movement of the Bank's investments in subsidiaries is presented below:

	Bank	
	2021	2020
Balance at the beginning of the period	**1,166**	**1,139**
Acquisition of additional interest/ share capital increase in existing subsidiaries	26	3
Share capital decrease in existing subsidiaries	(7)	-
Liquidation	-	(2)
Impairment charge	(32)	(7)
Reversal of impairment charge	-	3
Non-Current Assets held for sale	(20)	-
Transferred from non-current assets held for sale	-	30
Balance at the end of the period	**1,133**	**1,166**

In 2021, Acquisition of additional interest/ share capital increase in existing subsidiaries relates mainly to the share capital increase of €26 million to NBG Leasing S.R.L. (see below table), while the share capital decrease in existing subsidiaries of amount €7 million related to NBG Greek Fund Ltd.

The impairment charge recognized in 2021 mainly relates to the cost of investment in National Bank of Greece (Cyprus) Ltd of €6 million, and in NBG Leasing S.R.L. of €26 million.

Transferred to non-current assets held for sale in 2021 include the acquisition cost of Probank Leasing S.A. (see Note 29 "Assets and liabilities held for sale and discontinued operations").

Liquidation in 2020, relates to the completion of the liquidation of Probank - M.F.M.C.

The impairment charge recognized in 2020 relates mainly to the cost of investment in NBG Management Services Ltd of €2 million, in NBG Finance Plc of €1 million and in NBG Finance Dollar Plc of €4 million, while the reversal of impairment relates to Mortgage, Touristic PROTYPOS S.A.

Transferred from Non-currents assets held for sale in 2020 include the acquisition cost of National Bank of Greece (Cyprus) Ltd (see Note 29 "Assets and liabilities held for sale and discontinued operations").

The acquisition of additional interest / share capital increase in existing subsidiaries includes the following:

	Bank	
	2021	2020
Share capital increase of NBG Leasing S.R.L.	26	-
Share capital increase in Mortgage, Touristic PROTYPOS S.A.	-	2
Share capital increase in Ektenepol Construction Company S.A.	-	1
Total	**26**	**3**

NOTE 44 Group companies

Subsidiaries	Country	Tax years unaudited	Group 31.12.2021	Group 31.12.2020	Bank 31.12.2021	Bank 31.12.2020
National Securities Single Member S.A.	Greece	2016-2021	100.00%	100.00%	100.00%	100.00%
NBG Asset Management Mutual Funds S.A.	Greece	2016-2021	100.00%	100.00%	100.00%	100.00%
Ethniki Leasing S.A.	Greece	2011-2021	100.00%	100.00%	100.00%	100.00%
NBG Property Services Single Member S.A.	Greece	2016-2021	100.00%	100.00%	100.00%	100.00%
Pronomiouhos Single Member S.A. Genikon Apothikon Ellados	Greece	2011-2021	100.00%	100.00%	100.00%	100.00%
Ethniki Hellenic General Insurance S.A. [(2)]	Greece	2016-2021	100.00%	100.00%	100.00%	100.00%
KADMOS S.A.	Greece	2011-2021	100.00%	100.00%	100.00%	100.00%
DIONYSOS S.A.	Greece	2011-2021	99.91%	99.91%	99.91%	99.91%
EKTENEPOL Construction Company Single Member S.A.	Greece	2011-2021	100.00%	100.00%	100.00%	100.00%
Mortgage, Touristic PROTYPOS Single Member S.A.	Greece	2011-2021	100.00%	100.00%	100.00%	100.00%
Hellenic Touristic Constructions S.A.	Greece	2011-2021	78.24%	78.14%	78.24%	78.14%
Ethniki Ktimatikis Ekmetalefsis Single Member S.A.	Greece	2011-2021	100.00%	100.00%	100.00%	100.00%
Ethniki Factors S.A.	Greece	2016-2021	100.00%	100.00%	100.00%	100.00%
I-Bank Direct S.A.[(1)]	Greece	2016-2021	100.00%	100.00%	99.90%	99.90%
Probank Leasing S.A. [(2)]	Greece	2011-2021	100.00%	100.00%	100.00%	100.00%
NBG Insurance Brokers S.A.	Greece	2016-2021	100.00%	100.00%	99.90%	99.90%
NBG Malta Holdings Ltd	Malta	2006-2021	100.00%	100.00%	-	-
NBG Bank Malta Ltd[(4)]	Malta	2005-2021	100.00%	100.00%	-	-
ARC Management Two EAD (Special Purpose Entity)	Bulgaria	2016-2021	100.00%	100.00%	-	-
Bankteco E.O.O.D.	Bulgaria	2016-2021	100.00%	100.00%	100.00%	100.00%
NBG Leasing S.R.L.	Romania	2016-2021	100.00%	100.00%	100.00%	100.00%
S.C. Garanta Asigurari S.A.[(2)]	Romania	2003-2021	94.96%	94.96%	-	-
ARC Management One SRL (Special Purpose Entity)	Romania	2013-2021	100.00%	100.00%	-	-
Stopanska Banka A.D.-Skopje	North Macedonia	2014-2021	94.64%	94.64%	94.64%	94.64%
NBG Greek Fund Ltd	Cyprus	2016-2021	100.00%	100.00%	100.00%	100.00%
National Bank of Greece (Cyprus) Ltd	Cyprus	2012-2021	100.00%	100.00%	100.00%	100.00%
National Securities Co (Cyprus) Ltd [(1)]	Cyprus	-	100.00%	100.00%	-	-
NBG Management Services Ltd	Cyprus	2016-2021	100.00%	100.00%	100.00%	100.00%
Ethniki Insurance (Cyprus) Ltd[(2)]	Cyprus	2004-2021	100.00%	100.00%	-	-
Ethniki General Insurance (Cyprus) Ltd[(2)]	Cyprus	2004-2021	100.00%	100.00%	-	-
National Insurance Agents & Consultants Ltd[(2)]	Cyprus	2008-2021	100.00%	100.00%	-	-
CAC Coral Limited[(2)]	Cyprus	2019-2021	100.00%	100.00%	100.00%	100.00%
NBG Asset Management Luxemburg S.A.	Luxembourg	2021	100.00%	100.00%	94.67%	94.67%
NBG International Ltd	U.K.	2003-2021	100.00%	100.00%	100.00%	100.00%
NBGI Private Equity Ltd[(1)]	U.K.	2003-2021	100.00%	100.00%	-	-
NBG Finance Plc	U.K.	2003-2021	100.00%	100.00%	100.00%	100.00%
NBG Finance (Dollar) Plc[(1)]	U.K.	2008-2021	100.00%	100.00%	100.00%	100.00%
NBG Finance (Sterling) Plc[(1)]	U.K.	2008-2021	100.00%	100.00%	100.00%	100.00%
SINEPIA Designated Activity Company (Special Purpose Entity)[(3)]	Ireland	-	-	-	-	-
NBG International Holdings B.V.	The Netherlands	2021	100.00%	100.00%	100.00%	100%

Notes:
[(1)] Companies under liquidation.
[(2)] Ethniki Hellenic General Insurance S.A. and its subsidiaries, Probank Leasing S.A. and CAC Coral Ltd, have been reclassified as Non-current assets held for sale (See Note 29: Assets and liabilities held for sale and discontinued operations).
[(3)] The liquidation of the entity was completed on 16 April 2021. The entity dissolved on 29 July 2021.
[(4)] In October 2021, the Bank decided to cease its operation in Malta through its subsidiary NBG Bank Malta Ltd.

The table below provides details of the significant subsidiaries of the Group:

Name of subsidiary	Principal Activity	Voting power held by the Group 31.12.2021	Voting power held by the Group 31.12.2020
National Securities Single Member S.A.	Brokerage services	100.00%	100.00%
Ethniki Leasing S.A.	Leasing	100.00%	100.00%
Ethniki Factors	Factoring services	100.00%	100.00%
Ethniki Hellenic General Insurance S.A.	Insurance services	100.00%	100.00%
National Bank of Greece (Cyprus) Ltd.	Credit Institution	100.00%	100.00%
Stopanska Banka A.D. - Skopje	Credit Institution	94.64%	94.64%
NBG Bank Malta Ltd	Credit Institution	100.00%	100.00%

The table below provides details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting rights held by non-controlling interests		Total comprehensive income allocated to non-controlling interests		Accumulated non-controlling interests	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Individually subsidiaries immaterial with non-controlling interests	-	-	-	2	2	22	20
Total		-	-	**2**	**2**	**22**	**20**

NOTE 45 Independent auditor's fees

On 30 July 2021, the Annual General Meeting of the Bank's Shareholders appointed PricewaterhouseCoopers S.A. as the principal independent auditor of the Group for the year ended 31 December 2021. The following table presents the aggregate fees for professional audit services and other services rendered for the years ended 31 December 2021 and 31 December 2020 by the Group's principal independent auditor PricewaterhouseCoopers S.A., which is a member firm of PwC Network, other member firms of the Network and their respective affiliates (collectively, "PwC").

	Group		Bank	
	2021	2020	2021	2020
Audit fees	3	3	2	2
All other fees	1	1	1	-
Total	**4**	**4**	**3**	**2**

It is noted that a) audit fees include the fees for tax audit and b) all other fees include the fees of the statutory auditor "PricewaterhouseCoopers Greece" for non-audit services that in 2021 amounted to €0.4 million for the Group and €0.3 million for the Bank.

NOTE 46 Restructuring Plan

The 2019 Revised Restructuring Plan

The Group is subject to European Commission rules on European Union ("EU") State aid in light of the aid received from the Hellenic Financial Stability Fund ("HFSF") and the Hellenic Republic. These rules are administered by the Directorate-General for the Competition of the European Commission (the "DG Competition"). Under these rules, the Bank's operations are monitored and limited to the operations included in the 2019 Revised Restructuring Plan, which aims to ensure the Bank's return to long term viability. The 2019 Revised Restructuring Plan was approved on 10 May 2019 by the European Commission.

The 2019 Revised Restructuring Plan includes a number of commitments to implement certain measures and actions (the "2019 Revised Restructuring Plan Commitments"). The 2019 Revised Restructuring Plan Commitments relate both to domestic and foreign operations of the Group. Differentiations to the 2015 Restructuring Plan which expired on 31 December 2018 relate to the deepening of the Bank's operational restructuring, some amendments on the commitments and deadlines, as well as a commitment to sell the remaining stake (32.66%) in NBG Pangaea REIC (currently Prodea Investments S.A.) in substitution for the commitment to dispose of Stopanska Banka A.D.-Skopje.

For domestic operations, the 2019 Revised Restructuring Plan Commitments relate to constraining operating expenses, including the number of personnel and branches. In particular, the Commitments include the following:

- A further reduction of the number of branches in Greece to 420 (by the end of 2019) and 390 (by the end of 2020). As at 31 December 2020, the Bank had reduced its branches to 365. The Commitment has been attained.
- A further reduction of the number of employees in Greece to 8,600 as at 31 December 2019 and 8,000 as at 31 December 2020. As at 31 December 2020, the Bank had reduced the number of employees at domestic level to 7,621 (excluding NIC). The Commitment has been attained.
- A further reduction of total operating expenses in Greece to €845 million as at 31 December 2019 and €800 million as at 31 December 2020. As at 31 December 2020 such costs amounted to €768 million (excluding NIC). The Commitment has been attained.
- Divestment of domestic non-banking activities: In May 2019 the Bank completed the sale of its remaining stake in NBG Pangaea REIC (currently Prodea Investments S.A.) and had to dispose at least 80% of NIC. See Note 29 "Assets and liabilities held for sale and discontinued operations" for a description of the status of this Commitment.
- Divestment from international operations: The Bank reduced its international activities, by disposing certain subsidiaries in the years 2016 - 2019. The only incomplete divestment from international operations relates to the subsidiary NBG Cyprus Ltd, for which NBG proceeds with the run-off of at least 80% of its assets according to the 2019 Revised Restructuring Plan. As for the branch network in Egypt, in May 2021, an official approval was received by the Central Bank of Egypt for the downsizing and ultimately ceasing our operations in Egypt (see Note 29 "Assets and liabilities held for sale and discontinued operations").

Lastly, the 2019 Revised Restructuring Plan provides for prolongation of the 2015 Restructuring Plan's Commitments on corporate governance, commercial operations, acquisitions and advertising.

The implementation of the 2019 Revised Restructuring Plan Commitments is monitored by the Monitoring Trustee.

NOTE 47 Events after the reporting period

Events after the reporting period relate to the following:

Assets and liabilities held for sale and discontinued operations:

On 24 February 2022, DG Comp approved the acquisition of NIC by CVC Capital Partners, see Note 29 “Assets and liabilities held for sale and discontinued operations”.

Russia invasion to Ukraine

Recent events between Ukraine and Russia are expected to negatively affect the European and global economies. In particular, the sanctions imposed so far against Russian banks, companies and individuals, Russia's exclusion from the SWIFT system, as well as the closure of the airspace of the 27 members of the European Union for Russia, is expected to particularly affect the energy sector of the economy whereas a prolonged increase in geostrategic risks could impose significant pressure to the performance of other sectors of economic activity, including tourism. Preliminary estimates indicate that these events will negatively affect the course of European GDP.

The Group and the Bank have no direct exposure to these two countries. However, the Management of the Group and the Bank is closely monitoring the developments in order to evaluate their effects on the Group and the Bank's financial statements.

For further details please Note 2.2 “Going concern”.

COVID-19 developments after the reporting period

For measures taken by the authorities after the reporting period relating to COVID-19 please see “Response to Covid-19 crisis” of the Board of Directors Report.

NOTE 48 Restatement

An agenda decision was published in May 2021 by the IFRIC in relation to IAS 19 “employee benefits” and more specifically to how the applicable principles and requirements in IFRS Standards apply to attributing benefit to periods of service. The Group and the Bank have restated some comparative amounts with respect to the Annual Report published for 2020 as a result of this agenda decision as follows:

Statement of Financial Position

	Group			Bank		
		01.01.2020			01.01.2020	
	As adjusted	As reported	Adjustments	As adjusted	As reported	Adjustments
ASSETS						
Non-current assets held for sale	4,452	4,453	(1)			-
Total assets	**64,247**	**64,248**	**(1)**			-
LIABILITIES						
Retirement benefit obligations	262	267	(5)	261	264	(3)
Liabilities associated with non-current assets held for sale	3,477	3,482	(5)	-	-	-
Total liabilities	**58,961**	**58,971**	**(10)**	**54,425**	**54,428**	**(3)**
SHAREHOLDERS' EQUITY						
Reserves and retained earnings	(11,572)	(11,581)	9	(11,671)	(11,674)	3
Total equity	**5,286**	**5,277**	**9**	**4,936**	**4,933**	**3**
Total equity and liabilities	**64,247**	**64,248**	**(1)**	**59,361**	**59,361**	**-**

Statement of Financial Position

	Group				Bank		
		31.12.2020				31.12.2020	
	As adjusted	As reported	Adjustments due to IAS 19 IFRIC	Adjustments due to Cyprus Ltd reclassified from Discontinued to Continuing Operations	As adjusted	As reported	Adjustments
LIABILITIES							
Retirement benefit obligations	294	300	(6)	-	293	297	(4)
Liabilities associated with non-current assets held for sale	3,341	3,939	(1)	(597)	-	-	-
Total liabilities	**72,399**	**72,406**	**(7)**	**-**	**67,395**	**67,399**	**(4)**
SHAREHOLDERS' EQUITY							
Reserves and retained earnings	(11,866)	(11,876)	6	4	(11,992)	(11,996)	4
Amounts recognised directly in equity relating to non-current assets held for sale	322	326	2	(6)	-	-	-
Total equity	**5,085**	**5,079**	**8**	**(2)**	**4,615**	**4,611**	**4**
Total equity and liabilities	**77,484**	**77,485**	**1**	**(2)**	**72,010**	**72,010**	**-**

Income Statement

	Group				Bank		
	31.12.2020				31.12.2020		
	As adjusted	As reported	Adjustments due to IAS 19 IFRIC	Adjustments due to Cyprus Ltd reclassified from Discontinued to Continuing Operations	As adjusted	As reported	Adjustments
Loss for the period from dicontinued operations	**(366)**	**(362)**	**(5)**	**1**	**(275)**	**(275)**	-
Profit / (loss) for the period	**35**	**40**	**(5)**	-	**3**	**3**	-
NBG Equity shareholders	**33**	**38**	**(5)**	-	**3**	**3**	-

The restatement had no material effect on the prior year EPS amount.

Statement of Comprehensive Income

	Group				Bank		
	31.12.2020				31.12.2020		
	As adjusted	As reported	Adjustments due to IAS 19 IFRIC	Adjustments due to Cyprus Ltd reclassified from Discontinued to Continuing Operations	As adjusted	As reported	Adjustments
Profit for the period	**35**	**40**	**(5)**	-	3	3	-
Remeasurement of the net defined benefit liability / asset, net of tax	(18)	(20)	2	-	(17)	(18)	1
Total of items that will not be reclassified subsequently to profit or loss	**(55)**	**(57)**	**2**	-	**(54)**	**(55)**	**1**
Other comprehensive income / (expense) for the period, net of tax	**(249)**	**(251)**	**2**	-	**(337)**	**(338)**	**1**
Total comprehensive income for the period	**(214)**	**(211)**	**(3)**	-	**(334)**	**(335)**	**1**
NBG Equity shareholders	**(216)**	**(213)**	**(3)**	-	**(334)**	**(335)**	**1**

Cash Flow Statement	Group			Bank		
	31.12.2020			31.12.2020		
	As adjusted	As reported	Adjustments due to IAS 19 IFRIC	As adjusted	As reported	Adjustments
Profit before tax	**67**	**72**	**(5)**	**3**	**3**	-
Non-cash items included in income statement and other adjustments	**524**	**519**	**5**	**424**	**424**	-
Credit provisions and other impairment charges	1,583	1,578	5	1,468	1,468	-
Net increase / (decrease) in operating liabilities:	**13,249**	**13,249**	-	**13,257**	**13,257**	-
Retirement benefit obligations	(8)	(6)	(2)	(5)	(5)	-
Other liabilities	(112)	(114)	2	(44)	(44)	-
Net cash from / (for) operating activities	**11,108**	**11,108**	-	**10,919**	**10,919**	-

Disclosures of Greek Law 4261/2014 Art. 81

Country-by-country reporting in accordance with article 81 of Greek Law 4261/2014 for the year ended 31 December 2021

	Turnover[(1)] *€ in million*	Profit before tax *€ in million*	Income tax *€ in million*	Employees number	Subsidies *€ in million*
Greece [(2)]	1,949	891	(28)	8,470	2
Malta	6	5	(1)	29	-
Bulgaria	3	-	-	35	-
Romania [(2)]	-	(7)	1	148	-
North Macedonia	74	36	(4)	984	-
Cyprus [(2)]	28	(7)	-	226	-
Luxembourg	1	1	-	3	-
UK	7	(2)	-	22	-
The Netherlands	-	-	-	-	-
Egypt	2	(16)	-	200	-
Total	**2,070**	**901**	**(32)**	**10,117**	**2**

[(1)] Turnover: Includes a) net interest income, b) net fee and commission income, c) earned premia net of claims and commissions, d) net trading income / (loss) and results from investment securities, e) net other income / (expense) and f) share of profit / (loss) of equity method investments

[(2)] Including discontinued operations

Country-by-country reporting in accordance with article 81 of Greek Law 4261/2014 for the year ended 31 December 2021

Company	Country	Business activities
National Bank of Greece S.A. (Parent Company)	Greece	Banking institution
National Securities Single Member S.A.	Greece	Capital Markets & Investment Services
NBG Asset Management Mutual Funds S.A.	Greece	Mutual Fund Management
Ethniki Leasing S.A.	Greece	Leasing
NBG Property Services Single Member S.A.	Greece	Property Services
Pronomiouhos Single Member S.A. Genikon Apothikon Ellados	Greece	Warehousing services
Ethniki Hellenic General Insurance S.A. (1)	Greece	Insurance Services
KADMOS S.A.	Greece	Real Estate Services
DIONYSOS S.A.	Greece	Real Estate Services
EKTENEPOL Construction Company Single Member S.A.	Greece	Construstion Company
Mortgage, Touristic PROTYPOS Single Member S.A.	Greece	Real Estate Services
Hellenic Touristic Constructions S.A.	Greece	Real Estate Services
Ethniki Ktimatikis Ekmetalefsis Single Member S.A.	Greece	Real Estate Services
Ethniki Factors S.A.	Greece	Factoring
i-Bank Direct S.A.(2)	Greece	Financial Services
Probank Leasing S.A.(1)	Greece	Leasing
NBG Insurance Brokers S.A.	Greece	Insurance Brokerage
NBG Malta Holdings Ltd	Malta	Holding Company
NBG Bank Malta Ltd	Malta	Banking institution
ARC Management Two EAD (Special Purpose Entity)	Bulgaria	Special Purpose Entity
Bankteco E.O.O.D	Bulgaria	Information Technology Services
NBG Leasing S.R.L.	Romania	Leasing
S.C. Garanta Asigurari S.A. (1)	Romania	Insurance - Reinsurance Services
ARC Management One SRL (Special Purpose Entity)	Romania	Special Purpose Entity
Stopanska Banka A.D.-Skopje	North Macedonia	Banking institution
NBG Greek Fund Ltd	Cyprus	Fund Investment Company
National Bank of Greece (Cyprus) Ltd	Cyprus	Banking institution
National Securities Co (Cyprus) Ltd (2)	Cyprus	Capital Markets Services
NBG Management Services Ltd	Cyprus	Management Services
Ethniki Insurance (Cyprus) Ltd (1)	Cyprus	Insurance Services
Ethniki General Insurance (Cyprus) Ltd (1)	Cyprus	Insurance Services
National Insurance Agents & Consultants Ltd (1)	Cyprus	Insurance Brokerage
CAC Coral Limited (1)	Cyprus	Credit Acquiring Company
NBG Asset Management Luxemburg S.A.	Luxembourg	Asset Management Company
NBG International Ltd	U.K.	Financial Services
NBGI Private Equity Ltd (2)	U.K.	Private Equity
NBG Finance Plc	U.K.	Financial Services
NBG Finance (Dollar) Plc (2)	U.K.	Financial Services
NBG Finance (Sterling) Plc (2)	U.K.	Financial Services
SINEPIA Designated Activity Company (Special Purpose Entity) (3)	Ireland	Special Purpose Entity
NBG International Holdings B.V.	The Netherlands	Holding Company
NBG London Branch	U.K.	Branch of Greek banking Institution
NBG Cyprus Branch	Cyprus	Branch of Greek banking Institution
NBG Cairo Branch	Egypt	Branch of Greek banking Institution

(1) Ethniki Hellenic General Insurance S.A. and its subsidiaries, Probank Leasing S.A. and CAC Coral Limited have been reclassified to Non-Current Assets held for sale.

(2) Companies under liquidation.

(3) The liquidation of the entity was completed on 16th April 2021. The entity dissolved on 29 July 2021.

Disclosures of Greek Law 4261/2014 Art. 82

Greek Law 4261/5.5.2014 article 82, which incorporated into Greek legislation the article 90 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, established the requirement to disclose the total return on assets. This ratio for the Group and the Bank for the year ended 31 December 2021 amounted to 1.1% and 1.0%, respectively (2020: 0.1% and 0.0% respectively).

Disclosures on a Group level of article 6 of Greek Law 4374/2016

Disclosures on a Group level of article 6 of Greek Law 4374/2016

TABLE 1: PAYMENTS FOR PROMOTION AND ADVERTISING EXPENSES TO MEDIA ENTITIES (ACCORDING TO PAR. 1 ARTICLE 6 OF LAW 4374/2016)

Name of Media entity	Net amount 2021 (in €)
1984 PRODUCTIONS S.A.	2,000.00
1984 INDEPENDENT JOURNALISM	3,900.00
24 MEDIA S.A.	21,600.00
A.S.M. PUBLICATIONS P.C.	5,500.00
ABP P.C.	9,000.00
ADWEB LTD	27,051.50
AGRO BROKERS LTD	8,500.00
AIRLINK S.A.	13,390.80
ALPHA SATELLITE TELEVISION S.A.	455,056.37
ALPHA RADIO S.A.	10,299.97
AUTO TRITI S.A.	3,500.00
BANKINGNEWS S.M. S.A.	95,700.00
BETTERMEDIA P.C.	1,500.00
BRAINFOOD ΕΚΔΟΤΙΚΗ S.M.LTD	1,000.00
CARAT INTERNATIONAL HELLAS COMMUNICATION SERVICES S.A.	12,400.00
CR MEDITERRANEAN ENTERPRISES S.M.P.C	3,000.00
CRISIS MONITOR	6,800.00
DEMO POWER P.C.	9,500.00
Dentsu Greece -S.M. S.A.	880.61
DG NEWSAGENCY S.A.	37,400.00
DIGIKA P.C.	3,500.00
DIGITAD PC LTD	472.12
DIGITAL PUBLIC S.M.P.C.	900.00
DIGITAL WORLD MEDIA S.M.P.C	1,000.00
DIMERA PUBLISHING S.M. S.A.	2,000.00
DOCUMENTO MEDIA S.M.P.C	5,000.00
DPG DIGITAL MEDIA S.A.	38,750.00
ENERGY MEDIA GROUP P.C.	810.00
ENERGYCOMM LTD	1,500.20
ENIGMA M.G. S.M.P.C	3,500.00
ETHOS MEDIA S.A	35,099.44
EUROMEDIA ACTION S.A.	5,000.20
FAROSNET S.A.	6,900.00
FAST RIVER CREATIVE CONCEPT PUBLISHING LTD	32,100.00
FINANCIAL MARKETS VOICE S.A.	13,001.30
FLY-BROADCASTING CORPORATIONS	1,080.00
FORWARD MEDIA P.C.	9,200.00
FREED S.A.	8,400.00
FRONTSTAGE ENTERTAINMENT S.A.	56,311.66
G PUBLISHING P.C.	5,944.25
GATEWORK S.A.	1,300.00
GREEN BOX PUBLISHING S.A.	7,000.00
GURU PUBLISHING	14,000.00
HAZLIS AND RIVAS COMMUNICATIONS LTD	87,000.00
HT PRESS ONLINE S.M. P.C.	13,916.37
ICAP S.A.	21,700.00
INFINITAS P.C.	2,800.00
INTELLIGENT MEDIA LTD	34,500.00
INTERNATIONAL RADIO NETWORKS S.A.	16,991.20
ISOBAR IPROSPECT S.M. S.A.	400.00
K.E.D. HEALTH G.P.	83,297.78
KDB P.C.	2,500.00
KEYWE BUSINESS SOLUTION P.C.	5,000.00
KISS MEDIA S.A.- KISS ENTERPRISES	8,992.38
KONTRA P.C.	2,000.00
KONTRA MEDIA S.A.	16,334.48
KOOLWORKS S.A.	9,046.00
KYRTSOS GROUP LP	10,900.00

Disclosures on a Group level of article 6 of Greek Law 4374/2016

Name of Media entity	Net amount 2021 (in €)
LAOUTARIS - CLON S.P.LTD	570.00
LIQUID MEDIA S.A.	41,394.00
MARKETING AND MEDIA SERVICES S.M. P.C.	500.00
MEDIA MATRIX S.M.P.C	14,501.76
MEDIA2DAY PUBLISHING S.A.	100,800.00
MINDSUPPORT P.C.	6,000.00
Monocle Media Lab - Mononews P.C.	83,088.50
MORAX MEDIA PUBLISHING S.A.	4,629.04
MPAM MEDIA P.C.	4,500.00
MY RADIO S.M.LTD	2,140.00
NEW MC & Co L.P.	5,775.00
NEW MEDIA NETWORK SYNAPSIS S.A.	109,888.00
NEW TIMES PUBLISHING P.C.	18,000.00
NEWPOST PRIVATE COMPANY	23,700.00
NEWSIT LTD	69,000.00
NEWSROOM S.M. P.C.	2,300.00
NK MEDIA GROUP LTD	33,650.00
NOTICE CONTENT AND SERVICES S.M. P.C.	1,950.00
NOVA BROADCASTING S.S.A.	45,482.00
ON ACTIVE L.P.	1,500.00
ONE BRAND STUDIO P.C.	5,500.00
PERFECT MEDIA ADVERTISING S.M.P.C.	33,500.00
POLITICAL PUBLISHING P.C.	10,300.00
POWERGAME MEDIA P.C.	20,000.00
POWERMAG S.M.P.C.	100.00
PREMIUM S.A.	22,500.00
PRIME APPLICATIONS S.A.	89,500.00
PROPERTY MARKETING SERVICES	1,100.00
R MEDIA PUBLISHING L.P.	24,000.00
RADIO PLAN BEE P.C.	5,866.99
REAL MEDIA S.A.	92,850.00
REPORT PRIVATE COMPANY	1,000.00
RETAIL WORLD S.M. S.A.	4,000.00
SABD PUBLISHING S.A.	42,500.00
SATCO MEDIA TV-D. TRAMPAS	2,000.00
SBD P.C.	82,775.22
SFERA RADIO BROADCASTING S.A.	18,280.90
SOLAR MEDIA S.A.	8,803.00
SPORT TV- RADIOTELEVISION BROADCASTING S.A.	7,198.10
SPORTNEWS INTERNET SERVICES S.A.	9,500.00
SPOT G.P.- APOSTOLOS ELLINAS	1,080.00
STAR S.A. CENTRAL GREECE'S BROADCASTING CORPORATION	2,250.00
STARTCOM COMMUNICATION AND ADVERTISMENT LTD	800.00
TELIA COMMUNICATIONS S.A.	5,400.00
THE MEDIA WORKSHOP LTD	1,500.00
THE TOC DIGITAL MEDIA SERVICES S.A.	25,500.00
THESS NEWS P.C.	900.00
TLIFE LTD	17,200.00
TOMORROW NEWS P.C.	11,000.00
TYPOS MEDIA LTD	7,600.00
VICTORY S.M.LTD	6,944.25
VITO PR & EVENTS	3,500.00
VOTE POSITIVE CRITERION COMMUNICATIONS LTD	6,000.00
W.S.F. WALL STREET FINANCE P.C.	9,800.00
WORLD TWENTY FOUR SEVEN L.P.	8,400.06
ZOFRANK HOLDINGS Co. LIMITED	9,799.94
ZOUGLA.GR S.A.	21,003.64
AGROTYPOS S.A.	2,100.00
ADESMEFTI ENIMEROSI P.C.	1,000.00
ATHANASIADIS P. & Co S.A. – NAFTEMPORIKI	37,600.08
ATHANASIOS STAVRIDIS & Co G.P.	864.00
ATHENS VOICE PUBLISHING S.A.	39,330.00
ATHENS NEWS AGENCY - MACEDONIAN PRESS AGENCY S.A.	12,400.00
AKOI ANONIMI DIACHIRISTIKI ETERIA RADIOFONIKON PROGRAMMATON	756.00
ALEXIOU ACH. VASILEIOS	1,300.00

Disclosures on a Group level of article 6 of Greek Law 4374/2016

Name of Media entity	Net amount 2021 (in €)
REAL FM S.A.	169,608.00
ALTER EGO MEDIA S.A.	920,503.60
INDEPENDENT MEDIA S.A.	63,500.00
ANTENNA TV S.A.	665,448.66
PHAISTOS NETWORKS	61,000.00
AROGOS E.E.A.	2,500.00
ATTICA DEPARTMENT STORES S.A.	2,000.00
ACHAIKI RADIO PUBLISHING S.A.	1,428.00
V. SKOUTARAS S.A.	4,464.00
VARMAZH N. GLYKERIA	810.00
VAROUXIS DIONYSIOS & Co G.P.	2,450.00
BERGINA YBRIDIKH THLEORASH THLEOPTIKES YPHRESIES S.A.	7,010.00
VORIA INFORMATIVE S.A.	3,500.00
GARANTONAKIS EMMANOUIL	1,188.00
GENERAL RADIOTELEVISION ENTERPRISES S.A.	9,289.20
GRAFOTEHNIKI KRITIS L.P.	700.00
D. ROUCHOTAS & Co G.P.	17,305.36
DELTA TELEVISION S.A.	600.00
DIMITRIADIS TH. & Co P.C.	7,700.00
JOURNALIST ORGANISATION KONDYLH S.A.	396.00
DIABATHS S. CHRISTOS	1,188.00
JUDICIAL NEWS AGENCY P.C.	6,801.00
DIOGENIS NPO	3,000.00
DIONISIOS MPOURAS & Co L.P.	15,945.15
DOUSIS ANASTASIOS & Co L.P.	3,800.00
DYADIKH INFORMATION L.P.	11,982.00
DIO DEKA PUBLISHING COMPANY S.A.	26,800.00
I.DRAKATOU-M. DRAKATOU G.P. – PRIVATE INSURANCE	3,885.60
E.SPYROU-G.K.SPYROU G.P.	20,564.51
THE NATIONAL HERALD OF NEW YORK HELLAS LTD	2,325.72
DOT COM NEWS S.A.	690,419.14
PUBLICATIONS INFONEWS P.C.	21,888.50
MOTORI PUBLICATIONS LTD	2,200.00
AGRIMANAKI PUBLICATIONS S.A.	9,620.00
KARAMANOGLOU PRINTING MATERIAL PUBLICATIONS LTD	5,700.00
INVESTMENT PUBLISHING S.A.	4,000.00
NEO CHRIMA PUBLISHING S.A.	84,659.35
PROTO THEMA PUBLISHING S.A.	462,083.70
NORTH SUBURB PUBLICATIONS S.M. P.C.	1,000.00
PUBLICATIONS INFORMATION I. KOROMILIS S.A.	425.00
ELEFTHERIA S.A.	670.00
ELEFTHERIA TIPOU PUBLISHING S.A.	132,000.00
GREEK SHIPPING PUBLISHING LTD	1,000.00
AMERICAN HELLENIC CHAMBER OF COMMERCE	2,700.00
GERMAN HELLENIC CHAMBER OF COMMERCE AND INDUSTRY	1,000.00
ELNAVI LTD	800.00
HELLENIC RUSSIAN CHAMBER OF COMMERCE AND INDUSTRY	1,500.00
ENIKOS S.A.	6,750.00
ENTYPOEKDOTIKI INDUSTRIAL & COMMERCIAL S.A.	24,700.00
E.E.A.N	700.00
EXPLORER S.A.	22,500.00
RESEARCH CENTER OF STRATEGY D.E. & E.	3,000.00
ERINYA NEWS S.M. P.C.	1,000.00
ERMIS NPO	1,000.00
RADIO EROTIKOS S.A.	960.50
ES KASSETAMEDIA S.M. P.C.	3,000.00
ESTIA MEDIA INVESTMENTS S.A.	41,000.00
ETAIRIA EPICHEIRIMATIKHS ANAPTYXIS ATHINON	4,600.00
EVAGGELOS PALLAS	1,000.00
EVAGGELOS SPYROU LTD	4,604.84
EFSTATHOPOULOS DHMHTRIOS	472.12
ESTIA NEWSPAPER S.A.	33,800.00
ZOUGRIS DIMITRIOS & Co L.P.	500.00
AVGI PUBLISHING S.A.	5,000.00
HERODOTUS RADIO P.C.	540.00

Disclosures on a Group level of article 6 of Greek Law 4374/2016

Name of Media entity	Net amount 2021 (in €)
ICHOS & RITHMOS S.A.	21,230.40
THEMA RADIO S.M. S.A.	9,623.07
THESSALIKI BROADCASTING S.A.	1,215.00
IASO HEALTH COMPANY S.A.	2,000.00
IKAROS RADIOTELEVISION COMPANY S.A.	18,662.50
INSTITUTE OF RESEARCH & STUDIES OF CENTRAL UNION OF HELLENIC CHAMBERS OF COMMERCE	2,000.00
IONIAN BROADCASTING CORPORATIONS	1,350.00
I. DIONATOS & Co L.P.	10,500.00
IOANNIS KIRIAKOPOULOS & Co L.P.	2,500.00
K.M. CHATZIILIADIS & Co L.P.	9,457.84
KAZANTZIDIS CHR. CHARALAMPOS	5,098.69
KATHIMERINES PUBLICATIONS S.M. S.A.	667,744.41
FOR SOCIETY	600.00
KALES ISTORIES P.C.	30,000.00
KALOPOULOU GEO. MARIA	350.00
KANTARIDOU ELENI	1,080.00
CAPITAL.GR S.A.	104,200.00
KARAMITSOS ANASTASIOS & PARTNERS	2,000.00
KARAHALIOS ANTONIOS	9,500.00
KARTELIAS GEORGIOS	1,350.00
KATSATOU PINELOPI & Co S.A.	9,500.00
SOCIAL COOPERATIVE ENTERPRISE “ENIMEROSI”	863.40
SOCIAL COOPERATIVE ENTERPRISE	3,200.00
KOKKALIDIS IOAN. VASILEIOS	1,080.00
KOLLIAS AN. NIKOLAOS	2,000.00
KOLOKAS D. & Co G.P. IONION FM RADIO STATION	1,188.00
COSMORADIO L.P.	5,009.66
CRETAN NEWS PAPADAKIS MICHALIS	2,000.00
KYMPOUROPOULOS D. IOANNIS	1,080.00
LAMPSI RADIO & PUBLISHING COMPANIES S.A.	4,800.00
LEFKOFRIDOU ZOI P.C.	2,234.00
LEOTSAKOS-BOUSBOURELIS G.P.	7,000.00
LYKAVITOS PUBLICATIONS S.P. P.C.	5,300.00
M. KONSTANTINIDOU & Co G.P.	2,300.00
MACEDONIA TV S.A.	11,949.93
MACEDONIA MEDIA S.A.	6,000.00
MAMA 365 INTERNET COMPANIES LTD	17,250.00
MANESIOTIS NIK-PSOMIADIS CON. G.P.	10,000.74
MARIA VASILAKI PUBLICATIONS S.P.C.	6,000.60
MASMANIDES I. THEOFILOS	972.00
MESSAROPOULOU KONSTANTINA	2,000.00
METRODEAL S.M.P.C.	17,776.50
MIHELAKIS IOANNIS & Co L.P.	5,500.00
BAKI DIM. DIMITRA	1,349.78
BABILI EVLAMPIA	600.00
MPOKAS & Co S.A.-ACHELOOS TV	900.00
BOUSIAS COMMUNICATIONS LTD	6,430.00
NEA TELEORASI S.A.	419,020.97
NEW RADIO OF JOURNALISTS LTD	32,341.99
NIKOLAOS KOSMOPOULOS	2,000.00
NOISIS P.C.	3,000.00
XIPOLITAKIS K. PANTELIS	1,080.00
OKTAS MEDIA P.C.	8,400.00
OPINION POST DIGITAL PUBLICATIONS S.A.	4,900.00
ORGANIZATION OF MASS MEDIA S.A.	11,713.60
ORESTIDA S.A.	1,350.00
ORFANIDIS PANAGIOTIS	972.00
OTE S.A.	45,584.28
P.D. PUBLICATIONS LTD	15,666.37
PANCRETAN RADIOTELEVISION S.A.	3,807.06
PALO LTD – DIGITAL TECHNOLOGIES	17,400.58
PANAGIOTIS DOUKAS	700.00
PAPAGIANNIS M. IOANNIS	9,944.25
PAPALIOS CONSTANTINOS & Co L.P. “DIRECTION BUSSINESS NETWORK”	33,920.00
PAPAMICHALAKIS KONSTANTINOS	1,000.00

Disclosures on a Group level of article 6 of Greek Law 4374/2016

Name of Media entity	Net amount 2021 (in €)
PAPATRIANTAFYLLOU GEORGIOS	2,500.00
PARA ENA INTERNET SERVICES S. LTD	106,100.99
PARAPOLITIKA PUBLISHING S.A.	23,800.00
PAVLOPOULOS S. - INTERNET & SOCIALMEDIA	3,000.00
PELOPAS S.A.	1,080.00
PELOPONNESE PATRON EDITIONS S.A.	5,600.00
PROTAGON S.A.	31,250.00
RADIO ZHTA S.A.	1,080.00
RADIO ZYGOS LTD	1,188.00
RADIO THESSALONIKI S.A.	18,829.87
RADIOINFORMATION MASS MEDIA S.M. S.A.	2,120.00
RADIOTELEVISION GREEK PUBLISHING MEDIA S.A.	2,000.40
BROADCASTING ENTERPRISES S.A.	44,959.85
RADIOTELEVISION S.A.	156,515.04
RADIO NORTH 98 FM P.C. LTD	36,550.28
RADIO PRODUCTIONS SA	11,427.75
RADIO COMMUNICATION S.M.S.A.	17,577.12
RAFTOPOULOS TH. & M G.P.	1,900.00
S. GAVRIILIDES-TH. CHRISTAKIS G.P.	1,081.60
SELANA S.A.	2,000.00
SERRES MEDIA CULTURAL COMMUNICATION S.A.	1,350.00
SIMOUSI L.P.	13,600.00
CINE NEWS S.A.	13,143.00
SKLAVOUNAKIS EMANOUIL	810.00
SOFIANNA S.A.	2,842.74
SPANOUDAKIS THEO. VASILEIOS	1,350.00
STAVRIDOU IOAN. STYLIANI	600.00
STELLIOS SOKRATIS	400.00
SICHRONI EPOCHI PUBLISHING I.C.S.A.	8,400.00
ALLIANCE FOR GREECE	6,500.00
EXPORTERS ASSOCIATION OF NORTH GREECE	3,000.00
SIRGANI LAM. PARASKEVI	1,000.00
THE NEWS OF ART PUBLICATION P.C.	2,000.00
TO MANIFESTO P.C.	12,000.00
TOULA G. MARINA & Co S.A.	1,300.00
TRAPEZIKOS AGONAS TOMELITOU I. KASTORINI	900.00
TSANTZALOS LAMPROS	972.00
TSINIARAKIS MANOUSOS & Co L.P.	2,430.00
TSITAS CH. PRODROMOS	1,000.00
TSOMPANIDOU & Co G.P.	1,080.00
YPAITHROS CHORA S.A.	1,400.00
FELNIKOS S.M.LTD	2,150.00
PHILELEFTHEROS PUBLISHING S.A.	1,500.00
PHILELEFTHEROS TYPOS S.A.	91,500.00
FILIPPOU PANAGIOTHS	1,080.00
FOTAGOGOS LTD	2,472.12
CHRISTOS DHMOU & Co L.P. DMG	1,012.50
XRISI EFKERIA S.A.	4,500.00
TOTAL	**8,493,683.93**

Note:

Additional disbursements related to the above payments have been made, in compliance with the existing legislative, fiscal and regulatory framework, for VAT, tax and levies on TV and radio advertisements and other charges, amounting to €2,082,100.15.

Disclosures on a Group level of article 6 of Greek Law 4374/2016

TABLE 2: PAYMENTS FOR DONATIONS, GRANTS AND SPONSORSHIPS (ACCORDING TO PAR. 2 ARTICLE 6 OF LAW 4374/2016)

Legal Entities

Beneficiary	Net amount 2021 (in €)
ATHENS DEMOCRACY FORUM	15,000.00
CAPITAL LINK	15,000.00
CHEAP ART - YSTERNIA THNOS	8,000.00
COEURS POUR TOUS HELLAS	10,000.00
EXCELLENSEAS: "SEAS OF EXCELLENCE OF PASTRA CRETONAXIOSA NPO"	24,000.00
F1 in SCHOOLS GREECE	2,000.00
FLOWER POWER JOINT VENTURE	300.00
GEO ROUTES CULTURAL INSTITUTE	25,000.00
GREAT PLACE TO WORK HELLAS	2,000.00
HELLENIC ASSOCIATION OF TREASURERS	3,500.00
MEGA INSURANCE IKE	4,032.26
MINDVIEW FINANCIAL AND RESEARCH CONSULTANTS	13,465.00
NO FINISH LINE	8,649.00
OPEN HOUSE GREECE	1,500.00
PACIFIC HYDRO CHACAYES SA	1,722.41
PALLADIAN COMMUNICATION SPECIALISTS	15,000.00
ATHLETIC ASSOCIATION ATLAS	2,000.00
ANATOLIA	35,000.00
APOSTOLI NON PROFIT ORGANIZATION	50,000.00
ARISTOTLE UNIVERSITY OF THESSALONIKI	14,000.00
FRIENDS OF MERIMNA AMKE	300.00
GENERAL HOSPITAL OF KARYSTOS	3,711.00
GENERAL HOSPITAL OF ELEFSINA THRIASIO	3,500.00
GENERAL HOSPITAL OF THEBES	2,846.00
GENERAL HOSPITAL OF KYMI	5,980.00
GENERAL HOSPITAL OF LAMIA	7,700.00
GENERAL HOSPITAL OF CHALKIDA	3,399.90
GENERAL CONSULATE OF GREECE IN TRIESTE	10,000.00
GENERAL HOSPITAL OF LARISA	8,000.00
GENERAL HOSPITAL OF LEVADIA	3,293.00
DOCTORS WITHOUT BORDERS	1,090.00
GENERAL HOSPITAL OF LAKONIA	16,150.00
GENERAL HOSPITAL EVAGGELISMOS	116,792.75
MUNICIPALITY OF OICHALIAS	1,000.00
MUNICIPALITY OF SPETSES	2,800.00
DIAZOMA	20,000.00
THESSALONIKI INTERNATIONAL FAIR S.A.	75,000.00
ASSOCIATION OF LAWYERS OF PATRA	1,500.00
VOLUNTEER FORCES OF FOREST FIREFIGHTING	1,400.00
NATIONAL VOLLEYBALL TEAM	35,000.00
NATIONAL HELLENIC RESEARCH FOUNDATION	9,000.00
NATIONAL HISTORICAL MUSEUM	5,000.00
NATIONAL TECHNICAL UNIVERSITY OF ATHENS	30,048.00
NATIONAL PUBLIC HEALTH ORGANIZATION (NPHO)	229,839.31
SPECIAL ACCOUNT FOR RESEARCH GRANTS UNIVERSITY OF PATRAS	15,000.00
SCHOOL OF WEST GREECE	5,000.00
HELLENIC POLICE	807.31
HELLENIC ASSOCIATION FOR ENERGY ECONOMICS (HAEE)	33,500.00
SENOLOOGIC HELLENIC SOCIETY	5,000.00
SOCIETY FOR THE ENVIRONMENT AND CULTURAL HERITAGE	16,500.00
ELEPAP-GREEK REHABILITATION FOR THE DISABLED	4,206.85
HELLENIC SOCIETY FOR THE PROTECTION OF NATURE	11,166.00
HELLENIC GUIDE DOGS SCHOOL "LARA"	4,000.00

Disclosures on a Group level of article 6 of Greek Law 4374/2016

Beneficiary	Net amount 2021 (in €)
HELLENIC CHILDREN'S MUSEUM	1,283.05
“HERMES 1877” SPORTS CLUB	20,450.00
AMERICAN HELLENIC CHAMBER OF COMMERCE	21,000.00
BRITISH HELLENIC CHAMBER OF COMMERCE	3,000.00
HOPE OF MOTHER	3,000.00
ASSOCIATION OF FRIENDS OF CHILDREN WITH CANCER “ELPIDA”	400.00
EMFASIS NPO-EMFASIS FOUNDATION	4,000.00
ATHENS CHAMBER OF TRADESMEN	20,000.00
ELITE SPECIAL TASK FORCE OF GREECE	1,838.35
COMMITTEE “GREECE 2021”	1,000,000.00
DEVELOPMENT FIRM FOR BUSINESS PARK Thess INTEC S.A.	170,000.00
ATHENS UNIVERSITY OF ECONOMICS AND BUSINESS PROPERTY MANAGEMENT AND DEVELOPMENT S.A.	1,500.00
ASSOCIATION OF PROTECTION OF DISABLED	7,870.03
EUROPEAN PUBLIC LAW ORGANIZATION	8,000.00
“PAMMAKARISTOS” FOUNDATION	10,016.17
FULBRIGHT FOUNDATION	10,000.00
AGGELOS AND LITO KATAKOUZHNOU FOUNDATION	1,000.00
FOUNDATION OF STATE SCHOLARSHIPS IKY	170,000.00
FOUNDATION FOR THE SUPPORT OF THE ECUMENICAL PATRIARCHATE	120,000.00
CORPORATE RESPONSIBILITY INSTITUTE	9,000.00
INSTITUTE AGAINST FRAUD	3,000.00
MAKE A WISH GREECE	3,000.00
SHELTER OF LOVE AND SUPPORT	597.31
KENTRO AGAPIS ELEFSINAS	236.00
CENTER FOR INDIVIDUALS WITH SPECIAL NEEDS “HARA”	3,039.78
RESEARCH CENTRE FOR THE HUMANITIES	5,000.00
UNIVERSITY OF PIRAEUS RESEARCH CENTRE	6,000.00
OPERATIONS CENTER S.P.P.C.	420.00
HEALTH CENTER OF PATMOS	3,226.00
HEALTH CENTER OF NEAPOLIS	3,717.00
CENTER FOR RECEPTION AND SOLIDARITY OF MUNICIPALITY OF ATHENS (KYADA)	17,646.11
ARK OF THE WORLD NPO	11,000.00
MUNICIPALITY OF GARNITSIOTON	2,995.00
ATHENS COLLEGE	3,000.00
MITIS CYBERSPACE OF TECHNOLOGY S.A.	10,000.00
NATIONAL BANK OF GREECE CULTURAL FOUNDATION	2,100,000.00
BENAKI MUSEUM	84,484.00
OAED	213,340.39
ATHENS UNIVERSITY OF ECONOMICS AND BUSINESS -DEPARTMENT OF INTERNATIONAL AND EUROPEAN ECONOMIC STUDIES	12,000.00
OLYMPIC MUSEUM OF THESSALONIKI	10,354.17
FEDERATION OF HELLENIC ASSOCIATIONS OF TOURIST AND TRAVEL AGENCIES (fed Hatta)	10,000.00
SOS CHILDREN ‘S VILLAGE OF GREECE	14,754.73
PANATHINAIKOS FC PEOPLE WITH DISABILITIES	2,000.00
PANHELLENIC ASSOCIATION OF SUPPORT OF DISABLED PEOPLE “ELIAXTIDA”	10,000.00
PANHELLENIC ASSOCIATION OF SUPPORT FOR CHILDREN WITH AUTISM AND DOWN SYNDROM “DYNAMH ZOIS”	4,000.00
UNIVERSITY GENERAL HOSPITAL ATTIKON	22,594.00
THOUGHT FOR ACTION NPO	3,000.00
ASSOCIATION OF PARENTS AND GUARDIANS OF DISABLED CHILDREN OF KILKIS	20,000.00
FOREST FIREFIGHTERS VOLUNTEERS OF ATTICA	651.02
ASSOCIATION OF ACTIVE CITIZENS OF RODOLIVOUS	300.00
UNION OF ARCHDIOCESE OF THYATEIRA AND GREAT BRITAIN	3,000.00
ASSOCIATION OF EMPLOYEES OF NATIONAL BANK OF GREECE	9,326.14
SYMEON TSOMOKOS PUBLIC RELATIONS S.A.	28,000.00
PARK OLYMPIA NPO	150.03
LONDON SYMPHONY ORCHESTRA	23,112.84
FEDERATION OF REPRESENTATIVES OF INSURANCE COMPANIES (SESAE)	2,000.00
FEDERATION OF GREEK INSURANCE AGENTS (SEMA)	4,032.26

Disclosures on a Group level of article 6 of Greek Law 4374/2016

Beneficiary	Net amount 2021 (in €)
SCOUTS OF GREECE	2,760.00
BOARD OF PROFESSORS OF ATHENS UNIVERSITY	8,400.00
ASSOCIATION OF PARENTS AND GUARDIANS OF DISABLED CHILDREN OF ARGOS KALYMNOS	987.55
JUNIOR ACHIEVEMENT GREECE (SEN)	17,000.00
FUND OF ARCHAELOGICAL MEANS AND EXPROPRIATIONS (TAPA)	293,524.00
FUND OF SUPPLEMENTARY INSURANCE OF LAW ENFORCEMENT FORCES (TEAPASA)	30,000.00
MUTUAL HEALTH FUND OF NATIONAL BANK OF GREECE PERSONNEL	162,687.93
TSOMLEKTSOGLOU ALEXANDROS	4,986.00
FLOGA	3,000.00
THE SMILE OF THE CHILD	6,000.00
TOTAL	**5,700,378.65**

Individuals

Number of individuals	Net amount 2021 (in €)
11	**462.243,00**

Note:

Additional disbursements related to the above payments have been made, in compliance with the existing legislative, fiscal and regulatory framework, for VAT and other charges, amounting to €573,619.03.

Availability of the Annual Financial Report

The Annual Financial Report, which includes:

- Certifications by the Members of the Board of Directors
- The Board of Directors' Report
- The Audit Committee Report
- The Supplementary Report
- The Independent Auditor's Report
- The Annual Financial Statements of the Group and the Bank
- Disclosures of Greek Law 4261/2014 Art. 81
- Disclosures of Greek Law 4261/2014 Art. 82
- Disclosures on a Group level of Greek Law 4374/2016 Art. 6

is available on the website address: http://www.nbg.gr