2016 Annual Report

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The Annual Report includes financial data and information as applicable on 31/12/2016, save where otherwise mentioned. The Annual Report is available in electronic form on the Attica Bank's website, www.atticabank.gr.

The Board of Directors

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

EXECUTIVE MEMBERS
THEODOROS PANTALAKIS
Chief Executive Officer

ATHANASIOS TSADARIS
Deputy Chief Executive Officer

IOANNIS TSAKIRAKIS
Deputy Chief Executive Officer

NON – EXECUTIVE MEMBERS
DIMITRIOS TZANNINIS
Economist

ATHANASIOS STATHOPOULOS
Chairman of the BoD, Attica Bank Employees Association

INDEPENDENT, NON-EXECUTIVE MEMBERS
CHARALAMPOS MPRILAKIS
Engineer

IOANNIS MARMAGGIOLIS
Economist

GEORGIOS VLACHAKIS
Economist

GEORGIOS PANAGIOTOU
Economist

NON-EXECUTIVE ADDITIONAL MEMBER
ZACHAROULA PAPATHEODOROU
Economist. Representative of the Hellenic State in accordance with the provisions of Law 3723/2008.

History.Profile.

Attica Bank is a dynamic financial organization, already counting over 90 years of life and consisting of 57 units, which cover the biggest cities in Greece.

In 1964 the Bank was acquired by the Emporiki Bank Group and was listed on the Athens Stock Exchange. In June 1997 Emporiki Bank transferred through the Stock Exchange part of the shares it owned to the Engineers' and Public Contractors' Pension Fund (TSMEDE) and to the Consignments and Loans Fund (TPD), keeping 17% of the Bank's shares until September 2012, which it then transferred to PostBank.

In June 2013 Attica Bank successfully increased its share capital and issued a Convertible Bond Loan for a total amount of 398.8 million euros. The capital increase was covered by private sector investors, making Attica Bank the only Bank in the Athens Stock Exchange that was recapitalized without the participation of the Hellenic Financial Stability Fund. As a consequence of this increase, the participation percentage of TSMEDE-ETAA[1] in the share capital of the Bank rose to 50.67%.

In December 2015, following the announcement of the Bank's capital needs that resulted from the Comprehensive Assessment conducted by the Bank of Greece, Attica Bank proceeded to a Share Capital Increase aiming to cover the capital needs arising under the adverse scenario of the exercise (748 million euros). The increase was partly covered by the amount of 681 million euros (91% of the capital needs), again without the participation of the Hellenic Financial Stability Fund.

The Bank's shareholder structure changed on 1 January 2017, as, in accordance with Law 4387/2016 TSMEDE / ETAA was incorporated into EFKA[2], which got 50.63% of the shares of the Bank previously held by TSMEDE / ETAA. By decision 61662/3406 / 30-12-2016 of the Minister of Labor, Social Security and Solidarity, 5.625% of the Bank's ordinary shares were transferred to TMEDE[3]. TAPILTAT[4] holds 7.91% of the Bank's ordinary shares, while the remaining 35.84% is owned mainly by individuals, none of whom individually owns more than 5% of the Bank's ordinary shares.

Attica Bank focuses mainly on financing Small and Medium Enterprises (SMEs) and private individuals. At the same time, the Bank offers a range of deposit, investment and insurance products, mutual funds and brokerage services.

[1] Unified Fund for the Independently Employed
[2] Unified Social Security Institution
[3] Civil Engineers and Public Contractors Fund
[4] Fund for Mutual Assistance of the Employees of Ioniki - Laiki Bank and Other Banks

PRODUCTS AND SERVICES		
Businesses	Retail Banking	Services
Deposit Accounts	Deposit Accounts	Standing Orders
Loans	Loans	Capital Transfers
Bond Loans	Visa Credit Cards	POS
Documentary Credit	Visa & Mastercard Debit Cards	E-Banking
Leasing, Factoring	attica Prepaid Card Visa	Imports / Exports
Bancassurance	Credit Card for the payment of ETAA contributions	Payroll–Pension Payment Services
Venture Capital	Bancassurance	Counting / Sorting of currencies to Legal Entities
EU – sponsored projects	Investment Products	

As a bank which attaches priority to a full and qualitative coverage of its customers' needs, Attica Bank is constantly improving the distribution channels of its products and services. To this aim the Bank has expanded the network of its ATMs through the cooperation with three cooperative banks. There are more than 150 ATMs throughout the country that can be used by the Bank's customers free of charge.

Over the years to come, the Bank's main objectives are the expansion of its operations into sectors with positive growth prospects and, at the same time, the effective management of its credit portfolio, keeping adequate liquidity, enhancing additional sources of revenue and rationalizing the rationalizing operating costs.

KEY FINANCIAL FIGURES ON A STANDALONE BASIS (amounts in million Euros)	2016	2015
BALANCE SHEET FIGURES		
Total Assets	3,619.18	3,674.02
Loans and advances to customers (before provisions)	3,984.62	3,927.62
Provisions	1,207.66	1,170.19
Deposits	1,906.22	2,157.38
Total Equity	628.53	672.17
PROFIT AND LOSS FIGURES		
Profit (Loss) before taxes	-40.27	-607.74
Profit (Loss) after tax	-47.15	-349.48
CAPITAL ADEQUACY RATIOS		
TIER I Ratio	14.80%	17.00%
CET 1 Ratio	14.80%	17.00%
OTHER DATA		
Network	65	70
Personnel	782	871

Letters to Shareholders

1. Letter to Shareholders

1.1. Letter by the Chairman of the Board of Directors

Dear Shareholders,

In 2016 the Greek economy showed characteristics which convey conflicting messages, indicative of the especially fragile phase in which we are now.

As regards the GDP, the marginally negative changes recorded in the first two quarters of the year, were followed by a strong trend in the third quarter of the year, namely 2% on an annual basis. However, this trend was reversed resulting in estimates for the contraction of the GDP by 1,1% in the fourth quarter of 2016 and a GDP rate of 0,0% on an annual basis.

On the other hand, the unemployment rate showed a gradually downward trend within the year reaching 23% in November as opposed to 24.2% at the end of the 2016. In parallel, the deflation pressures were mitigated, resulting in the average annual General Consumer Price Index changing negatively by 0.8% in 2016 as opposed to -1.7% in 2015.

The exports sector showed some positive signs. In specific, since August 2016 the monthly value of exports proved to be systematically higher that the respective 2015 period.

Projections of economic developments in 2017 are positive. According to a recent study by the European Commission[1], the growth rate for the economy in 2017 is expected to get to 2.7%, based on the positive course of the domestic consumption and investments as well as on the reinforcement of exports.

Nevertheless, as in the past, economic developments will depend on the course the implementation of the commitments undertaken by Greece within the framework of the fiscal adjustment program it has signed with its international creditors. As shown by past experience, the economic climate depends directly on the program review process. And this time it seems that the review will be directly connected with the initiation of a broader process in order to settle the Greek debt issue.

The success of the completion of the review and the consistent implementation of the commitments undertaken by the Greek side, not only do they provide the assurances for the short-term funding of the State's needs but also contribute to strengthening the trust of investors and depositors.

The establishment of a climate of stability and gradual return to a normal status will affect substantially the country's competitiveness internationally.

The cost of funding enterprises, a cost which remains high in relation to the European average, is still the basic prerequisite in this effort. Therefore, limiting uncertainty by limiting risk premiums creates the conditions for the easier provision of liquidity to the economy, especially if this is accompanied by the inclusion of Greek government bonds in the ECB's quantitative easing program.

The improvement of the economic climate, however, should spark the beginning of a long course of re-orienting the Greek production model towards activities and sectors in which the country can develop a competitive edge. Attracting investments, which will support the increase of productivity, will substantially facilitate the effort.

The role that the banking system can play in this process is crucial, as long as the problem of the non-performing loans (NPLs), which have reached 110 billion euros, is addressed effectively and as long as the banks gain the depositors' confidence again.

It should be acknowledged that 2016 saw progress as to the institutional framework for managing NPLs, contributing positively to the materialization of the goals set by the Bank of Greece to reduce the balances of nonperforming exposures by 40 billion euros until 2019, something that could free resources, which could support the growth of the Greek economy.

Ladies and Gentlemen,

Attica Bank intends to dynamically face the prospects and challenges predicted for 2017.

As you already know, immediately after its election in September 2016, the Bank's current Board of Directors proceeded to the implementation of a Restructuring Plan, whose aim is on the one hand to relieve the bank from pathologies of the past and on the other hand to create a flexible organization which will be ready to effectively exploit future opportunities.

Within the last quarter of 2016, the Bank's face started to change, as, upon the Management's initiative, a series of measures and initiatives were implemented:

- Taking decisions about the securitization of part of the Bank's non-performing portfolio and the co-operation with an international partner within the framework of a more effective management of the said portfolio.
- Completing a voluntary exit scheme for the Bank's personnel.
- Creating a flexible organizational chart in order to reduce costs.
- Starting the procedures for the participation of the Bank in funding programs of domestic and international organizations that support development and especially SMEs.
- Reviewing internal processes and policies and aligning them with best banking practices and with the recommendations of the audit effected in 2016 by the Bank of Greece and SSM.
- Reducing the amount of participation in subsidiaries.
- Upgrading the IT structures of the Bank.

Attica Bank is rapidly changing and preparing to serve in a more efficient way the needs of Greek enterprises - especially SMEs – that innovate and are pioneers. Our target for the next years is to support those enterprises with 200 million euros.

Dear Shareholders,

In a relatively brief period, Attica Bank has shown that it has the potential and the determination required to establish its competitive position inside the Greek banking system.

The change that has been taking place in the last few months has been possible thanks to the indefatigable efforts of the executives and the entirety of the Bank's staff.

After thanking the Bank's staff for everything they have done until now, I would like to stress the importance of continuing to show such zest and devotion in order to enhance the Bank's potential.

Finally, after thanking the customers and shareholders of the Bank for their support, I would like to pass on the message to them that the creation of value is the pillar of actions for the Bank's current Management.

Thank you,

Panagiotis Roumeliotis,
Chairman of the Board of Directors.

[1] European Commission: Winter 2017 Economic Forecast (https://ec.europa.eu/info/files/winter-2017-economic-forecast-greece_en)

1.2. Letter by the Chief Executive Officer (CEO)

Dear Shareholders,

The environment in which Greek banks had to operate in 2016 was characterized by stabilization trends. The deposit balances in the banking system, after the intense outflows observed in 2015, were stabilized, as well as the enterprises' funding rate, whereas the capital adequacy of the Greek credit institutions remains at satisfactory levels.

However, a central issue that will decisively affect the course of Greek banks in the future, is the management of NPLs, which amount to almost €110 billion today.

In order to implement effective solutions to this problem, a series of institutional measures have already been implemented. What remains is to implement them fully, so that on the one side, we can achieve the target set by the Bank of Greece to reduce the Non-Performing Exposures (NPEs) by 40% by 2019 and on the other hand, to ensure that banks have the necessary freedom of movement to focus on their basic role, which is to support the economic activity.

The stabilizing trends described above are also partly visible in the Bank's figures for 2016.

In particular, as at 31.12.2016:

- The Bank's Total Assets were €3.61 billion against € 3.67 billion as at 31.12.2015.
- Loans before provisions rose to €3.98 billion from €3.93 billion as at 31.12.2015.

On the contrary, deposit balances saw a decrease, amounting to €1.89 billion at the end of 2016 as opposed to €2.14 billion at the end of 2015, mainly affected by the negative publicity that the Bank received between September and October 2016.

The Group's non-performing exposures (NPEs) came to €2.4 billion as opposed to € 2.2 billion at the end of 2015, with the rate of new NPE creation slowing down in the 2nd quarter of the year.

As regards the post-tax results, these showed losses of €49.8 million, as opposed to losses of € 346.8 million in 2015. It should be mentioned that within 2015 the Bank had booked additional provisions of €628 million, as the result of the Asset Quality Review (AQR) which was completed in the third quarter of 2015.

However, the results of the Group for 2016 prior to any kind of provisions (credit risk predictions and provisions for other risks) are positive, coming to €10.2 million.

The capital adequacy ratio of the Group remained at satisfactory levels, despite losses, and came to 14.8% against 17% in 2015.

Ladies and Gentlemen,

The figures I have just mentioned describe only partially the actions that the current Management had been taking since September 2016 to reorganize the Bank and bring it back to profitability.

As you know, the new BoD of the Bank soon after its election, proceeded to drafting, approving and implementing a Restructuring Plan, in order to relieve the Bank from burdens of the past and prepare it for the new banking landscape, as this is shaped by financial and technological developments.

The aim of this Plan is to:

- Ensure the necessary additional capital of €70 million along with the disengagement from managing denounced loans. With this move, Attica Bank further strengthens its capital adequacy index to 17% and introduces an innovative solution to the problem of managing NPLs.

This solution is expected to significantly enhance the profitability prospects of the Bank, through the transfer of expertise from the experienced foreign investor with whom the Bank is going to co-operate.

- Achieve compliance with the recommendations of the findings of the audit conducted in 2016 by the Bank of Greece and the SSM. The Bank has already conformed to 86% of the audit's recommendations.
- Withdraw from unnecessary participations and focusing on basic operations. The actions that the Bank has made up to now have already brought almost €32 million in additional liquidity and €2 million in saving on operational costs on a Group level on an annual basis.
- Create additional liquidity through issuing a bond loan of €380 million guaranteed by the Greek State and and approved by DG Comp, which was completed in October 2016.
- Reduce the staff through voluntary leave. 105 people out of 880 have already left. Furthermore, following the conclusion of a new wage agreement, the cost of the current staff has been cut down by almost 17% on average. The above, in conjunction with other actions, aim to decrease the level of staff costs by €15 million on an annual basis.
- Rationalize the organizational chart by decreasing the directorates and posts of responsibility and by centralizing operations.
- Redesign all of the Bank's operations based on the best banking practices and aiming at profitability and performance.

The results of these moves will start to be fully visible within 2017.

Our aim is for Attica Bank to have by the end of 2017 the necessary pre-provision profits in order to cover provisions for credit risk and return to profitability.

In order to achieve all the above, the Bank has been reinforced with highly skilled executives in various sectors, such as Risk Management, Organization, IT Systems, Legal Services, and E-Banking, while at the same time we are examining the creation of a Logistics, Purchases and Supply Directorate, whose operation will contribute to the reduction of operating costs.

It is noteworthy that we are proceeding to investments in infrastructure in all sectors, placing special emphasis on electronic transactions.

In parallel, the Bank's business interests are focusing on SMEs, professionals (engineers, doctors and lawyers) as well as on the collaboration with national and international organizations with a view to jointly funding Greek SMEs through various programs.

Our ambition is, through a flexible branch network and through the upgraded electronic channels, to serve the needs of the Greek enterprises and especially the needs of those enterprises which are extroverted and skillful in exports and have high expertise and quality products.

For 2017 we aim to get the funding of SMEs and professionals to €100 million.

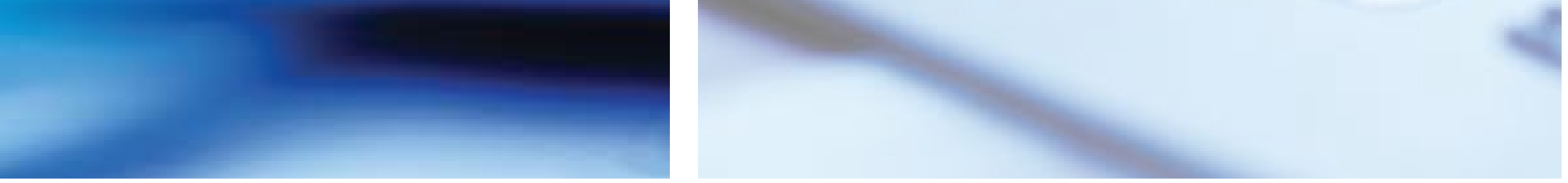
Ladies and Gentlemen,

Within a relatively short period, we have made decisive moves which eliminate the pathologies of the past and prepare Attica Bank for the challenges of the future.

The commitment of the Management and the employees of Attica Bank is the creation of a healthy and competitive Bank that will confirm in the best possible way the expectations of its customers and shareholders.

Thank you,

Theodoros Pantalakis
Chief Executive Officer (CEO)



The International and the Greek Economy in 2016 and the Prospects for 2017

2. The International and the Greek Economy in 2016 and the Prospects for 2017[1].

International Economy

According to a recent study published by the IMF[2] the global economy grew by an annual rate of 3% during the first nine months of 2016, a percentage almost unchanged in relation with the corresponding percentage of the first six months of the same year. This reflects the relatively steady rebound of the developed economies but also a mixed picture as regards emerging economies.

The mid-term trends of the international financial activity point to a strengthening of the economy, which, nevertheless, remains low in relation with the pre-crisis levels. The global economy is still affected by several factors, including the gradual balancing of the demand in China and the political uncertainty in the United States, after the presidential elections of November 2016.

In specific, the growth rate in China is expected to come to 6.5% in 2017, as a result of continuing efforts to boost domestic demand. Nevertheless, the rapid rates of credit expansion and the increase of state expenditure create the risk of a "bumpy landing", especially in the event of the conditions abroad worsening.

According to the IMF, the growth rate of the global economy is expected to reach 3.4% for 2017 and further increase in 2018. Contributing factors will be the growth rates in Europe as well as the higher growth rates in emerging economies, with some differences, however, between the countries of that specific group.

Regarding the US in specific, since the 3rd quarter of 2016 there has been a recovery of activity with the economy approaching full employment rates. For 2017, the growth rate is expected to rise to 2.3% as, after the recent presidential elections, there are signs pointing to the implementation of an expansive fiscal policy, which might accelerate the increase of interest rates by Fed.

In the Eurozone, the growth rate reached 1.7% and is expected to remain at the same levels in 2017 too, mainly due to the continuing easing of monetary policy by the ECB, the private consumption, the essentially neutral fiscal policy and the implementation of structural reforms. The enhancement of financial governance in the Eurozone and the progress achieved with respect to fiscal adjustment contributed to the improvement the financial policy mix, without jeopardizing fiscal stability.

Although the facilitating monetary policy of the ECB is expected to continue in 2017, its effect on the increase of investments will also depend on the aftermath of Brexit, the policies implemented by the USA as well as on the course of investment programs that are implemented under the auspices of European bodies.

In the developing and emerging economies[3] the GDP growth rate is expected to increase to 4.5% in 2017. The growth rate in the two biggest emerging economies, China and India, slowed down in 2016 whereas a smaller recession was observed in Brazil and especially in Russia, as the international prices of basic commodities, of which those countries are basic exporters, recovered during the year.

The picture of developed and developing countries regarding their growth rate is still mixed, as shown in the following table.

Growth Rates 2015 - 2018, %

	2015	2016	2017*	2018*
World Economy	3.2	3.1	3.4	3.6
Advanced Economies	2.1	1.6	1.9	2.0
Emerging and Developing economies	4.1	4.1	4.5	4.8
USA	2.6	1.6	2.3	2.5
EU	2.0	1.7	1.6	1.6
Russia	-3.7	-0.6	1.1	1.2
China	6.9	6.7	6.5	6.0
India	7.6	6.6	7.2	7.7
Latin America and the Caribbean	0.1	-0.7	1.2	2.1

*Forecasts
Source: IMF January 2017

2017 is expected to see an acceleration of the global financial activity with the recovery of the emerging economies and especially India as it basic driving force. On the contrary, although the growth rate remains high in China, it is expected to show signs of gradual slowdown.

The implementation of any restrictive measures in international commerce, political developments in European countries where there will be national elections as well as the geopolitical tensions and terrorist attacks which are on the rise, could act in an inhibitory way against the financial activity.

[1] This chapter contains data and information as applicable in February 2017, unless otherwise stated.
[2] World Economic Outlook / January 2017 (http://www.imf.org/external/pubs/ft/weo/2017/update/01/)
[3] It concerns the following countries: Russia, China, India, Brazil, Mexico, Saudi Arabia, Nigeria, South Africa.

EUROPEAN UNION – EUROZONE

Growth Rates

In 2016, the GDP growth rate in the Eurozone came to 1.7% and is expected to remain close to that level for 2017 and 2018, as the positive effect of the anticipated recovery of the global economy and international trade is estimated to be offset by the impact of the referendum in the United Kingdom, on exports and investments. Specifically, according to the European Commission report published in February 2017[4], the GDP growth rate in the Eurozone is expected to decline in 2017 to 1.6% and improve to 1.8% in 2018. The risks involved in the growth prospects in the Eurozone remain and concern in particular the increased uncertainty about developments in the global economy as well as broader geopolitical risks. The growth rate in the European Union both in 2017 and 2018 is expected to be at 1.8%.

Concerning the factors that contributed to the resilience of economic activity in the Eurozone for the year 2016, it is worth mentioning the highly facilitating monetary policy of the ECB is worth mentioning. The effects of the measures of the ECB's monetary policy continue to support monetary and credit growth as the basic interest rates have been kept unchanged. As a result of the above measures, banks were able to pass the favorable financing conditions on to the businesses in the form of reduced lending rates, thus supporting the gradual recovery in loan dynamics.

Regarding the German economy, it is expected to show growth rates of 1.6% in 2017, based on consumption and employment, in spite of the risks involved in any trade barriers that could be imposed by basic trading partners of the country. The strong labor market combined with increased exports and intense construction activity is expected to give a further boost to the development of the German economy.

On the other hand, France's economy is expected to accelerate by 1.4% in 2017, as the confidence of consumers and businesses has improved. An important role in the improvement of the French economy prospects was played by the recovery in exports accomplished in 2016, which is expected to support the development of economy so that it does not rely heavily on private consumption. The public deficit is expected to decline from 3.3% of the GDP to 2.9% in 2017.

As far as Italy is concerned, the GDP is projected to increase by 1% in both 2017 and 2018, relying on low interest rates and strong external demand. Structural weaknesses impede a more robust recovery.

At the same time, in the UK, despite the resilience that the economic activity showed in the second half of 2016, economic growth is going to fall to 1.5% in 2017 and weaken even further in 2018 to 1.2% as a result of the referendum on the United Kingdom's exit from the European Union. Investments are likely to be negatively affected by the uncertainty that prevails, while private consumption is also expected to weaken as a result of the effect that the referendum had. The picture of the largest economies of the European Union by 2018 is illustrated in the following table:

[4] https://ec.europa.eu/info/publications/european-economic-forecast-winter-2017_en

Growth Rates 2015 - 2018, %

	2015	2016	2017*	2018*
Eurozone	1.7	1.7	1.6	1.8
Germany	1.7	1.9	1.6	1.8
France	1.2	1.2	1.4	1.7
United Kingdom	2.3	2.0	1.5	1.2
Italy	0.8	0.9	0.9	1.1

*Forecasts
Source: European Commission – Winter 2017 Economic Forecast

The improvement of business profitability and the particularly favorable financing conditions will continue to promote investment recovery. Nevertheless, economic growth in the Eurozone is forecasted to be negatively affected by the high degree of economic and political uncertainty. Significant factors that will affect the international and European environment are the shaping of the economic policy of the new presidency in the US and its effects on the global and European economy, the political uncertainty in the European Union in view of elections in several Member States, as well as the negotiations about the agreement on the UK exit from the European Union.

Europe - Monetary policy - Banking sector

The decisions taken by the ECB during 2016 for a further easing of the common monetary policy helped to maintain the particularly favorable financing conditions, which are necessary for the inflation rate to get nearer to the target level of 2%.

In particular, annual inflation in the Eurozone was 1.1% in December 2016 from 0.6% in November, as a result of the rise in energy prices. The inflation level is expected to gradually increase as a result of the ECB's easing monetary policy and the anticipated economic recovery.

Regarding bank lending in the Eurozone, in the last quarter of 2016, a stabilization in credit criteria for loans to enterprises was observed, while the demand for loans continued to be strengthened in all categories, particularly loans to the private sector.

In particular, in the Eurozone there was stabilization (an increase of ~ 1%) in the credit criteria for granting loans to households for house purchase (from -4%) although the banks were expecting further easing. However, a decline was observed (-3%) in the credit criteria for consumer loans and other loans to households (from -4%).

For the first quarter of 2017, banks expect an easing in the credit criteria in all loan categories, and in particular -2% in business loans, -8% in mortgages and - 5% in consumer loans5.

The contribution of monetary policy to economic growth in the Eurozone, is however expected to be mitigated due to the slower-than-desired pace of implementation of the structural reforms and due to the risks surrounding the Eurozone, resulting from the uncertainty which prevails globally.

[5] https://www.ecb.europa.eu/stats/pdf/blssurvey_201701.pdf

GREECE
Macroeconomic Developments[6].
Prospects.

In 2016 the Greek economy showed characteristics that send forth conflicting messages, indicative of the particularly fragile phase in which it is right now.

Regarding the GDP, the marginal negative changes recorded in the first two quarters of the year were followed by a robust course in the 3rd quarter of the year of 2% on an annual basis. However, this course was reversed, resulting in the initial estimates of GDP growth pointing to a growth rate of -1.1% in the 4th quarter of 2016 on an annual basis.

According to estimates by the Bank of Greece, economic growth is expected to accelerate in 2017, provided that the second review is completed in time and that the reform effort is intensified. In particular, GDP growth rates are expected to be at 2.7% and 3.1% for the years 2017 and 2018 respectively. The main factors expected to influence this growth are investments, exports and private consumption.

Investments are expected to increase significantly as a result of the anticipated improvement in credit conditions and EU funding. A key prerequisite for a more effective financing of the economy from the banking sector, however, remains the implementation of effective NPL management solutions.

Unemployment fell to 23.4% in 2016 from 24.9% in 2015 as employment increased by 2.7% over the same period. The increase in employment is estimated to have been assisted by the improvement of the economic climate and the achievement of positive growth rates especially in the secondary sector. The unemployment rate is expected to gradually de-escalate until 2018 (still being at high levels) as a result of the reforms which are expected in the labor market.

The table below sums up the most recent European Commission forecasts for the course of the Greek economy in the next two years.

MACROECONOMIC FIGURES Annual Change %	2015	2016	2017*	2018*
GDP	-0.2	-0.3	2.7	3.1
Private Consumption	-0.2	-0.6	1.6	1.6
Exports (goods and services)	3.4	0.7	3.9	4.7
Unemployment Rate	24.9	23.4	22.0	20.3
Real Unit Labor Cost	-1.2	2.0	-0.9	0.0
Harmonized Index of Customer Prices	-1.1	0.0	1.3	1.0
Current – Account Balance (% of GDP)	0.0	-0.7	-0.7	-0.6
General Government Balance (% of GDP)	-7.5	-1.1	-1.1	0.7
General Government Gross Debt (% of GDP)	177.4	179.7	177.2	170.6

*Prospects.
Source: European Commission – Winter 2017 Economic Forecast

It is worth noting that the uncertainty regarding the completion of the second ESM review program, as well as the geopolitical tensions regarding the management of refugee influx are factors that might adversely affect the economy's return to positive growth rates.

On the other hand, the reforms enacted for the out-of-court settlement of debts and the management of NPLs are expected to affect the country's economy positively.

[6] The figures regarding macroeconomic forecasts in this paragraph are based on ELSTAT data published in March 2017 and the Winter European Economic Forecast 2017 report issued by the European Commission in February 2017.

Developments in the Greek banking system. Prospects.

During 2016 the banking system showed signs of stabilization, while the mid-term prospects will depend mainly on the shaping of a favorable environment for economic growth.

The most important development for the Greek banking system was the successful completion of the first review of the country's fiscal adjustment programme as well as the establishment of a framework for the effective management of NPLs, reforms which helped in the gradual stabilization of the financing conditions of the economy.

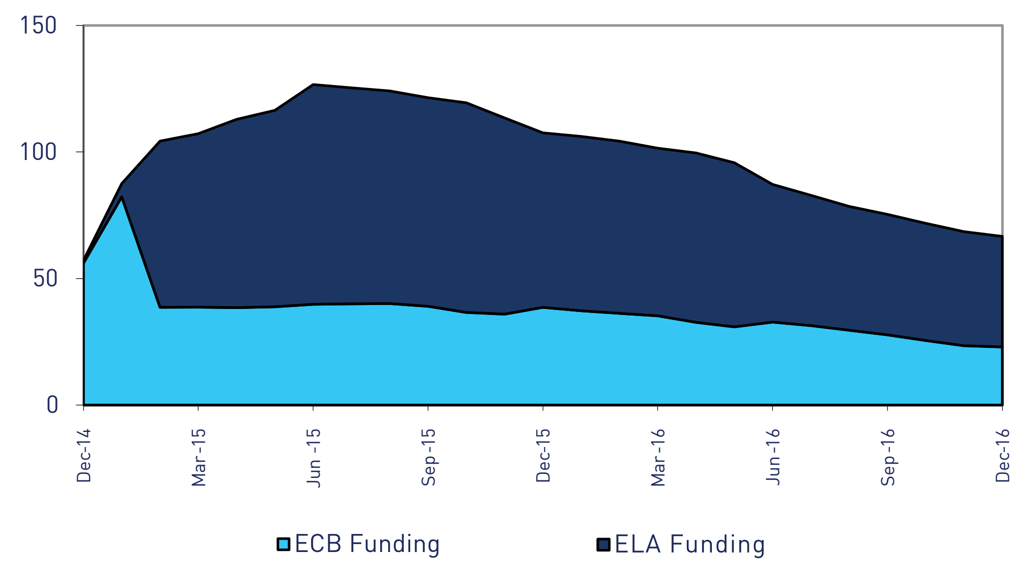
In 2016, there was stabilization in the level of non-performing exposures, as the flows towards the creation of new bad debts experienced a decline, resulting in lower provisions booked by the credit institutions.

The above, in conjunction with the establishment of a flexible framework for out-of-court settlement of debts and the possibility of NPLs being managed by specialized companies operating in this sector, are set to contribute to a gradual reduction in the percentage of non-performing exposures.

In particular, the Bank of Greece, in co-operation with the European Supervisory Mechanism and banks, proceeded to setting operational targets in order to create a framework for reducing the total non-performing exposures by 2019, by €38 billion. This reduction will be achieved through long-term arrangements and definitive settlements, selective loan write-offs, collateral liquidation and loan sales.

In addition, during 2016, the liquidity conditions of the Greek banking system improved, resulting in a continuous reduction in the provision of emergency liquidity assistance (ELA) to the Greek banks after the re-integration of Greek government securities into the Eurosystem's financing operations. The gradual strengthening of drawing liquidity through interbank placements in repo repurchase agreements has contributed significantly to this improvement. More specifically, the overall dependence of the Greek banking system on the Eurosystem was reduced by 38% in December 2016 compared to the respective month of 2015, reaching 18.96% of the total assets of Greek banks.

Financing of Greek banks by the Eurosystem (amounts in billion euros)



Source: Bank of Greece

At the same time, an important contribution to the stabilization of the liquidity of the banking system was the maintenance of restrictions on capital movements through the containment of deposit outflows and the capital flight abroad. In addition, the impact of the utilization of electronic channels of bank service by households and businesses, following the imposition of capital restrictions, was also positive, as it contributed to a significant increase in the Greek banks' fee income.

The delay in completing the second review of the country's fiscal adjustment program as well as the political uncertainty prevalent in developed countries keep creating significant challenges for the domestic banking system. The aforementioned challenges could potentially hamper the upward trend of the economy and could fuel uncertainty, greatly affecting the financial system.

In conclusion, the prospects for profitability and the quality of the Greek banks' portfolio are positive, under the condition that the macroeconomic environment will improve, the second review will be completed, the non-performing exposures will be successfully managed and the depositors' confidence will be established with the completion of the requirements for the integration of Greek government securities in the quantitative easing program of the ECB.

03

Summary Financial Data

3. Summary Financial Data

Attica Bank, in 2016, despite the difficult economic conditions, implemented a significant number of structural changes and laid the foundations for its reorganization under its new Management since September 2016.

The implementation of the necessary reorganization actions has led to loss-making results for 2016, which is, however, expected to signal the restoration of the Group's profitability in the future years.

Additionally, it is worth mentioning that despite the fact that significant provisions were booked, the Group dsiplays a high Common Equity Tier 1 ratio (CET 1) of 14,8%. The amount of provisions that the Bank has cumulatively recorded covers about 30% of the total loan balances, which combined with the restraint of the creation of new NPLs, has significantly shielded the Bank's financial position.

For 2017, the Group's strategy focuses on increasing efficiency and managing NPLs, which has become easier by conducting booking high provisions but also thanks to the new legislative framework. The aim is also to finance the Greek economy, especially SMEs through the participation in entrepreneurship support programs which are promoted by domestic and foreign international organizations.

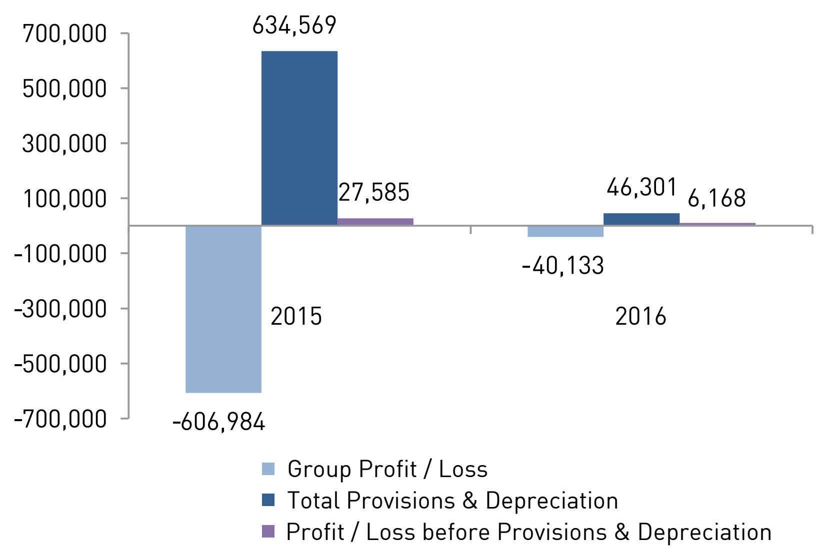
3.1. Key Financial Figures

Results 2016

For the Group, the pre-tax profit for the year 2016 after the booking of provisions of €40 million for the impairment of financial assets amounted to a loss of €42.3 million as opposed to a loss of €604.7 million in the comparative year 2015. Correspondingly, the after-tax result was a loss of €49.8 million, as opposed to a loss of €346.8 million in the comparative year.

Profits before provisions and amortization amounted to €6,2 million as opposed to profits of approximately €27.6 million of the comparative year.

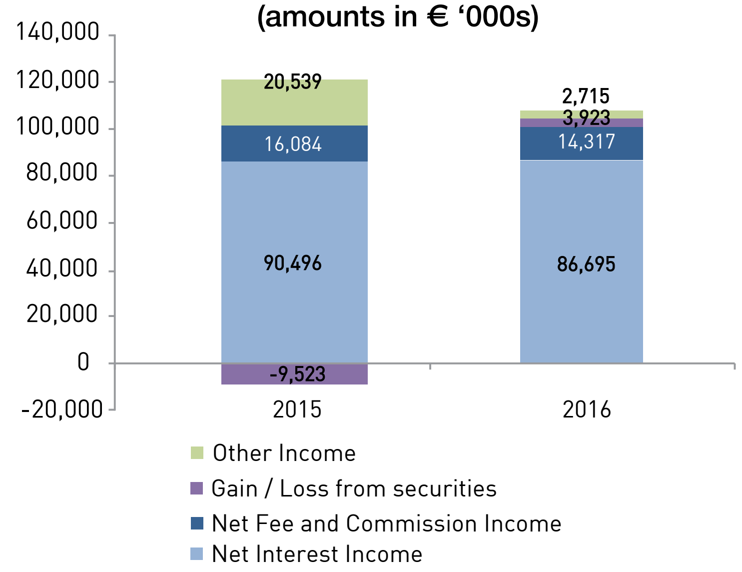
Profit / Loss (before Provisions and Depreciation) 2015 - 2016 (amounts in € '000s)



Operating Income, Operating Expenses

In 2016, the total net income for the Group amounted to €107.6 million, compared to €117.6 million in 2015.

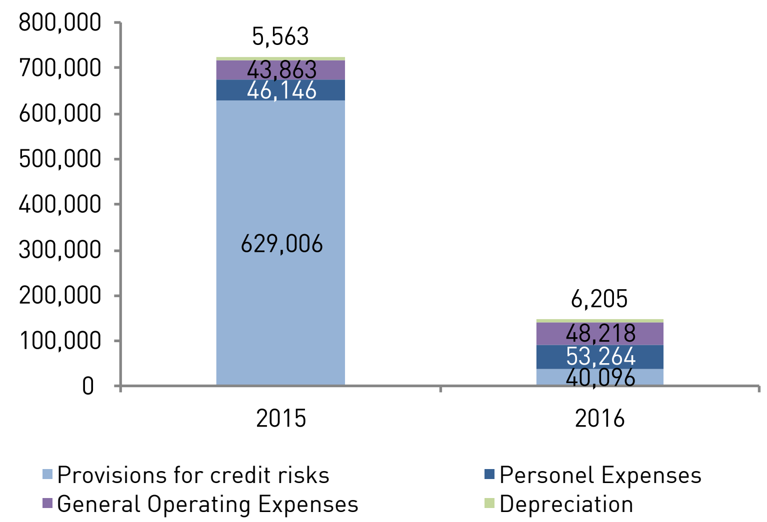
Revenue Breakdown (Group), FY2015 - FY2016 (amounts in € '000s)



As regards the year that ended on December 31, 2016, the provisions for the impairment of the Group's financial assets amounted to €40 million, as opposed to €629 million formed in the corresponding comparative year. The cumulative provisions now amount to €1,207.7 million against €1,170.2 million on December 31, 2015.

Operating expenses, after taking out the provisions for general risks, increased by 6.8%. Salaries increased by 15.4% on 31/12/2016 in relation with the comparative year. Should we remove the one-off cost of the €4,7 million of the voluntary leave program which was recorded in 2016, then the change is a rise of 5.2%, on a year-on-year basis.

Operating Expenses Breakdown (Group), FY 2015 – FY 2016 (amounts in € '000s)



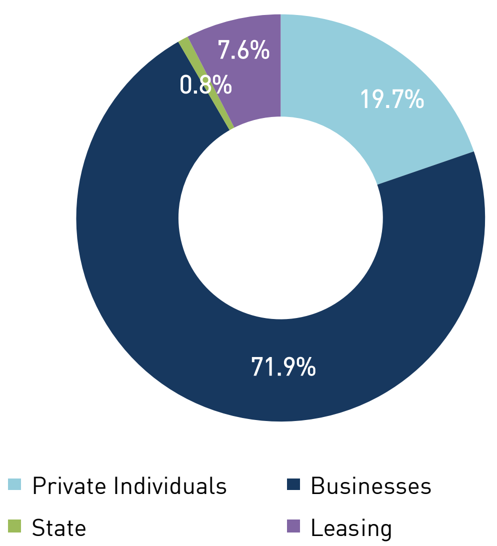
Assets - Loans

The total assets of the Group on 31/12/2016 amounted to €3.61 billion.
Pre-provision loans for 2016 amounted to €3.9 billion for the Group, presenting a marginal increase by 1.5% on an annual basis, while the accumulated provisions for bad loans increased by 3.2%, as opposed to the comparative year 2015.

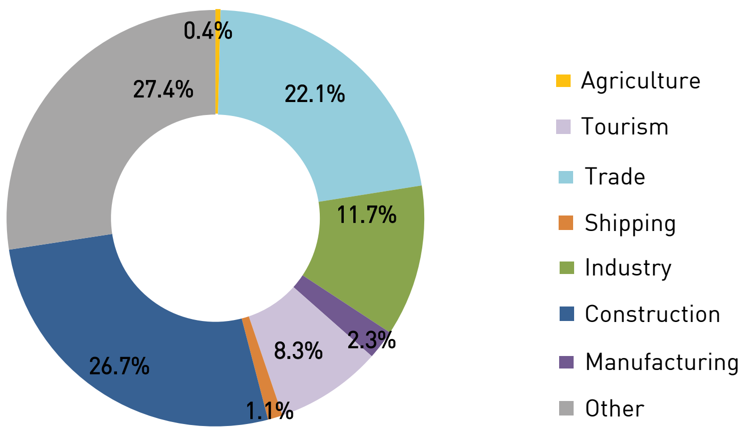
For 2016, the NPE ratio stood at 60.8%. Correspondingly, the overall NPE coverage ratio from provisions and collaterals was 100.5%, while the NPE coverage ratio from provisions was 49.9%. Finally, the NPE coverage ratio from collaterals was 50.6%.

71.9% of the Bank's loan portfolio involves loans to businesses that are active in the construction, commercial and industrial sectors.

Loan Portfolio Breakdown, 31.12.2016



Loans to Businesses by sector of economic activity, 31.12.2016

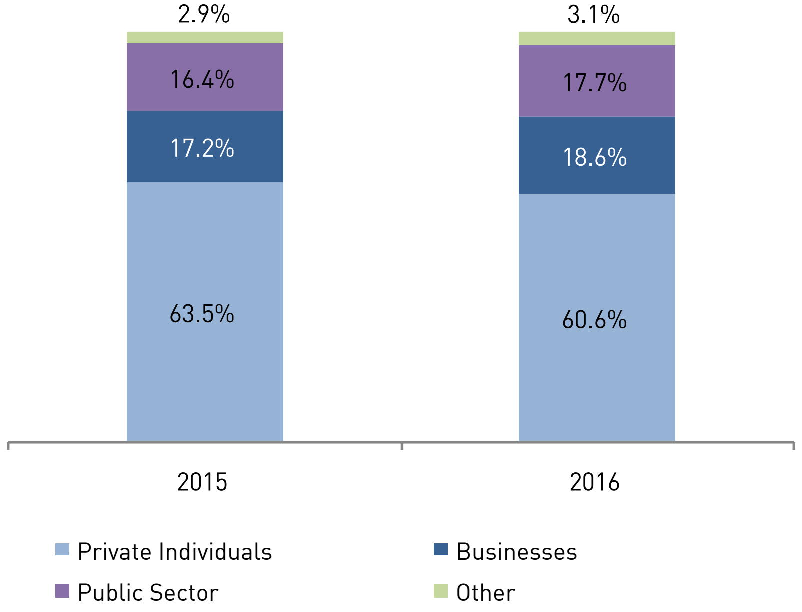


Deposits – Liquidity

On 31/12/2016 the Group's deposits were €1.89 billion, reduced by 11.7% in comparison with 31/12/2015. The negative publicity that the Bank received in September 2016 effectively led to an outflow of a significant amount of deposits in the 3rd quarter of 2016. Nevertheless, deposits recovered after November 2016.

Attica Bank continues to have a strong deposit base, with over 60% of its deposits consisting of deposits of private individuals.

Deposits Breakdown (Group), 31.12.2015 - 31.12.2016



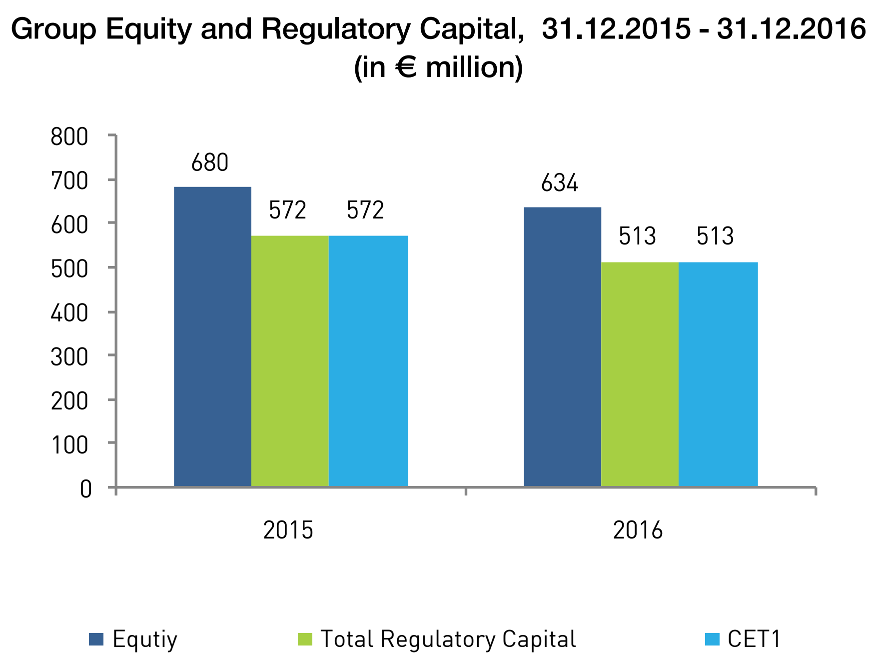
On 31/12/2016 Attica Bank's funding from the Eurosystem stood at 28.1% of its assets, as opposed 18.9% for the entire banking system as a whole.

Eurosystem financing (ECB & ELA), % of Assets	Banking Sector	Attica Bank
31/12/2015	27.9%	21.3%
31/3/2016	26.6%	25.4%
30/6/2016	23.6%	26.1%
30/9/2016	20.7%	29.9%
31/12/2016	18.9%	28.1%

Source: Bank of Greece, Attica Bank

Equity – Capital Adequacy

The Group's Equity Capital for 2016 stood at €634 million, while the total regulatory capital of the Group stood at €513 million euros. The Group's Common Equity Tier 1 Ratio(CET 1) was at 14.80%.



3.2. Key Financial Ratios

The following table includes some selected financial ratios reflecting the balance sheet structure, the performance and management policy of the Bank and the Group, based on the financial statements for the FY ended on 31.12.2016. The relevant ratios for 2015 are also shown.

BALANCE SHEET STRUCTURE	BANK		GROUP	
	2016	2015	2016	2015
Due to Customers / Loans and Advances to customers (after provisions)	68.64%	78.24%	68.16%	77.70%
Due to Customers / Total Assets	52.67%	58.72%	52.42%	58.39%
Loans and Advances to customers (after provisions) / Total Assets	76.73%	75.05%	76.90%	75.15%
Total Equity / Total Assets	17.37%	18.30%	17.53%	18.54%
Total Equity / Due to Customers	32.98%	31.16%	33.49%	31.75%

MANAGEMENT POLICY RATIOS	BANK		GROUP	
	2016	2015	2016	2015
Total Operating Expenses before provisions / Total Assets	2.90%	2.52%	2.98%	2.60%
Total Operating Expenses before provisions / Total Operating Income	100.16%	81.32%	100.03%	81.27%
Profit before provisions / Average Equity	2.04%	5.43%	1.55%	5.98%
Profit before provisions / Average Total Assets	0.36%	0.73%	0.28%	0.81%

3.3. Key Financial Figures – Attica Bank's Group of Companies

Bank Participation in the Attica Bank's Group of Companies, 31.12.2016 Company Name	Headquarters	Participation Percentage %
Attica Wealth Management	Greece	100.00%
Attica Ventures	Greece	100.00%
Attica Finance	Greece	55.00%
Attica Funds PLC	UK	99.99%
Attica Bancassurance Agency	Greece	100.00%
AtticaBank Properties	Greece	100.00%

The Companies' financial data for 2016 and 2015 are presented in summary form in the following tables:

attica wealth management

Summary Financial Data (amounts in euros)	2016	2015
Fixed Assets	111,69.63	85,990.39
Other Assets	3,344,280.25	3,682,992.99
Total Assets	3,456,049.88	3,768,983.38
Share Capital	2,326,059.00	2,326,059.00
Total Equity	3,256,227.14	3,459,932.59
Other short – term Liabilities	148,032.35	235,421.63
Turnover	1,239,215.18	1,602,160.60
Gross Profit	(88,599.97)	170,345.57
Profit Before Tax	(62,620.38)	302,976.41
Profit After Tax	(64,531.65)	208,747.37

Net Mutual Funds Assets (amounts in euros)	2016	2015
ATTICA DYNAMIC ASSET ALLOCATION FUND OF FUNDS MIKTO	5,157,639.37	6,295,513.00
DOMESTIC BOND FUND	1,272,632.06	4,385,018.41
DOMESTIC EQUITY FUND	6,003,280.91	7,032,302.59
DOMESTIC MONEY MARKET FUND	-	930,769.71
FOREIGN BALANCED FUND	13,542,678.82	20,803,668.12
FOREIGN BOND FUND	15,539,213.40	17,524,054.55
ATTICA REAL ESTATE GLOBAL EQUITY FUND	567,814.57	2,334,855.16
TOTAL NET ASSETS	**42,083,259.13**	**59,306,181.54**

KCapital Under Investment Management Contracts amounts in euros)	2016	2015
Total Assets of customers with portfolio management contracts	50,082,157.94	96,241,177.39

ATTICA VENTURES

Summary Financial Data (amounts in euros)	2016	2015
Total Assets	591,501.60	1,529,899.02
Profit before Tax	(956,070.88)	60,992.32
Profit after Tax	(956,070.88)	8,190.51
Total Equity	344,380.66	1,300,451.54
Turnover	616,666.67	778,971.52

atticabank properties

Summary Financial Data (amounts in euros)	2016	2015
Total Assets	5,840,543.86	6,025,786.05
Loss before Tax	(190,736.51)	(210,680.09)
Loss after Tax	(190,497.24)	(207,557.76)
Total Equity	5,790,556.22	5,981,053.46
Turnover	9,000.00	88,350.00

attica Bancassurance Agency

Summary Financial Data (amounts in euros)	2016	2015
Total Assets	7,092,784.04	6,854,709.41
Profit before Tax	651,488.44	738,502.54
Profit after Tax	389,186.79	485,234.47
Total Equity	4,075,611.93	3,686,425.14
Turnover	1,270,452.58	1,225,727.69

attica Finance

Summary Financial Data (amounts in euros)	2016	2015
Total Assets	2,858,604.84	3,279,021.29
Share Capital	3,000,003.10	3,000,003.10
Reserves	79,021.21	78,545.39
Cash	584,080.75	601,352.64
Profit (Loss) After Tax	(383,744.57)	1,962.09

04

Attica Bank's Activities
Prospects

attica bank

attica bank

4. Deposits

4.1. Deposits

At the end of 2016 deposit balances in the domestic banking system stood at €121.4 billion, reduced by 1.6% on an annual basis. Affected by the general trend in the sector, the Bank's deposit balances stood at €1.9 billion at the end of 2016, compared to €2.1 billion at the end of 2015.

he Bank's time deposits showed the biggest negative change within the year. In specific, the balances of time deposits which stood at €1,107 million on 31 December 2015 amounted to €926 million at the end of 2016. On the other hand, sight deposit balances had a positive course, amounting to €526 million at the end of 2016 com-pared to €496 million at the end of 2015.

It is important to point out that the preservation of the Bank's deposit base was achieved through a parallel de-escala-tion in its deposit rates.

In particular, the average annual cost of time deposits went from 2.08% in 2015 to 1.54%, declining by 54 basis points. Similarly, the average annual total cost of deposits was reduced from 1.65% in 2015 to 1.14% in 2016. During 2016, the Bank maintained its existing deposit portfolio, promoting the following products:

- Deposit products for the members of ETAA (Unified Insurance Fund for the Self-Employed), with the most favorable conditions in the market. For instance, the product "Attica Payroll Savings Account for Civil Servants / Pensioners of ETAA" has an interest rate of 1.70% for amounts up to €5,000.
- "Attica Payroll Savings Account for Civil Servants / Pensioners" with one of the most competitive interest rates in the market: 1.60% for amounts up to €5,000.
- "Attica Hypersavings Account with Monthly Interest Payment" with a rate of 0.75%, for those customers who want high returns even for relatively small amounts of deposits, so as to have direct access to their money without the commitments of time deposits.
- "Attica Hypersavings for employees and persons insured in ETAA" with an interest rate of 0.85% from the first euro and with monthly interest payment with direct access to their cash balance, provided that up to three withdrawals / charges are effected per month.

At the same time, the Bank intensified its efforts to expand its deposit base through its participation in auctions run by Insurance Funds, Municipalities, Municipal Enterprises, Hospitals and other Public or Private Law Legal Entities.

For 2017, the increase in deposits will continue to be a strategic priority of the Bank. With the primary aim of increasing deposit balances through cross-selling, the Bank is planning to provide new deposit products, which are tailored to the current economic conditions and to the needs of each customer.

4.2. Business Banking

Business Banking is the main pillar of Attica Bank's banking operations. The expertise and directness in serving its business customers are the basic features and the competitive edge of the Bank.

For 2016, business lending, (of which 31.7% is loans to SMEs,) exceeded 80% of the Bank's total loans. More specifically, total loans before provisions amounted to €3.98 billion, of which 71.9% were business loans.

In 2016, particular emphasis was put on addressing the direct consequences that the continuing economic crisis has on businesses, as well as the restrictions that persist in capital movements.

Meanwhile, within the framework of improving the processes that concern credit risk management, the Bank has already taken measures to limit its exposure to specific sectors of economic activity, has introduced changes in the credit process, has created a unit that focuses on the monitoring of loans with specific risk characteristics and has upgraded the pricing procedures for its loans.

Financing medium and large enterprises

Fully aware of the important and decisive role that the banking system can play in the development and growth of the Greek economy, Attica Bank focuses its efforts on supporting companies with positive prospects that operate in sectors which are extroverted and export-oriented.

Attica Bank for the year 2016 provided:

- Support to its existing clientele with a view to ensuring its sustainability, either through new loans or through refinancing of existing debts and / or their restructuring.
- New financing mainly to companies that need resources primarily investment purposes.
- Capital to companies operating in the field of renewable energy sources.

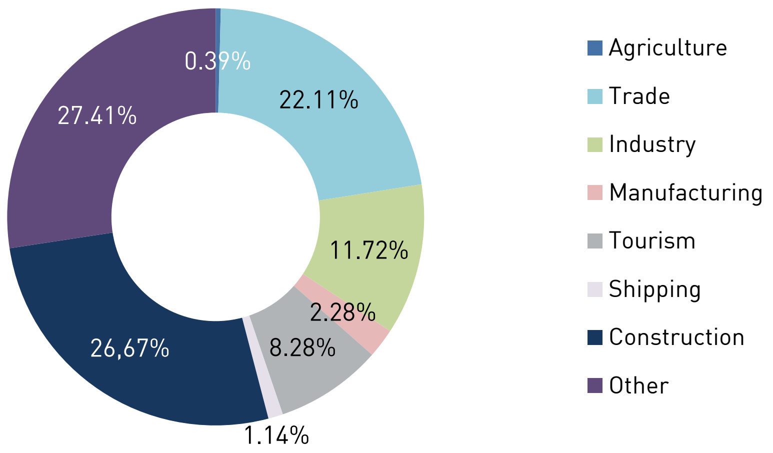
With strict credit standards that are imperative due to the continuing adverse economic conditions, with a reassessment of existing collaterals and the acquisition of additional ones, an attempt was made to offset the de facto increased credit risk. The practices imposed by the regulatory framework have been the main tool for the strategies to be followed in the financing of medium and large enterprises.

Financing Small and Medium Enterprises (SMEs)

Attica Bank, remaining consistent with its planning and having as a primary pursuit the substantial support of the main body of the Greek economy, that is SMEs, approved within 2016, at a percentage which reached 85%, the financing requests submitted by SMEs.

For 2016, business loans to small businesses and SMEs amounted to €2.06 billion, which corresponds to about 65% of the Bank's business loans, a fact which proves Attica Bank's active support to these enterprises.

The chart below shows the breakdown of business loans by sector of activity at the end of 2016.



Finally, it should be noted that through ETEAN (Hellenic Fund for Entrepreneurship and Development) Attica Bank participates in the Small and Medium-Sized Business Financing Program "Enterpreneurship Fund Business Restarting (TEPIX)", which offers these businesses the opportunity to borrow at low interest rates.

At the current stage, ETEAN is expected to publish a call for the selection of Intermediary Financial Organizations which will co-finance loans and provide guarantees to SMEs. Through the new actions, ETEAN is expected to initially allocate funds of over €400 million which will be co-invested with Intermediary Financial Organizations.

In particular, the Bank is developing an action plan in order to actively participate in the following ETEAN programs:

- The new round of the Funding and Guarantee Programs of ETEAn's Entrepreneurship Fund (expected within the first half of 2017), which will involve products and tools for co-financing and offering guarantees to SMEs.

- The new round of the "i Save at Home ii" program, in order to claim a share of the available amount that ETEAn is going to provide along with the Intermediary Financial Organizations to finance this type of investments (energy saving projects).

Through the co-financing of funds with ETEAN, the Bank aims to finance programs and actions aiming to enhance economically sustainable medium, small and micro enterprises. It addresses enterprises of every legal form, which are at any stage of operation (existing, startups and under establishment), while the individual actions aim at covering the costs of establishing and/or developing enterprises, making investments, meeting liquidity needs, strengthening openness and creating new competitive products and services.

In parallel, the Bank examines the possibility of participating as an Intermediary Financial Institution in programs managed by the European Investment Bank and the European Investment Fund.

4.3. Retail Credit

In a difficult economic environment, the demand for new financing for individuals remained limited also in 2016. As a consequence, the mortgage portfolio of the Bank stood at €484.8 million and consumer loans at €228.4 million, showing a decline of 3.08% and 0.97% respectively on an annual basis, mainly due to repayments.

In 2016, Attica Bank continued to support its existing clientele by proceeding to debt restructuring for those customers who faced financial difficulties in repaying the said debts.

On the contrary, in 2016 the demand for credit cards was bigger, resulting in an increase in the specific portfolio's balances by 3.81%, reaching €62.5 million. There was a particularly increase of interest in the "Special Contribution Repayment Card", which is specially designed and available for people insured in ETAA (Engineers-Lawyers-Doctors) for the repayment of their current and settled insurance contributions.

The types of credit cards available from the Bank are the following:

- ATTICA CARD VISA CLASSIC
- ATTICA CARD VISA GOLD
- ATTICA CARD VISA ELECTRON
- ATTICA CARD VISA BUSINESS
- ATTICA LEX CARD VISA (for lawyers)
- ATTICA MD CARD VISA (for doctors)
- ATTICA TECHNOCARD VISA (for engineers)

Additionally, Attica Bank offers Visa and MasterCard debit cards as well as the prepaid card "attica Prepaid Card Visa".

For 2017, the main targets of the Bank are improving the management of its portfolio and strengthening its position in the market, by designing new competitive products and further exploiting its customer base through cross-selling.

4.4. Point of Sale Terminals (POS)

The imposition of restrictive measures on capital movements since the second half of 2015 has led to an important increase in transactions through POS terminals.

The Bank responded to the increased demand by providing a full range of solutions aiming at attracting new partnerships and increasing its market share.

In specific, throughout 2016, 8,589 devices were installed, while the total amount of transactions executed through the POS of the Bank amounted to €172 million. For 2017 further extension of operations is predicted in this sector. Furthermore, it is expected that transactions which will be made through the Bank's POS terminals will more than double and that the respective commissions will increase.

4.5. E-banking

The aim of the Bank is to constantly develop its alternative networks, so as to provide high quality e-banking services.

Since 2015, due to the restrictions imposed on capital movement, there has been observed an increase in the use of the alternative networks of the Bank. More specifically, the number of the private individuals who use the Bank's ebanking service increased by 6,220 in 2016, while the new users - legal entities were 1,314. The total number of users of the e-banking service comes to 39,847, up 23.3% compared to 2015.

The number of cash transactions (payments or transfers of funds within the Bank, payments to organizations and third parties, payments or transfers of funds to other banks) amounted to 461,283 amounting to €828.7 million in total.

At the same time, Attica Bank also has a modern network of 74 ATMs, 57 of which are installed in its branch network, while 17 are installed in third-party places (off-site ATMs). Moreover, through the Bank's cooperation with (three) Cooperative Banks, customer service points exceed 150 across the Greek territory. In 2016, the network's ATMs covered more than one million transactions, of a total amount of €241.1 million.

4.6. Investment Activities

The Bank is active in the whole spectrum of investment banking and capital markets operations, providing underwriting services, consultant services on private placements and secondary offers , portfolio management services, as well as other consulting services to both private and institutional bodies.

The tasks of the Investment Banking Unit also involve: a) monitoring the implementation of the Bank's strategic and policy decisions concerning the management of its shareholdings and equity portfolios; b) supervising the proper compliance with requirements arising from the legal regulatory framework and c) assessing the performance of the individual investments that should be determined based on the risk versus yield and cost versus benefit relationships.

The tasks of the said unit also include underwriting and support services for share capital increases, bond issuance services as well as their sale to an organized or non-organized stock exchange. For this reason, the Bank holds a Special Consultant license for the Alternative Market (EN.A) of the Athens Stock Exchange (ATHEX).

During 2016 there was a strong activity in attracting private investment funds from Greece and abroad on behalf of companies and/or financing of investment projects with growth prospects in sectors such as tourism, green energy, export enterprises etc., as it is a strategic choice of the Bank to organically and profitably develop its operations through funding critical - and with high added value – sectors of the national economy.

In parallel, the Bank continued to provide its services as a financial consultant to the Greek State, particularly in the field of the utilization of its real estate. Within this framework, it organized and successfully completed the sale of the stake held by the Hellenic Republic Asset Development Fund (TAIPED) in the Modiano market in Thessaloniki. With the completion of the competition in question, it is estimated that an important step has been made to restore and revive this historical building in order for it to regain its glory and continue to be a landmark for the city of Thessaloniki.

In addition, the Bank provides a plethora of services that meet the needs of its customers-investors. In the context of these activities, the competent Capital Markets Unit monitors and coordinates the services of brokerage transactions through the Bank's branch network, manages the smooth operation of the Margin Account product (provision of credit for conducting financial transactions through a joint credit account), while at the same time it provides an investigation into the market with a view to attracting customers-investors to capital market products/services. It should be noted that the Bank has developed risk management tools so as not to be exposed to credit risk from this activity.

4.7. Bancassurance

The ongoing economic recession has adversely affected the insurance sector as the decrease for new insurance policies declined, while there was a tendency to cancel existing contracts, mainly in the Property and Vehicle sectors.

In order to maintain the Bank's customer base, the Bancassurance Department has expanded its range of cooperation with insurance companies so as to be in position to offer its customers programs with more attractive pricing.

In 2016 the Bancassurance Department showed an increase of its production volume in insurance policies involving: a) the insurance of risks that are of interest engineers, i.e. the insurance of machinery (moving and non-moving), b) civil liability insurance and c) small-scale projects insurance or collaboration for the co-insurance of bigger-scale projects.

In addition, a relative increase in premium production was featured by the civil liability insurance sector for individuals and professionals as well as the life and health insurance sector. The improvement of the economic climate in the future is expected to positively affect the premiums produced by this sector.

Another sector that showed an upward trend in premium production is life and health insurance. It is expected that this trend will be further strengthened in 2017.

Meanwhile, in 2016 special emphasis was given on rationalizing the operations and improving the collection of premiums, as well as on further training the Bank's staff on the sale methods of insurance products.

The Bancassurance Department will continue in 2017 to support the efforts of Attica Bank to broaden its sources of profitability and modernize the bancassurance products and services that it offers to the Greek market.

4.8. Factoring

The Attica Bank Factoring Unit has been operating for fourteen years, aiming to develop the Bank's clientele through new partnerships with SMEs and mainly bigger companies.

The increased need to secure sources of finance in the ever-changing economic environment has made factoring one of the most attractive and flexible products that the Bank offers.

The Factoring Unit provides a flexible set of financial products, contributing to the better service of existing Attica Bank customers and attracting new companies.

The services provided can be offered in combination, through the different factoring products offered by Attica Bank, covering the most significant needs of the company as it contributes to the acquisition of a competitive edge through:

- The ability to receive financing according to the volume of sales.
- The continuous evaluation, monitoring and updating of suppliers regarding the credit rating of their buyers.
- The insurance coverage of credit risk in the event of buyers' inability to pay.
- The effective management and collection of claims.

4.9. Leasing

Attica Bank has been active for sixteen years in the field of financial leasing of real estate, business and passenger vehicles, machinery and other equipment.

Given the economic circumstances and the capital constraints, the Bank, through the competent Unit and its specialized staff, during 2016 focused on the effort to manage its portfolio from leasing contracts and cope with the financial problems of customers through settlements, debt restructuring and by taking additional collateral to ensure the sustainability of its customers and the interests of its shareholders.

Based on the current legal regulatory framework and its pricing and credit policy, the Bank has been focusing on examining requests for new partnerships through leasing to existing and new clients in sectors and areas characterized by prospects of growth.

4.10. Customer Support – Contact Center

The Bank's Call Center provides information on the Bank's products, serves the e-banking service users, supports the branch network for credit card and consumer loans products, while it also handles the Malicious Card Use Prevention Service.

The Customer Service Call Center (tel. 210-3669000) runs from Monday to Friday from 08:00 to 21:00 and on Saturday from 10:00 to 18:00. In 2016, the Bank's call center handled 125,749 incoming and outgoing calls.

The Malicious Card Use Prevention Service is a control system for the transactions made with Attica Bank's credit, debit and prepaid cards around the world. The purpose of the system is the protection of the card owners from the fraudulent use of their card by third parties in order to avoid malicious use incidents. Through the use of sophisticated detection systems, when detecting unusual transactions that deviate significantly from the owner's usual transactional behavior, the alert mechanisms are activated and the need to confirm the authenticity of the transaction is indicated. In those cases, the Service representatives call the card holder to certify the genuineness and authenticity of the transaction.

In case the owner cannot be located and until it is confirmed that the transaction is not an instance of fraud, it is possible to temporarily block transactions with the card, so as not to spread the phenomenon to the holder's expense. In this way, and based on international safe card use practices, the chances of malicious use of the card data by third parties are considerably reduced and thus, transactions become significantly safer.

4.11. Information Technology Systems & Projects

In a particularly difficult period both on a business and financial level, the banks' IT departments are called to support the everyday operation of credit institutions in a more effective, safe and economical way while searching for opportunities to develop new banking products and services.

Throughout the past year, the Bank's IT Division used a great part of its potential in its endeavor to promptly meet the various and continuous requirements that stemmed from the exercises and audits carried out by regulatory and supervisory bodies (ECB, SSM, Bank of Greece).

Simultaneously, the Division proceeded to the completion of a series of projects regarding safety, the development and operation of technological infrastructure and the development of applications. In specific, in the area of IT systems security, the Bank continued its investment program by reinforcing the infrastructure protection and IT applications grid, putting to use new technological capabilities and implementing a series of upgrades to the existing infrastructure.

In the field of core technological infrastructures, upgrading projects were materialized at different levels in both the operating systems software and their computing power and data storage and management capabilities.

At the end of 2016, the strategic partnership agreement of the Bank with an internationally prestigious IT company was renewed for five years. This partnership provides the Bank with the basic technological infrastructure, maintenance, management and expansion services, software licenses required for their operation as well as specialized IT solutions development services. Finally, the Bank's back-up computer center was relocated to new modern facilities, upgrading in this way the overall level of safe operation of the IT services.

In the field of IT applications, an important project was the implementation of the Bank's cooperation with nine cooperative banks. In specific, the Bank implemented the interconnection and servicing of the ATM and POS networks of the cooperative banks, while the work of transferring and servicing the debit and credit cards of the cooperative banks though Attica Bank is in progress.

Particular emphasis has been placed on the effort to drastically expand the Bank's POS network. Automated processes have been developed and put into operation, and as a result this alternative network has been fully developed. Besides that, a series of projects were implemented to upgrade the functionality of selected applications for the management of settlements that regard loan portfolios.

For the year 2017, the planning of actions, as this has been illustrated in the project and expenditure budget of the IT and Organization Division, initially aims at achieving additional economies of scale through the utilization of modern technological capabilities and the change of the operating model.

In particular, it is expected that applications will be upgraded and appropriate procedures will be adopted to centralize selected operations. At the same time, the objective of the Division remains to complete the compliance projects in accordance with the requirements of supervisory and audit bodies as well as to gradually modernize the IT infrastructures (technology refreshment). Furthermore, the Bank will focus on the development/upgrade of central support applications required to design and manage banking products as well as on the development of new select products and services, with a special emphasis on digital services and their availability through alternative networks.

The IT and Organization Division will continue in 2017 to contribute substantially, within the framework of its responsibilities, to the significant effort of Attica Bank to further modernize and upgrade the products and services it offers to the Greek market.

4.12 Human Resources

A main priority of the Bank's Human Resources has always been and still is the support and servicing of its customers - always with responsibility, professionalism and respect - in the difficult circumstances generated by the economic recession.

Attica Bank, acknowledging the strategic role of Human Resources, attaches the utmost importance to the adoption of policies that ensure the optimal use of its human resources.

A main concern of the Bank – in the context of its overall restructuring - is the strengthening of the Human Resources Department through the introduction and use of innovative practices, modern methods and new technologies, with the ultimate goal to improve the employees' performance and highlighting the role of human resources as a competitive edge.

Employment

A dominant policy of the Bank is to provide equal opportunities for growth and development, enabling all executives to constantly develop their skills and competences.

In 2016, in continuation of the implementation of a voluntary leave program, the headcount was reduced by 12%. Given the extent of the Bank's reorganization program and the necessity to cover the needs stemming from the completion of the Voluntary Leave Program, the Bank hired a limited number of specialized executives with a long work experience in the banking sector.

The following tables illustrate the evolution of the number of employees in the Bank and the Group, as well as the breakdown by gender, age and geographical area for the years 2015 and 2016.

Number of Employees, 2015-2016

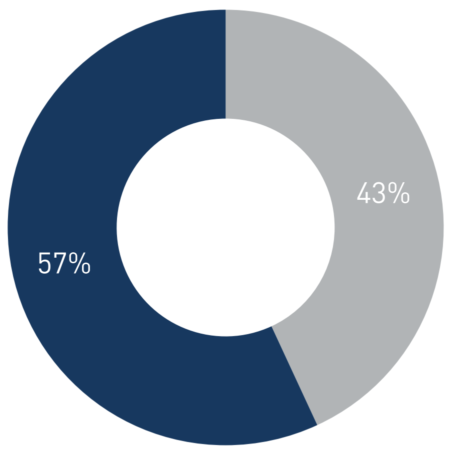
GROUP	Force 31.12.2016	Force 31.12.2015
Bank	782	871
Subsidiaries	15	22
TOTAL	**797**	**893**

Evolution of Number of Employees, 2015-2016

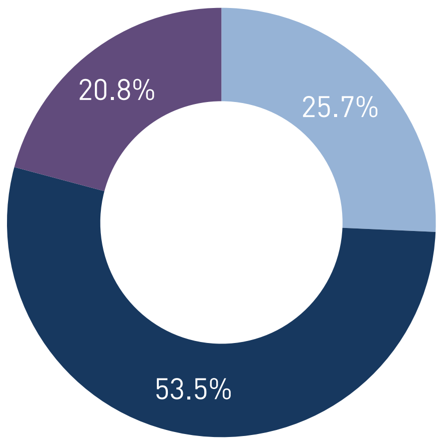
BANK	2016	2015
Recruitments	18	16
Resignations	107*	18

*This also includes employees participating in the Voluntary Leave Program

Breakdown of Employees by gender (Bank), 2016



Breakdown of Employees by age (Bank), 2016



Geographical Breakdown of Employees (Bank), 2016

GEOGRAPHICAL REGION	31.12.2016
Attica	540
East Macedonia & Thrace	29
Western Macedonia	4
Thessaly	21
Central Macedonia	78
Epirus	4
Ionian Islands	6
Western Greece	25
Central Greece & Evia	25
Peloponnese	12
North Aegean	4
South Aegean	6
Crete	28
TOTAL	**782**

Education and Training

In the Bank, training is recognized as one of the key roles for the development and evolution of its staff. Furthermore, besides the reasonable anticipated benefit it has for the Bank, training constitutes the most important means of adding value to the employee himself. In this context, we are constantly striving to improve the cognitive level and formal qualifications of the employees.

In 2016, training activity was more than double the figures of recent years, with an average training of 12.96 hours per employee. Focusing on the maximum effectiveness in the management of training needs, an educational planning was developed and implemented to execute the operational planning, always according to the guidelines set by the supervisory and regulatory framework.

In particular, as to the content of the training actions, product training accounted for the biggest share in the training activity, namely 38% of all training activities. In parallel, given the imperative need to monitor the constant updates of the legal, regulatory and supervisory framework, training in relevant topics was given priority and accounted for 32% of the total training activity.

Then, a large percentage (18%) of the training activity was given to the development of skills, while the updating of knowledge and consequently the readiness of the staff in safety and protection issues was maintained at 3%.

Finally, 9% was allotted to the implementation of training programs to cover specialized needs. In line with modern developments, and in order to provide the best possible level of training to its employees, the Bank implemented its educational planning using a plethora of educational methodologies (room training, distance learning, and e-learning solutions with synchronous and asynchronous Tele-training).

Employees Benefits

The Bank invests in its most valuable capital, its people, and, in recognition of them and their families, it has introduced additional benefits.

In particular, the Bank offers to its employees a Personnel Group Insurance Program for Hospital Care, in collaboration with an insurance company (covering hospital care, childbirth services, free annual medical check-up program, etc.)

In addition, the Bank, wishing to reward the efforts and the achievement of high performances of the children of its employees who excel in Secondary Education as well as those who have entered Higher Education, awards symbolic money awards. In 2016, money prizes were granted to 84 children of employees.

Health and Safety at Work

A primary aim of Attica Bank is to maintain a safe working environment, fully aligned with the current legislation. The Bank offers its employees the services of a safety technician and a company doctor in all of the organization's facilities. In addition, it has proceeded to the following complementary actions:

- Regular update information of employees on health and safety issues.
- Educational programs - at regular intervals - of Human Resources in Fire Safety, First Aid and Emergency Management issues.
- Articles on the Bank's Intranet about various topical health issues.

4.13. Corporate Communication

During 2016, the Corporate Communication Division of the Bank, responding to the constantly changing demands of the market, intensified its efforts to continuously inform consumers, always aiming at their better service and at the creation of a climate of mutual trust.

Attica Bank's advertising communication focused on both empowering the corporate image as well as promoting the services offered by the Bank. To this purpose, two advertising campaigns were implemented. The first campaign took place in March 2016, while the second campaign began in June and was completed in August 2016. The two campaigns were carried out through the press and websites of financial and informational content.

A very useful tool for the corporate communication of Attica Bank is its website, www.atticabank.gr, which is enriched and improved every day, so as to cover in the best possible way all the information needs of the Bank's customers and investors.

Sponsorships – Corporate Social Responsibility

In Attica Bank, entrepreneurship and social awareness co-exist in a policy that serves people and their needs. Attica Bank in 2016 materialized a series of sponsorships for the support of charitable institutions, foundations and organizations, actively proving its social role. Indicatively, some of the actions in which the Bank was a sponsor in the past year, are mentioned.

Community

In 2016 the Bank supported with sponsorships the following institutions:

- The "KIVOTOS" NGO.
- The "Solidarity contribution" social program, which supports the magazine "SCHEDIA".
- The "Greek Action of Africa" for the conduct of a friendly football match, the proceeds of which were allocated for community purposes.
- The public space regenaration programme "Adopt a Playground" run by the Hellinikon-Argyroupoli municipality.
- The Social Grocery of the municipality of Agrinio.

Cultural

In 2016 the Bank supported the following institutions:

- The Greek Orthodox Patriarchate of Jerusalem for the implementation of the conservation, reinforcement and restoration project of the Holy Sepulchre of the Holy Tomb.
- The "DIAZOMA" Association, for the financial support of the "moneybox" of the ancient theater of Orchomenos in Viotia.
- The Municipality of Neapolis - Sykees for the "Balkan Square" and "Merkoureia" events.
- The 59th Philippi Festival in Kavala.

Science - Education

In 2016 the Bank:

- Contributed to the scholarship programme of the Agricultural School of Thessaloniki for the 2016-2017 academic year.
- Sponsored the "Prometheus" research team of the National Technical University of Athens, which participated in the European Fuel Economy Competition "SHELL ECO MARATHON 2016".
- Supported as national sponsor the Association for Mobile Apps of Greece which represented the country in an international conference on mobile telephony.
- Sponsored the Association of Architects of Higher Education/ Panhellenic Association of Architects for the representation of the Greek participation in the 15th International Exhibition of Architecture: "Biennale in Venice / Reporting from the front".
- Sponsored the "Researcher's Night 2016" event held by the National Technical University of Athens.
- Sponsored the School of Economics, Business and International Studies of the Business University of Piraeus University for the organization of the "Executive MBA" post-graduate program.

Sports

The sponsorships in the field of sports which took place in 2016 were the following:

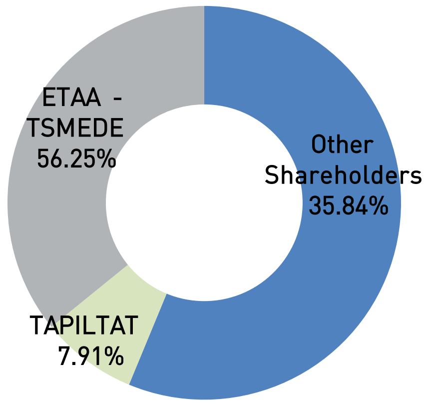
- Sponsorship of the gymnastics world champion Mr. Vlassis Maras, up to his participation in the 2016 Olympic Games.
- Sponsorship of the 3rd RUN & FUN Grand Prix 2016.
- Sponsorship of the Hellenic Sports Federation of the Deaf for its participation in the European Men & Women Basketball Championship.
- Sponsorship of the Glyfada Fencing Group for its participation in sports events.

4.14 Share Capital – Performace of Attica Bank's share

On 31.12.2016, Attica Bank's share capital was divided into:

- Two billion three hundred thirty nine million three hundred fifty three thousand three hundred ninety four (2,339,353,394) common registered shares.
- Two hundred eighty six million two hundred eighty five thousand seven hundred fourteen (286,285,714) preference shares issued under Law 3723/2008, owned by the Greek State.

Shareholder Structure of Attica Bank, 31/12/2016



In accordance with L.4387/2016, the ETAA/TSMEDE was integrated as of 1/1/2017 in the Single Social Insurance Institution (EFKA).

By decision 61662/3406 / 30-12-2016 of the Minister of Labor, Social Security and Solidarity, 5.625% of the common shares of the Bank held by ETAA/TSMEDE was transferred to the Engineers' and Public Contractors' Fund (TMEDE), while the remaining 50.625% was transferred to EFKA.

TAPILTAT (the Ionian-Laiki Bank and other Banks Mutual Assistance Fund) still holds 7.91% of the Bank's ordinary shares, while the remaining 35.84% is held by about 20,000 shareholders, mainly private individuals.

Attica Bank (ATHEX symbol: ATT) trades on the Athens Stock Exchange and participates in the following stock indexes:

SYMBOL	DESCRIPTION
GI	ATHEX General Index
DOM	ATHEX All Share Index
FTSEM	FTSE/X.A. Mid Cap
TYGI	ATHEX Total Yield of General Index
DTR	FTSE/ATHEX Banks Index
FTSEB	FTSE/ATHEX – CSE Banking Index

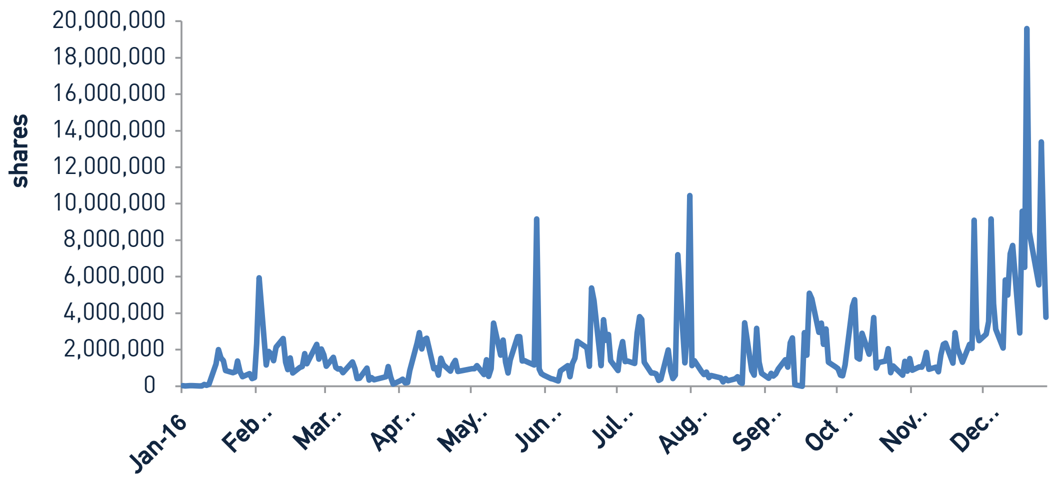
Although 2016 was characterized by positive yields for the Greek stock market (ATHEX General Index 3.63%), as well as foreign markets (Dow Jones 15.24%, S&P 500 11.24%, DAX 30 11.65%, FTSE 100 17.22%, CAC 40 7.51%, and Nikkei 3.60%), the strong volatility, especially in an environment of growing political risk, puzzled analysts and investors. The average daily value of transactions on the Athens Stock Exchange stood at €58.8 million, down by 29.50% in comparison with 2015.

The chart below illustrates the fluctuation in the share price of the Bank in relation with the General Index and the Bank Index of the Athens Stock Exchange for 2016. It is noted that Attica Bank' share is presented on the right-hand axis.

Change in the share price of Attica Bank compared to the ATHEX General Index and the ATHEX Banking Sector, 2016

The capitalization of the Bank on 30/12/2016 was €67.8 million. The average daily transaction volume of Attica Bank's share for 2016 stood at 1,929,264 units, with a year high of 19,596,804 units on 22/12/2016 and a correspondingly year low of 14,519 units on 05/01/2016, on which date the shares of the Bank resulting from the share capital increase completed at the end of December 2015 having still not been publicly offered to the Athens Stock Exchange.

Daily Volume of Attica Bank share transactions, 2016



4.15 Credit Rating

The table below displays the most recent information regarding the Bank's credit rating by Moody's (announcement of 30/01/2017).

	Bank Deposits	Forecast
Moody's	Caa3	Stable

Corporate Governance

attica bank

attica bank

5. Corporate Governance[1].

5.1. Corporate Governance. Strategic and Supervisory Bodies

Corporate governance, along with Corporate Social Responsibility and Sustainable Development, are the three pillars of entrepreneurship for Attica Bank.

Corporate governance is expressed as a system of relations between the Board of Directors (BoD), the Management of the Bank, its shareholders and other stakeholders. It also constitutes the structure through which the objectives of the Bank are approached and set, the main risks that it faces in its operation are identified, the means to achieve the objectives are determined, the risk management system is organized and the monitoring of the performance of the management during the implementation process of the above becomes possible.

Aligning the objectives and incentives of BoD members, senior executives and other employees of the Bank with those of its shareholders, is a key element of sound corporate governance practices.

With the purpose to constantly defend the general corporate interest, the long-term sustainability and growth of Attica Bank and the preservation and improvement of its credibility, the BoD of the Bank has set a framework of general principles for the effective management of resources and for risk-taking, adapted to the specific characteristics of the Bank, which constantly complies with the current legislative framework of the banking system.

In application of these general principles, the Bank has put in place the following supervisory bodies and transparency mechanisms:

5.1.1. General Meeting

The General Meeting of Shareholders is the supreme body of the Bank and is responsible for the election of the BoD members. The procedures and rules governing the way the General Meeting is called, the way members participate in it and the decisions it makes, as well as its responsibilities, are analytically regulated by the provisions of the Articles of Association of the Bank and Codified Law 2190/1920.

5.1.2. General Meeting

The Board of Directors (BoD) is collectively responsible for setting the strategic objectives of the Group, supervising the Senior and Higher Executives, as well as for the adequate and effective control of the Bank in line with defending the general corporate interest and achieving the maximum long-term value within the framework of the law.

The current BoD consists of eleven (11) members, of whom three (3) are executive, three (3) non-executive, four (4) independent non-executive and one (1) a representative of the Greek State appointed in accordance with the relevant provisions of Law 3723/2008. The appointment of the independent members of the BoD in accordance with Law 3016/2002 is effected by the General Meeting of shareholders.

The Board of Directors of the Bank:

a) bears the overall responsibility for the management and operation of the Bank, approves and supervises the implementation of the strategic objectives, the risk management strategy and internal governance in the institution.

b) ensures the integrity of accounting and financial reporting systems, including financial and operational audits and the compliance with the law and relevant standards.
c) oversees the process of legally required disclosures and notifications.

d) is responsible for the effective overseeing of Senior Executives, i.e. natural persons who exercise executive duties in the Bank and who are accountable to the BoD for its day-to-day management.

e) monitors and periodically evaluates the efficacy of the corporate governance arrangements of the Bank and take the appropriate measures to deal with any shortcomings.

On 31/12/2016, the composition of the Bank's BoD was as follows:

1. Panagiotis Roumeliotis, Chairman of the BoD, Non-Executive Member
2. Theodoros Pantalakis, Chief Executive Officer, Executive Member
3. Athanasios Tsadaris, Deputy Chief Executive Officer, Executive Member.
4. Ioannis Tsakirakis, Deputy Chief Executive Officer, Executive Member
5. Dimitrios Tzanninis, Non-Executive Member
6. Charalambos Brilakis, Independent Non-Executive Member
7. Ioannis Marmangiolis, Independent Non-Executive Member
8. Georgios Vlachakis, Independent Non-Executive Member
9. Georgios Panayiotou, Independent Non-Executive Member
10. Athanasios Stathopoulos, Non-Executive Member
11. Zacharoula Papatheodorou, Additional, Non-Executive Member and Representative of the Hellenic State by virtue of the provisions of Law 3723/2008.

CURRICULUM VITAE OF THE MEMBERS OF THE BOARD OF DIRECTORS

Chairman of the Board of Directors (Non-Executive Member)
Panagiotis Roumeliotis

He studied Economics at the University of Sorbonne and holds a doctorate title from the University of Sorbonne and the University of Paris II. He served as Minister of Economy and Trade from 1981 to 1989. In March 2010 he assumed the role of Deputy Executive Manager and representative of Greece in the IMF. From 2012 to 2015 he held the position of Vice Chairman of the BoD of Piraeus Bank. He has been a professor in the Panteion University since 2004. He has also held important positions as a financial consultant in international and domestic research institutes. Since September 2016 he has been the Chairman of the Bank's Board of Directors.

[1] This chapter briefly describes the operation of the Bank's basic Corporate Governance Bodies. The Full Corporate Governance Code implemented by the Bank is posted on its website www.atticabank.gr. Also, the Annual Financial Report for the year 2016 contains the Corporate Governance Statement drawn up in accordance with Law 3873/2010.

Chief Executive Officer (Executive Member)

Theodoros Pantalakis

He is a graduate of the University of Piraeus with a specialisation in Business Administration. From 1981 to 1990 he worked in ETEBA (National Bank of Industrial Development Investments) and also served as assistant General Manager in the Interamerican Group until 1996. In March 1996 he assumed the post of Deputy Governor of the National Bank of Greece until May 2004 when he became Vice Chairman in the BoD of Piraeus Bank. From December 2009 to July 2012 he was Manager of ATE (Agricultural Bank of Greece) and a member in the Boards of Directors of large trade and construction companies. Since September 2016 he has been Deputy Chief Executive Officer in the Bank.

Deputy Chief Executive Officer (Executive Member)

Athanassios Tsadaris

He has graduated from the Faculty of Mathematics of the Aristotle University of Thessaloniki and holds an MBA from the Athens University of Economics and Business. He has had 30 years of experience in the banking sector (Postbank, Geniki Bank, Macedonia-Thrace Bank) and in 2008 he became Treasurer in Attica Bank. In September 2016 he was elected executive member of the BoD of the Bank and Deputy Chief Executive Officer.

Deputy Chief Executive Officer (executive member)

Ioannis Tsakirakis

He studied Economics in the Athens University of Economics and Business and holds an MBA from the University of Athens. He has had 25 years of experience in the banking sector (National Bank, Piraeus Bank, Geniki Bank) as well in portfolio management companies. In September 2015 he became Head of the Non-Performing Loans Management Department of Attica Bank and in September 2016 he was elected executive member of the BoD of the Bank as Deputy Chief Executive Officer.

NON-EXECUTIVE MEMBERS

Dimitrios Tzanninis

He is an economist specializing in issues of government policy and international relations. He has worked as Chairman in the Financial Experts Council of the Ministry of Economics of Greece, member of Eurogroup Economic Committees, member of the Economic Committee of the OECD, executive of the World Bank and member in the BoD of the Supervisory Committee of the National Bank. From 1993 to 2008 he worked in the IMF. He studied Economics in the University of Athens and holds a postgraduate degree from the McMaster University and a Doctorate title from the University of Western Ontario. In September 2016 he was re-elected member of the Bank's BoD.

Athanassios Stathopoulos

He has graduated from the Faculty of Accounting from the Technological Educational Institute of Patras and has teaching experience in the fields of finance and accounting. He has been working in Attica Bank since 1995. In 1997 he was appointed Head of the Capital Markets Department and remained in that position until 2006, when he was elected President of the Attica Bank Employees Association.

NON-EXECUTIVE INDEPENDENT MEMBERS

Charalambos Brilakis

He has a postgraduate degree from the University of Columbia. From 1995 to 1999 he worked as an IT Systems Engineer for companies abroad (Bell Communications, Quest Communications). In 2004 he became an internal auditor for Eurobank until 2016 when he was elected member of the BoD of Attica Bank. At the same time, he remains a member of the BoD of the international non-governmental organization ISACA (Information Systems Audit and Control Association).

Ioannis Marmangiolis

He has graduated from the Athens University of Economics and Business and holds a postgraduate degree from the University of Middlesex. He has had more than 25 years of experience in the banking sector, specialising in product development and retail banking as well as long experience in creating business sustainability reports. In September 2016, was re-elected member of the Bank's BoD.

Georgios Vlachakis

He studied Economics in the Athens University of Economics and Business and holds a postgraduate degree in Finance from the University of Stirling. From 2001 to 2012 he was a member in the BoDs of subsidiaries of Emporiki Bank. From 2010 to 2012 he worked as a consultant in the Profit Upgrade Committee of Emporiki Bank. He has 28 years of professional experience in the banking sector in Greece (Emporiki Bank, Citibank) and abroad (Citibank UK) specialising in private banking. In September 2016, he was re-elected member of the Bank's BoD.

Georgios Panayiotou

He studied Economics, Statistics and Econometrics in the Universities of Exeter (BA) and Southampton (MSc) in the UK. He holds a Master in Business Administration from the MIT Sloane School of Management. He has had more than 20 years of experience in the banking-investment sector (Chase Manhattan Bank, Ionian Bank, Eurobank Private Bank, Elliniki Bank, Alpha Trust). He was the CEO and member of the BoD of private companies, CEO of Olympic Properties SA, an Executive BoD member of ETAD SA (Public Real Estate Company SA) and from 1996 to 1998 he served as CFO of Athens International Airport SA. In September 2016, he was re-elected member of the Bank's BoD.

NON-EXECUTIVE MEMBER (by virtue of the provisions of L. 3723/2008)

Zacharoula Papatheodorou

She has studied Chemistry in the Aristotle University of Thessaloniki and holds a postgraduate degree from the Open University. She has had over 30 years of experience in the domestic banking sector (Agricultural Bank of Greece) specialising in the funding of small and mid-sized companies.

5.1.2.1. Committees of the Board of Directors

On 31 December 2016, the composition of the Committees of the Bank's Board of Directors was as follows:

BOARD OF DIRECTORS	Audit Committee	Risk Management Committee	Remuneration Committee	Board Members' Nomination Committee	Strategy and Communication Committee
Chairman of the BoD (Μη Εκτελεστικό Μέλος) PANAGIOTIS ROUMELIOTIS					❑
EXECUTIVE MEMBERS					
Chief Executive Officer THEODOROS PANTALAKIS					●
Deputy Chief Executive Officer					
AATHANASIOS TSADARIS					●
IOANNIS TSAKIRAKIS					●
NON - EXECUTIVE MEMBERS					
DIMITRIOS TZANNINIS	●	❑			●
ATHANASIOS STATHOPOULOS				●	
INDEPENDENT NON - EXECUTIVE MEMBERS					
CHARALAMPOS MPRILAKIS		●	●		
IOANNIS MARMAGGIOLIS		●	●	❑	
GEORGIOS VLACHAKIS	●		❑	●	●
GEORGIOS PANAGIOTOU	❑	●			
NON - EXECUTIVE MEMBER (according with the provisions Law 3723/2008)					
ZACHAROULA PAPATHEODOROU			●		

● Member of the Committee
❑ Chairman of the Committee

Audit Committee

In the context of assisting the BoD in the performance of its duties, an Audit Committee (AC) has been established. The Audit Committee examines and ensures the development and operation of an adequate and effective Internal Audit System on a Bank and Group level, facilitates the communication of the BoD with internal and external auditors and examines the accuracy and completeness of the published financial statements.

The AC consists of at least three non-executive members of the BoD of the Bank, one of whom shall be independent too. The tenure of the AC Members lasts three years. The renewal of the tenure or the modification of the AC's composition shall always be effected by decision of the Bank's General Meeting. In case an AC Member resigns, the vacant post shall be covered by decision of the Bank's BoD, which shall be submitted for approval to the next General Meeting of the Shareholders. Moreover, the General Meeting appoints the Chairman of the AC. The AC Members must not have parallel posts or make transactions which could be regarded as incompatible with the mission of the AC. Participation in the AC does not exclude the possibility of participating in other BoD committees. The AC Chairman should have the necessary knowledge and experience in order to supervise the audit procedures and the accounting issues concerning the AC. In parallel, the AC, as a whole, should have the proper training and experience required for the materialisation of its work, including the knowledge about the broader operational environment of the Bank and the information systems.

The responsibilities of the AC are, among others, as follows:

a) Observing, annually assessing and submitting proposals for the improvement of the adequacy and effectiveness of the Internal Audit System, on a Bank level and on a Group level, based on the relevant data and information provided by the Internal Audit Department (IAD), the ascertainments and observations of the auditors as well as the supervisory authorities, in accordance with the applicable law.
b) The submission of a proposal to the BoD regarding the selection of external auditors. The AC can also submit, if it sees fit, a proposal regarding their replacement or alternation.
c) Supervising and assessing the drafting procedure of published annual and periodical financial reports of the Bank and the Group according to the applicable accounting standards.
d) Evaluating the work of the IAD, with emphasis on issues related to the degree of its independence, the quality and extent of the audits it makes, the priorities set by changes in the economic environment, in the systems and in the risk level and in general the efficiency of its operation, on a Bank level and on a Group level, according to the Bank of Greece Governor's Act 2577/2006.
e) Submitting proposals to internal or external auditors about the special areas where additional audits are deemed imperative.
f) Annually assessing the adequacy and efficiency of the Policy with a view to dealing with Money Laundering and Terrorism Financing and submitting a relevant report to the BoD, as well generally supervising the proper implementation of the said policy.

Risk Management Committee

The composition of the Risk Management Committee consists of four (4) non-executive BoD members, with sufficient knowledge and experience in the field of risk management.
Among others, the Risk Management Committee:

a) Supervises the development and implementation of an appropriate risk management framework, which includes specific limits of tolerance or risk taking. The Committee proposes annually to the BoD the risk taking framework for extensive discussion and approval, as well as the evaluation of the appropriacy of the business plan and recommends any modifications on the above, whenever it sees fit. In case there is a discrepancy between the business plan and the risk taking framework, the Risk Management Committee submits a corrective plan to the BoD.

b) Checks the pricing of the provided services, taking into account the business plan and the risk taking framework of the institution. When pricing does not accurately reflect the risks according to the business plan and the risk taking framework, it submits a corrective plan to the BoD.

c) Recommends to the BoD, when it sees fit, revising the Risk Management Policy and the Credit Policy of the Group, following a recommendation of the Chief Risk Officer.

d) Assesses annually the adequacy and efficiency of the risk management policy of the Bank and the Group, especially the compliance with the specified level of risk tolerance, the appropriacy of the limits, the adequacy of provisions and the overall sufficiency of equity capitals in relation to the amount and form of the risks taken, at least on the basis of the annual report of the Head of the Risk Management Directorate and the relevant extract from the Internal Audit Directorate's report.

e) Ensures that there are proper supervision and control mechanisms for the monitoring and effective management of NPEs and NPLs.

Remuneration Committee

The Remuneration Committee consists exclusively of non-executive members of the BoD, all of whom are independent.

The responsibilities of the Remuneration Committee, among others, are:
a) To prepare decisions regarding the remuneration of the Bank's and Group's staff, including those employees whose professional activities have substantial consequences on the undertaken risks and their management, and makes proposals to the BoD to take decisions.

b) To submit proposals to the non-executive members of the BoD regarding the Management's remuneration, especially of the executive BoD members as well as of the higher-paid employees of the Bank and the Group in accordance with the current applicable policy of the Bank.

c) To supervise directly the remuneration of the senior members in the Risk Management Unit, Compliance Unit and Internal Audit Unit.

d) To support the BoD under its supervisory authority as regards the supervision of policies, practices and remuneration procedures and compliance with remuneration policy.

e) To evaluate the mechanisms and systems that are introduced to ensure that the remuneration system takes due account of the levels of all types of risk, liquidity and capital and that the overall remuneration policy promotes and agrees with the optimal and effective risk management and is consistent with the business strategy, goals, corporate culture and corporate values, as well as with the long-term interests of the institution.

The Bank implements a remuneration policy, which constitutes an integral part of corporate governance and which promotes the proper, efficient management and coverage of the risks it has or is going to undertake.

Attica Bank ensures that the level and structure of remunerations are such that are consistent with its overall operating policy, its business strategy, goals, values and long-term interests.

Nomination Committee

The Nomination Committee consists of three non-executive members of the BoD. The Committee has the responsibility of the policy and the procedures that must be followed for the appointment of the members of the Board of Directors and of the Committees set up at the BoD level of the Bank.

In specific, the responsibilities of the Committee include, among others, identifying and submitting proposals to the BoD regarding the appropriate persons for the filling of the vacancies of the BoD and its committees. It also sees to issues that are associated with the adequacy, efficiency and effectiveness of the BoD, both as a whole and in relation with its individual members, as well as with whatever concerns the appointment of senior executives, in accordance with the requirements of the applicable regulatory (legislative, normative and supervisory) framework, the Bank's charter of association, the EBA guidelines and the best international practices, as applicable. For the identification of suitable candidates to be appointed to the BoD, the latter, through the Committee, assesses its current composition and ensures that there is an effective and transparent procedure for the appointment of candidate members of the BoD.

Strategic Planning and Communication Committee

In the context of assisting the Board of Directors in drafting the strategic guidelines of the Bank, the Strategic Planning and Communication Committee has been set up and is in operation. The Strategic Planning and Communication Committee supervises the implementation of the Bank's Business Plan and defines the Bank's communication policy. The Strategic Planning and Communication Committee is composed of at least five main members, executive and non-executive members of the BoD, of whom one is the current Chairman of the BoD.

5.1.3. Main Managing Committees and Councils

Executive Committee

The Executive Committee supervises and ensures the smooth and effective operation of the Bank for the implementation of the strategy, the business plan and the budget, as those are approved by the BoD. It consists of 9 (nine) members, one of whom is the current CEO and who is appointed as it President. Among others, the Committee has the following tasks:

- It elaborates the strategy and drafts the proposal of the Business Plan and the annual budget before these are discussed in the Strategic Planning and Communication Committee.
- It specializes the implementation of the strategy, by coordinating the actions of the Bank's Units.
- It monitors the achievement of targets at Bank and Unit level, examines any divergence from them, decides on remedial actions and provides guidance to the competent organizational structures.
- It decides on the development policy of the networks and the Group.
- It ensures the integration of the risk management guidelines into the Bank 's operations and into the budget.
- It determines the approval limits for the investments and expenditure of the competent bodies.

NPL Management Body

Attica Bank, in the context of alignment with the Executive Committee's Act no. 42/30.05.2014 of the Bank of Greece, the Executive Committee's Act no. 47/09.02.2015 of the Bank of Greece and the Executive Committee's Act no. 102/30.08.2016 of the Bank of Greece, has established a management body to monitor non-performing loans. This consists of three executive members and has the appropriate degree of independence in relation with the other operational structures of the Bank and especially in relation with the credit operations and the operation of the management of the performing loans of the portfolio. Its responsibilities are described in the regulatory framework regarding the credit institutions' obligations about the management of NPEs and NPLs, as applicable.
These include, among others:

- The centralised processing of all internal reports regarding the NPL management function.
- The formulation of the appropriate types of restructuring or final settlement per loan sub-portfolio and the monitoring of their efficacy, through appropriate performance indexes.
- The formulation and substantiation of the criteria, which will examine the long-term sustainability of each type of adjustment or final settlement (creating and using special tree charts).
- The determination of the parameters and the range of responsibilities of bodies and persons involved in the evaluation of the sustainability and appropriacy of the proposed settlement type and the subsequent monitoring of its implementation.

Assets-Liabilities Committee (ALCO)

The Assets-Liabilities Council (ALCO) consists of seven members. It develops the Bank's and the Group companies' policy in issues of structuring, pricing and managing the Bank's Assets and Liabilities. Moreover, it monitors the economic developments and the basic operational assumptions, based on which the Bank develops its policy.
Among others, ALCO:

- Determines the framework of undertaking and offsetting liquidity and interest rate risks by using the appropriate tools.
- Develops the overall interest rate policy of the Bank and the companies of the Group.
- Determines and supervises the implementation of the internal pricing system for the Bank's treasury and establishes the policy of internal pricing between deposit/credit units.
- Approves the liquidity contingency plan and sees to differentiate between the sources of liquidity.
- Approves the stress test and examines the results from the implementation of scenarios for extreme changes in the capital markets.
- Evaluates and approves the circulation of new deposit or loan products as well as the launching of new products and services that comply with its strategic planning.

IT Committee

H Attica Bank's IT Committee was established under the Bank of Greece Governor's Act 2577/2006, with the aim of determining and managing the IT projects based on the Bank's Strategic Business Plan and IT Strategy. The responsibilities of the IT Committee, among others, are:

- To determine the IT Action Plan, which includes both short-term and mid-long-term IT projects within the operational objectives of the Bank and the current institutional framework.
- To decide on the implementation of the IT projects, the subject and their implementation parameters in accordance with the requirements set out in the Bank's Business Plan.
- To have the supervision of the IT budget.
- To approve the procurement or development of each system and supervise its implementation on the basis of the feasibility study made.
- To supervise all partnerships and outsourcing, ensuring in this way that the services offered and the potential risks have been properly assessed.
- Evaluate the analysis and risk management related to IT systems and provide information to the competent organizational structures.

5.1.4. Other Management Units

Internal Audit Department

The primary role of IAD is to estimate the adequacy of the Internal Audit Systems established by the Bank Management, on a Network, Central Services and Subsidiaries level, and, as such, it is responsible for the constant control of the operation of the said Bank Units, in line with the applicable provisions of the Monetary and Supervisory Authorities (Bank of Greece Governor's Act 2577/06), the approved Strategy of the Audit Committee, the Bank Management's guidelines with the Department's own decisions and the decisions of audit practice.

The IAD is administratively independent from units with executive responsibilities and from services which are responsible for the materialisation or transactions to be accounted. The IAD reports to the BoD through the Audit Committee and to the CEO, under conditions that safeguard the IAD's independence.

In particular, the IAD:

- Implements the Bank's and Group's operational strategy through the Internal Audit System with the effective use of the available resources.
- Controls the implementation and effectiveness of protection measures, procedures and operations, the implementation and the continuous observance of the Rules of Operation and the Articles of Association of the Bank, which have been properly established (Regulations and guidelines) for the proper, smooth and safe conduct of individual works.
- Controls the efficacy of procedures established for the control and management of various banking risks undertaken, especially the credit risk, assessing the potential loss for the Bank inflicted by the said risks.
- Carries out regular or special audits so as to form an objective, independent and documented opinion on the adequacy and efficacy of the Internal Audit System, at a credit institution level and at a Group level, as well as in cases where there are indications of damage to the interests of the bank or its subsidiaries, in order to examine the issue in depth and to determine the extent of any damage.

The Internal Audit System of the Bank is supported, in accordance with the current institutional framework, by an integrated Information Management and Communication System (MIS). Its operation ensures a uniform processing of data, which is based on recorded processes, as well as the timely availability, accuracy, reliability and completeness of information, and hence the efficient, timely and valid provision of information to each governing body of the Bank.

The IAD applies the International Audit Standards (IIA Standards) and the IIA Code of Ethics. The IAD takes into consideration and implements the IIA's Practice Advisories, as applicable, the IIA's Practice Guides and Position Papers, the internationally recognised best audit practices and the internal audit guidelines, policies, procedures and methodologies. The IAD auditors are expected to implement and defend the principles of integrity, objectivity, confidentiality and adequacy.

Compliance and Corporate Governance Department

The Compliance and Corporate Governance Department prevents and effectively manages the risks of non-compliance of the Bank and the Group's companies with the applicable legal and regulatory framework that governs their operation, by enacting the appropriate policies and procedures and by adopting mechanisms to recognize, control and monitor the pertinent risks.

Its composition and structure are decided by the BoD, based on the ethos, integrity, prestige, sufficient and certified training, prior experience in relevant positions, participation in projects and knowledge of the Bank's operations and activities.

The Head and staff of the Department are administratively independent from all other operational bodies of the Bank. They cannot hold any other position and/or have any other activity whatsoever inside or outside the Bank which conflicts with their role and duties.

The basic operations of the Compliance and Corporate Governance Department are the following:

- It submits proposals to the Management about issues concerning the development and implementation of the Bank's and generally the Group's policy in the field of compliance and corporate governance, taking into consideration the institutional framework for the monitoring of the financial system.

- It issues guidelines which are relevant to the adjustment of the internal procedures and the Internal Operation Regulation of the Bank and the Group to the legal and regulatory framework.

- It monitors and checks the legal and regulatory compliance of the separate Units of the Bank and Group.

- It sees to the timely and constant update of the employees in the Bank and the Group about the developments in the regulatory framework, by establishing appropriate procedures and training programmes.

- It informs the Management and the BoD of the Bank about any significant perceived violation of the regulatory framework or any important omissions in it.

- It provides that the Bank complies with the legal-regulatory framework related to the prevention and suppression of legalising proceedings from criminal activities and terrorism financing . It proposes measures that reinforce the effectiveness of the relevant policy of the Bank and measures for its implementation.

- It proposes establishing internal Codes of Ethics and sees to their faithful implementation.

5.2. Investors. Shareholders.

Shareholder Registry and Corporate Announcements Office
Investor Relations Office

The good information and briefing of shareholders on corporate affairs constitutes a prerequisite for the proper exercise of their rights. Additionally, their active participation in basic strategic decisions is an example of good corporate governance.

Thus, aiming at timely and complete information, the Bank has made available to the investing public the Customer Custody, Mutual Funds and Shareholder Registry Department of the Custody and Financial Activities Support Sub-Department and the Investor Relations office of the Secretariat of the Board of Directors. These units are responsible for:

- Informing the investing public about developments within the Bank and the exercise of the shareholder's rights as per the applicable law and the Bank's Articles of Association.
- Keeping the shareholder registry and communicating with the Athens Stock Exchange on issues of transfer of shares to inheritance beneficiaries.
- Announcing the transactions of persons that have access to privileged information (in accordance with the provisions of Law 4443/2016 and Regulation 596/2014 of the European Parliament and of the European Council as well as with Decision 3/347/12.7.2005 of the BoD of the Hellenic Capital Market Commission).
- Notifying the supervisory authorities about the changes of significant holdings (Law 3556/2007).

Furthermore, Attica Bank, in order to ensure to all its shareholders easy and equal access to various types of information, maintains an active website (www.atticabank.gr), in which it publishes its corporate governance code and its ownership status, as well as other useful information for the shareholders and the investors.

5.3. Customers

For Attica Bank the improvement of the quality of the services offered constitutes an integral part of its concept of "social responsibility". In Attica Bank every complaint or recommendation is a cause for improvement. The Bank applies the Bank of Greece Governor's Act 2501/31.10.2002 and the relevant provisions of Law 3606/2008 on the transparency of transactions and the examination and settlement of complaints by customers and transactors. It participates in the institution of the Banking Ombudsman and is bound by the procedures it applies. The process of examining and handling the complaints is analytically recorded in a relevant Transaction Transparency Policy and Customer Complaints Management, that has been established and implemented by the Bank.

Risk management
Capital adequacy

attica bank

6. Risk Management. Capital Adequacy.

The Attica Bank Group is exposed to various financial risks, the most important of which are credit risk, market risk, which is the risk from changes in exchange rates, interest rates and market prices, operational risk as well as liquidity risk. The Group has developed the appropriate mechanisms for the monitoring and management of risks so as to avoid their excessive concentration.

A number of institutional bodies operate in the Group, having risk management as their core task. In particular, the Group operates an independent Risk Management Department, which organizationally reports to the Risk Management Committee of the BoD, and the Chief Risk Officer participates in various high-level committees (ALCO, Higher Credit Committee, Executive Committee). Its main role is to monitor all the risks the Group may be exposed to and maintain the level of undertaking business risks within specified limits.

The Board of Directors is responsible for the approval and periodic review of the risk profile of the Group (Risk Appetite Framework). More specifically, the BoD monitors the overall risk, chooses the people and bodies that bear the responsibility for managing the risks faced by the Group and assigns to the pertinent committees and departments, responsibilities for adopting risk management policies and practices.

Other institutions that are involved in risk management are the Executive Committee, the Audit Committee, the Risk Management Committee, the Asset Liabilities Committee (ALCO), the Internal Audit Department, the Compliance Department and Credit Department, the Default Management Committee, the Credit Committee as well as the Higher Credit Committee.

6.1. Credit Risk

Credit risk stems mainly from loans, guarantees and treasury operations. Credit risk is defined as the risk of the Bank suffering losses as a result of customers' or counterparties' breach of their contractual obligations.

Credit risk is the most important source of risk, something that obliges the Group to set its systematic monitoring and efficient management as its primary target. Aiming at a better management, the Group constantly revises its credit policies and supervises the compliance of the competent business units with these policies.

The Bank attaches considerable importance to developing tools for the internal assessment of risks, based on specific characteristics, according to the type of credit exposure. This effort is in line with the requirements imposed by the supervisory framework for the calculation of capital adequacy for banks (Basel III).

The responsibility for the approval of the bank loan portfolio lies with the Credit Departments (Business Lending and Retail Lending), which are independent from the Bank's revenue-generating units. For loans that exceed the approval limits of these Departments, the responsibility lies with the Credit Committee and the Higher Credit Committee of the Bank, in order of precedence. During the making of business decisions about undertaking important risks, beyond the participation of the Credit Department, the participation of the Chief Risk Officer as a member of the Higher Credit Committee is also ensured.

The Group for supervisory reasons separates non-performing exposures according to any of the following criteria:

- Significant exposures in arrears for more than 90 days.
- when it is considered that the borrower is not likely to fully meet his credit obligations without liquidating collateral, regardless of the existence of any arrears or of the number of the delay days.

The following constitute indications of unlikeliness to pay:

- the obligation is characterized as non interest-accruing.
- the institution recognizes a significant credit risk adjustment (provision of impairment) that is justified by the ascertainment of a significant deterioration in credit quality since the time it was granted.
- the credit obligation is sold at significant loss.
- the Bank consents to the urgent restructuring of the obligation which may lead to a lower amount due to the write-off or reclassification of an important part of capital, interest or fees.
- it has been requested that the borrower files for bankruptcy or that a relevant measure as to his credit obligation is applied.
- the borrower has requested to file for or has already filed for bankruptcy or has been put in a similar protection regime, so as to avoid or delay the repayment of his credit obligation, claims and other exposures.

Impairment test of the value of the loans

When there is objective evidence that the collection of part or all of the amounts due is doubtful, provisions are made for the impairment of loans. Events that could trigger such an impairment process are:

- Breach of the terms of the loan from the customers.
- Re-negotiation of the loan on terms that the Group would not consider under normal circumstances.
- Incidents that point to the problematic servicing of loans (worsening of a borrower's financial situation, bankruptcy, etc.)
- Lack of active market for the loan collateral.

To calculate the impairment of loans, the Group carries out in an impairment test on the date the Financial Statements are drafted. The impairment test is carried out in 2 stages:

STAGE 1: Special Impairment Test.

- All loans and receivables from customers that are considered significant on an individual level are assessed on a case by case basis so as to have objective evidence of impairment (loss-making events), at least on each report date. It is examined whether there are arguable indications of potential losses to the customer loan portfolio, individually, for loans that are regarded as significant per se. The assessment is made based on the borrower's financial status, operating sources of performance, repayment history, the liquidable value of the collateral and the possibility of support from solvent guarantors.
- If there is objective evidence of impairment, an impairment loss is recognized if the carrying amount of the asset is higher than the present value of the estimated future cash flows.
- For credits for which collateral has been received, the net liquidable value of the collateral is taken into consideration. The value of the collaterals used in the impairment calculation reflects the cash flows that may stem from the seizure, minus the cost of their acquisition and sale. The value of the collaterals is initially assessed when granting the loan and later in accordance with the Bank's Credit Regulation or even more often when the market conditions are subject to a significant change.

STAGE 2: General Impairment Test.

- If there is no indication of impairment for a specially tested loan, then this is included in a group of loans with similar risk characteristics and a collective impairment test is made. Some examples of common credit risk characteristics are:

  - Estimated default probabilities or degrees of credit risk
  - Loan to Value ratio
  - Type of loan (Business, Credit Card, Consumer etc.)
  - The delay days
  - Loan expiration (Long-term, Short-term)
  - Type of collateral
  - Type of contracting party (e.g. SME, Big Company, Public entities etc.)

- For these credits, loans and receivables are grouped into groups with similar credit risk characteristics. These groups are evaluated for the existence of impairment on the basis of the Group's estimate about whatever concerns the historical experience of loss that these groups have presented in the past. Objective evidence of impairment might exist for a group of financial assets, even when there is not for an individual asset of that group.

- Historical default rates by portfolio category are adjusted on the basis of the trends and conditions prevailing on the assessment day and they may affect the collectibility of receivables.

- It should be noted that the general impairment test does not involve loans for which a special impairment test has been performed.

An impairment provision is also made for the value of the investments which are held to maturity and the assets available for sale if there is objective evidence that they have suffered impairment losses during their evaluation on each balance sheet date.

The Group proceeds to loan write-offs when it has ascertained that they are not likely to be repaid. This decision takes into consideration information such as important changes in the borrowers' financial status which could result in their inability to repay their obligations to the Group or in cases where the proceeds from the collateral do not suffice to repay the entire amount due. In case that, after the recognition of an impairment loss, amounts are collected from written-off or doubtful debts, these amounts are recognized in the profit and loss account.

Practices and management of loans subject to settlement

For some of the loans for which, due to an adverse change in the borrower's financial status, it seems that it is reasonably likely that they will not be repaid according to the initial terms of the agreement, the Group proceeds to a change of their terms by offering the borrower terms that it would not offer for new loans with the same risk characteristics. This change in the terms (concession) is not justified by any improvement in the borrower's creditworthiness or by changes in market prices or in the lending policy of the credit institution, as the settlement intends to facilitate the repayment of at least part of the borrower's debts. Forborne exposures are loan agreements to which forbearance measures have been applied. These include concessions to a debtor who is facing or will face difficulties in fulfilling his financial obligations ("financial difficulties").

Loan exposures are considered to be forborne exposures, when concessions have been made, regardless of the existence of any overdue amount or of the classification of the exposures as impaired, in accordance with the applicable accounting context, or as in default.

Those concessions involve:

- An amendment of the previous terms and conditions of a contract which the borrower is deemed unable to meet, due to his financial difficulties, resulting in insufficient ability to manage the debt. This amendment would not have been conceded if the borrower was not facing financial difficulties.
- Total or partial refinancing of a problematic debt contract, which would not have been conceded if the borrower did not face financial difficulties. Refinancing is defined as the use of loan contracts so as to ensure full or partial repayment of other loan contracts under the current conditions that the debtor is not able to adhere to.
- Divergence in favor of the debtor between the amended terms of the contract and the terms previously in force.
- Inclusion, in an amended contract, of more favorable terms than other borrowers with a similar risk profile could have taken at the time.
- The amendment that has been made to a contract entails a total or partial cancellation of the debt by write-off.
- The Bank approves the use of embedded forbearance clauses for a debtor who cannot manage the exposure or who could be deemed unable to manage the exposure without the use of the said clauses.

Exposures are not treated as forbearance exposures when the borrower does not face financial difficulties. Examples of indications of the borrower's difficulties in fulfilling his financial obligations and his worsening financial status include:

- Substantial deterioration of the debtor's financial data (reduction of income, profits/turnover), especially if they follow a deteriorating trend.
- Existence of events that have adversely affected the borrower's financial status (indicatively, the cessation of business of a basic client of the debtor, destruction of premises, dismissal from work etc.)
- Small and repeated but substantial delays in managing the loan, which create a negative image of the borrower's behavior.
- Substantial downgrading of the debtor's credit rating.
- Existence of other overdue debts to the credit institution.

In the event of forbearance measures applied to non-performing exposures, these exposures are deemed to have ceased to be non-performing, as long as all the following conditions are met:

- Forbearance measures do not involve the recognition of impairment or default.
- One year has elapsed since the forbearance.
- After the forbearance measures are agreed, there are no amounts past due or concerns over the full repayment of the exposure, in accordance with the forbearance measures agreed. The absence of concern is determined upon an analysis of the financial situation of the borrower. It can be assumed that concerns cease to exist when the borrower has repaid, through regular payments and in accordance with the forbearance measures or the debtor has otherwise demonstrated the ability to comply with the forbearance measures.

For loans with forbearance measures, the Group follows similar procedures for the assessment of the borrower's financial status to those it follows for loans granted for the first time, while the monitoring of debts is more systematic. This means that the Group carries out at least the following:

- During the renegotiation of the terms, it proceeds to a reassessment of the financial status of the debtor, taking into consideration all the financial or other parameters that affect his credit rating.
- It monitors the ratio of pre-tax income (PTI) and the Loan-to-Value index (LTV).
- It systematically monitors any changes in the borrower's financial and other assets or the client's banking behavior in case of retail banking for at least three years, or until the reasons for the reorganization have been eliminated.
- It has recorded policies and procedures for monitoring loans under settlement and adopts safeguards that ensure to a satisfactory degree that these policies and procedures are followed.
- Loans under settlement are monitored as special categories, distinctly in the Group's computer system, and are treated as loans that are in temporary delay.

Classification in the forbearance exposures is terminated, when all the following conditions are met:

- The exposure is deemed as performing even in cases of previous classification as non-performing, given that an analysis of the debtor's financial position indicates that criteria for classification of the exposure as non-performingare no longer met.
- At minimum a 2-year probation period has elapsed since the forborne exposure was classified as performing.
- A significant part of the principal or interest has been repaid through regular payments ofer at least half the probation period.
- No exposure to the debtor is over 30 days past due at the end of the probation period.

In case the above conditions are not met at the end of the probation period, the exposure is still defined as a settled performing exposure under probation, until all the conditions are met. The conditions are assessed at least on a quarterly basis.

A forbearance exposure may be deemed to be performing as of the date on which the forbearance measures were applied, provided that any of the following conditions are met:

a. this extension did not result in the exposure being classified as non-performing.
b. the exposure was not considered to be a non-performing exposure on the date that the forbearance measures were extended.

Furthermore, in case additional forbearance measures are applied to a performing contract with a forbearance under suspension or in case the contract shows any delay for more than 30 days, it is classified as non-performing.

The forborne exposures that are classified as non-performing according to the above, are subject to an impairment test, following the rules described previously in the two stages of the Special and General Impairment Test. Forborne exposures are classified on the basis of the same credit rating scale as the rest of the Bank's portfolio.

Collaterals Policy

The Group's general principle for lending is receiving collaterals. These collaterals mainly consist of real estate mortgages, pledges, and claims on receivables. According to the credit policy, the main types of collateral that the Group accepts fall into the following categories:

- Mortgages on urban properties and properties within the urban planning zone that cover the amount of financing.
- Guarantees of the Greek State, Banks or ETEAn.
- Pledge on accrued claims based on invoices from contracts with the government, public organizations or public entities.
- Cash or Deposits
- Bills of exchange and customer cheques.
- Machinery.
- Assigned export shipping documents.
- Pledging of goods in the State Repositories.
- Pledged securities-shares of listed companies – mutual funds and securities issued by various large Sociétés Anonymes.
- Maritime liens.

Collaterals are regularly monitored so as to ensure that they remain legally valid, enforceable and of adequate value while their management and valuation is based on reliable estimates. The monitoring of collaterals covers their legal recognition, their current status and value and their insurance.

The frequency of monitoring the collateral for normal credit facilities depends on the type of each collateral and the frequency of changes that can affect it. Nevertheless, for the basic forms of collateral the following reviews are carried out:

- For mortgages - prenotations and for the legal status and value of real estate, at least every two years.
- For Retail Banking exposures, property values are updated on a quarterly basis of based on the Real Estate Index of the Bank of Greece.
- For guaranteed (or discounted) bills of exchange and cheques reviews are carried twice a year depending on the concentration of obligations of their recipients.
- For assigned claims: at least three times a year, depending on the type of claim and the payer's capacity.

Most of the aforementioned reviews are carried out where it is seen fit. The frequency of the re-evaluation depends, among others, on the volatility of the value of the collateral, the considerable changes of the market or significant deterioration of the contracting party's credit ranking.

The frequency of valuations is a basic factor in the calculation of the impairment loss. If collateral has been received for the loans during the assessment of the need for impairment provision, then the current net liquidable value of the collaterals is taken into consideration. Moreover, in cash flow forecasts the relevant costs associated with collateral liquidation are all taken into consideration as well as other inflows, such as recourse to other assets. The size of any resulting reduction in the value of the collateral in relation to the value of the initial valuation is affected by the type of collateral e.g. land, utilized land or investment property as well as by the location.

Assessment of loan portfolio quality

Particular importance is attached on assessing the quality of business, mortgage and consumer loan portfolios. By using advanced credit systems for the measurement of risks and assessment of borrowers, based on quantitative and qualitative criteria, credit risks are detected and addressed in a timely and effective way.

For businesses, what is taken into account is the external credit assessments of the external credit assessment institution "ICAP Research and Investment Business Consultants S.A.". This specific credit rating model classifies companies into credit rating grades and helps the Bank ensure more rational pricing in line with the risk undertaken. The grading scale ranges from AA (exceptionally high credit rating) to H (extremely low credit rating, extremely high credit risk). Additionally, there is an NR category which includes companies which have either ceased their activity or their ranking is not possible to calculate based on the existing data.

Credit risk management for the retail banking portfolio starts from the approval process, which is fully centralized. In consumer and home loans, a customer credit scoring system is implemented. This covers credit cards and loan products. On a regular basis, the servicing of the loans granted is monitored and relevant reports are drawn up.

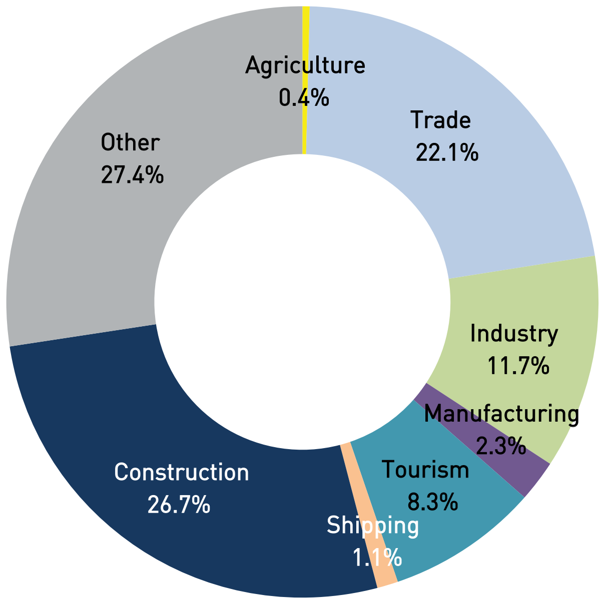
Due to the adverse economic conditions, the Bank has proceeded to the development of additional processes for the optimal management of customers with overdue business and retail bank debts: it has established an independent Special Accounts Management Unit, it has upgraded the overdue debts management system and has made the approval thresholds stricter.

6.2. Concentration Risk

The criterion for determining the limits in the Banking Portfolio is the adequate diversification of Group funds and the avoidance of concentrations, taking into consideration:

• The existence of sectoral studies regarding the degree of credit risk, so as to identify high-risk sectors.
• An assessment of the concentration risk, which may arise from exposures to specific customers or groups of connected customers and / or exposures to groups of counterparties, whose default risk is affected by factors such as: macroeconomic environment, geographical location, activity sector, currency or collateral.

Breakdown of Business Exposures per sector 31/12/2016



Also, according to the current regulatory framework, concentration risk is monitored by monitoring large credit exposures per group of connected customers. A credit exposure is defined as the total of in- and out-ofbalance sheet items of a credit institution (loans, letters of guarantee, bills of credit, etc.) relating to a group of connected customers (a Group).

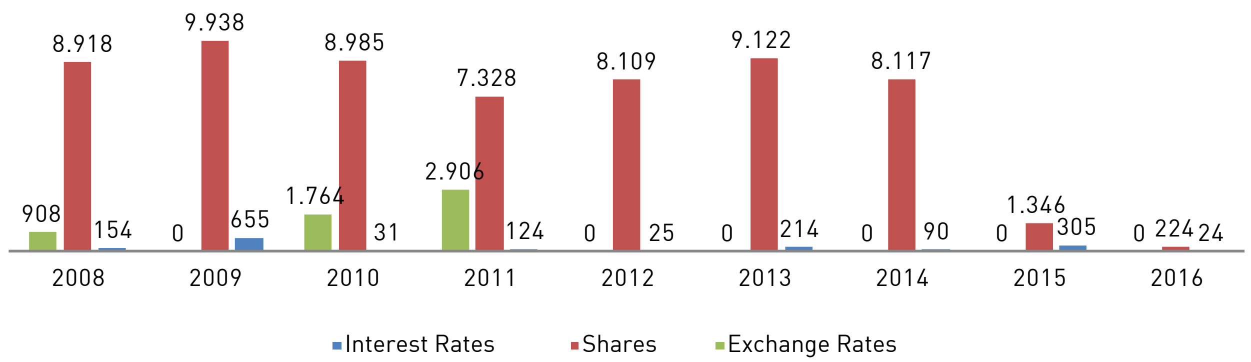
6.3. Market risk

Market risk is the risk of loss of fair value of financial instruments that results from adverse changes in market variables, such as changes in interest rates, stock market prices and exchange rates.

There are pre-determined internal procedures for the determination of the trading limits of the Treasury Department. In this context, risk-hedging techniques are developed and the effectiveness of risk hedging and mitigation techniques is monitored, within the framework of the management policy and the limits set by the ALCO.

The trading book also includes investments in assets which are held for trading. These consist of securities purchased in order to produce direct profit from short-term price fluctuations. The Bank creates relatively small positions in the trading portfolio and, therefore, the market risk undertaken is low.

Breakdown of the Bank's risk-weighted assets - Market risk (amounts in euro 000s)



The exchange rate risk, interest rate risk and stock market price risk for the assets included in the trading portfolio is assessed by the Bank, in cooperation with the Group's subsidiary company Attica Wealth Management S.A.

For the management of exchange rate risk and other market risks, a limit framework has been determined upon ALCO's approval. In this context, nominal limits (per currency, total, intraday, end-of-day) and profit-loss limits are included.

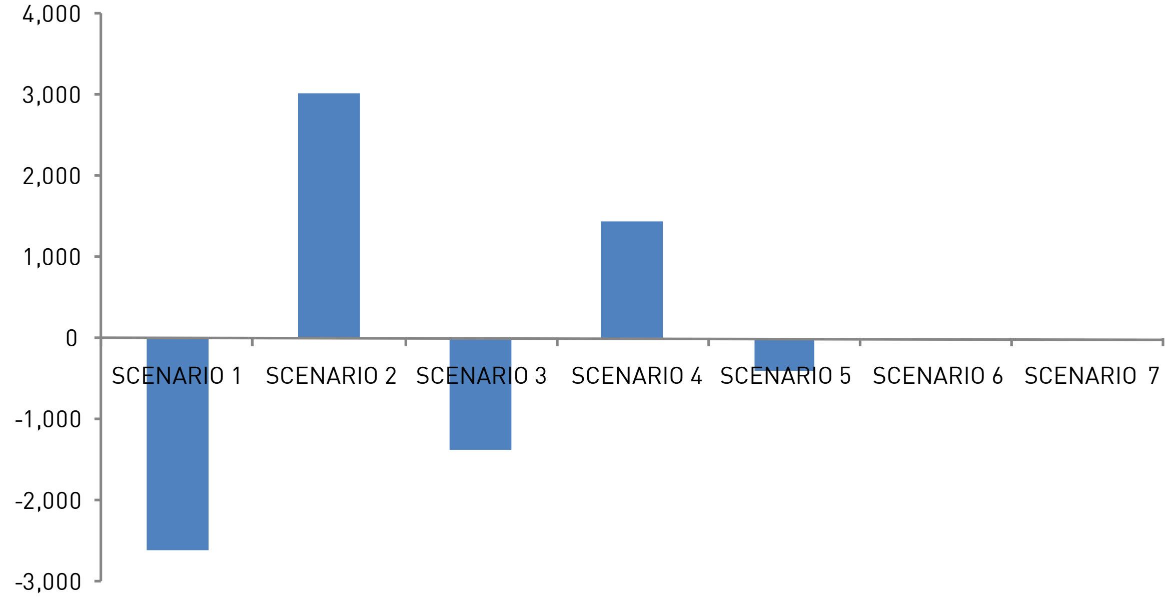
For interest rate risk, interest rate risk measurement methods are used. They are related to the repricing risk and the yield curve risk.

The Bank at regular intervals proceeds to the analysis of stress scenarios and sensitivity analysis to assess the economic value of portfolios that will occur in various scenarios of changes in the interest rate curve. This analysis takes into consideration the interest rate time horizon as well as the type of market (developed or emerging) where the portfolio assets are traded.

Market risk scenarios for the trading book, 2016

SCENARIO	RISK FACTORS	SHORT - TERM PERIOD < 1 year	MID - TERM PERIOD 1-4 years	LONG - TERM PERIOD > 4 years
SCENARIO 1	Interest Rates	+200 bps	+200 bps	+200 μ.β.
SCENARIO 2		-200 bps	-200 bps	-200 μ.β.
SCENARIO 3		+150 bps	+100 bps	+50 μ.β.
SCENARIO 4		-150 bps	-100 bps	-50 μ.β.
SCENARIO 5	Stock Prices		-30%	
SCENARIO 6	Exchange		Devaluation by -10%	
SCENARIO 7			Appreciation by 10%	

Market risk stress tests results – Bank (amounts in euro '000s)



The above chart shows the expected profit or loss according to the scenarios described in the above table.

Interest Rate Risk for the Banking Book

The interest rate risk of the bank's portfolio (banking book) originates from the delay in readjusting interest rates on the Bank's assets and liabilities.

Such changes in interest rate prices may affect the financial position of the Group, since the following can also change:

- The net interest income.
- The value of revenues and expenses sensitive to interest rate fluctuations.
- The value of assets and liabilities, since the present value of future cash flows (and often of the current cash flows) changes as interest rates change.

Interest rate risk is measured at least on a monthly basis, using the following two basic methods for the banking portfolio:

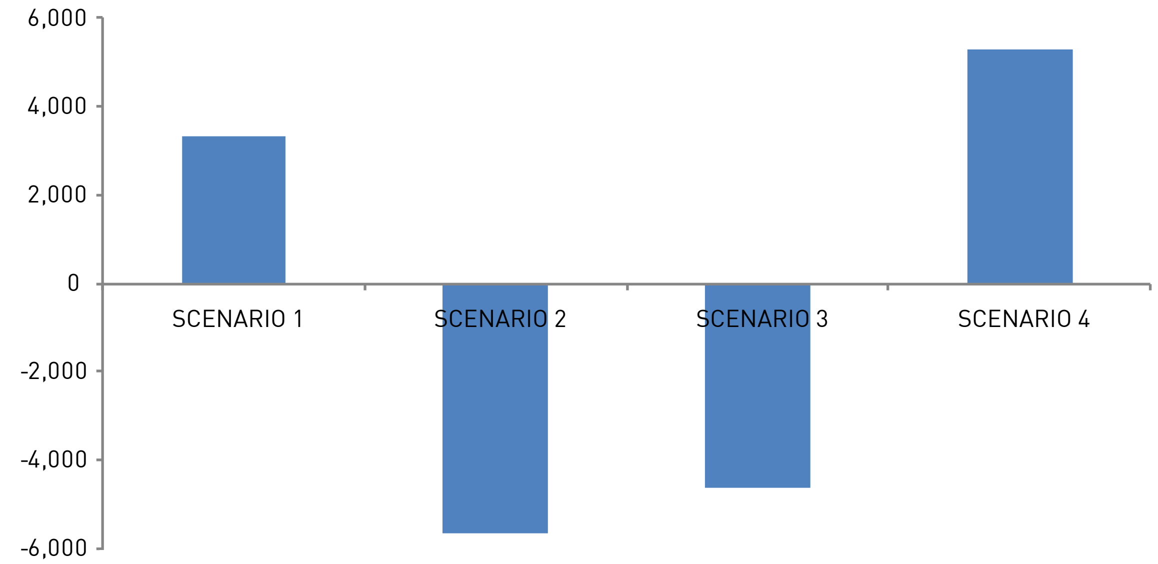
- **Interest Rate Gap:** The Bank monitors interest rate gaps at regular intervals. The assets and liabilities are classified in different periods according to the readjustment period of the interest rate. The interest rate gap per period is defined as the difference between the assets and the liabilities at that specific period.

- **Sensitivity Analysis:** The Group at regular intervals proceeds to the analysis of stress scenarios and a sensitivity analysis of the change of the economic value of the portfolios that will arise under various scenarios of changes in the yield (interest rate) curve.

Market risk scenarios for the banking book

RATE CHANGE TYPE	RISK FACTORS	PARALLEL SHIFT OF THE YIELD CURVE
SCENARIO 1	Net Interest Income	+200 bps
SCENARIO 2	Net Interest Income	-200 bps
SCENARIO 3	Equity capital	+200 bps
SCENARIO 4	Equity capital	-200 bps

Interest Rate Risk stress tests results (amounts in euro 000s)



6.4. Capital Adequacy

Specialized units of the Bank monitor the capital adequacy at regular intervals and submit data to the Bank of Greece on a quarterly basis.

The regulatory capital of credit institutions is divided into:

- Tier 1 capital, which is further broken down into:
  - Common Equity Tier 1 (CET 1) capital
  - Additional Tier 1 capital

- Tier 2 capital.

The Capital Adequacy Ratio is defined as the ratio of the regulatory capital to the assets, as well as items not included in statement of financial position weighted against the risk they entail.
The Tier 1 Ratio is defined as the ratio of Tier 1 capital to the risk-weighted assets (on and off-balance sheet), while the Common Equity Tier 1 ratio (CET 1 ratio) is also defined in a similar way.

In accordance with Regulation 575/2013 and Credit and Insurance Committee Decision 114 / 04.08.2014, banks must on an individual and consolidated basis meet a minimum of at least a CET 1 Ratio of 4.5%, a TIER 1capital ratio of 6% and a Total Capital Ratio of 8%.

It is noted that this Credit and Insurance Committee Decision has abolished the Bank of Greece Executive Committee Act 13 / 28.3.2013, while it also provides for transitional provisions regarding the application of supervisory deductions from CET 1 capital.

Furthermore, according to Directive 2013/36 / EU, banks will also be required to gradually create a capital conservation buffer of 2.5% until 01/01/2019 (0.625% on 01/01/2016, of 1.25% on 01/01/2017 and of 1.875% on 01/01/2018) beyond the existing CET 1 capital and the minimum regulatory own funds.

In all, the minimum ratios that should be observed, including the capital conservation buffer, effective as of 01/01/2019, are:
- Minimum common equity ratio of 7%.
- Total capital Adequacy Ratio of 10.5%.

Finally, Directive 2013/36 / EU provides for the discretion of Member States to impose the following capital buffers:
- Countercyclical capital buffer
- Systemic risk capital buffer

The main priorities of the Group are the preservation and harmonization of the capital adequacy within the current regulatory framework, the ability of the Group to uninhibitedly continue its activities and the preservation of the capital base at such a level that will allow the achievement of its business plan.

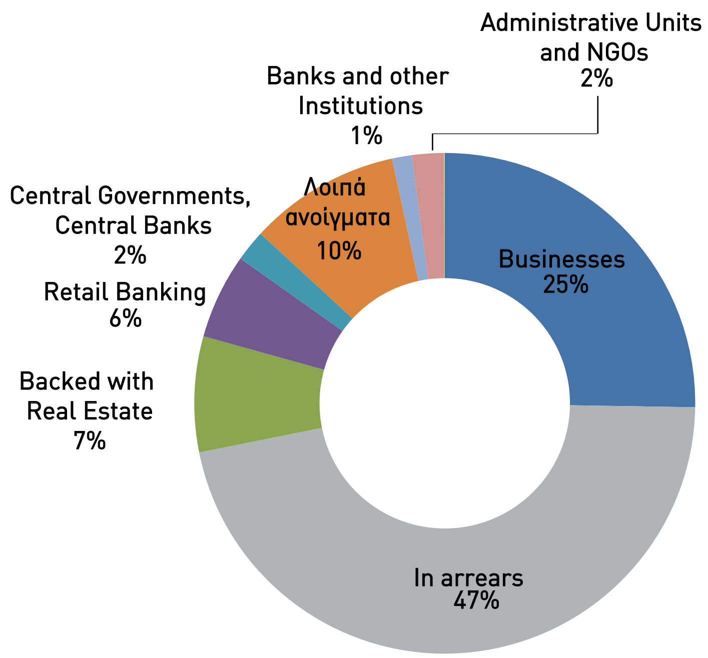
Table of Capital Adequacy Ratios - Bank

	2016	2015	2014	2013	2012
Risk - Weighted Assets					
Credit Risk	3,277,277	3,174,082	3,149,614	2,943,480	2,899,108
Market Risk	3,100	20,635	102,579	116,696	101,671
Operational Risk	185,677	148,682	144,552	197,046	197,046
Total Risk - Weighted Assets	**3,466,054**	**3,343,399**	**3,396,745**	**3,257,222**	**3,197,825**
Regulatory Capital					
CET I Capital	508,084	564,363	236,960		
Core Tier I Capital				267,677	104,038
Tier I Capital	508,084	564,363	309,398	367,084	104,038
Total Regulatory Capital	508,084	564,363	325,244	388,082	149,782
Capital Adequacy Ratios					
CET I Ratio	**14.66%**	**16.88%**	**6.98%**		
Core Tier I Ratio				**8.22%**	**3.25%**
Tier I Ratio	**14.66%**	**16.88%**	**9.11%**	**11.27%**	**3.25%**
Total Capital Adequacy Ratio	**14.66%**	**16.88%**	**9.58%**	**11.91%**	**4.68%**

As seen in the above table, 94.5% of the capital requirements relate to credit risk whereas a smaller part involves operational risk (5.4%) and market risk (0.1%).

The chart below analyzes the breakdown assets weighted for credit risk:

Assets Weighted for Credit Risk, 2016 - Bank



The Group has at its disposal reliable, effective and integrated strategies and procedures for the evaluation on a permanent basis of the amount, composition and allocation of capital which is considered to be sufficient to cover the nature and level of the risks undertaken (internal capital).

Within the context of the Internal Capital Adequacy Assessment Procedure, quantitative and qualitative data are examined. These include the level and structure of regulatory capital, market risk, liquidity risk, interest rate risk, the level and allocation of internal capital etc. The assessment of these information determines the funds required for the further coverage of the following:

- Underestimation of Credit Risk according to the Standardized method.
- Market Risk Undestimation.
- Underestimation of Operational Risk during the use of the Basic Ratio methodology.
- Other Risks such as interest rate risk, concentration risk, liquidity risk, leverage, profitability risk, capital risk and reputation risk.

6.5. Operational Risk

Operational Risk is inherent in every banking activity and derives from inadequate internal procedures or violations of the said procedures, human behavior, IT systems or external factors. Operational risk also includes legal risk and compliance risk, whereas it does not include other risks, such as strategy risk and reputation risk. The Bank monitors the Group's exposure, based on the available quantitative data, aiming at the gradual broadening of the monitoring range and at further deepening.

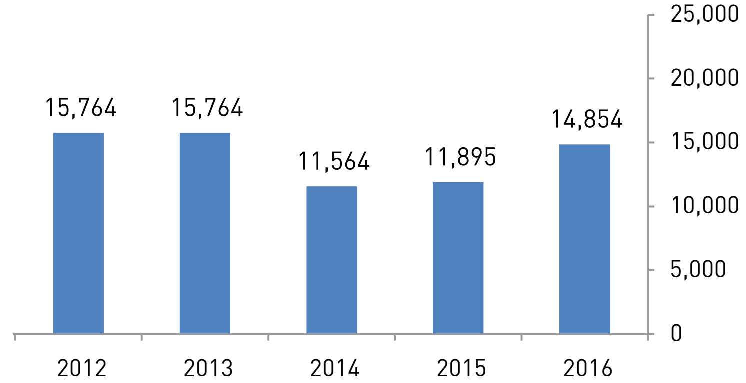
The monitoring of operational risk by the Bank is based on five basic pillars and in specific on recording the losses deriving from:

1. Internal or external fraud.
2. Oversight, error and generally unintentional violation of established procedures by a Bank officer.
3. Damage, destruction and generally damage to tangible property assets as a consequence of a natural disaster or vandalism.
4. The collapse or malfunction of IT systems.
5. Lawsuits filed or other legal actions made against the Bank.

In line with the implementation of more advanced approaches to the measurement, recognition and management of the Operational Risk, the Bank develops procedures that regard the use of:

- Internal and external audit reports
- Database of risk register and monitoring
- The Business Continuity Planning

Capital Requirements for Operational Risk, Bank
(amounts in euro 000s)



6.6. Liquidity Risk

Liquidity risk is defined as the possible inability of the Group to fully or promptly repay its current and future financial liabilities when they become due - because of lack of the necessary liquidity. This risk also includes the probability of needing to refinance funds at higher interest rates, and selling assets.

During the management of liquidity risk, the Group's aim is to ensure liquidity to a satisfactory degree with the ultimate goal of fulfilling its obligations under any circumstances and without a disproportionate additional cost.

The monitoring of the Group's liquidity risk focuses on managing cash flows and outflows. In particular, in the context of the examination of quantitative data, the following are assessed on a Bank and Group level:

- The monitoring of the volatility of the deposits, placing particular emphasis on large depositors
- The relation of the deposits to total assets - liabilities and loans
- The measurement and monitoring of the coverage cost of open positions
- The diversification of financing sources
- The evolution of basic liquidity risk measurement ratios
- The percentage of the portfolio available for EcB funding
- The percentage of securitized loans per portfolio

The supervisory authorities have set liquidity assessment ratios, in order to control the net liquidity gap. In particular, as per Regulation 575/2013, the Bank should maintain liquid assets, the sum of whose values should cover liquidity outflows under extreme conditions. In this way, it is ensured that the Bank maintains sufficient liquidity reserves so as to face potential imbalances between inflows and outflows of liquidity under particularly extreme conditions for a time period of up to 30 days. The aforementioned obligation is quantified with the use of the Liquidity Coverage Ratio, which is defined as the ratio of liquid assets over the net outflows of the Bank. In addition, in the same context, the Bank should make sure that long-term liabilities are suitably covered by a wide range of stable funding tools, both under stable and extreme conditions. The above obligation is quantified through the Net Stable Funding Ratio, which is defined as the ratio of items that provide stable funding to items that require stable funding.

The Treasury Department is responsible for co-ordinating the access to the money markets so that the Group meets the liquidity needs that arise at any given time. All information concerning the Group's funding inflows and outflows is directed to the competent units of the department, with the aim of effectively managing the liquidity which results from the Group's units and their activities. Moreover, the Treasury Department determines a level of liquidity reserve in the form of unencumbered and highly liquid assets (liquidity buffers) that can be sold, also taking into consideration their liquidation value in conditions of crisis.

At regular intervals, stress tests are conducted, based on the particular characteristics of the Group and on changes in the characteristics and conditions of the markets. The results of the liquidity crisis stress tests are of utmost importance in order to determine the appropriate measures and to adjust the internal procedures and limits, so as to effectively face a liquidity crisis.

In application of the Bank of Greece Governor's Act 2614 / 07.04.2009 regarding liquidity risk, the Bank developed and submits to the Bank of Greece internal liquidity limits and a Contingency Funding Plan, taking into account the consequences that market-wide liquidity drain or a credit downgrade of the Group might have on funding costs.

6.7. Leverage Risk

The Basel III regulatory framework requires that Banks set limits and actively manage leverage risk through the introduction of a leverage ratio, which is defined as the ratio of Tier 1 Capital to the adjusted on- and off-balance sheet assets.

Data of leverage ratio calculation – Bank & Group

	2016	2015
Leverage Ratio	13.8%	15%

Leverage risk management is integrated in the general framework of the Group's overall business strategy regarding risk management. The Risk Management Department is responsible for the calculation and communication of the leverage ratio to the Group's operational bodies. In addition to gathering the data for the calculation of the ratio, the Risk Management Department also examines the individual elements which shape the Group's exposure to leverage risk and makes recommendations it in cases when deviations from the risk tolerance levels are detected.

6.8. Other Risks

The Risk Management Department addresses the issues regarding the other risks that the Bank faces.

For capital risk:

- It analyzes the level, structure and stability of regulatory capital.
- It analyzes the capital structure and the quality of Tier 1 capital, as well as the share of innovative capital, minority interests and hybrid capital in the total capital of the Group.
- It controls the sufficiency and stability of operating profits (on an individual and consolidated basis), in order to cover, among others, a potential increasing need for the creation of reserves or provisions due to impairment of assets.
- It monitors the Policy and the pace of credit expansion as it may weaken capital adequacy through the reduction of regulatory capital or through the increase of risk-weighted assets.
- It controls the current level of the capital adequacy ratio in relation to the corresponding ratio of other credit institutions.
- It analyzes the possibility of raising additional funds on reasonable terms (valid raising and cost), as this is determined by the analysis of capital structure, asset structure and the institution's access to the markets.

For profitability risk:

- It dynamically and statically monitors the Bank's key profitability ratios by proceeding to comparative and time-series analyses.

For compliance risk:

- The Compliance Department monitors compliance risk meant as the risk of legal or regulatory fines , the risk of financial loss or consequences on the Bank's reputation as a result of non-compliance with laws, regulations and codes of conduct. Losses from the non-compliance with the legislative and regulatory framework are included in operational risk. However, the losses from the non-effective compliance extend to the reputation of the Bank, with important consequences on its profitability, the value of its share etc.

07

Other Information

attica bank

attica bank

7. Other Information.

7.1. Administrative Departments – Network Units

CALL CENTER: +30 210 3669000	TELEPHONE	FAX
TRANSFORMATION OFFICE	+30 210 3669174	-
LARGE CUSTOMERS DEPARTMENT	+30 210 3667336	+30 210 3667243
PRODUCT & SERVICES DEPARTMENT	+30 210 3669347	+30 210 3669450
HUMAN RESOURCES DEPARTMENT	+30 210 3669340	+30 210 3669413
TREASURY DEPARTMENT	+30 210 3667218-9	+30 210 3667230
BRANCH NETWORK MANAGEMENT DEPARTMENT	+30 210 3667180	+30 210 3667272
DELIQUENT BUSINESS LOANS MANAGEMENT DEPARTMENT	+30 210 3396714	+30 210 3396804
NPL MANAGEMENT: BUSINESS LOANS DEPARTMENT	+30 210 3396720	+30 210 3396826
RISK MANAGEMENT DEPARTMENT	+30 210 3667054	+30 210 3667236
INVESTMENT BANKING DEPARTMENT	+30 210 3667040	+30 210 3667258
INTERNAL AUDIT DEPARTMENT	+30 210 2002760	+30 210 2002762
NPL AND DELIQUENT RETAIL LOANS MANAGEMENT DEPARTMENT	+30 210 3396713	+30 210 3396708
COMPLIANCE & CORPORATE GOVERNANCE DEPARTMENT	+30 210 2002740	+30 210 2002758
CENTRALISED OPERATIONS DEPARTMENT	+30 210 3669042	+30 210 3669468
LEGAL DEPARTMENT	+30 210 3396875	+30 210 3396898
FINANCE DEPARTMENT	+30 210 3669260	+30 210 3669431
PROPERTY, TECHNICAL SERVICES & PROCUREMENT DEPARTMENT	+30 210 3669175	+30 210 3669402
CREDIT DEPARTMENT	+30 210 3667169	+30 210 3667262
IT & ORGANIZATION DEPARTMENT	+30 210 2002711	+30 210 2002666
STRATEGY AND FINANCIAL PLANNING DEPARTMENT	+30 210 3669201	+30 210 3669410
DIGITAL SERVICES DEPARTMENT	+30 210 3669280	+30 210 3669421
CORPORATE COMMUNICATION SUB-DEPARTMENT	+30 210 3669314	+30 210 3669472
REGULATORY MONITORING UNIT	+30 210 3669072	+30 210 3669410

7.2. Branch Network

Branch Network - Attica

BRANCH	ADDRESS	TELEPHONE	FAX
ACADEMIAS ST.	54 Academias St., GR-10679	+30 210 3667130	+30 210 3667252
AEGALEO	285 Iera Odos St. & 2 Averof St., GR-12244	+30 210 5313228	+30 210 5313678
AGIA PARASKEVI	392A Mesogion Ave., GR-15341	+30 210 6009885	+30 210 6013784
AGIOS DIMITRIOS	31 Ag. Dimitriou St. & 34 Armodiou St., GR-17343	+30 210 9761671	+30 210 9761756
ANO PATISSIA	376 Patission St., GR-11141	+30 210 2002680	+30 210 2117327
GALATSI	81 Galatsiou Ave. & 2 Dorieon St., GR-11146	+30 210 2935020	+30 210 2220628
GLYFADA	9 Dousmani St. & 10 A. Metaxa St., GR-16675	+30 210 8943041	+30 210 8943069
HALANDRI	47 Andrea Papandreou St., GR-15232	+30 210 6858083	+30 210 6858084
ILION	46 Idomeneos St. & Nestoros St., GR-13122	+30 210 2696200	+30 210 2610810
ILIOUPOLI	2 Plateia Kanaria Str. & Marinou Antipa St., GR-16345	+30 210 9954707	+30 210 9954017
KALLITHEA	49 El. Venizelou St. & Kalypsous St., GR-17671	+30 210 9515433	+30 210 9521086
KERATSINI	Dimokratias Ave. & 2 Ermou St., GR-18756	+30 210 4639100	+30 210 4637632
MAROUSI	23 Dionysiou St., GR-15124	+30 210 6146250	+30 210 6128944
MUSEUM	46 28th Oktovriou St., GR-10682	+30 210 8218397	+30 210 8232410
NEA ERYTHREA	138 Harilaou Trikoupi St., GR-14671	+30 210 8000270	+30 210 8000201
NEA IONIA	318 Irakliou St. & Parnassou St., GR-14231	+30 210 2750101	+30 210 2770587
NEA SMYRNI	55 El. Venizelou St., GR-17123	+30 210 9318040	+30 210 9318044
NIKEA	234 Petrou Ralli & El. Venizelou St., GR-18453	+30 210 4941408	+30 210 4941092
OMIROU ST.	23 Omirou St., GR-10672	+30 210 3669040	+30 210 3669418
PANEPISTIMIOU ST.	19 Eleftheriou Venizelou St. & Omirou St., GR-10564	+30 210 3226202	+30 210 3243234
PIRAEUS	40 Iroon Polytechniou St. & Sot. Dios St., GR-18535	+30 210 4141750	+30 210 4141770
PERISTERI	215 Thivon St. & Evklidi St., GR-12134	+30 210 5733405	+30 210 5728850
PSYCHIKO	23 Adrianiou St., GR-11525	+30 210 6720150	+30 210 6717855

Branch Network - Northern Greece

BRANCH	ADDRESS	TELEPHONE	FAX
ALEXANDROUPOLI	139 -141 Dimokratias Ave. & Tyrolois St., GR-68100	+30 25510 38874	+30 25510 38871
CORFU	Rizospaston Voul. Ion. Voulis St. & Iakovou Polyla St., GR-49100	+30 26610 48200	+30 26610 48214
DRAMA	47 Ethnikis Amynis St. & Efedron Axiomatikon St., GR-66100	+30 25210 58450	+30 25210 31401
GIANNITSA	131 El. Venizelou St., GR-58100	+30 23820 82763	+30 23820 82769
IOANNINA	7-9 Pyrsinella St., GR-45332	+30 26510 83767	+30 26510 65044
KAVALA	96 Omonias St. & Archelaou St., GR-65403	+30 2510 622500	+30 2510 225216
KOMOTINI	2 Agiou Georgiou St. & Irinis Sq., GR-69100	+30 25310 27079	+30 25310 27088
KOZANI	3-5 Tsontza St., GR-50100	+30 24610 54000	+30 24610 28785
SERRES	27 Merarchias St., GR-62122	+30 23210 51035	+30 23210 58744
VERIA	21 Venizelou St. & Megalou Alexandrou St., GR-59100	+30 23310 66824	+30 23310 66821
XANTHI	10 Vas. Georgiou & Pavlou Sq. & Panagi Tsaldari St., GR-67100	+30 25410 84000	+30 25410 68754
THESSALONIKI			
KALAMARIA	16 Metamorfoseos St., GR-55131	+30 2310 417330	+30 2310 418558
L. SOFOU AVE.	1 L. Sofou Ave. & 25 Dodekanisou St., GR-54626	+30 2310 385500	+30 2310 518687
MITROPOLEOS ST.	58 Mitropoleos St. & Vogatsikou St., GR-54622	+30 2310 264554	+30 2310 231719
STAVROUPOLI	301 Langada St., GR-56430	+30 2310 649528	+30 2310 649536
THERMI	2 Paramana Sq., GR-57001	+30 2310 465300	+302310 465893
VAS. OLGAS ST.	205 Vas. Olgas St., GR-54646	+30 2310 422101	+30 2310 422587

Branch Network - Rest of Greece

BRANCH	ADDRESS	TELEPHONE	FAX
AGRINIO	29 Harilaou Trikoupi St. & Makri St., GR-30100	+30 26410 23225	+30 26410 23780
CHALKIDA	43A Eleftheriou Venizelou St., GR-34100	+30 22210 63050	+30 22210 76771
CHANIA	31- 33 Kriari St., GR-73135	+30 28210 88851	+30 28210 88854
CHIOS	62 Aplotarias St., GR-82100	+30 22710 84300	+30 22710 24062
CORINTH	44 Koliatsou St., GR-20100	+30 27410 80904	+30 27410 80905
HERAKLION, CRETE	10 Evans St., GR-71201	+30 2810 225918	+30 2810 244417
KALAMATA	Sidirodromikou Stathmou St. & 7 Antonopoulou St., GR-24100	+30 27210 67030	+30 27210 23864
KATERINI	19th Maiou St. & N. Dika St., GR-60100	+30 23510 49820	+30 23510 24390
LAMIA	3 Parkou Square, GR-35100	+30 22310 45790	+30 22310 45480
LARISSA	36 Kyprou St. & Androutsou St., GR-41222	+30 2410 537455	+30 2410 537456
LIVADIA	9 Boufidou St., GR-32100	+30 22610 81992	+30 22610 81996
PATRA	48 Vas. Georgiou I Square, GR-26221	+30 2610 242730	+30 2610 271665
PYRGOS	11 Patron St. & Kastorchis St., GR-27100	+30 26210 36800	+30 26210 36010
RETHYMNO	127 Kountourioti Ave., GR-74100	+30 28310 21660	+30 28310 27434
RHODES	Averof St. & 17-19 Palama St., GR-85100	+30 22410 44560	+30 22410 20692
TRIKALA	63-65 28th Oktovriou St., GR-42100	+30 24310 79240	+30 24310 79390
VOLOS	227 Dimitriados St., GR-38221	+30 24210 23384	+30 24210 25710

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FY 2016 Financial Report

attica bank

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ANNUAL FINANCIAL REPORT

From 1st January to 31st December 2016

(In accordance with Law 3556/2007)

TABLE OF CONTENTS OF ANNUAL FINANCIAL REPORT

I. STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS

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

- The Annual Financial Statements of "ATTICA BANK S.A." and the Group for the year ended on 31st December 2016, have been prepared according to the existing accounting standards and present fairly the assets and liabilities, the equity as well as the income statement of the Bank and the entities that are included in the consolidation.
- The annual Director's report, presents fairly the progress, the performance and the financial position of the Bank as well as the entities that are included in the consolidation, including a description of the main risks and uncertainties that they face.

Athens, 27 April 2017

For the Board of Directors

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE DEPUTY CHIEF EXECUTIVE OFFICER
PANAGIOTIS V. ROUMELIOTIS ID. No Φ 089372	THEODOROS N. PANTALAKIS ID. No AE 119288	IOANNIS EM. TSAKIRAKIS ID. No Λ 024276

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

INTRODUCTION

Dear Shareholders,

We submit the annual report of the Board of Directors for the current fiscal year from 1.1.2016 to 31.12.2016, which includes the audited standalone and consolidated financial statements, the notes on the financial statements and the audit report of the statutory auditors. This report summarizes information of the Group and the Bank ATTICA BANK S.A., financial information aiming at a general briefing of the shareholders and the investing public on the financial situation and the results, the overall course and the changes that took place during the current fiscal year (1.1.2016 – 31.12.2016), significant events that took place and their impact on the financial statements of the financial year. The annual report also describes the main risks and uncertainties that the Group and the Bank may face in the future and lists the most important transactions that have occurred between the Bank and its affiliates.

In 2016, despite the fact that the Greek economy was marginally stagnant (2016: -0.1% versus 2015: -0.3%), there were significant positive developments in relation to:

1. The conclusion of the first assessment of the country's third Financial Stability Program;
2. The reintroduction of the waiver of acceptance of Greek bonds by the European Central Bank for refinancing purposes; and
3. Greater lifting of the capital controls.

Greece recorded a primary surplus at the rate of 3.9% to GDP, exceeding significantly the target set to 0.5% to GDP, as a result of the contractionary fiscal policy. The disbursement of the second tranche following the conclusion of the first review of the Economic Stability Program, eased the liquidity conditions in the private sector.

The above developments are positive signs for investments and for the strengthening of the prospects of the economy. Uncertainty and lack of investment continue to decline to some extent, as further significant improvement in economic conditions is expected with the completion of the second assessment of the third Financial Stability Program and Greece's exit to international markets estimated in 2018.

Regarding the fiscal consolidation progress, the 2017 Budget projected a primary surplus at the rate of 1.1% to GDP for 2016 on the basis of the consolidation program methodology. The respective target of the Financial Stability Program for primary surplus was set at the rate of 0.5% of GDP. According to the Hellenic Statistical Authority (ELSTAT), the primary surplus for the period January – December 2016 on a modified cash basis amounted to €6.9 billion. A primary surplus for 2016 at the rate of 3.9% of GDP was achieved, significantly higher than the target set by Economic Stability Program and the 2017 Budget. According to the Financial Stability Program, a primary surplus at the rate of 1.75% of GDP and 3.5% of GDP is expected for 2017 and 2018 respectively.

The deflationary trend in 2016 continued at a lower rate than in 2015 (2016: -0.8%, 2015: -1.7%). However, after almost four years (45 months) of deflation, in December 2016 inflation presented for the first time no variation on an annual basis, turning to positive levels in January – February 2017.

In 2016, the unemployment rate declined to 23.5%, from 24.9% in 2015, on account of a 4.4% decline from the high rate of 27.9% in July 2013. Therefore, on an annual basis, employment increased by 1.7% while the number of unemployed persons decreased by 5.5%. The European Commission, estimates the unemployment rate for the years 2016 through 2018 on an annual basis at the rates of 23.4%, 22.0% and 20.3% respectively.

According to the Bank of Greece, the Balance of Payments current account (CA) for 2016 recorded a deficit of €1.1 billion (-0.6% of GDP) against a surplus of €0.2 billion (0.1% of GDP) in 2015. The tourism receipts for 2016 declined by 6%, despite the increase of tourists' arrivals by 5%, mainly due to an 11% decline of the average cost per trip. According to the IMF, for the years 2017, 2018, 2019 and 2020, the Balance of Payments current account (CA) is expected at the rates of 0.0%, 0.1%, 0.1% and 0.1% respectively.

Despite the relative uncertainty in the international and domestic economies, the Greek banking system, following the completion of the recapitalization in the fourth quarter of 2015, shielded the balance sheets of Greek banks with new capital reserves.

Domestic banking deposits in 2016 rose by 4% amounting to € 139 billion. Regarding funding, on a Greek market level, at the end of 2016, the annual adjusted rate of change in domestic private sector funding rose to -1.5% from -2.0% in the previous year. Improvement was also reported in the loan-to-deposit ratio, as it decreased by 8% from 128% at the end of 2015 to 120% by the end of 2016.

On June 22, 2016 the ECB re-issued a waiver for Greek Government Debt. Consequently, as from the end of June 2016, the ECB re-accepted Greek bonds as collateral in main refinancing operations.

The decision of the European Financial Stability Facility (EFSF) within 2016 to allow Greek banks to sell EFSF bonds in the context of quantitative easing (QE) implemented by the ECB, had a significant impact as well. The exposure of all Greek banks to the Eurosystem was reduced to €67 billion at the end of December 2016 from €108 billion in 2015. The amount of €23 billion derives from a refinancing effected through the European Central Bank (-€ 16 billion compared to 2015), while the amount of €44 billion derives from the ELA extraordinary liquidity facility (-€25 billion compared to 2015).

In March 2016, the ECB's TLTROs (targeted longer-term refinancing operations) was announced, also involving the Greek banks, subject to the availability of appropriate pledges. The Program has a duration of four years, while it is possible to participate in four different dates from June 2016 until March 2017.

The most significant challenge for the Greek banking system is the high accumulated stock of non-performing exposures. In November 2016, the Single Supervisory Mechanism (SSM) of the European Central Bank and the Bank of Greece published the operational objectives, along with key performance indicators, to reduce the non-performing exposures of Greek banks. The targets for the period June 2016 to December 2017 are set on a quarterly basis, while for 2018 and 2019 are set on an annual basis. Through the development and implementation of business plans, banks have included the above objectives in their medium-term strategy. On the basis of the above, a reduction of the Non-Performing Loans (NPLs) from approximately €107 billion in September 2016 to €67 billion by the end of 2019 has been projected for the banking system in total, which corresponds to a decrease of approximately -38%.

The Single Resolution Mechanism (SRM) for Eurozone banks has been fully operational since January 1, 2016. The SRM's mission is to efficiently reorganize a bank falling under the mechanism, which faces serious difficulties, while minimizing respective costs for both the economy and the Member State. In order to achieve its mission, SRM will apply the rules of the Recovery and Consolidation Directive for credit institutions (Directive 2014/59).

As a follow-up to the mechanism, the Single Eurozone Bank Resolution Fund was set up, controlled by the Single Resolution Board (SRB). The Single Resolution Board consists of representatives of the European Central Bank, the European Commission and the competent national authorities, and is responsible for deciding whether and when a Bank facing serious difficulties should be put under consolidation as well as whether the Resolution Fund will be potentially exercised.

In 2016, the international environment was characterized by significant geopolitical tensions and ever-changing conditions. However, the interventions of the Central Banks greatly assured economic and monetary stability. World GDP increased by 3.1% in 2016 compared to 3.2% in 2015, with the marginal deceleration deriving from the developed economies (GDP decreased at the rate of 1.7% from 2.1% respectively), while growth in the emerging and developing economies remained stable at 4.1%. The forecast for 2017 projects that the growth of the world economy will accelerate to 3.4%.

During 2016, the European Central Bank (ECB) decided to increase the monthly securities market to €80 billion from € 60 billion, aiming to further address the significantly low inflation. The estimate of the Eurozone growth rate for 2017 reports a slight deceleration of 1.6%. Regarding inflation, an increase of 1.6% is projected. Under the current planning, the ECB will continue to implement the quantitative easing program until the end of 2017.

The most significant international developments, which are expected to exert lasting effects in 2017, are as follows:

- At a Central Bank level, the opposite trends followed by FED, ECB and the Central Bank of Japan lead to a relative uncertainty, since the first is expected to move through the increase in interest rates into a tighter policy, while the next two will pursue quantitative easing and low interest rates policies.
- Moreover, the United Kingdom's departure from the European Union, the geopolitical and economic priorities of the United States, the elections in major European countries, the course of the refugee crisis and the general geopolitical instability of the South-East Mediterranean Sea are factors of considerable influence over the economic developments during the year 2017.

A. FINANCIAL DEVELOPMENT AND PROGRESS OF THE FISCAL YEAR

Key Figures and Results for the Group

Specifically, for the year ended 31.12.2016, the key figures and results of the Group, as well as their respective variations were as follows:

The Group’s total assets amounted to €3,611.1 million, decreased by 1.6% compared to the year ended 31.12.2015.

The total loans and advances to customers (loans and corporate bond loans), before provisions for impairment, amounted to €3,984.6 million, increased by 1.5% compared to the year ended 31.12.2015.

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

(in million €)	31.12.2016 (1)	31.12.2015 (2)	Variation % (1)/(2)
LOANS	**3,235**	**3,225**	**0.3%**
From which:			
- Consumer loans	228	231	-1.0%
- Credit cards	63	60	3.8%
- Mortgages	485	500	-3.1%
- Leasing	301	291	3.5%
Corporate Bond Loans	**749**	**703**	**6.6%**
Total Loans	**3,985**	**3,928**	**1.5%**

- Deposits as at 31.12.2016 amounted to €1,892.8 million decreased by 11.7% compared to 31.12.2015 due to the unstable economic and political conditions.
- Impairment losses for loans and advances to customers amounted to €40 million forming the credit risk ratio of the current year to the total income at 37.2%. Accumulated provisions amounted to €1,207.7 million against € 1,170.2 million, or an increase of approximately 3.2%. The coverage ratio of non-performing exposures stood at 49.7%.
- Accumulated provisions cover 30.3% of the loan portfolio without taking into account tangible collateral.
- The net interest income amounted to €86.7 million, demonstrating a decrease of 4.2% compared to 2015.
- The net commission income amounted to €14.3 million, demonstrating a decrease of 11% compared to 2015.
- Gains from financial activities amounted to €3.9 million in 2016 compared to losses of €9.5 million in the previous year. The completion of the acquisition of Visa Europe by Visa Inc. and the return of capital of €2.6 million to the Bank had a significant contribution to the gains from financial activities.
- Operating income amounted to €107.6 million, decreased by 8.5% compared to 2015.
- "Personnel expenses" amounted to €53.3 million, increased by 15.4% compared to the 2015. The year 2016 was burdened with the expense deriving from the voluntary redundancy scheme of the Bank's staff amounting to €4.7 million, as well as with the expense deriving from the retirement of the Group's executives amounting to €785 thousand.
- General operating expenses following the deduction of the provisions for general risks, demonstrated a decrease of 3.9% compared to 2015.
- The respective expense ratio, excluding non-recurring expenses deriving from the voluntary redundancy scheme, to total revenue stood at 95.6%.
- The number of the Bank's branches as at 31.12.2016 were 65.

Results on a consolidated basis

(In thousand €)	31.12.2016	31.12.2015	Variation %
Net Interest Income	86,695	90,496	-4.2%
Net Fee and Commission Income	14,317	16,084	-11.0%
Gain/(Loss) from Financial Activities	3,923	(9,524)	-141.2%
Other Income	2,715	20,539	-86.8%
Operating Income	**107,650**	**117,595**	**-8.5%**
Personnel Expenses	(53,264)	(46,146)	15.4%
General Administrative Expenses	(35,797)	(37,233)	-3.9%
Income from Investments in Associates	(2,198)	2,300	-195.6%
Total Operating Expenses	**(91,259)**	**(81,080)**	**12.6%**
Profit / (Loss) Before Impairment & Depreciation	**16,391**	**36,515**	**-55.1%**
Depreciation	(6,205)	(5,563)	11.5%
Allowance for impairment losses	(40,096)	(629,006)	-93.6%
Other Provisions	(12,421)	(6,630)	87.3%
Profit / (Loss) before income tax	**(42,331)**	**(604,684)**	**-93.0%**
Profit / (Loss) after income tax	**(49,829)**	**(346,825)**	**-85.6%**
Total Comprehensive Income for the period after income tax	**(46,305)**	**(333,497)**	**-86.1%**

Basic earnings / (losses) per share amounted to € (0.0259) compared to € (0.2885) for the respective twelve-month period in 2015.

The Group's return on Equity after taxes on 31.12.2016 stood at -7.9% compared to -51% in 2015.

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

Company	Profit/(loss) before income tax (in thousand €)		Profit/(loss) after income tax and non-controlling interest (in thousand €)	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Attica Bank S.A.	(40,271)	(607,745)	(47,145)	(349,485)
Attica Wealth Management Mutual Funds Management S.A.	(63)	303	(65)	209
Attica Finance A.E.P.E.Y	(384)	3	(211)	1
Attica Ventures S.A.	(956)	61	(956)	8
Attica Funds PLC	(14)	18	(14)	15
Attica Bancassurance Agency S.A.	651	739	389	485
Zaitech Innovation Venture Capital Fund	(2,198)	2,300	(2,198)	2,300
Attica Bank Properties S.A.	(191)	(211)	(190)	(208)

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

A) In accordance to article 2 of Law 3723/2008 and in relation to the 2nd pillar of the support measures for the enhancement of the economy's liquidity and for the preservation of the Bank's liquidity stability, the Bank, following the decision No. 18/19.10.2016 issued by the Interministerial Committee of article 5 of Law 2322/1995, on the basis of the suggestion No. 3769/11.10.2016 of the Bank of Greece, issued on 21.10.2016 a bond loan governed by the Hellenic Republic of a total nominal value amounting to €380 million, with a duration of one year at a floating Euribor of 3 months plus a margin of 12%, which is divided into 3,800 bearer bonds with a nominal value of €100 thousand each. The above bond is intended, if necessary, to be used as a cover to raise liquidity through the Emergency Liquidity Assistance (ELA). The total cost that will be charged pro rata to the Group's financial statements within its duration, will be derived from the calculation of the commission to be paid to the Greek State and is determined at 99 basis points or a nominal amount of commission on a 12-month basis of €3.75 million. This bond matures on 20.10.2017.

B) Following the 29.02.2016 decision of the Bank's Board of Directors, on the basis of which the Voluntary Employees Separation Scheme was approved, which took into account the conditions prevailing in the domestic banking system, the viability of the Bank, which has as a condition to create internal capital while maintaining a smooth work environment, the Management of the Bank as of 14.10.2016 announced the terms of the voluntary separation scheme and the period of registration forms in it, which determined the time period from 17.10.2016 until 31.10.2016. The Voluntary Separation Scheme, in accordance with the relevant announcement of the Management at the Extraordinary General Meeting of Shareholders, remained in effect until 31.12.2016 for employees who would like to join the program. Participation in the Voluntary Separation Scheme significantly exceeded the minimum threshold set. The cost of voluntary retirement in case the contractual obligations of the Bank, for which a provision against the Profit or Loss and Equity of previous years is not taken into account, amounted to €4.7 million.

C) The Bank's Management decided to further reduce its branch network in the context of implementing its business plan, aiming at limiting the Bank's operating costs. As a result of the aforementioned decision in the year 2016, the operation of five branches was terminated, forming the total number of the Bank's branches at 65.

D) On 31.10.2016, a private contract for the resolution of establishment and management of the "ZAITECH FUND II" Capital Fund (A.K.E.S.) was signed between the contracting parties. The majority shareholder, Attica Bank Societe Anonyme Banking Company, requested, by sending the relevant document to the management company, the early solution of A.K.E.S. for reasons related exclusively to the overall restructuring process of the companies and activities of its Group.

E) The Bank submitted the Restructuring Plan to the Ministry of Finance and through the latter to the Directorate-General for Competition in Brussels and to the Bank of Greece. The Restructuring Plan provides for deleverage of the balance sheet, rationalization of operating costs and return to profitability by 2018.

F) The Extraordinary General Meeting of Shareholders held on 14.12.2016 authorized the Board of Directors to conduct negotiations with potential investors regarding the portfolio of Permanently Non-Performing loans.

G) The Extraordinary General Meeting of "AtticaBank Properties SA" on 27.12.2016 decided the reduction of the share capital by a cash return of €5,320 thousand and the write-off of accumulated losses of €1,240 thousand, forming the new share capital of the company at €500,000 divided into 5,000 registered shares of nominal value 100 each. The aforementioned decision was approved in April 2017 by the General Commercial Registry (GEMI).

H) Total deposits of the Group amounted to €1.9 billion, decreased by 11.7% compared to 31.12.2015, formulating the loan before provisions to due to customers' ratio to 210.5%.

I) In the absence of distributable profits for the year 2015, the Bank did not proceed with the distribution of dividends on both ordinary and preferred shares, neither in cash nor by the issuance of new shares.

J) At 31.12.2016, the Bank held 380 own shares of "Attica Bank SA" with an acquisition cost of €97.332,30. These shares derived from the reverse split of 7,497 ordinary registered shares held on 22.11.2015, which took place in the context of the share capital increase. These shares represent a percentage of 0.00002% of all ordinary voting shares on the same date. The rest Group companies, included in the consolidation, did not hold any shares of the Bank as at 31.12.2016.

K) The Bank is subject to the provisions of article 27A of Law 4172/2013, as amended and entered into force, of which an amount of a final and liquidated claim of approximately €13 million results, which must be repaid by the Greek State, or by the Bank instead, to form an equivalent special reserve, which is intended exclusively for the share capital increase and the issuance of certificates of rights on ordinary shares to the Greek State. The Bank's Board of Directors intends to propose to the General Meeting of Shareholders that the Bank is not included in the above provisions.

Note: Should it be interpreted that the Bank should be subject to the provision of article 27A of Law 4172/2013, the amount of the deferred tax asset charged to the income statement for the year 2016 may be reversed in the year 2017.

B. IMPORTANT EVENTS

Important events that occurred after 31st December 2016

a) In January 2017, the Bank's Management decided to further reduce its branch network in the context of implementing its business plan, aiming at limiting the Bank's operating costs. As a result of the aforementioned decision in March 2017, the closure of four branches was announced, forming the total number of the Bank's branches at 61.

b) In February 2017, a Collective Labor Agreement was signed between the Bank's Management and the Bank of Attica Employees' Association of a three year period, beginning and ending from 01.01.2017 to 31.12.2019 respectively. This agreement provides for a significant reduction in payroll costs.

c) Further to the decision of the Extraordinary General Meeting of "Attica Ventures S.A." on 3.02.2017, the following took place:

- Share capital decrease by cash payment of €157,680.00 with corresponding reduction of the nominal value of the shares, forming the new share capital at the amount of €442,320.00 divided into 15,000 registered shares of nominal value €29,488 each.

- Sale of the company's fixed assets and securities.
- Loss of €956,070.87 for the year 2016. The company's net equity during 2016 amounted to €344,380.66. On 3.02.2017 the Bank sold 90% of its participation in the company for the amount of €180,000.00 with a corresponding book value for the total amount of the company amounting to €161,759.16 as at the date of the transaction.

d) As from 1.01.2017, the date when the Single Social Security Body (E.F.K.A.) commenced its operations, the old shareholder of ETAA-TSMEDE was incorporated into E.F.K.A. and therefore the Bank's main shareholder is now E.F.K.A. with a participation of 50.626%.

e) On 20.04.2017 the Bank's Board of Directors met and decided to convene an extraordinary General Meeting of Shareholders on 15.05.2017, which is required to approve the prospective investor, to amend the decisions of the extraordinary General Meeting of Shareholders of 14.12.2016 regarding the amount of the permanently non-performing loans' portfolio that will be included in the transaction, and finally to authorize the Bank's BoD to refine the terms of cooperation with the investor.

f) The General Meeting of Shareholders of Attica Finance S.A. on 2.02.2017 decided to reduce the share capital of the company in order to return the corresponding capital to Attica Bank S.A. through a cash payment of €1,350,200 and the cancellation of 172,000 shares of the company. The Bank's shareholding in Attica Finance's share capital now stands at 18.17%, which corresponds to €299.8 thousand.

C. RISKS AND UNCERTAINTIES

Description of the most significant risks and uncertainties

After the successful completion of the first review of the Greek economic adjustment program, the disbursement of the second tranche of the ESM program, amounting to €10.3 billion in total, was approved by the creditors in June 2016. The first part of the tranche, amounting to €7.5 billion, was disbursed in June, with funds directed towards covering Greek state's short-term debt servicing needs and government arrears. The remaining amount of €2.8 billion was released in October 2016 following the successful completion of the list of milestones undertaken by the Greek government.

On 7.9.2016, the management of the Bank received the final version of the audit report presenting the findings of an onsite audit performed during the period 16.3.2016 – 27.5.2016 by a team consisting of members of staff of the ECB (SSM) and Bank of Greece (BoG) and covering a period extending up to the date of the completion of the audit. Issues identified during this audit have no effect on financial statements for the current on prior periods, given the absence of a relevant request for adjustments to be made on reported financial information. Findings arising from the audit cover the following areas:

1. Internal Governance
2. Business Model
3. Share Capital Increase
4. Credit Risk Management Processes
5. Information technology

More specifically, with regard to Internal Governance, findings relate mainly to the composition of the Board of Directors as well as the level of knowledge, experience and skills that members of the Board are required to possess in order to ensure an effective operation for the Board. In response to relevant findings, the Bank proceeded on 20.09.2016, with implementing changes in its management structure which are considered as "an important step towards the modernization of the corporate governance framework of Attica Bank" according to the Bank of Greece. The Bank's Board of Directors is now comprised by members possessing extensive experience in the financial sector, an attribute which is expected to contribute towards improving the efficiency in the operations of the Board.

Regarding the Bank's Business Model, findings relate mainly to the assumptions used in the preparation of the Bank's business plan in 2015 and which are considered optimistic, the process of monitoring the realization of budgeted performance, as well as the need for quality improvements to be made for certain internal reports. The Bank intends to proceed with the preparation of a new business plan which will reflect current conditions as well as the effects from actions which have been implemented, such as the voluntary retirement scheme and the new organizational structure.

Based on findings made by the onsite audit performed by the joint group comprised of BoG and SSM, an amount of €55.7 million related to the recent share capital increase of the Bank was deemed to have been either directly or indirectly financed by the Bank. Therefore, such amount, in accordance with the applicable regulatory framework, is deducted from the total regulatory capital which leads to the decrease of the Group's capital adequacy ratio by 1.66%, resulting to the configuration of the CET I index as at 31.12.2015 at the rate of 17% compared to the initial rate of 18.7%, which is still above the minimum threshold.

In the matter of Credit Risk Management Process, the audit report recorded the need for improvements to be made in the lending process, placing emphasis on the pricing process, the specification of lending criteria as well as on the process of monitoring and evaluating collateral. More specifically, the audit identified cases where the pricing of loans should have been higher so as the cost of the Bank to be covered and the pricing to be consistent with the credit rating of the customer. Moreover, the report included findings regarding the need to improve the provisioning process.
Aiming at improving the processes related to credit risk management, the Bank has already decided to reduce its exposure to certain economic sectors, has introduced changes in the lending process and has created a unit focused on managing accounts carrying special risk characteristics. The Bank is also going to upgrade its loan provisioning and pricing processes.

Description of the major risks

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

For the purpose of better credit risk management, there is continuous reassessment of the Bank's credit policies and compliance of the corresponding service departments with these policies is monitored.

Emphasis is given to portfolio quality assessment for corporate as well as consumer-mortgage loans. Through the use of developed systems of credit risk measurement and assessment of the borrowers based on qualitative and quantitative criteria, the credit risks involved are evaluated and countered in a timely and efficient manner.

As far as consumer loans are concerned, a system of customers' creditworthiness evaluation – credit scoring – which covers credit cards as well as credit products, has been implemented.

As far as corporate loans are concerned, the external credit evaluations of ICAP Group S.A. are taken into account. ICAP Group SA is an organization recognized by the Bank of Greece following the decision 262/8/26.6.2008. This particular method of assessment ranks companies into creditworthiness rating classes, thus assisting in applying appropriate pricing to loan products according to the level of risk undertaken.

The Bank gives high priority to the development of internal risk assessment tools which are based on specific characteristics per type of credit exposure. This policy is aligned with the requirements relating to the calculation of capital adequacy for the banks, as these are determined by the regulatory framework.

Market Risk
Market Risk is the risk of losses arising from variations in the value of financial instruments as a result of adverse changes in market variables such as equities' prices, interest rates, foreign exchange rates.

The Bank has established internal procedures regarding applicable trading limits for managing market risk. Entering into contracts for products not included in the existing procedures of the Bank, requires the approval of the Assets Liabilities Committee (ALCO).

Trading portfolio includes investments held for trading. These are securities acquired for the purpose of directly realizing profits from short term price fluctuations.

The Bank holds relatively small positions in the trading portfolio and therefore, the undertaken market risk is low.

Management of foreign exchange risk, interest rate risk and price risk for items included in the trading portfolio is carried out by the Bank in collaboration with the subsidiary company of the Group "Attica Wealth Management Mutual Funds Management S.A.". For the purposes of managing foreign exchange risk as well as other market risks, a limit framework approved by ALCO has been set. This framework is comprised of nominal limits (per currency, total, intraday, end-of-day), profit-loss limits and VAR limits.

Foreign exchange risk management is uniformly applied for both the trading portfolio as well as the banking portfolio.

Moreover, at regular intervals, the Bank performs stress testing and sensitivity analyses for estimating the potential effects of interest rates fluctuations under various applied scenarios on the value of the portfolios. Such an analysis takes into account both the relevant timeframe associated with items bearing interest risk as well as whether the items consisting the portfolio are listed in developed or developing markets.

Interest Rate Risk of Investment Portfolio (Banking Book)
Interest rate risk for the Investment portfolio arises from timing differentials in interest rate adjustments on Bank's assets and liabilities.

Measurement of interest rate risk is carried out at least on a monthly basis. Two basic methods used by the Bank for interest rate risk management in the banking book are the following:

- Interest Rate Gap: The Bank monitors interest rate gaps on a time period as well as on an aggregate basis. Assets and liabilities are classified in different time bands based on the period applied for interest rate adjustment. The interest rate gap for a specific period is the resulting difference between assets and liabilities at a certain period of time.
- Sensitivity analysis on changes in net income arising from interest rate fluctuations: the Bank monitors interest rate risk through sensitivity analysis of net interest income applying various scenarios fluctuations in interest rates.

Liquidity Risk
Liquidity Risk is the risk of the Group's earnings, capital and assets decreasing in case the Bank is unable to meet its current obligations due to lack of liquidity.

The objective of the Group through liquidity risk management is to ensure, to the highest possible extent, the availability of satisfactory liquidity levels so that it could meet its payment obligations, including due course obligations and those that arise in extreme circumstances without incurring major additional costs.

The Bank gives priority to customers' deposits and tries to maintain them as the major source of funding through the policies applied.

Operational Risk

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

Management Non Performing Loans (NPLs)

Over the last year, the Bank has continued its substantial effort to consolidate its loan portfolio by further strengthening the Bank's troubled portfolio's management infrastructure and the human resources involved in the management of the said portfolio, by shaping and implementing, among others, employee education and training programs.

The Bank has formulated the Non-Performing Management Strategy, which provides for the stages of management as well as analysis of its non-performing portfolio, in line with the provisions of the Executive Committee's Act (P.E.E.) No 42/30.5.2014, as amended by P.E.E. No. 47/9.2.2015 and P.E.E. No. 102/30.8.2016.

In particular, in the context of the overall organizational reorganization, which was successfully completed in the last quarter of 2016, the Bank proceeded with the redesign of the organizational structures dedicated to the management of the problematic loans' portfolio. The new structure further enhances the possibility of adopting the specialized methods and tools required for the efficient management of the portfolio's subsections.

Specifically, a new Unit was set up in order to deal exclusively with the non-performing individuals' loans, from the first days of non-performing and the initial contact with the borrowers until the legal claim of the debts, thus creating a very flexible mechanism for fast and effective debt settlement regarding the debts that fall within this category. Special tools have been developed to identify tailored settlement solutions on a case-by-case basis, while ensuring the standardization required for effective debt management.

Moreover, separate Units were created focusing on the management of corporate debts and allowing the substantial and effective treatment of large exposures with tailor-made solutions. In particular, a Division for the management of non-performing corporate loans was set up, with the main objective of developing and corresponding the appropriate settlement solution that will allow the debt's timely repayment as well as the loan's restoration to a performing state. In addition, a new Division was set up with the sole purpose of effectively managing the legal claims for corporate debts.

In the meanwhile, the abovementioned governance and monitoring mechanism of the effectiveness of the non-performing loans' management model was further reinforced, by enriching, among other things, the regular briefing of the Bank's Management with specialized indicators measuring the performance of the mechanism. This allows for effective and intensive monitoring of the effectiveness of the non-performance management mechanism and timely identification of the mechanism's improvement points.

The non-performing loans' management sector has been a focal point for the Bank during the last year, as the continuous improvement of its infrastructure combined with the stabilization of the Bank's external environment is expected contribute significantly to the reduction of its troubled portfolio.

D. FUTURE OUTLOOK

Prospects

In 2016, despite the fact that the Greek economy was marginally stagnant (2016: -0.1% versus 2015: -0.3%), there were significant positive developments in relation to:

1. The conclusion of the first assessment of the country's third Financial Stability Program;
2. The reintroduction of the waiver of acceptance of Greek bonds by the European Central Bank for refinancing purposes; and
3. Greater lifting of the capital controls.

Greece recorded a primary surplus at the rate of 3.9% to GDP, exceeding significantly the target set to 0.5% to GDP, as a result of the contractionary fiscal policy. The disbursement of the second tranche following the conclusion of the first review of the economic program, eased the liquidity conditions in the private sector.

The above developments are positive signs for investments and for the strengthening of the prospects of the economy. Uncertainty and lack of investment continue to decline to some extent, as further significant improvement in economic conditions is expected with the completion of the second assessment of the third Financial Stability Program and Greece's exit to international markets estimated in 2018.

Regarding the fiscal consolidation progress, the 2017 Budget projected a primary surplus at the rate of 1.1% to GDP for 2016 on the basis of the consolidation program methodology. The respective target of the Financial Stability Program for primary surplus was set at the rate of 0.5% of GDP. According to the Hellenic Statistical Authority (ELSTAT), the primary surplus for the period January – December 2016 on a modified cash basis amounted to €6.9 billion. A primary surplus for 2016 at the rate of 3.9% of GDP was achieved, significantly higher than the target set by Financial Stability Program and the 2017 Budget. According to the Financial Stability Program, a primary surplus at the rate of 1.75% of GDP and 3.5% of GDP is expected for 2017 and 2018 respectively.

In this context, Attica Bank, with significant capital ratios and a new management, aims at resolving all the issues identified by the onsite audit conducted by the supervisory authorities, as well as at implementing the restructuring plan as submitted to the Ministry of Finance and through the latter to the Directorate General for Competition in Brussels and the Bank of Greece.

Given the formation of significant capital ratios, which are expected to rise to even higher levels after the Bank's capital needs are totally fulfilled in the near future, the targets set for the following periods are as follows:

- Key elements of the Bank's Restructuring Plan
  - Coverage of the amount of capital support required to meet the unfavorable scenario of the 2015 capital assessment exercise;
  - Strengthening of the profitability mainly through business support with positive outlook, but also through increased commission income (e.g. e-banking supplies and letters of guarantee);
  - Collaboration with domestic and international organizations (e.g. European Investment Bank, ETEAN, etc.) for the Bank's participation in business support programs;
  - Reduction of the Bank's participation in subsidiaries;
  - Upgrade of the Bank's operations through investments in IT systems and process automation.
- Loan portfolio management

  For 2017, the Group's main objective concerns the effective management of non-performing loans. In order to address the non-performing loans of its loan portfolio, the Bank has focused on developing a clear and realistic strategy and on the implementing a series of structural changes concerning the reorganization of the portfolio management mechanism, through the cooperation with a specialized external partner.

- Operating cost control
  The reduction of the operating costs will result from the further reduction of the Bank's branch network, as well as from the overall reorganization of the Bank's structures and the following actions.

  The implementation of the new Collective Labor Agreement between the Bank's Management and the Bank of Attica Employees' Association of a three year period, beginning and ending from 01.01.2017 to 31.12.2019 respectively, will contribute to a significant reduction in payroll costs.
- Liquidity Management
  The formation of capital adequacy ratios at significant levels coupled with the recovery of domestic and foreign investors' confidence in the Greek economy is expected to lead to the inflow of deposits to the banking system. On 31/12/2016, the Group received net funding of €1,015 million through ELA, using significant amounts of eligible collateral. As already noted, the positive outcome of the Greek Government's negotiations with the European Commission, the European Central Bank and the International Monetary Fund will broaden the acceptance of Greek government securities as eligible by the ECB pledges and reduce the value cut in terms of the financing of eligible by the ECB collaterals (haircut). This in turn will lead to the limitation of dependence on ELA.

  It is noted that during the period from 01.01.2017 to 31.03.2017, the outflow of deposits continued by reducing their balance by €111.6 million. ELA dependence on the same date (31.03.2017) stood at €1,115 million compared to €1,015 million on 31.12.2016. As at 31.12.2016, collateral of a total nominal value of €1,997.01 million was pledged to ELA. From the total amount of pledges, the Group was able to raise liquidity up to the amount of €1,337.15 million. As at 31.03.2017, the corresponding amounts of the pledges given to ELA had a nominal value of €1,996 million, while the ability to raise liquidity amounted to € 1,306.15 million. Based on the data of 31.03.2017, the possibility of raising additional funding from ELA amounts to €191.15 million

E. TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties were carried out in the ordinary course of business and on an arm's length basis. The aforementioned transactions for the period ended 31.12.2016 are presented in the tables below distinguished between transactions with related companies and transactions with members of management:

TRANSACTIONS WITH RELATED COMPANIES

A1.Receivables

Company	Attica Bank's Participation as at 31.12.2016	Participation %	Loans	Other
(in thousand €)				
Attica Wealth Management Mutual Funds S.A.	2,326	100.00%		
Attica Ventures S.A.	600	100.00%		
Attica Finance S.A.	1,700	55.00%	2,417	
Attica Funds PLC	20	99.99%		1,558
Attica Bancassurance Agency S.A.	100	100.00%		2,350
Attica Bank Properties S.A.	7,060	100.00%		4
Zaitech I Innovation Venture Capital Fund	7,749	50.00%		
Total	**19,555**		**2,417**	**3,912**

A2. Payables

Company	Time Deposits	Sight Deposits
(in thousand €)		
Attica Wealth Management Mutual Funds S.A.		2,733
Attica Ventures S.A.		393
Attica Finance S.A.	1,840	452
Attica Funds PLC		702
Attica Bancassurance Agency S.A.		3,575
Attica Bank Properties S.A.	5,450	37
Zaitech I Innovation Venture Capital Fund		197
E.T.A.A. - T.S.M.E.D.E.		53,970
Total	**7,290**	**62,060**

A3. Income

Company	Rents	Commission Income	Dividents	Foreign Exchange Differences	Interest Income
(in thousand €)					
Attica Wealth Management Mutual Funds S.A.		30	150		
Attica Finance S.A.					111
Attica Funds PLC				3	
Attica Bancassurance Agency S.A.	1	300			
Attica Bank Properties S.A.		1			
Total	**1**	**331**	**150**	**3**	**111**

A4. Expenses

Company	Service Rendering	Interest Payable on Deposits
(in thousand €)		
Attica Wealth Management Mutual Funds S.A.	32	43
Attica Ventures S.A.	644	11
Attica Finance S.A.		12
Attica Bancassurance Agency S.A.		10
Attica Bank Properties S.A.		76
Zaitech I Innovation Venture Capital Fund		42
Zaitech II Innovation Venture Capital Fund		9
E.T.A.A. - T.S.M.E.D.E.		1,002
Total	**676**	**1,207**

A5. Letters of guarantee

Company	Letters of Guarantee
(in thousand €)	
Attica Bank Properties S.A.	2
Total	**2**

Transactions with members of the management	BANK	GROUP
(in thousand €)		
Receivables	2,876	3,040
Payables	1,724	1,805
Interest Income	94	98
Interest Expense	12	12
Wages and salaries	926	1,833
Board of Directors' fees	371	669

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

The present explanatory report of the Board of Directors (in compliance with Article 4 of Law 3556/2007), to the Ordinary General Meeting of the Shareholders contains information pertaining to 31.12.2016.

a. Share Capital

The total share capital of the Bank amounts to €802,006,018.10, divided into: a) 2,339,353,394 ordinary registered shares with a nominal value of €0.30 each and b) 286,285,714 preferred shares with a nominal value of €0.35 each.
The Bank has submitted a written request to the competent authorities to extend the program by 31.12.2017, while retaining the right for early repurchase.

Common shares are listed in Athens Stock Exchange. The Bank's shares are common, registered shares with voting rights. Each Bank share incorporates all the rights and obligations defined by the Legislation and the Articles of Incorporation of the Bank which does not include more restrictive requirements than those prescribed by the Legislation. Listing of a new person as a shareholder in the Central Securities Depository assumes compliance with the Articles of Incorporation of the Bank as well as legal decisions made by the Bank's responsible authority bodies. The shareholders liability is limited to the nominal value of shares held and they participate in the Bank's management and profit distribution in accordance with the requirements of the Legislation and the Articles of Incorporation of the Bank. Rights and obligations arising from each share are outstanding pertaining to every general or special share successor. Shareholders participate in management, distribution of shares and distribution of the Company's assets in case of liquidation based on the number of shares they hold and according to the Legislation and the requirements of the articles of Incorporation. Shareholders exercise their rights pertaining to the bank's Management through General Meetings and in compliance with the Legislation.

Preference shares are redeemable, bearing voting rights and are under the jurisdiction of the Greek Government according to Law 3723/2008. They are not listed in the Stock Exchange, not quoted in active exchange markets and they have been issued in accordance with the provisions of Law 3723/2008, on the enhancement of the liquidity of the economy for countering the consequences of the international financial crisis.

- **Treasury Shares**

As at 31.12.2016, the bank held 380 treasury shares at the cost €97,332.30. These shares represent a rate of 0.00002% of the total common shares with voting rights at the same date. The other Group companies included in the consolidation did not hold any shares of the Bank as of 31.12.2016.

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

According to decision 1/503/13.3.2009 of the Board of Directors of the Hellenic Capital Market Commission, the purchase of own shares and their holding with a view to acquire shares in another company in the future is considered as an acceptable market practice.

b. Limitations to transfer of Bank's shares

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

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

Significant direct participating interests in the share capital of the Bank as these are defined in Articles 9-11 of Law 3556/2007, as at 31.12.2016 were as follows:

	Shares	Participation Percentage
E.T.A.A.-T.S.M.E.D.E.	1,315,902,632	56.25%
TAPILTAT	185,000,418	7.91%

Law 4387/2016 provides for the incorporation of E.T.A.A./T.S.M.E.D.E. to the Single Social Security Body (E.F.K.A.) as of 1.1.2017.
In accordance with the decision 61662/3406/30-12-2016 issued by the Minister of Labor, Social Security and Solidarity, 5.625% of the Bank's ordinary shares that were held by E.T.A.A./T.S.M.E.D.E. was transferred to the Public Constructions' Engineering Contractors Fund (T.M.E.D.E.), while the remaining 50.63% was transferred to E.F.K.A.

d. Owners of shares granting special control rights

There are no holders of shares granting special control rights. Regarding the preference shares the Bank has issued to the Greek Government and the participation of its representative to the Board of Directors of the Bank, Law 3723/2008 applies.

e. Limitations to voting rights

There are no limitations to voting rights

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

To the best of the Bank's knowledge, there are no agreements among the shareholders of the Bank that entail limitations in the transfer of shares/exercise of voting rights.

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

There are no regulations on appointment/replacement of BoD members or amendments to the Articles of Incorporation that do not fall within Law 2190/1920.

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

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

Regarding treasury shares, according to Article 28 of Law 3756/2009 "Depository Securities System, capital markets regulations, tax and other provisions", all banks participating in the liquidity enhancement plan of the Ministry of Economy and Finance, are not allowed to purchase treasury shares during the period of their participation in the program. For this reason, the Bank has neither set any treasury shares purchase program in progress nor acquired any treasury shares during 2016.

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

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

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

There are no agreements with the BoD members or the personnel pertaining to reimbursement in case of resignation or dismissal without cause or termination of their service tenure or employment due to a public offering.

ALTERNATIVE PERFORMANCE MEASURES

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

	Definition	Calculation			31.12.2016	31.12.2015
Accumulated Provisions to cover Credit Risk / Loans and advances to customers before provisions	The ratio reflects the relationship between the total provisions to cover credit risk to total loans and advances	Numerator	+	Accumulated provisions to cover credit risk	1,207,658	1,170,188
		Denominator	+	Loans and advances to customers before provisions	3,984,617	3,927,616
		Ratio	=		**30.3%**	**29.8%**

	Definition	Calculation			31.12.2016	31.12.2015
Provisions to Cover Credit Risk of the current year / Income from Operating Activities	The ratio reflects the relationship between the provisions to cover credit risk carried out in the current year to total income	Numerator	+	Provisions to cover credit risk	40,000	628,000
			-	Impact from Asset Quality Review (AQR)	0	(530,000)
		Denominator	+	Income from Operating Activities	107,650	117,595
		Ratio	=		**37.2%**	**83.3%**

	Definition	Calculation			31.12.2016	31.12.2015
Losses after taxes / Income from Operating Activities	The ratio reflects the relationship between the Profit and Loss after tax and the Total Income	Numerator	+	Losses after taxes	(49,829)	(346,825)
		Denominator	+	Income from Operating Activities	107,650	117,595
		Ratio	=		**-46.3%**	**-294.9%**

	Definition	Calculation			31.12.2016	31.12.2015
Expenses / Income Ratio	The ratio reflects the relationship between recurring expenses and income of the period	Numerator	+	Personnel expenses	53,264	46,146
			-	Cost of voluntary retirement	(4,725)	0
			+	General operating expenses	48,218	43,863
			+	Depreciation	6,205	5,563
		Denominator	+	Income from operating activities	107,650	117,595
		Ratio	=		**95.6%**	**81.3%**

	Definition	Calculation			31.12.2016	31.12.2015
Loans and Advances to customers (before provisions) to Deposit Ratio	The ratio reflects the relationship loans and advances to customers before provisions to due to customers	Numerator	+	Loans and advances to customers (before provisions)	3,984,617	3,927,616
		Denominator	+	Due to customers	1,892,750	2,142,503
		Ratio	=		**210.5%**	**183.3%**

	Definition	Calculation			31.12.2016	31.12.2015
Return on Equity (after taxes)	The ratio reflects the relationship of Profit and Loss (after taxes) to Equity	Numerator	+	Loss after taxes	(49,829)	(346,825)
		Denominator	+	Equity	633,905	680,210
		Ratio	=		**-7.9%**	**-51.0%**

2016 Declaration of Corporate Governance for Admistrative Use

Introduction

In accordance with L.3873/2010, the Annual Administration Report of the BoD includes the Declaration of Corporate Governance. The data included in the present Declaration of Corporate Governance derive from a series of texts and policies, which have been approved by the Bank's Board of Directors.

Indicatively, the Bank:

1. Has established a Code of Corporate Governance, which describes the fundamental principles of Corporate Governance that have been adopted by the Group as well as the principles and procedures governing the operation of the bodies of the Bank that have been assigned to monitor the implementation of the Corporate Governance principles. The Code has been posted on the Bank's website.
2. Has established a Code of Ethics and Conduct for Attica Bank and its Group. The General Principles included in the Code are based on the Corporate Governance principles and constitute the foundation for the values of integrity, impartiality, entrepreneurship, professionalism, transparency, social and environmental responsibility, respect of human rights, immediate positive response, teamwork and compliance responsibility.
3. Has established the Attica Bank Remuneration Policy. The final responsibility for its efficiency lies with the Bank's BoD. For the implementation of its duties, the BoD establishes the above Policy, which binds its Members, the Management, the Bank's and its subsidiaries' Executives and the entire Group's staff as well as the current or future external consultants and experts.
4. Has adopted and implements a Policy for Borrowers with a special relation with the Bank (Related Parties) and Connected Borrowers. The Policy in question records the rules applied by the Bank for the Related Parties and Connected Borrowers, as those are stipulated in the regulatory (legislative, normative, supervisory) framework and in specific, in Governor Act 2651/2012 of the Bank of Greece, as applicable. In particular, it records analytically the definition of Related Parties and Connected Borrowers, their detection process, the evaluation criteria, the approval process as well as the framework of monitoring their credits.
5. Has approved the Conflict of Interest Policy for the members of the BoD and the Bank's Senior Executives. This policy determines the way in which the real or potential conflicts of interests between the Bank, the BoD members and the Senior Management Staff are controlled and managed, in accordance with what is stipulated in the current regulatory framework. The Compliance Department and Corporate Governance Department have the obligation to communicate the Policy to the members of BoDs across all the Bank's subsidiaries.

1. Board of Directors (BoD)

The BoD is collectively responsible for setting the Group's strategic targets, supervising the Senior and Higher Executives as well as conducting a sufficient and effective control over the Bank in line with defending its general corporate interests and achieving the maximum long-term value within the law.

The current BoD consists of eleven (11) members, three (3) of whom are executive, three (3) are non-executive, four (4) are independent non-executive and one (1) is a representative of the Greek State, appointed in accordance with the relevant provisions of L.3723/2008.

The appointment of the independent members of the BoD as per L. 3016/2002, as applies amended on Corporate Governance, is effected by the General Meeting of the Shareholders. Of the non-executive members of the BoD four are independent, as the Law prescribes, that is during their tenure they shall not be shareholders with a percentage higher than 0.5% of the share capital of the Bank and shall not have a relation of dependence with the Bank or with persons connected to it.

On **27 June 2016**, the Regular General Meeting of the Bank's Shareholders elected the Bank's BoD, as follows:
1. Anna Pouskouri-Reiche, Chairman of the BoD, Non-Executive Member.
2. Konstantinos Makedos, Vice Chairman of the BoD, Non-Executive Member.
3. Alexandros Antonopoulos, Managing Director, Executive Member.
4. Dimitrios Voganatsis, Executive Member.
5. Athanassios Tsadaris, Executive Member.
6. Athanassios Presvelos, Independent Non-Executive Member.
7. Ilias Pertzinidis, Independent Non-Executive Member.
8. Antonios Protonotarios, Independent Non-Executive Member.
9. Georgios Panayiotou, Independent Non-Executive Member.
10. Georgios Vlachakis, Independent Non-Executive Member.
11. Ioannis Kyriakopoulos, Independent Non-Executive Member.
12. Athanassios Stathopoulos, Non-Executive Member.
13. Stylianos Pliakis, Non-Executive Member.
14. Ioannis Marmangiolis, Non-Executive Member.
15. Dimitris Tzanninis, Non-Executive Member.
16. Stefania Georgakakou-Koutsonikou (Representative of the Greek State, in accordance with the relevant provisions of L.3723/2008, Additional Non-Executive Member.)

On 26 July 2016, the composition of the Bank's BoD was modified after the departure of Messrs. Alexandros Antonopoulos, Dimitrios Voganatsis, Athanassios Presvelos, Ilias Pertzinidis, Antonios Protonotarios, Athanassios Stathopoulos and Stylianos Pliakis, as follows:
1. Anna Pouskouri-Reiche, Chairman of the BoD, Non-Executive Member.
2. Konstantinos Makedos, Vice Chairman of the BoD, Non-Executive Member.
3. Athanassios Tsadaris, Executive Director.
4. Georgios Panayiotou, Independent Non-Executive Member.
5. Georgios Vlachakis, Independent Non-Executive Member.
6. Ioannis Kyriakopoulos, Independent Non-Executive Member.
7. Ioannis Marmangiolis, Non-Executive Member.
8. Dimitris Tzanninis, Non-Executive Member.
9. Stefania Georgakakou-Koutsonikou (Representative of the Greek State, in accordance with the relevant provisions of L.3723/2008, Additional Non-Executive Member.

At the meeting of 7 September 2016, the BoD proceeded to complementing and re-creating its composition, as follows:
1. Gerassimos Sapountzoglou, Chairman of the BoD, Non-Executive Member.
2. Konstantinos Makedos, Vice Chairman of the BoD, Non-Executive Member.
3. Panagiotis Roumeliotis, CEO, Executive Member.
4. Ioannis Tsakirakis, Deputy CEO, Executive Member.
5. Athanassios Tsadaris, Deputy CEO, Executive Member.
6. Anna Pouskouri-Reiche, Non-Executive Member.
7. Georgios Panayiotou, Independent Non-Executive Member.
8. Georgios Vlachakis, Independent Non-Executive Member.

9. Ioannis Kyriakopoulos, Independent Non-Executive Member.
10. Ioannis Marmangiolis, Non-Executive Member.
11. Dimitris Tzanninis, Non-Executive Member.
12. Stefania Georgakakou-Koutsonikou (Representative of the Greek State, in accordance with the relevant provisions of L.3723/2008, Additional Non-Executive Member.

Following Mrs. Anna Pouskouri-Reiche's resignation at the BoD meeting of 16 September 2016, Panagiotis Roumeliotis, a Non-Executive Member, was appointed Chairman of the BoD and Gerasimos Sapountzoglou was appointed Non-Executive Member.

1. Panagiotis Roumeliotis, Chairman of the BoD, Non-Executive Member.
2. Theodoros Pantalakis, CEO, Executive Member.
3. Ioannis Tsakirakis, Deputy CEO, Executive Member.
4. Athanassios Tsadaris, Deputy CEO, Executive Member.
5. Gerassimos Sapountzoglou, Non-Executive Member.
6. Georgios Panayiotou, Independent Non-Executive Member.
7. Georgios Vlachakis, Independent Non-Executive Member.
8. Ioannis Kyriakopoulos, Independent Non-Executive Member.
9. Ioannis Marmangiolis, Non-Executive Member.
10. Dimitris Tzanninis, Non-Executive Member.
11. Stefania Georgakakou-Koutsonikou (Representative of the Greek State, in accordance with the relevant provisions of L.3723/2008, Additional Non-Executive Member.

On 20 September 2016 Mr. Gerassimos Sapountzoglou resigned.

Subsequently, the Bank's BoD that was elected by the Extraordinary General Meeting of Shareholders on **20 September 2016**, was as follows:

1. Panagiotis Roumeliotis, Chairman of the BoD, Non-Executive Member.
2. Theodoros Pantalakis, CEO, Executive Member.
3. Athanassios Tsadaris, Deputy CEO, Executive Member.
4. Ioannis Tsakirakis, Deputy CEO, Executive Member.
5. Efstathios Anagnostou, Non-Executive Member.
6. Dimitrios Tzanninis, Non-Executive Member.
7. Charalambos Brilakis, Independent Non-Executive Member.
8. Ioannis Marmangiolis, Independent Non-Executive Member.
9. Georgios Vlachakis, Independent Non-Executive Member.
10. Georgios Panayiotou, Independent Non-Executive Member.
11. Athanassios Stathopoulos, Non-Executive Member.
12. Stefania Georgakakou-Koutsonikou (Representative of the Greek State, in accordance with the relevant provisions of L.3723/2008, Additional Non-Executive Member.

On 31 October 2016 Mr. Efstathios Anagnostou resigned and on 22 November 2016, in replacement of Mrs. Stefania Georgakakou-Koutsonikou who had resigned, Mrs. Zacharoula Papatheodorou was appointed in her stead, by force of the provisions of L.3723/2008 and by force of 2016 regulation 0001614 of the General Directorate of Economic Policy, by decision of the Minister of Economics.

On **31 December 2016** the composition of the BoD was as follows:

1. Panagiotis Roumeliotis, Chairman of the BoD, Non-Executive Member.
2. Theodoros Pantalakis, CEO, Executive Member.
3. Athanassios Tsadaris, Deputy CEO, Executive Member.

4. Ioannis Tsakirakis, Deputy CEO, Executive Member.
5. Dimitrios Tzanninis, Non-Executive Member.
6. Charalambos Brilakis, Independent Non-Executive Member.
7. Ioannis Marmangiolis, Independent Non-Executive Member.
8. Georgios Vlachakis, Independent Non-Executive Member.
9. Georgios Panayiotou, Independent Non-Executive Member.
10. Athanassios Stathopoulos, Non-Executive Member.
11. Zacharoula Papatheodorou (Representative of the Greek State, in accordance with the relevant provisions of L.3723/2008, Additional Non-Executive Member.)

The BoD is required to make decisions on every act regarding the company Management, the administration of its property and in general the pursuit of the company purposes, with the exception of the issues which, by express provision of the Law or the Articles of Association, come under the responsibility of the General Meeting.

Analytically, the responsibilities of the Bank's BoD are stipulated in its Articles of Association.

Furthermore, in accordance with L.4261/2014, the BoD:
- Bears the general responsibility of managing the administration of the credit institution, and approves and supervises the materialisation of its strategic targets, risk management strategy and internal governance of the credit institution.
- Ensures the adequacy of the accounting systems and of the financial reports, including the financial and operational controls and its compliance with the law and the pertinent standards.
- Monitors the process of the notifications and communications in accordance with the law.
- Is responsible for the effective supervision of the aforementioned administrative executives pursuant to case 9, paragraph 1 of article 3 of L.4261/2014.
- Observes and periodically assesses the efficiency of the institution's corporate governance regulations and proceeds to the due actions to address any insufficiency whatsoever.

The composition of the Bank's BoD changed within 2016, so as to keep abreast of the requirements of the current regulatory framework as to the experience and skills of its members.

Within the framework of upgrading the Corporate Governance procedures, the BoD approved the following policies:
- BoD Member Nomination Policy.
- Conflicts of Interests Policy.
- Policy for Borrowers with a Special Relation with the Bank (Related Parties) and Connected Borrowers.

1.1. Operation of the BoD

The BoD convenes regularly at least once every calendar month. The issues on the agenda are defined and notified by written invitation to the rest of the members by the Chairman or the Vice Chairman, at least two working days prior to each meeting.

The BoD calls an extraordinary meeting whenever the Chairman or Vice Chairman sees fit or necessary its convocation or whenever the Chairman or Vice Chairman are asked to do so through a written application by at least two members. In such a case, the Chairman or Vice Chairman are required to call the BoD within seven days following the submission of the application.

The application should, under penalty of inadmissibility, explicitly mention the topics for discussion in the BoD. In case the BoD is not called by the Chairman or the Vice Chairman within the said deadline, the members who requested the meeting are permitted to call the board meeting themselves within five (5) days after the lapse of the said deadline of seven (7) days, communicating the relevant invitation to the rest of the BoD members.

The BoD has a quorum and convenes validly when half the Members plus one attend or are represented.

The BoD decisions are validly taken with an absolute majority of the attending and represented Members.

Each Member has one vote. Each Member can represent validly only one Member, through a special written authorization addressed to the BoD or with a statement which is registered in the meeting minutes.

During 2016, the **BoD** had 31 meetings.

The topics discussed have been categorised as follows:
1. Fifteen (15) cases concerning minutes validation issues.
2. Fifty-five (55) cases concerning corporate issues.
3. Eleven (11) cases concerning corporate act issues.
4. Thirty (30) cases concerning risk management/internal audit issues.
5. Twenty (20) cases concerning Personnel issues.
6. Twenty-eight (28) cases concerning corporate governance issues.
7. Twenty-one (21) cases concerning the approval of policies/regulations/procedures.
8. Eleven (11) cases concerning reports/updating/propositions from the BoD committees.
9. Twenty-three (23) cases concerning economic sizes issues.

In particular, the main issues that concerned the BoD are, among others, related to:

a) Corporate Governance

- Preparation and convocation of the Regular General Meeting of the Bank’s Shareholders.
- Preparation and convocation of the Extraordinary General Meetings of the Bank’s Shareholders.
- Approval of the BoD Members Nomination Policy.
- Approval of the BoD Members and Senior Executives Conflict of Interest Policy.
- Approval of the Related Parties and Connected Borrowers Policy.
- Approval of the Operational Risk Management Policy.
- Update of the Bank’s Outsourcing Policy.
- Establishment of the Policy of promoting the Bank's products, services and company image to the media.
- Update on the operations and decisions of the Bank's committees.
- Update of the BoD Committee Chairmen on the scheduling and materialisation status of their work.
- Remuneration issues of the senior executives and Members of the BoD.
- Taking stock of the work of the Control Committee.
- Monthly update on the progress reports/implementation of recommendations from the Bank of Greece/ECB.
- Restructuring and changes in the composition of the BoD Committees in accordance with the regulations of Corporate Governance.

b) Observation of Business Activities

- Approval of the Bank's Restructuring Plan.
- Approval of the Bank's budget.
- Update on the Operationcal Collective Employment Agreement.
- Approval of the Voluntary Departure Programme.
- Update on the Bank's communication policy.
- Progress/presentations of Subsidiaries.
- Update on the amendment of the organisational structure of the Network's branches.
- Approval of the Bank's new organisational chart.

c) Risk Management

- Approval of a Risk Appetite Framework.
- Update on the Early Warning System.
- Update on the portfolio of NPEs and the management of NPLs.
- Update on the Bank's liquidity status.
- Approval of the new Credit Regulation.

1.2. Remuneration and Compensation of the BoD Members

All kinds of remuneration paid by the Bank to the BoD Members, to its managers and auditors, as well as the broader remuneration policy of the Bank, are determined with a relevant decision of the BoD and are approved with a special decision of the General Meeting, whenever this is required by the law.

The total of remunerations and any compensations whatsoever of the BoD Members are cited in in a separate section of the financial reports of the Bank.

2. BoD Committees

The BoD has created the following Committees[1]:

1. Remuneration Committee.
2. BoD Member Nomination Committee.
3. Strategic Planning and Communication Committee.
4. Risk Management Committee.

Additionally, the BoD is supported in its operations by the Audit Committee, whose members are elected by the General Meeting of Shareholders.

All the above committees update the BoD on their activities by submitting reports at least every three months.

[1] The duties, responsibilities and manner of operation of the BoD Committees are included in the Regulations of Operations of each Committee, as approved by the BoD of the Bank.

2.1. Audit Committee

ATTICA BANK S.A., by force of Circular 41/13.12.2001, decided to create an Audit Committee (AC) with the purpose of assisting the BoD in exercising its duties in the field of developing and ensuring the operation of an adequate and effective Internal Audit System, on a Bank and Group level. The AC has been established and operates in accordance with L. 3016/2002, L.3693/2008 and Governor Act 2577/2006 of the Bank of Greece.

The AC consists of at least three non-executive members of the BoD of the Bank, one of whom shall be independent too. The AC Members are appointed by decision of the General Meeting of the Shareholders. The tenure of the AC Members lasts three years. The renewal of the tenure or the modification of the AC's composition shall always be effected by decision of the Bank's General Meeting. In case an AC Member resigns, the vacant post shall be covered by decision of the Bank's BoD, which shall be submitted for approval to the next General Meeting of the Shareholders. Moreover, the General Meeting appoints the Chairman of the AC. The AC Members must not have parallel posts or make transactions which could be regarded as incompatible with the mission of the AC. Participation in the AC does not exclude the possibility of participating in other BoD committees. The AC Chairman should have the necessary knowledge and experience in order to supervise the audit procedures and the accounting issues concerning the AC. In parallel, the BoD, as a whole, should have the proper training and experience required for the materialisation of its work, including the knowledge about the broader operational environment of the Bank and the information systems.

The AC is secretarially supported by a Bank officer, in specific by a Bank service which is not controlled by the Internal Audit Directorate (IAD). The secretary is appointed by decision of the AC. The AC can invite to its meetings any BoD member, any executive of the Bank and its subsidiaries or other persons (employees or partners), whom the AC regards that they can contribute to the execution of its tasks.

The AC convenes regularly, within every calendar quarter or extraordinarily if it sees fit. The meetings of the AC are held, either with the physical presence of its members or through a conference/telephone call. An AC member who is absent in three consecutive meetings without any excuse, is susceptible to replacement by decision of the BoD, which is ratified in the next General Meeting of Shareholders.

The AC has a quorum when all its members are present. Only the AC members have a right to vote for a decision. Decisions are taken by majority of the AC members. In case there is no unanimous decision on any AC issue whatsoever, the opinions of the minority shall be recorded in the minutes.

During the period 01.01.2016-26.06.2016, Mr. Nikolaos Lionis was AC Chairman and Mr. Nikolaos Bakatselos and Mr. Athanassios Presvelos were its members. The composition of the AC was modified on 27 June 2016, by force of the decision of the Regular General Meeting of Shareholders. Mr. Georgios Panayiotou was appointed new Chairman and Mr. Georgios Vlachakis and Mr. Dimitrios Tzanninis were appointed as its members. By decision of the Regular General Meeting of Shareholders on 20 September 2016, Mr. Georgios Vlachakis was replaced by Mr. Charalambos Brilakis.

The responsibilities of the AC are, among others, as follows:

- Observing, annually assessing and submitting proposals for the improvement of the adequacy and effectiveness of the Internal Audit System, on a Bank level and on a Group level, based on the relevant data and information provided by the IAD, the ascertainments and observations of the auditors (Chartered Auditors) as well as the supervisory authorities, in accordance with the applicable law (indicatively we cite the Bank of Greece Governor Act 2577/2006).
- The submission of a proposal to the BoD regarding the selection of external auditors. The AC can also submit, if it sees fit, a proposal regarding their replacement or alternation.
- Ensuring the independence of Chartered Auditors, as per the applicable law (today article 12, L.3148/2003).
- Supervising and assessing the drafting procedure of published annual and periodical financial reports of the Bank and the Group according to the applicable accounting standards.

- Facilitating the communication among the Bod, Management, Internal Audit and External or Chartered Auditors and the Bank of Greece for the exchange of opinions and information.
- Evaluating the work of the IAD, with emphasis on issues related to the degree of its independence, the quality and extent of the audits it makes, the priorities set by shifts in the economic environment, in the systems and in the risk level and in general the efficiency of its operation.
- Submitting proposals to internal or external auditors about the special areas where additional audits are deemed imperative.
- Preventing and avoiding wrong actions and malpractices which come to its attention and which could jeopardise the reputation and interests of the Bank and the Group as well as of its Shareholders and anyone transacting with it.
- Annually assessing the adequacy and efficiency of the Policy with a view to dealing with Money Laundering and Terrorism Financing and submitting a relevant report to the BoD, as well generally supervising the proper implementation of the said policy.
- Approving the Regulation of Operation of the IAD and the amendments thereof.

During 2016, the **AC** held 24 meetings.

During the exercise of its duties in 2016 the Audit Committee:
1. Examined the On-the-Spot Audit Results which were produced by a mixed team of the European Central Bank (ECB) and the Bank of Greece (BoG), attended to the findings that concerned it and observed the materialisation progress of the remedial measures.
2. Examined regular and extraordinary findings/reports of the IAD and discussed the main issues arising from them. Among others, it was informed on the audit results regarding the evaluation of the process of producing the submitted data to the Hellenic Deposit and Investment Guarantee Fund.
3. Proposed to the BoD to materialise the remedial measures agreed upon after the recommendations of the Internal and External Auditors as well as of the Supervisory Authorities. In particular, it highlighted the settlement of old pending findings and the constant compliance to the regulatory and supervisory framework.
4. Assessed the Bank's Internal Audit System, based on the corresponding annual report for 2015, drafted by the IAD. The report and assessment were submitted to the BoD and subsequently to the Bank of Greece in June 2016, in accordance with what is prescribed in the Bank of Greece Governor Act 2577.
5. Examined the Annual Report of the Competent Manager of the Bank regarding the prevention and avoidance of money laundering and terrorism financing as well as the Annual Report of Compliance for 2015 and drew up its own assessment of the said reports. The assessments and reports were submitted to the BoD and to the Bank of Greece in March and June 2016 respectively, in accordance with what is prescribed by the Bank of Greece Governor Act 2577 and Banking and Credit Committee Decision 281/2009.
6. Discussed with the Heads of the Directorates of Financial Services and Internal Audit as well as with the External Auditors about issues regarding the quarterly, semi-annual and annual financial reports. It examined and evaluated the process of drawing up the financial reports and the work of Auditors.
7. Proposed the selection and reward of Auditors.
8. Examined and discussed the IAD quarterly reports.
9. Approved the updated regulation of operation of the IAD.

10. Discussed and approved the annual audit schedule of the IAD for 2016 and the redefining thereof, observing at the same time its materialisation.
11. Examined the evaluation of the risk areas of the Bank with the aim to draw up the audit schedule for 2017.
12. Received information on important operational issues of the Bank, such as subsidiaries and voluntary departure and expressed its opinions on the said issues.
13. Effected its self-assessment.

2.2. Remuneration Committee

The Remuneration Committee has been created and operates in accordance with the current applicable regulatory framework (3723/2008, L.4261/2014 and the Bank of Greece Governor Act 2650/19.01.2012) and regards the credit institution and the Group's subsidiaries.

The BoD forms the Remuneration Committee in such a way that:

- It is able to express an independent expert opinion about the remuneration policies and their implementation as well as about the incentives created during risk, capital and liquidity management.
- It ensures the uninhibited exercise of its responsibilities, the effective alignment of the staff's remuneration with the risks undertaken and managed by the Bank as well as the necessary coordination between the Bank and the Group to which it belongs.

The Remuneration Committee consists of three (3) non-executive members of the BoD, all of whom are independent.

The tenure of the BoD members is annual and shall be renewed by decision of the BoD. In case a Committee member departs for any reason whatsoever, they shall be replaced by decision of the Bank's BoD.

Among others, the Committee:

- Prepares decisions regarding the remuneration of the Bank's and Group's staff, including those which have consequences on the undertaken risks and their management, and makes proposals to the BoD to take decisions.
- Submits proposals to the non-executive members of the BoD regarding the Management's remuneration, especially of the executive BoD members as well as of the higher-paid employees of the Bank and the Group in accordance with the current applicable policy of the Bank.
- Supervises directly the remuneration of the senior members in the Risk Management Unit, Compliance Unit and Corporate Governance Unit.
- Updates, advises and assists the non-executive members of the BoD as regards the development, revision and monitoring of the implementation of the remuneration policy.
- Proposes corrective actions in case it ascertains that there is inability to materialise the remuneration policy that has been developed or that there is some divergence as to the manner this is implemented.
- Sees to taking into consideration all the kinds of risk, the Bank's liquidity and capital sufficiency, during the evaluation of the mechanisms adopted for the alignment of the remuneration policy with the risks undertaken.
- Evaluates the appointment of external experts from the non-executive BoD members regarding the provision of advisory or support services about the remuneration policy.
- Receives and assesses the periodically submitted (at least on an yearly basis) reports of the Internal Audit Unit, with which the said Unit submits its findings stemming from the central and independent internal audit it effects about the remuneration policy. With the

said reports, the Unit also submits its proposals for any revision of the implemented remuneration policy, especially in line with the avoidance of creating incentives for undertaking excessive risk or other behaviours which are incompatible with the Bank's targets.

- Assesses the achievement of performance targets and the need of a subsequent adaptation, based on the risk, including the implementation of malus adjustments and adjustments about remuneration returns.

The composition of the Remuneration Committee by decision of the BoD on 23 June 2015 was the following:

Chairman:	Antonios Protonotarios, Independent Non-Executive BoD Member.
Member:	Ilias Perzinidis, Independent Non-Executive BoD Member.
Member:	Michael Poulakis, Non-Executive BoD Member.

By decision of the BoD on 9 September 2016, the Committee was reformulated as follows:

Chairman:	Georgios Vlachakis, Independent Non-Executive BoD Member.
Member:	Konstantinos Makedos, Vice-Chairman, Non-Executive BoD Member.
Member:	Ioannis Kyriakopoulos, Independent Non-Executive BoD Member.

Finally, by decision of the BoD on 20 September 2016, the Committee was reformulated as follows:

Chairman:	Georgios Vlachakis, Independent Non-Executive BoD Member.
Member:	Ioannis Marmangiolis, Independent Non-Executive BoD Member.
Member:	Charalambos Brilakis, Independent Non-Executive BoD Member.

During 2016, the **Remuneration Committee** held 7 meetings.

The topics discussed have been categorized as follows:
1. One (1) case concerning corporate issues.
2. Seven (7) cases concerning Personnel issues (voluntary departure programme, operational collective agreements, higher administrative executives contracts).
3. Eight (8) cases concerning Corporate Governance issues.
4. Three (3) cases concerning policy/regulation/procedure approval issues.
5. One (1) case concerning reports/updates/proposals to the BoD.

In particular, the Committee, among others:
- Validated the voluntary departure programme.
- Approved the extension of validity of the operational collective agreements.
- Approved the updated Regulation of Operation of the Committee.
- Developed and proposed to the BoD the remuneration of the members of the BoD and its Committees.
- Updated the Bank's Remuneration Policy, in accordance with the guidelines of the European Banking Authority (EBA), in relation with the adopted Remuneration Policies.

2.3. BoD Members Nomination Committee

The BoD Members Nomination Committee bears the responsibility for evaluating the adequacy, performance and efficiency of the BoD.

The Committee consists of at least three (3) non-executive members of the BoD, of whom at least the Chairman must be an independent non-executive member. The current representative of the Bank's main shareholder may participate in the Committee as an advisory member with the right of vote.

The Chairman and the members of the Committee are appointed by decision of the Bank's BoD. The same applies for the exact number of its members.

The responsibilities of the Committee include among others:

- Planning and coordinating the implementation of the process of determining and selecting the candidate members for the BoD and its committees.
- Describing the particular skills and qualifications required for covering the BoD member posts and estimating the necessary time which should be devoted to the said post.
- Periodically assessing (at least on an annual basis):
  - The structure, size, composition and performance of the BoD and submitting recommendations as to any changes it deems to be necessary.
  - The BoD members' combination of range, expertise, skills and experience per topic on a personal and collective level.
  - Submitting a relevant report to the BoD.
- Periodically re-examining (at least on an annual basis):
  - The Bank's Bod Member Nomination Policy.
  - The Bank's Higher Administrative Executives Selection and Appointment Policy.
- Ratifying the appointment of higher administrative executives, with the exception of the Heads of the Internal Audit Directorate and the Compliance and Corporate Governance Directorate, who are designated by the Audit Committee and with the exception of the Head of the Risk Management Unit who is designated by the Risk Management Committee, following consultations with the Committee.
- Consulting with the Audit Committee and the Chairman of the BoD regarding the proposition of the Audit Committee to the BoD about appointing a competent managing executive of the Bank to fight against the legalisation of proceedings from criminal activities (money laundering).
- Submitting proposals to the BoD about the diversity policy to it.
- Re-examining semi-annually the independence of independent non-executive members of the BoD and submitting reports to the BoD about any changes it sees fit.
- Observing, on a quarterly basis, the attendance of the members in the BoD and its committees and estimating the need to intensify this attendance, in case the compulsory minimum attendance of 85% for individual members is not achieved.
- Re-examining annually any other significant commitments of the BoD members outside the Bank and estimating the need to intensify their participation in the operation of the BoD.
- Evaluating existing or potential conflicts of interest between the members of the BoD and the Bank, including transactions of BoD members with the Group, and submitting relevant reports to the BoD, in accordance with the Regulation of Internal Operations of the Bank and the optimal international corporate governance practices.
- Drawing up and materialising a programme of induction for the new BoD members and periodically training the current BoD members.
- Re-examining periodically the succession planning for the higher management executives and submitting a relevant report to the BoD.
- Giving an expert opinion about the organisational chart of the Bank and about any modifications whatsoever that the executive members of the BoD propose to the BoD for approval.

- Providing ad hoc sufficient information, when deemed necessary, to the General Meeting of Shareholders regarding the activities of the Committee.

During 2016, the **BoD Members Nomination Committee** held 13 meetings.

The initial Composition of the Committee was the following:

Chairman: Ioannis Gamvrilis, Chairman of the BoD.
Member: Athanassios Presvelos, Independent Non-Executive BoD Member.
Member: Michael Poulakis, Non-Executive BoD Member.

After the Regular General Meeting of 27 June 2016, the Committee was formed by decision of the BoD of the 8th of July 2016 as follows:

Chairman: Georgios Vlachakis, Independent Non-Executive BoD Member.
Member: Konstantinos Makedos, Vice-Chairman, Non-Executive BoD Member.
Member: Antonios Protonotarios, Independent Non-Executive BoD Member.
Member: Athanassios Presvelos, Independent Non-Executive BoD Member.
Member: Ilias Pertzinidis, Independent Non-Executive BoD Member.

By decision of the BoD on 28 July 2016, the Committee was reformulated as follows:

Chairman: Ioannis Marmangiolis, Non-Executive BoD Member.
Member: Konstantinos Makedos, Vice-Chairman, Non-Executive BoD Member.
Member: Georgios Vlachakis, Independent Non-Executive BoD Member.

Finally, by decision of the BoD on 20 September 2016, the Committee was reformulated as follows:

Chairman: Ioannis Marmangiolis, Independent Non-Executive BoD Member.
Member: Georgios Vlachakis, Independent BoD Member.
Member: Athanassios Stathopoulos, Non-Executive BoD Member.

Advisory Member without the right of vote: Konstantinos Makedos (Chairman of the Engineers and Public Contractors Pension Fund - TSMEDE).

In the period September-December 2016 the Committee dealt primarily with materialising the proposals of the On-the-Spot Audit Results of the European Central Bank (ECB) and the Bank of Greece, which regarded the Corporate Governance Framework and lay under its responsibility.

The topics discussed have been categorized as follows:
1. One (1) case concerning corporate issues.
2. One (1) case concerning Personnel issues.
3. Eleven (11) cases concerning Corporate Governance issues.
4. Nine (9) cases concerning policy/regulation/procedure approval issues.
5. Two (2) cases concerning external partner selection issues.

In specific, the Committee, among others:
- Proposed to the BoD to appoint new members.
- Approved the updated Regulation of Operations of the Committee.
- Approved the BoD Members Nomination Committee Policy.
- Approved the BoD Member and Senior Executives Conflict of Interests Avoidance Policy.
- Approved the Related Parties and Connected Borrowers Policy.

2.4 Strategic Planning and Communnication Committee
The Strategic Planning and Communication Committee supports the BoD in developing and materialising the Group's strategic planning.

The responsibilities of the Committee are, among others, the following:
- Suggesting the determination of the basic long-term targets of the Bank and developing its mid-long-term strategy, in alignment with the directives and targets set by the BoD.
- Drawing up the business plan of the Bank and the annual budget and proposing it to the BoD.
- Observing the materialisation of the Bank's business plan and annual budget on a quarterly basis.
- Revising the basic targets and re-examining the important business decisions before they are submitted for approval to the BoD within the framework of drafting the annual budget.
- Monitoring the Bank's strategy, providing updates on the main performance indexes which are related to or affect the said strategy and submitting proposals to the BoD about any remedial action.
- Assessing the proposals for transforming the business and operational model of the Bank (strategic co-operations, takeovers or acquisitions, capital increases etc.)
- Updating and supervising the strategic tasks of the Bank, as provided by its business plan or required by the institutional and regulatory framework.
- Drawing up the guidelines of the Bank's communication policy.
- Supervising the communication with analysts and institutional investors, the broader promotion of the Bank towards the public (investors, clients etc.) and developing effective relations with them.
- Examining and submitting proposals to the BoD about all issues of strategic importance to the Bank.

By decision of the BoD on 23 June 2015, the Committee was reformulated as follows:

Chairman:	Ioannis Gamvrilis, BoD Chairman.
Member:	Alexandros Antonopoulos, CEO, Executive BoD Member.
Member:	Ioannis Ioannidis, General Manager, Executive BoD Member.
Rapporteur:	Polyxeni Triantafyllou, Head of Strategic Planning & Communication.
Member:	Marios Bachas, Legal Advisor.

By decision of the BoD on 20 September 2016, the Committee was reformulated as follows:

Chairman:	Panagiotis Roumeliotis, BoD Chairman.
Member:	Theodoros Pantalakis, CEO.
Member:	Athanassios Tsadaris, Deputy CEO, Executive BoD Member.
Member:	Georgios Vlachakis, Independent Non-Executive BoD Member.
Member:	Dimitris Tzanninis, Non-Executive BoD Member.
Rapporteur:	Polyxeni Triantafyllou, Head of Strategic Planning & Communication.

Advisory Member without the right of vote: Konstantinos Makedos

During 2016, the **Strategic Planning and Communication Committee** held 14 meetings.

The topics discussed have been categorized as follows:
1. Thirty-three (33) cases concerning corporate issues.
2. Six (6) cases concerning Personnel issues.
3. Three (3) cases concerning Corporate Governance issues.

4. Four (4) cases concerning policy/regulation/procedure approval issues.
5. Fourteen (14) cases concerning risk management/internal audit issues.
6. Nine (9) cases concerning economic sizes management issues.

In specific, the Committee, among others:
- Proceeded into actions regarding the way of managing non-performing loans and covering the capital deficit of the Bank.
- Approved the updated Regulation of Operations of the Committee.
- Approved the Bank's Restructuring Plan.
- Approved the Informatics Strategy.
- Approved the 2017 budget.
- Approved the Product and Services Promotion and Corporate Image Policy of the Bank.

2.5. Risk Management Committee
The Risk Management Committee is responsible for monitoring the risks undertaken by the Group through its activities.

Among others, the Committee:
- Supervises the development and implementation of an appropriate risk management framework, which includes specific limits of tolerance or risk taking.The Committee proposes annually to the BoD the risk taking framework for extensive discussion and approval, as well as the evaluation of the appropriacy of the business plan.
- Checks the pricing of the provided services, taking into account the business plan and the risk taking framework of the institution and submits a corrective plan to the BoD, when it sees fit.
- Recommends to the BoD, when it sees fit, revising the Risk Management Policy and the Credit Policy of the Group, following a recommendation of the Head of Risk Management.
- Assesses annually the adequacy and efficiency of the risk management policy of the Bank and the Group.
- Ensures that there are proper supervision and control mechanisms for the monitoring and effective management of NPEs and NPLs.
- Formulates proposals and remedial action to the BoD, in case it detects an inability to materialise the strategy developed for the credit institution's risk management or any divergence in its implementation.
- Provides for issues which concern the Group's relationship with Connected Persons.
- Receives notifications from the Risk Management Manager regarding any divergence whatsoever from the observation of the approved risk management limits, any issues of non-compliance with the minimum levels of CDR as well as any negative developments regarding the approved Operational Plan of the Group.

- After evaluating the annual report of the Risk Management Manager, it forwards it to the BoD. This report, along with its evaluation, are submitted by the end of the first calendar quarter each year to the Bank of Greece, in accordance with the current applicable regulatory framework.
- Ensures the development of an internal system of risk management, which it incorporates in the business decision-making process (e.g. decisions concerning the introduction of new products and services, the pricing of products and services which is adapted according to the risk, as well as the estimation of the performance and allocation of capitals in connection with the risk taken) across all Group activities.

- Sets the principles which govern risk management as to their detection, prediction, calculation, monitoring, control and handling, in line with the current applicable business plan and the sufficiency of available resources.
- Forecasts the conduct of at least annual stress tests about the market, credit balance and liquidity risks, and of analogous techniques for the operational risk.
- Guides the Risk Management Unit through the preparation of the Quarterly Risk Report, which covers all risks to which the Bank is exposed, includes evaluations and proposals for actions as well as information on the Bank's transactions with connected parties.
- Informs the BoD (at least every three months) about the work done by the Committee and the most important risks undertaken by the Group, assures the BoD about their effective handling and suggests any necessary actions it sees fit.
- Ensures the development of appropriate early warning systems and monitoring and control mechanisms for the monitoring and effective management of high risk credits. The early warning systems cover all risks to which the Bank is exposed and have specific qualitative and quantitative risk indexes, the violation of which results in the Bank management taking specific measures.

The composition of the Risk Management Committee consists of at least three (3) and at most four (4) non-executive BoD members, with sufficient knowledge and experience in the field of risk management, one (1) of whom is appointed as Chairman thereof. At least one (1) Committee member must be an independent member of the BoD.

By decision of the BoD on 23 June 2015, the Committee was reformulated as follows:

Chairman:	Ioannis Ioannidis, General Manager, Executive BoD Member.
Member:	Nikolaos Grammatidis, Non-Executive BoD Member.
Member:	Nikolaos Lionis, Independent Non-Executive BoD Member.
Member:	Leonidas Kriekoukis, Head of Risk Management.

By decision of the BoD on 8 July 2016, the Committee was reformulated as follows:

Chairman:	Dimitrios Tzanninis, Non-Executive BoD Member.
Member:	Anna Pouskouri-Reiche, Non-Executive BoD Member.
Member:	Georgios Panayiotou, Independent Non-Executive BoD Member.

By decision of the BoD on 28 July 2016, the Committee was reformulated as follows:

Chairman:	Dimitrios Tzanninis, Non-Executive BoD Member.
Member:	Ioannis Marmangiolis, Non-Executive BoD Member.
Member:	Georgios Panayiotou, Independent Non-Executive BoD Member.

Finally, by decision of the BoD on 20 September 2016, the Committee was reformulated as follows:

Chairman:	Dimitrios Tzanninis, Non-Executive BoD Member.
Member:	Ioannis Marmangiolis, Independent Non-Executive BoD Member.
Member:	Georgios Panayiotou, Independent Non-Executive BoD Member.
Member:	Charalambos Brilakis, Independent Non-Executive BoD Member.

During 2016, the **Risk Management Committee** held 20 meetings.

The topics discussed have been categorized as follows:
1. Twenty-two (22) case concerning Risk Management issues (e.g. Supervisory Assesment of Internal CDR (DAEEK), setting of limits, materialisation of SMM recommendations, watch list model presentation, Risk Appetite Statement, Early Warning System etc.)
2. Sixteen (16) cases concerning policy/regulation/procedure approval issues (liquidity policy, risk management policy, credit risk management and impairment forecast policy, Risk Appetite Framework, Early Warning System, credit regulation).
3. Twenty-four (24) cases concerning corporate issues (information on the Bank's liquidity, Bank of Greece Audit, SSM findings, pricing policy etc.)
4. Two (2) cases concerning economic sizes.
5. One (1) case concerning Corporate Governance issues.
6. Two (2) cases concerning validation of practices.
7. One (1) case concerning the observation of the implementation of decisions.
8. One (1) case concerning the scheduling of meetings.

In specific, the Committee, among others:
- Supervised the materialisation of the recommendations of the On-the-Spot Audit Results of the European Central Bank (ECB) and the Bank of Greece regarding Risk Management.
- Approved the updated Regulation of Operations of the Committee.
- Approved the Risk Appetite Framework.
- Approved the update on the Credit Risk Management and Loan Impairment Forecast Policy.
- Approved the new Credit Regulation.
- Set new opening limits (individual and sectoral) for a more active management of concentration risk.
- Approved the Early Warning System.

3. Administrative Committees and Councils[2]

3.1. Executive Committee

The Executive Committee monitors and ensures the proper and effective operation of the Bank for the materialisation of the policy, the business plan and the budget, as those have been approved by the BoD. It consists of nine (9) members at least, one of whom shall be the Managing Director who shall be appointed as its Chairman. Among others, the Committee has the following duties:

[2] Information on the duties, responsibilities and manner of operation of the Administration Committees and Councils are included in their Regulations of Operations, as approved by the BoD of the Bank.

- Elaborates the strategy and formulates the Operational and Annual Budget Plan proposal before they are discussed in the Strategic Planning and Communication Committee.
- Amplifies the materialisation of the strategy by co-ordinating the actions of the Bank Units.
- Observes the achievement of targets on a Bank and Unit level, examines any divergence, decides on remedial actions and provides instructions to the relevant organisational structures.
- Determines the policy of developing the networks and the Group.
- Ensures that the risk management guidelines are integrated in the Bank's operation and in the budget.
- Decides the approval limits of investments and expenditure of the competent bodies.

It regularly convenes at least twice a month or extraordinarily, when, according to the Chairman's judgement, it is imperative from the current circumstances or when specific decisions have to be taken immediately.
The Committee has a quorum when the number of attendants at the meeting exceeds half of its appointed members, and in case the number of the attending members is not lower than five (5), among whom the Chairman or his replacement should necessarily be present, as prescribed in the cases of his replacement. The decisions of the Committee are made by majority by its present members, as long as the Chairman agrees with them. In case of a tie, the Chairman has a casting vote.

3.2. Default Management Committee
Attica Bank, within the framework of alignment with the Executive Committee's Act no. 42/30.05.2014 of the Bank of Greece, the Executive Committee's Act no. 47/09.02.2015 of the Bank of Greece and the Executive Committee's Act no. 102/30.08.2016 of the Bank of Greece, has established and operates a management body to observe defaults. This consists of three executive bodies and has the appropriate degree of independence in relation with the other operational structures of the Bank and especially in relation with the credit operations and the operation of the management of performing loans of the portfolio. Its responsibilities are described in the regulatory framework of the Supervisory obligations about the management of NPEs and NPLs, as applicable. These include, among others:

- The centralised processing of all internal reports regarding the operation of defaults.
- The formulation of the appropriate rescheduling types or final settlement per loan sub-portfolio and the monitoring of their efficacy, through appropriate performance indicators.
- The formulation and substantiation of the criteria, which will examine the long-term viability of each type of rescheduling or final settlement (creating and using special tree charts).
- The determination of the parametres and the range of responsibilities of bodies and persons involved in the evaluation of the viability and appropriacy of the proposed settlement type and the subsequent monitoring of its implementation.
- The planning, monitoring and evaluation of the pilot settlement programmes, in collaboration with the business units.
- Decision-making about the content of the reports submitted to the Bank of Greece, before those are sent to it. Also, reviewing the data thereof.

The Default Management Committee convenes upon communication of its members, once every three months or extraordinarily whenever it is deemed necessary about special issues, with a respective invitation from its Chairman. The Council convenes validly with an attendance of two of its three members, either with physical presence in the meeting venue or any other venue through the use of web-conferencing and teleconferencing technologies. Furthermore, the Default Management Committee had the capacity to invite to its meetings Bank executives that do not form part of its composition, in order to facilitate its work.

3.3. Assets-Liabilities Committee (ALCO)
The Assets-Liabilities Committee (ALCO) is three-membered and consists of members of the Bank's BoD. It develops the Bank's and the Group companies' policy in issues of structuring, pricing and managing the Asset-Liabilities data. Moreover, it monitors the economic developments and the basic operational premises, based on which the Bank develops its policy. Among others, ALCO:

- Determines the framework of undertaking and offsetting liquidity and interest rate risks by using the appropriate tools.
- Develops the overall interest rate policy of the Bank and the companies of the Group.
- Determines and supervises the implementation of the internal pricing system for the Bank's treasury and establishes the policy of internal pricing between deposit/credit units.

- Approves the liquidity contingency plan and sees to differentiate between the sources of extracting Bank wealth.
- Approves the stress test and examines the results from the implementation of scenarios for extreme changes in the capital markets.
- Evaluates and approves the circulation of new deposit or loan products as well as the stretch of the Bank's new products and services that comply with its strategic planning.

The Committee regularly convenes every month or extraordinarily more often whenever it is deemed necessary by its Chairman because this is imposed by the market circumstances or when it is imperative to make major decisions. The Committee has a quorum when the number of attendants at the meeting exceeds half of its appointed members, and in case the number of the attending members is not lower than three (3), among whom the Chairman should necessarily be present, as prescribed in the cases of his replacement. The decisions of the Committee are made by majority by its present members, as long as the Chairman agrees with them. In case of a tie, the Chairman has a casting vote.

3.4. Senior Credit Committee

The Senior Credit Committee is the Supreme Approval Committee of the Bank for the total of its credits, performing or in default, as well as for other special relevant cases. It consists of at least three (3) main members, as well as other advisory members lacking the right of vote. A Senior Executive of the Bank is appointed Chairman of the Committee. His post level must be at least Deputy CEO. The Chairman may be a separate one depending on the case, for performing credit cases and for default issues. The composition of the Committee is determined by the BoD or the CEO, in line with the responsibilities and authorisations it has been assigned by the BoD. It operates within the framework of what is prescribed in the applicable Credit Regulation and it evaluates and decides on the requests submitted by the competent Directorates for both performing or defaulted credits.

The Committee regularly convenes at least once a week or extraordinarily more often whenever it is deemed necessary by its Chairman because this is imposed by the market circumstances or when it is imperative to make major decisions. The Committee has a quorum when the number of attendants at the meeting exceeds half of its appointed members, among whom the Chairman should necessarily be present along with the advisory member which regards the Head of the Credit Risk Directorate, if they are not included in the present members of the Committee. The decisions of the Committee are made by majority (which consists of at least two members) by its present main members, as long as the Chairman agrees with them. In case of a tie, the Chairman has a casting vote.

4. General Meeting

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

The procedures and rules of convergence, participation and decision-making from the General Meeting, as well as its responsibilities, are regulated analytically in the provisions of the Bank's Articles of Association, as it stands amended and of Codified Law 2190/1920.

The General Meeting is the only competent body to decide on:

a) Amendments to the Articles of Association, including capital share increases or decreases. The decisions on the amendments to the Articles of Association are valid unless they are explicitly prohibited in the Articles.

b) The election or replacement of BoD Members and auditors, except the case of hereby article 18, paragraph 1 on the election of consultants in the case of consultants who resigned, deceased or lost their title in any other way whatsoever.
c) The approval of the annual financial reports of the Bank.
d) The distribution of annual profits.
e) The granting of bond loan, without prejudice to article 8, paragraph 2 and 4 hereby.
f) The merger, demerger, conversion, revival, extension of duration or dissolution of the Bank.
g) The appointment of liquidators.
h) Any other issue not provided in the Bank's Articles of Association.

Concerning the rights of shareholders in the Bank's General Meetings, there shall apply and be implemented what is stipulated in article 6 of L.3884/2010, which amended Codified Law 2190/1920 in combination with what is set out in the Bank's Articles.

5. Internal Audit System

A primary consideration of the Bank is the development and constant upgrade of the Internal Audit System, which constitutes a total of adequately substantiated and detailed recorded auditing mechanisms and procedures, integrating the best principles of corporate governance and covering on a continual basis every activity and transaction of the Bank, contributing to its effective and safe operation.

The establishment of the Internal Audit System aims to:

- Consistently materialise the operational strategy of the Bank and the Group with the effective use of the resources available at any given time.
- Recognise and manage the undertaken or potential risks.
- Ensure the fullness and reliability of data, which are indispensable for drawing up reliable financial reports in accordance with the International Accounting Standards and in general for the accurate and timely definition of the Bank's financial state.
- Comply the operation of the Bank with the applicable legal and regulatory provisions as well as with the provisions of its policies and procedures established as in force.
- Preserve the Bank's assets, separately and analytically observe and maintain the assets of its clients and safeguard the interests of the Bank, its shareholders and the parties that transact with it.
- Constantly control the operations and activities that are assigned to third parties, in accordance with the special provisions of the Outsourcing Policy.
- Conduct periodical or even extraordinary audits from the competent units of the Internal Audit Directorate, so as to ascertain the consistent implementation of the provided rules and procedures from all the service units of the Bank, offering simultaneously the possibility to service units to develop self-evaluation methods.

The General Committee is assisted in its work by the Audit Committee. The AC evaluates the adequacy and efficiency of the Internal Audit System on an annual basis and develops a strategy to improve it, taking into consideration the findings, proposals and comments made by the Internal Audit Directorate, as formulated through its auditing operations. The evaluation of the adequacy of the Internal Audit System shall be periodically assigned (at least every three years), following a proposal from the Audit Committee, to third-party auditors, except the regular ones.

The relevant evaluation report is notified to the Bank of Greece within the first six months of the year after the lapse of the said three-year period.

The Bank's Internal Audit System is supported, in accordance with the applicable institutional framework, by a thorough Management Information and Communication System. The latter's operation ensures the uniform collection and processing of data (based on recorded procedures) as well as the timely distribution, accuracy, reliability and integrity of the information and consequently the effective, timely and valid update of every administrative body of the Bank. The Bank puts special emphasis on the planning and constant development of the Management Information System, whose efficiency is deemed necessary for decision making when managing the undertaken risks.

6. Audit Units

The Bank has specialised audit units that act independently within the law, while based on the best international practices, aiming at the maximum transparency in the organization's operation.

6.1. Internal Audit Directorate

The Internal Audit Directorate[3] (hereinafter IAD) is an independent, objective, safe consulting unit, which is designed to add value and improve the Bank's operations.

The IAD is administratively independent from units with executive responsibilities and from services which are responsible for the materialisation or transactions to be accounted.

As for responsibility issues, the IAD reports to the BoD through the Audit Committee and to the CEO, after the definition of the right prerequisites that safeguard the IAD's independence. The Audit Committee assesses IAD's work and overall efficiency.
The primary role of IAD is to estimate the adequacy of the Internal Audit Systems established by the Bank Management, on a Network, Central Services and Subsidiaries level, and, as such, it is responsible for the constant control of the operation of the said Bank Units, in line with the applicable provisions of the Monetary and Supervisory Authorities, the approved Strategy of the Audit Committee (13.11.2014), the international audit standards and the Bank Management's guidelines with its own decisions and the decisions of audit practice.

In particular, the IAD:

- Checks the implementation and efficiency of the security measures, the procedures and operations, the implementation and ceaseless observation of the Regulation of Operations and the Articles of Association of the Bank (procedures and operations established for the proper, normal and safe conduct of the separate assignments) and, in general, of the Bank's compliance with the legal and institutional framework of the Authorities that supervise it. It provides any information is requested by the Supervisory Authorities and collaborates with them as well as with External Auditors.
- Detects and highlights any problems/malfunctions, analyzes the reasons behind them and proposes measures so as to deal with them and prevent them from happening afresh in the future.
- Monitors the materialisation of its own recommendations to the parties subjected to the audit as well as of the recommendations of the Supervisory Authorities and the External Authorities on a Group level (follow up report).

[3] The responsibilities, obligations and principles of the ISA (International Standards on Auditing), as well as their professional standards/staff obligations are included in the Regulation of Operations of Internal Audit, as updated by the BoD on 30.03.2017

- Participates in the planning of the measures to safeguard and protect the activities and transactions of the Bank, as well as in the establishment of preventive controls mechanisms (Internal Controls).
- Takes part as a consultant in the Planning Committee which plans new products and procedures in issues concerning making important business decisions and assessing the operational risk which may arise, in cases of significant changes, in order to incorporate the appropriate auditing mechanisms, the risk management mechanisms and ensure the compatibility with the applicable rules.
- Participates in the simulation tests for the Bank's Operational Continuity Plan and in the task force for the creation and updating of the regulation and the procedures of the Business Continuity Plan (BCP) and the Disaster Recovery Plan (DRP).
- Evaluates the results of the separate Sectors (Financial Audit), based on the generally accepted entrepreneurial principles (Performance, Efficiency and Economicity). It then informs the Audit Management.
- Examines the effectiveness of the procedures established for the control and administration of various Banking Risks undertaken, especially credit risks, and estimates the potential damage to the Bank.

For the effective exercise of its responsibilities, the IAD has access to all the activities and units as well as to all data and information of the credit institution and the Group's companies. It has at its disposal an experienced and numerous enough personnel, which is employed either full-time or part-time and hierarchically it does not come under any other service unit of the Bank.

The Head of the IAD of the Bank:

1. Is appointed by the BoD (following recommendation from the Audit Committee). His appointment or potential replacement is communicated to the Bank of Greece (Credit System Monitoring Directorate). It is left to the discretion of the Bank of Greece to request his replacement in case it deems that the appropriacy or adequacy criteria are not met so as for him to fulfill his responsibilities.
2. Has high level knowledge and sufficient experience in audit methods and the best international practices.
3. Is of exclusive and full employment. The Bank of Greece may provide an exemption from this obligation in certain categories of credit institutions, taking into account the principle of proportionality.
4. Sees to the appropriate organisational structure of the IAD as well as to the implementation of effective policies, procedures and practices which conform to the best audit practices and the internal audit standards.
5. Informs subsequently the competent bodies of the Bank of Greece about any important changes regarding the organisation and operation of IAD.
6. Supervises and coordinates the activity of the internal audit units in the other units of the Bank (in case there are any) and in the subsidiaries.
7. Attends the General Meetings of Shareholders of the Bank.

For the most correct and effective materialisation of its responsibilities, the IAD consists of five (5) audit sectors, as set by:

- The institutional and regulatory framework.
- The International Audit Standards.
- The best practices.
- The periodical orders of the Supervisory Authorities.

- The demands of the current economic conditions.

These five (5) audit sectors are analyzed below:
1. Central Services & Subsidiaries Audit Sector, which focuses on audits on the Central Units and Directorates of the Bank, as well as of the Subsidiary Companies. In addition, the specific sector co-ordinates and monitors the Internal Auditors of the Subsidiaries.
2. Computer Systems Audit Sector, which checks the Bank's Computer System (vertical system audits and horizontal in all levels of the Bank and Subsidiaries units).
3. Network Branch Operations Audit Sector, which performs audits in the Operations sectors in the Network units.
4. Credit Audit Sector, which performs audits in all fields of undertaking or managing Credit risk on a Branch level or on a Bank Central Operations level.
5. IAD Support Operations Sector, which informs, observes and communicates the Follow-up Report of the Branches (Branch credits and operations) to all parties subjected to auditing, while at the same time it monitors the materialisation of recommendations. It effects the necessary actions for the finalisation of the audit reports (regular and special audits) and all sorts of reports to the Audit Committee, the Management and the Supervisory Authorities. It monitors the daily correspondence of the IAD and the potential actions in collaboration with the Head of the Directorate.
6. The special audits are effected by the corresponding sectors depending on their subject. Special audits of high confidentiality are effected by the Head of the IAD in co-operation with the auditor whom it shall select depending on the audit subject.
7. The Follow up of the recommendations on the findings of the Central Services and Computer Systems is effected by the corresponding sectors. The Follow up of the recommendations on the findings of the Supervisory Authorities or external auditors is effected by the corresponding sectors that concern this.

A more correct, effective and objective materialisation of the Internal Audit's work requires ranking the auditors internally from the IAD. The auditors' ranking criteria agree with their knowledge, skills, abilities and auditing experience. The auditors' ranking is still another element of a more proper observation of the International Auditing Standards (indicatively the 1200, 1210, 1220 standards). As mentioned in standard 1210 "...the internal audit operation must collectively have or acquire the knowledge, skills and other abilities required for the fulfillment of its responsibilities…".
The ranking/hierarchy of the auditors is set as follows:
- Chief Audit Officer (CAO)
- Senior Audit Manager
- Audit Manager
- Auditor
- Junior Auditor
- Trainee Auditor

The IAD applies the International Audit Standards (IIA Standards) and the IIA Code of Ethics. This compulsory guideline constitutes a fundamental prerequisite for internal audit and the evaluation of its effectiveness. The IAD takes into consideration and implements the IIA's Practice Advisories, as applicable, the IIA's Practice Guides and Position Papers, the internationally recognised best audit practices and the internal audit guidelines, policies, procedures and methodologies. The IAD auditors are expected to implement and defend the above principles.

6.2. Compliance and Corporate Governance Directorate

The Compliance and Corporate Governance Directorate prevents and effectively manages the risks of non-compliance of the Bank and the Group's companies with the applicable legal and regulatory framework that governs their operation. For this reason it has the right of uninhibited access to all the data, accounts and information of the Bank and its Group that are considered to be necessary for the fulfillment of its mission.

According to the organisational chart, the Directorate reports the CEO whereas its composition and structure as well as the appointment of its Officer are decided by the BoD.

It is administratively independent from all other operational bodies of the Bank and comes under the control of IAD as to the adequacy and efficiency of its procedures. In matters that require legal advice (such as the interpretation of laws, the implementation of a regulatory provision, the delivery or non-delivery of data, the imposition of sanctions on the bank etc.), it is supported by the Legal Services Directorate of the Bank, the Legal Advisor and Legal Partners of the Bank and its subsidiaries. Among others, it co-operates with the Human Resources Directorate and the Directorate of Staff Training and Establishment of Policies, Regulations, Procedures, Circulars and other Guidelines.

The Compliance Officer as well as the Directorate's staff cannot hold any other position and/or have any other activity whatsoever inside or outside the Bank which conflicts their obligations, role and duties.

The basic operations of the Directorate are the following:

- It makes proposals to the Management about issues concerning the development and materialisation of the Bank's and Group's policy in the field of compliance and corporate governance, taking into consideration the institutional framework for the monitoring of the financial credit system.
- It issues guidelines which are relevant to the adjustment of the internal procedures and the Internal Operation Regulation of the Bank and the Group to the legal and regulatory framework.
- It monitors and checks the legal and regulatory compliance of the separate Units of the Bank and Group.
- It sees to the timely and constant update of the employees in the Bank and the Group about the developments in the regulatory framework which is relevant to their job title, by establishing appropriate procedures and training programmes.
- It establishes and implements the appropriate procedures and develops an annual programme with a view to achieving on time the full and constant compliance of the Bank and the Group companies to the applicable regulatory framework, the Articles of Association and the Internal Operations Regulation. It then draws up a review of the previous year's activities and submits it to the Management and the BoD through the Audit Committee, after the lapse of the first calendar six-month period.
- It adheres (with the appropriate procedures) to the deadlines for the fulfillment of the commitments prescribed in the applicable regulatory framework and offers the relevant confirmation to the BoD.
- It informs the Management and the BoD of the Bank about any significant perceived violation of the regulatory framework or any important omissions in it.
- It coordinates the work of the compliance officers of the internal Services, Units and Group companies, so that they fully comply with the applicable provisions.
- It provides that the Bank complies with the legal-regulatory framework related to the prevention and suppression of legalising proceedings from criminal activities (henceforward CA) and terrorism financing (henceforward TF). It proposes measures that reinforce the effectiveness of the relevant policy of the Bank and measures for its materialisation.
- It sees that the Bank complies with the legal-regulatory framework related to the protection of personal data.

- It provides for the provision of data and the safeguarding of the Public State's interests in cases of tax evasion, in accordance with the applicable framework.
- It provides for the full co-operation of the Units audited with the persons authorised from the Supervisory Authorities. It collaborates itself when necessary.
- It proposes establishing internal Codes of Ethics and sees to their faithful implementation.
- It participates, at least in an advisory role, in the bodies which approve new systems, products, agreements, operations, regulations, circulars and procedures in issues that regard making business decisions so as to ensure their compatibility with applicable rules and Codes of Ethics. It draws and then provides information and data to the Supervisory, Regulatory, Judicial, Tax or other Authorities.

6.3. Risk Management Directorate

Risk Management (RM) operates in accordance with the provisions of the Bank of Greece Governor's Act 2577/2006 and the applicable amendments thereof, in line with the observation and estimation of the total of risks in Assets-Liabilities and the out-of-balance data of the Bank. RM is organisationally accountable to the CEO. The participation of its Head in higher committees and councils is statutory.

The object of RM is the discovery, analysis and development of effective systems of measuring, managing and checking any kind of risk that is inherent in every operation undertaken by the Bank and the Group (on a consolidated basis). RM's operations are extensively mentioned in the ATTICA BANK S.A. Corporate Governance Code.

The Head of RM is appointed by the BoD, following a proposal by the RM. His appointment or potential replacement is notified to the Bank of Greece.

The duties and responsibilities of RM are, among others, the following:

- Observing and evaluating the adequacy of the systems and methods of monitoring credit risk and formulating proposals for remedial measures.
- Establishing and specialising the acceptable limits of credit risk undertaking as well as monitoring their observation.
- Drawing up supervisory reports on credit risk, capital adequacy, market risk and operational risk issues.
- Constantly monitoring and assessing the quality of the Bank's loan portfolio in order to detect on time risks, setting criteria to evaluate the quality of the loan portfolio and providing for their implementation and for the allocation of the portfolio to the competent units, in line with the applicable policies of the Bank.
- Coordinating the actions towards editing and updating the Bank's Credit Regulation.
- Setting the criteria of the Early Warning System in individual and group portfolios.
- Setting and specialising the acceptable limits of risk undertaking (risk appetite) per risk category (market risk, operational risk, interest rate risk, liquidity risk etc.) except the credit risk and concentration risk, and monitoring their observation.
- Developing policies, methodologies and procedures to measure, recognise and control the liquidity risk, so that is does not exceed the acceptable limits.
- Recognising the areas which are characterised by a high degree of operational risk, determining a safety valve (internal controls) for the normal execution of the Bank's operations, checking the fullness and adequacy of the safety valves (internal controls) and making proposals for potential improvements.
- Determining the capital demands in order to cover all risks to which the Bank is exposed.
- Submitting proposals in order to avoid any risk concentration (diversification, hedging, risk mitigation).
- Periodically revising the internal limits and procedures, in order to ensure that the Group complies with the applicable policy that has been decided on.
- Making stress-tests regarding the evaluated risks.

7. Risk Management in relation with the procedure of preparing financial reports

The Bank has a sufficiently substantiated Policy and Procedures for the logistic map of the financial events and the preparation of financial reports.

The transactions are effected through special computerised applications per operational activity of the Bank and the Group, which support the responsibility limits of the operators, the procedures of double-checking of transactions and also produce automatically the necessary accounting registrations.

The accounting system of the Bank and the Group is supported by special computer systems, which have been adapted to the Bank's operational needs. Analytical instruction manuals have been issued and implemented regarding the R11 and Oracle systems, which support the Bank's operations.

Control and accounting agreement procedures have been established so as to ensure the correctness and legitimacy of the registrations in the accounting books as well as the fullness and validity of the financial reports.

8. Information on article 10, paragraph 1 of Guideline 2004/25/EC of the European Council.

According to article 10, paragraph 1 of Guideline 2004/25/EC of the European Council, the following information is hereby cited with report date 31.12.2016.

- The table with the most important direct participations in the Bank's share capital in line with the provision of the articles of L.3556/2007 on 31.12.2016 is as follows.

	Shares	Participation Percentage
Consolidated Fund of the Independently Employed / Engineers' and Public Contractors' Pension Fund	1,315,902,632	56.25%
Mutual Aid Fund for the Staff of Ionian-Laiki and other Banks	185,000,418	7.91%

Based on L.4387/2016, the Consolidated Fund of the Independently Employed / Engineers' and Public Contractors' Pension Fund (ETAA/TSMEDE), as of 01.01.2017 is integrated in the EFKA (Single Body of Social Security). With decision 61662/3406/30.12.2016 of the Hellenic Ministry of Labor and Social Security, 5.625% of the Bank's ordinary shares held by ETAA/TSMEDE have now come to the possession of TSMEDE while the remaining 50.63% has come to the possession of EFKA.

The Bank has come under the provisions of L.3723/2008 as applicable. As to this, preference shares have been issued, the status of which is regulated by the provisions of L.3723/2008, in conjunction with decision No. 54201/B/2884/26.11.2008 of the Minister of Economics and Finance. Moreover, in October 2016, in line with the provisions of L.3723/2008 (art.2), the Bank issued an annual bond of 380 million euros with the guarantee of the Greek State, to draw liquidity from the ELA and use it as eligible collateral in main financing operations of the Eurosystem. The privileges provided to the Greek state by the aforementioned preference shares are the following:

a) The right of receiving a steady yield of 10% on the disposal price for each one of the Preference Shares in the Greek State:
   - prior to common shares,

- prior to dividend amounts distributed in line with paragraph 3, article 1 of L.3723/2008 and
- irrespectively of any dividend amounts distribution to the rest of the Bank's shareholders, and on condition that after the said yield has been paid, the Bank's CRR/CRD indexes on a single consolidated basis will meet the minimum indexes as each time set by the Bank of Greece. The steady yield is calculated accrued on an annual basis, proportionately to the period in which the Greek State has remained as a preference shareholder, and payable within a month after the approval of annual financial reports of corresponding use from the Regular General Meeting. It is subject to the condition precedent of distributable amounts as defined in article 44a of Codified Law 2190/1920 and in specific of profits from the last or previous uses or of capital reserves, if a prior relevant decision has been issued about their distribution from the General Meeting to the Bank's Ordinary Shareholders. If the said distributable amounts are not sufficient, the said yield is paid preferentially (before the common shares) up until the exhaustion of the said amounts.

b) The right to vote in the General Meeting of the common shareholders in the cases prescribed in Codified Law 2190/1920.

c) The right to participate in the BoD of the Bank, through one representative, appointed as an additional member of the BoD.

d) The right of the Greek State representative in the BoD, who has been appointed as a member, to veto any decision taken regarding the dividend share and the policy of providing benefits to the Chairman, Managing Director and the other members of the BoD as well as to the CEOs and their deputies, by decision of the Minister of Finance, or in case the representative judges that this BoD decision may put the depositors' interests at risk or substantially affect the credibility and proper operation of the Bank.

e) The right to attend the General Meeting of the Bank's Ordinary Shareholders and veto the appointment of the additional member of the BoD during the discussion and decision-making on the aforementioned issues.

f) The right of the Greek State representative to have free access to the books and data of the Bank for the purposes of L.3723/2008.

g) Preferential reimbursement, prior to all other shareholders, out of the proceeds of the liquidation of the Bank's assets, in the event the Bank's assets are liquidated.
   - There are no restrictions in the right of vote or the voting right deadlines, apart from what the law prescribes.
   - There are no rules for the appointment or replacement of BoD members and for the amendment of the Articles of Association, which are differentiated from the provisions of L.3601/2007, L.3016/2002 and Codified Law 2190/1920, as in force.
   - The share capital increase is effected by decision of the General Meeting or the BoD, pursuant to the Articles of Association and the applicable provisions. Without prejudice to paragraph 1, article 6 of the Bank's Articles of Association, the General Meeting, by decision that is subject to the publicity formalities of article 7b of Codified Law 2190/1920, can authorise, within five years from the said decision, the BoD to increase the share capital through the issuing of new shares. The said decision shall be taken by majority of the ⅔ of the total of its members. The increase amount shall not exceed the share capital amount that has been paid on the date the General Meeting took the said decision.
   - The aforementioned authorization to the BoD can be renewed by the General Meeting for a time period that shall not exceed five years for each renewal. This decision of the General Meeting is subject to the publicity formalities of article 7b of Codified Law 2190/1920.
   - It should be noted that the transfer of Bank shares is effected as prescribed by the Law and that there can be no restrictions to the transfer from the Articles of Association. Similarly, there can be no voting right restrictions.

- Shares are issued only when the conditions of article 6 of the Bank's Articles of Association are met.
- As to the treasury shares, pursuant to article 28 of L.3756/2009, "Dematerialised Titles System, provisions on capital market, tax issues and other provisions", the Banks that participate in the liquidity reinforcement programme of the Ministry of Finance and Economics are not allowed to purchase treasury shares during the time they participate in the programme. Therefore, the Bank has not established a treasury share purchase programme nor did it purchase any treasury shares in 2016.

9. Corporate Social Responsibility

The ATTICA BANK Group, with a strong sense of responsibility towards people, to vulnerable social groups and the environment, and understanding that its business practices shall have better results in a healthy and prosperous environment, develops social and environmental actions, pays special attention to its human resources and work environment as well as to the social and cultural life of Greece.

10. Employees

Recognising the devotion and contribution of the Group's human resources, the Group implements modern methods for its development, provides constant and systematic training programmes, offers additional benefits and implements evaluation, incentive and reward systems, so as to ensure the constant development and utilisation of the employees' skills.

Aiming mainly to improve the professional life and recognising the importance of good physical and mental health of our employees, the Group has provided for a modern, sanitary and safe work environment, implementing the legal provisions regarding the hygiene and safety of the employees.

11. Society

The Group is known for its strong sense of responsibility towards society and fellow people with special needs and contributes as much as possible to facing social problems by supporting humanitarian initiatives and the work of acclaimed organisations and social bodies. The Group funds intellectual works as well as artistic and cultural events.

12. Shareholders - Investors

The Group's strategy is based on a spirit of constant improvement of the efficiency aiming to create added value for the Shareholders. The Group operates in line with principles of Corporate Governance, with transparency in the decision-making process and the financial transactions.

In specific:

- Every action of the Bank aims to increase the profitability and to improve the Group's performance to the benefit of those who trust it and invest in its share.
- The Bank pursues to provide the investors with correct, thorough and timely information about the economic situation and its financial results.
- The Bank safeguards the Group's assets by proceeding to investments in its activity sectors and endeavouring to limit its operation costs.
- The Bank designs clear lines of report, monitoring and control and makes sure that the Group Bodies do not act uncontrollably, thus ensuring transparency towards its Investors and clear update to the General Meeting of Shareholders about the Group's activities.

13. Environment
The Group ensures that its operation is environmentally friendly. For this reason, it has adopted measures to:
- Save energy.
- Restrict the use of paper.
- Reduce the consumption of water.
- Recycle paper.

BRIEF CVs OF THE MEMBERS OF THE BOARD OF DIRECTORS

CHAIRMAN OF THE BoD (non-executive member)

Panagiotis Roumeliotis
He studied Economics at the University of Sorbonne and holds a doctorate title from the University of Sorbonne and the University of Paris II. He served as Minister of Economy and Trade from 1981 to 1989. In March 2010 he assumed the role of Deputy Executive Manager and representative of Greece in the IMF. From 2012 to 2015 he held the position of Vice Chairman of the BoD of Piraeus Bank. He has been a professor in the Panteion University since 2004. He has also held important positions as a financial consultant in international and domestic research institutes. Since September 2016 he has been the Chairman of the Bank's Board of Directors.

Chief Executive Officer (executive member)

Theodoros Pantalakis
He is a graduate of the University of Piraeus with a specialisation in Business Administration. From 1980 to 1991 he worked in ETEBA (National Bank of Industrial Development Investments) and also served as assistant General Manager in the Interamerican Group until 1996. In March 1996 he assumed the post of Deputy Manager of the National Bank of Greece until May 2004 when he became Vice Chairman in the BoD of Piraeus Bank. From December 2009 to July 2012 he was Manager of ATE (Agricultural Bank of Greece) and a member in the Boards of Directors of big trade and construction companies. Since September 2016 he has been Deputy Chief Executive Officer in the Bank.

Deputy Chief Executive Officer (executive member)

Athanassios Tsadaris
He has graduated from the Faculty of Mathematics of the Aristotle University of Thessaloniki and holds an MBA from the Athens University of Economics and Business. He has had 30 years of experience in the banking sector (Postbank, Geniki Bank, Macedonia-Thrace Bank) and in 2008 he became Attica Wealth Manager in Attica Bank. In September 2016 he was elected executive member of the BoD of the Bank as Deputy Chief Executive Officer.

Deputy Chief Executive Officer (executive member)

Ioannis Tsakirakis
He studied Economics in the Athens University of Economics and Business and holds an MBA from the University of Athens. He has had 25 years of experience in the banking sector (National Bank, Piraeus Bank, Geniki Bank) as well in portfolio management companies. In September 2015 he became Head of the Non-Performing Loans Management Department of Attica Bank and in September 2016 he was elected executive member of the BoD of the Bank as Deputy Chief Executive Officer.

NON EXECUTIVE MEMBERS

Dimitrios Tzanninis
He is an economist dealing with issues of government policy and international relations. He has worked as Chairman in the Financial Experts Council of the Ministry of Economics of Greece, member of the Economic Committee of the OECD, executive of the World Bank and in the BoD of the Supervisory Committee of the National Bank. From 1993 to 2008 he worked in the IMF. He studied Economics in the University of Athens, holds a postgraduate degree from the McMaster University and a Doctorate title from the University of Western Ontario. In September 2016 he was re-elected member of the Bank's BoD.

Athanassios Stathopoulos
He has graduated from the Faculty of Accounting from the Technological Educational Institute of Patras and has teaching experience in the fields of finance and accounting. Since 1995 he has been working in Attica Bank. In 2004 he became Head of the Capital Markets Directorate until 2006, when he was elected President of the Attica Bank Employees Association. Since 2008 he has been a member of the Bank's BoD as well as member of the Management of the General Confederation of Workers of Greece (GSEE) and OTOE.

NON-EXECUTIVE INDEPENDENT MEMBERS

Charalambos Brilakis
He has a postgraduate degree from the University of Columbia. From 1995 to 1999 he worked as a Computer Systems Engineer for companies abroad (Bell Communications, Quest Communications). In 2004 he became an auditor for Eurobank until 2016 when he was elected member of the BoD of Attica Bank. At the same time, he remains a member of the BoD of the international NGO ISACA.

Ioannis Marmangiolis
He has graduated from the Athens University of Economics and Business and holds a postgraduate degree from the University of Middlesex. He has had more than 25 years of experience in the banking sector, specialising in corporate funding. He has worked as Head of Client Coverage for Mid-Sized and Big Companies for Emporiki Bank and as Management Consultant for ALPHA BANK in Wholesale Banking issues. In September 2016, was re-elected member of the Bank's BoD.

Georgios Vlachakis
He studied Economics in the Athens University of Economics and Business and holds a postgraduate degree in Finance from the University of Stirling. From 2001 to 2012 he was Head of Retail Banking and participated as a member in the BoDs of subsidiaries of Emporiki Bank. From 2010 to 2012 he worked as a consultant in the Profit Upgrade Committee of Emporiki Bank. He has had 35 years of professional experience in the banking sector in Greece (Emporiki Bank, Citibank) and abroad (Citibank UK) specialising in retail banking and private banking. In September 2016, he was re-elected member of the Bank's BoD.

Georgios Panayiotou
He studied economics, statistics and econometrics in the Universities of Exeter (BA) and Southampton (MSc) in the UK. He holds a Master in Business Administration from the MIT Sloan School of Management. He has had more than 25 years of experience in the banking-investment sector (Chase Manhattan Bank, Ionian Bank, Eurobank Private Bank, Elliniki Bank, Alpha Trust). He was the CEO and member of the BoD of private companies, CEO of Olympic Properties SA, an Executive BoD member of the Public Properties Company SA and from 1996 to 1998 he served as CFO of Athens International Airport SA. In September 2016, he was re-elected member of the Bank's BoD.

NON-EXECUTIVE MEMBER (pursuant to the provisions of L. 3723/2008)

Zacharoula Papatheodorou
She has studied Chemistry in the Aristotle University of Thessaloniki and holds a postgraduate degree from the Open University. She has had over 30 years of experience in the domestic banking sector (Agricultural Bank of Greece) specialising in the funding of small and mid-sized companies.

Athens, 27 April 2017

The Chairman of the Board of Directors

PANAGIOTIS V. ROUMELIOTIS
ID Φ 089372

attica bank

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2016

In accordance with International Financial Reporting Standards

III. Annual Individual and Consolidated Financial Statements for the year ended as at 31 December 2016 (including Independent Auditors' Report)

The Financial Statements for the year ended 31 December 2016, as well as the notes attached, have been approved by the Board of Directors on 27th April 2017 and have been posted on the Bank's website as well as on the website of A.S.E., where they will remain at the disposal of investors for at least ten (10) years from the date they were issued and published.

It should be noted that the condensed financial information posted on the Bank's website which are extracted from the financial statements, provide general information about the financial position and results of the Bank, but do not provide a complete view of the financial position, performance and cash flow of the Bank and the Group in accordance with International Financial Reporting Standards.

Athens, 27th April 2017

THE CHAIRMAN OF THE BOARD	THE CHIEF EXECUTIVE OFFICER	THE DEPUTY CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER
PANAGIOTIS V. ROUMELIOTIS ID. No Φ 089372	THEODOROS N. PANTALAKIS ID. No AE 119288	IOANNIS EM. TSAKIRAKIS ID. No Λ 024276	EVAGGELOS G. RIZOS ID. No Ξ 989060

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Independent Auditors' Report

(Translated from the original in Greek)

To the Shareholders of ATTICA BANK A.E.

Audit Report on the Stand-Alone and Consolidated Financial Statements

We have audited the accompanying stand-alone and consolidated financial statements of ATTICA BANK A.E. (the "Bank") which comprise the stand-alone and consolidated statement of financial position as of 31 December 2016 and the stand-alone and consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Stand-Alone and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these stand-alone and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these stand-alone and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing incorporated in Greek Law. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the stand-alone and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the stand-alone and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the stand-alone and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the stand-alone and consolidated financial statements 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the stand-alone and consolidated the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the stand-alone and consolidated financial statements give a true and fair view of the financial position of ATTICA BANK A.E. as of 31 December 2016 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 2.2 to the stand-alone and consolidated financial statements, which refers to the material uncertainties associated with the current economic conditions in Greece and the ongoing developments, that may affect access to certain liquidity facilities and the efforts of the Bank to cover the capital needs as defined by the Bank of Greece. These material uncertainties may cast significant doubt on the Bank's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement which is incorporated in this report, pursuant to the provisions of paragraph 5 of Article 2 of Law 4336/2015 (part B), we note that:

(a) The Board of Directors' Report includes a Corporate Governance Statement which provides the information set by article 43bb of C.L. 2190/1920.

(b) In our opinion, the Board of Directors' report has been prepared in accordance with the applicable legal requirements of articles 43a and 107a and paragraphs 1c and 1d of Article 43bb of C.L. 2190/1920 and its content corresponds with the accompanying Stand-Alone and Consolidated Financial Statements for the year ended 31 December 2016.

(c) Based on the knowledge acquired during our audit, for ATTICA BANK A.E. and its environment, we have not identified material misstatements in the Board of Directors' Report.

Athens, 27 April 2017
KPMG Certified Auditors AE
AM SOEL 114

Harry Sirounis Certified Auditor Accountant AM SOEL 19071	Ioannis Achilas Certified Auditor Accountant AM SOEL 12831

INCOME STATEMENT

(Amounts in thousand €)	Note	GROUP From 1 January to 31.12.2016	GROUP From 1 January to 31.12.2015	BANK From 1 January to 31.12.2016	BANK From 1 January to 31.12.2015
Interest and similar income	4	143,085	163,279	143,080	163,273
Less : Interest expense and similar expenses	5	(56,391)	(72,783)	(56,538)	(72,977)
Net interest income		**86,695**	**90,496**	**86,542**	**90,296**
Fee and commission income	6	16,110	19,162	13,805	16,666
Less: Fee and commission expense	7	(1,793)	(3,078)	(2,318)	(4,229)
Net fee and commission income		**14,317**	**16,084**	**11,487**	**12,438**
Profit / (loss) from financial transactions	8	3,317	1,581	3,327	1,579
Profit / (loss) from investment portfolio	9	606	(11,104)	606	(11,104)
Other Income	10	2,715	20,539	2,829	20,585
Operating income		**107,650**	**117,595**	**104,790**	**113,794**
Impairment losses on financial assets	19	(40,096)	(629,006)	(40,096)	(629,006)
Staff expenses	11	(53,264)	(46,146)	(51,209)	(44,898)
General operating expenses	11	(48,218)	(43,863)	(47,639)	(42,136)
Depreciation	11	(6,205)	(5,563)	(6,117)	(5,499)
Total operating expenses		**(147,783)**	**(724,579)**	**(145,061)**	**(721,539)**
Results from investments in associates	22	(2,198)	2,300	-	-
Profit/ (loss) before income tax		**(42,331)**	**(604,684)**	**(40,271)**	**(607,745)**
Less : Income tax	12	(7,498)	257,859	(6,875)	258,260
Profit/(loss) for the period		**(49,829)**	**(346,825)**	**(47,145)**	**(349,485)**
Attributable to:					
Equity owners of the Bank		(49,656)	(346,826)		
Non-controlling interests		(173)	1		
Basic and diluted earnings/(losses) per share (in €)	13	**(0.0259)**	**(0.2885)**	**(0.0248)**	**(0.2906)**

The attached notes (pages 17 to 121) form an integral part of these Annual Financial Statements of 31st December 2016

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousand €)	GROUP From 1 January to		BANK From 1 January to	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Profit/ (Loss) for the period after income tax recognized in the income statement	**(49,829)**	**(346,825)**	**(47,145)**	**(349,485)**
Amounts that may be reclassified in the income statement				
Change in available for sale securities reserve	1,985	14,977	1,985	14,977
Income Tax	(576)	*(3,873)*	*(576)*	*(3,873)*
Amounts that will not be reclassified in the Income Statement				
Actuarial gains / (losses) on defined benefit obligations	2,978	2,460	2,962	2,463
Income Tax	(864)	*(236)*	*(859)*	*(236)*
Total other comprehensive income recognized directly in equity, after income tax	**3,524**	**13,327**	**3,512**	**13,331**
Total comprehensive income,after income tax	**(46,305)**	**(333,497)**	**(43,633)**	**(336,154)**
Attributable to:				
Equity owners of the Bank	(46,133)	(333,498)		
Non-controlling interests	(173)	1		

STATEMENT OF FINANCIAL POSITION

(Amounts in thousand €)	Note	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Assets		GROUP		BANK	
Cash and balances with Central Bank	**14**	43,362	49,559	43,361	49,558
Due from other financial institutions	**15**	4,879	9,581	4,870	9,558
Derivative financial instruments – assets	**17**	84	357	84	357
Financial assets at fair value through profit or loss	**16**	2,613	6,566	2,510	6,451
Loans and advances to customers (net of impairment)	**18.1**	2,776,959	2,757,428	2,776,959	2,757,428
Financial assets available for sale	**20.1**	50,737	63,303	50,737	63,303
Investments held to maturity	**20.2**	10,115	10,162	10,115	10,162
Investments in subsidiaries	**21**	0	0	11,806	11,809
Investments in associates	**22**	9,907	15,063	7,749	10,662
Property, plant and equipment	**24**	28,595	30,135	28,424	29,961
Investment property	**25**	56,369	58,190	56,369	58,190
Intangible assets	**23**	43,515	37,290	43,488	37,264
Deferred tax assets	**30**	383,177	389,466	383,488	389,411
Other assets	**26**	200,773	242,154	199,225	239,908
Total assets		**3,611,083**	**3,669,256**	**3,619,184**	**3,674,024**
LIABILITIES					
Due to financial institutions	**27**	1,025,342	783,768	1,025,342	783,768
Due to customers	**28**	1,892,750	2,142,503	1,906,224	2,157,385
Derivative financial instruments – liabilities	**17**	236	0	236	0
Defined benefit obligations	**31**	6,606	10,687	6,543	10,596
Other provisions	**32**	28,298	20,745	29,491	20,448
Deferred tax liabilities	**30**	5,934	4,718	5,934	4,684
Other liabilities	**33**	18,011	26,625	16,880	24,976
Total liabilities		**2,977,178**	**2,989,046**	**2,990,651**	**3,001,858**
EQUITY					
Share capital (common shares)	**34**	701,806	701,806	701,806	701,806
Share capital (preference shares)	**34**	100,200	100,200	100,200	100,200
Reserves	**34**	246,052	242,218	245,780	241,968
Retained earnings/ (losses)	**34**	(415,414)	(365,447)	(419,253)	(371,807)
Equity attributable to equity owners of the Bank		632,644	678,777	628,533	672,166
Non-controlling interests	**34**	1,261	1,433	0	0
Total equity		**633,905**	**680,210**	**628,533**	**672,166**
Total liabilities and equity		**3,611,083**	**3,669,256**	**3,619,184**	**3,674,024**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015- GROUP

GROUP (Amounts in thousand €)	Share capital (common shares)	Share capital (preference shares)	Convertible Bond Loan	Share premium	Other reserves	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance 01.01.2015	**313,738**	**100,200**	**95,570**	**356,050**	**(23,422)**	**22,356**	**(510,903)**	**353,590**	**1,432**	**355,022**
Loss for the period							(346,826)	**(346,826)**	1	**(346,825)**
Other comprehensive income										
Available for sale securities: Change in fair value					2,805			**2,805**		**2,805**
Available for sale securities: Net amount transferred to profit or loss					12,171			**12,171**		**12,171**
Actuarial gains / (losses) on defined benefit obligations					2,460			**2,460**		**2,460**
Adjustment of property,plant and equipment								**0**		**0**
Income Tax					(4,109)			**(4,109)**		**(4,109)**
Total comprehensive income, after income tax	**0**	**0**	**0**	**0**	**13,327**	**0**	**(346,826)**	**(333,498)**	**1**	**(333,497)**
Statutory Reserve						15	(15)	**0**		**0**
Share Capital increase through common shares	681,008							**681,008**		**681,008**
Share capital increase through capitalization above par	356,050			(356,050)				**0**		**0**
Reduction of share capital through offsetting losses	(356,050)						356,050	**0**		**0**
Reduction of share capital for specific reserve	(388,511)					388,511		**0**		**0**
Write off losses through special reserve						(158,569)	158,569	**0**		**0**
Conversion of convertible bonds to common shares	95,570		(95,570)					**0**		**0**
Share Capital increase expenses							(17,806)	**(17,806)**		**(17,806)**
Capital raising tax from reserves capitalization and CBL							(4,516)	**(4,516)**		**(4,516)**
31.12.2015	**701,806**	**100,200**	**0**	**0**	**(10,094)**	**252,312**	**(365,447)**	**678,777**	**1,433**	**680,210**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016- GROUP

(Amounts in thousand €)	Share capital (common shares)	Share capital (preference shares)	Convertible Bond Loan	Share premium	Other reserves	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance 01.01.2016	**701,806**	**100,200**	**0**	**0**	**(10,094)**	**252,312**	**(365,447)**	**678,777**	**1,433**	**680,210**
Loss for the period							(49,656)	**(49,656)**	(173)	**(49,829)**
Other comprehensive income										
Available for sale securities: Change in fair value					2,680			**2,680**		**2,680**
Available for sale securities: Net amount transferred to profit or loss					(696)			**(696)**		**(696)**
Actuarial gains / (losses) on defined benefit obligations					2,978			**2,978**		**2,978**
Income Tax					(1,439)			**(1,439)**		**(1,439)**
Total comprehensive income, after income tax	**0**	**0**	**0**	**0**	**3,524**	**0**	**(49,656)**	**(46,133)**	**(173)**	**(46,305)**
Statutory reserve						11	(11)	**0**		**0**
Purchase of subsidiary shares								**0**	(0)	**(0)**
Configuration of a intra-group dividents tax exemption reserve						300	(300)	**0**		**0**
31.12.2016	**701,806**	**100,200**	**0**	**0**	**(6,571)**	**252,623**	**(415,414)**	**632,644**	**1,261**	**633,905**

The attached notes (pages 17 to 121) form an integral part of these Annual Financial Statements of 31st December 2016

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015- BANK

BANK (Amounts in thousand €)	Share Capital (common shares)	Share Capital (preference shares)	Convertible Bond Loan	Share Premium	Other reserves	Reserves	Retained earnings	Total equity
Balance 01.01.2015	**313,738**	**100,200**	**95,570**	**356,050**	**(23,408)**	**22,104**	**(514,620)**	**349,635**
Loss for the period							(349,485)	**(349,485)**
Other comprehensive income								
Available for sale securities: Change in fair value					2,805			**2,805**
Available for sale securities: Net amount transferred to profit or loss					12,171			**12,171**
Actuarial gains / (losses) on defined benefit obligations					2,463			**2,463**
Adjustment of property, plant and equipment								**0**
Income Tax					(4,108)			**(4,108)**
Total comprehensive income net of tax	**0**	**0**	**0**	**0**	**13,331**	**0**	**(349,485)**	**(336,154)**
Share Capital increase through common shares	681,008							**681,008**
Share capital increase through capitalization above par	356,050			(356,050)				**0**
Reduction of share capital through offsetting losses	(356,050)						356,050	**0**
Reduction of share capital for specific reserve	(388,511)					388,511		**0**
Write off losses through special reserve						(158,569)	158,569	**0**
Conversion of convertible bonds to common shares	95,570		(95,570)					**0**
Share Capital increase expenses							(17,806)	**(17,806)**
Capital raising tax from reserves capitalization and CBL							(4,516)	**(4,516)**
31.12.2015	**701,806**	**100,200**	**0**	**0**	**(10,077)**	**252,045**	**(371,807)**	**672,166**

The attached notes (pages 17 to 121) form an integral part of these Annual Financial Statements of 31st December 2016

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016- BANK

BANK (Amounts in thousand €)	Share Capital (common shares)	Share Capital (preference shares)	Convertible Bond Loan	Share Premium	Other reserves	Reserves	Retained earnings	Total equity
Balance 01.01.2016	**701,806**	**100,200**	**0**	**0**	**(10,077)**	**252,045**	**(371,807)**	**672,166**
Loss for the period							(47,145)	**(47,145)**
Other comprehensive income								
Available for sale securities: Change in fair value					2,680			**2,680**
Available for sale securities: Net amount transferred to profit or loss					(696)			**(696)**
Actuarial gains / (losses) on defined benefit obligations					2,962			**2,962**
Income Tax					(1,435)			**(1,435)**
Total comprehensive income net of tax	**0**	**0**	**0**	**0**	**3,512**	**0**	**(47,145)**	**(43,633)**
Configuration of a intra-group dividents tax exemption reserve						300	(300)	**0**
31.12.2016	**701,806**	**100,200**	**0**	**0**	**(6,565)**	**252,345**	**(419,253)**	**628,533**

The attached notes (pages 17 to 121) form an integral part of these Annual Financial Statements of 31st December 2016

STATEMENT OF CASH FLOWS

		GROUP		BANK	
(Amounts in thousand €)	**Note**	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Cash flows from operating activities					
Interest and similar income received		145,321	153,454	145,315	153,475
Receivables from customers		(25)	0	0	0
Interest expense paid		(62,826)	(77,833)	(62,973)	(78,028)
Dividends received		58	117	208	267
Commission received		16,557	20,047	14,169	17,552
Commission paid		(1,793)	(3,078)	(2,318)	(4,229)
Profit / (loss) from financial transactions		3,791	2,157	3,791	2,157
Profit / (loss) from impairment of participation in associates		0	0	(1,240)	0
Other income		1,536	2,501	1,753	2,398
Cash payments to employees and suppliers		(88,512)	(83,717)	(85,318)	(80,741)
Tax paid		(1,861)	(272)	(1,136)	(0)
Cash flows from operating activities before changes in operating assets and liabilities		**12,247**	**13,377**	**12,251**	**12,851**
Changes in operating assets and liabilities					
Net (increase) / decrease in trading securities		4,011	35,505	4,011	35,505
Net (increase) / decrease in loans and advances to customers	**18**	(59,071)	(168,164)	(59,071)	(168,164)
Net (increase) / decrease in other assets		33,855	(37,303)	33,338	(38,179)
Net increase / (decrease) in amounts due to financial institutions	**27**	241,574	580,456	241,574	580,456
Net increase / (decrease) in amounts due to customers and similar liabilities	**28**	(249,753)	(1,111,840)	(251,161)	(1,110,914)
Net increase / (decrease) in other liabilities		(2,508)	403	(664)	1,105
Total changes in operating assets and liabilities of the statement of financial position		**(31,891)**	**(700,944)**	**(31,973)**	**(700,191)**
Net cash flow from operating activities		**(19,645)**	**(687,567)**	**(19,722)**	**(687,340)**
Cash flows from investing activities					
Purchases of intangible assets	**23**	(9,602)	(8,159)	(9,591)	(8,159)
Acquisition of fixed and intangible assets	**24**	(1,570)	(1,895)	(1,447)	(1,814)
Sale of Property, Plant and Equipment		41	0	0	0
Purchases of available for sale securities		(4,112)	(5,414)	(4,112)	(5,414)
Sales / redemptions of available for sale securities		19,535	30,279	19,535	30,279
Investments in subsidiaries		(0)	0	(0)	0
Investments in associates		4,453	1,984	4,453	1,984
Net cash flow from investing activities		**8,745**	**16,795**	**8,838**	**16,876**
Cash flows from financing activities					
Repayment of issued debt securities	**29**	0	(79,256)	0	(79,256)
Proceeds from issue of shares or other equity investments	**34**	0	681,008	0	681,008
Share capital increase costs		0	(17,806)	0	(17,806)
Concentration of capital expenses from reserves capitalization and CBL		0	(4,516)	0	(4,516)
Net cash flow from financing activities		**0**	**579,429**	**0**	**579,429**
Net increase / (decrease) in cash and cash equivalents		**(10,900)**	**(91,343)**	**(10,884)**	**(91,035)**
Cash and cash equivalents at the beginning of the period		59,141	150,484	59,116	150,151
Cash and cash equivalents at the end of the period	**36**	**48,241**	**59,141**	**48,231**	**59,116**

1. GENERAL INFORMATION

The Attica Bank A.E. Group, ("the Group"), operates mainly in the financial sector, providing a wide range of financial and banking services to individuals and companies.

The Attica Bank Group, besides the parent company, includes 6 subsidiaries, which operate in Greece and abroad (United Kingdom) and has 800 employees. The number of Bank's branches as at 31.12.2016 is 65.

The parent company of the Group is Attica Bank A.E., (the "Bank"). "Attica Bank A.E." is a societé anonyme with General Commercial Number 255501000 (ex-Registration Number (ARMAE) 6067/06/B/86/06). The Bank is listed in the Athens Stock Exchange. The address of the Bank's registered office is 23, Omirou Street in Athens and the competent administrative region of Attica (Postal Code 106-72). The same administrative region is competent for the other companies of the Group.

The consolidated financial statements have been approved for issue by the Board of Directors on 27th April 2017, and are subject to approval by the annual Ordinary General Meeting of Shareholders, which must be carried out by 30.06.2017.

The Board of Directors of the Bank that approved the financial statements of the Bank as at 31 December 2016 consists of:

Panagiotis V. Roumeliotis	Chairman of Board of Directors, non-executive member
Theodoros N. Pantalakis	Chief Executive Officer, executive member
Athanasios Ch. Tsadaris	Deputy Chief Executive Officer, executive member
Ioannis Em. Tsakirakis	Deputy Chief Executive Officer, executive member
Charalampos S. Mprilakis	Independent non-executive member
Georgios N. Panagiotou	Independent non-executive member
Georgios Ir. Vlachakis	Independent non-executive member
Ioannis S. Marmaggiolis	Independent non-executive member
Athanasios D. Stathopoulos	Non-executive member
Dimitrios G. Tzanninis	Non-executive member
Zacharoula D. Papatheodorou	Additional Non-executive member, Greek state representative under the provisions of L. 3723/2008

The members of the Boards of Directors of the other companies of the Group that are also included in the Financial Statements are referred in the individual Financial Statements of the companies. In the same financial statements are also mentioned the independent auditors that have been elected to conduct the audit of the financial statements for the year 2016, as well as the website addresses of the Group's companies.

The Bank's share, apart from the Athex Composite Share Price Index, is also included in the following indices of the Athens Stock Exchange: Athex All Share Index (DOM), FTSE/ASE-CSE Banking Index, FTSE/ASE Banks, FTSE/ASE Mid Cap Index and FTSE/ASE Market Index and Performance Index (SAGD).

2. PRINCIPAL ACCOUNTING POLICIES

(2.1) Basis of Presentation of the Financial Statements

The Annual Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The Financial Statements have been prepared under the historical cost basis, except for available for sale securities, financial assets and liabilities held at fair value through profit or loss, all derivative contracts, property, plant and equipment (land and buildings) and investment property which are measured at fair value. Furthermore, defined benefit obligations are measured at present value.

The amounts included in these Consolidated Financial Statements are expressed in thousand of euro, which is the functional currency of the Group, unless otherwise indicated in the notes.

Comparative figures have been adjusted, where necessary, to conform with changes in presentation for the current year.

The preparation of the Consolidated Financial Statements according to the International Financial Reporting Standards (IFRS) requires the use of estimates and assumptions which can affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of preparation of the Financial Statements as well as the reported amounts of income and expenses recognized during the reporting period. For further analysis please refer to note 2.35.

(2.2) Going Concern

The Group applied the going concern principle for the preparation of the financial statements as at 31.12.2016. For the application of this principle, the Group takes into consideration the current economic developments as well as the risks deriving from the unstable financial environment in order to form projections for future economic conditions of the environment in which it operates. The main factors that cause uncertainties and are mentioned above, regarding the application of this principle, mainly relate to the unstable economic environment in Greece and abroad and to the liquidity levels of the Greek State and the banking system.

The high degree of uncertainty that characterizes the internal economic environment in recent years, as a result of the prolonged recession of the Greek economy, led to a significant deterioration in the creditworthiness of corporates and individuals, to an increase of non-performing loans and therefore to the recognition of significant impairment losses by the Bank and by the Greek banking system in general. This uncertainty is expected to be limited in view of the recent events leading to the completion of the 2nd assessment.

The development of the deposits depends on the substantial recovery of the country's and the domestic banking system's confidence. Therefore, the deposits' inflow is a process that will take time and that is directly related to the adoption of measures and the implementation of actions that will result in the recovery of the confidence from domestic and foreign investors in terms of the country's prospects. For the Bank specifically, the outflow of deposits was affected in the last quarter of 2016 due to negative publicity.

Deposits in 2016 compared to 31.12.2015 decreased by €249.8 million, or 11.7%, however in a less intense rate than in previous years, due to the existing uncertainties in the domestic economic environment, mainly in what concerns the outcome of the negotiations of the Hellenic Republic with the European Commission, the European Central Bank and the International Monetary Fund as well as the imposition of capital controls.

The significant decrease in deposits in recent years and the lack of eligible collateral for direct financing by the ECB led the Group to ELA for the provision of liquidity. Specifically, on 31.12.2016, the Group received net funding of €1,015 million through ELA, by using significant amounts of eligible collateral. The positive outcome of the negotiations, as evidenced by recent developments (Malta's Eurogroup decision of 7 April 2017), the Greek Government along with the European Commission, the European Central Bank and the International Monetary Fund will extend the acceptance of Greek Government securities as eligible pledges by the ECB and will reduce the haircut in the value of the eligible by ECB collateral. This in turn will lead to the reduction of dependence on ELA.

In accordance to article 2 of Law 3723/2008 and in relation to the 2nd pillar of the stability measures for the enhancement of the economy's liquidity and for the preservation of the Bank's liquidity stability, the Bank, following the decision No. 18/19.10.2016 issued by the Interministerial Committee of article 5 of Law 2322/1995, on the basis of the suggestion No. 3769/11.10.2016 of the Bank of Greece, issued on 21.10.2016 a bond loan governed by the Hellenic Republic of a total nominal value amounting to €380 million, with a duration of one year at a floating Euribor of 3 months plus a margin of 12%, which is divided into 3,800 bearer bonds with a nominal value of €100 thousand each. The above bond is intended, if necessary, to be used as a cover to raise liquidity through the Emergency Liquidity Assistance (ELA). The total cost that will be charged pro rata to the Group's financial statements within its duration, will be derived from the calculation of the commission to be paid to the Greek State and is determined at 99 basis points or a nominal amount of commission on a 12-month basis of €3.75 million. This bond matures on 20.10.2017.

The second assessment has been significantly delayed and has led to greater uncertainty by mitigating the positive effects of completing the first assessment. This delay has led to a deposits' outflow across the domestic banking system and an increase in non-performing loans in the first quarter of 2017. The impact on the course of the Greek economy and the course of the Bank is affected by this significant uncertainty.

It is noted that during the period from 01.01.2017 to 31.03.2017, the outflow of deposits continued by reducing their balance by €111.6 million. ELA dependence on the same date (31.03.2017) stood at €1,115 million compared to €1,015 million on 31.12.2016. As at 31.12.2016, collateral of a total nominal value of €1,997.01 million was pledged to ELA. From the total amount of pledges, the Group was able to raise liquidity up to the amount of €1,337.15 million. As at 31.03.2017, the corresponding amounts of the pledges given to ELA had a nominal value of €1,996 million, while the ability to raise liquidity amounted to € 1,306.15 million. Based on the data of 31.03.2017, the possibility of raising additional funding from ELA amounts to €191.15 million. The Bank expects a change in this status following the latest Eurogroup decisions in Malta on 7 April 2017.

ELA's operation is of short duration and entails higher costs (1.5% interest rate) compared to the European Central Bank's liquidity-providing costs. Therefore, it cannot be considered as a permanent source of funding for the Group. It is noted that ELA's ability to provide liquidity, and hence the access of Greek banks to the Emergency Mechanism, is subject to the approval of the Governing Council of the ECB.

The Bank has developed a restructuring plan that has been submitted to the Bank of Greece and the European Directorate-General for Competition (DG-Comp) for approval. This plan, which is based on various assumptions and versions, shows that the Bank can continue to operate without concerns. However, the relative uncertainty from external market factors may affect the assumptions and hypotheses of the program still remains.

The implementation by the Greek Government of all the actions that have been agreed as well as the measures described in the Eurogroup's decision to strengthen the sustainability of Greek debt, assist in gradually improving the country's economic environment and restoring confidence from domestic and foreign investors, an evolution that constitutes a prerequisite for turning the economy into positive growth rates. The completion of the second assessment of the Financial Stability Program will further support the stabilization of the Greek economy, the return of the country to GDP growth rates and the deposits' inflow to the domestic banking system.

Equity as at 31.12.2016 amounted to €633.9 million. The Bank's total share capital amounts to €802 million, of which €100.2 million corresponds to equity of preference shares, which has been covered by the Greek State under Law 3723/2008. Initially, the coverage by the Greek State of preferred shares was effected through the issuance of a special five-year bond with an equivalent nominal value, expiring on 21.05.2014. Upon maturity, the bond was repaid by the Greek State and the Bank has requested an extension of the Greek State's shareholding as a preferential shareholder until 31.12.2017.

It is noted, however, that after the share capital increase that took place in December 2015, the Group did not collect all the funds that were calculated from the Asset Quality Review (AQR) conducted by the Bank of Greece and therefore in order to be assumed that the Group can continue to operate smoothly on the basis of this principle, the Group should cover all capital needs. The total amount of capital needs as derived from the Asset Quality Review (AQR) amounted to €748 million. Through the share capital increase, €681 million were disbursed to fully cover the basic scenario, while for the coverage of the adverse scenario an amount of approximately €70 million is missing. It should be noted that on the basis of the Bank of Greece - SSM finding, funding of a total amount of €55.7 million, which was involved in the share capital increase, was considered to have derived from direct or indirect financing of the Bank itself. Consequently, under the current regulatory framework, these funds are not counted towards the total amount of regulatory equity, which leads to a reduction in the capital adequacy ratio by 1.66% resulting in the formation of the CET I index on 31.12.2015 to 17% versus the initial 18.7%, still above than the minimum threshold.

For the remaining amounts reported, the Bank requested from the Extraordinary General Meeting of Shareholders on 14.12.2016 and was relatively authorized to issue a Common Bond Loan Tier II or to cover such through the Profit or Loss that will be covered from the prospective investor with cash or cash equivalent collateral, which will cover the Bank's capital needs. The prospective investor will cover in cash or cash equivalent collateral the total amount of €70 million. On 20.04.2017 the Bank's Board of Directors met and decided to convene an extraordinary General Meeting of Shareholders on 15.05.2017, which is required to approve the prospective investor, to amend the decisions of the extraordinary General Meeting of Shareholders of 14.12.2016 regarding the amount of the permanently non-performing loans' portfolio that will be included in the transaction, and finally to authorize the Bank's BoD to refine the terms of cooperation with the investor.

The Group, taking into consideration:

- The total coverage of AQR's Basic Scenario and the coverage by 90.95% of the Bank's total capital needs on the basis of the AQR's Adverse Scenario, through the share capital increase that has already occured;
- The high capital adequacy ratio on 31.12.2016, with the Total Capital Ratio raise at 14.8%, above the minimum ratio of 11% set by the Bank of Greece;
- The assessment of the coverage of the remaining amount of the Bank's capital needs, in accordance with the business plan;
- Completion of the first assessment of the Greek financial stability program until October 2016, that resulted in the disbursement of the remaining €2.8 billion corresponding to the second installment of the program after the disbursement of €7.5 billion, as well as the recent developments (decision of the Eurogroup in Malta on 7 April 2017);
- The continuation of the Bank's access to the Eurosystem's liquidity facilities in the context of the liquidity-absorption limits on the basis of the accepted collateral;
- The gradual restoration of confidence in the Greek banking system, which will result in the inflow of deposits;
- Submission of the Restructuring Plan to the Ministry of Finance and through the latter to the Directorate-General for Competition in Brussels and to the Bank of Greece, on the basis of which operating costs will be drastically reduced in 2017 with a significant return to profitability by the year 2018 onwards;
- The outcome of the Bank of Greece -SSM and the Group's up-to-date response to the findings by covering most of them;
- The significant consolidation actions undertaken by the Group's Management with the significant reduction in operating costs, as well as the decisions of the Extraordinary General Meeting held on 14.12.2016;

considers that, despite the uncertainties set out above, the conditions for the preparation of the financial statements on the basis of the going concern principle are fulfilled.

(2.3) Consolidation

The consolidated financial statements include the financial statements of the Bank, the subsidiary companies, associates and joint ventures, hereafter referred to as the "Group". The financial statements of the subsidiaries have been prepared as at the parent company's balance sheet date.

Subsidiaries are entities, in which the Bank holds either directly or indirectly more than 50% of the voting rights or has significant influence and control over the business decisions taken.

The acquisition method is applied in the consolidation of subsidiaries. Subsidiaries are consolidated in the financial statements from the date that control commences until the date that control ceases. Intercompany transactions and balances are eliminated from the consolidated financial statements.

Moreover, in respect of the unconsolidated structure entities, the Group assesses whether it acts as an agent or principal on the basis of the level of its decision-making authority over the company's activities, the rights of third parties as well as the degree of its exposure to the volatility of returns deriving from its involvement with the Company.

(2.4) Associates and Joint Ventures

Associates are those entities in which the Group holds 20% to 50% of the voting rights and over which it has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. According to this method, investments in associates are initially recognized at cost.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement and its share of post-acquisition changes in reserves is recognized in reserves. The cumulative post-acquisition changes are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its investment in the associate, the Group does not recognise further losses, unless there are relevant obligations undertaken or payments are made on behalf of the associate.

The Group applies the IFRS 11, which covers the accounting of participations in jointly controlled entities (joint arrangements). All the jointly controlled entities in which the Group participates and has the joint control are joint ventures, valued by the equity method.

(2.5) Transactions in foreign currency

The functional currency of the Group is Euro (€).

Foreign currency transactions are translated into the functional currency using the exchange rates applying on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the closing exchange rates at the balance sheet date. Foreign exchange differences are recognized in the income statement.

Foreign exchange differences arising from the translation of non-monetary assets are part of the change in their fair value. Differences arising from the translation of non-monetary assets, such as securities held at fair value through profit or loss, are recognized in the income statement. Foreign exchange differences arising from the translation of non-monetary assets, such as shares and which are classified as available-for-sale, are recognized directly in equity until the sale of the asset.

(2.6) Investments in financial assets

The Group classifies its investments in financial assets as held-to-maturity, available-for-sale or financial assets at fair value through profit or loss. Classification is determined at the date of acquisition.

Initially, investments are recognized on the transaction date and measured at the fair value of acquisition including transaction costs, for financial assets classified as held to maturity or available for sale. In the case of financial assets at fair value through profit or loss, transaction costs are not capitalized but they are directly recognized in the income statement.

Financial assets at fair value through profit or loss: This category consists of two subcategories: financial assets held for trading and financial assets designated on initial recognition as at fair value through profit or loss. Trading securities are acquired principally for the purpose of selling in the near term to obtain short-term profit and include securities such as shares, bonds, and mutual fund units. After initial recognition, financial assets at fair value through profit or loss are measured at fair value. Gains or losses arising from the measurement of these assets are recognized in the income statement.

Held-to-maturity investment securities: Investments with fixed maturity and fixed or determinable payments, which the Group has, the intention and ability to hold to maturity. These investments are measured at amortized cost using the effective interest rate method. The amortized cost is determined based on the acquisition cost and any premium or discount paid on the acquisition date less any provision for impairment.

In case of impairment, the difference between the carrying amount of the assets and its recoverable amount is recognized as a loss in the income statement. The recoverable amount of the asset is measured as the present value of the estimated future cash flows after taking into account any guarantees.

Available-for-sale investment securities: are those investments that are intended to be held for an indefinite period of time up to their maturity or to be sold in response to needs for liquidity or to gain from changes in interest rates or foreign currency exchange rates. After initial recognition, the investments classified as available-for-sale are carried at fair value. Gains and losses arising from changes in fair value of these investments are recognized in a separate equity reserve until sold, redeemed or become impaired at which point the cumulative gains or losses previously recognized are transferred to profit or loss.

In case of impairment, the cumulative loss transferred to profit or loss amounts to the difference between the acquisition cost (less any capital repayments and amortization) and the fair value less any impairment loss previously recognized.

Impairment losses previously recognized in profit or loss concerning investments in equity instruments classified as available for sale cannot be reversed through profit or loss. Impairment losses recognized in financial statements of previous years and concerning debt securities can be reversed through profit or loss, if the increase (reversal of impairment loss) is related to events taking place after the recognition of impairment in the income statement.

<u>Management's Assumptions</u>

Fair value estimation

Investments that are quoted in active markets are measured at fair value, which is determined according to the current quoted price on the balance sheet date. Invsetments in non-listed securities are measured at an estimated fair value which is determined based on valuation techniques, adjusted so as to account for the particular features of these securities, and also compared with current market prices of securities issued by similar companies and quoted in active markets.

All regular purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to the purchase or sale of the asset. The term "regular" requires the delivery of a financial asset to be realized within the time period specified by either the responsible committee or is established by the existing market practices.

(2.7) Sale and Repurchase agreements (Repos)

Securities sold which are subject to a linked repurchase agreement (Repos) are disclosed in the financial statements as available-for-sale investments, while the respective liability is disclosed, depending on the counterparty, as amounts due to credit institutions, amounts due to customers or other deposits. Securities purchased under agreements to resell (Reverse Repos) are recorded in the financial statements as due from credit institutions. The difference between sale and repurchase price is recognized in the income statement as interest and is accrued over the term of the agreement using the effective interest rate method.

(2.8) Property, plant and equipment

Property, plant and equipment include land, buildings, leasehold improvements, furniture and other equipment and vehicles, held by the Group either for operational or for administrative purposes. The acquisition cost includes expenses directly pertaining to the acquisition of property, plant and equipment. Land and buildings are carried at fair value. The fair value as well as the residual value is determined based on valuations carried out by independent valuators at regular intervals. The leasehold improvements, furniture and other equipment, as well as vehicles are carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item, or is recognised as a separate asset, only when future economic benefits are expected to flow to the Group and the aforementioned expenditure can be reliably estimated.

Other expenditure on repairs and maintenance are recognised in the income statement of the year in which they are incurred.

Depreciation: Land is not depreciated. Depreciation on other property, plant and equipment assets is calculated using the straight-line method over their estimated useful lives, which is reviewed annually. The useful lifes of items consisting property, plant and equipment per category are as follows:

Buildings	30-50 years
Hardware	10 years
Furniture and other equipment	12 years
Vehicles	6-9 years

"Third party leasehold improvements" are depreciated over the shortest period between the useful life of the improvement or the duration of the lease.

Impairment: The Group reviews annually its property, plant and equipment for signs of impairment. If there are indications of impairment the carrying value of the asset is reduced to its recoverable amount and the decrease is recognized in the income statement. However, in cases where a revaluation reserve exists, impairment is charged directly against the related reserve to the extent that the impairment loss does not exceed the amount recorded in the revaluation reserve in respect of that same asset. Gains or losses arising from disposal of assets are recognised in profit or loss and are determined as the difference between the disposal price and the carrying amount of the asset.

(2.9) Investment property

Investment property acquired through foreclosure for the settlement of uncollected receivables from loans and advances are initially measured at cost, which includes transaction costs. After initial recognition, investment property is carried at fair value. The difference between the fair value and cost of acquisition is recorded in profit and loss. The fair value measurement is performed by independent valuators annually.

(2.10) Intangible Assets

"Intangible assets" include computer software. Computer software which is acquired and can be clearly identified is capitalized at the cost of acquisition. Expenses that improve or extend the performance of the software beyond the initial technical specifications are incorporated in the acquisition cost of intangible assets. The acquisition cost of intangible assets is increased by any direct cost required for its creation, development and sound operation. Such direct costs are:

- Employee fees which are directly related to the particular intangible asset and can be reliably estimated
- The fees of free lancers related to the creation and development of intangible assets
- Administration expenses that are directly related and can be reliably estimated at the stage of creating and developing the intangible assets.

Subsequently, intangible assets are carried at cost less any accumulated amortization and any impairment losses. Computer software is amortized over its useful life which cannot exceed 20 years. Group's management reviews the fair value of intangible assets on an annual basis so as to assess whether an indication of impairment exists or whether the useful life should be amended. In cases where the carrying value of an intangible asset exceeds its recoverable value, an impairment loss of an equal amount is charged to the income statement.

(2.11) Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of the share acquired in the entity's equity at the date of acquisition.
At each balance sheet date, on an annual basis, the carrying amount of goodwill is reviewed by the Group's management for evidence of impairment. In case the recoverable value is lower than the carrying amount, the goodwill is reduced to its recoverable amount.

(2.12) Cash and cash equivalents

Cash and cash equivalents include monetary assets with original maturity of three months or less from the acquisition date.

(2.13) Loans and Advances to Customers

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near future.

In cases where the Group is the lessee in financial leases and all risks and rewards associated with the leased asset have been transferred, the transaction is accounted for as a loan.

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset on a future date, the underlying asset is not recognized in the Bank's financial statements. The amounts paid are recognized as amounts due from credit institutions or loans and advances to customers.

Loans and advances are initially measured at fair value including direct transaction costs, and subsequently measured at their amortized cost using the effective interest method.

(2.14) Provisions for credit risks

Loans and advances to customers are presented on the statement of financial position after deducting impairment losses.

The recoverability of loans and advances is reviewed on an individual basis for those loans, which the Bank considers as significant. The evaluation takes into account the financial position, credit standing, past repayment pattern, the transaction behaviour, the credit worthiness of guarantors and the realizable value of collaterals.

Loans and advances which are not considered significant as well as there which are considered significant but there are no impairment indications, are grouped in classes of assets with similar credit risk characteristics, such as consumer loans, mortgage loans, credit card loans etc. The Group examines provisions for loan losses on a collective basis for each group. During the evaluation of each category the factors which are taken into account are the amount of non-performing or doubtful loans, the aging of overdue loans, the collectability of the loans from the time of their classification as doubtful, the existing financial status, the market conditions and historical losses.

When a loan is assessed as doubtful, its carrying amount is reduced to its estimated recoverable amount, which is the present value of estimated future cash flows, including the amounts to be recovered from collaterals and guarantees held, discounted with the effective interest rate of the loan.

Subsequent changes in the recoverable amounts and in the periods in which they are expected to be collected are compared with previous calculations and when a difference arises it is recorded to the income statement. A reversal of provision for loan losses occurs only in the case where the credit standing of the customer has improved to an extent that it is assessed that the capital and interest will be collected according to the contractual terms of the loan agreement.

No interest is accrued for loans with interest past due between 3 and 6 months depending on the existence or non-existence of collaterals. In this case interest is presented in off-balance sheet accounts.

Loans and other advances are written off against the related provision, if they are considered uncollectible.

(2.15) Leases

The Group is the lessee

Operating Leases
The Group has entered into operating lease contracts where risks and rewards of ownership of the assets are retained by the lessor. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Finance Leases
The Group may enter into finance lease contracts where risks and rewards of ownership of the leased assets have been transferred to the Group.

Finance leases are initially measured at the lower between the fair value of the lease and the present value of the minimum lease payments. Subsequently, the leased land and buildings are measured at fair value.

The leased assets are depreciated over the shorter period between the term of the lease and their useful life, unless it is almost certain that the Group will assume the property of the asset upon the termination of the contract. If according to the lease agreement the ownership of the asset is transferred upon the termination of the contract or if there is the option of purchase at a lower price, then the depreciable period is the asset's useful life.

Lease payments are divided into the amount referring to interest payment and capital repayment. The distinction is made in order to achieve a fixed repayment schedule. Interest payments are charged to the income statement.

The Group is the lessor

The Group operates as a lessor and the classification of the lease is based on the extent to which risks and rewards of ownership of the leased assets belong to the lessor or the lessee. A lease is classified as a finance lease if it transfers substantially all risks and rewards of ownership. A lease is classified as an operating lease in case it does not transfer all risks and rewards of ownership.

Finance Leases: In its Balance Sheet, the Group records all assets held which are under finance lease as assets whose value is equal to that of net lease investment. Lease payments are carried as capital repayment and as financial income.

The recognition and allocation of financial income is based on a model that reflects a stable periodic return of the net investment over the outstanding portion of the finance lease.

Operating Leases: The leases of this category in which the Group participates pertain to investment property of the Group. Lease payment income less cost of services is recognized in the income statement on a straight-line basis over the period of the lease. The costs, including depreciation, incurred for the acquisition of lease payments income, are charged to the expenses.

(2.16) Derivative financial instruments and hedging

Derivative financial instruments include forward foreign exchange contracts, interest rate swaps, foreign exchange swaps and other derivative financial instruments.

Derivatives for trading purposes: Derivatives that do not qualify as instruments held for hedging purposes are considered as entered into for trading purposes. Initially, derivatives are recognized in the statement of financial position at fair value (which is essentially the transaction cost) on the date on which the contract is entered into. Subsequently they are re-measured at fair value. Fair values are determined by quoted market prices, discounted cash flow models and options pricing models as appropriate. Derivatives instruments are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

A derivative may be embedded in othe financial instruments. The resulting hybrid financial instrument includes both a derivative and a host contract and is known as embedded derivative. An embedded derivative is separated from the host contract and accounted for as a distinct derivative if all of the following conditions are met: a) the characteristics and financial risks of the embedded derivative are not closely related to the characteristics and financial risks of the host contract, b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and c) the host contract is not measured at fair value with changes in fair value recognized in the income statement.

Changes in the fair value of derivatives are recognized in the income statement.

(2.17) Offsetting Assets - Liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements when there is a legal right to set off the recognized amounts and there is an intention to realize the asset and settle the liability simultaneously or on a net basis.

(2.18) Interest Income and Expenses

For all financial assets and liabilities, interest income and expense are recognized in the income statement using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of the financial asset or financial liability and of allocating the interest income or expense over the reported period. The effective interest rate is the rate that discounts the estimated future cash receipts or payments over the expected estimated life of the financial instrument.

When a financial asset or a group of similar financial assets excluding loans and advances to customers, has been written down as a result of an impairment loss, interest income is recognized using the interest rate applied in discounting the future cash flows for the purpose of determining the impairment loss.

(2.19) Fee and commission income

Fees and commissions are recognized in the income statement in the period that the relevant service has been provided. Commissions and fees arising from transactions on behalf of third parties, are recognized in the income statement upon the completion of the underlying transaction. Portfolio management fees and other management advisory and service fees are recognized in the income statement according to the applicable service contracts, usually on a proportional basis.

(2.20) Provisions

The Group recognizes a provision for contingent liabilities and risks when:

- there is a present legal or constructive obligation as a result of past events,
- a reliable estimate of the amount of the obligation can be made and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(2.21) Income Tax

Deferred income tax is calculated based on the temporary differences arising between the carrying amount of assets and liabilities included in the financial statements and the respective amounts as measured for tax purposes, according to tax legislation.

Deferred tax is determined using tax rates that are in effect at the balance sheet date or will be in effect at a later date provided that these are clearly stated by a law that has already been in force.

The Group recognizes deferred tax assets when it is probable that sufficient future taxable profits will be available against which the deferred tax asset can be offset.

Deferred tax is also recognized in cases where temporary differences arise from investments in subsidiaries and associates, except when the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Income tax payable on profits for the period, based on the applicable tax law, is recognized as an expense in the income statement of the year. Tax losses to be carried forward for offsetting are recognized as an asset when it is probable that future taxable profits will be available and they will exceed the accumulated tax losses.

Deferred tax assets or liabilities arising from the re-measurement of fair value of available for sale securities and cash flow hedges, actuarial gains and losses as well as from changes in the fair value of property, plant and equipment, which are recognized directly in equity, is also recognized directly in equity.

(2.22) Employee benefits

The companies of the Group participate in various post-employment benefit plans for their employees. These include both defined benefit and defined contribution plans.

Regarding defined contribution plans, the Group has no legal or constructive obligations to pay further contributions in cases where the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan in which the obligation of the Group is determined by the amount to be received by the employee upon retirement which depends on factors such as age, years of service and salary. The liability in respect of a defined benefit pension plan that is recognized in the statement of financial position, is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets after adjustments made for actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the liability is calculated by discounting the future cash flows using a discount rate based on the average yield of iBoxx AA Corporate Overall 10+ EUR indices for 2016.

The Group recognizes any actuarial gain or loss from adjustments made based on experience or a change in the actuarial assumptions, directly to equity through other comprehensive income. Other costs are recognized in profit or loss. In cases of compensations paid to personnel due to early retirement, the recorded liability is reduced by the total amount of the compensation. In the following period, during which an actuarial study is prepared for estimating the defined benefit obligations related to the staff employed, any resulting differences are smoothed out and settled.

(2.23) Recognition of a financial instrument

The Bank initially recognizes loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities are initially recognized on the trade date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus (for an item not classified as trading) transaction costs that are directly attributable to its acquisition or issuance.

(2.24) Derecognition of a financial instrument

A financial instrument is derecognized when the Group loses control of the contractual rights associated with the financial instrument. The Group loses such control if the financial instrument is sold or all the relevant cash flows are transferred to an independent third party.

(2.25) Operating segments

Information disclosed on operating segments is information that management uses for internal reporting to assess the effectiveness of each segment, as well as the manner in which resources are allocated. Such information might differentiate from information used during the preparation of the statement of financial position and the income statement.

Furthermore, explanatory notes are required for disclosing the basis of preparation of segment reporting. Reconciliations to entries in financial statements should also be disclosed.

The operating segments assessed internally by the Group's Management are the following:

Retail banking

This segment includes all individuals and freelancers. Through its network of branches as well as through the relevant central services, the Group provides its clients with the whole range of traditional services as well as specialized investment services and products.

Corporate banking

This segment includes all the credit services offered to enterprises and corporations. The Group provides clients in this category with a wide range of products and services related to consulting, financial and investment nature of business as well as foreign exchange transactions.

Capital management / Treasury

This segment includes activities relevant to the Group's cash management and treasury function, management of Group's investment and trading portfolio as well as intermediary services on mutual fund units disposals, and portfolio management services for individuals.

Other income which includes income on real estate property management, interest on loans to employees, interest on subordinated debt in issue etc., has been allocated proportionally to the three aforementioned segments.

(2.26) Treasury shares

Treasury shares held by the Bank or another company of the Group are carried at cost and they are deducted from equity until they are cancelled. Where such shares are subsequently sold or reissued, the gain or loss from the sale is not recorded in the income statement but directly recognized in equity.

(2.27) Related party transactions

Related parties are entities, in which the Bank holds either directly or indirectly are 50% of their share capital or has significant influence in making financial and operating decisions. Also, related parties are considered to be the members of the Group's companies managing boards, their close relatives, companies owned or controlled by them and companies over which they have significant influence in making business decisions.

All transactions between the Bank and its related parties are carried out under the same conditions that similar transactions are carried out with non-related parties, at the same time.

(2.28) Earnings per share

Basic earnings per share (EPS) ratio is calculated by dividing the net profit or loss for the period attributable to the Bank's common shareholders by the weighted average number of common shares outstanding during the year.

The diluted earnings per share ratio is computed using the same method as for basic EPS, but with the net profit or loss being adjusted to reflect the potential dilution that could occur if convertible debt securities, options, warrants or other contracts to issue common shares were converted or exercised into common shares.

(2.29) Custody Services

The Group offers custody services to individuals and companies for their assets. These assets are not owned by the Group. The assets as well as the gains or losses arising from their investment are not presented in the financial statements of the Group. Commissions which are collected from custody services are recognized in the income statement.

(2.30) Dividends

Dividend income is recognized when the right to receive the income is established

(2.31) Deposits, debt securities issued and subordinated liabilities

Deposits, debt securities issued and subordinated liabilities are sources of funding for the Group.

Deposits, debt securities and subordinated liabilities are initially measured at fair value including transaction costs and subsequently measured at amortized cost using the effective interest method.

(2.32) Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss incurred because a specified debtor fails meet its contractual obligations. Financial guarantees are initially recognized at fair value and the initial fair value is amortized over the life of the financial guarantee. Subsequently, the guarantee is carried at the higher between this amortized amount and the present value of any expected payments.

(2.33) Share Capital

(a) Share capital issue costs
The direct costs related to issuance of new shares or rights issue or the acquisition of another company are presented net of taxes and proceedings deducted from equity and more specifically from share premium or failing this to retained earnings.
(b) Ordinary and preferred shares dividends
Ordinary and preferred shares dividends are recognized as a liability in the fiscal year they are approved by the Group's shareholders and appears as a reduction of equity. Respectively, interim dividends appear in the same way, as a reduction of equity, after the approval of Board of Directors.
(c) Treasury shares
Acquisition of own shares along with transaction costs are recognized by detracting them from equity. Any gain or loss from sale or measurement is recognized directly in equity.

(2.34) New Standards and Interpretations

The accounting policies for the preparation of the financial statements have been applied by the Group in consistency with the published financial statements concerning the fiscal year ending on 31.12.2015, after taking into account the following amendments to standards which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2016:

- **Amendment to International Financial Reporting Standard 10** "Consolidated Financial Statements", to International Financial Reporting Standard 12 "Disclosure of Interests in Other Entities" and to International Accounting Standard 28 "Investments in Associates and Joint Ventures": Investment Entities: Applying the Consolidation Exception (Regulation 2016/1703/22.9.2016)

  On 18.12.2014, the International Accounting Standards Board issued an amendment to the above standards with which it clarified that the exception provided in IFRS 10 and IAS 28, for the preparation of consolidated financial statements and the application of the equity method respectively, applies also to a parent entity that it is a subsidiary of an investment entity which measures all of its subsidiaries at fair value according to IFRS 10. In addition, with the aforementioned amendment it was clarified that the disclosure requirements of IFRS 12 apply to the investment entities which measure all of their subsidiaries at fair value through profit or loss. The adoption of the above amendment by the Group had no impact on its financial statements.

- **Amendment to International Financial Reporting Standard 11** "Joint Arrangements": Accounting for acquisition of interests in joint operations (Regulation 2015/2173/24.11.2015)

  On 6.5.2014 the International Accounting Standards Board issued an amendment to IFRS 11 with which it is clarified that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business (as defined in IFRS 3), it shall apply all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in IFRS 11. In addition, it shall disclose the information required by IFRS 3 and other related standards. This applies both when acquiring the initial interest in the joint operation that constitutes a business and when acquiring an additional interest. The adoption of the above amendment by the Group had no impact on its financial statements.

- **Amendment to International Accounting Standard 1** "Presentation of Financial Statements": Disclosure Initiative (Regulation 2015/2406/18.12.2015)

  On 18.12.2014 the International Accounting Standards Board issued an amendment to IAS 1 in the context of the project it has undertaken to analyze the possibilities for improving the disclosures in IFRS financial reporting. The main amendments are summarized below:

- the restriction to disclose only a summary of significant accounting policies is removed;
- it is clarified that even when other standards require specific disclosures as minimum requirements, an entity may not provide them if this is considered immaterial. In addition, in case the disclosures required by the IFRS are insufficient to enable users to understand the impact of particular transactions, the entity shall consider whether to provide additional disclosures;
- it is clarified that the line items that IFRS require to be presented in the balance sheet and the statements of profit or loss and other comprehensive income are not restrictive and that the entity may present additional line items, headings and subtotals;
- it is clarified that in the Statement of Comprehensive Income the share of other comprehensive income of associates and joint ventures accounted for using the equity method shall be separated into:
  - amounts that will not be reclassified subsequently to profit or loss and
  - amounts that will be reclassified subsequently to profit or loss;
- it is clarified that the standard does not specify the presentation order of the notes and that each entity shall determine a systematic manner of presentation taking into account the understandability and comparability of its financial statements.

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

- **Amendment to International Accounting Standard 16** "Property, Plant and Equipment" and **to International Accounting Standard 38** "Intangible Assets": Clarification of Acceptable Methods of Depreciation and Amortization (Regulation 2015/2231/2.12.2015)

  On 12.5.2014 the International Accounting Standards Board issued an amendment to IAS 16 and IAS 38 with which it expressly prohibits the use of revenue as a basis for the depreciation and amortization method of property, plant and equipment and intangible assets respectively. An exception is provided only for intangible assets and only when the following conditions are met:

  (a) when the intangible asset is expressed as a measure of revenue, i.e. when the right over the use of the intangible asset is expressed as a function of revenue to be generated in such a way that the generation of a specific amount of revenue determines the end of the right of use, or

  (b) when it can be demonstrated that the revenue and the consumption of the economic benefits are highly correlated.

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

- **Amendment to International Accounting Standard 16** "Property, Plant and Equipment" and **to International Accounting Standard 41** "Agriculture": Bearer Plants (Regulation 2015/2113/23.11.2015)

  On 30.6.2014 the International Accounting Standards Board issued an amendment to IAS 16 and IAS 41 with which it clarified that bearer plants, which are living plants that:
  (a) are used in the production or supply of agricultural produce;
  (b) are expected to bear produce for more than one period; and
  (c) have remote likelihood of being sold as agricultural produce, except for incidental scrap sales, shall be accounted for based on IAS 16 instead of IAS 41.
  The above amendment does not apply to the activities of the Group.

- **Amendment to International Accounting Standard 27** "Separate Financial Statements": Equity Method in Separate Financial Statements (Regulation 2015/2441/18.12.2015)

  On 12.8.2014 the International Accounting Standards Board issued an amendment to IAS 27 with which it provides the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. In addition, with the above amendment it is clarified that the financial statements of an investor that does not have investments in subsidiaries but has investments in associates or joint ventures, which under IAS 28 are accounted for with the equity method, do not constitute separate financial statements.
  The above amendment does not apply to the financial statements of the Group.

- **Improvements to International Accounting Standards** – cycle 2012-2014 (Regulation 2015/2343/15.12.2015)

  As part of the annual improvements project, the International Accounting Standards Board issued, on 25.9.2014, non- urgent but necessary amendments to various standards.
  The adoption of the above amendments had no impact on the financial statements of the Group.

  Except for the standards mentioned above, the European Union has adopted the following new standards which are effective for annual periods beginning after 1.1.2016 and have not been early adopted by the Group.

- **International Financial Reporting Standard 9** "Financial Instruments" (Regulation 2016/2067/22.11.2016).

  Effective for annual periods beginning on or after 1.1.2018.

  On 24.7.2014, the International Accounting Standards Board completed the issuance of the final text of IFRS 9: Financial Instruments, which replaces the existing IAS 39. The new standard provides for significant differentiations in the classification and measurement of financial instruments as well as in hedge accounting. An indication of the new requirements is presented below:
  Classification and measurement
  Financial instruments shall be classified, at initial recognition, at either amortized cost or at fair value. The criteria that should be considered for the initial classification of the financial assets are the following:
  i. The entity's business model for managing the financial assets and
  ii. The contractual cash flow characteristics of the financial assets.

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the instrument is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

If an instrument meets the above criteria but is held with the objective of both selling and collecting contractual cash flows it shall be classified as measured at fair value through other comprehensive income.

Financial assets that are not included in any of the above two categories are mandatorily measured at fair value though profit or loss.

In addition, IFRS 9 permits, at initial recognition, equity instruments to be classified at fair value through other comprehensive income. The option precludes equity instruments held for trading. Moreover, with regards to embedded derivatives, if the hybrid contact contains a host that is within the scope of IFRS 9, the embedded derivative shall not be separated and the accounting treatment of the hybrid contact should be based on the above requirements for the classification of the financial instruments.

With regards to the financial liabilities, the main difference is that the change in the fair value of a financial liability initially designated at fair value through profit or loss shall be recognized in profit or loss with the exception of the effect of change in the liability's credit risk which shall be recognized directly in other comprehensive income.

Impairment

Contrary to the existing IAS 39, under which an entity recognizes only incurred credit losses, the new standard requires the recognition of expected credit losses. In particular, on initial recognition of an asset, 12-month expected credit losses are recognized. However, in case the credit risk of the issuers has increased significantly since initial recognition as well as in cases of purchased or originated credit impaired assets lifetime expected credit losses are recognized.

Hedging

The new requirements for hedge accounting are more aligned with the entity's risk management. The main changes in relation to the current requirements of IAS 39 are summarized below:

- more items become eligible for participating in a hedging relationship either as hedging instruments or as hedged items,
- the requirement for hedge effectiveness tests to be within the range of 80%-125% is removed. Hedge effectiveness test is performed progressively only and under certain circumstances a qualitative assessment is considered adequate,
- in case that a hedging relationship ceases to be effective but the objective of risk management regarding the hedging relationship remains the same, the entity shall rebalance the hedging relationship in order to satisfy the hedge effectiveness criteria.

It is noted that the new requirements for hedge accounting do not include those that relate to macro hedging, since they have not been finalized yet.

Except for the aforementioned modifications, the issuance of IFRS 9 has resulted in the amendment to other standards and mainly to IFRS 7 where new disclosures were added.

IFRS 9 Implementation Program

The Bank, in order to ensure the correct implementation of the new standard, has commenced a Program for the implementation of the IFRS 9. A Coordinating Committee has been set up

for the management of the Program, which consists of senior executives of the Bank's Divisions of Risk Management, Financial Management, IT and Organization and Credit.
The objective of the Coordinating Committee is the design and implementation of the expanded project named "Project Management Office – PMO" until 1.1.2018. The objective of the said project is the broader adjustment of the Bank's Risk Management model to the transition to the IFRS 9 environment.

The Coordinating Committee meets on a regular basis and monitors the progress of the project's implementation.

Quantitative Impact
It is estimated that until IFRS 9 Implementation Program has progressed to such a degree that important decisions affecting implementation have been taken and incorporated in the models for the calculation of impairment losses there would be no reliable estimate of the impact of IFRS 9, especially with regards to the interaction with regulatory capital requirements. Therefore, no reliable information can be disclosed regarding expected impact on the Bank's financial position and regulatory capital.
The Bank, however, intends to quantify the potential impact of IFRS 9 once allowed by the degree of Program Implementation and no later than the audited annual financial statements of 31.12.2017.

- **International Financial Reporting Standard 15** "Revenue from Contracts with Customers" (Regulation 2016/1905/22.9.2016)

  Effective for annual periods beginning on or after 1.1.2018.

  IFRS 15 "Revenue from Contracts with Customers" was issued on 28.5.2014 by the International Accounting Standards Board. The new standard is the outcome of a joint project by the IASB and the Financial Accounting Standards Board (FASB) to develop common requirements as far as the revenue recognition principles are concerned.

  The new standard shall be applied to all contracts with customers, except those that are in scope of other standards, such as financial leases, insurance contracts and financial instruments.

  According to the new standard, an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A new revenue recognition model is introduced, by applying the following five steps:
  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

  The performance obligation notion is new and in effect represents a promise in a contract with a customer to transfer to the customer either: (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

  The new IFRS 15 supersedes:
  - IAS 11 "Construction Contracts";
  - IAS 18 "Revenue";
  - IFRIC 13 "Customer Loyalty Programmes";
  - IFRIC 15 "Agreements for the Construction of Real Estate";
  - IFRIC 18 "Transfers of Assets from Customers"; and

- SIC-31 "Revenue—Barter Transactions Involving Advertising Services".

The Group is examining the impact from the adoption of IFRS 15 on its financial statements.

In addition, the International Accounting Standards Board has issued the following standards and amendments to standards as well as IFRIC 22 which have not yet been adopted by the European Union and they have not been early applied by the Group.

- **Amendment to International Financial ReportingStandard 2** "Share-based Payment": Classification and Measurement of Share-based Payment Transactions

Effective for annual periods beginning on or after 1.1.2018.

On 20.6.2016 the International Accounting Standards Board issued an amendment to IFRS 2 with which the following were clarified:

- in estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions shall follow the same approach as for equity-settled share-based payments,
- where tax law requires an entity to withhold a specified amount of tax (that constitutes a tax obligation of the employee) that relates to share-based payments and shall be remitted to the tax authority, such an arrangement shall be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature,
- if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification.

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

- **Amendment to International Financial Reporting Standard 4** "Insurance Contracts": applying IFRS 9 **Financial Instruments** with IFRS 4 **Insurance Contracts**

Effective for annual periods beginning on or after 1.1.2018.

On 12.9.2016 the International Accounting Standards Board issued an amendment to IFRS 4 with which:

- It provides insurers, whose activities are predominantly connected with insurance, with a temporary exemption from application of IFRS 9 and
- following full adoption of IFRS 9, it gives all entities with insurance contracts the option to present changes in fair value on qualifying designated financial assets in other comprehensive income instead of profit or loss.

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

- **Amendment to International Financial Reporting Standard 10** "Consolidated Financial Statements" and **to International Accounting Standard 28** "Investments in Associates and Joint Ventures": Sale or contribution of assets between an investor and its associate or joint venture

Effective date: To be determined

On 11.9.2014 the International Accounting Standards Board issued an amendment to IFRS 10 and IAS 28 in order to clarify the accounting treatment of a transaction of sale or contribution of assets between an investor and its associate or joint venture. In particular, IFRS 10 was amended in order to be clarified that in case that as a result of a transaction with an associate or joint venture, a parent loses control of a subsidiary, which does not contain a business, as defined in IFRS 3, it shall recognize to profit or loss only the part of the gain or loss which is related to the unrelated investor's interests in that associate or joint venture. The remaining part of the gain from the transaction shall be eliminated against the carrying amount of the investment in that associate or joint venture. In addition, in case the investor retains an investment in the former subsidiary and the former subsidiary is now an associate or joint venture, it recognizes the part of the gain or loss resulting from the remeasurement at fair value of the investment retained in that former subsidiary in its profit or loss only to the extent of the unrelated investor's interests in the new associate or joint venture. The remaining part of the gain is eliminated against the carrying amount of the investment retained in the former subsidiary.

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

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

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

- **International Financial Reporting Standard 14** "Regulatory deferral accounts"

Effective for annual periods beginning on or after 1.1.2016

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

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

- **Amendment to International Financial Reporting Standard 15** "Revenue from Contracts with Customers": Clarifications to IFRS 15 Revenue from Contracts with Customers

Effective for annual periods beginning on or after 1.1.2018.

On 12.4.2016 the International Accounting Standards Board issued an amendment to IFRS 15 with which it clarified mainly the following:

- when a promised good or service is separately identifiable from other promises in a contract, which is part of an entity's assessment of whether a promised good or service is a performance obligation,
- how to apply the principal versus agent application guidance to determine whether the nature of an entity's promise is to provide a promised good or service itself (i.e., the entity is a principal) or to arrange for goods or services to be provided by another party (i.e., the entity is an agent),
- for a licence of intellectual property, which is a factor in determining whether the entity recognizes revenue over time or at a point in time.

Finally, two practical expedients to the transition requirements of IFRS 15 were added for completed contracts under full retrospective transition approach as well as for contract modifications at transition.

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

- **International Financial Reporting Standard 16** "Leases"

  Effective for annual periods beginning on or after 1.1.2019.

  On 13.1.2016 the International Accounting Standards Board issued IFRS 16 "Leases" which supersedes:
  - IAS 17 " Leases"
  - IFRIC 4 "Determining whether an arrangement contains a lease
  - "SIC 15 "Operating Leases – Incentives" and
  - SIC 27 "Evaluating the substance of transactions involving the legal form of a lease".

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

  The Group is examining the impact from the adoption of IFRS 16 on its financial statements.

- **Amendment to International Accounting Standard 7** "Statement of Cash Flows": Disclosure Initiative

  Effective for annual periods beginning on or after 1.1.2017.

  On 29.1.2016 the International Accounting Standards Board issued an amendment to IAS 7 according to which an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities for which cash flows are classified in the statement of cash flows as cash flows from financing activities. The changes that shall be disclosed, which may arise both from cash flows and non-cash changes, include:
  - changes from financing cash flows,
  - changes arising from obtaining or losing control of subsidiaries or other businesses,
  - the effect of changes in foreign exchange rates,
  - changes in fair values and
  - other changes.

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

- **Amendment to International Accounting Standard 12** "Income Taxes": Recognition of Deferred Tax Assets for Unrealized Losses

  Effective for annual periods beginning on or after 1.1.2017.

  On 19.1.2016 the International Accounting Standards Board issued an amendment to IAS 12 with which the following were clarified:
  - Unrealized losses on debt instruments measured at fair value for accounting purposes and at cost for tax purposes may give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the asset by sale or by use.
  - The recoverability of a deferred tax asset is assessed in combination with other deferred tax assets. However, if tax law offsets specific types of losses only against a particular type of income, the relative deferred tax asset shall be assessed in combination with other deferred tax assets of the same type.

- During the deferred tax asset recoverability assessment, an entity compares the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences.
- The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.

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

- **Amendment to International Accounting Standard 40** "Investment Property": Transfers of Investment Property

Effective for annual periods beginning on or after 1.1.2018.

On 8.12.2016 the International Accounting Standards Board issued an amendment to IAS 40 with which it clarified that an entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. In addition, the examples of evidence of a change in use were expanded to include assets under construction and not only transfers of completed properties.

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

- **Improvements to International Accounting Standards – cycle 2014-2016**

Effective for annual periods beginning on or after 1.1.2017 and 1.1.2018.

As part of the annual improvements project, the International Accounting Standards Board issued, on 8.12.2016, non- urgent but necessary amendments to various standards.

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

- **IFRIC Interpretation 22** "Foreign Currency Transactions and Advance Consideration"

Effective for annual periods beginning on or after 1.1.2018.

On 8.12.2016 the International Accounting Standards Board issued IFRIC 22. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation clarified that the date of the transaction, for the purpose of determination of exchange rate to use on initial recognition of the asset, the income or expense, is the date of initial recognition of the non-monetary asset or liability (i.e. advance consideration). Additionally, if there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

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

(2.35) Significant accounting judgments, estimates and assumptions

Use of available information and application of subjective judgment are inherent in producing estimates. Actual results in the future could differ from such estimates, while differences may be material to the Financial Statements.

The primary judgments made by the Group management and having the most significant effect on amounts recognized in the financial statements mainly pertain to:

- **Classification of investments**
  Upon making an investment, management classifies it as held-to-maturity, available for sale or held-for-trading measured at fair value through profit or loss. Regarding investments held-to-maturity, the management examines whether they meet the criteria of IAS 39 and, in particular, the extent to which the Group has the intention and ability to hold them to maturity. The Group classifies investments as held-for-trading if they have been acquired mainly for the purposes of generating short term profit. Classification of investments into financial assets at fair value through profit and loss depends on the manner in which management monitors the performance of the aforementioned investments. Investments not classified as held-for-trading but reliably estimated fair values are available and any changes in their fair value are recognized in profit or loss management accounts, are classified as financial assets at fair value through profit and loss. All the other investments are classified as available for sale.
- **Impairment losses of financial assets**
  The Group, when performing impairment tests on loans and advances to customers, makes estimates regarding the amount and timing of future cash flows. Given that these estimates are affected by a number of factors such as the financial position of the borrower, the net realizable value of any collateral or the historical loss ratios per portfolio, actual results may differ from those estimated. Similar estimates are used in the assessment of impairment losses of securities classified as available for sale or held to maturity (further analysis is provided in note 2.14).

- **Impairment losses of non-financial assets**
  The Group, at each balance sheet date, assesses for impairment non – financial assets, and in particular property, plant and equipment, investment property, goodwill and other intangible assets, as well as its investments in associates and joint ventures. Internal estimates are used to a significant degree to determine the recoverable amount of the assets, i.e. the higher between the fair value less costs to sell and the value in use.

- **Recoverability of deferred tax assets**

  The Group recognizes deferred tax assets to the extent that it is probable that it will have sufficient future taxable profits available, against which, temporary differences and tax losses carried forward can be offset. The main categories of deferred tax assets which have been recognized by the Group relate to the following:
  1. Temporary differences arising from loans' impairment,
  2. Losses resulting on the Greek government bonds exchange program (PSI).
  3. Changes in available for sale securities reserve.
  4. Tax losses carried forward and other temporary differences.

  The total amount of net deferred tax assets recognized as at 31.12.2016 is €377.2 million.

  Regarding the temporary differences arising from loans' impairment, there are no time constraints concerning their recovery, something that also applies to the other categories of deferred tax assets arising from temporary differences. The Group assessed their recoverability based on specific tax planning in relation to the future taxable profits, as these are estimated to be formed on the basis of the Bank's business plan and the state of the Greek Economy, as well as the relevant provisions of Law 4465 / 04.04.2017.

  Deferred tax assets associated with tax losses incurred by the Greek government bonds exchange program and recognized as a debit difference, provisions of Law 4046/14.2.2012 and Law 4110/23.1.2013 apply. According to Law 4110/23.1.2013, the debit difference is deductible for tax purposes, gradually and in equal installments, within 30 years, a fact which, according to the Group's estimation, provides a sufficient time period for its utilization against future taxable profits.

Deferred tax assets on tax losses carried forward arise from the Bank and they relate to the years 2013-2016. Tax losses arising from the Group's operating results can be offset against taxable profits within five years from their formation. For the recognition of the deferred tax asset from transferred tax losses, the Group has prepared, through an independent consultant, a tax planning as a follow-up to the restructuring plan of the Bank, based on the results and conclusions of which the Group has recognized the deferred tax asset on the transferred tax losses. The amount of this loss, based on the tax plan, is recoverable in the next five years, even if new temporary differences arise or even for the first years of the right to set off, new tax losses arise.

Regarding other temporary differences, there is no defined time period for their off-setting and the Bank estimates that they will be recovered in the near future. The estimations for the future taxable profits have taken into account the following:

- The forecasts for the development of the Bank's accounting results as these are included in the restructuring plan submitted to the European Commission.
- The comparison between tax and accounting results for the Bank over the following years based on differences arising during the last years as well as developments in the applicable tax framework.
- The previous taxable profits for the Bank in the period prior to the country entering recession.

Based on the above, the Group estimates that the total deferred tax assets recognized are recoverable. Additionally and independently of the control of the recoverability of the total deferred tax assets, the Bank may be subject to the special provisions of L. 4303/2014 regarding deferred tax assets arising either from losses on the Greek government bonds exchange program (PSI) or from the accumulated provisions and other losses due to credit risk and relating to receivables outstanding or to be recognized after 31.12.2014. In accordance with the provisions of Law "In respect with the framework of the credit institutions' recapitalization and other provisions of the Ministry of Finance" the deferred tax assets that were formed until 30.06.2015 on the accumulated provisions to cover credit, are also included in the special framework. The special framework stipulates that in case the post-tax accounting result is a loss, the aforementioned deferred tax assets are converted as prescribed by the law into final and liquidated claims against the Greek State. The legal framework provides certainty as to the recoverability of deferred tax assets. Under the new law on the recapitalization of credit institutions, the law enters into force from the tax year 2016 instead of the tax year 2015, as provided by Law 4303/2014.

The Bank is subject to the provisions of article 27A of Law 4172/2013, as amended and entered into force, of which an amount of a final and liquidated claim of approximately €13 million results, which must be repaid by the Greek State, or by the Bank instead, to form an equivalent special reserve, which is intended exclusively for the share capital increase and the issuance of certificates of rights on ordinary shares to the Greek State. The Bank's Board of Directors intends to propose to the General Meeting of Shareholders that the Bank is not included in the above provisions.

Note: Should it be interpreted that the Bank should be subject to the provision of article 27A of Law 4172/2013, the amount of the deferred tax asset charged to the income statement for the year 2016 may be reversed in the year 2017.

At the end of each period, the Group estimates and reassesses the deferred tax assets' recoverability, taking into account the economic environment and the evolution of its results. The main uncertainties associated with the future taxable profits and the confirmation of the Bank's tax plan and estimates refer to:

1. The domestic and international economic environment and the impact this will have on the implementation of the Bank's business plan;
2. The impact from the transaction of the permanently non-impaired loan portfolio transaction; and

3. The impact from the application of the IFRS 9.

- **Income Taxes**
  The Group recognizes current and deferred income tax assets and liabilities on the basis of estimates of the amounts to be collected from or payable to the tax authorities in the current and future financial years. Estimates are based on factors such as the application of relevant legislation, the expectations about future taxable profits and, finally, the resolution of any differences with the tax authorities. When actual results related to these estimates differ from amounts initially recognized in the financial statements, the differences affect the income tax and the provisions for deferred taxation of the period in which the aforementioned amounts are finalized.

- **Provisions and contingent liabilities**
  A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. On the contrary, in cases where the outflow is possible or it cannot be reliably estimated, the Group does not recognize a provision but discloses the contingent liability taking into account its significance. The estimated probability and amount of the outflow is dependent on factors not controllable by the Group such as court decisions, application of legislative provisions and the probability of default of a counterparty for exposures in off-balance sheet items. Estimations, assumptions and criteria applied by the Group for making decisions and which affect the preparation of the financial statements, are based on historical facts and on assumptions that are deemed logical under present conditions. Estimates and decision making criteria are re-assessed in order to account for current developments and effects arising from changes in them are recognized in the financial statements of the period in which they take place.

- **Going concern basis**
  At each reporting date, the Group assesses whether the going concern assumption is appropriate. Reference to the management's assessment and assumptions used as regards to the applied basis for the presentation of the financial statements is made in note 2.2.

- **Fair value of assets and liabilities**
  The fair value of assets and liabilities, traded in an active market, is determined based on available quoted market prices. In all other cases, the fair value is determined based on valuation techniques which, to the maximum possible extent make use of observable market inputs. If observable inputs are not available, use is made of inputs which are based on estimations and assumptions, i.e. determination of expected cash flows, discount rates, probability of counterparty default and prepayments. Reference to estimates and assumptions made by management regarding the fair value of financial instruments is made in note 41.7.

3. OPERATING SEGMENTS

GROUP (Amounts in thousand €)	**Retail Banking**	**Corporate Banking**	**Treasury**	**Total**
From 1 January to 31 December 2016				
Net income				
- interest	(1,607)	98,481	(10,179)	**86,695**
- commission	3,952	10,397	(32)	**14,317**
- trading results and other income	1,141	1,401	4,097	**6,638**
- intersegment results	6,165	(18,823)	12,659	**0**
Net Total Income	**9,650**	**91,456**	**6,544**	**107,650**
Income from investments in associates	(424)	(1,727)	(47)	**(2,198)**
Losses before income tax	**(18,187)**	**(28,291)**	**4,147**	**(42,331)**
Income tax				(7,498)
Losses for the period				**(49,829)**
Other segment items				
Allowance for impairment losses	(6,521)	(33,479)	0	**(40,000)**
Allowance for impairment losses on investment securities	0	0	(96)	**(96)**
Depreciation	(1,181)	(4,893)	(131)	**(6,205)**
Total Assets as at 31.12.2016	682,846	2,788,728	139,509	**3,611,083**
Total Liabilities as at 31.12.2016	(1,801,875)	(1,175,068)	(236)	**(2,977,178)**

GROUP (Amounts in thousand €)	**Retail Banking**	**Corporate Banking**	**Treasury**	**Total**
From 1 January to 31 December 2015				
Net income				
- interest	(6,460)	103,314	(6,359)	**90,496**
- commission	2,664	15,552	(2,132)	**16,084**
- trading results and other income	7,709	12,565	(9,258)	**11,015**
- intersegment results	14,285	(24,409)	10,125	**0**
Net Total Income	**18,198**	**107,021**	**(7,624)**	**117,595**
Income from investments in associ	457	1,783	60	**2,300**
Profit/ (Loss) before income tax	**(96,571)**	**(497,130)**	**(10,983)**	**(604,684)**
Income tax				257,859
Profit/ (Loss) for the period				**(346,825)**
Other segment items				
Allowance for impairment losses	(96,313)	(531,687)	0	**(628,000)**
Allowance for impairment losses on investment securities	0	0	(1,006)	**(1,006)**
Depreciation	(1,093)	(4,327)	(143)	**(5,563)**
Total Assets as at 31.12.2015	710,276	2,785,407	173,572	**3,669,256**
Total Liabilities as at 31.12.2015	(1,904,740)	(1,084,306)	0	**(2,989,046)**

BANK (Amounts in thousand €)	**Retail Banking**	**Corporate Banking**	**Treasury**	**Total**
From 1 January to 31 December 2016				
Net income				
- interest	(1,617)	98,338	(10,179)	**86,542**
- commission	2,681	8,837	(32)	**11,487**
- trading results and other income	1,139	1,526	4,097	**6,762**
- intersegment results	6,165	(18,823)	12,659	**0**
Net Total Income	**8,367**	**89,879**	**6,544**	**104,790**
Profit/ (Loss) before income tax	**(18,414)**	**(26,050)**	**4,194**	**(40,271)**
Income tax				(6,875)
Profit/ (Loss) for the period				**(47,145)**
Other segment items				
Allowance for impairment losses	(6,521)	(33,479)	0	**(40,000)**
Allowance for impairment losses on investment securities	0	0	(96)	**(96)**
Depreciation	(1,181)	(4,805)	(131)	**(6,117)**
Total Assets as at 31.12.2016	682,568	2,797,241	139,375	**3,619,184**
Total Liabilities as at 31.12.2016	(1,810,029)	(1,180,386)	(236)	**(2,990,651)**

BANK (Amounts in thousand €)	**Retail Banking**	**Corporate Banking**	**Treasury**	**Total**
From 1 January to 31 December 2015				
Net income				
- interest	(6,494)	103,149	(6,359)	**90,296**
- commission	1,438	13,131	(2,132)	**12,438**
- trading results and other income	7,708	12,610	(9,258)	**11,060**
- intersegment results	14,285	(24,409)	10,125	**0**
Net Total Income	**16,937**	**104,480**	**(7,624)**	**113,794**
Profit/ (Loss) before income ta	**(97,767)**	**(498,936)**	**(11,043)**	**(607,745)**
Income tax				258,260
Profit/ (Loss) for the period				**(349,485)**
Other segment items				
Allowance for impairment losses	(96,313)	(531,687)	0	**(628,000)**
Allowance for impairment losses on investment securities	0	0	(1,006)	**(1,006)**
Depreciation	(1,093)	(4,262)	(143)	**(5,499)**
Total Assets as at 31.12.2015	709,775	2,790,859	173,391	**3,674,024**
Total Liabilities as at 31.12.2015	(1,912,905)	(1,088,953)	0	**(3,001,858)**

4. INTEREST AND SIMILAR INCOME

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Loans and advances to customers (excluding finance leases)	104,754	125,830	104,754	125,830
Due from credit Institutions	958	968	958	968
Securities held at fair value through profit or loss and trading securities	161	231	161	231
Securities available for sale	2,385	2,202	2,385	2,202
Securities held to maturity	429	429	429	429
Interest from corporate bond loans	25,754	24,607	25,754	24,607
Finance Lease (Lessor)	8,310	8,343	8,310	8,343
Interest from deposit accounts	44	42	44	42
Factoring	284	622	284	622
Other	5	5	0	0
Interest and Similar Income	**143,085**	**163,279**	**143,080**	**163,273**

5. INTEREST EXPENSE AND SIMILAR CHARGES

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Customers' deposits	(41,650)	(62,417)	(41,798)	(62,588)
Due to credit institutions	(14,737)	(9,875)	(14,737)	(9,875)
Bond loans	0	(490)	0	(514)
Other	(3)	(1)	(3)	(1)
Interest expense and similar charges	**(56,391)**	**(72,783)**	**(56,538)**	**(72,977)**

Interest on customers' deposits demonstrates a decrease compared to the comparative year mainly due to:

- The de-escalation of the average deposit rate, which stood at 1.14% for the year 2016 compared to 1.65% for the comparative year;
- The decrease in deposits by €250 million in the current year (Note 28); and
- The change in the distribution of deposits with a reduction in time deposits.

Respectively, an increase was recorded in Due to Credit Institutions due to the raising of funds by ELA during the year.

6. FEE AND COMMISSION INCOME

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Loans and advances to customers	4,250	7,664	4,250	7,664
Credit cards	342	486	342	486
Custody services	74	83	82	119
Import-Export	292	283	292	283
Letters of guarantee	4,551	4,415	4,551	4,415
Cash transfers	906	938	906	938
Foreign exchange transactions	36	37	36	37
Factoring	16	10	16	10
Telephone-Postal-Swift	12	7	12	7
Mutual Funds	1,020	1,416	29	99
Securities	825	940	825	940
Stock exchange transactions	7	53	29	53
Commissions on deposit account transactions	173	162	173	162
Other commissions	3,606	2,667	2,261	1,452
Commission income	**16,110**	**19,162**	**13,805**	**16,666**

7. FEE AND COMMISSION EXPENSE

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Loans	(4)	(43)	(4)	(43)
Commissions on acquisition of trading stocks	(7)	(126)	(7)	(126)
Commissions paid for portfolio management	(109)	(1,091)	(620)	(2,242)
Commissions paid for special Greek Government Bond	(1,576)	(1,699)	(1,576)	(1,699)
Other	(97)	(119)	(111)	(119)
Commission expenses	**(1,793)**	**(3,078)**	**(2,318)**	**(4,229)**

The decrease demonstrated in "Commissions paid for portfolio management" is due to the charge in the past year of commissions regarding the mutual capital fund (Zaitech Fund I, Zaitech Fund II).

8. PROFIT / (LOSS) ON FINANCIAL TRANSACTIONS

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Profits Less Losses				
Derivative Financial instruments	(273)	(965)	(273)	(965)
Foreign exchange differences				
From foreign currency transactions	882	1,445	879	1,447
From sales				
Shares	45	765	45	765
Debt Securities	141	394	141	394
From valuation				
Shares	(13)	(48)	0	(51)
Debt Securities	(24)	(11)	(24)	(11)
Visa Inc.	2,559	0	2,559	0
Profit / (Loss) on financial transactions	**3,317**	**1,581**	**3,327**	**1,579**

The increase in gains recorded on financial transactions compared to 2015, is largely attributed to Bank's proceeds arising from the sale of shares held in Visa Europe due to its membership, following the completion of Visa Europe's acquisition by Visa Inc. on 21.06.2016.

The price for this acquisition as determined by the relevant contract, consists of:
1. The payment of a total amount of € 12.3 billion upon completion of the transaction.
2. The distribution of preferred shares.
3. The payment of the amount of € 1 billion on the third anniversary of the closing of the transaction plus interest.

The calculation of the transaction price was based on the contribution each member in Visa Europe's net revenue for a specific period of time.

In this context, during the second quarter of the current period, the Group recognized a gain on financial transactions amounting to €2,558.98 thousand and consisting of the cash proceeds received upon the conclusion of the transaction.

9. PROFIT / (LOSS) FROM INVESTMENT PORTFOLIO

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	31.12.2016	31.12.2015	31.12.2016	31.12.2015
SECURITIES AVAILABLE FOR SALE				
Profits Less Losses				
From sales				
Shares	(456)	(1)	(456)	(1)
Bonds	0	(11,811)	0	(11,811)
Mutual fund units	1,062	750	1,062	707
Other	0	(43)	0	0
Profit / (Loss) from available for sales portfolio	**606**	**(11,104)**	**606**	**(11,104)**
Profit / (Loss) from investment portfolio	**606**	**(11,104)**	**606**	**(11,104)**

10. OTHER INCOME / (EXPENSES)

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Judicial court expenses	135	13,959	135	13,959
Subsidies on training programs	31	53	31	53
Amounts collected from written-off receivables	12	9	12	9
Rents on assets (including foreclosed assets)	192	354	174	349
Receipt of communication fees	91	83	91	83
Fair value adjustments for investment property, land and buildings	(2,058)	5,163	(2,058)	5,163
Dividend Income	60	117	208	267
Other expenses related to defined benefit plans	(233)	(943)	(233)	(943)
Other	4,484	1,743	4,469	1,645
Other Income	**2,715**	**20,539**	**2,829**	**20,585**

In the second quarter of the comparative year, the Bank transferred to "Judicial court expenses" accumulative expenses of previous periods of approximately €13.7 million, which were deducted from the balance of "Loans and advances to customers" that was already charged with these expenses. This movement demonstrates the actual balance of the Bank's receivables, which is then checked for its recoverability and the corresponding provision is formed. The total of the above amount that is subsequently transferred to income - through the formation of a corresponding provision - deferred the balance of the "Loans and advances to customers" account.

The "Fair Value of Investment property and property, land and buildings" has been determined by independent certified valuators (note 24 and 25).

Income appearing in "Other" for the year 2016, is due to an amount of €3.2 million from the reversal of a provision against non-collection of receivables from the Greek State.

Dividend income derives mainly from the participation in a subsidiary of the Bank.

11. OPERATING EXPENSES

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Salaries and wages	(40,839)	(34,761)	(39,703)	(33,726)
Social security contributions (defined contribution plans)	(9,062)	(8,520)	(8,890)	(8,333)
Other charges	(1,250)	(1,343)	(1,233)	(1,326)
Other provisions for post employment benefits obligations	(2,113)	(1,522)	(1,383)	(1,514)
Staff expenses	**(53,264)**	**(46,146)**	**(51,209)**	**(44,898)**
Third party fees and expenses	(8,403)	(10,539)	(7,613)	(9,715)
Advertising and promotion expenses	(550)	(1,141)	(513)	(1,073)
Telecommunication expenses	(1,968)	(2,039)	(1,956)	(2,026)
Insurance premium fees	(1,620)	(2,041)	(1,620)	(2,040)
Repair and maintenance	(1,485)	(1,419)	(1,468)	(1,409)
Travelling expenses	(519)	(507)	(502)	(482)
Printing and stationery	(242)	(334)	(234)	(320)
Utility services	(1,293)	(1,326)	(1,270)	(1,303)
Rentals	(6,787)	(5,851)	(6,641)	(5,730)
Subscriptions – Memberships	(404)	(426)	(265)	(296)
Legal and out of court expenses	(2)	(217)	(2)	(217)
Visa Expenses	(2,723)	(2,095)	(2,723)	(2,095)
Provisions for general risks	(12,421)	(6,630)	(13,411)	(6,500)
Donations– grants	(464)	(464)	(464)	(464)
Teiresias systems expenses	(665)	(552)	(665)	(552)
Cleaning staff expenses	(650)	(659)	(646)	(659)
Building security expenses	(604)	(557)	(604)	(557)
Non-embedded taxes	(2,245)	(1,203)	(2,122)	(1,084)
Third party fees	(1,392)	(1,789)	(1,529)	(1,789)
Expenses for customer attraction	(2,533)	(2,629)	(2,533)	(2,629)
Other	(1,249)	(1,445)	(857)	(1,197)
General Operating Expenses	**(48,218)**	**(43,863)**	**(47,639)**	**(42,136)**
Depreciation of property, plant and equipment	(2,827)	(2,753)	(2,750)	(2,700)
Amortization of intangible assets	(3,378)	(2,809)	(3,367)	(2,798)
Depreciation	**(6,205)**	**(5,563)**	**(6,117)**	**(5,499)**
Total General Operating Expenses	**(107,686)**	**(95,572)**	**(104,965)**	**(92,533)**

NUMBER OF EMPLOYEES	GROUP		BANK	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
The average number of employees is:	842	897	821	874
The number of employees is:	800	893	782	871

During the years 2016 and 2015, the fees of the statutory Auditors, are as follows:

(Amounts in thousand €)	31.12.2016	31.12.2015
For the statutory audit of the financial statements and the tax compliance report	236	234
For other audit services	15	246

Personnel expenses for the year 2016 demonstrate an increase of 15.4% compared to the comparative year, since it is burdened with the expense from the voluntary retirement amounting to €4.7 million, as well as with the expense from the retirement of the Group's executives amounting to €785 thousand.

General operating expenses following the deduction of the provisions for general risks, demonstrate a decrease of 3.9% on a consolidated basis compared to 2015.

General operating expenses for the period under review have been charged with an amount of €1,443.51 thousand relating to the charging of a principal tax (€666.74 thousand) and a penalty (€776.78 thousand) from the Tax Office of Ioannina, in respect with a property leased to a company through a financial lease. The above amount relates to property transfer tax, which has been passed on to the Bank due to the breach of the essential terms of the leasing agreement and will therefore be paid by the Bank.

The change in the provisions for general risks is mainly due to the impairment of the Bank's claim on the assets of the former Insurance Scheme of the Bank's employees and retired employees (LAK I) amounting to €6 million, which according to the legislative framework and final judicial decisions, has been included in the country's social security system. The claim arises from the repayment of the entire liability of the Bank to the insurance carrier (ETAT), as this has resulted from the special economic study conducted by the Ministry of Finance. The repayment of the entire liability to the insurer brought the claim from the already created equity of the program (LAK I), which was deposited to the National AEEGA. The relative provision has arisen from the decrease in the fair value of the part equity that relates to securities - equity securities that accounted for the income statement.

12. TAXES

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Current income tax	(1,398)	3,595	(1,136)	4,000
Deferred income tax	(6,100)	254,264	(5,739)	254,260
Total	**(7,498)**	**257,859**	**(6,875)**	**258,260**
The reconciliation between the tax arising based on the effective tax rate and the tax expense recognized in the income statement for the year is summarized as follows:				
Profit / (loss) before tax	(42,331)	(604,684)	(40,271)	(607,745)
Tax rate	29%	29%	29%	29%
Income tax	12,276	175,358	11,679	176,246
Non deductible expenses	(1,362)	(1,450)	(1,362)	(1,450)
Expenses not recognized in the income statement	0	6,474	0	6,474
Other adjustments	(3,408)	681	(2,188)	194
General tax provision	0	4,000	0	4,000
Recognition of net deferred tax from previous periods	0	57,269	0	57,269
Benefit / (cost) from changes in tax rate	0	15,528	0	15,528
Deferred tax asset write off *	(13,868)	0	(13,868)	0
Withholding and non-offsetting taxes	(1,136)	0	(1,136)	0
Total	**(7,498)**	**257,859**	**(6,875)**	**258,260**
Deferred Tax				
Benefit / (cost) from changes in tax rate	0	15,528	0	15,528
Provision for impairment on loans and advances to customers	0	223,510	0	223,510
Adjustment for debit difference of L. 4046/2012	(1,500)	(1,787)	(1,500)	(1,787)
Tax losses carried forward and other temporary differences	9,268	17,014	9,629	17,010
Deferred tax asset write off *	(13,868)	0	(13,868)	0
Total deferred tax	**(6,100)**	**254,264**	**(5,739)**	**254,260**

** As stated in paragraph J of the "Report on the events that took place during the fiscal year and had a significant effect on the financial statements" of the Annual Report of the Board of Directors, if it is interpreted that the compliance with the provisions of Article 27A of Law 4127/2013 is mandatory, then this amount will be reversed.*

Income tax of other comprehensive income recognized directly in equity

GROUP (Amounts in thousand €) DESCRIPTION	31.12.2016 Before income tax	31.12.2016 Income tax	31.12.2016 After income tax	31.12.2015 Before income tax	31.12.2015 Income tax	31.12.2015 After income tax
Amounts reclassified in income statement						
Change in available for sale securities reserve	1,985	(576)	1,409	14,977	(3,873)	11,104
Amounts not reclassified in income statement						
Change in actuarial gains/(losses) of defined benefit obligations	2,978	(864)	2,114	2,460	(236)	2,223
Total	**4,963**	**(1,439)**	**3,524**	**17,436**	**(4,109)**	**13,327**

Income tax of other comprehensive income recognized directly in equity

BANK (Amounts in thousand €) DESCRIPTION	31.12.2016 Before income tax	31.12.2016 Income tax	31.12.2016 After income tax	31.12.2015 Before income tax	31.12.2015 Income tax	31.12.2015 After income tax
Amounts reclassified in income statement						
Change in available for sale securities reserve	1,985	(576)	1,409	14,977	(3,873)	11,104
Amounts not reclassified in income statement						
Change in actuarial gains/(losses) of defined benefit obligations	2,962	(859)	2,103	2,463	(236)	2,227
Total	**4,947**	**(1,435)**	**3,512**	**17,439**	**(4,108)**	**13,331**

13. EARNINGS / (LOSSES) PER SHARE – BASIC AND DILUTED

(Amounts in thousand €) DESCRIPTION	GROUP 1.1-31.12.2016	GROUP 1.1-31.12.2015	BANK 1.1-31.12.2016	BANK 1.1-31.12.2015
Profit / (Loss) for the year attributable to equity owners of the Bank	(49,656)	(346,826)	(47,145)	(349,485)
Less: after tax amount of dividends on preference shares held by the Greek state	(10,860)	(9,410)	(10,860)	(9,410)
Losses for the year attributable to ordinary equity owners of the Bank	**(60,517)**	**(356,236)**	**(58,006)**	**(358,895)**
Weighted average number of ordinary shares during the year	2,339,353,014	1,234,872,593	2,339,353,014	1,234,872,593
Adjusted weighted average number of ordinary shares during the year	2,339,353,014	1,234,872,593	2,339,353,014	1,234,872,593
Earnings / (losses) per share –Basic (in €)	**(0.0259)**	**(0.2885)**	**(0.0248)**	**(0.2906)**

Basic earnings/(losses) per share are calculated based on the weighted average number of outstanding ordinary shares during the period, as this is determined by applying time weights on the number of outstanding common shares at the beginning of the period after taking into account the reduction in the total number of common shares from 1,364,362,467 to 69,326,980 through a reverse split at a ratio of 19.6800000363493 old common shares for every one (1) new share, according to the resolutions of the Extraordinary General Meeting on 22.11.2015, the share capital increase through cash payment and the issuance of 2,270,026,033 new common shares at a ratio of thirty six (36) new shares for every one (1) old share and after deducting the weighted average number of common shares held by the Bank during the period.

Profit / (loss) for the year has been adjusted by the after tax amount of dividends on preference shares of Law 3723/2008 for the current year, regardless of whether it has been approved for distribution or not, as required by IAS 33, paragraph 14. It is noted that, as at 31.12.2016, as well as in the comparative period, there are no potential dilutive shares requiring an adjustment in the weighted average number of common shares for the period and therefore basic and diluted earnings /(losses) do not differ.

14. CASH AND BALANCES WITH CENTRAL BANK

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Cash in hand	24,402	23,711	24,401	23,710
Cheques receivable	6,954	21,894	6,954	21,894
Balances with Central Bank	12,005	3,954	12,005	3,954
Cash and balances with Central Bank	**43,362**	**49,559**	**43,361**	**49,558**

The Bank is required to maintain a current account with the Bank of Greece through the Target system.

15. DUE FROM OTHER FINANCIAL INSTITUTIONS

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Domestic Financial Institutions	934	646	925	623
Foreign Financial Institutions	3,937	8,908	3,937	8,908
Sight Deposits with financial institutions	**4,871**	**9,555**	**4,862**	**9,531**
Other claims from financial institutions	8	26	8	26
Other claims from financial institutions	**8**	**26**	**8**	**26**
Due from other financial institutions	**4,879**	**9,581**	**4,870**	**9,558**

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Government Bonds-Domestic	1,378	1,275	1,378	1,275
Listed shares-Domestic	103	1,158	0	1,043
Listed shares-Foreign	0	170	0	170
Treasury bills-Domestic	1,132	3,963	1,132	3,963
Financial assets at fair value through profit or loss	**2,613**	**6,566**	**2,510**	**6,451**

Within 2016, the Bank proceeded to sales of Greek Government's treasury bills with a fair value of €13.7 million, while maturities for the period amounted to €8.1 million. Purchases of this class of securities during the same period amounted to €18.9 million.

17. DERIVATIVE FINANCIAL INSTRUMENTS

(Amounts in thousand €) 31.12.2016		GROUP ASSETS	LIABILITIES
CLASSIFICATION PER TYPE	Nominal Value	Fair Value Profit	Fair Value Loss
Swaps	38,745	0	(236)
Greek GDP linked security	38,042	84	0
Derivative financial instruments held for trading	**76,787**	**84**	**(236)**

31.12.2015		ASSETS	LIABILITIES
CLASSIFICATION PER TYPE	Nominal Value	Fair Value Profit	Fair Value Loss
Swaps	38,739	204	0
Forwards	1,087	1	0
Greek GDP linked security	38,042	152	0
Derivative financial instruments held for trading	**77,868**	**357**	**0**

(Amounts in thousand €) 31.12.2016		BANK ASSETS	LIABILITIES
CLASSIFICATION PER TYPE	Nominal Value	Fair Value Profit	Fair Value Loss
Swaps	38,745	0	(236)
Greek GDP linked security	38,042	84	0
Derivative financial instruments held for trading	**76,787**	**84**	**(236)**

31.12.2015		ASSETS	LIABILITIES
CLASSIFICATION PER TYPE	Nominal Value	Fair Value Profit	Fair Value Loss
Swaps	38,739	204	0
Forwards	1,087	1	0
Greek GDP linked security	38,042	152	0
Derivative financial instruments held for trading	**77,868**	**357**	**0**

"Greek GDP linked security" refers to detachable GDP-linked securities acquired to the Bank through the Greek government bonds exchange PSI program.

18. LOANS AND ADVANCES TO CUSTOMERS (NET OF IMPAIRMENT)

18.1 LOANS AND ADVANCES TO CUSTOMERS (NET OF IMPAIRMENT)

	GROUP		BANK	
(Amounts in thousand €)	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Credit cards	62,551	60,257	62,551	60,257
Consumer loans	228,422	230,664	228,422	230,664
Mortgages	484,864	500,298	484,864	500,298
Other	10,165	10,274	10,165	10,274
Loans to individuals	**786,003**	**801,493**	**786,003**	**801,493**
Agricultural sector	11,281	14,183	11,281	14,183
Commercial	633,198	632,659	633,198	632,659
Industrial sector	335,796	379,492	335,796	379,492
Small industries	65,211	66,112	65,211	66,112
Tourism	237,162	212,449	237,162	212,449
Shipping	32,788	36,620	32,788	36,620
Construction sector	763,852	708,581	763,852	708,581
Other	785,087	750,442	785,087	750,442
Loans to corporate entities	**2,864,374**	**2,800,539**	**2,864,374**	**2,800,539**
Public sector	**33,303**	**34,746**	**33,303**	**34,746**
Net investment in finance lease	**300,937**	**290,838**	**300,937**	**290,838**
Loans and advances to customers (before impairment)	**3,984,617**	**3,927,616**	**3,984,617**	**3,927,616**
Provisions for credit risk (impairment losses on loans)	**(1,207,658)**	**(1,170,188)**	**(1,207,658)**	**(1,170,188)**
Loans and advances to customers (net of impairment)	**2,776,959**	**2,757,428**	**2,776,959**	**2,757,428**

18.2 FINANCE LEASE RECEIVABLES (LESSOR)

CLASSIFICATION PER CATEGORY (Amounts in thousand €)	**GROUP and BANK**	
	31.12.2016	**31.12.2015**
Description	Contract Value	Contract Value
Land	79,349	75,132
Buildings	189,849	186,573
Machinery	23,317	22,041
Transport vehicles	7,105	5,409
Technical equipment	1,316	1,683
Total	**300,937**	**290,838**

NET INVESTMENT IN FINANCE LEASE	**GROUP and BANK**					
(Amounts in thousand €)	**31.12.2016**			**31.12.2015**		
Duration	**Gross investment (Future lease payments)**	**Unearned finance income**	**Net investment in finance lease**	**Gross investment (Future lease payments)**	**Unearned finance income**	**Net investment in finance lease**
Up to 1 year	50,369	(2,582)	47,787	59,343	(3,156)	56,187
From 1 to 5 years	175,492	(9,519)	165,973	137,223	(13,020)	124,203
Over 5 years	116,102	(28,925)	87,177	151,664	(41,215)	110,448
Total	**341,963**	**(41,026)**	**300,937**	**348,229**	**(57,391)**	**290,838**

18.3 ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS

(Amounts in thousand €)	GROUP and BANK				
	Current accounts for Individuals	Credit cards	Consumer loans	Mortgages	Total
a) Loans to private individuals					
Balance as at 01.01.2015	**35,330**	**21,219**	**35,693**	**39,017**	**131,259**
Impairment charge for losses on loans	30,552	15,855	20,384	29,529	96,320
Write-offs	0	0	(7)	0	(7)
Balance as at 31.12.2015	**65,882**	**37,074**	**56,070**	**68,546**	**227,572**
Balance as at 01.01.2016	**65,882**	**37,074**	**56,070**	**68,546**	**227,572**
Impairment charge for losses on loans	(2,923)	(1,674)	2,251	8,868	6,521
Write-offs	(72)	(20)	(51)	0	(144)
Balance as at 31.12.2016	**62,886**	**35,380**	**58,269**	**77,413**	**233,949**

	Large Corporates	Small & Medium Entities	Other entities	Total
b) Corporate loans				
Balance as at 01.01.2015	**128,056**	**194,032**	**92,956**	**415,044**
Impairment charge for losses on loans	81,894	262,237	187,549	531,680
Write-offs	(3,329)	0	(779)	(4,108)
Balance as at 31.12.2015	**206,621**	**456,269**	**279,726**	**942,616**
Balance as at 01.01.2016	**206,621**	**456,269**	**279,726**	**942,616**
Impairment charge for losses on loans	9,128	5,400	18,951	33,479
Write-offs	(1,887)	(277)	(222)	(2,386)
Balance as at 31.12.2016	**213,862**	**461,392**	**298,454**	**973,709**

19. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	GROUP		BANK	
(Amounts in thousand €)	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Impairment charge for losses on loans	(40,000)	(628,000)	(40,000)	(628,000)
Provision for doubtful customers	**(40,000)**	**(628,000)**	**(40,000)**	**(628,000)**
Impairment charge for losses on other debt instruments available for sale	(96)	(1,006)	(96)	(1,006)
Provision for other credit risks	**(96)**	**(1,006)**	**(96)**	**(1,006)**
Total	**(40,096)**	**(629,006)**	**(40,096)**	**(629,006)**

The financial statements for the year 2015 were burdened with a large amount of provisions for doubtful customers mainly due to the Asset Quality Review and the stress test exercises performed to the Group by Bank of Greece.

20. INVESTMENT PORTFOLIO

20.1 FINANCIAL ASSETS AVAILABLE FOR SALE

(Amounts in thousand €)	GROUP		BANK	
CLASSIFICATION BY TYPE AND MARKET	31.12.2016 Fair Value	31.12.2015 Fair Value	31.12.2016 Fair Value	31.12.2015 Fair Value
Government Bonds - Domestic	39,333	37,500	39,333	37,500
Government Bonds	**39,333**	**37,500**	**39,333**	**37,500**
Corporate - Listed – Domestic	897	0	897	0
Corporate - Listed – Foreign	7,533	7,258	7,533	7,258
Listed Corporate Bonds	**8,430**	**7,258**	**8,430**	**7,258**
Corporate Non Listed – Domestic	804	804	804	804
Corporate Non Listed – Foreign	244	317	244	317
Non-Listed Corporate	**1,047**	**1,120**	**1,047**	**1,120**
Bonds	**48,810**	**45,878**	**48,810**	**45,878**
Listed shares-Domestic	1,396	790	1,396	790
Listed shares- Foreign	7	10	7	10
Non Listed shares-Domestic	524	1,130	524	1,130
Shares	**1,926**	**1,930**	**1,926**	**1,930**
Mutual fund units - Domestic	0	5,956	0	5,956
Mutual fund units - Foreign	0	9,539	0	9,539
Mutual fund units	**0**	**15,495**	**0**	**15,495**
Financial assets available for sale	**50,737**	**63,303**	**50,737**	**63,303**

The Group proceeded with the reclassification of bonds from the "Trading portfolio" to "Financial assets available for sale". As a result, a valuation gain of €1,196.21 thousand in 2016 which relates to these bonds has been recognized directly to the reserve account for available for sale securities which form part of the Group's equity.

During the period, the Group tested for impairment investments and participations including bonds, shares, mutual fund units and other investments in accordance with the provisions of IAS 39 and recognized an impairment loss of €96 thousand charged to the income statement. The respective impairment charge for the comparative year 2015 amounted to €1 million.

During the 4th quarter, the Group proceeded with the sale of mutual funds.

20.2 INVESTMENTS HELD TO MATURITY

(Amounts in thousand €)	GROUP		BANK	
CLASSIFICATION BY TYPE & MARKET	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Government Bonds - Domestic	10,115	10,162	10,115	10,162
Bonds	**10,115**	**10,162**	**10,115**	**10,162**
Investments held to maturity	**10,115**	**10,162**	**10,115**	**10,162**

Securities held to maturity are measured at amortized cost. Their fair value as at 31.12.2016 is € 9.4 million, while the fair value as at 31.12.2015 was € 9.2 million.

21. INVESTMENTS IN SUBSIDIARIES

(Amounts in thousand €)			31.12.2016			
Company	Country of incorporation	Number of shares	Ownership interest %	Equity	Acquisition cost	Carrying amount
1. Attica Wealth Management M.F.M.C.	Greece	198,300	100.00%	3,256	2,326	2,326
2. Attica Ventures S.A.	Greece	15,000	100.00%	344	600	600
3. Attica Finance S.A.	Greece	382,166	55.00%	1,615	1,700	1,700
4. Attica Funds PLC	United Kingdom	17,500	99.99%	(873)	20	20
5. Attica Bancassurance Agency S.A.	Greece	10,000	100.00%	4,076	100	100
6. AtticaBank Properties S.A.	Greece	70,600	100.00%	5,791	7,060	7,060
Investments in Subsidiaries					**11,806**	**11,806**

			31.12.2015			
Company	Country of incorporation	Number of shares	Ownership interest %	Equity	Acquisition cost	Carrying amount
1. Attica Wealth Management M.F.M.C.	Greece	198,300	100.00%	3,460	2,326	2,326
2. Attica Ventures S.A.	Greece	15,000	99.99%	1,300	600	600
3. Attica Finance S.A.	Greece	382,166	55.00%	1,825	1,700	1,700
4. Attica Funds PLC	United Kingdom	17,500	99.99%	(859)	24	24
5. Attica Bancassurance Agency S.A.	Greece	10,000	100.00%	3,686	100	100
6. AtticaBank Properties S.A.	Greece	70,600	100.00%	5,981	7,060	7,060
Investments in Subsidiaries					**11,809**	**11,809**

"Attica Funds PLC", registered in the United Kingdom, is a subsidiary company of Attica Bank. On 24.03.2005, it proceeded with the issuance of a subordinated bond loan of a €100 million nominal value. This debt issue was repaid in full on 24.03.2015. The company is under liquidation pending the finalization of procedural aspects and respective decisions. The extraordinary General Meeting of "AtticaBank Properties SA" on 27.12.2016 decided to reduce the share capital by a cash return of €5.32 million and to write off cumulative losses of €1.24 million, forming the new share capital of the company at €500,000.00 divided into 5,000 registered shares with a nominal value of €100 each. The above decision was approved in April 2017 by the General Commercial Registry (GEMI).

22. INVESTMENTS IN ASSOCIATES

Group companies, consolidated under the equity method for the period ended 31.12.2016 are:

- Zaitech Innovation Venture Capital Fund I

While for the comparative year:

- Zaitech Innovation Venture Capital Fund I
- Zaitech Innovation Venture Capital Fund II

The main unit holders of Zaitech I are the Bank and the New Economy Development Fund (TANEO), while Zaitech II's main unit holders consist of the Bank and private equity capital. Taking into account the nature of the investments, control is exercised jointly by the unit holders. As a result, the Group's investment in these Funds is measured using the equity method of accounting (IAS 28).

Attica Bank's participation in the capital structure of the Closed-End Mutual Funds for both the current and the comparative period are presented below:

31.12.2016		
Company Name	**Country of Incorporation**	**% Participation**
Zaitech Innovation Venture Capital Fund I	Greece	50.00%
Zaitech Innovation Venture Capital Fund II	Greece	0.00%

31.12.2015		
Company Name	**Country of Incorporation**	**% Participation**
Zaitech Innovation Venture Capital Fund I	Greece	50.00%
Zaitech Innovation Venture Capital Fund II	Greece	92.00%

The subsidiary company, "Attica Ventures S.A.", has been appointed as the management company for the closed-end mutual funds, Zaitech I and Zaitech II.

The acquisition cost for Bank's investments in Zaitech Fund I as at 31.12.2016 amounted to €7,748.73 thousand.

Regarding Zaitech Fund II Capital Fund, a private agreement on the establishment and management of the "ZAITECH FUND II" Capital Fund (A.K.E.S.) was signed on 31.10.2016 between the parties. The majority shareholder, Attica Bank SA, requested, by sending the relevant document to the management company, the early solution of A.K.E.S. for reasons related solely to the overall restructuring process of the companies and the activities of its Group.

Among the companies consolidated under the equity method, the most significant investment for the Group is Zaitech Fund I, which invests primarily in innovative enterprises incorporated in Greece and activating mainly in the sectors of food and beverages, retail trade, organic products, manufacturing, energy, telecommunications and IT. The fund's area of operations is in Greece.
It is noted that the valuation of the venture capital fund holdings is carried out in accordance with the guidelines of the European Private Equity & Venture Capital Association – EVCA and the provisions of L. 4141/2013. From the aforementioned participations in the consolidated income statement for the year that ended at 31.12.2016, a loss from the valuation of the companies amounting to €2.2 million has been recorded.

Financial information regarding the Zaitech Fund I Capital Fund are summarized below. All of the following information relates to amounts presented in its financial statements, prepared in the context of the annual report of Zaitech Fund I, which is audited by independent statutory auditors:

Zaitech Fund I Financial Information as at 31/12/2016 *(Amounts in thousand €)*	
Total income/(loss)	(395)
Total Expenses	(217)
Profit/ (Loss) for the period	**(612)**
Net Assets	**15,514**

Additionally, it is noted that the Group's subsidiary Attica Finance Investment Company SA, consolidates with the equity method its participation to a Capital Fund at a cost of €2,150 thousand, which is included in the consolidated financial statements Of the Group.

23. INTANGIBLE ASSETS

(Amounts in thousand €) **DESCRIPTION**	**GROUP** **Software and other intangible assets**	**BANK** **Software and other intangible assets**
Cost	68,733	67,898
Accumulated Amortization and Impairment losses	(31,443)	(30,634)
Net Book Value as at 01.01.2016	**37,290**	**37,264**
Plus:		
Acquisitions	9,602	9,591
Less:		
Amortization charge for the year	(3,378)	(3,367)
Net Book Value as at 31.12.2016	**43,515**	**43,488**
Cost	78,335	77,489
Accumulated Amortization and Impairment losses	(34,821)	(34,001)
Net Book Value as at 31.12.2016	**43,515**	**43,488**

Intangible assets of the Group consist mainly of software programs and amounted to €43,514.55 thousand as at 31.12.2016, compared to €37,290.18 as at 31.12.2015, while for the Bank, the respective amounts are €43,487.99 thousand as at 31.12.2016 and 37,264.26 thousand as at 31.12.2015.

As at 31.12.2016, there are no software programs under development, for which a legal binding commitment exists for the Bank.

With regards to the Group subsidiary companies, as at 31.12.2016, there are no significant contractual obligations for the purchase of intangible assets which have not been recorded in their books.

24. PROPERTY, PLANT AND EQUIPMENT

(Amounts in thousand €)	GROUP							
DESCRIPTION	**Land**	**Buildings**	**Motor Vehicles**	**Furniture and other Equipment**	**Leasehold improvement on third party's property**	**Machinery**	**Under Construction**	**Total**
Cost	4,925	20,507	89	32,037	23,844	1,328	64	**82,794**
Accumulated Depreciation and Impairment Losses	0	(4,112)	(26)	(29,277)	(17,852)	(1,328)	(64)	**(52,659)**
Net Book Value 01.01.2016	**4,925**	**16,395**	**63**	**2,760**	**5,992**	**0**	**0**	**30,135**
Plus:								
Acquisitions		120	34	1,120	297			**1,570**
Revaluation	(141)	(134)		0				**(275)**
Transfers from investment		58			(58)			
Sales				(22)				**(22)**
Less:								
Depreciation charge		(417)	(9)	(986)	(1,415)			**(2,827)**
Depreciation of revaluation		40						**40**
Motor and Vehicles depreciation		(10)			10			
Disposals and write offs depreciation			(48)	22				**(26)**
Net Book value 31.12.2016	**4,784**	**16,051**	**40**	**2,894**	**4,826**	**0**	**0**	**28,595**
Cost	4,784	20,551	123	33,135	24,082	1,328	64	84,067
Accumulated Depreciation and Impairment losses	0	(4,500)	(83)	(30,241)	(19,256)	(1,328)	(64)	(55,472)
Net Book value 31.12.2016	**4,784**	**16,051**	**40**	**2,894**	**4,826**	**0**	**0**	**28,595**

(Amounts in thousand €)				BANK				
DESCRIPTION	**Land**	**Buildings**	**Motor Vehicles**	**Furniture and other Equipment**	**Leasehold improvement on third party**	**Machinery**	**Under Construction**	**Total**
Cost	4,925	20,507	34	31,745	23,687	0	0	**80,898**
Accumulated Depreciation and Impairment losses	0	(4,112)	(26)	(29,027)	(17,771)	0	0	**(50,936)**
Net Book Value 01.01.2016	**4,925**	**16,395**	**8**	**2,718**	**5,915**	**0**	**0**	**29,961**
Plus:								
Acquisitions		120	34	1,077	217			**1,447**
Revaluation	(141)	(134)						**(275)**
Transfers		58			(58)			
Less:								
Depreciation charge		(417)	(2)	(967)	(1,364)			**(2,750)**
Depreciation of revaluation		40						**40**
Motor and Vehicles depreciation		(10)			10			
Net Book value 31.12.2016	**4,784**	**16,051**	**40**	**2,827**	**4,722**	**0**	**0**	**28,424**
Cost	4,784	20,551	68	32,821	23,846		0	82,070
Accumulated Depreciation and Impairment losses	0	(4,500)	(28)	(29,994)	(19,125)		0	(53,646)
Net Book Value 31.12.2016	**4,784**	**16,051**	**40**	**2,827**	**4,722**	**0**	**0**	**28,424**

It should be noted that as at 31.12.2016 there are no significant contractual obligations for the Bank or the subsidiary companies on the purchase of property, plant and equipment and which have not been recorded in their books. The fair value of property is determined based on the three approaches followed by certified independent valuators with appropriate professional qualifications and experience related to the locations and types of the property under assessment, which are the market data approach, the income approach and the replacement cost approach. Regarding the hierarchy of fair value, it is calculated through a combination of the three methods and classified as Level 3, given the use of market research and data and assumptions relating to properties of similar characteristics which constitute a wide range of non-observable inputs.

The fair value and residual value is estimated by independent valuers on a regular and on a case-by-case basis at the end of each year. The date of the revaluation commencement is the date of entry in the Bank's books, which cannot differ from the date of the valuation of the real estate. For the period that ended 31.12.2016 the fair value does not differ from the value by which the tangible fixed assets are registered in the Group's books.

25. INVESTMENT PROPERTY

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Opening balance	**58,190**	**46,510**	**58,190**	**46,510**
Additions	0	7,722	0	7,722
Transfers	0	(810)	0	(810)
Adjustment to fair value	(1,822)	4,768	(1,822)	4,768
31.12.2016	**56,369**	**58,190**	**56,369**	**58,190**

The value of investment property is adjusted based on appraisals carried out by certified independent valuators with appropriate professional qualifications and experience related to the locations and types of the property under assessment. Investment property concerns property that was acquired through auctions and which the Bank intends to sell or lease in the near future. The fair value of these assets is determined based on the three approaches followed by certified independent valuators with appropriate professional qualifications and experience related to the locations and types of the property under assessment, which are the market data approach, the income approach and the replacement cost approach. Regarding the hierarchy of fair value, it is calculated through a combination of the three methods and classified as Level 3, given the use of market research and data and assumptions relating to properties of similar characteristics which constitute a wide range of non-observable inputs.

The change in the fair value of investment property for the closing year 2016 as well as for 2015 is presented in "Other income/ (expense)" in the consolidated income statement for the respective periods (note 10).

Rentals received from leased property for the year 2016 amounted to €192.4 thousand and to €354.19 thousand for the respective period of 2015 and are presented in "Other income/(expense)" (note 10).

For the period ended 31.12.2016, the fair value of investment property does not differ from its carrying amount.

26. OTHER ASSETS

(Amounts in thousand €)	**GROUP**		**BANK**	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Prepaid expenses	3,407	2,579	3,378	2,426
Tax advances and other tax receivables	17,722	20,588	17,291	20,128
Accrued interest and commissions	71,758	79,105	74,071	81,148
Other receivables from Greek state	5,687	5,314	5,687	5,314
Stationary	264	263	264	263
Orders payable	1,969	1,508	1,969	1,508
Guarantees	3,159	3,041	3,159	3,041
Advances to employees	115	122	115	122
Advances for finance lease investment products	28	1,956	28	1,956
Doubtful receivable other than loans	9,701	9,487	9,701	9,487
Contributions to HDIGF	70,768	69,712	70,768	69,712
Prepaid interest on term deposits	15	137	15	137
Due from clients	1,404	1,970	1,404	1,970
Other	14,776	46,373	11,375	42,698
Other Assets	**200,773**	**242,154**	**199,225**	**239,908**

The decrease demonstrated in "Other" is mainly due to the amount of €33.3 million relating to funds disbursed in 2015 to the subsidiary company of Attica Wealth Management for the purpose of investing them in equity securities, in accordance with market conditions. However, given that the market conditions at that time were deemed to have made a lucrative investment impossible, this amount was returned to the Bank in the first quarter of 2016, reducing the receivable initially formed.

In 2016 the Bank did not pay a contribution to HDIGF (T.E.K.E.) regarding the deposit, given that the annual deposit development was negative and at a lower level than the previous year. Furthermore, the change in "Contributions to HDIGF" compared with the comparative use refers to the interest income of approximately €1 million.

"Doubtful receivable other than loans" includes an amount of €9 million, which relates to cases of embezzlement from the Bank's network branches that have taken place in previous years and which are in the process of a legal claim. The judicial outcome of these cases to date is in favor of the Bank, however, the judgments have not yet been final. For the amount that the Bank considers as non-receivable, a special provision has been formed in accordance with the opinion of the Legal Services Division.

27. DUE TO FINANCIAL INSTITUTIONS

(Amounts in thousand €)	**GROUP**		**BANK**	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Sight deposits	2,442	3,172	2,442	3,172
Interbank term deposits	1,015,000	780,000	1,015,000	780,000
Term deposits other than interbank	7,900	596	7,900	596
Due to financial institutions	**1,025,342**	**783,768**	**1,025,342**	**783,768**

The caption "Interbank term deposits" as at 31.12.2016 includes interbank borrowings of €1,015 million from the Emergency Liquidity Assistance (ELA). In the comparative year ended 31.12.2015 the respective amount was €780 million.

28. DUE TO CUSTOMERS

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Current accounts	13,292	13,367	13,292	13,367
Savings accounts	428,125	518,652	428,125	518,652
Term deposits	706,029	829,168	706,029	829,168
Blocked	1	1	1	1
Deposits of individuals	**1,147,447**	**1,361,187**	**1,147,447**	**1,361,187**
Sight deposits	227,126	200,669	234,649	205,921
Term deposits	121,132	161,942	127,082	171,572
Blocked	2,986	5,387	2,986	5,387
Deposits of corporations	**351,244**	**367,998**	**364,717**	**382,880**
Sight deposits	241,016	244,075	241,016	244,075
Term deposits	93,539	106,536	93,539	106,536
Public sector deposits	**334,555**	**350,612**	**334,555**	**350,612**
Sight deposits	51,033	45,616	51,033	45,616
Saving accounts	2,125	3,504	2,125	3,504
Other deposits	**53,158**	**49,120**	**53,158**	**49,120**
Other deposits	**6,346**	**13,585**	**6,346**	**13,585**
Due to customers	**1,892,750**	**2,142,503**	**1,906,224**	**2,157,385**

Under the provisions of the Article 6 of Law 4151/2013, the balance of an account that has been dormant is heading to cover the Greek State funding needs, once the rights of the depositors or their legal heirs have lapsed. As "dormant deposit account", for the purposes of the Law 3601/2007, is meant an account on which no transaction by depositors has been recorded for a period of twenty (20) years from the day following the last transaction. Crediting the accounts with the relevant interest and the interest capitalization do not constitute a transaction and do not interrupt the twenty-year period. Every credit institution operating in Greece, is obliged right after the completion of the twenty-year period to take specific action:

(a) must transfer to the State the aggregate balance on any time-barred dormant deposit accounts, including any interest, by the end of April of each year by crediting the amount on the special account for that purpose in the Bank of Greece,

(b) must notify the concerned Directorates of the Greek General Accounting Office (GAO) and General Directorate of Public Property & Public Welfare Property for the fulfilment of the provisions of the Law 4151/2013, and

(c) must also notify the concerned beneficiaries or theirs of the accounts, after the transfer and after the lapse of twenty years, if asked.

Statutory auditors will certify whether the provisions of the law in relation to the dormant deposits have been applied or not, indicating the amount attributed to the Greek State. By combining the provisions of paragraph 6 of Article 1 of the 18.7.2015 Legislative Content Act, as amended and in force and ratified by Law 4350/2015, and the respective Articles 7 and 8 of Law 4151/2013 (A'103), it is clear that the Bank will be required to pay by the end of April 2016 the outstanding deposits completing 20 years up to Friday, July 17, 2015, date after which the time limit of Articles 7 and 8 of the above law is suspended.

The Bank, by applying the above, did not pay capital for the dormant deposit accounts for the fiscal year 2016 (31.12.2015: €38.33 thousand and accounts for 356 deposit accounts).

29. ISSUED BONDS

Issues guaranteed by the Greek State (Law 3723/2008)

Under the provisions of article 2 of Law 3723/2008 and relatively to the 2nd Pillar of measures for the enhancement of liquidity of the economy, the Bank at 30.06.2010 issued under the Greek State's guarantee, through the EMTN program (Medium Term Note) a bond loan of a total nominal value of €215 million, 3 years duration and bearing a variable 3 month Euribor plus 5% spread, which is separated in 2,150 bonds with a face value of €100 thousand each. The commission that the Bank has been charged from its participation in the program and that has been paid to the Greek State is determined to 75 b.p.. The aforementioned bond matured on 30.06.2013. The Bank issued on 26.07.2013, under the guarantee of the Greek State and under the provisions of Medium Term Note program, a bond loan of total nominal value of €215 million, of 3 years duration and bearing a variable 3 month Euribor plus 12% spread, which is divided into 2,150 unregistered bonds of nominal value €100 thousand each. The commission that the Bank has been charged from its participation in the program and which is payable to the Greek State is determined to 79 b.p..The above bond loan matured on 26.07.2016.

Furthermore, through the same program, the Bank issued on 30.12.2010, another bond loan of a total nominal value of €285 million, carrying a floating rate based on 3 month Euribor plus 4.75% spread, which is separated in 2,850 unregistered bonds of nominal value of €100 thousand each. The Bank acquired the bonds at their issuance cost and can proceed to the sale or cancellation of the bonds at any time but not after their maturity date. The aforementioned bond matured on 30.12.2013. The Bank issued on 06.02.2014, under the guarantee of the Greek State and under the provisions of Medium Term Note program, a bond loan of total nominal value of €285 million, of 1 year duration and bearing a variable 3 month Euribor plus a spread of 12%, which is divided into 2,850 unregistered bonds of nominal value €100 thousand each. The commission that the Bank has been charged from its participation in the program and which is payable to the Greek State is determined to 108 b.p.. The aforementioned bond matured on 06.02.2015.

The above mentioned bonds are not included in "Issued Bonds" as they are held by the Bank. Until their sale or cancellation, the bonds could be used as guarantee for the direct raise of funds from Eurosystem, in accordance with the current Greek and European Banking legislation or to be used for other purposes.

In accordance to article 2 of Law 3723/2008 and in relation to the 2nd pillar of the stability measures for the enhancement of the economy's liquidity and for the preservation of the Bank's liquidity stability, the Bank, following the decision No. 18/19.10.2016 issued by the Interministerial Committee of article 5 of Law 2332/1995, on the basis of the suggestion No. 3769/11.10.2016 of the Bank of Greece, issued on 21.10.2016 a bond loan governed by the Hellenic Republic of a total nominal value amounting to €380 million, with a duration of one year at a floating Euribor of 3 months plus a margin of 12%, which is divided into 3,800 bearer bonds with a nominal value of €100 thousand each. The above bond is intended, if necessary, to be used as a cover to raise liquidity through the Emergency Liquidity Assistance (ELA). The total cost burdened the Group's financial statements amounted to € 731.79 thousand and derives from the calculation of the commission to be paid to the Greek State and is determined at 99 basis points or a nominal amount of commission on a 12-month basis of €3.75 million. This bond matures on 20.10.2017.

30. DEFERRED TAX ASSETS – LIABILITIES

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Provision for impairment losses on loans & advances	309,527	309,527	309,527	309,527
Impairment on GGBs	35,287	36,786	35,253	36,752
Tax losses carried forward & other temporary differences	38,363	43,153	38,708	43,132
Deferred Tax Assets	**383,177**	**389,466**	**383,488**	**389,411**
Revaluation of intangible assets	(5,460)	(4,252)	(5,460)	(4,252)
Revaluation of property, plant & equipment	(474)	(432)	(474)	(432)
Other temporary differences	0	(34)	0	0
Deferred Tax Liabilities	**(5,934)**	**(4,718)**	**(5,934)**	**(4,684)**
Deferred Tax Asset, net	**377,243**	**384,748**	**377,553**	**384,727**

Deferred tax is calculated, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or deferred tax liability is settled. If the tax rate changes at the year that deferred tax asset is realized or deferred tax liability is settled, then the difference is recognized in the income statement, except from the temporary tax differences that are recorded directly in equity.

In accordance with the provisions of paragraph 4 of Article 1 of Law 4434/2015 "Emergency arrangements for the negotiation and conclusion of an agreement with the European Stability Mechanism (ESM)", the rate of income tax on the profits of legal persons increased from 26% to 29%. These provisions apply to earnings arising in tax years beginning on or after 1 January 2015. From the change in tax rates, the Bank recognized in the financial statements of 31.12.2015 an additional amount of €35 million as a deferred tax asset.

In accordance with the provisions of Article 5 of Law 4303/17.10.2014 "Ratification of the Legislative Content Act "Urgent regulation for the replacement of the Secretary General of Public Revenues due to the early termination of his mandate" (A' 136) and other provisions", as amended by Law 4340/2015 and in force by 4465/2017, the deferred tax assets of the supervised by the Bank of Greece legal persons of the paragraphs 5, 6, and 7 of Articles 26 of Law 4172/2013 that have been or will be recognized and which derive from the debit difference of PSI and the accumulated provisions and other general losses due to credit risk regarding claims formed until 30.06.2015, are converted into final and liquidated claims against the State, in case that the accounting, after tax, profit or loss is loss, in accordance with the audited and approved by the Ordinary General Assembly, financial statements.

The Bank is subject to the provisions of article 27A of Law 4172/2013, as amended and entered into force, of which an amount of a final and liquidated claim of approximately €13 million results, which must be repaid by the Greek State, or by the Bank instead, to form an equivalent special reserve, which is intended exclusively for the share capital increase and the issuance of certificates of rights on ordinary shares to the Greek State. The Bank's Board of Directors intends to propose to the General Meeting of Shareholders that the Bank is not included in the above provisions.

Note: Should it be interpreted that the Bank should be subject to the provision of article 27A of Law 4172/2013, the amount of the deferred tax asset charged to the income statement for the year 2016 may be reversed in the year 2017.

31. EMPLOYEE DEFINED BENEFIT OBLIGATIONS

The table below presents the total amount of employee defined benefit obligations which is recognized in the Financial Statements:

(Amounts in thousand €)	Note	GROUP Statement of Financial Position 31.12.2016	Statement of Comprehensive Income 31.12.2016	Statement of Financial Position 31.12.2015	Statement of Comprehensive Income 31.12.2015
Defined benefit plan (supplementary pension)	31.1	-	-	-	-
Defined benefit plan (lumpsum payment)	31.2	(815)	(1,320)	1,834	(26)
Retirement benefits according to employment regulation	31.3	7,421	(51)	8,853	(97)
Total		**6,606**	**(1,371)**	**10,687**	**(123)**

(Amounts in thousand €)	Note	BANK Statement of Financial Position 31.12.2016	Statement of Comprehensive Income 31.12.2016	Statement of Financial Position 31.12.2015	Statement of Comprehensive Income 31.12.2015
Defined benefit plan (supplementary pension)	31.1	-	-	-	-
Defined benefit plan (lumpsum payment)	31.2	(815)	(1,320)	1,834	(26)
Retirement benefits according to employment regulation	31.3	7,358	(81)	8,763	(112)
Total		**6,543**	**(1,400)**	**10,596**	**(138)**

31.1 DEFINED BENEFIT PLAN (SUPPLEMENTARY PENSION)

The Extraordinary General Meeting of the shareholders of the Bank, held on 16 September 2005, as it arises from its minutes decided the rescission of the Group insurance contract between the Bank, the Employees' Association and Ethniki General Insurance Co. S.A., concerning the section Capital Management of Additional Insurance and Complementary Pension Benefits (L.A.K.), and its subject to the regulations of Law 3371/2005. In the frame of this decision the Bank recognized in the Financial Statements as of 1 January 2004 (making use of the relevant option of I.F.R.S. 1), a liability of € 26,958 thousand, which was directly charged to Equity. During the period from 1.1 to 31.12.2004 the additional charge of the Bank through the Income Statement amounted to €644 thousand. For the six month period of 2005, the plan existing at the Bank for defined benefits, the charge of the results amounted to €220 thousand.

The above amounts arose from a special financial study realized by a group of independent actuaries. The accounting treatment followed is in accordance with L. 3371/2005, which enabled the credit institutions to present in the financial statements of 2005 the financial result of the subject to these provisions of law.

Upon resolution of the aforementioned Extraordinary General Meeting, the BoD of the Bank at its session held on 14.12.2005, proceeded in an appeal against the relative contract. Afterwards, in accordance with its appeal of 28.4.2006, the Bank required the subject of the account for Insurance Cover of the employees of the Bank to the Unified Fund of Bank Employees Insurance (E.T.A.T.) as well as to Law 3371/2005, as it is applied following the amendment of the Law 3455/2006.

The Law 3554/2007 as taking into account the content of Article 9, publicized on April 16, 2007, regulated in the particular way the requirements due concerning the insured and retired employees of Attica Bank. In compliance with the aforementioned Article, those insured until 31.12.1992, as well as those retired who are subject to the same category belonging to Capital Management of Additional Insurance and Complementary Pension Benefits (L.A.K.), are introduced as from 1.1.2007 to the Unified Fund of Bank Employees Insurance (E.T.A.T.) and the relevant decision of E.T.A.T. numbered 67 of the 61st session as at 8.5.2007 was publicized.

Concerning the introduction of Complementary Pension Benefits (L.A.K.) into E.T.A.T., there was made a reversal claim No. 4686/2006 by the Association of Attica Bank Employees as against the Num. 22/23/17.5.2006 decision of E.T.A.T..

Furthermore, there were made reversal claims no. 4693/2007 by the Greek Association of Attica Bank Pensioners as against the decision of E.T.A.T. 61/08.05.2007 and 4635/2007 reversal claim by the Capital Management of Additional Insurance and Complementary Pension Benefits as against the decision of E.T.A.T. 61/08.05.2007. The aforementioned reversal claims were heard in the Supreme Court of the Council of State on 26.9.2008.

Furthermore, there are pending reversal claims made by the associations of employees of third party banks as against the P.D. 209/2006 making provisions for the E.T.A.T. operation. The Bank has exercised the claim in favor of the P.D. on E.T.A.T. The aforementioned claims were also heard in the Supreme Court of the Council of State on 26.9.2008.

For the aforementioned legal cases, the Supreme Court of the Council of State publicized the 2197-2202/2010 decision. According to the provisions of the decision, the introduction of Complementary Pension Funds (including L.A.K. I) in E.T.A.T has been finalized as legally sound and constitutional, provided that it is a temporary measure for the management of insurance and pension cases until the civil courts to decide upon the decomposition of Complementary Pension Funds and release the Banks from their relative obligations. Consequently, the decision of the Council of State is considered as temporary and the permanent decision will be heard by the civil courts.

Concerning the introduction of Complementary Pension Benefits (L.A.K.) into ETAT claim made by the Association of Attica Bank Employees etc, it was overruled following Num. 2970/2008 decision of the First Instance Court of Athens. An appeal (10508/2010) against the decision 2970/2008 has been made, after the decision heard by the Supreme Court of the Council of State, with identification number 2954/2010 and is going to be discussed in the Court of Appeal. **This appeal was discussed at a hearing of 16.4.2013 and thereon the decision 6168/2013 of the Athens Court of Appeals was published by which the appeal is rejected entirely. This decision is immediately enforceable, but is subject to appeal to Supreme Court of the Council of State within the prescribed period.**

In accordance with the aforementioned developments, the Bank had deposited to E.T.A.T., up to 31.12.2013, the amount of its seven first installments, an amount of €7,625,000 for each year. An additional deposit was made by the Bank to E.T.A.T., of the lump sum amount of €770 thousand that pertains to the return of insurance contributions of those insured in L.A.K. after 1.1.1993. In the first quarter of 2014 the Bank deposited to E.T.A.T the eighth installment. The aforementioned amounts were determined by a special financial study carried out by the Ministry of Economy and Finance. The remaining two installments of €7,625,000.00 each and totaling €15,250,000.00, that were scheduled to be paid in years 2015 and 2016 respectively, were prepaid in June 2014 using a discount rate of 5.03% and the Bank deposited the total amount of €14,524,032.00 fully settling its obligation to E.T.A.T.. Following the above deposit, the Bank has no further obligation to E.T.A.T. regarding the introduction of its insured and pensioned employees in the program.

After the full and complete payoff of the Bank's liability to ETAT, the equity of Insurance Coverage Account (L.A.K.) with a current balance of about € 30 million, that now belongs to the Bank and is a Bank's asset, according to the Ministry of Finance financial study and the reproductions of Law 3554/2007. This equity has already been transferred to the Bank by the insurance company Ethniki A.E.E.G.A. On the basis of the decision No. 8044/15 of the one-member Athens First Instance Court, issued on 28.09.2015, and designates the Bank as an associate until the trial of the main diagnostic trial. On the basis of the above, certainty is given about the final outcome of the trial.

31.2 DEFINED BENEFIT PLAN (LUMP-SUM PAYMENT)

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Statement of Financial Position				
Present value of defined benefit obligation	12,422	15,752	12,422	15,752
(Fair value of plan assets)	(13,236)	(13,918)	(13,236)	(13,918)
Total Net Liability in the Statement of Financial Position	**(815)**	**1,834**	**(815)**	**1,834**

The change in the present value of the liability is analyzed as follows:

(Amounts in thousand €)	GROUP		BANK	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Opening balance	**15,752**	**16,840**	**15,752**	**16,840**
Service cost	618	687	618	687
Interest expenses	268	337	268	337
Settlement cost	70	720	70	720
Actuarial (gains)/losses	(3,783)	(2,078)	(3,783)	(2,078)
Benefits paid within the year	(503)	(754)	(503)	(754)
Closing Balance	**12,422**	**15,752**	**12,422**	**15,752**

The change in the fair value of the plan assets is analyzed as follows:

(Amounts in thousand €)	GROUP		BANK	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Opening Balance	**13,918**	**13,598**	**13,918**	**13,598**
Expected return	237	272	237	272
Contributions	1,329	1,382	1,329	1,382
Actuarial (gains)/losses	(1,744)	(581)	(1,744)	(581)
Benefits paid within the year	(503)	(754)	(503)	(754)
Closing Balance	**13,236**	**13,918**	**13,236**	**13,918**
Total Net Liability in the Statement of Financial Position	**(815)**	**1,834**	**(815)**	**1,834**

The fair value of the plan asset concerns by 98.5% cash and by 1.5% shares of listed companies

The amounts charged in the Statement of Comprehensive Income for the Group and the Bank are as follows:

(Amounts in thousand €)	GROUP		BANK	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Service cost	618	687	618	687
Interest expenses	268	337	268	337
Settlement cost	70	720	70	720
Expected return	(237)	(272)	(237)	(272)
Amount charged in Income Statement	**719**	**1,471**	**719**	**1,471**
Actuarial gains / losses recognized through other comprehensive income	(2,039)	(1,497)	(2,039)	(1,497)
Total amount charged in Statement of Comprehensive Income	**(1,320)**	**(26)**	**(1,320)**	**(26)**

It concerns lump sum benefit plan, which is granted by the Account Insurance Cover. According to the resolution of the Extraordinary General Meeting held on 16th September 2005, the plan which concerns lump sum benefit plans that are granted to the Banks' employees during the time of their retirement continues to operate as a defined benefit plan according to that set in IAS 19 and is guaranteed by the Bank.

31.3 RETIREMENT BENEFITS ACCORDING TO EMPLOYMENT REGULATION

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Statement of Financial Position				
Present value of unfunded benefit obligation	7,421	8,853	7,358	8,763
Total	**7,421**	**8,853**	**7,358**	**8,763**

The change in the present value of the liability is analyzed as follows:

	GROUP		BANK	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Opening balance	**8,853**	**9,158**	**8,763**	**9,082**
Service cost	639	658	635	654
Interest expenses	151	189	149	182
Settlement cost	98	18	59	18
Actuarial (gains)/losses	(939)	(962)	(923)	(966)
Benefits paid within the year	(1,381)	(207)	(1,324)	(207)
Closing Balance	**7,421**	**8,853**	**7,358**	**8,763**

The amounts charged in the Statement of Comprehensive Income for the Group and the Bank are as follows:

	GROUP		BANK	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Service cost	639	658	635	654
Interest expenses	151	189	149	182
Settlement cost	98	18	59	18
Amount charged to the income statement	**888**	**865**	**842**	**854**
Actuarial gains / losses recognized through other comprehensive income	(939)	(962)	(923)	(966)
Total amount charged in Statement of Comprehensive Income	**(51)**	**(97)**	**(81)**	**(112)**

The above items concern the expected employee retirement benefits obligation, based on the Bank's Regulations, as well as the liability arising from L. 2112/1920. The results of the actuarial study do not include the part of the Bank's liability which relates to a specific class of senior executives for whom retirement benefits which has already been recognized as a provision in prior periods, will be paid by an insurance company in accordance with current employee regulations.

Benefits paid during the year concern retirement benefits as determined by the employment regulations and relate to employees who retired through the Voluntary Retirement Program undertaken within the restructuring process of the Bank.

The amount of the obligation for the above benefit plans was determined according to an actuarial study, which has been prepared by independent actuaries.

The principal assumptions used in the actuarial valuations are presented on the following table:

	31.12.2016	31.12.2015
Discount rate	**1.6%**	**1.7%**
Expected return on plan assets	**1.5%**	**1.5%**
Expected wage growth rate	**0.0%**	**0.0%**

Sensitivity Analysis for the retirement benefits plan according to Employment Regulation

For the year ended 31 December 2016, the use of a discount rate 0.5% increased, would result in about 8% decreased actuarial liability, while the exact opposite move, that is the use of a discount rate 0.5% decreased, would result in about 9% increased actuarial liability.

The respective sensitivity analysis for the expected salaries rise, that is the use of 0.5% higher expected salaries rise, would result in 8% increased actuarial liability, while the exact opposite move, that is the use of 0.5% decreased, would result in 9% increased actuarial liability.

As regards the comparative year end 31 December 2015, the use of a discount rate 0.5% increased, would result in 8% decreased actuarial liability, while the exact opposite move, that is the use of a discount rate 0.5% decreased, would result in 9% increased actuarial liability.

A similar sensitivity analysis for the expected wage growth rate, that is an increase in the rate applied by 0.5%, would result in an increase of the liability by 9%.

Sensitivity Analysis for the defined benefit plan (lump-sum payment)
For the year ended 31 December 2016, an increase of 0.5% to the discount rate applied, would result in a reduction of the liability by 8%, while in a reverse scenario, that is a 0.5% decrease in the discount rate, the resulting increase for the liability would be 8%.

A similar sensitivity analysis for the expected wage growth rate, that is an increase in the rate applied by 0.5%, would result in an increase of the liability by 8%, while in a reverse scenario, that is a 0.5% decrease in the discount rate, the resulting increase for the liability would be 9%.

Regarding the comparative year ended 31 December 2015, an increase of 0.5% to the discount rate applied, would result in a reduction of the liability by 8%, while in a reverse scenario, that is a 0.5% decrease in the discount rate, the resulting decrease for the liability would be 8%.

A similar sensitivity analysis for the expected wage growth rate, that is an increase in the rate applied by 0.5%, would result in an increase of the liability by 8%

32. OTHER PROVISIONS

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Provision for tax audit differences	6,415	3,047	6,368	3,000
Provision for litigious claims	4,222	3,428	4,222	3,428
Provisions for extraordinary losses coverage	5,754	5,772	5,754	5,772
Other provisions	11,906	8,498	13,146	8,248
Total	**28,298**	**20,745**	**29,491**	**20,448**

As at 31.12.2016, the Group has recorded provisions for tax purposes for a total amount of €6,415.07 thousand, which for the most part amounting to €4,368.03 thousand concerns the possible non-recoverability of retained taxes from previous years by the Greek State, on interest on Greek corporate bonds without the guarantee of the Greek State, for the return of which the Bank has followed the legal route of claiming the said return. It should be noted that with the 1463/2014 final decision of the State Council (Section B), to which the Bank was not a party, the Greek State is obliged to return the amount of withholding taxes to the banking institutions due to this cause. Nevertheless, until the final ruling, the Bank continues to maintain the above provisions.

It is noted that within 2016 a provision of €1,443.51 thousand relating to the charging of a principal tax (€666.73 thousand) and a penalty (€776.78 thousand) from the Tax Office of Ioannina was formed, in respect with a property leased to a company through a financial lease. The above amount relates to property transfer tax, which has been passed on to the Bank due to the breach of the essential terms of the leasing agreement and will therefore be paid by the Bank. This provision was used in order for the both tax and the fine to be paid. Moreover, with the submission of the 2015 tax return, it was not possible to offset the tax on government bonds issued by the Greek State for the year 2010 and therefore the Bank no longer has the right to offset the relevant amounts in the following year. For this reason, the amount of the receivable was written off through the formed balance of the provision for tax purposes, which as of 31.12.2016 is reduced by € 390 thousand, as was the claim for 2010.

"Provisions for litigious claims" is described in Note 40.3.

"Provisions for extraordinary losses coverage" refers to bank frauds of the Bank's network amounting to €5,754.21 thousand.

"Other provisions" include:

- A provision of €6.012 thousand due to the impairment of the Bank's claim on the assets of the former Insurance Scheme of the Bank's employees and retired employees (LAK I) amounting to million, which according to the legislative framework and final judicial decisions, has been included in the country's social security system. The claim arises from the repayment of the entire liability of the Bank to the insurance carrier (ETAT), as this has resulted from the special economic study conducted by the Ministry of Finance. The repayment of the entire liability to the insurer brought the claim from the already created equity of the program (LAK I), which was deposited to the National AEEGA. The relative provision of approximately € 6 million has arisen from the decrease in the fair value of the part of equity that relates to securities - equity securities that accounted for the income statement.
- Provision of €5,894.27 thousand in relation to potential due to customers.

Subsequently, the cumulative balance of "Other provisions" amounted to €11,906.27 thousand.

It is noted that "Other provisions" in the year 2016 was reduced by an amount of €1,740 thousand due to the write-off of a claim by the Common Insurance Fund of Bank Employees (ETAT), which resulted from a court decision that rejected the respective claim filed by the bank. It also decreased by €3.2 million from the collection of receivables from the Greek State for which a provision was formed in a previous year.

33. OTHER LIABILITIES

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Taxes and duties payable	4,374	4,942	4,007	4,349
Creditors and suppliers	4,890	7,318	4,354	6,448
Liabilities to insurance institutions	2,326	1,793	2,308	1,770
Expenses payable	2,107	2,174	1,909	2,092
Commissions and interest payable	3,458	9,891	3,458	9,894
Liabilities due to collection on behalf of third parties	89	87	81	72
Deferred Income	295	61	295	0
Other	470	359	468	351
Other Liabilities	**18,011**	**26,625**	**16,880**	**24,976**

"Commissions and interest payable" in the comparative financial year 2015 has been burdened by approximately €6 million with the expenses of the Share Capital Increase settled in cash in the year 2016.

34. SHARE CAPITAL, RESERVES, RETAINED EARNINGS / (LOSSES) AND NON CONTROLLING INTEREST

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Paid up (common shares)	701,806	701,806	701,806	701,806
Paid up (preference shares)	100,200	100,200	100,200	100,200
Share Capital	**802,006**	**802,006**	**802,006**	**802,006**
Reserves	246,052	242,218	245,780	241,968
Retained Earnings	(415,414)	(365,447)	(419,253)	(371,807)
Non-controlling interests	1,261	1,433	0	0
Total Equity	**633,905**	**680,210**	**628,533**	**672,166**

<u>Share Capital</u>
The resolutions of the Extraordinary General Meeting of Shareholders held on 22.11.2015 were the following:

1) Annulment of the resolutions of the First Repeat Meeting of the Shareholders of 10.12.2014 regarding: 1. The increase of the nominal value of each common, registered, bearing voting rights, share of the Bank with the simultaneous consolidation and decrease of the total number of the Bank's common shares (reverse split), 2. The reduction of the share capital of the Bank through the reduction of the nominal value of common registered shares in order to set off accumulated losses in accordance with art. 4 Law 2190/1920, 3. The increase of the share capital up to the amount of € 433,350,948.42.
2) Increase of the share capital of the Bank by €95,570,496.60 through the conversion of the notes of the convertible bond loan of the Bank into common shares and the issuance of 318,568,322 new common shares with nominal value of € 0.30 each. Following the above, the total share capital of the Bank amounts to € 509,508,740 divided into 1,364,362,467 ordinary shares of nominal value €0.30 each and 286,285,714 preferred shares, of nominal value €0.35 each.
3) Increase of the share capital of the Bank by € 356,050,018.10 through the capitalization of share premium reserves and increase of the nominal value of each common share of the Bank with the simultaneous reduction of the share capital of the Bank by the same amount in order to set off accumulated losses through the reduction of the nominal value of each common share to the level prior to capitalization of the share premium reserves.
4) Increase of the nominal value of each common share of the Bank from € 0.30 to € 5.90400001090479000 with simultaneous consolidation and decrease of the total number of existing common registered shares (reverse split), at a ratio of 19.6800000363493 existing common registered shares for 1 new common registered share, that is from 1,364,362,467 to 69,327,361 common registered shares. After the decrease Banks' share capital amounted to € 509,508,740 divided to shares 69,327,361 of nominal value of € 5.90400001090479000 each and 286,285,714 preferred shares of a nominal value of € 0.35 each.
5) Reduction of the share capital of the Bank by € 388,510,531.80 and formation of a special reserve of the same amount through the reduction of the nominal value of each common share from €5.90400001090479000 (after the reverse split), to €0.30 for each share. Following the above changes, the Bank's share capital amounted to €120,998,208.20 divided into 69,327,361 common registered voting shares with nominal value of €0.30 each and 286,285,714 preference shares of € 0.35 each respectively
6) Increase of the share capital of the Bank through the issuance of new, registered, bearing voting rights common shares in accordance with L.3604/2007 and L.3864/2010 (as currently applies), up to the amount of seven hundred fifty million euros (€750 million), to be paid in cash and with pre-emptive subscription rights in favor of the existing ordinary shareholders.

Regarding the share capital increase through cash payment as described under Resolution no. 6, the Board of Directors of the Bank at its meeting on December 30, 2015 declared that the Share Capital Increase was covered partially by €681,007,809.90 i.e. 90.95%. The Board of Directors also declared the issuance of 2,270,026,033 new, common, registered shares with nominal value of € 0.30 each and approved the distribution and allocation of the new shares.

Furthermore, the Board of Directors at the same meeting, certified the payment of the amount of the Share Capital Increase, upon its partial coverage.

Based on the above, the total share capital of the Bank as at 31.12.2016 amounts to € 802,006,018.10 divided into:

a. 2,339,353,394 common registered shares with voting rights, of nominal value of €0.30 each and
b. 286,285,714 preference shares of nominal value € 0.35 each, which are redeemable. The shares in this category have been issued under Law 3723/2008 "Liquidity assistance program of the Greek economy". These shares are of indefinite duration and are subject to redemption by the Bank upon the relevant approvals of the Bank of Greece. Furthermore, these shares bear a fixed non-cumulative yield of 10% conditional upon the requirements of Article 44 of C.L. 2190/1920 being met and distributable profits to exist. Therefore, the payment of the fixed non-cumulative interest of 10% requires a previous approval by the Annual General Meeting of the Bank's shareholders. The aforementioned characteristics with regards to the nature, type and decision-making process related to these preference shares, indicate that these shares should be recognized as part of equity and not as a liability.

Derogating from C.L. 2190/1920, according to the provisions of law 4093/2012, the fixed return on the preference shares held by the Greek state under the provisions of law 3723/2008, is payable, except in cases where such a payment would result in the Bank's Tier 1 Capital falling below the minimum required threshold.

It is noted that under the provisions of L.3844/2010 and in particular according to article 39, the return on preference shares had a step-up feature of 2% annually, provided that the preference shares have not been redeemed by the Bank in a period of 5 years following the issuance. The bond issued by the Greek state and against which the preference shares were acquired, matured in May 2014, without the Bank proceeding with a redemption on these shares. As required, the Greek state, upon maturity of this bond, covered the preference shares by paying the respective amount in cash. The Bank has submitted a formal request to the relevant authorities for an extension of the program duration until 31.12.2017 while also retaining the option for early redemption of the preference shares.

Based on the results for fiscal year 2015 and the structure of the Bank's equity in conjunction with Law 3723/2008 as amended, and Article 44a of CL 2190/1920, no dividend may be distributed to either ordinary or preferred shareholders.

Treasury shares

Following the resolution of the Extraordinary General Assembly of the Shareholders on 20 November 2008, the Bank had decided that for purposes of distribution of shares to those entitled to them through the stock option plan in its second year in effect or for other purposes of potential distribution of shares or options to personnel, the Bank would acquire up to 31.08.2009 up to one million (1,000,000) own shares corresponding to 0.73% of the Bank's share capital at that time, at a maximum and minimum price of € 4.50 and € 1.30 respectively.

In case the aforementioned acquired shares remained undistributed, the Board of Directors would present to a future General Assembly of the Bank's Shareholders the issue of using these shares, within the framework of a future stock option plan or distribution of shares to personnel of the Bank or its related companies, in compliance with the requirements of Article 16, par. 3 b of the C.L.2190/1920.

Following this decision, which approved the establishment of the share buyback program, the Bank acquired up to 31.12.2008, 5,700 treasury shares of "Attica Bank S.A." at a cost of €10,516 that represent 0.0042% of the total number of shares at that date.

For the period from 1.1.2009 to 18.2.2009 the Bank acquired 46,782 treasury shares of "Attica Bank S.A." at a cost of € 101,736.55. As a result, the Bank, as at 31.12.2009, held 52,482 treasury shares of "Attica Bank S.A.", including those acquired until December of 2008, at a total cost of €112,252.55, which represented 0.0214% of its total number of common, bearing voting rights, shares as at 31.12.2009. After the sale of the rights corresponding to these shares resulted from the share capital increase via a rights issue in favor of existing shareholders according to the Extraordinary General Assembly of the Shareholders held on 08/07/2009, which was completed during the last month of the closing period, the cost of the treasury shares of the Bank amounted to € 97,332.30. The amount is not presented in Share capital as the Bank has created a reserve of equal amount especially for these shares.

Upon the resolutions of the first Repeat Extraordinary General Assembly of the Shareholders held on 18.02.2013, according to which the consolidation and reduction (reverse split) of the total number of common shares at an exchange ratio of 7 old common shares for each 1 new share has been decided, the number of treasury shares of "Attica Bank S.A." as at 07.06.2013 amounted to 7,497 at the same acquisition cost of 97,332.30. It is noted that during the share capital increase the Bank did not exercise its rights from treasury shares and did not proceed with the sale of those due to essentially zero price.

According to Article 28 of Law 3756/2009 "Dematerialized Securities System, concerning capital markets, tax and other provisions", all banks participating under the terms of the liquidity plan of the Ministry of Economy and Finance, are not allowed to buy treasury shares during the period of their participation in the program. For this reason, the last purchase of treasury shares took place on 18.2.2009.

According to decision 1/503/13.3.2009 of the Board of Directors of the Capital Market Commission, which was published in the first quarter of 2009, the purchase of own shares and any future share acquisition of other company is considered as an acceptable practice.

According to the decisions of the Extraordinary General Meeting of Shareholders of 22.11.2015 which decided, among other matters, the simultaneous consolidation and reduction of the total number of existing common registered shares (reverse split) at a ratio of 19.6800000363493 existing common registered shares for 1 new share, the number of treasury shares of "Attica Bank SA"was formed on 22.11.2015 in the amount of 380 pieces with the same acquisition value of € 97,332.30. These treasury shares represent 0. 00002% of the total number of common shares with voting rights. It should be noted that during the share capital increase, preemptive rights corresponding to the treasury shares were not exercised as their price was essentially zero.

35. RESERVES

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Statutory reserve	7,005	6,994	6,773	6,773
Taxable reserves	15,234	15,234	15,234	15,234
Intra-group dividend tax exemption special reserve	300	0	300	0
Share capital decrease 2015 special reserve	229,941	229,941	229,941	229,941
Available for sale revaluation reserve	905	(505)	905	(505)
Treasury Shares reserve	97	97	97	97
Reserve from actuarial gains/(losses) on defined benefit plans	(7,429)	(9,544)	(7,470)	(9,573)
Reserves	**246,052**	**242,218**	**245,780**	**241,968**

According to article 44 of the Codified Law 2190/1920 the Bank is required to account at least 5% of its net annual profits to a legal reserve until this reserve equals or is maintained at a level equal to at least one-half of the Bank's share capital according to the Bank's Article of Incorporation.

Pursuant to the provisions of the ministerial decision POL 1039/26.01.2015, a reserve from dividends from previous years' subsidiaries of €300 thousand was created in the reserves. The creation of the reserve is expected to be approved by the Ordinary General Meeting of the Bank's shareholders in the current fiscal year.

Changes in Available for sale Revaluation Reserve

(Amounts in thousand €)	GROUP		BANK	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Opening balance for the year	**(505)**	**(11,609)**	**(505)**	**(11,609)**
Net gains/(losses) from changes in fair value	1,903	2,462	1,903	2,462
Amount transferred to profit or loss	(494)	8,642	(494)	8,642
Closing balance for the year	**905**	**(505)**	**905**	**(505)**

36. CASH AND CASH EQUIVALENTS

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Cash and balances with Central Bank	43,362	49,559	43,361	49,558
Due from other financial institutions	4,879	9,581	4,870	9,558
Cash and cash equivalents	**48,241**	**59,141**	**48,231**	**59,116**

37. OPERATING LEASES

On the one hand it concerns liabilities for leased buildings, which are used by the Bank either as branches or for administrative purposes, and on the other hand concerns leased buildings used by the other companies of the Group for administrative purposes.

The table below presents the total of future minimum lease payments of the both the Group and the Bank:

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Future minimum lease payments of the Group/Bank as lessee:				
Up to 1 year	6,217	5,856	6,072	5,732
1 to 5 years	15,032	21,394	14,612	20,822
More than 5 years	3,363	13,582	3,304	13,455
Total future minimum lease payments	**24,613**	**40,832**	**23,988**	**40,008**

The total amount which is charged to the income statement for 2016, and refers to lease payments is €6,786.87 thousand for the Group and €6,640.76 for the Bank.

38. RELATED PARTY TRANSACTIONS

DESCRIPTION (Amounts in thousand €)	GROUP		BANK	
A. TRANSACTIONS WITH RELATED COMPANIES	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
A1. Receivables	2,417	2,162	25,883	28,244
Liabilities	55,679	32,352	69,350	56,350
A2. Off Balance Sheet Items	0	0	2	2
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
A3. Income	111	100	597	639
Expenses	1,007	6,530	1,882	8,660
B. TRANSACTIONS WITH MEMBERS OF THE MANAGEMENT	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
B1. Receivables (Loans)	3,040	813	2,876	628
Liabilities (Deposits)	1,805	1,646	1,724	1,613
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
B2. Interest income	98	35	94	30
Interest expenses	12	21	12	21
B3. Salaries and wages	1,833	1,140	926	673
Directors' fees	669	607	371	253
Total fees of members of management	**2,502**	**1,748**	**1,297**	**926**

Transactions with related companies include subsidiaries and associates of the Group, as set out in note 21, and the main shareholder of the Bank E.T.A.A.-T.S.M.E.D.E.

Transactions with members of Management concern the Members of the Board and the General Directors of the Bank and the Group companies. All loans to members of management a) were granted in the course of usual business operations b) carried the same terms, including interest rates and collateral, as similar loans granted to third parties in the same period, and c) do not involve a higher than normal degree of credit risk or other unfavorable features.

It is noted that the increase of € 2,227 thousand recorded in receivable amounts on loans granted to members of Management concerns financing provided to an entity related to a member of the Bank’s Board of Directors during the current year.

It is noted that transactions with members of the Board of Directors also include the remaining transactions of the members of the Management Board until the period of their tenure in the year 2016.

39. COMPANIES OF THE GROUP

The following table present the companies of the Group, included in the consolidated financial statements under full consolidation method for the closing period ended 31.12.2016, as well as for the comparative year end.

31.12.2016

Company	Country of incorporation	% Participation
- Attica Wealth Management M.F.M.C.	Greece	100.00%
- Attica Ventures S.A.	Greece	100.00%
- Attica Finance	Greece	55.00%
- Attica Bancassurance Agency S.A.	Greece	100.00%
- Attica Funds PLC	United Kingdom	99.99%
- AtticaBank Properties S.A.	Greece	100.00%

31.12.2015

Company	Country of incorporation	% Participation
- Attica Wealth Management M.F.M.C.	Greece	100.00%
- Attica Ventures S.A.	Greece	99.99%
- Attica Finance	Greece	55.00%
- Attica Bancassurance Agency S.A.	Greece	100.00%
- Attica Funds PLC	United Kingdom	99.99%
- AtticaBank Properties S.A.	Greece	100.00%

Exposure to unconsolidated structured entities

Through its subsidiary company, ATTICA WEALTH MANAGEMENT M.F.M.C., the Group manages 6 mutual funds of €42.1 million in total net assets as at 31.12.2016, which meet the definition of a structured entity. At each reporting date, the Group assesses whether it exercises any control over these entities according to provisions of I.F.R.S. 10. The Group, as the manager of the mutual funds, has the ability to direct the activities which significantly affect their rates of return by selecting the investments made by the funds always within the framework of eligible investments as described in the regulation of each fund. As a result, the Group has control over the mutual funds under management but within a clearly defined decision making framework. Moreover, the Group is exposed to variable returns, through its investment in the mutual funds as it receives fees for subscriptions, redemptions of mutual fund units as well as for the management of the funds. These fees range within normal market levels for similar services. The Group also holds direct investments in some of the funds under management, which are classified in the available for sale portfolio. However, direct investments are below levels which would expose the Group to a significant level of volatility in returns achieved compared to the respective total rate of return for the mutual fund. Taking into account the above factors, the Group assesses that for all mutual funds under management, it exercises the decision making rights assigned to it, for the benefit of unit holders, by acting as an agent without exercising control over the mutual funds.

It should be noted that there is no contractual obligation for the Group to provide financial support to any of the funds under management neither does it guarantee their rate of return.

40. CONTINGENT LIABILITIES AND COMMITMENTS

40.1 OFF BALANCE SHEET LIABILITIES AND PLEDGED ASSETS

(Amounts in thousand €)	GROUP		BANK	
DESCRIPTION	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Contingent liabilities				
Letters of Guarantee	333,027	375,993	333,027	375,993
Letters of Credit	7,300	3,574	7,300	3,574
Contingent liabilities from forward contracts	38,981	62,255	38,981	62,255
Total	**379,308**	**441,822**	**379,308**	**441,822**
Unrawn credit limits				
- Up to 1 year maturity	70,728	98,793	70,728	98,793
- Over 1 year maturity	32,528	32,039	32,528	32,039
Total	**103,255**	**130,831**	**103,255**	**130,831**
Pledged assets				
Emergency Liquidity Assistance (E.L.A.)				
-Trading securities	1,042	5,042	1,042	5,042
- Available for sale securities	44,673	44,673	44,673	44,673
- Held to maturity securities	10,000	10,000	10,000	10,000
- Bond of Law. 3723/2008	380,000	215,000	380,000	215,000
- Other Loans	1,561,293	1,380,134	1,561,293	1,380,134
Total commitments to E.L.A.	**1,997,007**	**1,654,849**	**1,997,007**	**1,654,849**
Total commitments	**1,997,007**	**1,654,849**	**1,997,007**	**1,654,849**
Total off-balance sheet liabilities and pledged assets	**2,479,571**	**2,227,502**	**2,479,571**	**2,227,502**

As at 31.12.2016, loans and other debt securities of total nominal value €1,997.01 million were pledged to the European Central Bank. The amount also includes collaterals over pledged assets. From the total amount pledged the Bank is able to draw further liquidity of €1,337.1 million, from which it has used an amount of €1,015 million.

40.2 TAX LIABILITIES

The Bank and the other Group companies which are under the Greek tax authorities' jurisdiction, are subject to the provisions of L. 3943/2011. For fiscal years 2011 up to 2014 the Bank has obtained the relevant tax certificate without any qualifications on the tax issues covered.

The tax audit was completed for fiscal year 2015 and according to the tax compliance report granted to the Bank, there is no indication that the Bank has not complied in every material aspect with the applicable tax provisions and tax items, which are set out in the tax compliance audit program set out in the POL.1124/2015 decision of the Secretary General of Public Revenues, as in force.

Pursuant to article 56 of Law 4410/03.08.2016 for the fiscal years starting as of 1.01.2016, the issuance of a tax certificate becomes optional and constitutes a newsletter to the Tax Authority without the ending of tax years as it was before. However, the intention of the Bank is to continue to obtain the tax certificate.

As at 31.12.2016, the Bank has recorded a provision of € 6,368.03 thousand were the amount of € 4,368.03 thousand concerns the non-recoverability of taxes withheld on interest gained on domestic corporate debt securities issued without a Greek state guarantee. The Bank has raised legal action for the return of this claim from the Greek state. It is noted that, under final decision no. 1463/2014 of the Hellenic Council of State, in which case the Bank did not take part, the Greek state has the obligation to return such taxes withheld.

Regarding the other Group companies, the only unaudited tax year is 2010 for which a provision of €47 thousand has been recorded, an amount which is expected to settle any future tax obligations. Furthermore, Attica Bank Properties has not been audited for the fiscal year 2014 since turnover recorded in that year for the company was lower than the minimum thresholds set by the law which render the issuance of a tax certificate mandatory.

It is noted that under the provisions of L. 4046/2012 article 3, par.6, irrespectively of the legal form of the credit institution operating in Greece, the credit balance resulting from the income tax return for fiscal year 2011 and onwards which is attributable to tax withheld on interest earned on Greek Government bonds, treasury bills or corporate bonds guaranteed by the Greek Government, may be offset against income tax in the 5 year period following the creation of the credit balance, by the residual balance at each year end.

Upon submission of the tax return for the year 2015, the Bank was not able to offset the tax withheld on interest earned on Greek government bonds in 2010 and therefore forfeited its right for offsetting this tax in future periods. As a result, the respective receivable amount previously recorded by the Bank was written-off through a reversal of the same amount for the recorded provision for tax purposes which, as at 31.12.2016, has decreased by €390 thousand, as was the amount for 2010.

40.3 LEGAL CASES

Based on the Legal Department's assessment, the estimated amount for Group's present obligations arising from cases under litigation is €4,222.32 thousand. The amount concerns only the Bank and an equal provision has been recorded in its books. The respective amount for the Group and the Bank as at 31.12.2015 was €3,427.91 thousand.

41. RISK MANAGEMENT

The Group is exposed to a variety of risks, the most important of which are credit risk, market risk which refers to risks arising from fluctuations in foreign exchange rates, interest rates and market prices, operational risk and liquidity risk. The Group has established various control mechanisms in order to monitor and manage these risks and avoid undue risk concentrations.

The Group operates an independent Risk Management Department with established roles in all senior committees of the Bank related to risk analysis and management. Its main responsibility is to monitor all risks which the Group may be engaged in and to maintain business risks taking within the predetermined limits.

The Board of Directors is responsible for approving and periodically reviewing the Group's risk appetite towards potential risks undertaken. More specifically, the Board monitors the overall risk, it selects individuals and committees with the responsibility for managing the risks that the Group is facing and it assigns to committees and departments the responsibility to adopt policies and risk management practices. The Risk Management Committee is responsible for the adequate briefing of the Board of Directors on all matters relating to the risk-taking strategy and the level of tolerance when performing its operational tasks.

Credit Risk

Credit risk is the most significant risk for the Group and for that reason, the Group's main target is to systematically monitor and effectively manage credit risk. For purposes of better credit risk management, there is continuous reassessment of the Group credit policies and monitoring of compliance of the relevant operating units with these policies.

As far as consumer and mortgage loans are concerned, a system of customers' creditworthiness evaluation is implemented - credit scoring – which also applies to credit cards and credit products. The credit rating system consists of a 7-grade scaling (A/B/C/D/E/F/G) and classifies customers based on creditworthiness rating scales. The re-evaluation of customers' creditworthiness is performed annually through the validation of the models.

Great emphasis is given to portfolio quality assessment in the segments of corporate loans as well as consumer and mortgage loans. Through the use of developed systems of credit risk measurement and assessment of the borrowers based on qualitative and quantitative criteria, the credit risks involved are evaluated and met in a timely and efficient way.

As far as corporate loans are concerned, external credit evaluations of the ICAP Group S.A. which was recognized by the Bank of Greece following the decision 262/8/26.6.2008, are taken into account.
Through this system, debtors are ranked based on their credit rating into one of eleven credit rating classes (AA/A/BB/B/C/D/E/F/G/H/NR/NC/NT), thus assisting in determining the appropriate pricing in view of the level of risk undertaken. The reassessment of the creditworthiness of debtors is conducted at each reporting date.

The approval of the loan portfolio is done by the Corporate Banking and Retail Banking Divisions which are independent from the Bank's business units. Loans and advances that exceed the approval limits of the aforementioned divisions are approved by the Bank's Credit Committee or the BoD.

Impairment Risk
The estimation of impairment is based on Bank's statistical data while past data on default rates and acceptable value of collaterals are also kept by the Bank in accordance with the regulatory framework and instructions of the Bank of Greece.

For regulatory purposes, non-performing exposures are classified by the Group on the basis of either of the following criteria:
- Exposures past due over 90 days.
- The obligor is considered as unlikely to pay its credit obligations without realizing the existing security, irrespectively of the existence of amounts past due or the number of days past due.

Elements taken as indications of unlikeliness to pay include the following:
- the credit obligation is put on non-accrued status.
- the institution recognises a specific credit adjustment resulting from a significant perceived decline in credit quality subsequent to the institution taking on the exposure.
- the institution sells the credit obligation at a material credit-related economic loss.
- the institution consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or, where relevant fees.
- the institution has filed for the obligor's bankruptcy or a similar order in respect of an obligor's credit obligation to the institution, the parent undertaking or any of its subsidiaries.
- the obligor has sought or has been placed in bankruptcy or similar protection where this would avoid or delay repayment of a credit obligation to the institution, the parent undertaking or any of its subsidiaries.

In cases of balance sheet exposures to a borrower in arrears over 90 days and the gross carrying amount of exposures in default represents more than 20% of the total gross carrying amount of all balance sheet exposures against the debtor, all related exposures to this debtor, including on-balance sheet and off-balance sheet exposures, are regarded as non-performing. When a borrower forms part of a group, exposures to other entities of the Group are also assessed for classification as non-performing except for exposures affected by individual differences not related to the creditworthiness of the counterparty.

An allowance for impairment losses on loans ad advances to customers is recorded when there is objective evidence that the full or partial payment of the amounts due is doubtful. Impairment trigger events include the following:
- failure to meet contractual loan obligations by the customers.
- indications of unlikeness to pay for the obligor.
- renegotiating the loan based on terms that the Bank would not have considered under normal circumstances.
- events affecting the servicing of the loans according to the contractual terms (deterioration of the financial position of the debtor, bankruptcy declaration, etc).
- disappearance of an active market for assets securing the loan.

The process employed by the Group for estimating impairment losses includes the following:
- Detailed analysis on the entire loan portfolio which is carried out on a regular basis.
- Recent, reliable data which concern the credit quality of the portfolio and incorporate all internal and external factors affecting a loan's collectability.

- A process for identifying loans which should be individually assessed for impairment and grouping the remaining portfolio into classes of loans bearing similar risk characteristics (i.e. type of loan, type of product, credit rating, type of collateral and default status) which is collectively assessed for impairment.
- Integrating current values of collaterals into the process, which take into account collateral disposition costs.
- Process for determining estimated impairment losses on loans individually assessed.
- Loans which are individually assessed for impairment and found not impaired are included in groups and assessed for impairment collectively according to methodology applied.
- Process of writing-off non-collectable loans.
- Process for inclusion of estimated impairment losses in the financial statements in accordance with the existing regulatory framework.

In order to measure impairment losses on loans, the Group carries out an impairment test on each reporting date. Impairment losses are divided in Collective and Individual provisions. The impairment test is performed in 2 stages in accordance with International Financial Reporting Standards (IAS 39)

STAGE 1: Impairment test on an individual basis.

- All loans and advances to customers which are considered individually significant, are assessed on an individual basis regarding the existence of objective evidence of impairment (loss events) at least on each reporting date. The existence of valid indications for potential future losses is assessed on an individual basis for debtors who are considered individually significant. This evaluation takes into account the financial position of the borrower, operational sources for servicing the loan, past payment patterns, the realizable value of collateral and the likelihood of support from creditworthy guarantors.
- If there is objective evidence of impairment, an impairment loss is recognized if the carrying amount of the asset is higher than the present value of estimated future cash flows.
- In cases of credit issued which is secured by collateral, the net realizable value of the collateral is taken into account. The value of collateral used in the calculation of impairment reflects the cash flows that may arise upon foreclosure of the assets less costs for obtaining and selling them. The value of collateral is initially assessed on issuance of the loan and thereafter it is assessed in time intervals determined by the Bank's Credit Regulations or more frequently when market conditions significantly change.

STAGE 2: Impairment test on a collective basis.

- In case there are no signs of impairment for an individually assessed loan, the loan is included in a group of loans with similar risk characteristics and an impairment test on a collective basis is performed. Examples of similar credit risk characteristics are the following:
  - The collateral coverage ratio of the loan (Loan to Value),
  - The estimated probability of default or credit risk grades,
  - The type of loan (Business, Credit Card, Consumer, etc).
  - The days past due
  - The loan maturity (Long-term, Short-term)
  - The type of collateral
  - The type of counterparty (i.e. SME, Large Corporates, Public Sector etc).
- These loans and receivables are sorted into groups with similar credit risk characteristics that are assessed for impairment, based on the Group's estimations regarding historical loss rates associated with each group. Objective evidence of impairment may exist for a group of financial assets, even if it does not exist for a single asset of this group.
- Historical default rates per portfolio category are adjusted to reflect current trends and conditions prevailing at the date of assessment and which may greatly affect the collectability of receivables.
- It is noted that loans that are found to be impaired on an individual basis are not tested for impairment on a collective basis.

The assessment of a loan portfolio for impairment, apart from quantitative criteria, also takes into account qualitative evaluations given that historical data may provide limited information regarding the risk associated with the portfolio. Factors which may affect the aforementioned qualitative evaluations are the following:

- Changes in lending, write-off and non-performing loan (collection) policies.
- Changes in international and domestic economic conditions including developments in specific market segments.

- Changes in the evolution of doubtful debt and low quality credit as well as in restructuring terms for credit claims.
- The effect of concentration risk within the credit risk profile of the Group's portfolio.
- The effects of external factors such as competition and the legislative and regulatory framework in effect.

In addition, in the context of impairment testing on a collective basis, the Group recognizes provisions for loss events that have occurred but have not yet been reported (incurred but not reported_IBNR).

According to the decision of the Risk Management Committee, in the current year the threshold for the performance of an individual impairment test was set at €500 thousand. In total, individual impairment test was carried out on loans of €1,779 million, mainly relating to corporate loans and collective impairment test on loans of € 653 million.

Practices and management of forborne loans
The Group proceeds in the renegotiation of terms for some loans which, due to adverse changes in the financial position of the borrower, are considered as unlikely to be repayed in accordance with the initial contractual terms, providing more favorable terms than other debtors with a similar risk profile could have obtained on new loans. This concession regarding the amendment of the terms in favor of the borrower, is not justified by an improvement in the debtor's creditworthiness or by changes in market fluctuations or by changes in the credit policy of the institution, given that the restructuring measures aim to facilitate the repayment of at least a part of the borrower's debt. The **tolerance exposures** are loan agreements to which **tolerance** has been applied, consisting of concessions to a debtor who is facing or will have difficulties in meeting its financial obligations ('financial difficulties').

Exposures are treated as **tolerance exposures** where concessions have been made, regardless of the existence of any arrears or the classification of the exposures as impaired, in accordance with the applicable accounting framework, or as in a breach.

These **concessions** concern the following:

- Modification of the previous terms and conditions of a contract which are deemed as unlikely to be met by the borrower due to its financial difficulties, resulting in insufficient capacity to service its debt. This amendment would not had been granted if the debtor was not in financial difficulties.
- Full or partial refinancing of troubled debt, which would not had been granted if the debtor was not in financial difficulties. Refinancing is defined as the use of loan agreements in order to ensure full or partial repayment of other loan agreements with existing terms that the borrower is unable to meet.
- Difference in favor of the debtor between the amended terms of the contract and the previous terms of the contract.
- The modification provides more favorable terms to the borrower than other debtors with a similar risk profile could have obtained at that time.
- The modification of a contract involves total or partial cancellation with debt written-off.
- Approval by the Bank of breach of loan covenants for borrowers which would not be able to service their debt or which could be considered as unable to service their debt without the use of this approval.

Exposures are not considered **tolerance exposures** when the borrower is not in **financial difficulties**.
Examples which **constitute signs** of deteriorating financial position for the borrower and restricted ability to meet its debt obligations, include the following:

- Significant deterioration of the debtor's financial position (decrease of income, profits/turnover), especially when there is a trend for a further decline.
- Events which have adversely affected the debtor's financial position (indicatively, these include the loss of a major client, destruction of premises, redundancy etc.)
- Repeated, small but significant loan payment delays which negatively affect the behavior status of the obligor.
- Credit rating downgrade for the obligor.

- Existence of other overdue liabilities to the financial institution.

In cases of forborne **non-performing** exposures, these exposures **cease to be classified as non-performing**, if all the following conditions are met:

- Forbearance measures do not involve the recognition of impairment or default
- One year has elapsed since the forbearance
- After the forbearance measures are agreed, there are no amounts past due or concerns over the full repayment of the exposure in accordance with the forbearance measures agreed. The absence of concern is determined upon an analysis of the financial situation of the borrower. It can be assumed that concerns cease to exist when the borrower has repaid, through regular payments and in accordance with the forbearance terms, a total amount equal to the amount that was previously past due (where arrears existed) or written-off (where no arrears existed) as part of the forbearance measures, or the debtor has otherwise demonstrated the ability to comply with the forbearance measures.

For forborne loans, the Group follows similar procedures in assessing the financial situation of the borrower as those followed for loans given for the first time, while debt is monitored more systematically. This means that the Group will carry out at least the following:

- During the renegotiation of the terms, the Group reassesses the financial position of the debtor, taking into account all economic and other factors affecting its creditworthiness.
- Reviews and evaluates the debt to-income (PTI) and Loan to Value (LTV) ratios.
- Systematically monitors any changes in the financials and other elements of the borrower or the respective trading behavior of the customer in case of retail banking exposures, at least for three years or until the reasons that led to the restructuring have been eliminated.
- The Group keeps documented policies and procedures for monitoring loans under forbearance measures and adopts safeguards to ensure to a significant degree that these policies and procedures are followed.
- Forborne loans are monitored separately as distinct categories in the computerized system of the Group while they are accounted for similarly to loans on temporary delay.

The classification as a tolerance exposure is interrupted, when all the following conditions apply:

- The exposure is assessed as performing even in cases of previous classification as non-performing, given that an analysis of the debtor's financial position indicates that criteria for classification of the exposure as non-performing are no longer met.
- At minimum, a 2-year probation period has elapsed since the forborne exposure was classified as performing.
- A significant part of the principal or interest has been repaid through regular payments, over at least half the probation period.
- No exposure to the debtor is past due over 30 days at the end of the probation period

If the above conditions are not met at the end of the probation period, the exposure is still classified as forborne performing under probation until all conditions are met. These conditions are assessed at least quarterly.

A tolerance exposure may be considered as performing, from the date when the tolerance measures have been applied, as long as any of the following conditions are met:

a. This extension did not lead to the classification of the exposure as non-performing

b. The exposure was not deemed to be a non-performing exposure on the date on which the tolerance measures were extended.

Moreover, in case that **additional tolerance measures** are applied to a performing contract with a tolerable suspension or in case that the **contract is past due for more than 30 days**, it is classified as non-performing.

The forborne exposures that are classified as non-performing, in accordance with the above, are subject to an impairment test and the rules described in the two stages of the Special and General Impairment Audit are applied.

Concentration Risk
The limits applied in the Bank Portfolio are determined based on criteria regarding a proper allocation of the Group capital for the purposes of avoiding concentration of risks in certain market segments, geographical regions or related counterparties, taking into account the following:

- Surveys on the level of credit risk associated with each segment in order to identify those where credit expansion should be limited.
- Assessment of concentration risk that can arise from exposures to particular customers or groups of customers and/or exposures to groups of counterparties whose probability of default is affected by common factors such as: macroeconomic environment, geographical position, operating market segment, currency, use of risk mitigating techniques.
- Carrying out stress tests and using their results in developing a limit system.

The assessment of concentration risk based on the geographical distribution of exposures did not result to any concentration, except for the region of Attica, which is expected given the structure of the Greek economy.

Market Risk
The Group is exposed to market risk arising from variations in the value of financial instruments as a result of adverse changes in market variables such as equities' prices, interest rates, foreign exchange rates.

The Group has established internal procedures regarding applicable trading limits for the Treasury Department for purposes of controlling market risk. Within the scope of market risk management, hedging activities are applied. The Bank monitors the effectiveness of these hedging and risk mitigating techniques within the context of the respective policy and limit management as set by the Assets Liabilities Committee (ALCO).

Transaction portfolio includes investments held for trading. These are securities acquired for the purpose of directly realising profits from short term price fluctuations. Bank's investment portfolio includes invsetments available for sale and investments held to maturity.

For the management of currency risk, there is an established limits framework which has been approved by the Assets Liabilities Committee (ALCO). This framework includes profit and loss limits, nominal limits (by currency, in total, daily, intra-day etc).

Regarding interest rate risk, measurement methods used are associated with the repricing risk and the yield curve risk.

In addition, the Bank periodically carries out stress tests and sensitivity analysis for changes in the economic value of the portfolio that will occur in various scenarios of changes in yield curves, fx rates and share prices. A variety of scenarios are tested that reflect the optimum market practices, the regulatory requirements and the estimations of the executives and Management of the Bank in respect to developments in the market.

Liquidity Risk
The objective of the Group through liquidity risk management is to ensure, to the highest possible extent, the availability of satisfactory liquidity levels so that it could meet its payment obligations, including due course obligations and those that arise in extreme circumstances without incurring major additional costs.

The Bank gives priority to customers' deposits and tries to maintain them as the major source of funding through the policies applied.

Responsible for the management of the liquidity position is the Treasury Department according to policies and procedures which are reviewed and approved by ALCO. Furthermore, at regular intervals various stress tests are carried out based on the Group's specific characteristics and the changes in market conditions and characteristics.

The Group in the context of the Internal Liquidity Audit Procedures (DAEEP) assesses liquidity risk procedures, measures, policies, control mechanisms, extreme crisis stress tests and liquidity crisis management plans. Moreover, the Bank of Greece, during the supervisory review and evaluation process, examines the strategies, procedures and mechanisms applied by credit institutions in order to comply with the obligations arising from the implementation of Law 4261/2014 and Regulation (EU) No. 575/2013 and assesses the risks that they have or that they are about to undertake. The purpose of this process is to determine the adequacy of credit institutions' internal systems for prudent management and hedging of their risks.

Specifically, in regards to liquidity risk, the Bank in accordance with the GA/BOG 2614/07.04.2009, has developed a documented Liquidity policy which has been submitted to the Bank of Greece. Moreover, under the above Act, the Bank has developed and submitted to the supervisory authority, internal liquidity limits and a plan to address liquidity crisis conditions (contingency funding plan) taking into account the existence of binding limits from other credit institutions and the impact on financing costs due to a reduction in market's total liquidity or a downgrade of the Group.

Operational Risk

Operational risk is the risk arising from inadequate internal processes or violations of those processes, people and systems, or from external events. Legal risk forms part of Operational risk.
In order to implement more developed approaches to the measurement, recognition and management of operational risk, the Group is developing procedures regarding the use by operational units of the Group and the Risk Management Department of:

- Internal and external audit reports.
- Operational Risk Ratios.
- Database for recording and monitoring risks.

Besides the future planning for operational risk, great importance is also given, at this stage, in the management of procedures, staff training, creation of limits and emergency plans.

CAPITAL ADEQUACY

The Risk Management Department monitors capital adequacy at regular time intervals and submits the results of its calculations on a quarterly basis to the Bank of Greece that acts as the supervisory authority for all Credit Institutions.

The Capital Adequacy Ratio is defined as the ratio of regulatory equity capital to assets and off-balance sheet items, weighted by the risk they incorporate.

The main objective for the Group is to maintain its capital receivables to levels complying with the regulatory framework as this is established by the country's regulatory authorities, so that the Group is able to continue the course of its normal operations and to maintain its capital base to a level which would not prevent the realization of its business plan.

Apart from meeting minimum capital requirements, the Group, in accordance with Law 4261/2014, has reliable, effective and complete strategies and procedures for assessing and continuously maintaining the sizel, structure and allocation of its capital base to a level which is considered adequate relative to the nature and level of risks undertaken (internal capital). In particular, regarding credit risk within the ICAAP, the Group applies the Internal Ratings-Based Approach for the calculation of the expected and unexpected losses in the portfolio and of the regulatory capital required to cover the above losses.

Within the framework of the Internal Capital Adequacy Assessment Process (ICAAP) the following items are examined in both quantitative and qualitative scopes:

1. Level, structure and stability of regulatory capital;
2. Profitability and its sustainability;
3. Credit risk component of concentration risk;
4. Market risk;
5. Interest rate risk;
6. Liquidity risk;

7. Operational risk;
8. Leverage risk;
9. Compliance risk;
10. Level and allocation of internal capital.

The assessment of how the above items have developed over time and the consideration of executives' qualitative perspectives on them, leads into determining further capital requirements against the following:

- Underestimation of Credit Risk using the standardized approach;
- Underestimation of Market Risk;
- Underestimation of Operational Risk using the Basic Indicator approach;
- Other risks such as interest rate risk, concentration risk, liquidity risk, profitability risk, capital risk and reputation risk.

Internal capital is calculated as the sum of the individual assessments on coverage of all forms of risk.

41.1 LIQUIDITY RISK

"Liquidity risk" is the risk that the Group is unable to fully meet payment obligations and potential payment obligations as and when they fall due because of lack of liquidity. This risk includes the possibility that the bank may have to raise funding at cost or sell assets on a discount. The monitoring of liquidity risk is concentrated on the managing of the time lag between cash inflows and outflows, as well as to ensure the existence of adequate cash reserves for the day-to-day transactions. The regulatory authorities have defined liquidated indexes, on their own criteria, in order to control liquidity gaps. The following tables depict a Liquidity Gap Analysis, providing an idea for the expected cash flows of assets and liabilities for each period. In those instances that there is no contractual expiration of the assets and liabilities then these are classified in the up to one month category. For pumping extra liquidity the Bank commits financial assets as collateral to the Bank of Greece (note 40.1 of the financial statements. There are no changes in the management, the exposure and the methodology of the risk for the current period compared to the comparative year end of 2015.

LIQUIDITY RISK			**GROUP**			
(Amounts in thousand €)			**31.12.2016**			
DESCRIPTION	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**More than 5 years**	**Total**
Cash and balances with Central Bank	43,362					**43,362**
Due from other financial institutions	4,879					**4,879**
Derivative financial instruments - assets					84	**84**
Financial assets at fair value through profit and loss		234	1,601	544	234	**2,613**
Loans and advances to customers (net of impairment)	488,325	89,872	638,563	484,102	1,076,098	**2,776,959**
Financial assets available for sale	804	7	16,079	22,821	11,027	**50,737**
Investments held to maturity				10,115		**10,115**
Investments in associates					9,907	**9,907**
Investment property					28,595	**28,595**
Investment property				56,369		**56,369**
Intangible assets					43,515	**43,515**
Deferred tax assets				37,259	345,918	**383,177**
Other assets	26,376	5,875	67,386	24,393	76,743	**200,773**
Total Assets	**563,745**	**95,987**	**723,628**	**635,602**	**1,592,121**	**3,611,083**
Due to other financial institutions	1,017,442	7,900				**1,025,342**
Due to customers	1,458,340	226,571	207,839			**1,892,750**
Derivative financial instruments – liabilities		236				**236**
Defined benefit obligations				2,636	3,970	**6,606**
Other provisions				28,298		**28,298**
Deferred tax liabilities			780	3,120	2,034	**5,934**
Other liabilities	15,721	199	2,341	(288)	39	**18,011**
Total Liabilities	**2,491,503**	**234,906**	**210,961**	**33,766**	**6,043**	**2,977,178**
Liquidity Gap	**(1,927,758)**	**(138,919)**	**512,668**	**601,836**	**1,586,078**	**633,905**

LIQUIDITY RISK			**GROUP**			
(Amounts in thousand €)			**31.12.2015**			
DESCRIPTION	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**More than 5 years**	**Total**
Cash and balances with Central Bank	49,559					**49,559**
Due from other financial institutions	9,581					**9,581**
Derivative financial instruments - assets		205			152	**357**
Financial assets at fair value through profit and loss		1,213	4,079	1,103	172	**6,566**
Loans and advances to customers (net of impairment)	242,106	152,378	724,014	518,462	1,120,467	**2,757,428**
Financial assets available for sale	804		16,645	35,656	10,199	**63,303**
Investments held to maturity				10,162		**10,162**
Investments in associates					15,063	**15,063**
Property, plant and equipment					30,135	**30,135**
Investment property				58,190		**58,190**
Intangible assets					37,290	**37,290**
Deferred tax assets				76,720	312,746	**389,466**
Other assets	20,808	10,811	119,673	16,181	74,681	**242,154**
Total Assets	**322,858**	**164,607**	**864,409**	**716,474**	**1,600,907**	**3,669,256**
Due to other financial institutions	783,172	596				**783,768**
Due to customers	1,555,527	300,014	286,962			**2,142,503**
Defined benefit obligations				4,256	6,431	**10,687**
Other provisions				20,745		**20,745**
Deferred tax liabilities			607	2,464	1,647	**4,718**
Other liabilities	17,590	2,491	6,683	(182)	43	**26,625**
Total Liabilities	**2,356,289**	**303,101**	**294,252**	**27,283**	**8,120**	**2,989,046**
Liquidity Gap	**(2,033,431)**	**(138,494)**	**570,157**	**689,192**	**1,592,786**	**680,210**

LIQUIDITY RISK			**BANK**			
(Amounts in thousand €)			**31.12.2016**			
DESCRIPTION	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**More than 5 years**	**Total**
Cash and balances with Central Bank	43,361					**43,361**
Due from other financial institutions	4,870					**4,870**
Derivative financial instruments - assets					84	**84**
Financial assets at fair value through profit and loss		234	1,498	544	234	**2,510**
Loans and advances to customers (net of impairment)	488,325	89,872	638,563	484,102	1,076,098	**2,776,959**
Financial assets available for sale	804	7	16,079	22,821	11,027	**50,737**
Investments held to maturity				10,115		**10,115**
Investments in subsidiaries					11,806	**11,806**
Investments in associates					7,749	**7,749**
Property, plant and equipment					28,424	**28,424**
Investment property				56,369		**56,369**
Intangible assets					43,488	**43,488**
Deferred tax assets				37,569	345,918	**383,488**
Other assets	25,310	5,495	67,284	24,393	76,743	**199,225**
Total Assets	**562,670**	**95,607**	**723,423**	**635,913**	**1,601,571**	**3,619,184**
Due to other financial institutions	1,017,442	7,900				**1,025,342**
Due to customers	1,471,813	226,571	207,839			**1,906,224**
Derivative financial instruments – liabilities		236				**236**
Defined benefit obligations				2,617	3,926	**6,543**
Other provisions				29,491		**29,491**
Deferred tax liabilities			780	3,120	2,034	**5,934**
Other liabilities	15,683	573	578	16	31	**16,880**
Total Liabilities	**2,504,938**	**235,281**	**209,198**	**35,244**	**5,991**	**2,990,651**
Liquidity Gap	**(1,942,268)**	**(139,673)**	**514,226**	**600,669**	**1,595,580**	**628,533**

LIQUIDITY RISK			**BANK**			
(Amounts in thousand €)			**31.12.2015**			
DESCRIPTION	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**More than 5 years**	**Total**
Cash and balances with Central Bank	49,558					**49,558**
Due from other financial institutions	9,558					**9,558**
Derivative financial instruments - assets		205			152	**357**
Financial assets at fair value through profit and loss		1,213	3,963	1,103	172	**6,451**
Loans and advances to customers (net of impairment)	242,106	152,378	724,014	518,462	1,120,467	**2,757,428**
Financial assets available for sale	804		16,645	35,656	10,199	**63,303**
Investments held to maturity				10,162		**10,162**
Investments in subsidiaries					11,809	**11,809**
Investments in associates					10,662	**10,662**
Property, plant and equipment					29,961	**29,961**
Investment property				58,190		**58,190**
Intangible assets					37,264	**37,264**
Deferred tax assets				76,665	312,746	**389,411**
Other assets	19,563	10,410	119,197	16,057	74,681	**239,908**
Total Assets	**321,589**	**164,206**	**863,819**	**716,295**	**1,608,115**	**3,674,024**
Due to other financial institutions	783,172	596				**783,768**
Due to customers	1,570,409	300,014	286,962			**2,157,385**
Defined benefit obligations				4,239	6,358	**10,596**
Other provisions				20,448		**20,448**
Deferred tax liabilities			607	2,430	1,647	**4,684**
Other liabilities	17,558	2,362	5,006	16	35	**24,976**
Total Liabilities	**2,371,139**	**302,972**	**292,575**	**27,132**	**8,039**	**3,001,858**
Liquidity Gap	**(2,049,550)**	**(138,766)**	**571,244**	**689,163**	**1,600,076**	**672,166**

41.2 MARKET RISK

41.2.1 SHARE PRICE RISK

Market Risk is the risk of losses arising because of adverse changes in the value of derivatives due to changes in current prices of stocks and other securities. As a rule, the Group invests in Stock Exchange securities which are classified for the investment purposes into the corresponding portfolio (trading or investing).

The Group estimates the risk by calculating the adverse effects on annual financial results by any change in equity prices. The parameters used in the sensitivity analysis are similar to those used in the reporting to the Regulatory Bodies.

According to the relevant calculations of the Group on the account balances as at 31.12.2016, it was estimated that a decrease in equity prices per 30% implies a loss of €393.8 thousand for the Group and €363 thousand for the Bank respectively.

Correspondingly, concerning the comparative year 2015, in the event the share prices had decrease by 30%, the Group would have suffered losses amounting to €481.5 thousand and the Bank €448.1 thousand.

There are no changes in the management, the exposure and the methodology of the risk for the current period compared to the comparative period of 2015.

41.2.2 FOREIGN EXCHANGE RISK

As “foreign exchange risk” is defined the investment risk that arises from the exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group/ the Bank has set limits on the level of exposure by currency and in total both overnight and intra-day positions, which are monitored daily. The Group often hedges the largest part of this risk, by maintaining corresponding liabilities in the same currency. In the tables below is shown, categorized by currency, the level of exposure of the Group to foreign exchange risk. There are no changes in the management, the exposure and the methodology of the risk for the current year end compared to the comparative year end of 2015.

FOREIGN EXCHANGE RISK			GROUP			
(Amounts in thousand €)			31.12.2016			
DESCRIPTION	EUR	USD	GBP	JPY	OTHER	Total
Cash and balances with Central Bank	42,452	614	61	0	234	**43,362**
Due from other financial institutions	839	365	2,360	124	1,191	**4,879**
Derivative financial instruments - assets	84					**84**
Financial assets at fair value through profit and loss	2,613					**2,613**
Loans and advances to customers (net of impairment)	2,746,599	6,838			23,521	**2,776,959**
Financial assets available for sale	50,730		7			**50,737**
Investments held to maturity	10,115					**10,115**
Investments in associates	9,907					**9,907**
Property, plant and equipment	28,595					**28,595**
Investment property	56,369					**56,369**
Intangible assets	43,515					**43,515**
Deferred tax assets	383,177					**383,177**
Other assets	198,918	1,524	15	315	0	**200,773**
Total Assets	**3,573,912**	**9,342**	**2,443**	**439**	**24,946**	**3,611,083**
Due to other financial institutions	1,025,342					**1,025,342**
Due to customers	1,841,423	42,463	2,411	112	6,341	**1,892,750**
Derivative financial instruments - liabilities	16,000	(33,979)			18,215	**236**
Defined benefit obligations	6,606					**6,606**
Other provisions	28,298					**28,298**
Deferred tax liabilities	5,934					**5,934**
Other liabilities	16,531	826	66	314	273	**18,011**
Total Liabilities	**2,940,135**	**9,310**	**2,478**	**426**	**24,830**	**2,977,178**
Net exchange position	**633,777**	**32**	**(34)**	**13**	**117**	**633,905**

The Group estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31.12.2016 in case of a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result in a loss of €32 thousand for the Group.

FOREIGN EXCHANGE RISK			**GROUP**			
(Amounts in thousand €)			**31.12.2015**			
DESCRIPTION	**EUR**	**USD**	**GBP**	**JPY**	**OTHER**	**Total**
Cash and balances with Central Bank	48,948	408	31	1	172	**49,559**
Due from other financial institutions	243	487	2,793	179	5,879	**9,581**
Derivative financial instruments – assets	(15,947)	38,739			(22,435)	**357**
Financial assets at fair value through profit and loss	6,566					**6,566**
Loans and advances to customers (net of impairment)	2,727,630	6,481			23,318	**2,757,428**
Financial assets available for sale	62,944	349	10			**63,303**
Investments held to maturity	10,162					**10,162**
Investments in associates	15,063		(0)			**15,063**
Property, plant and equipment	30,135					**30,135**
Investment property	58,190					**58,190**
Intangible assets	37,290					**37,290**
Deferred tax assets	389,466					**389,466**
Other assets	240,507	1,314	17	315		**242,154**
Total Assets	**3,611,198**	**47,777**	**2,852**	**495**	**6,934**	**3,669,256**
Due to other financial institutions	783,761	7				**783,768**
Due to customers	2,084,962	47,740	2,887	143	6,772	**2,142,503**
Defined Benefit Obligations	10,687					**10,687**
Other provisions	20,745					**20,745**
Deferred tax liabilities	4,718					**4,718**
Other liabilities	25,558	518	36	315	197	**26,625**
Total Liabilities	**2,930,431**	**48,265**	**2,923**	**458**	**6,969**	**2,989,046**
Net exchange position	**680,766**	**(488)**	**(71)**	**38**	**(35)**	**680,210**

The Group estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31.12.2015 in case of a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result to a loss of € 31 thousand for the Group.

FOREIGN EXCHANGE RISK			BANK			
(Amounts in thousand €)			31.12.2016			
DESCRIPTION	**EUR**	**USD**	**GBP**	**JPY**	**OTHER**	**Total**
Cash and balances with Central Bank	42,451	614	61	0	234	**43,361**
Due from other financial institutions	830	365	2,360	124	1,191	**4,870**
Derivative financial instruments - assets	84					**84**
Financial assets at fair value through profit and loss	2,510					**2,510**
Loans and advances to customers (net of impairment)	2,746,599	6,838			23,521	**2,776,959**
Financial assets available for sale	50,730		7			**50,737**
Investments held to maturity	10,115					**10,115**
Investments in subsidiaries	11,786		20			**11,806**
Investments in associates	7,749					**7,749**
Property, plant and equipment	28,424					**28,424**
Investment property	56,369					**56,369**
Intangible assets	43,488					**43,488**
Deferred tax assets	383,488					**383,488**
Other assets	197,371	1,524	15	315	0	**199,225**
Total Assets	**3,581,992**	**9,342**	**2,464**	**439**	**24,946**	**3,619,184**
Due to other financial institutions	1,025,342					**1,025,342**
Due to customers	1,854,896	42,463	2,412	112	6,341	**1,906,224**
Derivative financial instruments - liabilities	16,000	(33,979)			18,215	**236**
Defined benefit obligations	6,543					**6,543**
Other provisions	29,491					**29,491**
Deferred tax liabilities	5,934					**5,934**
Other liabilities	15,400	826	66	314	273	**16,880**
Total Liabilities	**2,953,607**	**9,310**	**2,478**	**426**	**24,830**	**2,990,651**
Net exchange position	**628,385**	**32**	**(14)**	**13**	**117**	**628,533**

The Bank estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Bank on the balances of the accounts as at 31.12.2016 in case of a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result to a loss of €31 thousand for the Bank.

FOREIGN EXCHANGE RISK			**BANK**			
(Amounts in thousand €)			**31.12.2015**			
DESCRIPTION	**EUR**	**USD**	**GBP**	**JPY**	**OTHER**	**Total**
Cash and balances with Central Bank	48,947	408	31	1	172	**49,558**
Due from other financial institutions	219	487	2,793	179	5,879	**9,558**
Derivative financial instruments - assets	(15,947)	38,739			(22,435)	**357**
Financial assets at fair value through profit and loss	6,451					**6,451**
Loans and advances to customers (net of impairment)	2,727,630	6,481			23,318	**2,757,428**
Financial assets available for sale	62,944	349	10			**63,303**
Investments held to maturity	10,162					**10,162**
Investments in subsidiaries	11,786		24			**11,809**
Investments in associates	10,662					**10,662**
Property, plant and equipment	29,961					**29,961**
Investment property	58,190					**58,190**
Intangible assets	37,264					**37,264**
Deferred tax assets	389,411					**389,411**
Other assets	238,262	1,314	17	315		**239,908**
Total Assets	**3,615,942**	**47,777**	**2,876**	**495**	**6,934**	**3,674,024**
Due to other financial institutions	783,761	7				**783,768**
Due to customers	2,099,812	47,740	2,920	143	6,772	**2,157,385**
Defined benefit obligations	10,596					**10,596**
Other provisions	20,448					**20,448**
Deferred tax liabilities	4,684					**4,684**
Other liabilities	23,910	518	36	315	197	**24,976**
Total Liabilities	**2,943,211**	**48,265**	**2,955**	**458**	**6,969**	**3,001,858**
Net exchange position	**672,731**	**(488)**	**(80)**	**38**	**(35)**	**672,166**

The Bank estimates the extent of foreign exchange risk by measuring the negative effect of the exchange rates fluctuations on its annual results. According to the measurements performed by the Bank on the balances of the accounts as at 31.12.2015 in case of a change by plus (+)/ minus (-) 6% for the main currencies and a change by plus (+)/ minus (-) 20% for the secondary currencies, will result to a loss of €31 thousand for the Bank.

41.2.3 INTEREST RATE RISK

As "interest rate risk" is defined the investment risk that arises from the changes in market interest rates.
Such changes in interest rates can affect the financial position of the Group/the Bank, since it can change also:

- The net interest rate result.
- The value of income and expenses, sensitive to interest rate changes.
- The value of Assets and Liabilities, since the present value of future cash flows (and often the cash flows itself) varies as the interest rates change.

The attached table presents the Group's exposure to interest rate risks with the analysis of the interest rate gap. There are no changes in the management, the exposure and the methodology of the risk for the current year end compared to the comparative year end of 2015.

INTEREST RATE RISK			GROUP				
(Amounts in thousand €)			31.12.2016				
DESCRIPTION	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**More than 5 years**	**Accounts no subject to interest rate risk**	**Total**
Cash and balances with Central Bank	12,005					31,356	**43,362**
Due from other financial institutions	934					3,945	**4,879**
Derivative financial instruments – assets						84	**84**
Financial assets at fair value through profit and loss		234	1,498	778		103	**2,613**
Loans and advances to customers (net of impairment)	3,228,567	433,054	216,376	64,801	41,820	(1,207,658)	**2,776,959**
Financial assets available for sale	804	244	14,713	32,153	897	1,926	**50,737**
Investments held to maturity				10,115			**10,115**
Investments in associates						9,907	**9,907**
Property, plant and equipment						28,595	**28,595**
Investment property						56,369	**56,369**
Intangible assets						43,515	**43,515**
Deferred tax assets						383,177	**383,177**
Other assets	17,647	73,233	1,586	1,418	264	106,626	**200,773**
Total Assets	**3,259,957**	**506,764**	**234,172**	**109,264**	**42,981**	**(542,056)**	**3,611,083**
Due to other financial institutions	1,016,824	7,900				619	**1,025,342**
Due to customers	1,451,993	226,571	207,839			6,346	**1,892,750**
Derivative financial instruments – liabilities						236	**236**
Defined benefit obligations						6,606	**6,606**
Other provisions						28,298	**28,298**
Deferred tax liabilities						5,934	**5,934**
Other liabilities	4,264	590		16		13,141	**18,011**
Total Liabilities	**2,473,081**	**235,061**	**207,839**	**16**	**0**	**61,180**	**2,977,178**
Interest rate risk gap	**786,876**	**271,703**	**26,333**	**109,248**	**42,981**	**(603,237)**	**633,905**

The Group estimates the extent of interest rate risk by measuring the negative effect that a parallel shift in the yield curves for all currencies will have on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31.12.2016, in case of a parallel shift in the yield curves by 100 basis points, the gains for the Group will decrease by € 2,118 thousand.

INTEREST RATE RISK			**GROUP**				
(Amounts in thousand €)				**31.12.2015**			
DESCRIPTION	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**More than 5 years**	**Accounts no subject to interest rate risk**	**Total**
Cash and balances with Central Bank	3,954					45,605	**49,559**
Due from other financial institutions	646					8,935	**9,581**
Derivative financial instruments – assets		205				152	**357**
Financial assets at fair value through profit and loss			3,963	1,275		1,328	**6,566**
Loans and advances to customers (net of impairment)	3,177,406	455,522	229,828	14,072	50,788	(1,170,188)	**2,757,428**
Financial assets available for sale	1,120		349	43,965	443	17,425	**63,303**
Investments held to maturity				10,162			**10,162**
Investments in associates						15,063	**15,063**
Property, plant and equipment						30,135	**30,135**
Investment property						58,190	**58,190**
Intangible assets						37,290	**37,290**
Deferred tax assets						389,466	**389,466**
Other assets	20,617	71,767	413	2,155	697	146,504	**242,154**
Total Assets	**3,203,744**	**527,494**	**234,554**	**71,630**	**51,927**	**(420,093)**	**3,669,256**
Due to other financial institutions	780,663	596				2,509	**783,768**
Due to customers	1,541,941	300,014	286,962			13,585	**2,142,503**
Defined benefit obligations						10,687	**10,687**
Other provisions						20,745	**20,745**
Deferred tax liabilities						4,718	**4,718**
Other liabilities	3,165	668		16		22,775	**26,625**
Total Liabilities	**2,325,769**	**301,279**	**286,962**	**16**	**0**	**75,020**	**2,989,046**
Interest rate risk gap	**877,975**	**226,216**	**(52,408)**	**71,613**	**51,927**	**(495,113)**	**680,210**

The Group estimates the extent of interest rate risk by measuring the negative effect that a parallel shift in the yield curves for all currencies will have on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31.12.2015, in case of a parallel shift in the yield curves by 100 basis points, the gains for the Group will decrease by € 2,003 thousand.

INTEREST RATE RISK (Amounts in thousand €)	BANK						
	31.12.2016						
DESCRIPTION	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**More than 5 years**	**Accounts no subject to interest rate risk**	**Total**
Cash and balances with Central Bank	12,005					31,356	**43,361**
Due from other financial institutions	925					3,945	**4,870**
Derivative financial instruments - assets						84	**84**
Financial assets at fair value through profit and loss		234	1,498	778			**2,510**
Loans and advances to customers (net of impairment)	3,228,567	433,054	216,376	64,801	41,820	(1,207,658)	**2,776,959**
Financial assets available for sale	804	244	14,713	32,153	897	1,926	**50,737**
Investments held to maturity				10,115			**10,115**
Investments in subsidiaries						11,806	**11,806**
Investments in associates						7,749	**7,749**
Property, plant and equipment						28,424	**28,424**
Investment property						56,369	**56,369**
Intangible assets						43,488	**43,488**
Deferred tax assets						383,488	**383,488**
Other assets	13,570	72,932	1,586	1,418	264	109,457	**199,225**
Total Assets	**3,255,871**	**506,463**	**234,172**	**109,264**	**42,981**	**(529,568)**	**3,619,184**
Due to other financial institutions	1,016,824	7,900				619	**1,025,342**
Due to customers	1,465,467	226,571	207,839			6,346	**1,906,224**
Derivative financial instruments - liabilities						236	**236**
Defined benefit obligations						6,543	**6,543**
Other provisions						29,491	**29,491**
Deferred tax liabilities						5,934	**5,934**
Other liabilities	2,682	570				13,628	**16,880**
Total Liabilities	**2,484,973**	**235,042**	**207,839**	**0**	**0**	**62,797**	**2,990,651**
Interest rate risk gap	**770,898**	**271,421**	**26,333**	**109,264**	**42,981**	**(592,365)**	**628,533**

The Bank estimates the extent of interest rate risk by measuring the negative effect that a parallel shift in the yield curves for all currencies will have on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31.12.2016, in case of a parallel shift in the yield curves by 100 basis points, the gains for the Bank will decrease by € 2,247 thousand.

INTEREST RATE RISK			**BANK**				
(Amounts in €)				**31.12.2015**			
DESCRIPTION	**Up to 1 month**	**From 1 to 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**More than 5 years**	**Accounts no subject to interest rate risk**	**Total**
Cash and balances with Central Bank	3,954					45,604	**49,558**
Due from other financial institutions	623					8,935	**9,558**
Derivative financial instruments - assets		205				152	**357**
Financial assets at fair value through profit and loss			3,963	1,275		1,213	**6,451**
Loans and advances to customers (net of impairment)	3,177,406	455,522	229,828	14,072	50,788	(1,170,188)	**2,757,428**
Financial assets available for sale	1,120		349	43,965	443	17,425	**63,303**
Investments held to maturity				10,162			**10,162**
Investments in subsidiaries						11,809	**11,809**
Investments in associates						10,662	**10,662**
Property, plant and equipment						29,961	**29,961**
Investment property						58,190	**58,190**
Intangible assets						37,264	**37,264**
Deferred tax assets						389,411	**389,411**
Other assets	16,553	71,452	413	2,155	697	148,638	**239,908**
Total Assets	**3,199,656**	**527,179**	**234,554**	**71,630**	**51,927**	**(410,922)**	**3,674,024**
Due to other financial institutions	780,663	596				2,509	**783,768**
Due to customers	1,556,823	300,014	286,962			13,585	**2,157,385**
Defined benefit obligations						10,596	**10,596**
Other provisions						20,448	**20,448**
Deferred tax liabilities						4,684	**4,684**
Other liabilities	1,555	653				22,768	**24,976**
Total Liabilities	**2,339,041**	**301,263**	**286,962**	**0**	**0**	**74,591**	**3,001,858**
Interest rate risk gap	**860,615**	**225,916**	**(52,408)**	**71,630**	**51,927**	**(485,513)**	**672,166**

The Bank estimates the extent of interest rate risk by measuring the negative effect that a parallel shift in the yield curves for all currencies will have on its annual results. According to the measurements performed by the Group on the balances of the accounts as at 31.12.2015, in case of a parallel shift in the yield curves by 100 basis points, the gains for the Bank will decrease by € 2,146 thousand.

41.3 CREDIT RISK

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Credit exposures from related accounts are aggregated and are monitored on a consolidated basis. The methods for evaluating the credit rating of the counterparties differ depending on the categories of the borrowers and rely on quantity as on quality data. Portfolio monitoring is carried out on the basis of customers' creditworthiness, sector of the economy and guarantees from the customers and is regularly audited by Credit Department and Risk Management Department. The Group's credit risk is spread out in various sectors of the economy.

The Bank employs various techniques to mitigate credit risk to which it is exposed, such as receiving collaterals and guarantees. Tangible collaterals provide the Bank with seniority right from an asset (movable or immovable) whose ownership remains with the obligor. Tangible collaterals are distinguished between mortgages and pre-notation of mortgages which are registered over immovable properties and pledges on movable assets (e.g., commodities, checks) or on claims. Respectively, the collaterals refer to contractual agreements with an individual or an entity undertakes responsibility of someone else's debts.

The main types of collateral accepted by the Group in accordance with the policy of lending can be divided in the following categories:

- Mortgages to real estate of greater value than the amount of funding.
- Cash or Deposits.
- Guarantees from the Greek government, banks, ETEAN and companies with a high credit rating.
- Bills of exchange and checks from customers.
- Assigned export shipping documents.
- Pledged goods in the State Repositories.
- Pledged accrued claims based on invoices from contracts with the government, public organizations, or public entities.
- Maritime liens.
- Pledge on securities: Bank shares, Bank bonds, Government bonds and treasury-bills, Corporate bonds, Shares of listed large companies, Mutual funds units

Collaterals are monitored on a regular basis, thus ensuring that they remain legally valid, enforceable and of adequate value while their administration and evaluation is based on reliable estimations. The process of monitoring collaterals covers their legal recognition, current status and value as well as their insurance.

The frequency in which collaterals for normal credit facilities are reviewed, depends on the nature of each collateral as well as the frequency of fluctuations which may affect it. Regarding the basic types of collateral, the following reviews are carried out:

- Regarding mortgages/pre-notations of mortgages as well as legal status and value of real estate properties, at least once every two years.
- Regarding retail banking credit exposures, their mortgage property is revalued on a quarterly basis according to the PropIndex.
- Regarding guaranteed (or discounted) bills of exchange and cheques, twice per year depending on the small or large concentration of obligations for their recipients.
- Regarding assigned claims, at least 3 times per year depending on the type of claim and payer.

When deemed necessary, the frequency for the aforementioned reviews increases. The frequency of re-estimation depends among others, on collateral value volatility, significant market variations or significant deterioration in counterparty creditworthiness.

Valuation frequency consists a primary factor in impairment loss calculation. In cases of collateralized loans, the current net realizable value of collaterals is taken into account when estimating the need for an impairment allowance. Furthermore, cash flows assessment takes into account all relevant costs for the sale of collaterals as well as other inflows such as resorting to other assets. The extent of any resulting reduction to the value of the collateral compared to the initial valuation is affected by the type of collateral e.g. land, developed land or investment property as well as by the location.

During the year 2016, the Group hasn't taken over new properties.

Property comes under the Group's possession through auctions for the settlement of non-collectible loans.

41.3.1 MAXIMUM EXPOSURE TO CREDIT RISK BEFORE COLLATERALS & OTHER CREDIT RISK PROTECTION MEASURES

The table below presents the maximum exposure of the Group to credit risk for the year ended as at 31.12.2016 as well as for the comparative year 2015. It is noted that there have not been taken into account collaterals or other credit risk protection measures.

Maximum exposure to credit risk (Amounts in thousand €)	GROUP		BANK	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Exposure to credit risk through Balance Sheet items				
Due from other financial institutions	4,879	9,581	4,870	9,558
Loans and advances to customers (net of impairment):				
Loans to private individuals:				
-Loan current accounts for individuals	53,750	51,970	53,750	51,970
-Credit cards	27,170	23,183	27,170	23,183
-Consumer loans	63,682	67,016	63,682	67,016
-Mortgages	427,026	451,281	427,026	451,281
Corporate loans:				
- Large entities	897,890	887,009	897,890	887,009
- Small & medium entities	797,447	790,061	797,447	790,061
- Other	509,993	486,908	509,993	486,908
Trading portfolio				
-Bonds	2,510	5,238	2,510	5,238
Derivative financial instruments	84	357	84	357
Investment portfolio				
-Bonds	58,925	56,040	58,925	56,040
Other assets	200,773	242,154	199,225	239,908
Exposure to credit risk through off Balance Sheet items is as follows:				
Letters of guarantee	333,027	375,993	333,027	375,993
Credit guarantees	7,300	3,574	7,300	3,574
Undrawn credit limits	103,255	130,831	103,255	130,831
Total as at December 31st	**3,487,713**	**3,581,196**	**3,486,156**	**3,578,927**

(Amounts in thousand €)	GROUP	BANK
Loans under Greek State guarantee		
31.12.2016	91,553	91,553
31.12.2015	111,881	111,881
Loans to the Greek State		
31.12.2016	33,303	33,303
31.12.2015	34,746	34,746

The table above presents the balance of loans provided by the Bank to individuals and corporations, that is guaranteed by the Greek State as well as the loans provided to the wider public sector.

41.3.2 DUE FROM OTHER FINANCIAL INSTITUTIONS

Due from other financial institutions (Amounts in thousand €)	31.12.2016	
	GROUP	BANK
Rating		
Exceptional	944	944
High	2,798	2,798
Medium-Lower	1,137	1,128
Total	**4,879**	**4,870**

(Amounts in thousand €)	31.12.2015	
	GROUP	BANK
Rating		
Exceptional	5,526	5,526
High	3,337	3,337
Medium-Lower	719	695
Total	**9,581**	**9,558**

41.3.3 EXPOSURE TO CREDIT RISK OF ASSETS PER INDUSTRY SECTOR

	GROUP								
(Amounts in thousand €)	**Financial institutions**	**Manufacturing**	**Shipping**	**Public sector**	**Commerce**	**Construction**	**Other Sectors**	**Private Individuals**	**Total**
Due from other financial institutions	4,879								**4,879**
Loans and advances to customers (net of impairment):									
Loans to individuals:									
-Loan current accounts for individuals								53,750	**53,750**
-Credit Cards								27,170	**27,170**
-Consumer loans								63,682	**63,682**
-Mortgages								427,026	**427,026**
Corporate loans:		286,512	34,866	33,287	344,411	586,287	919,967		**2,205,330**
Trading portfolio									
-Bonds				2,510					**2,510**
Derivative financial instruments	84								**84**
Investment portfolio									
-Bonds	188	3,074		49,448		804	5,412		**58,925**
Other assets				94,178			106,596		**200,773**
Total exposure as at 31.12.2016	**5,151**	**289,586**	**34,866**	**179,422**	**344,411**	**587,091**	**1,031,974**	**571,629**	**3,044,130**
Total exposure as at 31.12.2015	**10,112**	**382,188**	**35,308**	**183,261**	**328,884**	**519,469**	**1,018,128**	**593,450**	**3,070,798**

	BANK								
(Amounts in thousand €)	**Financial institutions**	**Manufacturing**	**Shipping**	**Public sector**	**Commerce**	**Construction**	**Other Sectors**	**Private Individuals**	**Total**
Due from other financial institutions	4,870								**4,870**
Loans and advances to customers (net of impairment):									
Loans to individuals:									
-Loan current accounts for individuals								53,750	**53,750**
-Credit Cards								27,170	**27,170**
-Consumer loans								63,682	**63,682**
-Mortgages								427,026	**427,026**
Corporate loans:		286,512	34,866	33,287	344,411	586,287	919,967		**2,205,330**
Trading portfolio									
-Bonds				2,510					**2,510**
Derivative financial instruments	84								**84**
Investment portfolio									
-Bonds	188	3,074		49,448		804	5,412		**58,925**
Other assets				93,747			105,478		**199,225**
Total exposure as at 31.12.2016	**5,142**	**289,586**	**34,866**	**178,991**	**344,411**	**587,091**	**1,030,857**	**571,629**	**3,042,574**
Total exposure as at 31.12.2015	**10,089**	**382,188**	**35,308**	**182,800**	**328,884**	**519,469**	**1,016,343**	**593,450**	**3,068,529**

41.3.4 EXPOSURE TO CREDIT RISK OF ASSETS PER INDUSTRY SECTOR

The table below presents the analysis of the fair value of bonds and other securities of investment and financial assets at fair value through profit and loss portfolios. As far as the category of held to maturity is concerned, the fair value is considered as amortized cost. The value of investments held to maturity is included in investment portfolio. The categories of credit rating follow the classification of rating adopted by the internationally acknowledged companies (Moody's, Fitch).

Analysis of bonds and other securities per Rating (Amounts in thousand €)	GROUP		
	Investment portfolio securities	Financial assets at fair value through profit and loss portfolio securities	Total
31.12.2016			
AAA	0	0	0
AA- to AA+	0	0	0
A- to A+	0	0	0
Lower than A-	58,122	2,510	60,632
Non graded	804	0	804
Total	**58,925**	**2,510**	**61,436**
31.12.2015			
AAA	0	0	0
AA- to AA+	0	0	0
A- to A+	0	0	0
Lower than A-	55,236	5,238	60,474
Non graded	804	0	804
Total	**56,040**	**5,238**	**61,278**

Analysis of bonds and other securities per Rating (Amounts in thousand €)	BANK		
	Investment portfolio securities	Financial assets at fair value through profit and loss portfolio securities	Total
31.12.2016			
AAA	0	0	0
AA- to AA+	0	0	0
A- to A+	0	0	0
Lower than A-	58,122	2,510	60,632
Non graded	804	0	804
Total	**58,925**	**2,510**	**61,436**
31.12.2015			
AAA	0	0	0
AA- to AA+	0	0	0
A- to A+	0	0	0
Lower than A-	55,236	5,238	60,474
Non graded	804	0	804
Total	**56,040**	**5,238**	**61,278**

41.4 IMPAIRED LOANS AND ADVANCES TO CUSTOMERS

41.4.1 RECONCILIATION OF IMPAIRED LOANS AND ADVANCES TO CUSTOMERS BY PRODUCT LINE (IMPAIRED OR NON-IMPAIRED - PROVISIONS FOR IMPAIRMENT – COLLATERAL VALUE)

31.12.2016 GROUP & BANK (in thousand €)	Not-Impaired Loans and Advances		Impaired Loans and Advances		Total gross amount	Accumulated Impairment allowance		Total net amount	Value of collateral
	Neither past due nor impaired	Past due but not impaired	Individually assessed	Collectively assessed		Individually assessed	Collectively assessed		
Retail lending	**242,367**	**88,605**	**75,874**	**398,733**	**805,578**	**36,600**	**197,349**	**571,629**	**498,293**
Mortgage	168,961	76,458	57,301	201,719	504,439	27,720	49,694	427,026	412,513
Consumer	20,403	8,866	5,647	87,036	121,952	2,367	55,903	63,682	44,807
Credit cards	20,430	1,788	183	40,150	62,551	96	35,285	27,170	3,802
Other	32,572	1,493	12,744	69,827	116,636	6,418	56,468	53,750	37,172
Corporate lending	**1,003,883**	**184,146**	**1,703,566**	**254,141**	**3,145,736**	**849,696**	**123,997**	**2,172,044**	**1,555,122**
Large	622,012	81,071	364,342	12,552	1,079,977	206,226	7,630	866,121	420,367
SME	381,871	103,076	1,339,224	241,589	2,065,759	643,470	116,367	1,305,922	1,134,755
Public sector	**33,303**	**0**	**0**	**0**	**33,303**	**0**	**16**	**33,287**	**21,511**
Greece	33,303	0	0	0	33,303	0	16	33,287	21,511
Other countries	0	0	0	0	0	0	0	0	0
Total	**1,279,552**	**272,751**	**1,779,440**	**652,874**	**3,984,617**	**886,296**	**321,362**	**2,776,959**	**2,074,926**

Collaterals are measured based on their fair value. When the value of collateral exceeds the loan balance, the amount is limited to the loan balance.

Accumulated provisions for impairment include an amount of €19.3 million relating to IBNR provisions.

Impaired loans and advances to customers also include performing restructured loans which are either individually or collectively assessed and amount to €552 million and €147 million respectively.The caption SMEs includes Small and Medium Enterprises.

31.12.2015 GROUP & BANK (in thousand €)	Not-Impaired Loans and Advances		Impaired Loans and Advances		Total gross amount	Accumulated Impairment allowance		Total net amount	Value of collateral
	Neither past due nor impaired	Past due but not impaired	Individually assessed	Collectively assessed		Individually assessed	Collectively assessed		
Retail lending	**283,920**	**155,781**	**54,345**	**326,976**	**821,022**	**26,851**	**200,721**	**593,450**	**509,809**
Mortgage	205,857	133,715	40,573	139,682	519,827	19,293	49,252	451,281	427,562
Consumer	26,458	15,018	3,837	77,773	123,086	1,551	54,519	67,016	46,044
Credit cards	18,343	2,185	94	39,636	60,257	52	37,022	23,183	1,130
Other	33,261	4,864	9,841	69,886	117,852	5,955	59,927	51,970	35,072
Corporate lending	**1,145,825**	**204,299**	**1,399,777**	**321,947**	**3,071,848**	**730,208**	**212,408**	**2,129,232**	**1,491,852**
Large	703,841	49,058	287,880	19,814	1,060,594	185,361	21,261	853,973	356,589
SME	441,983	155,241	1,111,898	302,133	2,011,255	544,848	191,147	1,275,260	1,135,263
Public sector	**34,746**	**0**	**0**	**0**	**34,746**	**0**	**0**	**34,746**	**22,957**
Greece	34,746	0	0	0	34,746	0	0	34,746	22,957
Other countries	0	0	0	0	0	0	0	0	0
Total	**1,464,491**	**360,080**	**1,454,122**	**648,923**	**3,927,616**	**757,060**	**413,129**	**2,757,428**	**2,024,618**

41.4.2 AN ANALYSIS OF NEITHER PAST DUE NOR IMPAIRED LOANS AND ADVANCES TO CUSTOMERS

31.12.2016 GROUP & BANK	Strong	Satisfactory	Watch list (higher risk)	Total neither past due nor impaired	Value of collateral
Retail lending	**0**	**242,367**	**0**	**242,367**	**189,576**
Mortgage	0	168,961	0	168,961	156,918
Consumer	0	20,403	0	20,403	10,442
Credit cards	0	20,430	0	20,430	1,144
Other	0	32,572	0	32,572	21,073
Corporate lending	**63,650**	**789,342**	**150,890**	**1,003,883**	**466,043**
Large	63,650	529,982	28,380	622,012	240,232
SME	0	259,361	122,510	381,871	225,811
Public sector	**0**	**33,303**	**0**	**33,303**	**21,511**
Greece	0	33,303	0	33,303	21,511
Other countries	0	0	0	0	0
Total	**63,650**	**1,065,012**	**150,890**	**1,279,552**	**677,130**

31.12.2015 GROUP & BANK	Strong	Satisfactory	Watch list (higher risk)	Total neither past due nor impaired	Value of collateral
Retail lending	**0**	**283,920**	**0**	**283,920**	**220,203**
Mortgage	0	205,857	0	205,857	184,606
Consumer	0	26,458	0	26,458	13,935
Credit cards	0	18,343	0	18,343	0
Other	0	33,261	0	33,261	21,662
Corporate lending	**115,284**	**927,507**	**103,033**	**1,145,825**	**499,517**
Large	115,284	562,837	25,720	703,841	205,522
SME	0	364,670	77,313	441,983	293,995
Public sector	**0**	**34,746**	**0**	**34,746**	**22,957**
Greece	0	34,746	0	34,746	22,957
Other countries	0	0	0	0	0
Total	**115,284**	**1,246,173**	**103,033**	**1,464,491**	**742,677**

41.4.3 AGEING ANALYSIS OF PAST DUE BUT NOT IMPAIRED LOANS AND ADVANCES TO CUSTOMERS BY PRODUCT LINE

31.12.2016	Retail lending				Corporate lending		Public sector		Total Past due but
GROUP & BANK	Mortgage	Consumer	Credit cards	Other	Large	SME's	Greece	Other countries	not impaired
1 - 29 days	23,632	2,627	952	870	46,378	13,365	0	0	87,824
30 - 59 days	18,903	2,626	557	358	5,555	28,161	0	0	56,160
60 - 89 days	33,923	3,613	279	265	29,139	61,550	0	0	128,767
90 - 179 days	0	0	0	0	0	0	0	0	0
180 - 360 days	0	0	0	0	0	0	0	0	0
> 360 days	0	0	0	0	0	0	0	0	0
Total	**76,458**	**8,866**	**1,788**	**1,493**	**81,071**	**103,076**	**0**	**0**	**272,751**
Value of collateral	67,629	4,618	120	128	13,387	74,959	0	0	160,841

31.12.2015 GROUP & BANK	Retail lending				Corporate lending		Public sector		Total Past due but not impaired
	Mortgage	Consumer	Credit cards	Other	Large	SME's	Greece	Other countires	
1 - 29 days	29,846	3,752	1,024	1,184	12,981	14,703	0	0	63,489
30 - 59 days	22,045	4,024	485	568	2,102	24,380	0	0	53,604
60 - 89 days	49,556	4,076	413	403	19,110	62,958	0	0	136,516
90 - 179 days	1,652	213	0	0	5,962	11,618	0	0	19,445
180 - 360 days	5,506	517	0	0	0	6,982	0	0	13,005
> 360 days	25,111	2,435	263	2,709	8,904	34,600	0	0	74,021
Total	**133,715**	**15,018**	**2,185**	**4,864**	**49,058**	**155,241**	**0**	**0**	**360,080**
Value of collateral	117,954	9,243	263	2,709	36,694	119,912	0	0	286,775

41.4.4 IMPAIRED LOANS AND ADVANCES TO CUSTOMERS

41.4.4.1 RECONCILIATION OF IMPAIRED LOANS AND ADVANCES TO CUSTOMERS BY PRODUCT LINE

31.12.2016 GROUP & BANK	Retail lending				Corporate lending		Public sector		Total
	Mortgage	Consumer	Credit cards	Other	Large	SME's	Greece	Other countries	
Balance 1.1.2016	**180,255**	**81,610**	**39,729**	**79,727**	**307,694**	**1,414,030**	**0**	**0**	**2,103,045**
New impaired loans	82,870	12,567	1,151	3,543	67,520	187,202	0	0	354,852
Transfer to non-impaired loans	(5,900)	(2,122)	(172)	(164)	(3)	(43,338)	0	0	(51,698)
Repayments of impaired loans	(1,780)	(1,545)	(642)	(917)	(255)	(22,446)	0	0	(27,585)
Write-offs of impaired loans and advances	0	(51)	(20)	(72)	(1,887)	(498)	0	0	(2,530)
Recovery of impaired loans	0	0	0	0	0	0	0	0	0
Foreign exchange differences and other movements	3,575	2,225	288	454	3,825	45,863	0	0	56,229
Balance 31.12.2016	**259,020**	**92,683**	**40,333**	**82,571**	**376,894**	**1,580,813**	**0**	**0**	**2,432,314**
Accumulated impairment allowance	76,011	57,423	34,952	62,025	211,288	746,689	0	0	**1,188,388**

Net value of impaired loans and advances 31.12.2016	183,009	35,260	5,381	20,546	165,606	834,124	0	0	**1,243,926**

31.12.2015 GROUP & BANK	Mortgage	Retail lending Consumer	Credit cards	Other	Corporate lending Large	SME's	Public sector Greece	Other countries	Total
Balance 1.1.2015	**119,123**	**63,499**	**29,071**	**58,702**	**234,392**	**819,713**	**0**	**0**	**1,324,500**
New impaired loans	69,315	19,379	10,481	21,102	81,465	571,842	0	0	773,585
Transfer to non-impaired loans	(9,637)	(1,987)	(22)	(426)	(6,038)	(6,757)	0	0	(24,866)
Repayments of impaired loans	(699)	(905)	(116)	(267)	(4,472)	(10,105)	0	0	(16,565)
Write-offs of impaired loans and advances	0	(7)	0	0	(3,329)	(779)	0	0	(4,115)
Recovery of impaired loans	0	0	0	0	(718)	(7,000)	0	0	(7,718)
Foreign exchange differences and other movements	2,154	1,630	315	615	6,394	47,117	0	0	58,224
Balance 31.12.2015	**180,255**	**81,610**	**39,729**	**79,727**	**307,694**	**1,414,030**	**0**	**0**	**2,103,045**
Accumulated impairment allowance	62,910	56,070	37,074	65,882	196,125	700,605	0	0	**1,118,666**
Net value of impaired loans and advances 31.12.2015	117,345	25,540	2,655	13,845	111,569	713,425	0	0	**984,379**

41.4.4.2 AGEING ANALYSIS OF IMPAIRED LOANS AND ADVANCES TO CUSTOMERS BY PRODUCT LINE

31.12.2016 GROUP & BANK	Mortgage	Retail lending Consumer	Credit cards	Other	Corporate lending Large	SME's	Public sector Greece	Other countries	Total
Current	3,351	403	26	27	39,978	161,266	0	0	**205,051**
1-89 days	2,837	1,233	1,394	2,165	1,090	8,868	0	0	**17,588**
90-179 days	1,757	605	173	247	29,043	99,279	0	0	**131,104**
180-360 days	18,312	2,311	2	1	5,427	18,466	0	0	**44,520**
>360 days	156,751	30,707	3,787	18,106	90,068	546,244	0	0	**845,663**
Total net amount	**183,009**	**35,260**	**5,381**	**20,546**	**165,606**	**834,124**	**0**	**0**	**1,243,926**
Value of collateral	187,966	29,747	2,537	15,971	166,749	833,985	0	0	**1,236,955**

31.12.2015 GROUP & BANK	Retail lending				Corporate lending		Public sector		Total
	Mortgage	Consumer	Credit cards	Other	Large	SME's	Greece	Other countries	
Current	329	199	0	0	9,585	94,570	0	0	**104,684**
1-89 days	2,076	625	0	0	2,095	16,734	0	0	**21,530**
90-179 days	1,439	319	50	47	20,532	108,089	0	0	**130,477**
180-360 days	14,682	2,145	455	760	1,232	66,629	0	0	**85,904**
>360 days	98,819	22,250	2,150	13,037	78,125	427,403	0	0	**641,784**
Total net amount	**117,345**	**25,540**	**2,655**	**13,845**	**111,569**	**713,425**	**0**	**0**	**984,379**
Value of collateral	125,002	22,866	867	10,702	114,373	721,356	0	0	**995,166**

41.4.5 LOAN-TO-VALUE RATIO (LTV) OF MORTGAGE LENDING

Mortgage loans GROUP & BANK	31.12.2016	31.12.2015
< 50%	86,911	87,219
50%-70%	115,286	129,347
71%-80%	64,596	72,098
81%-90%	47,191	47,363
91%-100%	29,152	30,914
101%-120%	47,165	46,935
121%-150%	34,246	32,649
> 150%	79,892	73,302
Total exposure	**504,439**	**519,827**
Avg LTV (%)	**88.6%**	**71.2%**

41.4.6 REPOSSESSED COLLATERALS

31.12.2016 GROUP & BANK	Value of collaterals repossessed	Of which in 2016	Accumulated impairment allowance	Of which in 2016	Carrying amount of collaterals repossessed
Real Estate	70,248	0	13,880	1,822	56,369

31.12.2015 GROUP & BANK	Value of collaterals repossessed	Of which in 2016	Accumulated impairment allowance	Of which in 2016	Carrying amount of collaterals repossessed
Real Estate	70,248	7,722	12,058	0	58,190

41.4.7 BREAKDOWN OF COLLATERAL AND GUARANTEES

31.12.2016 GROUP & BANK	Value of collateral received				
	Real estate collateral	Financial collateral	Other collaterals	Total value of collaterals	Guarantees received
Retail Lending	488,991	7,635	1,667	**498,293**	1,436
Corporate Lending	959,958	92,227	502,937	**1,555,122**	234,664
Public sector	0	0	21,511	**21,511**	21,511
Total	**1,448,948**	**99,862**	**526,115**	**2,074,926**	**257,611**

31.12.2015 GROUP & BANK	Value of collateral received				
	Real estate collateral	Financial collateral	Other collaterals	Total value of collaterals	Guarantees received
Retail Lending	498,033	9,945	1,832	**509,809**	1,684
Corporate Lending	947,337	109,909	434,606	**1,491,852**	246,126
Public sector	0	0	22,957	**22,957**	22,957
Total	**1,445,370**	**119,853**	**459,395**	**2,024,618**	**270,767**

41.5 IMPAIRMENT LOSSES ON LOANS AND ADVANCES TO CUSTOMERS

41.5.1 CHANGE IN ACCUMULATED IMPAIRMENT ALLOWANCE BY PRODUCT LINE

GROUP & BANK	Retail Lending	Corporate Lending	Public sector	Total
Balance as at 1.1.2016	**227,572**	**942,616**	**0**	**1,170,188**
Impairment losses for the period	10,442	44,368	0	54,810
Reversal of used impairment provisions	(3,920)	(10,889)	0	(14,810)
Total impairment losses	**6,521**	**33,479**	**0**	**40,000**
Write off	(144)	(2,386)	0	(2,530)
Balance as at 31.12.2016	**233,949**	**973,709**	**0**	**1,207,658**

GROUP & BANK	Retail Lending	Corporate Lending	Public sector	Total
Balance as at 1.1.2015	**131,259**	**415,044**	**0**	**546,303**
Impairment losses for the period	99,652	534,882	0	634,534
Reversal of used impairment provisions	(3,332)	(3,202)	0	(6,534)
Total impairment losses	**96,320**	**531,680**	**0**	**628,000**
Write off	(7)	(4,108)	0	(4,115)
Balance as at 31.12.2015	**227,572**	**942,616**	**0**	**1,170,188**

41.5.2 LOANS AND ADVANCES TO CUSTOMERS, IMPAIRED LOANS AND ACCUMULATED IMPAIRMENT ALLOWANCE BY PRODUCT LINE, INDUSTRY SECTOR AND GEOGRAPHICAL REGION

31.12.2016 GROUP & BANK	Gross Amount	Impaired Amount	Accumulated impairment allowance
Retail Lending	**805,578**	**474,607**	**233,949**
Mortgage	504,439	259,020	77,413
Consumer	121,952	92,683	58,269
Credit cards	62,551	40,333	35,380
Other	116,636	82,571	62,886
Corporate Lending	**3,145,736**	**1,957,707**	**973,693**
Wholesale and retail trade	554,857	391,376	210,446
Manufacturing	499,832	373,263	213,319
Shipping	46,242	44,046	11,376
Construction and real estate	964,594	646,794	307,893
Tourism	254,858	172,669	51,031
Energy	275,466	3,230	724
Other sectors	549,888	326,328	178,903
Public sector	**33,303**	**0**	**16**
Total	**3,984,617**	**2,432,314**	**1,207,658**

The Group and the Bank do not have credit exposures to countries other than Greece.

31.12.2015 GROUP & BANK	Gross Amount	Impaired Amount	Accumulated impairment allowance
Retail Lending	**821,022**	**381,321**	**227,572**
Mortgage	519,827	180,255	68,546
Consumer	123,086	81,610	56,070
Credit cards	60,257	39,729	37,074
Other	117,852	79,727	65,882
Corporate Lending	**3,071,848**	**1,721,724**	**942,616**
Wholesale and retail trade	514,765	345,981	185,881
Manufacturing	588,140	352,139	209,128
Shipping	45,723	32,488	10,415
Construction and real estate	918,644	539,902	301,514
Tourism	228,420	169,189	59,831
Energy	278,179	23	14
Other sectors	497,978	282,002	175,832
Public sector	**34,746**	**0**	**0**
Total	**3,927,616**	**2,103,045**	**1,170,188**

41.5.3 ANALYSIS OF INTEREST INCOME BY QUALITY OF LOANS AND ADVANCES AND PRODUCT LINE

31.12.2016 GROUP & BANK	Interest income on non-impaired Loans and Advances	Interest income on impaired Loans and Advances	Total interest income
Retail lending	11,509	7,346	**18,855**
Corporate lending	76,081	42,681	**118,763**
Public sector	1,485	0	**1,485**
Total interest income	**89,075**	**50,027**	**139,102**

31.12.2015 GROUP & BANK	Interest income on non-impaired Loans and Advances	Interest income on impaired Loans and Advances	Total interest income
Retail lending	14,805	5,557	**20,362**
Corporate lending	86,103	51,250	**137,353**
Public sector	1,686	0	**1,686**
Total interest income	**102,594**	**56,807**	**159,401**

41.6 FORBORNE LOANS

41.6.1 FORBORNE LOANS AND ADVANCES TO CUSTOMERS BY TYPE OF FORBEARENCE MEASURE

	Forborne Loans (Net Value): GROUP & BANK	
Type of forbearance	31.12.2016	31.12.2015
Interest only payment	937	0
Reduce payments scheme	299,366	229,391
Grace period	3,679	42,213
Loan term extension	19,212	5,852
Arrears capitalization	5,420	11,653
Partial write-off in borrower's obligations	0	973
Combination of forbearance measures	211,474	124,541
Other	8,032	9,900
Total net amount	**548,118**	**424,523**

41.6.2 ANALYSIS OF FORBORNE LOANS AND ADVANCES TO CUSTOMERS BY ASSET QUALITY

31/12/2016 GROUP & BANK	Total amount of Loans and Advances	Total amount of Forborne Loans and Advances	Forborne Loans and Advances (%)
Neither past due nor impaired	1,279,552	98,396	7.69%
Past due but not impaired	272,751	21,483	7.88%
Impaired	2,432,314	698,852	28.73%
Exposure before impairment	**3,984,617**	**818,730**	20.55%
Individual Impairment Allowance	886,296	206,046	23.25%
Collective Impairment Allowance	321,362	64,567	20.09%
Total net amount	**2,776,959**	**548,118**	19.74%
Value of collateral	2,074,926	497,510	23.98%

31/12/2015 GROUP & BANK	Total amount of Loans and Advances	Total amount of Forborne Loans and Advances	Forborne Loans and Advances (%)
Neither past due nor impaired	1,464,491	52,181	3.56%
Past due but not impaired	360,080	49,615	13.78%
Impaired	2,103,045	607,727	28.90%
Exposure before impairment	**3,927,616**	**709,523**	18.06%
Individual Impairment Allowance	757,060	221,211	29.22%
Collective Impairment Allowance	413,129	63,790	15.44%
Total net amount	**2,757,428**	**424,523**	15.40%
Value of collateral	2,024,618	410,708	20.29%
Impairment loss	628,000	163,007	25.96%

41.6.3 RECONCILIATION OF FORBORNE LOANS AND ADVANCES TO CUSTOMERS

GROUP & BANK	31.12.2016	31.12.2015
Balance 1.1.2016	**424,523**	**479,368**
Forbearance measures of Loans and Advances during the period	297,931	293,699
Interest income	12,047	15,380
Repayment of loans (partial or total)	(6,657)	(9,716)
Loans and Advances that exited forbearance status	(195,463)	(191,202)
Impairment loss	15,738	(163,007)
Closing balance 31.12.2016	**548,118**	**424,523**

41.6.4 FORBORNE LOANS AND ADVANCES TO CUSTOMERS BY PRODUCT LINE

GROUP & BANK	31.12.2016	31.12.2015
Retail Lending	**108,382**	**90,939**
Mortgage	89,452	76,446
Consumer	13,028	10,924
Credit cards	912	531
Other	4,990	3,038
Corporate Lending	**439,737**	**333,584**
Large	67,607	37,217
SME	372,130	296,367
Public sector	**0**	**0**
Greece	0	0
Other countries	0	0
Total net amount	**548,118**	**424,523**

41.6.5 FORBORNE LOANS AND ADVANCES TO CUSTOMERS BY GEOGRAPHICAL REGION

GROUP & BANK	31.12.2016	31.12.2015
Greece	548,118	424,523
Rest of Europe	0	0
Other countries	0	0
Total net amount	**548,118**	**424,523**

41.7 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The following table presents the carrying amount as well as the fair values of financial instruments (financial assets and liabilities) that are not measured at fair value in the Group's balance sheet.

	GROUP			
Fair value of Balance Sheet items	**Carrying amount**		**Fair value**	
Financial Assets	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Due from other financial institutions	4,879	9,581	4,879	9,581
Loans and advances to customers (net of mpairment)	2,776,959	2,757,428	2,774,099	2,758,461
Investments held to maturity	10,115	10,162	9,360	9,184

	Carrying amount		**Fair value**	
Financial Liabilities	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Due to other financial institutions	1,025,342	783,768	1,025,342	783,768
Due to customers	1,892,750	2,142,503	1,887,091	2,141,799

	BANK			
Fair value of Balance Sheet items	**Carrying amount**		**Fair value**	
Financial Assets	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Due from other financial institutions	4,870	9,558	4,870	9,558
Loans and advances to customers (net of mpairment)	2,776,959	2,757,428	2,774,099	2,758,461
Investments held to maturity	10,115	10,162	9,360	9,184

	Carrying amount		**Fair value**	
Financial Liabilities	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Due to other financial institutions	1,025,342	783,768	1,025,342	783,768
Due to customers	1,906,224	2,157,385	1,900,521	2,156,675

Fair value of amounts due from and due to other financial institutions carried at amortized cost does not differ substantially from the corresponding carrying value since the maturity for the majority of them is less than one month.

The fair value of investments held to maturity is determined based on active market prices.

The fair value of loans and advances to customers and due to customers is calculated by discounting the expected future cash flows (outflows and inflows correspondingly). The interest rates used to discount cash flows for loans and customer liabilities were based on the yield curve and are as follows:

31.12.2016	**31.12.2015**
-0.035% - 4.750%	-0.205% - 4.920%

The fair value of issued bonds represents the price at which the liability can be settled between knowledgeable contractual parties willing to carry out the transaction at fair price.

The fair value reflects the estimates at the date of the preparation of the financial statements. These estimates are subject to, among others, adjustments depending on the prevailing market conditions at the date of measurement. These calculations represent the most suitable estimates and are based on particular assumptions. Taking into account the fact that these calculations incorporate uncertainties, it is probable that the fair values might not represent the price at which such financial instruments could actually be sold for or settled with in the future.

Financial instruments which are measured at fair value or their fair value is disclosed, are classified in the following three levels based on the lowest information source used for the estimation of their fair value:

- Level 1: active market prices (not adjusted) for the respective assets and liabilities
- Level 2: inputs which are directly or indirectly observable
- Lever 3: resulting from non-observable inputs used in valuation models

In cases where the fair value differs from the transaction price at the time of the initial recognition of financial instruments, the difference is recognized directly in profit and loss only when the instrument is measured based on inputs related to levels 1 and 2. In cases where it is measured based on inputs related to level 3, the difference arising on initial recognition is not recognized directly in profit and loss but it may be recognized subsequently provided that the instrument's measurement is based on observable inputs and after taking into account the nature of the instrument as well as the length of time.

Level 2 includes inputs which do not meet the requirements for classification in level 1 but they are observable, directly or indirectly. These inputs are:
- Active market prices for similar assets or liabilities;
- Other observable inputs for the asset or liability under measurement, such as:
    - Interest rate and yield curves;
    - Implied volatility;
    - Credit margins.

The principal methods used for the measurement of fair value in level 2 are the reference to the current fair value of a reasonably similar instrument, the discounting method and the options pricing models.

Non observable inputs are included in level 3. Non observable inputs used for the measurement of fair value include correlations, long-term volatility measures, expected cash flows, discount rates, credit margins and other parameters related to specific transactions and determined by the Group. The principal methods used for the measurement of fair value in level 3 are the discounting method, the multiples and the options pricing models.

In particular, the following are noted:
- The fair value of non-listed shares as well as shares not quoted in an active market is determined based on the Group's estimations regarding the future profitability of the issuer after taking into account the expected growth rate of its operations as well as the weighted average rate of capital return which is used as a discount rate. Given that these parameters are mainly non observable, the valuation of these shares is classified into level 3.

- Level 3 also includes debt instruments not quoted in an active market due to lack of liquidity, e.g. in cases where the issuer is under liquidation. In these cases, the expected cash flows from the debt instruments are determined by the Group based on their collectability.

At each reporting date, the Group assesses alternative methods for determining non-observable inputs, estimates their effect on the fair value calculation and ultimately selects non observable inputs which are consistent with current market conditions and with methods it uses for fair value measurement.

The table below depicts the hierarchy of financial instruments measured at fair value at each reporting date based on the quality of inputs used for the estimation of fair value.

	GROUP			
31.12.2016	**First Level**	**Second Level**	**Third Level**	**Total**
Securities available for sale	49,409	0	1,328	**50,737**
Securities at fair value through profit and loss	2,613	0	0	**2,613**
Derivatives-assets	84	0	0	**84**
Derivatives-liabilities	0	236	0	**236**
31.12.2015	**First Level**	**Second Level**	**Third Level**	**Total**
Securities available for sale	61,369	0	1,934	**63,303**
Securities at fair value through profit and loss	6,566	0	0	**6,566**
Derivatives-assets	152	205	0	**357**

	BANK			
31.12.2016	**First Level**	**Second Level**	**Third Level**	**Total**
Securities available for sale	49,409	0	1,328	**50,737**
Securities at fair value through profit and loss	2,510	0	0	**2,510**
Derivatives-assets	84	0	0	**84**
Derivatives-liabilities	0	236	0	**236**
31.12.2015	**First Level**	**Second Level**	**Third Level**	**Total**
Securities available for sale	61,369	0	1,934	**63,303**
Securities at fair value through profit and loss	6,451	0	0	**6,451**
Derivatives-assets	152	205	0	**357**

It should be noted that no transfers between fair value levels took place during the current year.

42. CAPITAL ADEQUACY

The Risk Management Department monitors capital adequacy at regular time intervals and submits the results of its calculations on a quarterly basis to the Bank of Greece that acts as the supervisory authority for all Credit Institutions.

The Capital Adequacy Ratio is defined as the ratio of regulatory equity capital to assets and off-balance sheet items, weighted by the risk they incorporate. Tier 1 capital ratio is defined as the ratio of Tier 1 (Tier 1) capital to risk weighted assets (on and off balance sheet) while the ratio Common Equity Tier 1 (CET 1) is defined in a similar way.

According to Regulation 575/2013 and Bank of Greece's Credit and Insurance Committee Decision 114 / 04.08.2014 banks are required, to meet the following minimum capital ratios on both a standalone and a consolidated basis: Common Equity Tier 1 (CET 1) 4.5%, Tier 1 capital ratio (TIER 1) 6% and total capital adequacy ratio (Total Capital Ratio) 8%.

It is noted that the above Decision abolished Bank of Greece's Executive Committee Act 13/28.03.2013 and provides for transitional amendments regarding the implementation of regulatory capital reductions for Common Equity Tier 1 (CET 1) capital. More specifically, deduction of deferred tax assets which are based on future profitability will be gradually implemented by 2024. Moreover, according to Decision 114 / 04.08.2014, intangible assets 1, defined benefit plan assets as well as specific placements of the Bank to entities in the financial sector, will be deducted from common Equity Tier 1. The above settlement will be gradually implemented by 2018.

Additionally, according to Directive 2013/36 / EC, banks will also be required to gradually create a capital conservation buffer of 2.5% until 01/01/2019 (0.625% on 01.01.2016, 1.25% on 01.01.2017 and 1.875% on 01.01.2018), beyond the existing Common Equity Tier 1 (CET 1) capital and the minimum regulatory capital.

Overall, the minimum required ratios including the capital conservation buffer with an effective date 01.01.2019, are:

- Minimum Common Equity Tier 1 Ratio of 7%.

- Total Capital Adequacy Ratio of 10.5%.

Finally, the following buffers may be imposed by member states of the EU, under Directive 2013/36 / EC:

- Countercyclical capital buffer. (0% for the fourth quarter of 2016 under the Executive Committee's Act (PEE) 103/6.9.2016);
- Systemic risk capital buffer.

The following table presents the pro-forma core and supplementary capital, as well as regulatory adjustments to which they are subject.

	GROUP		BANK	
(in thousand €)	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Share capital (Common shares)	646,054	646,054	646,054	646,054
Reserves	246,052	242,218	245,780	241,968
Retained earnings	(415,414)	(365,447)	(419,253)	(371,807)
Non-controlling interests	504	860	0	0
Hybrid securities & other assets equalized with share capital	100,200	100,200	100,200	100,200
Items detracted from capital				
Intangible assets net book value	(38,054)	(33,038)	(38,028)	(33,012)
Deferred Tax Assets based on future profitability and arising from temporary differences	(19,761)	(18,541)	(19,761)	(18,541)
Common equity capital for the calculation of the 10% limit	**519,581**	**572,306**	**514,993**	**564,861**
Items detracted from capital				
Deferred Tax Assets based on future profitability and arising from temporary differences >10% CET I	(6,428)	(429)	(6,909)	(498)
CET1 – Common Equity Tier I Capital	**513,154**	**571,877**	**508,084**	**564,363**
T1-Tier I Capital	**513,154**	**571,877**	**508,084**	**564,363**
Total Regulatory Capital	**513,154**	**571,877**	**508,084**	**564,363**
Weighted against credit risk	3,273,138	3,176,979	3,277,277	3,174,082
Weighted against market risk	3,305	20,857	3,100	20,635
Weighted against operational risk	194,132	157,730	185,677	148,682
CET 1 RATIO	**14.8%**	**17.0%**	**14.7%**	**16.9%**
TIER 1 RATIO	**14.8%**	**17.0%**	**14.7%**	**16.9%**
TOTAL CAPITAL RATIO	**14.8%**	**17.0%**	**14.7%**	**16.9%**

The capital adequacy ratios and risk-weighted assets of 31.12.2015 have been adjusted in accordance with note 2.2.

On 23 December 2016, the Bank of Greece, by a similar decision, informed ATTICA BANK that for the year 2017 the minimum threshold of the Total Equity Index is 11.0%. This indicator is comprised of the minimum Total Equity Index (8%), in accordance with CRR Article 92(1), the additional Pillar II supervisory requirements, as well as the capital requirements for security deposit in accordance with the provisions of Law 4261/2014. The minimum index should be kept on an ongoing basis, taking into account the CRR / CRD IV transitional provisions.

43. EVENTS AFTER 31 DECEMBER 2016

(a) In January 2017, the management of the Bank decided to further reduce its branch network in the context of implementing its business plan, aiming at limiting the Bank's operating costs. As a result of the aforementioned decision in March 2017, the closure of four branches was announced, forming the total number of the Bank's branches at 61.

(b) In February 2017, a Collective Labor Agreement was signed between the Bank's Management and the Bank of Attica Employees' Association of a three year period, beginning and ending from 01.01.2017 to 31.12.2019 respectively. This agreement provides for a significant reduction in payroll costs.

(c) Further to the decision of the Extraordinary General Meeting of "Attica Ventures S.A." on 3.02.2017, the following took place:
   - Share capital decrease by cash payment of €157,680.00 with corresponding reduction of the nominal value of the shares, forming the new share capital at the amount of €442,320.00 divided into 15,000 registered shares of nominal value €29,488 each.
   - Sale of the company's fixed assets and securities.
   - Loss of €956,070.87 for the year 2016. The company's net equity during 2016 amounted to €344,380.66. On 3.02.2017 the Bank sold 90% of its participation in the company for the amount of €180,000 with a corresponding book value for the total amount of the company amounting to €161,759.16 as at the date of the transaction.

(d) As from 1.01.2017, the date when the Single Social Security Body (E.F.K.A.) commenced its operations, the old shareholder of ETAA-TSMEDE was incorporated into E.F.K.A. and therefore the Bank's main shareholder is now E.F.K.A. with a participation of 50.626%.

(e) On 20.04.2017 the Bank's Board of Directors met and decided to convene an extraordinary General Meeting of Shareholders on 15.05.2017, which is required to approve the prospective investor, to amend the decisions of the extraordinary General Meeting of Shareholders of 14.12.2016 regarding the amount of the permanently non-performing loans' portfolio that will be included in the transaction, and finally to authorize the Bank's BoD to refine the terms of cooperation with the investor.

(f) The General Meeting of Shareholders of Attica Finance S.A. on 2.02.2017 decided to reduce the share capital of the company in order to return the corresponding capital to Attica Bank S.A. through a cash payment of €1,350,200 and the cancellation of 172,000 shares of the company. The Bank's shareholding in Attica Finance's share capital now stands at 18.17%, which corresponds to €299.8 thousand.

IV. Disclosures of Law 4374/2016

According to article 6 of Law 4374/1.4.2016 "Transparency among credit institutions, media companies and subsidized persons" introduced to all credit institutions established in Greece the obligation to publish annually and in a consolidated database:

1. All payments made in the relevant fiscal year, to direct or indirect media company recipient and its related parties according to IAS 24 or communication and advertising company.
2. All payments made in the relevant fiscal year due to donation, subsidy, grant or other gratis to individuals and legal entities.

The tables required are presented below:

PAYMENTS TO MEDIA COMPANIES, WEB MEDIA COMPANIES AND ANY OTHER ENTITY AFILIATED WITH THE ABOVE COMPANIES FOR ADVERTISING PURPOSES PURSUANT TO ARTICLE 6 OF LAW 4374/2016

COMPANY*	PAYMENTS RELATED TO EXPENSES OF SHARE CAPITAL INCREASE (REALIZED IN THE 4th QUARTER OF 2015 AND PAID IN JANUARY – FEBRUARY 2016)	PAYMENTS OF OPERATING EXPANSES FOR 2016	TOTAL PAYMENTS 2016
1984 PRODUCTIONS A.E.	0.00	1,300.00	1,300.00
24 MEDIA Μ.Ε.Π.Ε.	0.00	2,700.00	2,700.00
ALPHA ΔΟΡΥΦΟΡΙΚΗ ΤΗΛΕΟΡΑΣΗ Α.Ε	49,993.87	0.00	49,993.87
AUTO ΤΡΙΤΗ Α.Ε.	2,500.00	0.00	2,500.00
CPAN CONNECT-ED PUBLIC AFFAIRS NETWORK LTD	2,000.00	4,000.00	6,000.00
CREATIVE INTERNET SERVICES ΜΟΝ.ΕΠΕ	0.00	3,500.00	3,500.00
D.A ΑΝΩΝΥΜΗ ΕΚΔΟΤΙΚΗ ΕΜΠΟΡΙΚΗ ΣΥΜΜΕΤΟΧΙΚΗ ΕΤΑΙΡΕΙΑ	7,500.49	0.00	7,500.49
D.A. ΑΝΩΝΥΜΗ ΕΜΠΟΡΙΚΗ ΕΚΔΟΤΙΚΗ ΣΥΜΜΕΤΟΧΙΚΗ ΕΤΑΙΡΕΙΑ " ΤΟ ΠΟΝΤΙΚΙ Α.Ε."	0.00	3,300.00	3,300.00
DPG DIGITAL MEDIA AE	6,000.00	0.00	6,000.00
FINANCIAL MARKETS VOICE ΑΝΩΝΥΜΗ ΕΚΔΟΤΙΚΗ ΕΤΑΙΡΕΙΑ	5,000.00	0.00	5,000.00
FPRESS ΙΔΙΩΤΙΚΗ ΚΕΦΑΛΑΙΟΥΧΙΚΗ ΕΤΑΙΡΕΙΑ	3,000.00	1,400.00	4,400.00
FREE SUNDAY ΕΚΔΟΤΙΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ	5,000.00	1,000.00	6,000.00
FREENET ΑΝΩΝΥΜΗ ΕΚΔΟΤΙΚΗ ΕΤΑΙΡΕΙΑ	14,000.00	0.00	14,000.00
HT PRESS ONLINE ΜΟΝΟΠΡΟΣΩΠΗ Ι.Κ.Ε.	5,000.00	0.00	5,000.00
IN THE CITY ΙΩΑΝΝΗΣ Ν.-ΣΗΦΑΚΗΣ	2,000.00	0.00	2,000.00
INFINITAS ΙΔΙΩΤΙΚΗ ΚΕΦΑΛΑΙΟΥΧΙΚΗ ΕΤΑΙΡΕΙΑ ΠΟΛΥΜΕΣΩΝ ΔΙΑΔΙΚΤΥΟΥ & ΕΠΙΚΟΙΝΩΝΙΑΣ	3,000.00	0.00	3,000.00
INFODAY A.E.	2,500.00	0.00	2,500.00
INFOMARKET IKE	0.00	4,000.00	4,000.00
INTERNET COMMERCIAL A.E.	3,000.00	0.00	3,000.00
INTERSITE- ΜΟΝΟΠΡΟΣΩΠΗ ΙΚΕ	17,500.00	0.00	17,500.00

COMPANY*	PAYMENTS RELATED TO EXPENSES OF SHARE CAPITAL INCREASE (REALIZED IN THE 4th QUARTER OF 2015 AND PAID IN JANUARY – FEBRUARY 2016)	PAYMENTS OF OPERATING EXPANSES FOR 2016	TOTAL PAYMENTS 2016
KONTRA IKE	5,000.00	4,300.00	9,300.00
KONTRA MEDIA ΜΕΣΑ ΜΑΖΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ Α.Ε.	7,578.63	0.00	7,578.63
LEFT MEDIA ΑΝΩΝΥΜΟΣ ΡΑΔΙΟΦΩΝΙΚΗ-ΤΗΛΕΟΠΤΙΚΗ Α.Ε	8,000.00	2,700.00	10,700.00
MEDIA2DAY ΕΚΔΟΤΙΚΗ Α.Ε	3,000.00	16,650.00	19,650.00
N.K. MEDIA GROUP ΕΠΕ	2,500.00	2,700.00	5,200.00
NEW MEDIA NETWORK SYNAPSIS S.A.	4,000.00	6,625.00	10,625.00
NEWPOST PRIVATE COMPANY	4,500.00	2,700.00	7,200.00
NEWSIT ΕΠΕ	7,500.00	6,700.00	14,200.00
NEWSMEDIA E.E.	1,000.00	0.00	1,000.00
NK HOLDING M.IKE	10,000.00	5,000.40	15,000.40
PIKELLOW TRADING LTD	3,000.00	1,600.00	4,600.00
PREMIUM A.E.	4,000.00	3,300.00	7,300.00
PRIME APPLICATIONS A.E.	4,000.00	5,400.00	9,400.00
REAL MEDIA ΜΕΣΑ ΜΑΖΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ Α.Ε.	28,120.00	32,710.48	60,830.48
SABD ΕΚΔΟΤΙΚΗ Α.Ε.	9,499.35	10,505.07	20,004.42
SAMBO EVENTS ΔΙΟΡΓΑΝΩΣΗ ΕΚΔΗΛΩΣΕΩΝ ΟΕ	0.00	10,200.00	10,200.00
SBC SINGLE MEMBER PRIVATE COMPANY	3,000.00	8,300.00	11,300.00
SBC TV ΤΗΛΕΟΠΤΙΚΕΣ ΕΠΙΧΕΙΡΗΣΕΙΣ ΑΕ	4,026.00	0.00	4,026.00
SPORT TV ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΗ ΠΡΟΒΟΛΗ ΑΕ	3,000.00	0.00	3,000.00
U MEDIA ΕΞΕΙΔΙΚΕΥΜΕΝΕΣ ΔΙΑΦΗΜΙΣΤΙΚΕΣ ΥΠΗΡΕΣΙΕΣ ΙΚΕ	3,500.00	0.00	3,500.00
USAY M. Ε.Π.Ε.	1,500.00	0.00	1,500.00
WORLD NEWS MEDIA LIMITED (UK)	0.00	10,752.69	10,752.69
YSTEROGRAFO MEDIA IKE	2,000.00	0.00	2,000.00
ΑΪ ΡΙΠΟΡΤΕΡ ΜΟΝΟΠΡΟΣΩΠΗ ΙΚΕ	17,500.00	0.00	17,500.00
ΑΝΕΞΑΡΤΗΤΑ ΜΕΣΑ ΜΑΖΙΚΗΣ ΕΝΗΜΕΡΩΣΗΣ ΑΕ	6,000.00	7,300.80	13,300.80
ΑΝΤΕΝΝΑ TV ΑΕ	57,203.70	0.00	57,203.70
ΑΤΜΑΤΖΙΔΗΣ ΠΑΝ.ΧΡΗΣΤΟΣ	2,000.00	0.00	2,000.00
ΒΑΞΕΒΑΝΗΣ ΑΝΤΩΝΙΟΣ & ΣΙΑ Ε.Ε.	0.00	2,000.00	2,000.00
ΒΕΛΟΠΟΥΛΟΣ ΙΩΣΗΦ ΚΥΡΙΑΚΟΣ	4,000.00	0.00	4,000.00
ΒΟΥΖΑΣ ΧΡΗΣΤΟΣ ΚΑΙ ΣΙΑ Ε.Ε.	0.00	1,300.00	1,300.00
ΓΕΝΙΚΕΣ ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΕΣ ΕΠΙΧΕΙΡΗΣΕΙΣ Α.Ε.	7,131.00	0.00	7,131.00
ΓΙΩΡΓΟΣ ΠΑΠΑΤΡΙΑΝΤΡΑΦΥΛΛΟΥ & ΣΙΑ ΕΕ NEW COMMUNICATION	2,000.00	0.00	2,000.00
ΔΕΚΑΠΕΝΤΕ ΤΡΙΑΝΤΑ ΙΚΕ	2,000.00	0.00	2,000.00
ΔΗΜΟΚΡΑΤΙΚΟΣ ΤΥΠΟΣ Α.Ε.	15,000.00	13,926.08	28,926.08

COMPANY*	PAYMENTS RELATED TO EXPENSES OF SHARE CAPITAL INCREASE (REALIZED IN THE 4th QUARTER OF 2015 AND PAID IN JANUARY – FEBRUARY 2016)	PAYMENTS OF OPERATING EXPANSES FOR 2016	TOTAL PAYMENTS 2016
ΔΗΜΟΣΙΟΓΡΑΦΙΚΟΣ ΟΡΓΑΝΙΣΜΟΣ ΛΑΜΠΡΑΚΗ ΑΕ	30,608.50	18,000.00	48,608.50
ΕΚΔΟΣΕΙΣ ¨ ΣΤΟ ΚΑΡΦΙ¨ Α.Ε.	7,000.00	7,050.00	14,050.00
ΕΚΔΟΣΕΙΣ ΑΛΕΞΑΝΔΡΟΣ ΕΠΕ	3,000.00	0.00	3,000.00
ΕΚΔΟΣΕΙΣ ΕΘΝΟΣ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ	27,000.00	10,660.00	37,660.00
ΕΚΔΟΣΕΙΣ ΕΠΕΝΔΥΣΗ Α.Ε.	9,000.00	12,550.00	21,550.00
ΕΚΔΟΣΕΙΣ ΕΠΙΚΑΙΡΑ Α.Ε.	3,000.00	0.00	3,000.00
ΕΚΔΟΣΕΙΣ ΝΕΟ ΧΡΗΜΑ Α.Ε.	5,000.00	0.00	5,000.00
ΕΚΔΟΣΕΙΣ ΠΡΩΤΟ ΘΕΜΑ ΕΚΔΟΤΙΚΗ ΑΕ	39,500.00	14,000.48	53,500.48
ΕΛΕΝΗ ΧΡ.ΚΟΥΦΑΚΗ	0.00	2,700.00	2,700.00
ΕΛΛΗΝΙΚΗ ΡΑΔΙΟΦΩΝΙΑ ΤΗΛΕΟΡΑΣΗ ΑΕ	9,752.70	0.00	9,752.70
ΕΝΤΥΠΟΕΚΔΟΤΙΚΗ ΑΕΒΕΤ	3,200.00	0.00	3,200.00
ΕΦΗΜΕΡΙΣ ΕΣΤΙΑ ΑΝΩΝΥΜΗ ΕΚΔΟΤΙΚΗ ΕΤΑΙΡΕΙΑ	3,000.31	0.00	3,000.31
ΖΟΥΓΚΛΑ ΤΖΙ ΑΡ Α.Ε. ΜΕΣΩΝ ΗΛΕΚΤΡΟΝΙΚΩΝ ΜΑΖΙΚΗΣ ΕΠΙΚΟΙΝΩΝΙΑΣ	5,000.00	1,400.00	6,400.00
Η ΑΥΓΗ ΑΕ	6,000.00	7,326.40	13,326.40
Η ΕΠΟΧΗ ΣΥΝ.ΠΕ	2,000.00	0.00	2,000.00
Η ΝΑΥΤΕΜΠΟΡΙΚΗ- Π.ΑΘΑΝΑΣΙΑΔΗΣ & ΣΙΑ Α.Ε.	2,000.00	4,000.00	6,000.00
Ι. ΔΙΟΝΑΤΟΣ & ΣΙΑ Ε.Ε.	2,000.00	0.00	2,000.00
ΙΑΝΟΣ ΟΙΚΟΝΟΜΙΚΕΣ ΕΚΔΟΣΕΙΣ Α.Ε.	17,000.00	4,000.00	21,000.00
ΚΑΘΗΜΕΡΙΝΕΣ ΕΚΔΟΣΕΙΣ ΑΕ	7,839.90	10,000.32	17,840.22
ΚΑΠΙΤΑΛ.GR Α.Ε.	11,000.00	16,650.00	27,650.00
ΚΟΙΝΩΦΕΛΗΣ ΕΠΙΧΕΙΡΗΣΗ ΥΠΗΡΕΣΙΩΝ ΝΕΑΠΟΛΗΣ ΣΥΚΕΩΝ	0.00	20,000.00	20,000.00
ΜΑΚΕΔΟΝΙΑ TV ΑΝΩΝΥΜΟΣ ΕΤΑΙΡΕΙΑ	4,386.33	0.00	4,386.33
ΜΑΚΕΛΕΙΟ ΕΠΕ	2,000.00	0.00	2,000.00
ΜΑΝΕΣΙΩΤΗΣ ΝΙΚ.-ΨΩΜΙΑΔΗΣ ΚΩΝ Ο.Ε.	1,000.00	1,600.00	2,600.00
ΜΑΥΡΙΚΟΣ ΑΕΒΕ	18,500.00	0.00	18,500.00
ΜΠΟΝΙΟΣ Γ.ΒΑΣΙΛΕΙΟΣ	3,000.00	0.00	3,000.00
Ν.Σ.Κ. ΕΚΔΟΤΙΚΗ Ε.Π.Ε.	2,000.00	0.00	2,000.00
ΝΙΚ.ΛΕΩΝ.ΝΙΚΗΤΕΑΣ-ΛΕΩΝ.ΝΙΚ.ΝΙΚΗΤΕΑΣ Ο.Ε.	3,000.00	2,700.00	5,700.00
ΝΕΑ ΤΗΛΕΟΡΑΣΗ ΑΕ	29,284.70	0.00	29,284.70
ΟΙΚΟΝΟΜΟΥ ΔΗΜΗΤΡΙΟΣ & ΣΙΑ Ε.Ε.	0.00	537.00	537.00
Π.Δ ΕΚΔΟΣΕΙΣ ΕΠΕ	3,000.00	4,300.00	7,300.00
ΠΑΠΑΓΙΑΝΝΗΣ Μ.ΙΩΑΝΝΗΣ	2,548.00	0.00	2,548.00
ΠΑΡΑΠΟΛΙΤΙΚΑ ΕΚΔΟΣΕΙΣ Α.Ε.	14,500.00	14,550.48	29,050.48

COMPANY*	PAYMENTS RELATED TO EXPENSES OF SHARE CAPITAL INCREASE (REALIZED IN THE 4th QUARTER OF 2015 AND PAID IN JANUARY – FEBRUARY 2016)	PAYMENTS OF OPERATING EXPANSES FOR 2016	TOTAL PAYMENTS 2016
ΠΕΛΑΣΓΙΚΟΣ ΤΥΠΟΣ ΕΚΔΟΤΙΚΗ ΚΑΙ ΕΚΤΥΠΩΤΙΚΗ ΑΕ	6,500.00	0.00	6,500.00
ΠΗΓΑΣΟΣ INTERACTIVE ΑΝΩΝΥΜΗ ΤΕΧΝΟΛΟΓΙΚΗ ΕΤΑΙΡΕΙΑ	4,000.00	8,300.00	12,300.00
ΠΟΛΙΤΗ-ΣΙΑΦΑΚΑ ΜΑΡΙΕΛΙΖΕ-ΒΑΣΙΛΙΚΗ	1,500.00	0.00	1,500.00
ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΑ ΗΛΕΚΤΡΟΝΙΚΑ ΕΚΔΟΤΙΚΑ ΜΕΣΑ ΕΛΛΑΔΟΣ ΑΕ	5,000.00	3,300.00	8,300.00
ΡΑΔΙΟΤΗΛΕΟΠΤΙΚΗ Α.Ε.	15,815.04	0.00	15,815.04
ΡΑΔΙΟΦΩΝΙΚΕΣ & ΤΗΛ/ΚΕΣ ΕΠΙΧ/ΣΕΙΣ ΑΕΕ / ΣΚΑΙ FM	24,921.27	0.00	24,921.27
Σ.ΠΑΥΛΟΠΟΥΛΟΣ-ΔΙΑΔΙΚΤΥΑΚΗ & ΚΟΙΝΩΝΙΚΟΔΙΚΤΥΑΚΗ ΕΝΗΜΕΡΩΣΗ ΜΟΝ.Ε.Π.Ε.	0.00	1,300.00	1,300.00
ΣΑΡΑΝΤΗ ΠΑΝ.ΚΑΛΛΙΟΠΗ ΑΡΤΕΜΙΣ	0.00	3,200.00	3,200.00
ΣΑΡΙΣΑ ΕΠΕ	2,000.40	4,300.00	6,300.40
ΣΠΥΡΙΔΑΚΗΣ ΖΑΦΕΙΡΙΟΣ	0.00	500.00	500.00
ΣΥΓΧΡΟΝΗ ΕΠΟΧΗ ΕΚΔΟΤΙΚΗ ΑΕΒΕ/ΡΙΖΟΣΠΑΣΤΗΣ	9,739.80	3,299.80	13,039.60
ΤΗΛΕΤΥΠΟΣ ΑΕ	54,585.10	0.00	54,585.10
ΦΕΛΝΙΚΟΣ ΗΛΕΚΤΡΟΝΙΚΩΝ ΜΕΣΩΝ ΕΝΗΜΕΡΩΣΗΣ Μ.Ε.Π.Ε.	2,000.00	1,600.00	3,600.00
ΦΙΛΕΛΕΥΘΕΡΟΣ ΕΚΔΟΤΙΚΗ Α.Ε	2,000.00	0.00	2,000.00
TOTAL	**763,735.09**	**353,695.00**	**1,117,430.09**

Note

The above expenses were burdened with charges paid to the Greek State and third parties (i.e. VAT, duties on the publication of advertisements, etc.) amounting to €487,533.90.

* *Names have not been translated into English.*

SPONSORSHIPS OF 2016 TO LEGAL PERSONS

COMPANY *	NET AMOUNT
ΔΗΜΟΣ ΛΑΜΙΕΩΝ	5,000.00
ΕΙΔΙΚΟΣ ΛΟΓ/ΜΟΣ ΑΞΙΟΠΟΙΗΣΗΣ ΚΟΝΔΥΛΙΩΝ ΕΜΠ	1,612.90
ΕΛΛΗΝΙΚΗ ΔΡΑΣΗ ΑΦΡΙΚΗΣ	2,000.00
ΜΠΟΥΣΙΑΣ ΕΠΙΚΟΙΝΩΝΙΕΣ Ε.Π.Ε.	3,000.00
WAVE MEDIA OPERATIONS ΕΠΕ	4,000.00
ΒΑΤΣΙΟΣ Χ.ΚΩΝΣΤΑΝΤΙΝΟΣ	1,592.74
ΓΕΝΙΚΗ ΑΣΤΥΝΟΜΙΚΗ ΔΙΕΥΘΥΝΣΗ ΘΕΣΣΑΛΟΝΙΚΗΣ	144.35
ΓΥΜΝΑΣΤΙΚΗ ΕΤΑΙΡΕΙΑ ΑΓΡΙΝΙΟΥ	600.00
ΔΗΜΟΣ ΛΕΒΑΔΕΩΝ	2,000.00
ΔΗΜΟΣ ΩΡΑΙΟΚΑΣΤΡΟΥ	887.09
ΔΗΜΟΤΙΚΗ ΚΟΙΝΩΦΕΛΗΣ ΕΠΙΧΕΙΡΗΣΗ ΚΑΒΑΛΑΣ	2,460.00
ΔΙΑΖΩΜΑ	5,000.00
ΔΙΟΓΕΝΗΣ Μ.Κ.Ο.	1,408.44
ΕΙΔΙΚΟΣ ΛΟΓΑΡΙΑΣΜΟΣ ΚΟΝΔΥΛΙΩΝ Α.Π.Θ	5,645.16
ΕΙΔΙΚΟΣ ΛΟΓΑΡΙΑΣΜΟΣ ΚΟΝΔΥΛΙΩΝ ΕΡΕΥΝΑΣ ΠΑΝΕΠΙΣΤΗΜΙΟΥ ΠΑΤΡΩΝ	1,000.00
ΕΛΛΗΝΙΚΗ ΟΜΟΣΠΟΝΔΙΑ ΑΘΛΗΤΙΣΜΟΥ ΚΩΦΩΝ	4,000.00
ΕΜΠΟΡΙΚΟΣ ΣΥΛΛΟΓΟΣ ΝΕΑΣ ΣΜΥΡΝΗΣ	600.00
ΕΠΙΣΤΗΜΟΝΙΚΗ ΕΤΑΙΡΕΙΑ ΟΔΟΝΤΙΑΤΡΟΔΙΚΑΣΤΙΚΗΣ	3,000.00
ΕΡΕΥΝΗΤΙΚΟ ΠΑΝΕΠΙΣΤΗΜΙΑΚΟ ΙΝΣΤΙΤΟΥΤΟ ΔΙΕΘΝΩΝ ΣΧΕΣΕΩΝ ΠΑΝΤΕΙΟΥ ΠΑΝΕΠΙΣΤΗΜΙΟΥ	10,000.00
ΕΡΕΥΝΗΤΙΚΟ ΠΑΝΕΠΙΣΤΗΜΙΑΚΟ ΙΝΣΤΙΤΟΥΤΟ ΣΥΣΤΗΜΑΤΩΝ ΕΠΙΚΟΙΝΩΝΙΩΝ ΚΑΙ ΥΠΟΛΟΓΙΣΤΩΝ	2,500.00
ΚΗΠΩΝ ΟΔΟΣ ΕΠΕ	3,251.48
ΚΟΙΝΩΦΕΛΗΣ ΔΗΜΟΤΙΚΗ ΕΠΙΧΕΙΡΗΣΗ ΤΟΥΡΙΣΜΟΥ ΚΑΙ ΠΟΛΙΤΙΣΜΟΥ ΔΙΣΤΟΜΟΥ-ΑΡΑΧΩΒΑΣ-ΑΝΤΙΚΥΡΑΣ	4,032.25
ΚΟΙΝΩΦΕΛΗΣ ΕΠΙΧΕΙΡΗΣΗ ΥΠΗΡΕΣΙΩΝ ΝΕΑΠΟΛΗΣ ΣΥΚΕΩΝ	50,000.00
ΟΜΙΛΟΣ ΞΙΦΑΣΚΙΑΣ ΓΛΥΦΑΔΑΣ	1,500.00
ΠΑΝΕΛΛΗΝΙΑ ΕΝΩΣΗ ΔΙΠΛ.ΜΗΧΑΝΙΚΩΝ ΕΡΓΟΛΗΠΤΩΝ ΔΗΜ.ΕΡΓΩΝ	5,000.00
ΠΑΝΕΛΛΗΝΙΑ ΕΝΩΣΗ ΣΥΝΔΕΣΜΩΝ ΕΡΓΟΛΗΠΤΩΝ ΔΗΜΟΣΙΩΝ ΕΡΓΩΝ	2,000.00
ΠΑΝΕΛΛΗΝΙΟΣ ΣΥΝΔΕΣΜΟΣ ΤΕΧΝΙΚΩΝ ΕΤΑΙΡΕΙΩΝ	1,200.00
ΠΑΡΑΔΟΣΙΑΚΟ ΚΑΛΛΙΤΕΧΝΙΚΟ ΕΡΓΑΣΤΗΡΙ	400.00
ΠΟΛΙΤΙΣΤΙΚΟΣ ΜΟΡΦΩΤΙΚΟΣ ΣΥΛΛΟΓΟΣ ΑΙΑΝΗΣ << Η ΠΡΟΟΔΟΣ>>	1,000.00
ΣΙΓΜΑ ΦΙΛΜ ΚΙΝΗΜΑΤΟΓΡΑΦΙΚΗ ΜΟΝΟΠΡΟΣΩΠΗ Ε.Π.Ε.	4,878.04
ΣΥΛΛΟΓΟΣ ΑΡΧΙΤΕΚΤΟΝΩΝ ΔΙΠΛΩΜΑΤΟΥΧΩΝ ΑΝΩΤΑΤΩΝ ΣΧΟΛΩΝ	5,000.00
ΣΥΛΛΟΓΟΣ ΤΕΧΝΙΚΩΝ ΥΠΑΛΛΗΛΩΝ ΕΛΛΑΔΟΣ	2,800.00
ΣΥΝΔΕΣΜΟΣ ΕΤΑΙΡΕΙΩΝ ΚΙΝΗΤΩΝ ΕΦΑΡΜΟΓΩΝ ΕΛΛΑΔΟΣ (ΣΕΚΚΕ)	5,000.00
ΣΥΡΡΑΚΟΣ ΕΠΑΜΕΙΝΩΝΔΑΣ & ΣΙΑ ΕΕ ONE9SIX	4,500.00
ΤΕΧΝΙΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ ΕΛΛΑΔΑΣ	25,390.24
ΤΕΧΝΙΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ ΤΗΣ ΕΛΛΑΔΟΣ/ΤΜΗΜΑ ΚΕΝΤΡΙΚΗΣ ΜΑΚΕΔΟΝΙΑΣ	3,225.81
ΧΑΖΛΗΣ ΚΑΙ ΡΙΒΑΣ ΕΠΕ	5,000.00
ΧΟΡΩΔΙΑ "ΑΜΒΡΥΣΣΟΣ"	500.00
TOTAL	**181,128.51**

Note
VAT amounting to €31,692.62 was paid on the above amounts

** Names have not been translated into English.*

SPONSORSHIPS OF 2016 TO INDIVIDUALS

	NET AMOUNT
INDIVIDUALS	20,000.00

DONATIONS OF 2016 TO LEGAL PERSONS

COMPANY *	NET AMOUNT
"ΟΙ ΦΙΛΟΙ ΤΟΥ ΠΑΙΔΙΟΥ"	1,000.00
ΑΝΤΙΜΕΤΩΠΙΣΗ ΠΑΙΔΙΚΟΥ ΤΡΑΥΜΑΤΟΣ	1,000.00
ΑΣΠΡΕΣ ΠΕΤΑΛΟΥΔΕΣ ΙΔΡΥΜΑ ΕΙΔΙΚΩΝ ΠΑΙΔΙΩΝ-ΑΤΟΜΩΝ Ν. ΜΑΓΝΗΣΙΑΣ	500.00
ΓΙΑΤΡΟΙ ΧΩΡΙΣ ΣΥΝΟΡΑ	2,000.00
ΕΛΛΗΝΙΚΗ ΕΤΑΙΡΕΙΑ ΠΡΟΣΤΑΣΙΑΣ & ΑΠΟΚΑΤΑΣΤΑΣΕΩΣ ΑΝΑΠΗΡΩΝ ΠΡΟΣΩΠΩΝ	1,000.00
ΕΛΛΗΝΙΚΟ ΚΕΝΤΡΟ ΓΙΑ ΤΗΝ ΨΥΧΙΚΗ ΥΓΕΙΑ ΚΑΙ ΘΕΡΑΠΕΙΑ ΤΟΥ ΠΑΙΔΙΟΥ ΚΑΙ ΤΗΣ ΟΙΚΟΓΕΝΕΙΑΣ	1,000.00
ΕΛΛΗΝΙΚΟ ΠΑΙΔΙΚΟ ΧΩΡΙΟ ΦΙΛΥΡΟ	500.00
ΕΤΑΙΡΕΙΑ ΠΡΟΣΤΑΣΙΑΣ ΑΝΗΛΙΚΩΝ ΑΘΗΝΩΝ	1,500.00
ΕΤΑΙΡΕΙΑ ΠΡΟΣΤΑΣΙΑΣ ΣΠΑΣΤΙΚΩΝ	500.00
Η ΠΙΣΤΗ-ΣΥΛΛΟΓΟΣ ΓΟΝΕΩΝ & ΚΗΔΕΜΟΝΩΝ ΠΑΙΔΙΩΝ ΜΕ ΝΕΟΠΛΑΣΜΑΤΙΚΕΣ ΠΑΘΗΣΕΙΣ	1,000.00
Ι. ΚΑΙ Σ. ΣΚΛΑΒΕΝΙΤΗΣ Α.Ε.Ε.	1,000.00
ΙΩΑΚΕΙΜΕΙΟ ΕΚΚΛΗΣΙΑΣΤΙΚΟ ΓΗΡΟΚΟΜΕΙΟ ΜΟΝΑΔΑ ΦΡΟΝΤΙΔΑΣ ΗΛΙΚΙΩΜΕΝΩΝ Μ.Κ.	300.00
ΚΕΝΤΡΟ ΚΟΙΝΩΝΙΚΗΣ ΠΡΟΝΟΙΑΣ ΠΕΡΙΦΕΡΕΙΑΣ ΑΤΤΙΚΗΣ	2,500.00
ΚΙΒΩΤΟΣ ΤΟΥ ΚΟΣΜΟΥ	2,050.00
ΜΑΡΓΑΡΙΤΑ-ΕΡΓΑΣΤΗΡΙ ΕΙΔΙΚΗΣ ΑΓΩΓΗΣ	1,000.00
ΜΕΛΕΔΩΝΗ"-ΕΝΩΣΗ ΦΟΡΕΩΝ ΣΤΗΡΙΞΗΣ ΑΤΟΜΩΝ ΜΕ ΝΟΗΤΙΚΗ ΣΤΕΡΗΣΗ	1,000.00
ΜΕΡΙΜΝΑ-ΕΤΑΙΡΙΑ ΓΙΑ ΤΗΝ ΦΡΟΝΤΙΔΑ ΠΑΙΔΙΩΝ ΚΑΙ ΟΙΚΟΓΕΝΕΙΩΝ ΣΤΗΝ ΑΡΡΩΣΤΙΑ ΚΑΙ ΤΟ ΘΑΝΑΤΟ	1,000.00
ΟΡΦΑΝΟΤΡΟΦΕΙΟ ΘΗΛΕΩΝ " Η ΜΕΛΙΣΣΑ"	1,000.00
ΠΑΙΔΙΚΑ ΧΩΡΙΑ SOS ΕΛΛΑΔΟΣ	1,800.00
ΠΑΝΕΛΛΗΝΙΑ ΕΝΩΣΗ ΑΓΩΝΟΣ ΚΑΤΑ ΤΟΥ ΝΕΑΝΙΚΟΥ ΔΙΑΒΗΤΗ	1,000.00
ΠΑΝΕΛΛΗΝΙΑ ΕΝΩΣΗ ΓΟΝΕΩΝ & ΚΗΔΕΜΟΝΩΝ ΑΤΟΜΩΝ ΠΑΙΔΙΩΝ ΝΟΗΤΙΚΑ ΥΣΤΕΡΟΥΝΤΩΝ(ΠΕΓΚΑΠ-ΝΥ)	500.00
ΠΑΝΕΛΛΗΝΙΟΣ ΣΥΛΛΟΓΟΣ ΠΑΡΑΠΛΗΓΙΚΩΝ	500.00
ΠΑΠΑΦΕΙΟ ΚΕΝΤΡΟ ΠΑΙΔΙΚΗΣ ΜΕΡΙΜΝΑΣ ΑΡΡΕΝΩΝ ΘΕΣ/ΚΗΣ " Ο ΜΕΛΙΤΕΥΣ "	1,000.00
ΠΑΤΡΙΑΡΧΕΙΟ ΙΕΡΟΣΟΛΥΜΩΝ	50,000.00
"ΠΝΟΗ" ΦΙΛΟΙ ΕΝΤΑΤΙΚΗΣ ΘΕΡΑΠΕΙΑΣ ΠΑΙΔΙΟΥ	1,000.00
ΣΙΚΙΑΡΙΔΕΙΟ ΙΔΡΥΜΑ ΑΠΡΟΣΑΡΜΟΣΤΩΝ ΠΑΙΔΙΩΝ	500.00
ΣΥΛΛΟΓΟΣ ΓΟΝΕΩΝ & ΚΗΔΕΜΟΝΩΝ ΝΟΗΤΙΚΑ ΥΣΤΕΡΟΥΝΤΩΝ ΑΤΟΜΩΝ ΠΡΟΤΥΠΟ ΕΙΔΙΚΟ ΟΙΚΟΤΡΟΦΕΙΟ "ΟΙ ΑΓΙΟΙ ΑΝΑΡΓΥΡΟΙ"	1,000.00
ΣΥΛΛΟΓΟΣ ΓΟΝΕΩΝ & ΦΙΛΩΝ ΑΥΤΙΣΤΙΚΩΝ ΑΤΟΜΩΝ Ν.ΕΒΡΟΥ "Ο ΑΓΙΟΣ ΒΑΣΙΛΕΙΟΣ"	1,000.00
ΣΥΛΛΟΓΟΣ ΓΟΝΕΩΝ&ΚΗΔΕΜΟΝΩΝ Α.με.Α."ΤΟ ΕΡΓΑΣΤΗΡΙ"	1,500.00
ΣΥΛΛΟΓΟΣ ΓΟΝΕΩΝ-ΚΗΔΕΜΟΝΩΝ & ΦΙΛΩΝ ΑΤΟΜΩΝ ΜΕ ΑΥΤΙΣΜΟ Ν.ΛΑΡΙΣΑΣ	500.00
ΣΥΛΛΟΓΟΣ ΠΡΟΣΤΑΣΙΑΣ ΑΓΕΝΝΗΤΟΥ ΠΑΙΔΙΟΥ- Η ΑΓΚΑΛΙΑ	1,000.00
ΣΥΝΔΕΣΜΟΣ ΘΕΡΑΠΕΥΤΙΚΗΣ ΙΠΠΑΣΙΑΣ ΕΛΛΑΔΟΣ	1,000.00
ΣΩΜΑΤΕΙΟ ΑΠΟΚΑΤΑΣΤΑΣΗΣ ΚΑΙ ΕΙΔΙΚΗΣ ΑΓΩΓΗΣ ΑΤΟΜΩΝ ΜΕ ΑΝΑΠΗΡΙΑ "ΠΑΝΑΓΙΑ ΕΥΑΓΓΕΛΙΣΤΡΙΑ"	500.00
ΣΩΜΑΤΕΙΟ ΦΙΛΟΙ ΚΟΙΝΩΝΙΚΗΣ ΠΑΙΔΙΑΤΡΙΚΗΣ & ΙΑΤΡΙΚΗΣ "ΑΝΟΙΧΤΗ ΑΓΚΑΛΙΑ"	1,000.00

COMPANY *	NET AMOUNT
ΤΟ ΧΑΜΟΓΕΛΟ ΤΟΥ ΠΑΙΔΙΟΥ	2,100.00
ΦΑΡΟΣ ΤΥΦΛΩΝ ΤΗΣ ΕΛΛΑΔΟΣ	1,000.00
ΦΡΟΝΤΙΔΑ-ΠΑΝΕΛΛΗΝΙΟΣ ΣΥΛΛΟΓΟΣ ΠΡΟΛΗΨΗΣ ΕΝΗΜΕΡΩΣΗΣ ΚΑΙ ΣΥΜΠΑΡΑΣΤΑΣΗΣ ΠΑΙΔΙΩΝ ΜΕ ΕΓΚΕΦΑΛΙΚΗ ΠΑΡΑΛΥΣΗ ΚΑΙ ΝΟΗΤΙΚΗ ΥΣΤΕΡΗΣΗ	1,000.00
ΧΑΤΖΗΚΥΡΙΑΚΕΙΟ ΙΔΡΥΜΑ ΠΑΙΔΙΚΗΣ ΠΡΟΣΤΑΣΙΑΣ	1,300.00
ΧΡΙΣΤΙΑΝΙΚΟΣ ΣΥΛΛΟΓΟΣ ΧΑΝΙΩΝ "Ο ΑΓΙΟΣ ΝΕΚΤΑΡΙΟΣ"	500.00
TOTAL	**89,550.00**

** Names have not been translated into English.*

V. Information pursuant to Article 10 of Law 3401/2005

The corporate announcements of the year 2016 are available at Bank's website:
http://www.atticabank.gr/el/group/news

During 2016 have been carried out the following announcements:

Issue	Date
Listing of new shares of Attica Bank S.A. resulting from the share capital increase through cash payment and pre-emption rights in favour of existing shareholders	14.1.2016
Announcement of Regulated Information according to Law 3556/2007: Transactions notification	18.1.2016
Notification of Important changes concerning voting rights under L. 3556/2007	18.1.2016
Announcement of regulated information according to Law 3556/2007: Transactions notification	18.1.2016
Announcement of Regulated Information according to Law 3556/2007: Transactions notification	19.1.2016
Announcement of Regulated Information according to Law 3556/2007: Transactions notification	20.1.2016
Notification of significant participation acquisition, pursuant to L. 3556/2007	20.1.2016
Announcement 26.01.2016	26.1.2016
Announcement of Regulated Information according to Law 3556/2007: Transactions notification	27.1.2016
Announcement of Regulated Information according to Law 3556/2007: Transactions notification	29.1.2016
Announcement of Regulated Information according to Law 3556/2007: Transactions notification	5.2.2016
Announcement 15.2.2016	15.2.2016
Press release 23.02.2016	23.2.2016
Announcement of Regulated Information according to Law 3556/2007: Transactions notification 23.02.2016	23.2.2016
Press Release 25.02.2016 - Comment on electronic press reports	25.2.2016
Attica Bank- Union Banks: A great collaboration for a unified POS network	3.3.2016
Announcement 04.03.2016	4.3.2016
Announcement 04.03.2016	4.3.2016
High capital adequacy and developmental dynamics, a guarantee for Attica Bank	8.3.2016
Press Release 11.03.2016	11.3.2016
Announcement 16.03.2016	16.3.2016
Press Release 23.03.2016	23.3.2016
Announcement Date of the Full Year 2015 Results	28.3.2016
Attica Bank FY 2015 Financial Results	31.3.2016
Announcement of 31.03.2016 - Financial Calendar 2016	31.3.2016
Announcement 01.04.2016	1.4.2016

Issue	Date
Informing the customers of the HBA member banks about their obligation to directly announce their transactions with non-residents	28.4.2016
Announcement 04.05.2016	4.5.2016
Announcement of the home member State of Attica Bank S.A.	20.5.2016
15 Years Attica Wealth Management ΑΕΔΑΚ	27.5.2016
Attica Bank - Q1 2016 Financial Results	30.5.2016
Announcement 31.05.2016	31.5.2016
Announcement 16.06.2016 - Suspension of Annual General Meeting	16.6.2016
21.06.2016 - Announcement of Regulated Information according to Law 3556/2007: Transactions notification	21.6.2016
Announcement 22.6.2016	22.6.2016
Composition of new Board of Directors	27.6.2016
Resolution of the Ordinary General Meeting of shareholders, 27 June 2016	27.6.2016
Announcement 01.07.2016 - Resignation of Manager	1.7.2016
Announcement 26.07.2016 - Composition of new Board of Directors	26.7.2016
Announcement 26.07.2016	26.7.2016
Announcement 27.07.2016	27.7.2016
Announcement 06.09.2016 - Postponement of General Meeting	6.9.2016
ATTICA BANK ANOUNCEMENT 07.09.2016	7.9.2016
Change in the composition of the BoD- Comment on Press articles	16.9.2016
Announcement 19.09.2016	19.9.2016
Announcement 20.09.2016, Composition of new Board of Directors	20.9.2016
Attica Bank: Resolutions of the Extraordinary General Meeting of Shareholders, 20.09.2016	20.9.2016
Announcement, 28.09.2016	28.9.2016
Attica Bank - H1 2016 Financial Results	29.9.2016
Announcement, 30.09.2016	30.9.2016
Announcement 07.10.2016 - Bond Issuance under Article 2. of Law 3723/08	7.10.2016
Attica Bank - Announcement 13.10.2016	14.10.2016
Announcement 25.10.2016- BOND ISSUANCE UNDER ARTICLE 2 OF LAW 3723/08	25.10.2016
Announcement 31.10.2016	1.11.2016
Incorporation of the Representative of the Greek State (Law 3723/2008) to the Board of Directors of the Bank	23.11.2016
Announcement 14.12.2016	14.12.2016
Announcement 19.12.2016	19.12.2016
Attica Bank - Q3 2016 Financial Results	19.12.2016

VI. Availability of Annual Financial Report

The Annual Financial Report as at 31.12.2016, which includes:

- The Statement by the Members of the Board of Directors;
- The Board of Directors' report;
- The Explanatory Report of the Board of Directors;
- The Annual Financial Statements of the Bank and the Group (included the Independent Auditors' Report)
- Disclosures of Law 4374/2016
- Information in accordance with article 10 of Law 3401/2005

are available on the website http://www.atticabank.gr
(Section: Investor Relations/Financial Results/Attica Bank/2016)