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BUSINESS REVIEW

ALPHA BANK

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BUSINESS
REVIEW 2019

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BRIEF HISTORY

The history of Alpha Bank begins in 1879, when John F. Costopoulos founded a commercial firm in the city of Kalamata, which quickly undertook banking activities, especially in the foreign exchange market. In 1918, the banking department of the "J.F. Costopoulos" firm was renamed "Bank of Kalamata". In 1924, the Bank was renamed "Banque de Crédit Commercial Hellénique" and its headquarters were moved to Athens. In 1947, the title was changed to "Commercial Credit Bank", in 1972 to "Credit Bank" and in March 1994 to "Alpha Credit Bank". "Alpha Credit Bank" grew greatly as, in addition to offering banking services and products, it developed into a major Group offering a wide range of financial services.

In 1999, "Alpha Credit Bank" acquired 51% of the shares of the Ionian Bank and in 2000 the merger of the Ionian Bank through absorption by "Alpha Credit Bank" was approved. The new enlarged Bank that emerged operates with the distinctive title "Alpha Bank".

The transfer of the entire Emporiki Bank share capital from Crédit Agricole S.A. to Alpha Bank was completed on February 1, 2013. On that date, the Bank acquired control of Emporiki Bank of Greece S.A. and in June 2013 the legal merger by absorption of the latter by the former was completed. Emporiki Bank was founded in 1886 and was a historic bank, which played a key role in the economic development of Greece during the 20th century.

The successful acquisition of Emporiki Bank in 2013 was followed by the acquisition of Citibank's Greek Retail Banking operations, which was completed in September 2014. This initiative further strengthens Alpha Bank's position in the Greek banking system and enhances its offering to its affluent customer base.

The Alpha Bank Group offers a wide range of high-quality financial products and services in Greece and in Southeastern Europe.

Alpha Bank is based in Athens, at 40 Stadiou Street, and is entered on the Sociétés Anonymes Register with No 6066/06/B/86/05 and on the General Electronic Commercial Registry with No 223701000.

KEY INDICATORS

		Alpha Bank Group	
(Amounts in Euro million)	**Change %**	**2019**	**2018**
BALANCE SHEET			
Total Assets	4.0%	63,458	61,007
Loans and Advances to Customers, before Allowance for Impairment Losses	-6.3%	47,989	51,237
Allowance for Impairment Losses	-20.9%	-8,682	-10,977
Due to Customers	4.2%	40,364	38,732
Total Equity	4.1%	8,476	8,143
INCOME STATEMENT (1)			
Total Income (2)	-11.2%	2,310	2,600
Total Expenses before Impairment Losses and Provisions to cover Credit Risk	1.5%	-1,175	-1,158
Profit before Taxes and Impairment Losses and Provisions to cover Credit Risk	**-21.3%**	**1,135**	**1,442**
Impairment Losses and Provisions to cover Credit Risk	-42.8%	-990	-1,731
Net Profit after Income Tax	**83.4%**	**97**	**53**
INDICES			
Net Interest Margin (3)		3.0%	3.5%
Total Capital Adequacy Ratio		17.9%	17.4%
TIER I Capital Adequacy Ratio		17.9%	17.4%
CREDIT RATINGS			
Moody's		Caa1	Caa2
Standard & Poor's		B	B-
Fitch Ratings		CCC+	CCC+
OTHER INFORMATION			
Branches		580	629
Number of Employees		10,530	11,314

(1) The Consolidated Income Statement of the comparative year has been restated due to the reclassification of specific account balances without changing the Profit and Loss.

(2) The share of profit/(loss) of associates and joint ventures is included.

(3) The Net Interest Margin was calculated based on the Net Interest Income divided by the average interest-bearing assets.

LETTER FROM THE CHAIRMAN

Dear Shareholders,
Ladies and Gentlemen,
2020 began with relatively optimistic prospects for the Greek economy. Performance in 2019, in conjunction with the measures announced by the Government, had created an investment-friendly environment. In 2019, the economy maintained the positive growth rate seen in 2018, although the uncertainty regarding international trade had a negative impact on industrial activity and investments. Indeed, last year, the global economy experienced a decelerated rate of GDP growth due to reduced industrial production and the significant deceleration of trade and investments. Furthermore, 2019 also saw a significant rise in uncertainty in relation to international trade as a result of increased tension between the US and China.
The enhancement of investors' trust in the prospects for the Greek economy was reflected in the unwinding of state bond yields, which continued in the first two months of 2020. However, as of March, Greece, along with the entire global community, is experiencing an unprecedented health and financial crisis as a result of the COVID-19 pandemic. This crisis brought about a complete disturbance in the developmental course of the economy.
Following the exponential spread of COVID-19 cases in many European countries in the second fortnight of March, the Greek Government quickly and timely adopted strict measures to limit the spread of the virus in the country. This policy prevented a severe health crisis in our nation. At the same time, in order to address the adverse impact on the real economy, the Greek Government - like other governments in the European Union - the European Commission and the European Central Bank enacted significant monetary and fiscal policy measures. Following the example of the public health policy, which aimed to flatten the epidemic curve, the financial policy aims to mitigate the adverse consequences of the measures on the Greek Economy due to the lock-down of retail businesses and transport restrictions.

Dear Shareholders,
Ladies and Gentlemen,
As a result of the COVID-19 pandemic, the Greek Economy is expected to return to recession after three consecutive years of recovery. It is unknown when this disturbance will be over. In Greece, fiscal measures supporting business liquidity and employee income and protecting jobs are expected to limit the negative economic impact in the third quarter and enhance the recovery of domestic economic activity in the fourth quarter of this year, as well as in 2021.
In practice, economic policy in our country is faced with a crucial dilemma. On one hand, it is called to reduce the adverse impact of the pandemic on businesses and households and, on the other, it has to ensure fiscal discipline and sustainability for its public debt, which are key requirements for the economy's return to growth in 2021. This is why fiscal interventions must be specific and temporary in order to address the adverse impact on the real economy, whilst preventing the accumulation of permanent primary deficits which will undermine the reliability of the economy in international investor circles.
The state's effectiveness in the timely implementation of restrictive measures not only prevented a severe health crisis in Greece, but also allowed our country to show greater economic resilience as in the first quarter of 2020 GDP dropped by only 0.9%, versus a 3.2% drop in the Eurozone. This development may be attributed to three factors. First, the state's strong performance in flattening the epidemic curve; second, the rapid digitalisation of the economy in the private sector as well as in the public administration, finally, the state's decisiveness and fast response in providing financial support to employees and businesses.

Dear Shareholders,
Ladies and Gentlemen,
Following Greece's successful policy for controlling the spread of the virus and in the hope of preventing a new wave of the pandemic, the crucial issue is how our economy will achieve sustainable growth.
The experience gained in the previous crisis, as well as international experience, teach us that to allow our economy to achieve sustainable growth the management of demand is not enough; supply must be also enhanced by supporting the economy's productive capacity. The measures taken by the Government to date, equating to approximately 14% of the country's GDP, are a powerful counterweight, supporting available income and household purchasing power. Indeed, in view of the anticipated significant inflow of funds from the European Union in the coming years, a question emerges as to how our country will be able to productively use this key opportunity. The management of these funds must overcome the problems relating to absorption in order to significantly

enhance investments and implement a reformation plan.
The Committee, under the guidance of professor Christophoros Pissarides, has provided the directions that will help our economy change its growth model. The critical question is whether the state mechanism and the private sector will be able to implement them. Past experience in Greece and abroad has shown that sustainable growth is not only a matter of resources and good planning, but also a matter of institutions and mechanisms to effectively manage the human and material resources available. The long list of necessary reforms, as described by the Pissarides Committee, includes a number of reforms already considered in the past.
This is why I will only refer to four major areas to underline some aspects that are usually neglected by politicians and analysts alike.
First of all, the coronavirus crisis clearly highlighted the weaknesses and strengths of our National Health System. Although the pandemic was effectively addressed, everyone acknowledged that there were shortages in materials and in staff. Almost the entire political system of the country agrees that the NHS must be strengthened. In this consenting climate, we also need to examine how our hospitals are managed and what happens with their financial administration. Our country's hospitals are huge economic operators but we have never seen them publish any balance sheets, being audited, or being financially accountable in general. Let us not forget that, within our legal framework, even the smallest private SA and LTD is required to publish its financials and be subject to audits. Should this not also be the case with Public bodies? In recent years, a key concern for European Authorities and international bodies is corporate governance. The broad consensus that the public sector of our country must be modernised makes it imperative to adopt modern governance rules for hospitals and other State bodies in our country.
Another matter I would like to refer to is that of taxation, which is a key point both for reasons of social justice and for attracting investment. Admittedly, all governments, since the regime change in the 1970s, announced that they would implement tax reforms, but what they meant in practice were simple changes to tax rates. The greatest and most significant breakthrough of recent years is the creation of the Independent Public Revenue Authority. Since the early years of its operation it has borne encouraging results. Our tax system however, remains extremely complex and changes almost every year. Based on the indexes published by research institutions, our tax system is not only burdensome for businesses and labour, but also one of the most intricate systems internationally -hence one of the least competitive in the world. The need to improve the stability and simplicity of our tax system is an issue on which almost all political parties agree. Why don't we do this?
Third, achieving sustainable growth in the long term is impossible without a well-trained workforce. Nonetheless, the critical issue of human capital is directly linked to our education system. The connection of Higher Education with the needs of production, the effective implementation of assessments and the system's overall modernisation will set solid foundations for a course of sustainable growth, boosting our country's productive capacity. Our overall experience during the pandemic underlined the need to upgrade the educational system, providing the option of distance learning across all levels and enriching the skills of staff. Moreover, we need to keep in mind that the educational system and primary education in particular, is a key pillar for shaping characters and responsible democratic citizens.
Finally, the role of Greek banks is vital for the recovery of economic activity through their support of Greek businesses and households. All banks have taken measures to help alleviate the impact of the pandemic crisis. The bank system is the source of all investment opportunities. Although it was not the cause of Greece's economic crisis in the past decade, it suffered its adverse impact like no other sector. It is currently undertaking a great effort to free itself from the burden of Non-Performing Loans, while it has also started to finance investing activities again in all economic sectors. Banks are therefore supporting the economy, but within a framework of regulations set out by the European banking authorities and the rules of rational management. The development of a credit policy that is both dynamic and reasonable can also help the Greek state, not only in the optimal use of said resources but also in enhancing the low absorption rates of EU funds.

Dear Shareholders,
Ladies and Gentlemen,
2019 was a significant period for our Bank. As of the start of the year, our new CEO Mr. Vasilios Psaltis assumed his duties. The initiatives he enacted breathed new life into the Bank; he also made important moves and changes that launched a new course for the Bank. I will mention just a few developments

regarding the Balance Sheet. In 2019, Profit after Tax stood at Euro 97 million vs Euro 53 million in 2018. This was achieved in a difficult environment featuring low interest rates and limited credit expansion. It is however, noteworthy that Alpha Bank maintained a strong capital base, with a Common Equity Tier 1 Ratio (CET1) and Capital Adequacy Ratio (CAD) of 17.9% at the end of December 2019. Tangible Book Value stood at Euro 7.9 billion at the end of December 2019, the highest among Greek banks. Tangible Book Value per Share stood at Euro 5.1. Once again, I will briefly refer to the plan initiated by the Bank's Management to reduce Non-Performing Loans and Exposures. Note that in February 2020, Alpha Bank successfully placed a Euro 500 million Tier 2 bond at a yield of 4.25%, thus contributing to the optimisation of the Bank's capital structure and the diversification of capital sources. The bond placement further strengthens the Capital Adequacy Ratio by 104 bps, at 19%.
In terms of cleaning-up its portfolio, Alpha Bank reduced Non-Performing Exposures both in 2019 and in 2020. This is, nonetheless, an ongoing effort. A key role in this effort will be held by the securitisation of Non-Performing Exposures, which is included in Project Galaxy, a top priority of the Bank's three-year Strategic Plan. In this way, decisive steps are being taken towards the planned procedures for Project Galaxy, aimed at cleaning-up the balance sheet and at the Bank's return to high profitability. These initiatives, which are unanimously supported by the Board of Directors, will be analysed by the CEO later on. Specifically as regards the Board of Directors, in the 18 meetings that took place in 2019, it methodically and systematically reviewed all significant matters and encouraged the new CEO to make changes and rearrangements that will support the Bank's competitive position. Furthermore, in the framework of supervision by the European Central Bank (ECB) Single Supervisory Mechanism, the Board of Directors made a number of changes that improve the operation of the Board of Directors and the Bank in general. First, the positions of Deputy Managing Directors were eliminated and all executive duties were awarded to the CEO, who assigned them to the General Managers. Second, upon proposal by the CEO, the Executive Committee was reconstituted and a new regulation for its operation was approved. Third, following the resignation of the Board members Messrs D. Mantzounis and G. Aronis, two new members were selected, Mr D. Tsitsiragkos and Ms E. Hardwick. With its new composition, the Board of Directors consists of thirteen (13) members, of which seven (7) are independent non-executive, three (3) non-executive and three (3) executive members. This also meets the latest requirements for corporate governance, which recommend that the majority of Board members should be independent non-executive members. Finally, the Board of Directors approved assessments for General Managers and the CEO, already completed for 2019, as well as the sheet with the key performance indicators, based on which they will be assessed for 2020. Finally, I would like to refer to the departure of two Board members. In December 2019, Board Member and former Managing Director Mr. Demetrios Mantzounis submitted his resignation. In late January 2020, former Deputy Managing Director Mr. George Aronis also submitted his resignation, having served as senior executive for many years. On behalf of the Board of Directors, I would like to thank them both for their great contribution to the Bank's success and wish them health and all the best in this new period of their lives.

Dear Shareholders,
Ladies and Gentlemen,
As I said earlier, our country and the Bank welcomed 2020 with significant optimism. Unfortunately, the coronavirus pandemic dealt a heavy blow to the plans of states and businesses alike. The greatest challenge in the first half of this year was, on one hand, to address the health crisis and, on the other, to help businesses survive the dramatic drop in economic activity. In the coronavirus crisis, Alpha Bank confirmed that foresight and flexibility are structural components of its organisation. Immediately after the first lockdown measures were taken by the State, the Bank implemented its plan for safe and productive remote working, covering all specialities that do not require physical presence. At the same time, it accelerated its digital transformation, covering many of our Customers' everyday needs.
In this unprecedented health and financial crisis, banks are required to play a key role, by effectively distributing funds from state support programmes, and by granting loans to the real economy in order to allow the Greek Economy to limit the negative consequences of the deep recession brought about by the coronavirus. Alpha Bank is leading the way in supporting entrepreneurship, both by direct investment financing and by actively participating in the utilisation of funds provided by the State for the support of business in the pandemic. Since the onset of the crisis, Alpha Bank undertook initiatives and measures to support its Retail and Business Customers

and will continue to support them as we move towards the restoration of normality.

Dear Shareholders,
Ladies and Gentlemen,
It is true that we live in a period of great uncertainty. The risks related to the pandemic, the geopolitical uncertainty in our area and the economic recession create conditions that require continuous readjustments and ongoing alertness. Despite these uncertainties, I consider it my duty to assure you that the efforts directed towards reform and the cleaning-up of the loan portfolio will continue with the relevant adjustments so that our Bank may again play its leading role in the post-coronavirus era and reward you for your trust through these difficult years. Finally, I would like to specifically refer to Alpha Bank's Personnel and the great eagerness, enthusiasm, devotion and diligence they have shown, especially during the pandemic. It has been said many times that crises also create opportunities. I am optimistic that our Bank will effectively address the difficulties caused by the coronavirus pandemic and that it will creatively utilise the opportunities created to play, once again, a leading role in the new era.

Athens, July 31, 2020

Vasileios T. Rapanos

LETTER FROM THE CHIEF EXECUTIVE OFFICER

Dear Shareholders,
Ladies and Gentlemen,
It is a great pleasure and honour to address you today for the presentation of the Management report and the financial performance of the Bank for 2019, despite the fact that the challenges we are facing, following the onset of the pandemic, are so great and so many that they make the achievements of the previous year sound like something from the distant past.
The pandemic caused by COVID-19, poses a significant threat to the health of citizens around the world and has had a profound effect on both the global and Greek economies. Furthermore, it raises new challenges in how to run an organization with millions of customers, employing thousands of employees and, above all, forming part of the critical infrastructure for the functioning of society and the economy. Alpha Bank, which over its 140-year history has rightly gained recognition as standing by its Customers and its people in difficult times, is one such an organization.
As societies and economies around the world experience unprecedented uncertainty, in anticipation of a vaccine or at least a medicine that will prove effective in mitigating the pandemic, there are many questions as to what is to come

- in terms of macroeconomic developments in Greece and in the other countries, in which the Group operates;
- in terms of the ability of businesses to cope with the restrictive measures imposed due to the pandemic, and;
- in terms of the market's dynamics and its ability to recover.

With the confidence of a large institution, from the outset of the pandemic crisis, our key priority has been keeping our Branches open and remaining operational to support our Customers and the Greek Economy, whilst maintaining safe conditions for our Employees and Customers.
At the same time, we are actively supporting the Greek Economy as we consider the return to normal economic activity as a national priority. So far this year, we have granted approximately Euro 3 billion of loans and we are proactively supporting our Business Customers to help them access funding programs sponsored by the Greek Government, the Greek Development Bank and the European Union. In fact, in the Entrepreneurship Fund II program, Alpha Bank managed to secure among Greek banks the largest volume of liquidity for its business Customers. Finally, we proceeded with a series of loan moratoria to support our Customers, amounting in the first half of 2020 to Euro 4.8 billion.
Our confidence has been enhanced over these past few months, among others, by the response of our people, both in the Network and in the Head Office Units. Operating in an uncharted environment, they ensured the Bank maintained a high level of operational readiness and functionality and responded effectively to heretofore unprecedented demand. They embraced the new collaboration tools, while almost 50% of our Employees are positive towards a remote work policy.
In an effort to stand by the Group's Personnel, we conducted a large internal survey to understand their issues, concerns and suggestions. Their answers make me optimistic that the next stages of our transformation will be successful.

Dear Shareholders,
Ladies and Gentlemen,
Under normal circumstances, this speech would provide a wealth of information about the course of the Greek Economy and our Bank during 2019. These issues, however, must now be seen in the light of a new reality.
In 2019, the recovery of economic activity continued and the growth rate of the Greek Economy stood at a higher level compared to the wider Eurozone economy, supported by higher active demand boosted by public consumption and the further rise in tourism.
At the same time, fiscal policy gained a growth orientation through tax rate cuts for corporate profits, dividends and real estate with emphasis on reforms, without loosening fiscal discipline, as the primary surplus exceeded its stated target once again.
Finally, the confidence of international investors on the medium and long-term growth prospects of the Greek Economy was restored and this was reflected in the upgrade of Greece's debt by the rating agencies.
This trend was adversely affected by the COVID-19 pandemic that significantly impacted key sectors of the economy, especially tourism, transportation and shipping. Specifically, the adverse impact on tourism is expected to stem from:

- the travel restrictions and the fear of the virus spreading, thus affecting demand;
- the reduced capacity of hotels and their increased cost as a result of the restrictive measures applied in the second quarter of the year and the imposed health protocols, that reduced supply.

In the first quarter, Greek economic activity, and also the economic sentiment index through to May, recorded the smallest drop among European countries, as a result of the success of the front-loaded restrictive measures, which led to a smoother epidemic curve, as well as the successful fiscal interventions. The international praise that the Greek Government has won for its management of the health crisis and the timely implementation of a robust fiscal package, which has up to now reached approximately 14% of the previous year's GDP, allows the country to return to normality with growing confidence. These stimulus measures are expected to limit the recessionary impact of COVID-19 to the current year and pave the way for a strong recovery in 2021.

Dear Shareholders,
Ladies and Gentlemen,
In this context, the ability that we have to support the real economy at this stage stems from our strong financial performance and our achievements in the previous year.
The Bank's strong capital base was further strengthened. The Common Equity Tier 1 (CET 1) Ratio and the Total CAD Ratio stood at 17.9% at the end of December 2019. It is noteworthy that the Tangible Book Value was the highest among Greek banks at Euro 7.9 billion at the end of December 2019.
The reduction of Non-Performing Exposures continued in 2019, on the back of successful restructurings, improved cash collections and liquidations. In particular, the Group's Non-Performing Exposures in Greece stood at Euro 18.8 billion at the end of December 2019, down by Euro 3.1 billion compared to December 2018. The Group Non-Performing Exposures Ratio stood at 44.8%, while the Non-Performing Exposures coverage ratio stood at 43.8% at the end of December 2019.
In 2019, Alpha Bank remained committed to its redesigned customer-centered growth model with a strong focus on supporting sustainable growth, innovation and entrepreneurship, and continued to extend credit to the sectors of the economy where loan demand is strong. As a result, in 2019, new loan disbursements in Greece reached Euro 3.5 billion compared to Euro 3 billion in 2018 and were mainly allocated to the sectors of transportation, manufacturing, trade and tourism.
Our estimation for 2020 is that new loan disbursements in Greece will amount to more than Euro 5 billion.
As regards gross loans of the Group, these amounted to Euro 48.7 billion at the end of December 2019, out of which loans in Greece stood at Euro 41.8 billion and loans in Southeastern Europe stood at Euro 6.9 billion.

Dear Shareholders,
Ladies and Gentlemen,
The improvement in the liquidity of Alpha Bank continued in the previous year, as a result of an increase in deposits. More specifically, Group deposits increased to Euro 40.4 billion, at the end of December 2019, with deposits in Greece recording inflows of Euro 1.8 billion (+5.4%), on an annual basis, primarily as a result of inflows from the private sector. In the first quarter of 2020, this improvement continued due to reduced spending amid the COVID-19 lockdown and also because the Bank's funding sources were diversified by a landmark Tier 2 bond issuance.
At the same time, in 2020, the Bank drew increased liquidity from the European Central Bank (ECB) from Euro 3.1 billion (TLTRO II) funding, to Euro 11.9 billion (TLTRO III) due to the enhanced Bank's pool of ECB eligible collaterals.
Furthermore, as a result of the changes in loans and deposits, the Group's Loan-to-Deposit ratio further improved to 97%, while for Greece it improved to 98% at the end of December 2019.
In 2019, Alpha Bank's upward trend of profitability continued. In particular, Profit After Tax rose to Euro 97 million from Euro 53 million in 2018.
Net Interest Income declined by 11.9%, on an annual basis, to Euro 1,547.3 million in 2019. The estimation for 2020 is that Net Interest Income will marginally increase as a result of deleveraging and continued improvement in funding costs.
Furthermore, Fees and Commission Income grew by 2.7%, on an annual basis, to Euro 340.1 million on the back of higher revenues from asset management and bancassurance, new loan originations as well as due to a higher contribution from investment banking activity.
At the same time, we consistently prioritized the containment of costs. Recurring Operating Expenses for the Group declined by 2% or Euro 22.3 million, on an annual basis, to Euro 1,065 million, in 2019, while the Cost-to-Income Ratio stood at 55.4%.

Dear Shareholders,
Ladies and Gentlemen,
2019 was also a year that saw a redefinition of our strategic direction. As a new Management Team, we worked closely with our Board of Directors and our Employees to design and to start implementing our vision for Alpha Bank's future.
I would like to reaffirm our commitment to the priorities of our Strategic Plan that we announced at the end of 2019.

Firstly, we proceed with the significant reduction of Non-Performing Exposures utilizing our high capital adequacy.
The Non-Performing Exposures' (NPEs) securitisation, code-named Project Galaxy (amounting to Euro 10.6 billion), is one of the largest NPE securitisations in the European market and has already attracted keen interest from important foreign investors. We are currently holding advanced discussions with preferred bidders and hope to shortly receive binding offers to proceed towards the completion of this large transaction within the current year. This will allow us to achieve a front-loaded improvement in our asset quality ratios and take yet another significant step towards our set profitability targets.
To this direction, a month ago, we closed the sale of the Neptune portfolio of Non-Performing Loans to Greek small and medium-sized enterprises, amounting to Euro 1.1 billion, introducing a new architecture into this type of transactions.
Secondly, we remain committed to the needs of our Customers and to supporting investments in Greece.
While we are fully committed to the national effort to limit the consequences of the pandemic, at the same time we must also keep our eyes on the Future. At Alpha Bank, we consider it our mission to support healthy entrepreneurship and to prioritize the provision of high-quality banking services. We are fully committed to making the banking experience once again pleasant for our Customers.
Thirdly, we systematically implement the Bank's transformation plan.
We have already planned 20 major actions around which our transformation will be centred, while a specialized Transformation Office will take care of implementing our commitments on time. As the digital agenda remains among our top priorities, we have identified a number of interventions to reduce complexity and improve the overall Customer experience.
Our Customers are already responding to this: More than 93% of cash transactions of the Bank's Customers, over the past few months, were not carried out in Branches, while half of these were performed on the Bank's web and mobile banking digital platforms.
Fourthly, we aim at standing out for our high and ever-improving level of Corporate Governance.
The increased number of Independent Non-Executive Members in the Board of Directors, the reshuffling of responsibilities and areas of activity among the members of the Management Team, in accordance with the guidelines of the Regulatory Authorities, as well as the adjustment to the new Corporate Governance Code of the articles of association and the internal policies, promote transparency, accountability and efficiency.
Our new Management Team has already demonstrated its competence, especially in dealing with the pandemic.
At the same time, we place great emphasis on creating a framework for talent management and an Employee rewards system through a structured target-setting and a performance assessment process. The Government's recent legislative initiative on providing tax incentives when using stock options and bonus shares schemes are in the right direction of aligning incentives between Shareholders and Employees.

Dear Shareholders,
Ladies and Gentlemen,
Let me now focus on the medium-term prospects for our country.
It is clear that this crisis will give rise to an opportunity for a new, sustainable and more productive model for our country.
The financial system will be in the spotlight of this challenge with two great projects underway, which, in my view, will change how business is done.
The first is the management of Non-Performing Exposures that will lead to a rearrangement of the country's business landscape, substantially supporting healthy competition. The second concerns the national attempt to cover the investment gap created by the previous multi-year crisis, which has been further hampered by the new 2020 recession.
In this case, the role of banks should now be different. They should be involved not only as a mechanism for the optimal distribution of society's resources, but also in assisting and advising in the management and absorption of available European funds. Over the next decade, Euro 70 billion will be allocated to Greece, as Euro 32 billion were added to the funds of National Strategic Reference Framework and Common Agricultural Policy, following the recent agreement between European leaders for the new EU Recovery Plan.
These resources must be used for a new growth model to achieve a complete restart of the Economy, putting emphasis on the focus areas of the European Union, namely green economy, smart economy and fair and sustainable growth.
The banking system is required to play a key role in increasing the absorption rate compared to the past by assuming project co-financing and strengthening a new ecosystem that should mobilize funds for investments.
A new ecosystem, political will and strong financial support mean new and competitive businesses in Greece and, ultimately, ability to attract and repatriate a significant percentage of Greeks, who excel abroad, especially in research and development and in new technologies. Let us not forget that this has been successfully done by other similarly-sized countries before us.
Everyone's focus should be on delivering a "virtuous circle"

of investment in new technologies, new jobs and transfer of know-how to the country. At Alpha Bank, we aspire to act as a pole for repatriate Greeks working abroad -and, indeed, we have already managed to attract quite a few, strengthening our Management Team.

Dear Shareholders,
Ladies and Gentlemen,
I would like to mention a few things on the social work and contribution of the Bank.
Alpha Bank participates actively in the global effort to build a sustainable future for the economy and the planet. To this end, in August 2019, it signed the six Principles for Responsible Banking, which were developed as an international initiative of the United Nations Environment Programme Finance Initiative (UNEP FI), following consultations with the global banking community. Furthermore, in 2019, the Bank remained a constituent of the Financial Times Stock Exchange4Good (FTSE4Good) Emerging Index, which includes listed companies in emerging markets with a positive financial, environmental and social performance, while for the first time, it was included in the Bloomberg Gender-Equality Index (GEI).
At the same time, through the Corporate Social Responsibility programs, Alpha Bank responsibly supports the societies where it operates, undertaking initiatives in the areas of health, education, culture and environmental protection.
The program “Together, for better health”, designed to deliver medical and pharmaceutical equipment and supplies to local health centers in the Greek islands, continued in 2019.
For the second year, the Bank also continued the program “Together, for better education”, with the aim to reinforce the operation of primary schools throughout Greece with modern teaching systems, books and sports equipment.
Moreover, in 2019, Alpha Bank continued to provide financial support to Greek Higher Education Institutions, such as the National and Kapodistrian University of Athens, the University of Economics and Business, as well as to schools, institutions and organizations around the country, to which books, infrastructure items, supervisory and logistics material was offered.
The program “Together with the children at the Museum and the Theater” enabled children living in Foundations to visit, for yet another year, Museums and attend theater performances held exclusively for them.
In recent months, the Bank, responding to the national effort of addressing the impact of the pandemic, supplied medical equipment and consumables to the Intensive Care Units of the reference hospitals “SOTIRIA”, ACHEPA and the General Hospital of Larissa, as well as the 6th Regional Health Authority of the Peloponnese and the Ionian Islands.
Finally, Alpha Bank supported the initiative of Doctors of the World to help vulnerable elderly citizens, including the home delivery of medicines and provision of medical advice and remote psychosocial support.

Dear Shareholders,
Ladies and Gentlemen,
Even an unprecedented crisis, like the one we are experiencing, is always also an opportunity. This period has indeed been instructive as to which weaknesses need to be addressed and what can and should be done in a more effective way. It was also revealing for the evolutionary dynamics and the ability to change that Alpha Bank has in its DNA. The Bank’s Board of Directors, the Management Team and our Personnel, we all worked hard with dedication, professionalism, a high sense of duty but also with flexibility and ground-breaking ideas, to serve our Customers and support the Economy.
We are now preparing to embark on an even bolder course, standing on this legacy. As we had promised, our Bank’s Transformation Plan is now being implemented, at a rapid pace. We dare to rejuvenate our Bank by modernizing not only processes within the Group but also our very perception of our role in the countries in which we operate. We evolve and build on the values that have established our strong presence over the decades, to shape a new Bank that, together with our Customers, will have a leading role in the effort to create a better and more sustainable future of opportunity for everyone.
Thank you very much for your trust!

Athens, July 31, 2020

Vassilios E. Psaltis

SHARE

Alpha Bank has been listed on the Athens Exchange since 1925 and is consistently classed as one of the largest companies in terms of market capitalization. At the end of 2019, the capitalization of the Bank stood at Euro 2,969 million and represented 4.92% and 35.37% of the capitalization of the Athens Exchange's General and Banking Indexes companies respectively, while the participation of its share in the FTSE/Athex Large Cap Index was 9.18%.

In addition to the Greek stock exchange, the share is also traded over-the-counter on the New York exchange in the form of American Depository Receipts (ADRs). In 2019, the share was included in international indexes such as the MSCI Emerging Markets Index, the MSCI Greece, the FTSE All-World Index, the FTSE Med 100 Index and the FTSE4Good Emerging Index.

On 31.12.2019, the Bank's share capital stood at Euro 463,109,814.30 divided into 1,543,699,381 ordinary voting shares at a nominal value of Euro 0.30 per share. Out of these, 1,374,525,214 ordinary shares of the Bank are traded on the Athens Exchange, while the Hellenic Financial Stability Fund holds the remaining 169,174,167 ordinary, registered, voting, dematerialized shares or 11% of the total number of ordinary shares issued by the Bank.

The shares in circulation on 31.12.2019 were held by approximately 112,500 Individual and Institutional Investors. Specifically, on 31.12.2019, excluding the stake held by the Hellenic Financial Stability Fund, the Bank's shareholder base was composed of Individual Investors (7%) and Institutional Investors (93%).

The share's daily trading volume for 2019 amounted to an average of 5,170,047 shares per session, with an average daily value of transactions of Euro 7,686,071.

KEY EVENTS IN 2019

The key corporate events of strategic importance for the Bank in 2019 are the following:

• In May, the Alpha Bank Group's subsidiary in Romania successfully completed its inaugural Euro 200 million covered bond issue, as part of its Euro 1 billion direct issuance Global Covered Bond Program. This was the first ever covered bond issue by a Romanian bank and marked a milestone for both Alpha Bank Romania S.A. and the Romanian Capital Markets. The bond will be listed both on the Luxembourg and the Bucharest Stock Exchanges and is rated by Moody's (P)Baa2.

• In May, the sale of the total shares of the Group Company Alpha Investment Property Chanion A.E. was completed for a total consideration of Euro 8.7 million.

• In June, the sale of the total shares of the Group Company Alpha Investment Property I A.E. was completed for a total consideration of Euro 91.9 million.

• In October, following an international competitive bidding process, the Bank entered into a multi-year agreement with doValue S.p.A. ("doValue") for the servicing of a portfolio originated in Cyprus and comprising Non-Performing Exposures (NPEs) and Real Estate Owned (REO) assets, with a Gross Book Value of approximately Euro 3.2 billion. In the context of this agreement, doValue shall establish a dedicated servicing company in Cyprus, which will acquire Alpha Bank's existing NPE management business in Cyprus, in accordance with the applicable legislation. The transfer has been approved by the Commission for the Protection of Competition of the Republic of Cyprus and is expected to be concluded until the end of 2020.

• In November, the Bank announced the key pillars of the new three-year strategic plan of the Group for the years up to 2022, including inter alia the undertaking of one of the largest NPE securitizations in the European market amounting to Euro 12 billion, to accelerate balance sheet clean-up.

STRATEGIC PLAN

On November 19, 2019 Alpha Bank announced a new Strategic Plan for the Group, for the period up to the end of 2022, aiming at the acceleration of the balance sheet clean-up and at the return of the Group to sustainable profitability. The Strategic Plan sets out a number of initiatives that are intended to help the Bank achieve this ambition. More specifically:

– The Bank intends to undertake a large-scale securitization and sale of up to Euro 12 billion of Retail and Wholesale non-core Non-Performing Exposures (NPEs) (i.e. "Project Galaxy"). Project Galaxy, which is expected to take place in 2020, would result in an immediate de-risking of the Group's balance sheet and would have a positive effect on the Group's cost of risk.

– The Group's existing NPE management platform will be carved out from the Bank and a new servicing entity (the "NPE Servicer") will be created comprising the existing NPE management platform and the Bank's current licensed affiliated servicer, Cepal Hellas. The NPE Servicer will service and manage both Alpha Bank's core NPEs (i.e. those that will be hived down to New Alpha Bank through the Hive-Down process, which is described below) as well as the non-core NPEs to be securitized and sold as part of Project Galaxy. Outsourcing the servicing and management of the Group's NPEs to the NPE Servicer is intended to provide greater flexibility to the Group in terms of NPE cost management.

– The Bank intends to proceed with a spin-off (the "Hive-Down") of its core banking assets and liabilities into a new banking entity ("New Alpha Bank") that would be a wholly-owned subsidiary of Alpha Bank. Alpha Bank will continue to exist as a listed entity but will become a holding company whose main asset will be 100% of the shares of New Alpha Bank. The Bank's Board of Directors has approved the Hive-Down in principle but further approvals (including, without limitation, all applicable regulatory approvals) will be required in due course to effect the Hive-Down.

– This large-scale balance sheet clean-up will not just lead to a much lower cost of risk going forward but will also allow the Bank to transform its operating model, re-focusing on its Customers, offering best-in-class products and services through a more efficient platform.

– The Strategic Plan also envisages streamlining and optimization of the Group's operating expenses. These measures include streamlining central functions and general and administrative (G&A) expenses as well as a reduction in the number of the Group's Branches of around 18%.

– Finally, to ensure that the appropriate senior management capacity focuses on the Bank's strategic priorities, with clear areas of responsibility and empowerment for achieving the

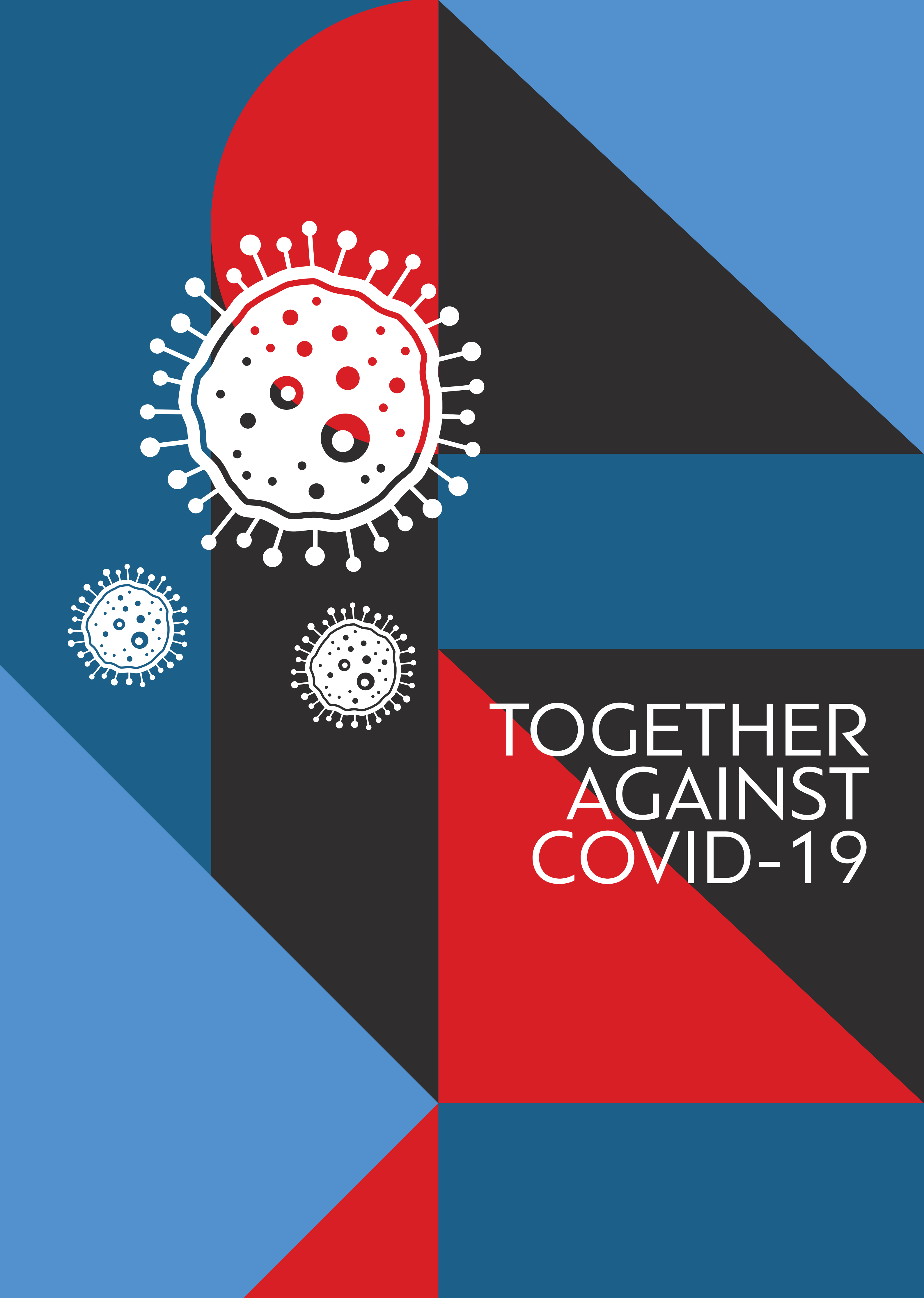
targets, the Bank's organizational structure is reformed, while new Members are appointed to the Top Management Team and a new governance framework is applied.
During the first quarter of 2020, additional uncertainties emerged, such as the escalation of geopolitical tensions, the resurgence of the refugee crisis and especially the rapid spread of the Covid-19 pandemic, affecting economies worldwide.
Alpha Bank is closely monitoring the Covid-19 developments and assesses the potential impact of the pandemic on the Bank's asset quality, on the risk model sensitivity to macroeconomic parameters and on the execution of its Strategic Plan. The Covid-19 pandemic poses significant challenges for the growth rate of the Greek Economy and, consequently, for the banking system, while the impact on real GDP growth will depend on the intensity and duration of the phenomenon. Given the various uncertainties and ongoing developments, including the numerous policy actions announced at European and domestic level, the Bank cannot accurately and reliably estimate the qualitative and quantitative impact on business activities, financial situation and economic results. The Bank activated its Business Continuity Plan on time, adapted for the case of the current pandemic, to ensure a coordinated response to events that could potentially disrupt its business.

MANAGEMENT TEAM

Following the management changes in early 2019, including the election of a new CEO from the Board of Directors, through the November 2019 Strategic Plan, the Bank announced its intention to appoint new Members in the Top Management Team, along with a new governance framework. These changes are intended to bring Personnel with proven experience in, to enhance the Bank's Management Team and to enable faster decision-making at executive level.

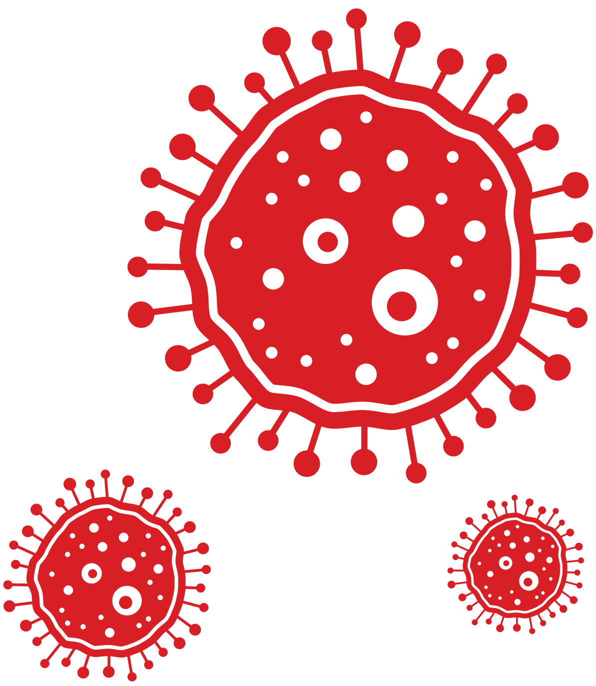
The new governance framework to be implemented includes: (i) clear delegation of authority by the Board of Directors to the Chief Executive Officer and by the Chief Executive Officer to the Management Team, (ii) empowerment and clear re-definition of the areas of responsibility of each Member of the Bank's Top Management Team, and (iii) a redefined structure and role for the Bank's Management Committees.

In the first quarter of 2020, Alpha Bank proceeded with the announcement of two new appointments, one for the position of Chief Human Resources Officer and another for the new position of Chief Transformation Officer.


TOGETHER
AGAINST
COVID-19

Together against Covid-19

The unprecedented conditions created by the onset of Covid-19 in our country required taking immediate and effective decisions and measures in order to safeguard the health of the Bank's Employees and Customers and to ensure its business continuity.



IMMEDIATE ACTIVATION OF THE BUSINESS CONTINUITY PLAN TO ADDRESS THE PANDEMIC

In the context of the implementation of the Business Continuity Plan, the Bank and the Group Companies immediately took all the necessary measures to address the pandemic. Under the Plan, among other things, the Bank applied procedures for implementing the program for the prevention and mitigation of the virus transmission, such as splitting working teams, teleworking, teleconferences, use of alternative networks for customer service, etc.

The Bank also proceeded with the disinfection of all surfaces and the dispatch of healthcare material, such as disinfectants, face masks, gloves, etc., to the Branch Network and the Head Office Units. Furthermore, the Bank procured the necessary technological equipment for the implementation of teleworking and ensured the required security reserves.

The Group's Business Continuity Office provided continuous guidance to all the Bank Units and the Group Companies in Greece and abroad.

SUMMARY OF ACTIONS IMPLEMENTED IN RESPONSE TO COVID-19

FEBRUARY 28

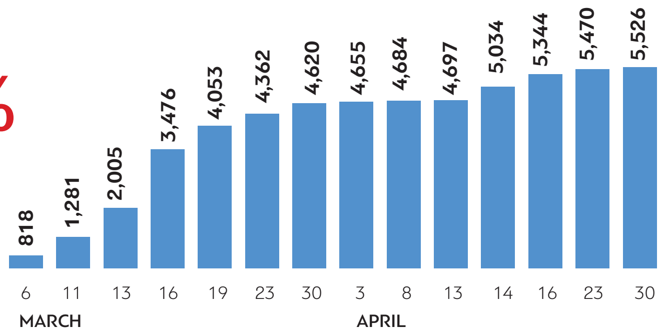
MARCH 3, 9, 15, 16

PERSONNEL BRIEFING
- Instructions on preventive measures posted on the Alpha Bank Intranet
- Open line of communication with the Bank's Physician

BCP ACTIVATION
- Prioritization of critical operations
- Split critical operations to different buildings (split teams)
- Communication with critical partners (service providers / vendors)

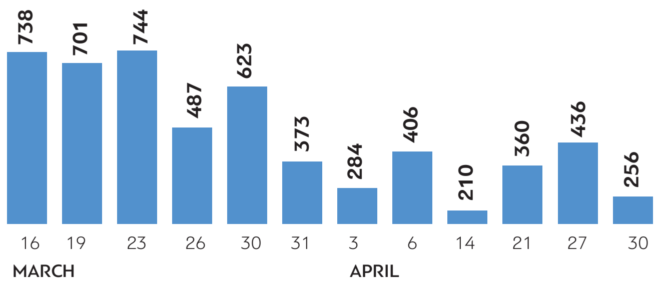
CALL CENTER ACTIVATION AND INSTRUCTIONS PREPARATION
- Establish Help Desk for Remote Access Users
- Send instructions for connecting to systems and communications

90%
implementation of teleworking for Employees of the Bank's Central Services and the Group Companies



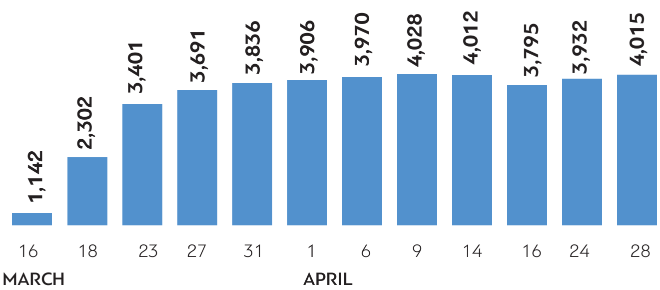
REMOTE ACCESS AVAILABILITY - MARCH TO APRIL 2020

13,063
calls in total were handled by the Remote Access Help Desk to support Employees in teleworking status during the period from 16.3.2020 to 30.4.2020.



REMOTE ACCESS HELP DESK - CALLS HANDLED - MARCH TO APRIL 2020

4,015
Employees in teleworking status as of 28.4.2020



NUMBER OF USERS WORKING REMOTELY - MARCH TO APRIL 2020

REMOTE ACCESS IMPLEMENTED FOR 3,476 EMPLOYEES
- 3,296 Employees from the Bank's Central services
- 180 Employees from the 11 Group Companies in Greece

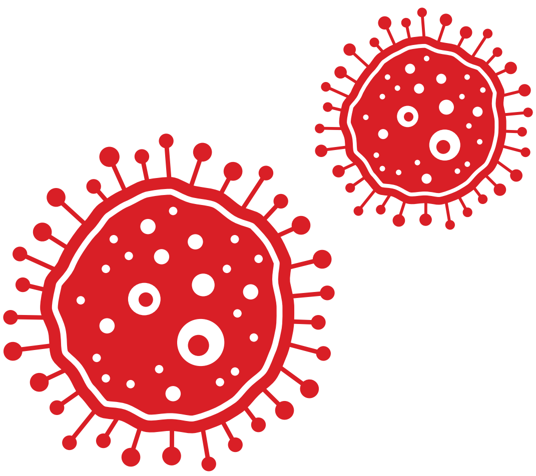
ACTIVATION OF TELEWORKING
- 1,142 Employees from the Bank's Central Services and the Group Companies work remotely (i.e. 32% of Central Services' workforce)
- Start of dispatch of 480 PCs to Employee homes

85% OF EMPLOYEES IN TELEWORKING STATUS
- 3,836 Employees from the Bank's Central Services and the Group Companies work from home

90% OF EMPLOYEES IN TELEWORKING STATUS
- 4 ,015 Employees from the Bank's Central Services and the Group Companies continue working from home

Protection measures against Covid-19 in the Branch Network

Since the onset of the health crisis, the Bank has taken all the necessary preventive measures to safeguard the health of its Employees and Customers in the Branch Network.



Controlled access system and keeping safe distances in Branches

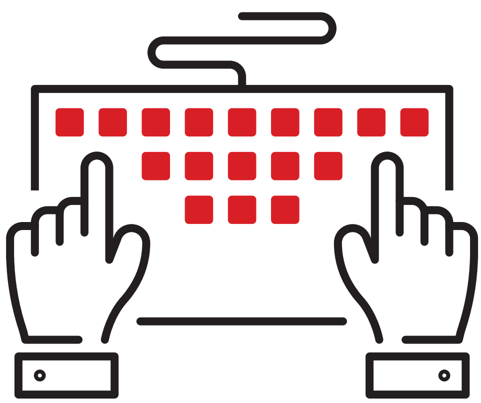
Helping Customers in the use of Automated Cash Transaction Centers (ACTCs)

Thorough and frequent cleaning with potent disinfectants and distribution of antiseptics

Posting of announcements and screening of videos on prevention and personal hygiene measures on special monitors.

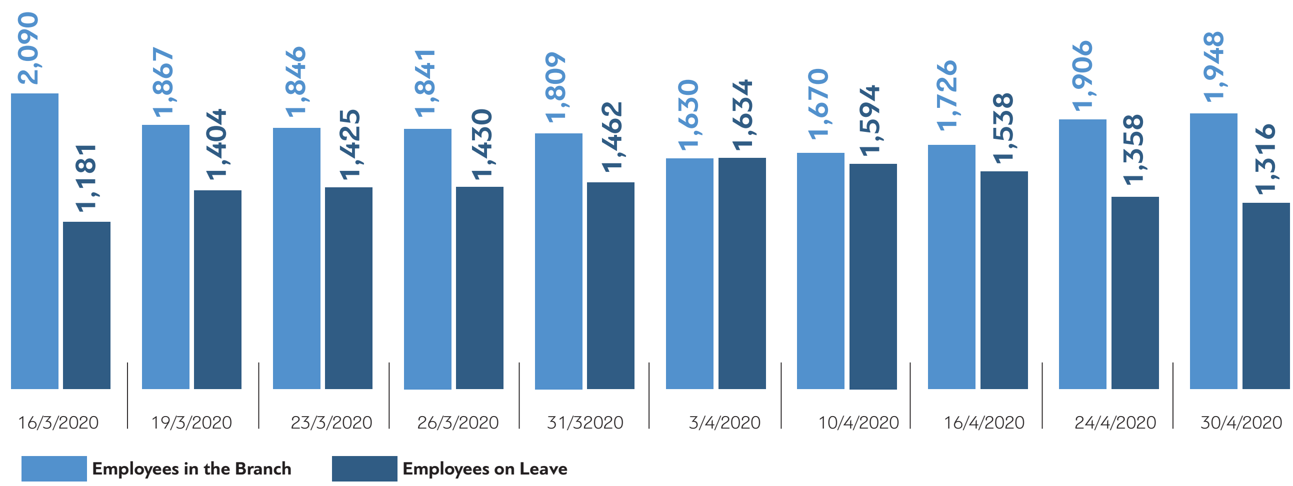
As of 16.3.2020, the Branch Personnel started working on rotation every 14 days.

OPEN AND SYSTEMATIC COMMUNICATION WITH THE PERSONNEL



As the health and safety of Employees remains the Bank's top priority, from the very beginning the Bank's Management ensured a regular and open communication within the Group.
Alpha Bank's CEO Vassilios E. Psaltis informed the Bank and Group Companies' Personnel of all the important developments through written and/or video messages, using emails as well as the Alpha Bank Intranet.
Closely monitoring the developments, the Human Resources Division, in cooperation with the Bank's Physicians, provided regular and reliable medical information to all Personnel through Instructions, Useful Questions and Answers (Q&As) and weekly Newsletters, while it immediately offered Employees with children and Employees belonging to vulnerable groups the option to stay home.
"Exit the lockdown gradually – stay safe", was the main message communicated to the Alpha Bank Personnel by the Professor of Pulmonology and Intensive Care Medicine at the University of Athens and member of the Committee of Experts of the Ministry of Health Anastasia Kotanidou

PHYSICAL PRESENCE OF PERSONNEL IN THE BRANCH NETWORK



and the Alpha Bank Physician Angelos Karatzaferis, during a live medical briefing held on 30.4.2020 specifically for the Personnel of the Bank and the Group Companies, which was attended by **more than 2,500 Employees.**
Furthermore:
-A "Teleworking Survival Guide" was created for Employees working from home as well as a free Webinars Library, Microlearning programs and other tools, allowing Personnel to adapt quickly and efficiently to the new employment reality.
- In April 2020, an Employee Satisfaction Survey was carried out across the Group in Greece and abroad, highlighting the changes in the working environment and identifying ways to improve the new conditions and resolve problems.
- On 16.4.2020, the Group's monthly online internal communication publication "MAZI" was dedicated to Covid-19-related topics.

3 Messages from the CEO to the Group's Personnel

7 Newsletters from the Human Resources Division

25 uploads (Instructions, Useful Questions and Answers, updates on the Alpha Bank Intranet)

1 online internal communication publication "MAZI"

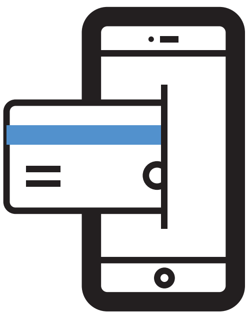
1 Employee Satisfaction Survey

1 Live Medical Briefing

Actions to facilitate and support Customers

IMMEDIATE AND SECURE SERVICE VIA DIGITAL NETWORKS

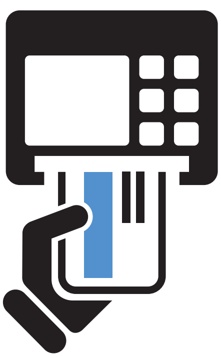
From the moment the health measures were applied, Alpha Bank offered its Customers a wide range of electronic services as well as secure service via its digital networks, fully utilizing the investments made over the last two years in the context of its digital transformation.



New registrations of Individuals in the e-Banking service via Mobile on-boarding increased in March and April 2020 compared to February 2020.

New registrations

2/2020	4,077
3/2020	22,687
4/2020	42,754



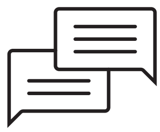
The participation of Digital Channels (e-Banking and ATMs) in the total cash transactions carried out at the Bank:

2/2020	87.2%
3/2020	91.15%
4/2020	93.25%

more than **180**

Bank Branches with digital corners "myAlphaExpress", where Customers are served quickly and easily without visiting the cash register.

Customers were offered new options for contactless transactions with innovative products, such as Apple Pay and myAlpha Wallet.



A free SMS Pension Alert service was provided, inter alia, to Customers keeping pension accounts, while on 21.4.2020, Alpha Bank sent 37,000 informative text messages to its Customers regarding pensions' payment for May 2020.

INFORMATION OF CUSTOMERS FROM 16.3.2020 TO 30.4.2020

- **approximately 4,000,000 e-mails**
- **more than 134,000 SMS**
- **more than 817,000 Viber messages**

SUPPORT MEASURES FOR INDIVIDUALS AND BUSINESSES

Alpha Bank took measures to support the real economy, facilitating its Customers, both Individuals and Businesses, in addressing the extremely adverse conditions resulting from the spread of the Covid-19 pandemic.

More specifically:
• For **Individuals** that were financially affected, the Bank suspended the payment of installments for housing and consumer loans as well as for credit cards, initially until 30.6.2020, in line with the decisions taken for all banks, while it later extended the option to suspend loan liabilities for borrowers whose income was reduced due to the pandemic for three more months, until **30.9.2020**.
From the beginning of the crisis until 30.4.2020, the Bank satisfied **more than 50,000** customer requests for the suspension of installment payments for housing and consumer loans as well as credit cards of Individuals.

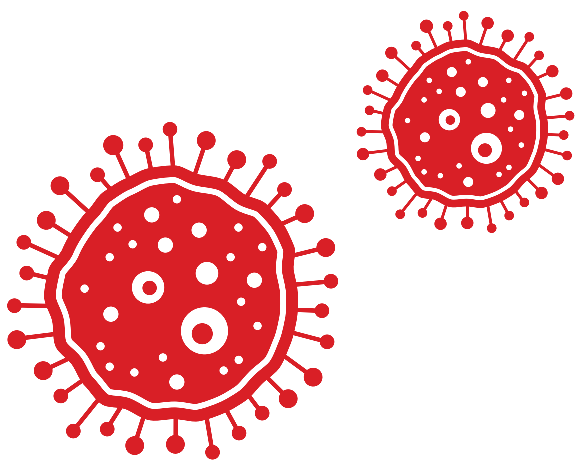
• Alpha Bank allowed **Medium-sized Enterprises and Large Corporations** operating in sectors directly or indirectly affected by the crisis, which had serviced their debts to the Bank until 31.12.2019, to postpone the payment of all or part of the capital installments to the maturity of their loan. Until 30.4.2020, **532** Bank Customers, both Medium-sized Enterprises and Large Corporations, made use of the relevant arrangements.

• At the same time, for **Small Enterprises and Freelancers** affected by these conditions, provided that a financial emergency is indeed established, the Bank offers a temporary facilitation, suspending the installments of their loan liabilities until 30.9.2020.

In particular, until 30.4.2020:
• **850 Small Enterprise Customers** affected by Covid-19 received an extension of the validity of their credit line reviews
• **5,500 successful applications** for installment suspension
• **121 applications for disbursement** from a revolving credit account were submitted via e-banking; 87 applications have been approved and disbursed

Moreover, the Bank offers direct liquidity with 100% interest-free financing for the first two years to Small and Medium-sized Enterprises that have suspended or restricted their operation due to the pandemic, signing the expansion of its agreement with the Hellenic Development Bank, in the context of the Action "Business Financing – Entrepreneurship Fund II". **24,168** informative text messages were sent to organizations/business partners for the new Action – Entrepreneurship Fund II "Working Capital with Interest Subsidy by the Hellenic Development Bank".

• Alpha Bank immediately responded to the decisions of the Greek Government regarding special facilitations for affected Businesses that had issued checks by creating a special e-platform where interested Businesses entered the securities to be included in the provisions for suspension of expiry and could be directly included in the special provision. In particular, until 30.4.2020, 6,775 Customers entered **50,911** checks to be protected by the Bank.



50,000
applications for installment suspension for housing and consumer loans as well as for credit cards were approved by the Bank

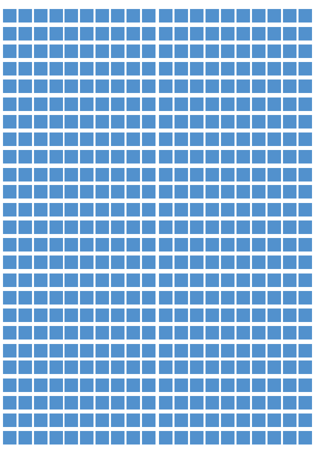
5,500
Successful applications for installment suspension for Small Enterprises and Freelancers

6,775
Customers made use of the provision for the protection of their checks by the Bank

DIGITAL SERVICE PLATFORM FOR BUSINESSES

Alpha Bank responded to the need of Businesses for personalized service and responsible provision of information during the lockdown through a digital platform created on the Bank's website (www.alpha.gr).

From 22.3.2020 to 30.4.2020



more than

500

Customer requests were submitted via the e-page of the service.

Systematic information and communication of Bank messages

During the health crisis, the public was constantly informed through www.alpha.gr, the Bank's social media and the Press of all matters of interest for Customers during the pandemic, focused on the provision of special facilitations to its Customers, on its digital service channels and on electronic transactions' security.

External communication figures from 16.3.2020 to 30.4.2020:

133

posts on social media (LinkedIn, Twitter)

3

advertisements

9

Press Releases and memos

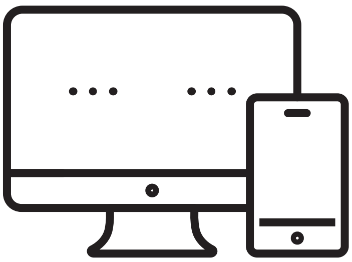
PRODUCT AND SERVICE PROMOTIONS DURING THE PANDEMIC

myAlpha. Your digital Bank
Advertising promotion of selected banking services served by myAlpha on a mobile telephone, a tablet or a computer, without requiring a visit to a Branch.

myAlpha Mobile: You stay home. We stay with you
Advertising promotion of how users can sign up to myAlpha Mobile via their mobile telephone.

Phishing: Protection advice for secure transactions.

Focused on protecting our Customers and Employees.
The Guidelines of the General Secretariat for Civil Protection on coronavirus protection measures were displayed across the Bank's Branch Network, while a relevant video was also created and posted on Social Media.



VALID AND RELIABLE INFORMATION ABOUT INTERNATIONAL MARKETS

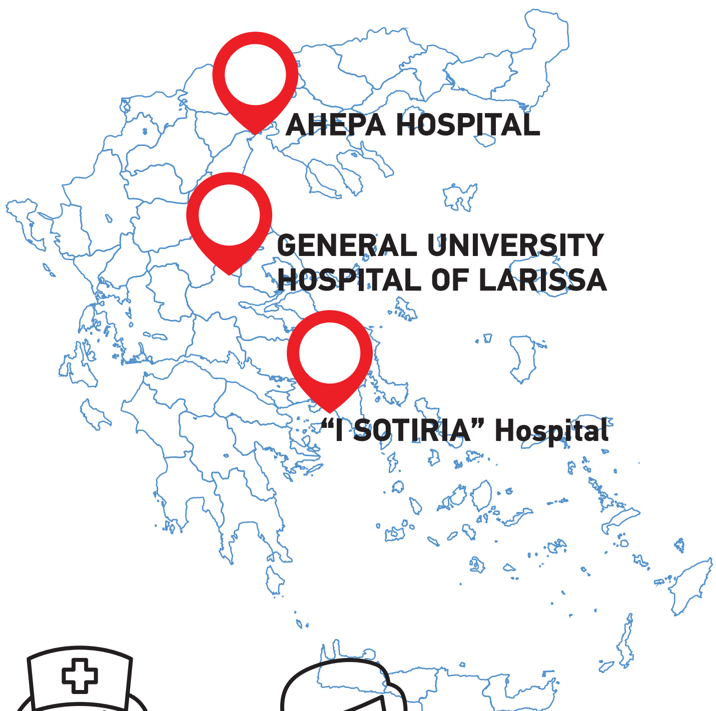
The Private Banking and Alpha Bank Gold Personal Banking services sent a newsletter and Viber messages to their Customers with information on the financial impact of the measures, the reaction of international markets and the response of governments and central banks to support the global economy.

Supporting the National Health System to address the pandemic

We support those fighting in the front line.
We provide the ICUs of Referral Hospitals in Greece with medical equipment and supplies.

Alpha Bank offered state-of-the-art medical equipment and healthcare equipment for the protection of medical and nursing personnel to the Intensive Care Units of three referral Hospitals in Greece (General Thoracic Diseases Hospital of Athens "I Sotiria", University General Hospital of Thessaloniki AHEPA and General University Hospital of Larissa) as well as to the 6th Regional Health Authority of the Peloponnese and the Ionian Islands.

Furthermore, the Bank supported the Doctors of the World in helping vulnerable elderly citizens affected by the pandemic through the home delivery of medicine and the provision of remote medical advice and psychosocial support.



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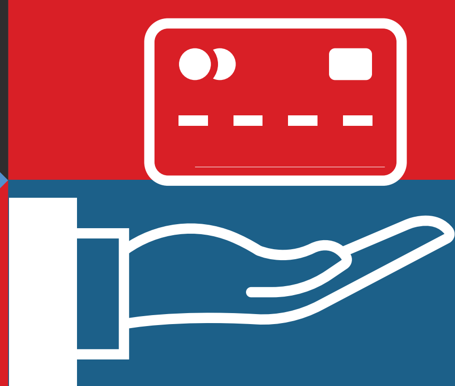
THE GREEK AND THE INTERNATIONAL ECONOMY IN 2019 AND THE OUTLOOK FOR 2020



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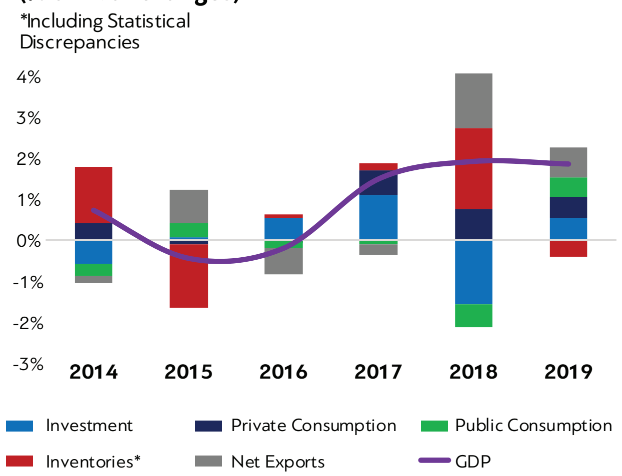
THE GREEK AND THE INTERNATIONAL ECONOMY IN 2019 AND THE OUTLOOK FOR 2020

GREEK ECONOMY

An environment of high confidence regarding the country's potential was formed in 2019, which was reflected, on the one hand, in the remarkable improvement of the domestic business and consumer expectations' indices and, on the other hand, in the substantial reduction of the risk premium imposed on the debt securities issued by the Hellenic Republic. Following the positive evaluation by the European Commission, included in the fourth updated Enhanced Surveillance Report, which was published in November 2019, the Eurogroup concluded in early December 2019 that Greece has implemented all necessary actions, in order to comply with the specific reform commitments until mid-2019. Therefore, the second tranche of policy-contingent debt measures, amounting to Euro 767 million, was released at the end of December, concerning: (i) the abolition of the interest rate margin related to the debt buy-back of the second Economic Adjustment Program and (ii) the return of the profits and the income equivalent amounts stemming from Eurosystem Central Banks' holdings of Greek bonds, under the Agreement on Net Financial Assets and the Securities Markets Program (ANFA and SMP revenue).

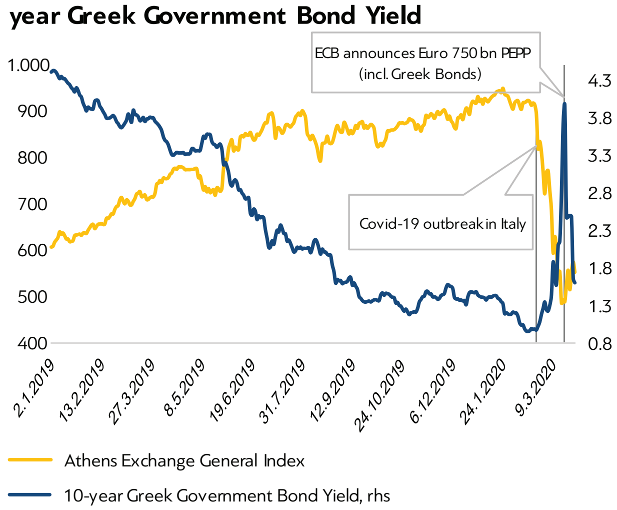
The recovery of the domestic economic activity maintained its pace in 2019, with real GDP growing by 1.9%, the same as in 2018 (Graph 1). The output expansion in 2019 was primarily supported by net exports, as in 2018, contributing to growth 0.8 percentage points. The export performance improved amid an increasingly deteriorating international environment, dominated by trade tensions, the Brexit uncertainty, geopolitical risks and a slowdown in the economy of Europe, Greece's main trading partner. In particular, the annual growth of exports of goods and services (4.8%) outpaced import growth (2.5%), on the back of the solid performance of tourism, as exports of services increased by 8.0% year-on-year. Private consumption increased by 0.8% in 2019 contributing to annual GDP growth 0.5 percentage points, underpinned by the reduction of the unemployment rate, the rise in household disposable income, significant employment gains and expansive fiscal measures implemented before and after the national elections in July. Public consumption increased by 2.1% in 2019, after three years of negative growth, contributing to annual GDP growth 0.4 percentage points. Investment increased by 4.7% in 2019, contributing to annual GDP growth 0.5 percentage points, mainly driven

Graph 1. Contributions of GDP components (% annual changes)



Source: Hellenic Statistical Authority (ELSTAT)

Graph 2. Athens Exchange General Index and 10-year Greek Government Bond Yield



Source: Bloomberg

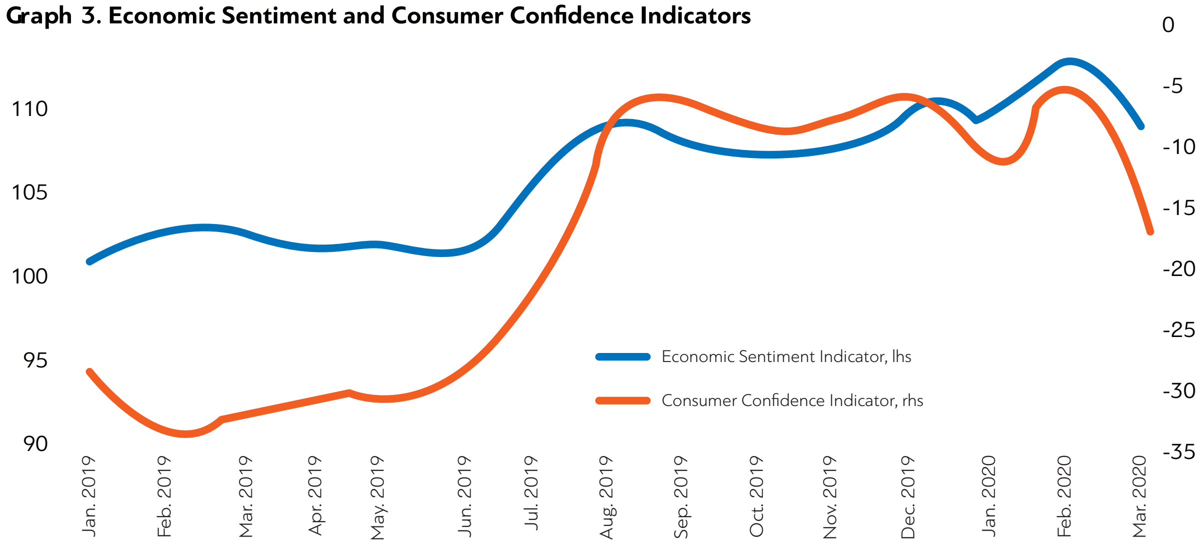
by the marked rise in investment in transport equipment (+37.1%). It is worth noting that the revival in residential investment continued for the second consecutive year, rising by 12.1%.

The downward trend of the spread between the 10-year Greek Government Bond (GGB) yield and the 10-year German government bond, which dropped to 165 basis points at the end of 2019, against 416 basis points at the beginning of the year, reflects the strengthening of investors' sentiment towards the Greek Economy (Graph 2). Greece's sovereign credit rating was upgraded in March 2019 (Moody's: B1), in October 2019 (S&P: BB-) and in January 2020 (Fitch: BB), but still remains below the investment grade threshold. The Greek State tapped the debt capital markets three times in 2019, with the issuance of a five-year GGB in February, a ten-year GGB in March and a seven-year GGB in July, raising Euro 2.5 billion each. In addition, the Hellenic Republic priced a Euro 1.5 billion tap on their outstanding March 2029 GGB in October 2019, while after the country's upgrading by Fitch, a new 15-year GGB was issued in January 2020, through which a total of Euro 2.5 billion was raised. The downward trend of the GGB yields was also signaled by the issuance, within the last quarter of 2019, of 13- and 26-week Greek Treasury Bills with negative rates. In parallel, the Athens Exchange General Index embarked on a strong upward trajectory (+49%), closing at 917 units at the end of 2019, compared to 613 units at the beginning of the year.

On the fiscal front, according to the Hellenic Statistical Authority (ELSTAT), under the European System of Accounts (ESA) definition, Greece's primary surplus for 2019 stood at 4.4% of GDP reaching Euro 8.25 billion (2018: surplus 4.3% of GDP or Euro 7.91 billion). After the post-Memorandum of Understanding adjustments, the primary surplus stood at 3.5% of GDP (2018: surplus 4.16%), meeting the country's fiscal target for the year. The adjustments exclude the return of the profits and the income equivalent amounts stemming from the Greek bonds held by the European Central Bank and the Eurosystem Central Banks (ANFAs and SMPs), privatizations et al.

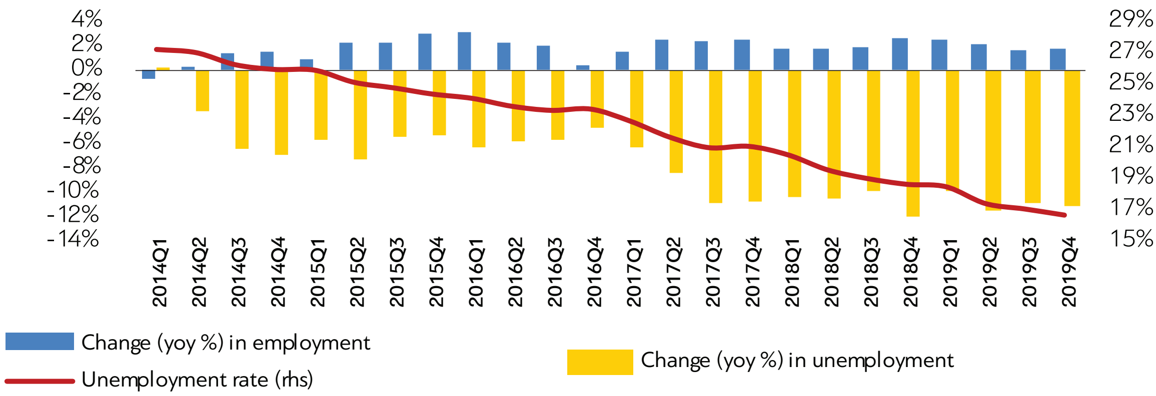
The Economic Sentiment Indicator (ESI) recorded the highest performance of the last twelve years in the second half of 2019, whereas it remained, throughout this period, above the respective Euro Area indicator. In particular, in December 2019 the ESI stood at 110.4 points, up by 7.7 points compared to December 2018 (Graph 3). The Consumer Confidence Indicator also marked a significant improvement in 2019, standing at -6.2 points in December 2019, corresponding to the highest level since September 2000.

Graph 3. Economic Sentiment and Consumer Confidence Indicators



Source: European Commission

Graph 4. Employment and Unemployment



Source: Hellenic Statistical Authority (ELSTAT)

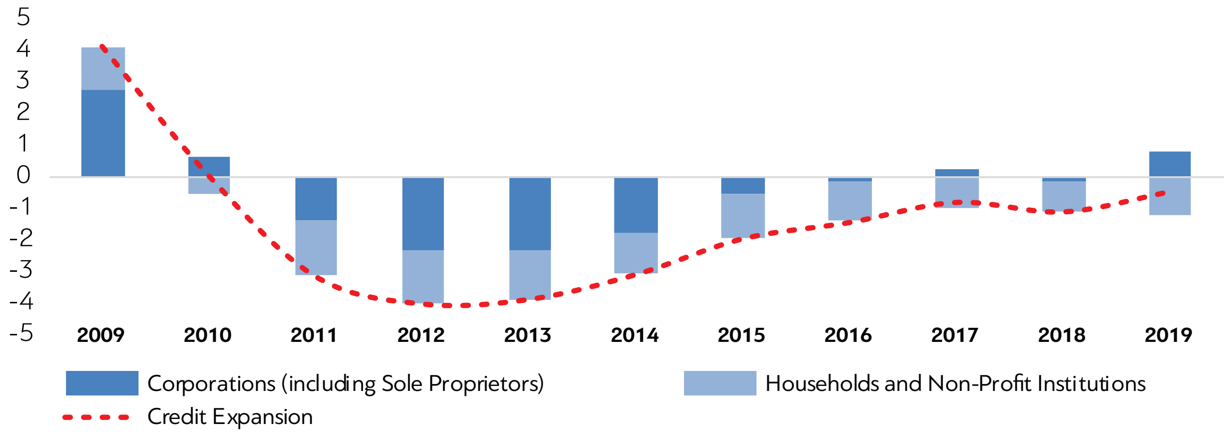
In 2019 inflation, based on the Harmonized Index of Consumer Prices (HICP), reached 0.5% on average from 0.8% in 2018. The weakening of the inflation was mainly attributed to the lower international oil prices and to the disinflationary impact of the indirect taxes. According to the European Commission forecasts (European Commission, Spring 2020 Economic Forecast), inflation is expected to decrease to -0.6% in 2020 and then increase to 0.5% in 2021.

The unemployment rate continued to decline in 2019 standing at 17.3% (according to seasonally adjusted data), lower by 2.0 percentage points compared to 2018 (Graph 4). Employment continued to improve in 2019 (by 2.1% on an annual basis, according to seasonally adjusted data), while job creation corresponded to employees, as the number of the self-employed decreased. The tertiary sector had the largest contribution to the job creation. According to the European Commission forecasts (European Commission, Spring 2020 Economic Forecast), the unemployment rate is expected to increase to 19.9% in 2020 and then decrease to 16.8% in 2021.

The current account balance recorded a deficit of Euro 2.6 billion in 2019, reduced by Euro 2.7 billion compared to 2018. This development was due mainly to the improvement of the services balance and to a lesser extent to the primary and secondary income balances, which were partially offset by the deterioration of the trade balance.

The profits of the Greek banks (before taxes) in the first nine months of 2019 exceeded the respective profits registered in the same period of the previous year. According to the Bank of Greece Interim Report on Monetary Policy (December 2019), the profits' increase compared to last year is attributed to the cost containment as well as to the increase in revenues from financial transactions which, however, are considered non-

Graph 5. Credit Expansion to the Private Sector



Source: Bank of Greece

recurring revenues. The Capital Adequacy Ratio for the Greek banking groups, on a consolidated basis, stood at 16.9% in September 2019, whereas the Common Equity Tier 1 (CET1) ratio reached 15.9%[1].

The liquidity conditions in the banking system continued to improve, due to the positive deposit flows from the private sector of the economy as well as to the funding received from the Eurosystem and the interbank market. The dependency of the Greek banks on the Emergency Liquidity Assistance (ELA) mechanism has been eliminated since March 2019. The funding received by the Greek banks from the Eurosystem (excluding ELA) was equal to Euro 7.8 billion in November 2019 against Euro 10.1 billion in December 2018.

Private sector deposits amounted to Euro 143.1 billion in December 2019, out of which household deposits stood at Euro 116.7 billion and business deposits were equal to Euro 26.4 billion. The total deposits in the banking system (private sector and General Government deposits) amounted to Euro 159.1 billion in December 2019, recording an annual increase of 4.6%. The strengthening confidence in the outlook for the Greek Economy and for the stability of the banking system as well as the economic recovery contributed to the rise of the deposit base.

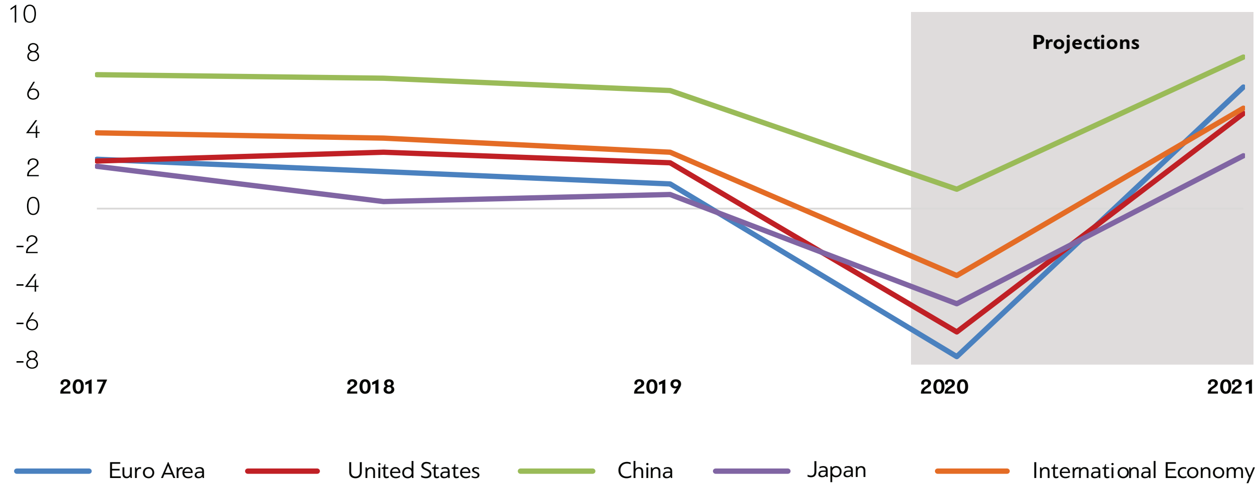
The outstanding amount of total credit to the private sector amounted to Euro 154.2 billion at the end of December 2019, while the annual rate of change stood at -0.6%[2]. More specifically, the annual rate of credit to non-financial corporations remained in positive territory in 2019, standing at 1.8%[2] in December 2019. With regard to household credit, the annual rate of change of consumer and mortgage credit remained negative, showing however, signs of stabilization. The contributions of credit expansion to the private sector are depicted on Graph 5.

The management of Non-Performing Loans (NPLs) further progressed in 2019. NPLs were reduced to Euro 68.0 billion at the end of December 2019, decreasing by Euro 13.8 billion compared to December 2018 and by Euro 39.2 billion compared to March 2016, when the highest level of NPLs was recorded. The ratio of NPLs to loans remains high not only overall (40.3% in December 2019) but also per loan category (42.4% for mortgages, 48.7% for consumer loans and 37.9% for the business loan portfolio). The decrease of the NPLs stock in 2019 was mostly due to write-offs and loans sales (Euro 4.3 billion and Euro 8.1 billion respectively). It should be noted that, according to the NPL targets submitted to the Single Supervisory Mechanism (SSM) at the end of March 2019, Greek credit institutions aim to reduce the total NPLs ratio to below 20% by the end of 2021.

At the end of February 2020, the Covid-19 pandemic spread rapidly in the northern hemisphere, affecting economies worldwide. The Greek Economy is also expected to be negatively impacted by the Covid-19 pandemic. The output shock is projected to stem mainly from the external demand slowdown as well as from domestically-driven uncertainty, affecting negatively private consumption. Additionally, if a lower investment growth forecast for 2020, related to the Covid-19 pandemic, proves accurate, it is expected to add to the slowdown of the economic activity, albeit to a lesser extent, given that its current share in GDP is relatively low. Imports are also expected to decline due to lower internal demand. Additionally, the reduction in oil prices that took place in parallel is expected to have a favorable impact on

1. Bank of Greece Interim Report on Monetary Policy 2019, December 2019
2. The rates of change are calculated after taking into account reclassifications, loan write-offs and transfers, as well as exchange rate variations.

Graph 6. GDP (% annual change)



Source: European Commission

the Greek Economy, as it decreases production cost and, thus, will hold down inflation, despite the increase in unit labor cost (minimum wages increased, whereas productivity is expected to slow down). The Covid-19 impact on the Greek real GDP growth will probably be short-lived and is expected to wear out within 2020, with the magnitude depending on the intensity and duration of the outburst. Finally, the spread of the Covid-19 pandemic may also cause a fiscal shock to the Greek Economy, as it significantly increases costs related to hospital expenses, diagnostics and administrative measures. According to the Stability Programme 2020 of Greek Government, the Greek Economy is projected to contract by 4.7% in 2020 and then to grow by 5.1% in 2021.

The challenge the Greek Economy is facing after the Covid-19 pandemic is not similar to a previous crisis. Given the recent recessionary environment, monetary and fiscal policy have been activated. The European Central Bank announced the Euro 750 billion Pandemic Emergency Purchase Programme (PEPP), which granted a waiver on the eligibility requirements for Greek Government securities, and, thus, the 10-year GGB yields dropped and the Athens Exchange General Index partially recovered, as depicted in Graph 2.

Concerning the fiscal policy tools, the Eurogroup approved a package of policy actions to address the negative consequences of the Covid-19 pandemic on economic activity at European level, announcing fiscal measures of at least 1% of GDP, on average, for 2020. Moreover, the Eurogroup has offered full flexibility to all European countries as far as it regards the EU budget rules to tackle the negative social and economic impact of the Covid-19 outbreak. In particular, for Greece the 3.5% primary surplus target will not be in effect in 2020, while expenditures to contain the spread of the pandemic and to support economic activity as well as those related to the refugee crisis will be excluded from the budgetary outturn. Greece outperformed the primary surplus target for three consecutive years having, in parallel, accumulated a significant cash buffer.

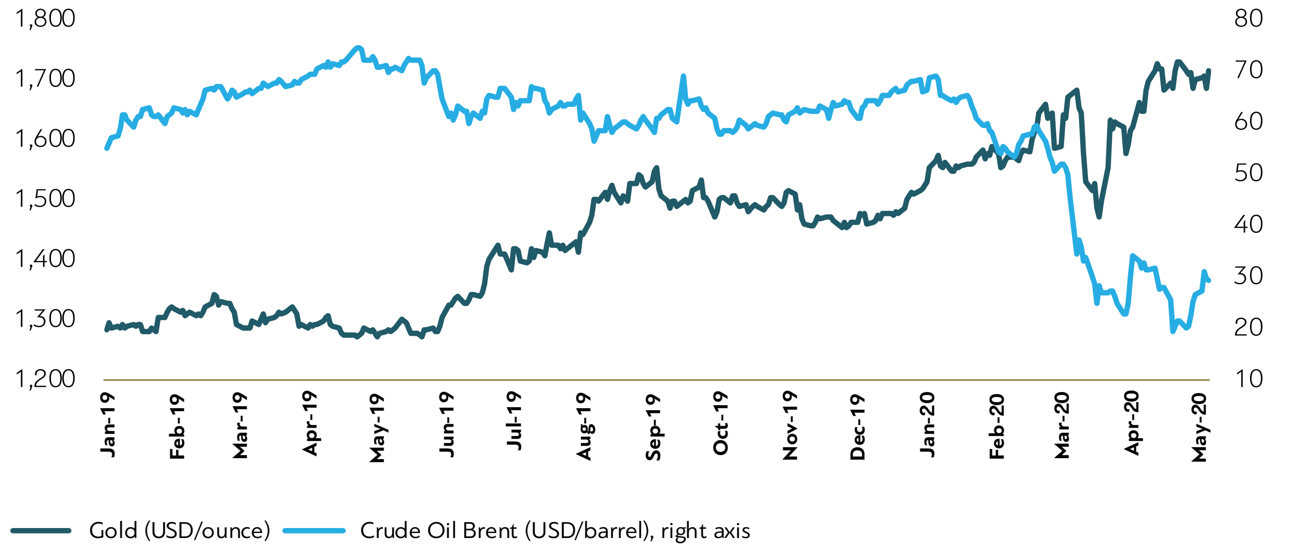
In this context and along with the adoption of extraordinary measures in the effort to contain the Covid-19 pandemic, the Greek Government announced a series of tax measures designed to counter the impact of the pandemic by enhancing liquidity and supporting those firms and employees negatively impacted by the virus.

According to the Stability Programme 2020 of Greek Government, the total value of the supportive, fiscal measures, comes to Euro 26 billion, corresponding up to now to approximately 14% of GDP.

The monetary and fiscal responses announced so far are expected to moderate the economic hit in the third quarter of 2020 and provide the foundations for a steeper rebound during the upward phase of domestic economic activity in the fourth quarter of the year and in 2021.

Finally, investment growth is expected to be supported by the effective management of Non-Performing Loans, which is anticipated to eventually restore liquidity in the real economy, by the uninterrupted implementation of the structural reforms

Graph 7. Oil and Gold Prices



Source: Bloomberg

program, the attraction of Foreign Direct Investment and the active support of domestic investment plans, the acceleration of the implementation of large investment projects and of privatizations as well as the increase in public investment expenditure.

INTERNATIONAL ECONOMY

In 2019, the global economy slowed down, largely due to concerns that the United States' economy could shrink because of the sharpening trade dispute between the United States and China. However, the easing of trade tension between the two partners during the year, coupled with the decision of the US Federal Reserve to cut its key interest rates, have been supportive of global economic activity. Although there were no significant signs at the beginning of 2020 that the global GDP growth rate would decline significantly during the year, the emergence and rapid spread of Covid-19 intensified the uncertainty of economic developments and deteriorated labor market conditions. The International Labour Organization (ILO Monitor 2nd edition: Covid-19 and the World of Work, April 2020), estimates that 1.25 billion workers, representing almost 38% of the global workforce, are employed in sectors that are facing a severe decline in output and a high risk of workforce displacement. The outbreak of the Covid-19 pandemic may lead the world economy to the deepest crisis in its modern history. In an effort to boost the resilience of their national economies, many countries have been forced to take emergency fiscal measures to support national health systems and ensure employment and entrepreneurship. At the same time, the major central banks are targeting to maintain the loose monetary policy they have adopted since the outbreak of Covid-19. Those in charge of fiscal and monetary policy are called upon to manage a double shock, both in terms of demand, due to the rapid decline in private consumption, and in terms of supply due to the disruption in supply chains. The extremely loose monetary policy combined with fiscal support, operating in a weakened international environment stemming mainly from low economic activity and various economic and geopolitical risks, can help alleviate production weaknesses. Furthermore, this is the first time that so many advanced economies around the world have been "suppressed".

Global GDP growth decelerated from 3.6% in 2018 to 2.9% in 2019, however it is projected to shrink dramatically by 3.5% in 2020 (European Commission, Spring 2020 Economic Forecast), as the global economy will experience its worst recession since the Great Depression of 1929 (Graph 6). Assuming that the pandemic fades in the second half of 2020 and that restrictive measures can be gradually unwound, the global GDP is projected to grow by 5.2% in 2021, as economic activity will normalize, helped by policy support. Inflation is predicted to be much lower than the current levels (2019: 3.6%, 2020: 3.0% - IMF World Economic Outlook, April 2020), due to weaker demand and lower oil prices.

Additionally, downside risks to the global economy outlook are:

• The oil price war. The confrontation between Saudi Arabia and Russia over cuts in daily oil production in order to stabilize market prices, due to the low demand caused by the outbreak of Covid-19, may have a negative impact on oil companies' market valuations in the United States as well as on their profitability. The agreement on April 12, 2020 between the Organization of the Petroleum Exporting Countries (OPEC) and its allies (OPEC+) to cut oil production by 9.7 million barrels per day for May-June 2020 failed to restore the balance in the market. As a result, the price of Brent crude oil dropped below USD 20 per barrel, for the first time in 18 years (Graph 7).

• The trade dispute between the United States and China. The "first phase" of the bilateral trade agreement announced in December 2019 and signed in mid-January 2020, could prevent further tariffs being imposed on each other's exports. However, despite the progress achieved, a final agreement cannot be reached for the time being. It is pointed out that there are serious reasons for which the US President would like to reach an agreement immediately. The US President seeks re-election in November 2020, which means he should boost economic activity in his country. Having already used the tax-cuts ammunition in 2018, he does not have many options. The most important option left is to boost trade in agricultural products, and this can be achieved by asking China to increase its purchases from the United States, while at the same time China is demanding lower tariffs on its products.

• The US presidential election and the effect of the outcome on the economy.

• Geopolitical tensions, digitalization, climate change and social unrest (Lebanon, Chile, Colombia, France, Hong Kong).

• The Brexit will be a test of how international economic relations work. The United Kingdom withdrew from the European Union (EU) on January 31, 2020, while entering a transition period of 11 months within which it would seek to negotiate the details of its future trade partnership with the EU. The timetable of these negotiations is considered quite ambitious given the difficulties of the past. However, it should be emphasized that the possibility of no commercial agreement at the end of January 2021 has not been ruled out yet.

The United States' economy has been resilient to the challenges it faced in 2019 (trade war, slowing global economic growth), maintaining the annual GDP growth at more than 2.0% per quarter during the year. GDP growth was driven by consumption expenditures, supported by a healthy labor market as unemployment plummeted to the lowest levels of the last 50 years, while wages have been gradually increasing. However, the spread of Covid-19 forced the US Federal Reserve to cut its key interest rates to 0-0.25% in March 2020, in a coordinated move with the rest of the G7 central banks. Regarding the outlook for the United States' economy, GDP is expected to shrink sharply by 6.5% in 2020 (European Commission, Spring 2020 Economic Forecast), as the expansion of Covid-19 pandemic weighs on economic activity. However, the European Commission estimates GDP will increase by 4.9% in 2021.

China's GDP growth decelerated from 6.7% in 2018 to 6.1% in 2019, the slowest rate of economic expansion since 1990. The trade tensions with the Unites States brought down exports, weighing on economic activity. GDP is expected to increase just by 1% in 2020 and to rebound strongly by 7.8% in 2021 (European Commission, Spring 2020 Economic Forecast), as the economy will recover from the Covid-19 pandemic.

The GDP growth in Japan registered a modest 0.7% in 2019, as exports have softened in line with weaker external demand and rising uncertainty for the economy. However, GDP is expected to shrink by 5% in 2020 and to grow by 2.7% in 2021 (European Commission, Spring 2020 Economic Forecast).

In 2019, GDP growth in the Euro Area decelerated amid intense uncertainty about the European Union's future relationship with the United Kingdom, global economic growth weakness, global trade stagnation and structural changes in manufacturing. Growth was supported by domestic demand and in particular private consumption, driven by the increase in disposable income, as a result of the significant rise in wages deriving from falling unemployment rates below the pre-fiscal crisis level. According to the available Eurostat data, GDP growth decelerated to 1.2% in 2019 from 1.9% in 2018, while according to the European Commission (European Commission, Spring 2020 Economic Forecast) GDP is expected to shrink by 7.7% in 2020 and to grow by 6.3% in 2021. Excluding the negative effects caused by the spread of Covid-19, the outlook for the Eurozone economy may be negatively affected by possible geopolitical tensions and a resurgence of the refugee crisis.

In the context of supporting economic activity, in March 2020 the European Central Bank (ECB) decided to launch a new Pandemic Emergency Purchase Programme (PEPP) with an overall envelope of Euro 750 billion. Purchases will be conducted until the end of 2020 and will include all the asset categories (both government and corporate debt) eligible under the existing Asset Purchase Programme (APP), with the addition of Greek government securities. Furthermore, the European Central Bank announced additional net asset purchases of Euro 120 billion until the end of the year, in the context of the existing APP. Additional Longer-Term Refinancing Operations (LTROs) will be conducted for the period until the Targeted Longer-Term Refinancing Operations (TLTROs III) realization in June 2020, in order to provide immediate liquidity support to the Euro Area financial system. Considerably more favorable terms will be applied to Targeted Longer-Term Refinancing Operations (TLTROs III) during the

period June 2020 - June 2021. These Operations will support bank lending to those affected most by the spread of Covid-19, in particular small and medium-sized enterprises.
The GDP growth in the United Kingdom (UK) rose marginally to 1.4% in 2019 from 1.3% in 2018, while, according to the European Commission (European Commission, Spring 2020 Economic Forecast), GDP is expected to shrink by 8.3% in 2020 and to grow by 6% in 2021. Business investment is expected to remain sluggish due to uncertainty about the future evolution of Covid-19, as well as about the trade relationship of the United Kingdom with the European Union.
The growth of economic activity in Cyprus, according to the available data from the Statistical Service of the Republic of Cyprus (CYSTAT), decelerated to 3.2% in 2019 from 4.1% in 2018. Economic activity in 2019 relied mainly on construction, professional services, trade and manufacturing. The European Commission (European Commission, Spring 2020 Economic Forecast) estimates a negative 7.4% GDP rate of change in 2020 and a rebound of 6.1% in 2021.
Romania's GDP, according to the available data from the National Institute of Statistics (NIS), rose by 4.1% in 2019 against 4.4% in 2018. GDP growth was based on private consumption, which was boosted by increases in minimum wage and public sector wages, as well as on investment, due to a sharp rise in construction activity. According to the European Commission (European Commission, Spring 2020 Economic Forecast), GDP is expected to shrink by 6% in 2020 and to grow by 4.2% in 2021.

2

BUSINESS UNITS

2
BUSINESS UNITS

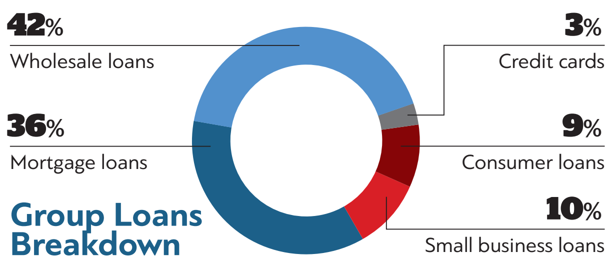
The Alpha Bank Group is one of the leading financial Groups in Greece and offers a wide range of quality financial products and services to individuals and businesses. On 31.12.2019, the market share in deposits stood at 22.2%. It is worth noting that the Group also has an extensive loan portfolio that covers all key activity sectors of the Greek Economy. In 2019, the market share in domestic business loans stood at 23.7%, thus making the Group one of the market leaders in terms of Greek enterprises' financing.

The Group offers a wide range of financial products and services, encompassing retail banking, medium-sized enterprises' and large corporations' banking, asset management and private banking, the distribution of insurance products, factoring, leasing, investment banking, brokerage and real estate management.

The Retail Banking Business Unit covers all Individuals-Customers of the Group, self-employed professionals and small as well as very small enterprises. The Wholesale Banking Business Unit includes partnering medium-sized enterprises and large corporations, enterprises with multinational activities and shipping companies.

In 2019, Group loans amounted to Euro 48.7 billion, out of which 42% were wholesale loans, 36% mortgage loans, 10% small business loans, 9% consumer loans and 3% credit cards.

In 2019, new loan disbursements increased to Euro 3.5 billion versus Euro 3 billion in 2018, out of which 91% were business loans and 9% were loans to individuals. New business loan disbursements were mainly allocated to sectors such as transportation, manufacturing, trade and tourism.



Group Loans Breakdown

New Group Loan Disbursements

Euro million	FY **2018**	FY **2019**	Δ y-o-y	Q1 **2019**	Q2 **2019**	Q3 **2019**	Q4 **2019**
Individuals	160	312	+152	48	70	75	119
Businesses	2,790	3,206	+416	567	842	907	891
Total	**2,950**	**3,518**	**+568**	**615**	**911**	**982**	**1,010**

The Alpha Bank Group is present in Southeastern Europe via the Group Companies that operate in Cyprus, Romania and Albania. Moreover, the Group is present in the United Kingdom through the London Branch and the Group Company Alpha Bank London Ltd.
With regard to the entire banking system, the balance of loans in the private sector stood at Euro 154 billion at the end of 2019, with a negative annual growth rate of 0.5%. Of the total credit to the private sector, 48% concerned corporate loans, 34% mortgage loans, 11% consumer and other loans and 7% loans to self-employed professionals, including farmers and individual businesses.
Specifically, the balance of loans to businesses increased by 1.9% on an annual basis and stood at Euro 73.9 billion in December 2019, while credit to non-financial corporations increased by 1.9% on an annual basis. Regarding the evolution of loans to businesses per business sector, in December 2019 an increase on an annual basis was recorded in the loans to businesses operating in sectors such as agriculture, industry, trade, tourism, shipping, energy, storage and transport (excluding shipping) and real estate management as well as to insurance companies. On the other hand, loans to businesses operating in sectors such as construction as well as information and communication recorded a negative growth rate.
With regard to the evolution of loans to households, the negative annual growth rate stood at 2.8% in December 2019. Regarding each category of credit to households, the rate of reduction of mortgage loans in December 2019 stood at 3.4%, while the negative annual growth rate of consumer credit stood at 1.3%.
Finally, the negative annual growth rate of credit to self-employed professionals, farmers and individual businesses stood at 1.9% in December 2019.

RETAIL BANKING

HOUSING LOANS AND CONSUMER LOANS

Regarding the demand for housing loans, the general outlook of the economy and the positive business prospects have improved significantly, as the real estate market is in a dynamic restart, with an increase of new building permits, a boost in residence sales across the country and a consequent rise of real estate prices. As a result, the rise in housing loans applications recorded in 2018 continued in 2019 with an increase of 39%.
For the fourth consecutive year, the Bank achieved significant increase in new disbursements. The 36% increase in new housing loans disbursements is due to the mobilization of the Bank's Branch Network, as the output of the external partners' network remained at 2018 levels. The market share of the Bank's new disbursements stabilized at 17% in 2019, while the share in market balances remained almost unchanged at 25.6%.
As consumer confidence improved, consumer lending also increased, with disbursements in 2019 rising by 45% versus 2018. Specifically for new car loans, disbursements increased by 33% in 2019 compared to the previous year, reaching Euro 40 million. The Bank's market share in consumer balances rose to 25.6% in 2019 from 22.9% in 2018 and 23.3% in 2017.

In 2019, the Bank focused on increasing new lending. In this context, the product portfolio was redesigned and simplified, introducing the core housing product "Alpha Residence". This new product covers all housing needs, allowing the applicant to customize a variety of loan features, such as interest rate type and loan duration, while also being able to use a low start period in order to enjoy reduced installments for the first two years.
Using "Alpha Residence" as its flagship housing product, the Bank has designed a comprehensive financing package for first-home buyers, which, in addition to affordable house pricing, provides further benefits for the whole family by covering the medical needs of the family's children as well as offering Bonus Rewards.
Additionally, all mortgage and consumer loans were repriced, in line with the current economic conditions, and new lower fixed interest rates for mortgages up to 30 years were introduced.
Recognizing the consistency of its Customers in the smooth repayment of their mortgage loans in recent years, amid the crisis and adverse financial conditions, the Bank has announced a comprehensive reward program with provisional emergency protection benefits, including automatically reduced pricing when insuring a mortgaged house, free insurance coverage for 2020 for the repayment of their monthly mortgage loan installment for up to 6 months in case of an accident, Bonus Rewards for credit or debit cards, preferential pricing on new loans, insurance and deposit products.
At the same time, in the context of the Bank's Digital Transformation Plan and aiming to provide modern solutions to Customers, consumer loans were incorporated into the Bank's e-statement service during 2019.
Finally, the Bank participated in the second phase of the "Exoikonomisi Kat' Oikon" program, a co-financed program of the Ministry of Environment and Energy, designed to provide motives to owners of residential properties to improve the energy efficiency of their residences. Since the launch of the second phase of the program in September 2019, the Bank has already received approximately 2,000 loan applications.
In 2020, the Bank intends to maintain its top-tier market position in loans to Individuals, by designing pioneering products adapted to the current economic conditions.

CARDS

In 2019, the Alpha Bank cards maintained their leading position in the Greek market. The Bank has a large portfolio of payment cards, having issued over 4 million credit, debit and prepaid cards. Turnover exceeded Euro 7.6 billion in 2019, representing a market share of over 25%. The use of payment cards increased by 13% in 2019 compared to 2018, following the increasing trend over the last years.
2019 has been a particularly critical year, as Alpha Bank planned and successfully completed the replacement of almost 1 million American Express® cards. This action was necessary due to the strategic decision of the American Express® organization to discontinue the licensing model (franchise) in all European countries, including Greece, following the recent developments in the European Union legislation.
All American Express® cards were replaced by similar existing or new products. Due to the American Express® cards migration, a range of upgraded debit cards was designed both for individuals and for businesses (Private and Gold Enter Bonus Mastercard – Enter Bonus Business Mastercard and Gold Enter Bonus Business Mastercard). These are new debit products which offer the cardholders considerable privileges, such as rewards under the Bank's Loyalty Programs, the Alpha Alert service without fee, insurance programs and worldwide acceptance.
Furthermore, in 2019 Alpha Bank introduced the Platinum Bonus Mastercard, a high-prestige credit card which offers significant privileges (double Bonus rewards, traveling privileges, Aegean Airlines discount codes and much more). The Platinum Bonus Mastercard is listed at the top of all banking products in the Greek market.
To enhance customer loyalty, the Bank utilized a full package of privileges in collaboration with Mastercard. During 2019, many winners traveled to Disneyland Paris and to the Venice International Film Festival, participated in exclusive wine tasting experiences in Napa Valley in the United States and attended the UEFA Champions League final in Madrid.
In addition, in the context of developing innovative card products, two new ones were introduced in the market:
The prepaid co-branded card "bleep Smile Visa", in cooperation with "The Smile of the Child" organization, which can be issued through the bleep application, the first mobile banking application in the Greek market for the issuance and management of the card exclusively through a smartphone. For every physical or digital transaction with the "bleep Smile Visa", the cardholder supports "The Smile of the Child" by offering Euro 0.05. Alpha Bank doubles the amount, so that the institution receives Euro 0.10 per transaction. In addition to that, 50% of the card's annual fee is also offered to the organization.
In 2019, Alpha Bank presented "Garmin Pay" in the Greek market. This is a pioneer payment application through Garmin Smart Watches and the first application that allows card storage in digital wallets by using exclusively, for the first time in the Greek market, the international payment schemes tokenization technology. Consumers are able to make transactions without the physical presence of their card

easily, quickly and safely.
Overall, during the year, in order to enhance the Bank's portfolio, a significant number of new cards has been issued. It is worth mentioning that the number of newly-issued credit cards was 55% higher than in 2018. Regarding the credit cards portfolio, Alpha Bank maintained its leading position in the market, with a share that exceeded 40%.
For 2020, expanding its cards portfolio remains a priority for the Bank, while emphasis is placed on credit cards and debit cards participating in the Bonus Reward Program. The implementation of some new products and services for individuals and businesses is already in progress, aiming to offer Customers competitive advantages. At the same time, the Bank focuses on the modernization of existing services, such as digital customer service channels, adaptation to Directive (EU) 2015/2366 concerning Payments Services Directive (PSD) 2 through Strong Customer Authentication as well as technological innovation mainly through tokenization, which changes the payments field as it constitutes the foundation of digital wallets development, wearables, Internet Of Things, etc.

MERCHANT ACQUIRING

In the Merchant Acquiring Business, despite the intense competition, the Bank maintained its leading position in the market, increasing its turnover which reached Euro 9.8 billion registering an 8% growth, while commissions reached Euro 84.8 million.
In 2019, the Bank recovered the Visa and Mastercard market shares compared to its peers. Moreover, 2019 signaled the completion of a significant project, permitting partner merchants to continue accepting American Express® cards, following the decision of the International Card Scheme to undertake its proprietary cards acceptance in the country as of November 1, 2019.
The Bank continued to hold one of the largest networks of partner businesses, with over 190,000 points of sale accepting all major international cards (Visa, Mastercard, American Express®, Diners Club and China UnionPay).
Moreover, in 2019, the Bonus Reward Program remained the largest one among Loyalty Schemes in the Greek market. In parallel, 17 new premium partners joined the Program covering additional consumer needs of the cardholders, such as pharmaceutical products, specialized sports goods, specialized alimentary products, clinical aesthetics and wellness services, etc.

CUSTOMER EXPERIENCE AND LOYALTY

Customer Experience is a long and multi-layered process over the course of Customers' interaction with Alpha Bank, in any point of contact or moment of truth, creating a range of perceptions, experiences and emotions that are not limited only to the provision of Customer Service, but extend before and after that.
In a broader environment of excellent customer service expectations, Customer Experience places the Customer at the center of all the Bank's activities, establishing positive Customer Experience as a key competitive advantage.
In the context of redefining customer orientation in business strategy, Alpha Bank has developed the Customer Experience Management Program, encompassing an omni-channel approach based on the following pillars:
• The consistent and systematic measurement of experience during the Customers' interactions with the Bank.
• The organized collection of customer feedback from all the available communication sources, such as surveys, complaints, the Customer Service, social media, the Branch Network, etc. and their actionable insights analysis.
• User experience specialized methodologies implemented in digital channels' redesigning and in digital customer journeys.
• Implementation of actions to facilitate and develop a customer-oriented culture.
A systematic measurement of customer experience was established in order to monitor the Customer's overall perception of the Bank, as well as the interaction of the Customer with various touch points utilizing the Net Promoter Score (NPS) which is a leading indicator for growth and has been recognized as the key Customer Experience metric. Based on strategic priorities, 10 specific "moments of truth" from various points along the customer journey were selected to be measured closely, such as the first Web Banking login, Branch visit, debit card issuance, etc. The constant stream of data of various touchpoints of customer journeys' measurement is analyzed by the Customer Experience team and will be gradually developed, contributing to a significant cumulative impact on Business KPIs.
Customer Experience is responsible for monitoring the NPS, aiming to make it a useful and reliable KPI, optimizing the Bank's strategic and operational objectives and creating a customer-oriented organization.
Complementing NPS with insights and surveys conducted on behalf of Customer Experience, a comprehensive, actionable view of Customer Experience performance regarding the Bank as well as the competition perception is obtained and brand loyalty is enhanced.
Specifically, for the digital channels, usability tests were deployed with the active involvement of Customers throughout the year, ensuring the usability of the redesigned channels, covering Customers' needs promptly and effectively.
On March 6, 2019, the first Voice of the Customer Day took place with the participation of the CEO as well as of the General and Senior Management of the Bank. The Voice of

the Customer Day is the key Customer Experience Strategy Development Forum. NPS Customer Experience Survey Results were presented for the first time.
The Voice of the Customer Day was conducted through an agile workshop focusing on the experience of the complaining Customer, fragmenting the journey experience and aiming at its optimization along all the stages of interaction with the Bank. The actionable insights by the relevant participants involved were elaborated and resulted in the consolidation of the various complaints' teams into one responsible department, contributing in the corresponding and gradual positive impact on the Customer Experience metrics.
The second "Management Back to the Floor" was held from June 3 to June 14, with extended visits by the Bank's Management to the "front-line" customer service channels. Two Customer Experience breakfasts and conference calls were held for the efficient preparation of the participants and hosting channels.
Moreover, 310 Managers visited more than 86 Branches, Business and Private Banking Centers, Call Centers and Gold Personal and Business Banking Centers, rating the event 94% as Excellent/Good.
The Management had the opportunity to feel the immediate and uninterrupted experience by monitoring the "Voice of the Customer" in its true interaction with all the channels of the Bank, being for a moment "in the shoes" of the Customer as well as of the Branches Officer, with a view to highlight the best practices and opportunities for improvement.
Executives "saw, heard, observed", evaluated themselves and committed to placing the Customer at the center of their activities in order to optimize Customer Experience. The feedback and the resulting improvements are part of the "Voice of the Customer" which will be discussed in detail in the next Voice of the Customer Days.
As far as loyalty is concerned, the Bonus Program, 14 years since its launch, continues to constitute a point of reference among reward and loyalty programs in the Greek market. With more than 1.4 million Customers, holding 2 million Bonus products, the Program is an excellent tool for rewarding the Bank's Customers by enhancing their cooperation with Alpha Bank and the usage and promotion of various products, mainly credit and debit cards as well as term deposits.
During the last two years, there has been a steadily high number of redemptions, which reaches approximately 2 million per year, demonstrating the acceptance of the Bonus Program by the Bank's Customers as well as their satisfaction.
2019 has been a landmark year for the further development of the Bonus Program as a loyalty tool for the Bank:
• With the official introduction of the new interactive Bonus app, whose users reached 290,000 within the year 2019, along with new features and enhancements provided to Customers. The new Bonus app, which is rated 4.7 in the App Store, is another important tool for the Bank's digital transformation, enhancing the daily positive experience of Customers and allowing the Bank to communicate with them in real time and at an extremely low cost.
• With the brand repositioning, the Bank focused on direct communication with Customers, emphasizing on social media. In addition, a new digital presence was created by introducing a dedicated YouTube channel, where new, modern, curated, native inspirational content is communicated in collaboration with well-known influencers.
• With the gradual abolition of all the other reward programs and the integration of the cards associated with them into the Bonus Program, starting from the inclusion of Diners cards, a fact which strengthens the unquestionable leadership of the Bank regarding reward programs and at the same time reduces the overall rewarding cost.
• By including new well-known partners in the Bonus Program, such as Galerie de Beauté, Philipp Plein, Bodytalk, Under Armour and others.
In February 2019, more than 30,000 visitors participated in Alpha Bank's fourth "Dine Athens Restaurant Week", in more than 100 selected restaurants in the city, offering special menus at Euro 15, 30 and 60 (providing extra discount for the Bank's cardholders). "Dine Athens Restaurant Week" has now become a trend for Athens, with excellent reception from both the restaurants and the public and aims at supporting and strengthening Customers in the restaurant/catering area, as well as at creating positive experiences for all Customers.

DEPOSITS PRODUCTS

2019 was a significantly positive year regarding deposit balances for the Greek banking system. In total, the market increased by Euro 8.6 billion, with Euro 6.7 billion originating from Individuals, while Business deposits increased by Euro 1.9 billion.
The substantial improvement of confidence in the prospects of the Greek Economy, the complete abolition of capital controls and the continuous improvement of economic activity indicators proved to be the key factors in the significant improvement of the Greek banks' liquidity.
Confirming its steady and upward trend in 2019, Alpha Bank achieved a significant increase in its deposit balances. In a favorable period for the domestic banking system, the Bank managed to absorb a large percentage of the market inflows, increasing its deposits' market share for yet another year.
The steady growth of Alpha Bank's deposits reflects Customers' vote of confidence in the Bank's long-term credibility, as a result of its strong capital adequacy, its stable presence in the Greek banking system as well as the high level of customer service provided through the Bank's Branch

Network and alternative channels.
Alpha Bank offers a full range of deposit options, able to cover all the Customers' needs. During the year, Alpha Bank focused on the "Alpha Bonus Term Deposit" and on the innovative account "Alpha Save Smart", two products aiming at rewarding Customers, which at the same time are offered online through myAlpha Web banking. Furthermore, a significant success has been achieved through the structured term deposit "Extra Profit" and "Alpha Plus" which combine term deposits and investment in neutral funds. In the context of improving customer service and customer experience, Alpha Bank offers the deposit accounts "Alpha Premier" and "Alpha Payroll" through a new digital process for opening an account, called "Retail Onboarding", whose main characteristics are speed and user-friendliness.
The policy regarding the convergence of interest rates offered on deposits with those offered in other Eurozone countries continued in 2019, reflecting the substantial improvement of the economic climate as well as the reduction of the country's risk.

BANCASSURANCE

Alpha Bank, in cooperation with AlphaLife Insurance S.A. and AXA Insurance S.A., offers comprehensive insurance programs, designed to fully meet the insurance needs of its Customers. The wide range of insurance options offered is competitive, focusing on health, retirement/savings and property as well as on business needs.
During 2019, Alpha Bank, in cooperation with AXA Insurance, launched "Business4All". The new insurance program covers risks of Small and Medium-Sized Businesses, following the successful launch of "Third Party Liability" and "Personal Accident" a year ago. "Business4All" provides comprehensive property insurance (building and content) with the option of additional coverages, such as loss of income, money insurance, general and employer liability, as well as personal accident for employees.
In addition, it is the first time that Alpha Bank provides specialized agricultural insurance coverage to farmers and businesses in the agri-food sector, through the "Alpha Agricultural Entrepreneurship" program.

WHOLESALE BANKING

SMALL BUSINESS LOANS

In 2019, Alpha Bank, aiming at a comprehensive approach towards Small Businesses and in order to enhance their competitiveness in the internal and international market, developed initiatives in order to meet their daily needs, support their growth prospects and stimulate their investment activity to modernize their fixed assets.
At the end of 2019, the total balance of loans to Small Businesses (with credit limits up to Euro 1 million) stood at Euro 5 billion.
In 2019, with regard to the Small Businesses segment, the Bank focused on:

• The new agreement with the Hellenic Development Bank (EAT), formerly named ETEAN, for its participation in the Action of the Entrepreneurship Fund II "Business Funding-Entrepreneurship Fund II" for co-funding between the Fund and the Bank.
• The promotion of the financing tools COSME-LGF and INNOVFIN SME Guarantee Facility (HORIZON 2020), with the guarantee of the European Investment Fund.
• The boosting of the operations of Small Businesses active in tourist areas of Greece with "Alpha Tourist Entrepreneurship", a full range of products, services and privileges, in order to cover all their day-to-day banking needs and to reward their cooperation with the Bank.
• The availability of new financing tools for the support and development of micro-enterprises, in cooperation with the European Investment Fund.
• The development of the primary sector by promoting "Alpha Agricultural Entrepreneurship", thus responding to the challenges and the opportunities arising in this sector.
• The organization of one-day conferences, aiming to strengthen the relationship with the Bank's Customers throughout Greece.

ALPHA BANK GOLD BUSINESS BANKING

In 2019, Alpha Bank, adhering to its commitment to provide integrated value-added services to Small Businesses, continued to offer the "Alpha Bank Gold Business Banking" service, adopting a diversified model to meet the needs of Gold Business Customers.
By investing in upgrading points of sales and focusing on the specific characteristics of local markets, the Bank strengthened partnerships with the most dynamic Small Business segment by significantly increasing its members.
During 2019, "Alpha Bank Gold Business Banking" doubled its members compared to the initial customer population in the year that the Service was launched.
Aiming to keep Gold Business Customers informed about current issues of the business environment, in 2019 the Bank continued carrying out Informative Events at cities of regional Greece, helping them meet the specific challenges of the business environment.
As a result of investing in the quality upgrade of both its specialized Relationship Managers and the exploitation of new technologies, "Alpha Bank Gold Business Banking" was presented with the National Best Customer Service Award – Best Omni-Channel Customer Experience.

"Alpha Bank Gold Business Banking" was recognized as a successful multi-channel (digital and physical) communication ecosystem, aiming to provide Gold Business Customers with high value service at any contact they have with Alpha Bank, at any time, from any channel and from any device, thereby contributing to providing a seamless customer experience.

DEVELOPMENT PROGRAMS FOR SMALL AND MEDIUM-SIZED ENTERPRISES (SMES)

Alpha Bank actively supports Greek entrepreneurship by providing liquidity to SMEs, in order to enhance their competitiveness within the domestic and the international market.

In March 2019, the Bank launched the new co-financing products under the Action of Entrepreneurship Fund II "Business Funding-Entrepreneurship Fund II", in collaboration with the Hellenic Development Bank (EAT), formerly named ETEAN.

The Action constitutes co-funding between the Fund and the Financial Institutions with a contribution analogy of 1:1.5 and a total budget of Euro 915.75 million (Financial Institutions: Euro 549.45 million and Fund: Euro 366.3 million), with particular geographical distribution within the Greek territory. In the context of the above agreement, the Bank, until the end of the Program, shall grant to eligible Small and Medium-sized Enterprises investment loans and working capital for developmental purposes totaling at least Euro 250 million with privileged pricing, reduced by 40% due to the free interest-rate participation of the Entrepreneurship Fund in the capital of each loan.

Until 31.12.2019, applications totaling Euro 49.64 million have been approved, while total disbursements stood at Euro 43.32 million.

Within 2019, the disposal of the Entrepreneurship Fund I "Business Restarting - Intermediate" was concluded. This Action constituted co-funding between the Fund and the Financial Institutions, with a contribution analogy of 1:1. Until 28.2.2019, applications totaling Euro 79.12 million were approved, while total disbursements stood at Euro 57.78 million.

Furthermore, during 2019, the Bank extended the agreement with the European Investment Fund (EIF) for the promotion of the INNOVFIN (HORIZON 2020) Guarantee Program until May 2020, facilitating the access to funds to innovative SMEs and Small Mid-Caps with a liquidity of Euro 100 million, with favorable financing terms and reduced collateral, due to the EIF's guarantee. Until 31.12.2019, applications totaling Euro 91.87 million have been approved, while total disbursements stood at Euro 79.78 million.

Additionally, the disposal of the COSME (LGF) Guarantee Program to SMEs continued successfully throughout 2019, through which a total of Euro 500 million will be provided by the Bank under the guarantee of the European Investment Fund (EIF). As a result, Alpha Bank offers liquidity to SMEs, with reduced collateral requirements and favorable pricing. Until 31.12.2019, applications totaling Euro 475.32 million have been approved, while total disbursements stood at Euro 416.86 million.

By the end of 2019, the EIF approved Alpha Bank's request to participate in the "Employment and Social Innovation (EaSI) European Union Program, for the microfinancing of up to Euro 25,000 to micro-enterprises in both start-up and development phase, which employ less than 10 employees and have a turnover of less than Euro 2 million.

Along 2019, the Bank supported every viable business initiative and assisted Small and Medium-sized Enterprises in applying for their inclusion in the National Strategic Reference Framework (NSRF) Actions 2014-2020 and in the Regimes of Development Law 4399/2016. In addition, the Bank participated in the implementation of the approved investment plans of its Business Customers, by providing particularly favorable and flexible terms and tailored financial products, namely:

- Long-term investment loans;
- Short-term funding with assignment of grant;
- Letters of Guarantee.

Through all of the above-mentioned programs, Alpha Bank provides financing to eligible SMEs and contributes to the implementation of their investment and development plans and to meeting their needs in working capital and credit lines, at preferential pricing terms. The aim of the Bank is to enhance entrepreneurial quality, competitiveness and extroversion of enterprises, under the pinpoint of innovation and the increase of domestic added value.

ALPHA TOURISM ENTREPRENEURSHIP

In 2019, the Bank, for the fourth consecutive year, with a clear orientation towards the strengthening of the tourism sector, proceeded with the redisposal of the "Alpha Tourism Entrepreneurship" program, seeking to boost Small Businesses operating in the tourism industry. The program was enriched with new products and services in order to fully meet the highly-growing needs of tourism businesses during the tourist season, with the aim of facilitating their everyday business. The Bank's aim is to enhance the entrepreneurial quality of tourism businesses, aiming to upgrade the quality of the products and services offered, in order to enable them to improve their position in the domestic and the international tourism market.

ALPHA AGRICULTURAL ENTREPRENEURSHIP

During the year 2019, Alpha Bank continued to strongly

support the development of the primary sector through the Product Line "Alpha Agricultural Entrepreneurship" and fully responded to challenges and opportunities by vigorously supporting entrepreneurship across the agri-food chain.
For the fifth consecutive year, the "Flexible Contractual Entrepreneurship Programs" operated successfully and constituted the most integrated banking programs regarding mediation and targeted funding both for individual farmers (farmers/stock farmers) and for processing/export/commercial enterprises associated with primary production. This type of financing constitutes a comprehensive proposal for servicing the agri-food sector and contributes to the creation of partnerships between farmers-producers and businesses-buyers involved in agricultural production, while at the same time it contributes to the rationalization of agricultural production, the modernization of the trading circuit and the creation of an expanded network of agribusiness enterprises, etc., thus strengthening the development of local markets.
Through the "Flexible Contractual Entrepreneurship Programs", the farmer/producer can cover high production costs, when needed, can negotiate better purchase prices, as long as the farmer/producer pays back directly, and can improve the quality and quantity of the production, ensuring its disposal at a pre-agreed price. Purchasers, from their side, secure the liquidity needed in order to purchase the required agricultural production and to pay farmers on time, building in this way healthy partnerships with the producers. At the same time, the farmer/producer can expand to new markets by attracting new producers to the above-mentioned scheme. A clear demonstration of the successful operation of the hereon programs is the increase in the number of businesses, farmers and commercial agricultural supply enterprises that participate in the programs from all over the country.
Alpha Bank, in collaboration with the Ministry of Rural Development and Food, for yet another year, promoted the "Agro-Carta", yet another financing tool that enhanced the farmers' liquidity during the cultivation period of 2019, providing them with the ability to make advance payments on part of the agricultural aid (Basic and Green Subsidy), in order to meet their short-term working capital needs.
In particular, farmers can use their cards to proceed with the following actions:
• Purchase of agricultural supplies (seeds, pesticides, feedstuff, etc.) and fuels.
• Payment of irrigation bills, farming electricity, etc.
• Payment of social security contributions (Greek Agricultural Insurance Organisation (ELGA), Unified Social Security Institution (EFKA) and State) and issuance of insurance coupons for land workers.
• Cost coverage for submitting an application for Agricultural Aid.
• Cash withdrawal (up to a specified amount).
In 2019, Alpha Bank, in collaboration with companies falling under the responsibility of the Wholesale Banking Business Unit, which are also leaders in the domestic agricultural machinery sector, offered specialized financing solutions covering the needs for fixed assets such as tractors, agricultural vehicles, collectors, agricultural accessories, etc., in order to meet the farmers' investment needs.
These financing tools provide the appropriate repayment terms, taking into account the actual needs of farmers based on the capacity of their holdings as well as the seasonality of their cash flows based on the cultivation period. With the aforementioned programs, Alpha Bank provides support to farmers for the renewal of their agricultural equipment, the modernization of their agricultural and livestock farms as well as for the adoption of the best cultivation practices and infrastructure.
In addition to funding, Alpha Bank supports farmers and agricultural companies in various ways, by offering:
• The Deposit account "Alpha Premier Farmers" with privileged interest rate for the farmers who had declared this account as the one to be credited with their agricultural subsidy payments for 2019.
• A full set of specialized Agricultural Insurance Programs (insurance of crop production, agricultural vehicles, greenhouses, etc.) to manage a large number of risks associated with the farm, ensuring its sustainability and development.
• The "myAlpha POS" program for partner businesses active in the trade of agricultural supplies, with privileged pricing for the acquisition of a POS terminal, low commissions on clearing card-based transactions and the "myAlpha POS Credit Line" program for working capital financing, depending on the amount of card-based transactions carried out through the terminal.
Additionally, in 2019, the Bank supported farmers of Northern Greece whose farms were affected by extremely adverse weather conditions and announced the postponement of payment of the current installment of business loans at their maturity, for those farmers who requested it. The beneficiaries of the facilitation measures were the farmers who suffered from the partial or total destruction of their crop or livestock.

OTHER ACTIVITIES

During 2019, despite the imposition of capital controls until 31.8.2019, the Bank served immediately and efficiently all import transactions' settlement requests of Small Businesses. Since the beginning of the year and until 31.12.2019, the Bank has carried out 120,000 Small Businesses import requests, amounting to over Euro 1.2 billion.

"GREEK ENTREPRENEURSHIP: PROSPECTS, CHALLENGES, STRATEGY" – DAY CONFERENCES

In 2019, the Bank organized a series of Day Conferences (at Volos, Zakynthos, Iraklion, Ioannina, Kalamata, Larissa, Xanthi, Komotini), as well as a series of targeted personalized meetings with Small Businesses-Customers, in order to strengthen business relations.
The agenda focused on the challenges and opportunities emerging in the Small Businesses market, with the presentation of best business practices that help strengthen competitiveness. In addition, other topics regarding the organization and operation of a Small Business, marketing practices, sales and customer service, financial management principles, etc. were discussed. During the aforementioned Conferences, where representatives of Small Businesses and Freelance Professionals took part, the attendance of Customers was high.

OTHER ACTIVITIES/NEW INITIATIVES

"Recognizing Consistency and Rewards" Business Rewards Program
Alpha Bank, recognizing the consistency of Small Businesses over the last few years in every financial relationship they maintain with the Bank, has designed and offers a comprehensive Reward Program with the following benefits:
• 10% decrease in insurance fees for mortgage or professional real estate property through "AXA Insurance", which is automatically applied as of the next renewal of the insurance contract.
• 10,000 Bonus Points for the corporate Bonus Card, that will be credited to the card upon the next purchase performed until 31.3.2020.
• Provision of liquidity to cover working capital needs and to implement investment plans, at a reduced rate by 0.50%, at the full range of Alpha Bank's financing programs, including all Development Programs provided in collaboration with Greek and European institutions.
• 10% subsidy on every new car insurance contract with "AXA Insurance", signed by the legal representatives of the business at Alpha Bank's Branch Network.
• Increase of interest rate by 0.10% upon the placement of business time deposits in Euro or upon the next renewal of business time deposits in Euro.
In 2019, the promotion of the "Alpha in Business" line of financing products continued to all Businesses-Customers of the Bank, with the Bank effectively responding to new applications for financing short-term working capital and/or investments in business premises and equipment. Moreover, the revolving credit lines "myAlpha POS Credit Line" met special acceptance that upgrades "myAlpha POS" to a modern and versatile instant cash flow tool for the businesses that have selected Alpha Bank to clear their transactions.
Moreover, actions to manage the Small Business loan portfolio through targeted assignments addressed to the Branch Network continued, offering flexible solutions to Small Businesses in order to meet their needs.

LARGE CORPORATIONS

In 2019, the Bank continued to stand by its Customers, by meeting their needs in a timely and effective manner, in line with the expected credit criteria. In the context of improved liquidity conditions, the Bank's priority was to support businesses' investment plans through the appropriate financial proposal. Furthermore, the Bank also continued its policy of refinancing its lending portfolio, where this was considered necessary, in order to assist its Customers in promptly servicing their debts.
At the end of 2019, the total balance of the Bank's loans to Large Corporations amounted to approximately Euro 4.7 billion, while the relative balance of letters of guarantee and letters of credit stood at approximately Euro 1.7 billion. The Bank's lending market share stood at slightly improved levels compared to the previous year, proving the Bank's active support to its Customers, the largest Greek enterprises in particular, and the Customers' confidence in the Bank.
As a result, the Bank was able to meet the cost of money, to offset the increase of the provisions for bad debts and, ultimately, to maintain the satisfactory profitability and the quality of its lending portfolio. For the Bank, balancing the income fees deriving from ancillary business and the net interest income from asset-liability management is a permanent core strategic choice for its growth.
The Bank's main objectives are:
• To continue pursuing the effective management of its Customers' portfolio, in terms of income/profitability as well as in terms of mitigating credit and operational risk.
• To selectively develop lending and other financial business with Customers having an acceptable credit risk rating profile, active especially in export-oriented sectors and showing clear prospects for growth.
• To provide personalized services to multinational Business Groups-Customers, a market segment presenting considerable business prospects.
• To support Customers to address the impact of the Covid-19 pandemic. As part of the support measures announced by the State, the Bank on the one hand finances its Customers through new short-term and long-term facilities, while on the other hand it addresses their existing debt liabilities by extending their repayment schedules.

HOSPITALITY AND ISLAND ENTERPRISES DIVISION

2019 was significant for the Hospitality and Island Enterprises Division, as through the aforementioned Division the Bank established its position in the Greek tourism economy, extending the industry's coverage with multiple visits and meetings with its managed customer base of medium and large enterprises operating in the tourism industry, regardless of their geographical area of activity, as well as of enterprises seated in the Greek Islands, regardless of their sector of activity.

This year showed that the launch of the Division's operation was an important and useful step, as for the second consecutive year it increased the number of managed companies as well as of loan balances, in the context of targeted coverage of specialized services to this particular customer base, as Tourism is becoming increasingly important for the Greek Economy and, in particular, for the local island economy.

On 31.12.2019, the total balance of loans under management by the Hospitality and Island Enterprises Division stood at Euro 1.55 billion, including letters of guarantee, letters of credit and lending to the Division's Customers by the Bank's Subsidiaries in Greece and abroad.

SHIPPING FINANCE

The Bank has been successfully involved in shipping finance since 1997, providing specialized products and services (remittances, foreign exchange transactions, hedging solutions, etc.) to Greek-owned ocean-going shipping companies (companies that mainly control ocean-going tankers and dry bulk carriers) and coastal shipping companies.

The Bank remains one of the main lenders in Greek shipping and, in that respect, provided new loans with conservative terms to existing and new Customers in 2019. With a shipping loan portfolio of approximately Euro 2.2 billion on 31.12.2019, exposure to ocean-going shipping companies accounted for 95% (approximately 50% dry bulk carriers, 35% tankers, 15% container carriers and LNGs), while loans to coastal shipping companies accounted for 5%.

Despite the fluctuations in the freight markets and world economy, Greek shipowners continue to demonstrate their commitment and strong position in the shipping industry. Bank lending remains the main means of raising funds. Therefore, the Bank will continue to aim for the best possible response to its Customers' needs.

LEASING

In 2019, the total interest income for the Group Company Alpha Leasing S.A. stood at Euro 15.5 million, down by 7.1% compared to 2018, mainly due to the selective deleveraging of the balance sheet and the settlement of debts related to existing leasing contracts. Nevertheless, the production of new contracts stood at Euro 52.9 million versus Euro 80.6 million at the end of the previous year. The portfolio of accounts receivable from leasing agreements prior to impairment amounted to Euro 552.5 million versus Euro 651.1 million at the end of 2018.

Maintaining a strong coverage ratio led to a further increase in provisions for the impairment of bad debts by Euro 14.6 million. Thus, total provisions were further strengthened, standing at the end of 2019 at Euro 186.5 million and accounting for 34% of the portfolio versus 27% in 2018. Maintaining adequate provisions for credit risk and ensuring solid capital adequacy remain the Company's primary objectives, in order to effectively cope with the crisis. Alpha Leasing's strong capital base places it first in the leasing sector.

In this environment, the Company continued to actively manage its leasing contracts portfolio in 2019, focusing on finding solutions to immediately address the financial difficulties that Customers face through debt restructurings and settlements, while also obtaining additional collateral in order to protect the Shareholders' interests and the viability of its Customers' businesses. In addition, organizational, procedural and regulatory changes were introduced and promotional activities were carried out, despite the Company's intention to selectively acquire new business.

Drawing on the experience gained over the previous years, while applying a prudent pricing policy, Alpha Leasing supports its Customers by providing credit facilities to sectors of the economy with significant growth prospects in the coming years and by developing solutions to help Customers who experience difficulties in servicing their debts.

FACTORING

The Group Company ABC Factors has been a member of the Factors Chain International (FCI) since 1995 and of the International Trade and Forfaiting Association (I.T.F.A.) since 2006, regarding forfaiting services. In addition, in 2009 it became a founding member of the Hellenic Factors Association (HFA).

In 2019, the Company's turnover (the value of accounts receivable subject to factoring) increased by 4.97% compared to 2018 and stood at Euro 4,825,262,747.39, thus the Company sustained its leading position in the Greek factoring services market.

During 2019, the average balance of discounted receivables increased by 3.08% compared to 2018, while the total balance of advances to Customers before impairment as at 31.12.2019 stood at Euro 524,515,262.97, decreased by 4.1% compared

to 2018.
The Company maintained its profitability in 2019 with earnings before tax standing at Euro 13,773,551.06, decreased by 2.1% compared to 2018.
Non-performing receivables from Customers on 31.12.2019 decreased by 24.41% compared to 31.12.2018 and stood at Euro 6,412,683.34.
Following the implementation of the provisions of the Company's "Impairment Policy for Receivables from Customers" and of the new International Financial Reporting Standard (IFRS) 9 "Financial Instruments" (Regulation (EU) 2016/2067/22.11.2016), the percentage of impaired advances to Customers stood at 1.19% of the total balance of advances to Customers through receivables discounting as at 31.12.2019 (Euro 6,259,078.25).
The main developments that had a major impact on the Company's course during 2019 were the following:
1. The expansion of the Company's customer base in terms of products and geography as well as the preservation of the high quality of its portfolio.
2. The introduction of new derivative products for the services of reverse factoring and forfaiting, in the context of supply chain financing.
3. The development of synergies with the Bank and the consolidation of the collaboration with the Bank's Business Centers and the Corporate Banking Division.
4. The investigation of the market and of the regulatory and legal framework, with the aim of directly expanding international factoring services in foreign markets.
5. The introduction of further quality improvements and additions in the IT application for factoring services, in order to increase productivity and to reduce operational risk as well as to improve the Company's regulatory and supervisory compliance.
The Company has established a thorough and discrete management framework for all types of risks, based on best practices and the supervisory requirements. This framework is based on the common European legislation and the current system of common banking rules, principles and standards and is improving continuously over time in order to be applied in a coherent and effective way to the daily conduct of the Company's activities within and across the borders, making the Company's corporate governance effective.
During 2019, the Company took all the necessary and appropriate measures in order to protect itself against all types of financial risks. The main objective of the Company during 2019 was to maintain the high quality internal corporate governance and compliance with the regulatory and supervisory provisions for risk management.
Having as its main objective the implementation and continuous improvement of this framework, the Company placed great emphasis on minimizing its exposure to market risk (interest rate risk), to credit and operational risk as well as to liquidity risk and cash flow risk, all of which are monitored by the relevant competent Units.
The capital adequacy of the Company is supervised by the Bank of Greece, to which reports are submitted in accordance with the Bank of Greece Governor's Act 2651/20.1.2012, which replaced Bank of Greece Governor's Act 2640/18.1.2011.
Additionally, the minimum requirements for the capital adequacy ratios (Tier I and Total Capital Adequacy ratios) of the Company are also determined by a Bank of Greece Governor's Act.
The capital adequacy of factoring companies is measured in accordance with the Bank of Greece Governor's Act 2622/21.12.2009, effective from January 1, 2010.
The Company's capital adequacy ratio as at 31.12.2019 stood at 24.97%, well above the minimum threshold (8%), as provided for by the supervisory framework for factoring companies.
The Company offers the following services:
• Domestic factoring with recourse
Domestic factoring with recourse is addressed to sellers that are interested in a portfolio of services, such as instant financing through discounting trade receivables, credit assessment of buyers as well as effective management and collection of accounts receivables.
Within this framework, the seller assigns all the trade receivables from its buyers to ABC Factors, which in turn undertakes their management and collection, in line with the credit policy of the supplier.
In parallel, the seller has the option to receive advances over eligible non-mature receivables, following an evaluation of the assigned buyers.
• Domestic factoring without recourse
In order to secure the performance of the company, in addition to the services exemplified in the section entitled "Domestic Factoring with Recourse", the seller has the option to cover the credit risk through a non-recourse factoring service. Under this arrangement, ABC Factors will evaluate the assigned buyers for credit risk and approve the respective credit limits to the seller.
• Reverse factoring
Reverse factoring is a tool for buyers to obtain extended credit terms from their suppliers. Under such an arrangement, ABC Factors will assess a credit limit and a maximum credit period for the buyer and, at the same time, it will provide the option of advance payments to suppliers for the excess credit period approved. The service is applicable for buyers with a high credit rating and a strong payment performance record.
• Invoice discounting
The service of invoice discounting is provided, under special

conditions and prerequisites, to companies that have an organized collection system and control of their trade receivables and require only financing by discounting such receivables.

• Accounts receivables control, management and collection
This service is addressed to sellers that do not have a need for discounting, but require management, accounting control and collection of their trade receivables, in order to release resources and enable the company to focus more on its core business. With the accurate and reliable support of ABC Factors, company operations are simplified, allowing companies to concentrate more on their growth objectives.

• Import factoring
Import factoring consists in facilitating businesses which import commodities or services from abroad, providing foreign suppliers with the coverage of the importer's credit risk, coupled with the comprehensive management of payments (collection of amounts invoiced).

• Export factoring
ABC Factors provides businesses active in exports financing through the immediate discounting of receivables from credit sales and the effective management and prompt collection of the receivables, thus facilitating the observance of the agreed collection days. It also offers full coverage (100%) of the purchasers' credit risk, together with flexibility in dealing with potential problems arising from the transaction customs and law of the countries involved, along with legal assistance in disputes over factored receivables.

• Forfaiting
Forfaiting is a tool of financing trade receivables without recourse, applicable for medium to long-term export transactions, providing coverage against credit as well as interest rate and currency risk. Discounting under forfaiting can be up to 100% of the present value of the transaction, less expenses. This service is combined with the use of an acceptable means of payment, such as a letter of credit, promissory notes or bills of exchange, so as to specify the amount and the exact date of payment. Forfaiting is addressed to export companies and it offers flexibility in the formation of the credit policy of the exporter, without having to commit to the existing financing levels of the company.

The objectives and prospects for the Company in the current year are summarized as follows:

1. To maintain its leading position, in terms of both market share and high profitability, by taking advantage of the opportunities arising in the sectors of the Greek Economy, which constitute its support and growth pillars, in anticipation of the economy's recovery in 2020.
2. To continue supporting the Company's Customers and their development plans through the continuous improvement of the services provided.
3. To place emphasis on further developing "Supply Chain Finance" services (reverse factoring, non-recourse factoring, forfaiting), responding to the multiple needs of trading companies.
4. To penetrate into sectors of the economy with growth prospects such as energy, telecommunications, where the Company has developed specialized products, trade of raw materials and supply of services to industrial and manufacturing plants.
5. To intensify the cooperation with the Wholesale Banking Customer Management Units of the Bank.
6. To maintain the historically low percentage of Non-Performing Exposures in the long term.
7. To exploit and improve, through new modules, the full potential offered by the IT application of factoring services (proxima+) as well as to procure new applications, aiming at:

a) The provision of optimum customer service and the adaptation of services to the Customers' evolving needs.
b) The digitalization of internal procedures as well as of the Company's transactions.
c) The continuous improvement of the management of all kinds of risks, using international best practices.
d) The development of economies of scale in conjunction with the improvement of services provided to Customers.
e) The adaptation to the new/evolving regulatory and supervisory requirements.

The sustained growth of ABC Factors is driven by the high degree of technical expertise of its skilled Personnel, by the support of the Bank, but mainly by the Company's commitment towards its Customers to create value by providing them with customized services and products to meet their needs.

INVESTMENT BANKING AND TREASURY MANAGEMENT

INDIVIDUALS AND PERSONAL BANKING

The "Alpha Bank Gold Personal Banking" service is addressed to Customers with a minimum portfolio of Euro 50,000 and provides personalized customer services by exclusive Relationship Managers with investment expertise and professional certification in accordance with the provisions of the Bank of Greece, so as to respond accordingly to their role.
At the same time, the "Alpha Bank Gold Personal Banking" service offers its members exclusive privileges in terms of banking products and services, high customer service level, special pricing and loyalty programs.
Placing emphasis on modern wealth management solutions, the "Alpha Bank Gold Personal Banking" service continuously monitors market developments, integrates international best practices and upgrades investment solutions as well as its product offering accordingly. Consistently focused on

a customer-oriented approach, the Bank introduced new investment and bancassurance programs in 2019, aiming to manage and to protect the Customers' existing portfolio as well as to increase Customers' wealth and create new savings.

2019 was a year focused on upgrading customer experience. Through a series of informative actions that were carried out, the communication with the Bank's affluent Customers was further strengthened, both in terms of developments in the global economy and of the availability of wealth management solutions at Alpha Bank in a very low interest rate economic environment. In this context, product offers, tools or combinations that suit the Customers' needs and goals were presented in detail.

Constant customer update is a fundamental value of the "Alpha Bank Gold Personal Banking" service. In this context, the Bank continued to organize Customer Events in Athens and Thessaloniki, with the participation of Executives and financial specialists of Alpha Bank who presented the developments and macroeconomic events affecting the Customers' investment portfolios.

During 2019, various projects related to infrastructure and systems upgrade have been implemented, focusing on the speed and simplification of transactions from all customer service points. In this context, the Bank upgraded the digital services offered by all channels, improved the response time to customer requests and simplified front-line procedures for the verification of and the provision of investment services to affluent Customers. At the same time, a series of technical projects is underway, aiming at the best customer experience and the maximum value for the Bank.

Continuous professional training and specialization of the "Alpha Bank Gold Personal Banking" Relationship Managers was one of the Bank's main goals for 2019. Taking into account the constant developments in the global financial markets and the rapidly developing digital technology, a series of educational programs for the training of the "Alpha Bank Gold Personal Banking" Relationship Managers was carried out in cooperation with the competent Divisions of the Bank, aiming at the effective relationship management of affluent Customers' wealth.

As a result of the above, 2019 was another significant year of growth for the "Alpha Bank Gold Personal Banking" service, increasing the total funds under management of affluent Customers by 28% and the revenue from investment products by 15%, thus contributing to the total Bank deposit growth by 6.7%.

In 2019, the "Alpha Bank Gold Personal Banking" service maintained one of the top rated positions of domestic competition, focusing on the customer-oriented approach and on the level of the services provided, a fact that has been evidenced by relevant customer satisfaction surveys on an annual basis.

In this context, and working consistently on the achievement of the Bank's Business Plan, the main targets for 2020 are as follows:

- Integrated customer-oriented approach in Wealth Management services.
- Upgrade of wealth management services for affluent Customers.
- Development of digital innovation in the applications of the "Alpha Bank Gold Personal Banking" service.
- Further upgrade of the customer service level at all transaction points/channels, through the simplification of procedures and the use of technology.
- Further development of Customer Events.
- Enhancement of investment product offering for affluent Customers.
- Continuous professional training and specialization of the "Alpha Bank Gold Personal Banking" Relationship Managers.

MUTUAL FUNDS

In 2019, Alpha Mutual Funds' assets under management increased significantly by 45% and stood at Euro 1,608 million on 31.12.2019, compared to Euro 1,111 million on 31.12.2018. The increase of assets is due to the increase of securities' prices, which occurred in the Greek and in the global capital market, and in new asset inflows from mutual funds sales. The market share of Alpha Asset Management A.E.D.A.K. in the mutual fund sector increased in 2019 and stood at 20.5% compared to 18.3% in 2018. In the field of institutional portfolios, the assets under management increased by 34% and stood at Euro 673 million on 31.12.2019. The total assets of mutual funds and institutional portfolios managed by the Company stood at Euro 2,281 million on 31.12.2019.

The Company's revenues from commissions and fees pertaining to the management of mutual funds and institutional portfolios amounted to Euro 20.36 million, presenting an increase of 6.9%, mainly due to the increase of mutual funds' average assets, as a result of the positive performance of capital markets in Greece and abroad as well as of the positive balance of subscriptions and redemptions.

The Company's gross profit increased by 6.0% to Euro 8.65 million in 2019, compared to Euro 8.16 million in 2018. An extraordinary income derived from outperformance fees in three mutual funds, amounting to Euro 691 thousand, also contributed to the improvement of the Company's profitability.

The Company proceeded to rationalize its existing product mix through amendments to the mutual funds prospectuses and through mergers that were considered appropriate due to the overlapping of the investment purpose of these funds, in order to better meet investor needs.

In the context of providing information about and promoting the Alpha Mutual Funds, regular presentations were offered to "Alpha Gold and Private Banking" Customers as well as to Sales Officers of the Alpha Bank Network all over Greece.
On the occasion of the 30-year presence of Alpha Asset Management A.E.D.A.K., emphasis was given on the initiation of promotional actions for repositioning the Company and its products in the Mutual Funds market. The campaign included corporate advertisements in the press and on internet sites as well as radio advertisements.
Moreover, a methodology for the calculation of outperformance fees was applied to three Mutual Funds for the first time.
With regard to the management of institutional portfolios, the Company has renewed its cooperation with institutional investors, such as "Occupational Funds" and insurance companies, by signing portfolio management contracts and raising assets under management, such as the portfolio of Greek equity investments of EFKA, amounting to Euro 30 million.
Moreover, the distribution of Alpha (LUX) Global Funds in Cyprus was approved by the Commission de Surveillance du Secteur Financier (CSSF) and by the Cyprus Securities and Exchange Commission (CySec).
In addition, the procedure for the activation of the already approved new sub-fund Alpha (LUX) Global Themes FoFs was carried out, with the intention of launching it on 2.1.2020.
Alpha Asset Management A.E.D.A.K. manages and offers 41 Mutual Funds, which are addressed to different categories of investors, while investing in Greece and abroad. Alpha Mutual Funds recorded remarkable returns once again and took leading positions in their categories in 2019.
The consistently high returns of Alpha Mutual Funds place them at the top of each category and rank them even internationally among the best mutual funds of a similar

Alpha Mutual Funds returns

	2019	3-year period	5-year period
GREEK INVESTMENTS			
Alpha Greek Bond Fund Classic	34.5%	86.8%	156.0%
Alpha Greek Balanced Fund Classic	38.9%	64.6%	91.5%
Alpha Greek Corporate Bond Fund Classic	11.3%	21.7%	39.8%
Alpha Aggressive Strategy Greek Equity Fund Classic	42.4%	48.3%	37.0%
Alpha Blue Chips Greek Equity Fund Classic	43.9%	49.7%	31.5%
INTERNATIONAL INVESTMENTS			
Alpha Cosmos Stars USA Equity Fund of Funds Classic	28.2%	27.9%	54.5%
Alpha Global Blue Chips Equity Fund Classic	26.7%	26.8%	46.9%
Alpha Cosmos Stars Silk Route Asia Equity Fund of Funds Classic	17.2%	24.1%	33.1%
Alpha Global Allocation Balanced Fund Classic	15.3%	15.0%	26.5%
Alpha Cosmos Stars Europe Equity Fund of Funds Classic	24.6%	13.9%	23.3%

Source: Hellenic Fund and Asset Management Association at 31.12.2019

It should also be noted that, for the past nine years, the Alpha Mutual Funds have been assessed by the international rating house Morningstar and have consistently received excellent ratings concerning their risk/return ratios. All relevant information is available at the Alpha Asset Management A.E.D.A.K. website (www.alphamutual.gr).

2020 started with very positive growth prospects for the Greek Economy, a fact that would be reflected in the course of the domestic mutual funds market, as confirmed by the inflow of capital during the first two months of the year. However, the rapid spread of the new virus Covid-19, which eventually took the form of a pandemic, dramatically changed the global situation and prospects for 2020. The level of the impact on economic activity will largely depend on the duration of the pandemic and the extent of the unprecedented measures that have been taken internationally, aiming to the protection of human life.

Under these adverse conditions, the Company's primary objectives are:

a. The consistent execution of the budget, taking into account its inevitable revision.

b. The effort to preserve the current level of the assets under management by presenting to "Alpha Gold and Private Banking" Customers the benefits of regular and long-term investments in Alpha Mutual Funds.

c. The creation of an advertising campaign in the second half of the year with emphasis on the advantages of Alpha Mutual Funds as well as on the high long-term returns recorded by the shareholders.

d. The creation of a bancassurance product in cooperation with AXA Insurance Company.

e. The submission of the necessary documents for the approval by Luxembourg's CSSF and by Romania's Capital Market Commission of the distribution of Alpha (LUX) Global Funds in Romania.

f. The gradual incorporation of Environmental, Social and Governance (ESG) criteria into the investment analysis and the investment decision-making process.

g. The creation of a new website with improved information and interactive operations that will also allow Customers of Alpha Mutual Funds to perform online transactions (subscriptions and redemptions).

h. The incorporation/inclusion of Alpha Mutual Funds in international trade platforms.

i. The distribution of Alpha Mutual Funds through the Alpha Finance network and the ALPHATRADE transactions platform.

j. The increased activity in the field of institutional investors' funds management and the enrichment of the services provided. It is expected that, over a five-year period, there will be an increase in demand for professional fund management by insurance institutions, companies and occupational groups who will be called to generate retirement income, relying on a "Defined Contribution" pension scheme.

PRIVATE BANKING

In 2019, Alpha Bank received the "Best Private Bank in Greece" award for the second consecutive year at the "Global Private Banking Awards 2019" held annually by the internationally acclaimed publications "Professional Wealth Management (PWM)" and "The Banker" of the Financial Times Group.

This distinction constitutes a recognition of the high quality of Alpha Bank's Private Banking services ("Alpha Private Bank"), which consistently enjoy the trust of the Bank's Customers as they are fully aligned with their personalized goals and needs. Furthermore, it highlights Alpha Bank's commitment to delivering quality services, incorporating new technologies and constantly improving wealth management operations.

The Bank has been providing comprehensive portfolio management and banking services to high net worth Customers (Private Banking) since 1993. These services are provided through Alpha Private Bank Centers in Athens, Thessaloniki, Patra, Iraklion and London, which are staffed by specialized and certified investment advisors.

In addition, through the UK-based Group Company Alpha Bank London Ltd as well as through the cooperation with Société Générale Private Banking in Luxembourg a modern open architecture structure has been built, allowing Customers to receive portfolio advisory services from their Private Banker in Greece for a portfolio kept abroad.

Private Banking Customers have at their disposal a flexible set of services offered under the trade name "Alpha Private Bank". In particular, the following types of service are available, which can also be combined to ensure the broadest possible coverage of investment needs:

• GEM Portfolio Management Service, where the Bank assumes the management of the Customers' funds.

• Portfolio Advisory Service, where the Bank provides active management advice regarding the entire portfolio allocation to Customers who follow it at their discretion.

• Transactional Advisory Service, where the Bank provides active management advice regarding specific transactions, and not the entire portfolio allocation, to Customers who follow it at their discretion.

• Execution only, where the Bank executes the orders given by Customers who wish to monitor and manage their portfolios themselves.

In line with the Bank's corporate culture and in full compliance with the Markets in Financial Instruments Directive (MiFID), the services are provided after considering the amount to be invested, with a minimum portfolio size of Euro 300,000, the Customer's investment goals (capital protection,

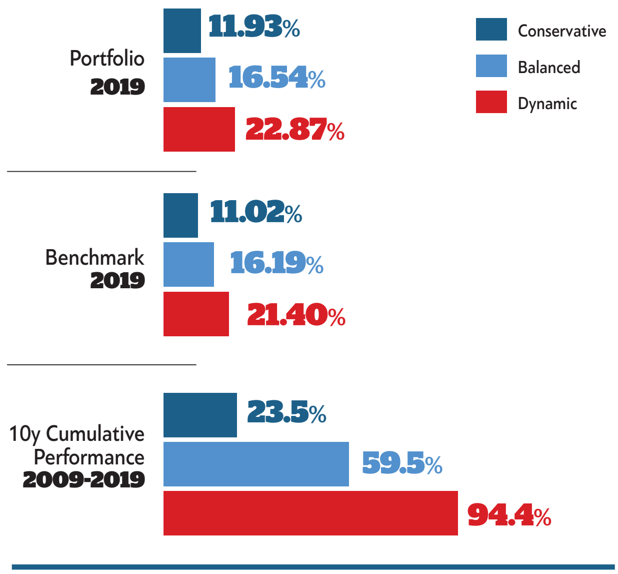
maximization of capital gain, tolerated volatility) as well as time frame, investment experience and known or estimated cash flows, together with the applicable tax framework at the Customer's country of residence.
Specifically, in 2019, the Private Banking Division focused its efforts on the following six priorities:

1. IMPROVEMENT OF INVESTMENT SERVICES

a) Further establishing the cooperation with Société Générale Private Banking in Luxembourg offering new potential to Customers who wish to keep their portfolio abroad, while receiving advisory services from their Private Banker in Greece.
b) Specialized investment support provided by the Portfolio Advisor, an Officer delivering personalized asset management solutions jointly with the Private Banker, while taking into account the Bank's views on the money and capital markets.
c) Enhancement of the InvestoR Electronic Platform with new functionalities for further automation and homogenization of the advisory selling process, thus offering Customers a holistic investment approach, in full compliance with the Markets in Financial Instruments Directive (MiFID) II.
d) Further improvement of customer experience by incorporating the use of tablets throughout the Portfolio Management services, facilitating direct and personalized communication with the Customer.
e) Further utilization of the Alpha Private Bank Phone Service, providing swift and secure specialized banking services to Private Banking Customers during extended working hours, eliminating the need to visit an Alpha Bank Branch.
f) Dynamic promotion of GEM Portfolio Management Services.

2. FUNDS UNDER MANAGEMENT

a) The total Assets under Management stood at Euro 3.8 billion in 2019 and increased by 12%.
The total funds under Advisory management (Discretionary, Portfolio Advisory, Transactional Advisory) currently account for 89% of the total funds under management.
b) The total Assets under the GEM Discretionary Management stood at Euro 437 million, increased by 76%.
At the end of 2019, the GEM Discretionary Portfolio performance exceeded the benchmark as exhibited in the following table:



c) The funds invested with Alpha Bank London Ltd were affected by the Brexit developments. Nonetheless, there were no outflows, since funds were transferred to the Private Banking in Greece or to Société Générale Private Banking, within the context of the relevant collaboration.

3. DEPOSITS

The deposits under the responsibility of the Private Banking Division grew by Euro 105 million.

4. FEES AND COMMISSIONS

a) The income of the Private Banking Division rose by 5%.
b) The Return on Assets under Management amounts to 0.83%.

5. OPERATING COSTS

Operational risk and operating costs were reduced, while at the same time quality was assured with the consolidation of the Alpha Private Bank Centers Compliance Support Unit, established within the Private Banking Division, which has successfully assumed the centralized management of the support and audit functions of the Alpha Private Bank Centers.

6. CUSTOMER EVENTS

In 2019, the Private Banking Division continued its successful live communication pattern, organizing 12 investment presentations in various major Greek cities with an average participation of 200 Private Banking Customers per event.
The Division maintained its top-tier position in the domestic Advisory Services and Portfolio Management market, continuing to operate in accordance with a customer-oriented

approach and remaining strongly focused on innovation.
For the year 2020, the Division's objectives are the following:
• Further attraction of Customers with portfolios stationed abroad by providing advisory services through Alpha Private Bank in Greece and execution as well as custody services through Société Générale Private Banking in Luxembourg and the UK-based Group Company Alpha Bank London Ltd.
• Digital transformation and redesign of the products and services offered, focusing on Customer Experience. Namely, incorporation of mobile technologies and the e-Signature functionality are already in progress, aiming at a new simplified, more productive operating model over the next two years, without compromising compliance with the MiFID II.

CORPORATE FINANCE

The Corporate Finance Division includes the Investment Banking activities which focus on financing private sector companies through capital markets transactions, on providing financial advisory services in mergers and acquisitions in the private sector, as well as on large-scale privatizations, as advisors to either the Hellenic Republic (Hellenic Republic Asset Development Fund – HRADF), acting as the seller, or potential bidders.
The Corporate Finance Division also includes the real estate investments activities. These activities focus on the management of real estate assets acquired as a result of the exercise of in rem or contractual rights deriving from loan contracts of the Bank or of the Group Companies. The aim of the real estate investments team is to safeguard and maximize the recovery value of those assets as well as to secure their efficient and risk-fenced management through the establishment of Special Purpose Vehicles (SPVs), in close collaboration with the Group Companies Alpha Real Estate Management and Investments S.A. and Alpha Astika Akinita S.A. as well as with the latter's subsidiaries in Southeastern Europe and with other external partners of the Division.
During 2019, the Bank continued to provide financial advisory services for complex, large-scale privatization projects. Within the year, it undertook the role of independent valuator on behalf of HRADF for the valuation of Hellenic Petroleum S.A. (HELPE), in the context of utilizing HRADF's stake (50.1%) in the company. The real estate portfolio privatization project is also underway, as well as the Egnatia Odos transaction, that will be carried out through a concession agreement, for which the Bank undertook the role of exclusive financial advisor. In addition, within the year, the Bank undertook the role of financial advisor to HELPE for the utilization of its stake in Public Gas Corporation S.A. (DEPA) Commercial and DEPA Infrastructures, in the context of the respective tender procedures that HRADF is launching.
Furthermore, the Bank participated in landmark mergers and acquisitions transactions for large Customers of the private sector. More specifically, the Bank undertook the role of independent valuator of EL.TECH. ANEMOS for the submission of the fairness opinion, in the context of its merger with ELLAKTOR S.A. Moreover, the Bank undertook the role of valuator for the submission of a fairness opinion for the sale of subsidiaries abroad of a large group, listed in ATHEX, as well as the role of financial advisor for a listed company in the context of the sale of its stake in an associate company.
In the capital markets sector, the Bank was actively involved, undertaking a role not just in share capital increases, but also in bond issuances for listed companies. More specifically, the Bank undertook the role of advisor for the share capital increase of Motodynamics S.A. as well as the role of lead coordinator and advisor for the share capital increase (Euro 50 million) with a public offering and a private placement of BriQ Properties REIC, which was a landmark transaction in the real estate sector for the Greek capital markets in 2019. Moreover, within the year, the Bank undertook the role of lead coordinator and advisor for the listing of the shares in ATHEX of a company currently listed in the Alternative Market. In the tender offer sector, the Bank undertook the role of financial advisor for the mandatory tender offer of Mr. Stavros Taki to the shareholders of SFAKIANAKIS S.A. as well as the role of independent valuator of Eltrak S.A., in the context of the fairness opinion submission. Finally, it is important to note that the Bank has been actively participating in the corporate bond issuances of listed companies, such as Aegean Airlines S.A. and Attica Group S.A. as an underwriter and Terna Energy Finance S.A. as a lead coordinator. The corporate bond market has been very active since 2017, attracting large investment interest that has been maintained through 2018 and 2019 and is expected to be preserved through 2020.
In 2019, the Corporate Finance Division agreed on sales of real estate assets under management in Greece, Bulgaria and Romania of a total transaction value of Euro 194 million. More specifically, it concluded the following transactions:
• Sale of AIP I S.A., owning five prime commercial real estate assets in Athens.
• Sale of four SPVs, holding two prime office buildings and one residential building in Sofia, Bulgaria.
• Sale of residential and commercial properties in five residential projects in Bucharest, Romania, fulfilling to a great extent the deleveraging of the Bank's residential portfolio in Romania.
• Sale of a land plot of 11,000 sq.m. in Bucharest, Romania.
• Sale of an SPV, holding a land plot of 11,000 sq.m. in Crete.
• Successful completion of the divestment from a land plot of 47,000 sq.m. in Timisoara, Romania by signing Sale and Purchase Agreements (SPAs) with two different investors.
• Successful conclusion of the competitive sale process of AIP

Attica II S.A., owning a portfolio of three prime commercial real estate assets in Athens. The transaction is expected to be completed in the third quarter of 2020.

• Pre-sale agreement for an SPV, holding a shopping center in Veliko Tarnovo, Bulgaria. The transaction is expected to be completed by the end of 2020.

In 2019, the Corporate Finance Division successfully continued its activities as the investment banking advisory and real estate management arm of the Bank. The initial estimation for the Division's project development anticipated further enhancement of its market position in 2020. However, the outbreak of the Covid-19 pandemic, during the first quarter of the year, has negatively impacted all sectors of the Greek Economy, which is expected to enter into another recession, with a respective negative effect on Capital Markets transactions and Financial Advisory services. The exact degree of the impact cannot be determined, as it will depend on the duration and intensity of the pandemic.

TREASURY

In 2019, Greece abolished capital controls and completely restored access to the bond markets through a series of bond issues. At the same time, the country maintained positive growth rates, unemployment continued its downward trend and credit rating agencies further upgraded its credit rating.

The Bank was fully released from the Emergency Liquidity Assistance (ELA) facility in February 2019, as liquidity conditions continued to improve with the return of deposits and an increased interest by counterparty banks in repos.

The effective use of assets, coupled with the growing confidence of international counterparties, has led to the further diversification of funding sources, with substantially better terms. In addition, the Bank retained its participation in Targeted Longer-Term Refinancing Operations (TLTROs) II, drawing liquidity from the European Central Bank at a negative borrowing rate for four years (until 2021). The above positive developments have greatly contributed to a significant reduction in financing costs and to the improvement of net interest income in the balance sheet.

2019 marked the completion of the update of the Euro Medium Term Note (EMTN) Program. The above process took place in the framework of the Bank's preparation for the issuance of bonds in the capital markets, after a long pause, capitalizing on the re-ignition of the investment community's interest in accepting Greek risk, as the credit ratings of the country and its banks were upgraded, in a low interest rate environment.

Having maintained strong ties with the domestic and international banking community as well as with supranational organizations over the years, the Bank participated in the SIBOS conference, where it was briefed on current developments regarding payments and sought to further enhance its cooperative relationships. This was achieved, on the one hand, by a continuous negotiation, aimed at increasing credit lines and improving pricing terms, and, on the other hand, through continuous communication with correspondent banks, focusing on faster and more efficient coverage of the increased volume of commercial operations.

In 2019, the domestic capital market saw increased investment interest in domestic securities, resulting in record low yields. The gradual recovery of the Greek Economy, combined with the prospect of political stability, resulted in the upgrading of the country's credit rating by Moody's and Standard & Poor's. This created a positive climate for market participants and an increased risk appetite.

Throughout the year, the Bank has been highly active in trading Greek securities, ranking first in terms of cumulative transaction value in the Electronic Secondary Securities Market (HDAT). At the primary market level, the Bank participated in all issuances of Greek Government Bonds, with high order amounts both on own account and for a large number of customer orders.

In 2019, the Bank continued to operate in the markets for European government bonds, supranational organization bonds and corporate investment grade bonds. In terms of profitability, the significant rise in Greek bond prices, combined with the continued maintenance of European security yields at low levels, contributed to extremely high financial results. Similarly, significant financial gains were also achieved in 2019 in the interest rate and currency markets, mainly through transactions on derivatives, which are carried out at predetermined market risk levels and within the limits set by the Bank.

STRUCTURED FINANCE

Alpha Bank is a leader in the Greek structured finance market, offering financing solutions on a bilateral or syndicated basis, as well as related advisory services in the project finance area, regarding the implementation of large-scale projects in the infrastructure sector (self-financed roads, airports, etc.) and in power generation (renewable energy sources, thermal power stations, cogeneration units). It is also active in real estate finance, regarding projects for the development of income properties such as commercial centers, hotels, office premises, warehouses, sports venues and other special-purpose facilities.

In 2019, the Structured Finance Division was actively involved in arranging new structured financings on a syndicated or a bilateral basis, along with other commercial banks, but also with international financial institutions in infrastructure projects and in the power sector, with a focus on renewable energy sources and mainly on wind farms, thus affirming the Bank's dominant position in this sector. By the end of 2019,

Alpha Bank had financed renewable energy sources projects with a total installed capacity of more than 900MW.
In the field of advisory services, the Structured Finance Division acts as advisor to the Hellenic Republic Asset Development Fund (HRADF) for the privatization of the "Egnatia Odos" (motorway) through a concession agreement.
In the real estate sector, the Structured Finance Division successfully completed a number of selective transactions, mainly with Real Estate Investment Companies (REICs).
The Division's loan book increased to approximately Euro 1.4 billion.
On the basis of existing mandates pertaining to the arrangement of financing for various projects, the volume and the performance of the loan portfolio are expected to increase in the following years, primarily driven by projects in the renewable energy sector, Public-Private Partnerships (PPPs) and the development of income properties.

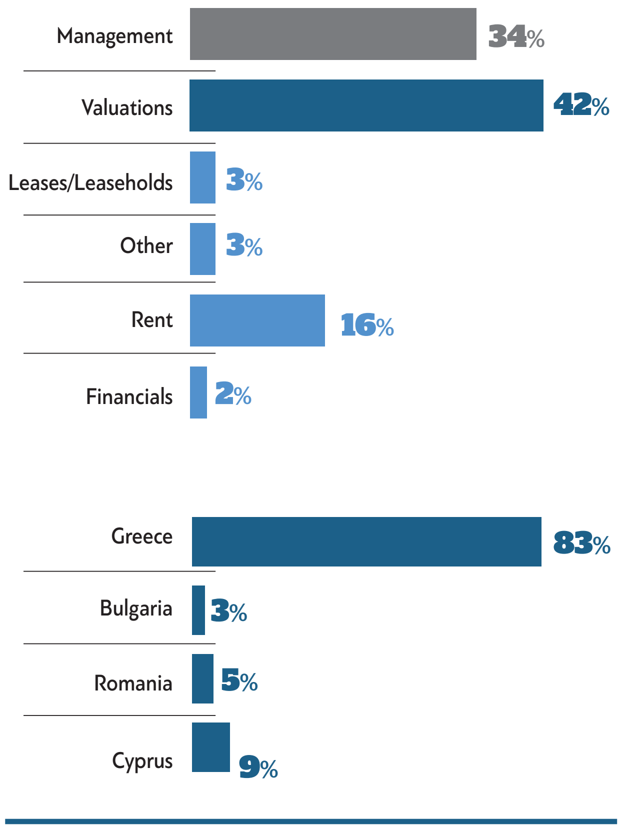
BROKERAGE SERVICES

The Athens Exchange's General Index increased by 49.5%, year-on-year, in 2019, outperforming its major European peers. The banking sector with a yearly profit of 101% (FTSE ATHEX Banks Index) had a positive impact on the market. The average daily trading volume increased by 21% to Euro 67.4 million in 2019, compared to Euro 55.7 million in 2018 (source: Athens Exchange).
The Bank is active in the brokerage sector via the Group Company Alpha Finance Investment Services S.A., which in 2019 ranked sixth in the list of the ATHEX Brokerage Members (5.4% market share), while its turnover rose by 13.8% and stood at Euro 7.4 million compared to Euro 6.5 million in 2018.
The Company provides retail and institutional investors with a comprehensive range of investment services, which include:
• Trading in the joint Athens and Cyprus Stock Exchange equities and Exchange Traded Funds (ETFs) platform and access to the Athens Exchange Derivatives Market.
• Trading in the international equities and derivatives markets via agents as well as via the "Alpha Global Trading" web-based service.
• Market making: Alpha Finance is one of the oldest market making companies in the Greek market being active in equities, derivatives (futures and options) and ETFs. Its operating model is based on cutting-edge technology and a high degree of automation.
The Company is also particularly active in the agreement-based liquidity provision services market. The latter attracts listed companies seeking to improve their liquidity and their market velocity.
• ALPHATRADE: Provision of a complete range of online services accessible via the Customer Service, the mobile applications for iOS and Android-based devices, the automated Interactive Voice Response system as well as via the Company's website at www.alphafinance.gr.
• Financial analyses: Timely provision of accurate information in the form of well-documented corporate, sector-specific and macroeconomic analyses.
• Transaction clearing and custody services: Integrated transaction clearing and custody services for the domestic and the international equities and derivatives markets.
For 2020, the key strategic priority for Alpha Finance is the organic and profitable growth of its business. The Company also focuses on maintaining its good standing and the reputation it enjoys in the market.

OTHER ACTIVITIES

REAL ESTATE MANAGEMENT
ALPHA ASTIKA AKINITA S.A.

The main activity of the Group Company Alpha Astika Akinita S.A. is the management and development of real estate either self-owned or owned by third parties, the provision of advisory services on related matters, the carrying out of real estate and brokerage services, the real estate as well as plant and machinery valuation for the Alpha Bank Group and third parties and the participation in businesses having the same or similar purposes.
Alpha Astika Akinita S.A., acting as a real estate consultant, has undertaken the management of the largest part of the Group's real estate portfolio in Greece and the coordination of its real estate activities abroad, while it has created databases for all the real estate properties used, leased or rented by the Group and located in Southeastern Europe.
In this context, in 2019, Alpha Astika Akinita S.A. held 100% of the Group Companies: Alpha Real Estate Bulgaria E.O.O.D., Chardash Trading E.O.O.D., Alpha Real Estate Services S.R.L. and Alpha Real Estate Services L.L.C. The total consolidated assets of Alpha Astika Akinita for the financial year 2019 stood at Euro 143 million versus Euro 139 million in 2018, up by 3.6%. Cash in hand amounted to Euro 75.5 million in 2019 versus Euro 72.2 million in 2018. In 2019, the consolidated profit before tax stood at Euro 4.2 million versus Euro 4.1 million in 2018, while the respective operating income stood at Euro 16.4 million versus Euro 14.6 million in 2018.
The contribution by sector of activity and by country to the total revenue of the Alpha Astika Akinita Group for 2019 is broken down as follows:



After many years of remarkable development, Alpha Astika Akinita S.A. possesses a high-quality property portfolio, significant available funds and skilled staff. These features, combined with zero borrowing, are strong prerequisites for dealing with a particularly difficult economic environment.

In 2020, the Company will continue to:

• manage real estate purchases/sales, leaseholds/leases and the relevant tax and insurance matters.
• organize and control valuations and certifications.
• act as project manager of large-scale projects.
• provide consulting services on the issues mentioned above.

ALPHA REAL ESTATE MANAGEMENT AND INVESTMENTS S.A.

The Bank, in the context of the centralized management of the Group Real Estate Owned Assets (REOs), except for the Group-occupied Real Estate, completed the establishment of an independent Unit, through the specialized Group Company Alpha Real Estate Management and Investments ("AREMI") S.A. in September 2018. The scope of AREMI is to perform an appraisal of the assets to be acquired by the Group as well as to apply an active asset management or to assign the management, development and sale of any Group Real Estate Owned assets. In particular, when the Bank acquires the ownership of real estate properties in the context of NPEs management, AREMI is responsible for:

• Monitoring the assets' repossession procedure (asset onboarding) and, subsequently, the assets' assignment to the appropriate servicers within or outside of the Group.
• Monitoring and coordinating the implementation of the assets' management and development strategies.
• Monitoring and coordinating the assets' commercialization in accordance with the Group's policy in force.
• Setting and monitoring appropriate Key Performance Indicators (KPIs) for the asset servicers.

As a result of the described activity, during 2019, Alpha Real Estate Management and Investments completed the investment appraisal of more than 6,500 properties which the Group considered acquiring. Moreover, in cooperation with the competent Divisions of the Group, the company optimized the repossession process, leading to the properties' more efficient commercialization. Within the framework of the above strategy, AREMI signed contracts with internal and external asset management channels responsible for the day-to-day management and sale of the Group's REO assets. In addition, the company coordinated with the above channels the sale of either individual properties or asset portfolios with a book value of over Euro 150 million. Finally, AREMI also proceeded with setting up Special Purpose Vehicles (SPVs) as well as with the restructuring of the existing ones, which own a large part of the Group's Real Estate portfolio, contributing effectively to its strategic management.

During the year, AREMI set up market monitoring processes and a market intelligence database, including market indicators, news, transactions and macroeconomic information. The company published within the Alpha Bank Group, on a quarterly basis, reports covering key developments and KPIs in each real estate sector as well as weekly summaries of real estate market news. Finally, recognizing the need to enhance the monitoring of the Group's REO portfolio, AREMI commenced the development of a property management system in cooperation with an external provider.

VENTURE CAPITAL, EQUITY FINANCING

In 2019, Alpha Ventures and Alpha Ventures Capital Management presented the following results:

· Alpha Ventures reported losses before tax of Euro 418,475, for the year ended on December 31, 2019. The losses mainly relate to its operating expenses, as for this year there was no income from investment activity.

· In its twelfth financial year, Alpha Ventures Capital Management reported losses of Euro 73,407, mainly attributable to the expenses incurred in the management of the Alpha TANEO AKES (ATA) fund, which is currently liquidating its investments.

During 2019, the investment activity of Alpha Ventures and Alpha Ventures Capital Management focused on the implementation of the medium-term strategy, as determined in 2017, aiming at the effective management and the liquidation of direct and indirect investments as well as at seeking investment opportunities in the digital and financial technology (fintech) and in NPEs. In this context, in 2019 and in the first quarter of 2020, a total of Euro 3.9 million was collected from investment liquidations. In the first half of 2019, a transaction regarding an investment of up to Euro 1.55 million in an innovative online travel services and payments company, through an investment scheme led by Alpha Ventures, which participates with up to Euro 0.5 million, was completed. Furthermore, in 2019, the further financing of a technology company in the ATA portfolio, with funds of up to Euro 1.15 million, for the implementation of its business plan, mainly aimed at penetrating the US market, was decided. Finally, the investment of Alpha Ventures in a newly-established closed-end fund, which will invest in small and medium-sized enterprises requiring operational and capital restructuring, was decided in February 2020. Alpha Ventures' commitment in this fund is up to Euro 3 million.

During 2020, due to the recent negative development of the coronavirus pandemic and its emerging effects on the Greek and on the global economy, Alpha Ventures' activity will focus on supporting portfolio companies. The current crisis has hindered both finding new funds as well as the terms and conditions for offering new funds for the next rounds of financing, while a cautious stance by potential buyers is expected to make divestments harder. Alpha Ventures' main field of investment (digital transformation and fintech) is expected to be less affected compared to other sectors of the economy, creating the conditions for selective investments.

In general, there are various initiatives by the Greek government, which aim to further develop the venture capital market. In particular, since the beginning of 2019, the New Economy Development Fund (now part of the Hellenic Development Bank – EAT) has sent an invitation for the allocation of funds totaling Euro 700 million, with the aim of creating investment schemes involving private investors, which will invest in various sectors of the Greek Economy, with emphasis on Small and Medium-sized Enterprises. Furthermore, in the first semester of 2020, EAT is expected to send an invitation to venture capital companies to submit their proposals for the management and investment of Euro 400 million (with additional private capital participation of at least Euro 600 million) in businesses and projects in renewable energy production and technologies, energy saving, sustainable development and the circular economy. Alpha Ventures will evaluate the possibility of raising funds to be managed by the above programs. It should be noted, however, that in the current economic conditions, raising private capital is becoming particularly difficult, especially in a low transaction activity market such as the Greek one.

SOUTHEASTERN EUROPE

In 2019, all Southeastern European countries in which the Alpha Bank Group has a presence experienced a high economic growth rate. In Cyprus, economic growth was supported by domestic demand and exports. In Romania, the growth of GDP was driven by strong private consumption and investments. In Albania, economic growth was supported by private consumption and exports. The average growth rate of the Southeastern European countries stood at 3.2% in 2019, while in 2020 economic growth in these countries and worldwide will be negatively affected by the Covid-19 outbreak.

The Alpha Bank Group has a presence in three countries of Southeastern Europe (Cyprus, Romania and Albania) through its Group Companies. On 31.12.2019, the Group had a Network of 185 Branches in these countries and its Personnel amounted to 3,101 Employees.

In 2019, the Group's gross loans in Southeastern Europe stood at Euro 6,535 million, thus constituting 13.4% of total Group loans. Deposits stood at Euro 5,266 million and accounted for 13.0% of total Group deposits.

CYPRUS

Alpha Bank has been active in Cyprus since 1998, with the acquisition of Lombard Natwest Bank Ltd, a subsidiary of the NatWest Group in Cyprus. Following gradual acquisitions of shares, Alpha Bank gained full control of the acquired bank, which was later renamed Alpha Bank Cyprus Ltd. At the end of 2019, the Bank's Network comprised 22 Branches and its Personnel amounted to 694 Employees.

In 2019, the Bank continued its intensive efforts to reduce Non-Performing Exposures, in the context of which it submitted a specific plan to the Single Supervisory Mechanism (SSM) in June 2019. The plan's objectives have almost been achieved; among the key parameters for achieving these are:

• The determination of the parameters for recovering mortgaged property under the Law "On property transfers and mortgaging".

• The development of a policy for managing requests by "trapped buyers".

• The participation of the Bank in the electronic auctions process.

• The implementation of the "Retail Transformation Plan", which concerned structural changes in handling Retail

Banking Non-Performing Loans. Specifically, this included:

- The change in the organizational structure of the Retail Banking Non-Performing Loans Divisions, with the aim of managing the portfolio more effectively.
- The segmentation of the portfolio into more than 40 subsections, taking into account the key characteristics of the portfolio and of the borrowers.
- The introduction of the "Front Line Decision Tool" software, which offers long-term sustainable debt settlement solutions by evaluating the Customer's repayment capacity.
- The enrichment of the existing settlement products with new ones.

Furthermore, in 2019, the implementation of the second operating phase of the "Alpha Bank Gold Personal Banking" service started, which includes the offer of mutual funds by international agencies, and its completion is expected in the first semester of 2020.

At the same time, in the context of intensifying actions for achieving its objectives for providing loans and increasing commissions, the Bank has incorporated the "Alpha Life Plan" investment product into the bancassurance products and created the product "Alpha Feel Safe".

Within 2019, the "Alpha Payroll" product was revised, with preferential and competitive advantages and the "Alpha Housing" and "Alpha Car" loans were repriced.

At the same time, the Bank proceeded with the "IKEA Store Offer" and "Approval within 24 Hours" promotions to boost sales. In the context of developing its sales strategy, the "Campaign Management System" application for managing the promotion campaigns of the Bank's products and services was launched in 2019.

As regards SMEs, the Bank proceeded with a reactivation plan, developing a service model with the determination of service operators for small businesses in its Network, while it started the revision of the "Alpha Business Loans" products.

As regards cards, the transition from the Enter Visa Electron and Gold Visa corporate debit card portfolio to the Alpha Bank Business Mastercard was completed. To increase trading volumes, the "Alpha Spend & Win" plan, with draws offering many prizes, was continued. Cashback programs were also promoted during the year.

At the end of 2019, gross loans stood at Euro 3,583 million.

In 2019, the Bank, having expanded its deposit base and following the market trend, further reduced the deposit interest rates. At the end of 2019, deposits stood at Euro 2,146 million.

In 2019, the revised Policy and Procedures Manual for Anti-Money Laundering and Combating the Financing of Terrorism was released. Furthermore, companies marked as possible shell companies were fully re-evaluated.

Alpha Bank Cyprus Ltd presented high capital adequacy in 2019, as the Common Equity Tier 1 ratio stood at 16.5% and the Tier 1 Capital Ratio as well as the Total Equity Capital Ratio stood at 20.2% by utilizing the transitional provisions.

ROMANIA

Alpha Bank has been present in Romania since 1994 and was the first foreign bank to operate in the country. At the end of 2019, the Bank's Network comprised 130 Branches and its Personnel amounted to 1,989 Employees.

In 2019, Alpha Bank Romania, in a highly competitive environment, enhanced its customer base, selectively attracted top-players from various market segments and maintained its loan portfolio quality.

During 2019, the Bank continued to offer the "Alpha Bank Gold Personal Banking" service and issued the Visa Gold card for Gold Customers, while it proceeded with the implementation of a mutual funds application. In the small business market, the Bank offered three new products for professionals and it joined the "Apia Subsidy Pre-Financing Program". As far as consumer loans are concerned, the Bank launched the "Personal line of credit" program, the "Prima Masina" car finance program and the "Alpha All-in-One2" consolidation solution.

Moreover, the Bank proceeded with an acquiring partnership with China UnionPay which allows the acceptance of China UnionPay Cards in the Alpha Bank Romania Network.

In 2019, the Bank redesigned its website with the addition of a dedicated customer-oriented interface and of new functionalities, while it installed multifunctional machines allowing cash deposits in RON and Euro and it set up the required infrastructure for mobile payments (XPay Mobile Payments Readiness).

At the end of 2019, gross loans increased to Euro 2,656 million, mainly as a result of higher mortgage loans and loans to companies.

In May 2019, the Bank successfully proceeded with further diversifying its funding through the Euro 200 million covered bonds issue which was the first covered bonds issue in Romania.

During the year, the Bank further enhanced its deposit base through attracting deposits from the internal market, supported by both Individuals and Companies, as well as from the external market.

At the end of 2019, deposits stood at Euro 2,594 million.

In 2019, Alpha Bank Romania presented adequate capitalization, as the Capital Adequacy Ratio stood at 20.8%.

Alpha Bank Romania presented lower profits in 2019 compared to 2018, as a result of higher total expenses, following the one-off financial assets tax, that offset higher income, which mainly resulted from increased loans' interest income and from higher net fees and commissions income.

In the leasing sector, the Alpha Bank Group has been active since 1998, through Alpha Leasing Romania IFN S.A., which provides Customers with credit facilities. 2019 marked the 21st year of the Company's operation.
In the brokerage sector, the Alpha Bank Group has been active since 1994 through Alpha Finance Romania S.A., which provides Customers with stock trading services in the Bucharest Stock Exchange and foreign markets, financial advisor services, services of participation in Initial Public Offerings (IPOs), etc.

ALBANIA

Alpha Bank's presence in Albania dates back to January 1998, while it has been active in the country through the Group Company Alpha Bank Albania SHA since 2012. At the end of 2019, the Bank's Network comprised 33 Branches and its Personnel amounted to 418 Employees.
In 2019, Alpha Bank Albania SHA, despite operating in an intensely competitive environment, managed to enhance its customer base and improve the quality of its loan portfolio, mainly by increasing collections and restructuring loans as well as by writing off Non-Performing Loans.
In the medium and in the small and medium-sized enterprises sector, in September 2019, Alpha Bank Albania SHA was the first bank in Albania to initiate the COSME program, which is expected to facilitate lending to these companies.
During the year, marketing campaigns were conducted for the housing loan "Alpha Housing Loan" and for consumer loans without collaterals as well as for credit cards and for the Bonus Reward Program for American Express® cards.
In 2019, Alpha Bank Albania SHA had a strong presence in the card industry and 7,081 credit cards and 47,264 debit cards were in force. At the end of 2019, the Bank's gross loans stood at Euro 296 million.
At the same time, the Bank managed to increase its deposits which stood at Euro 526 million at the end of 2019.
During the year, Alpha Bank Albania SHA continued its digital transformation and proceeded with its core banking system upgrade by upgrading the Web Banking and the Mobile Banking digital platform, while it continued the Branch Network rationalization.
Alpha Bank Albania SHA registered adequate capital adequacy and liquidity in 2019, as the Capital Adequacy Ratio stood at 15.8% and the Liquidity Ratio at 33.0%.

3

OPERATING SEGMENT AND GEOGRAPHICAL SECTOR ANALYSIS

3

OPERATING SEGMENT AND GEOGRAPHICAL SECTOR ANALYSIS

a. Analysis by Operating Segment

(Amounts in Euro million)

	1.1.2019 – 31.12.2019						
	Retail Banking	**Corporate Banking**	**Asset Management/ Insurance**	**Investment Banking/ Treasury**	**South-Eastern Europe**	**Other /Elimination Center**	**Group**
Net interest income	679.0	519.4	13.8	122.4	210.3	2.4	1,547.3
Net fee and commission income	116.2	125.6	48.1	18.9	31.6	(0.3)	340.1
Other income	6.9	(43.1)	8.6	405.6	23.5	21.3	422.8
Total income	**802.1**	**601.9**	**70.5**	**546.9**	**265.4**	**23.4**	**2,310.2**
Total expenses (excluding expenses for separation schemes)	**(595.3)**	**(178.2)**	**(35.3)**	**(28.7)**	**(212.4)**	**(75.2)**	**(1,125.1)**
Impairment losses and provisions to cover credit risk	(559.6)	(322.8)	0.4	6.0	(114.4)		(990.4)
Expenses for separation schemes						(49.6)	(49.6)
Profit/(losses) before income tax	**(352.8)**	**100.9**	**35.6**	**524.2**	**(61.4)**	**(101.4)**	**145.1**
Income tax							(48.0)
Profit/(losses) after income tax							**97.1**
Assets 31.12.2019	21,840.9	14,884.7	1,411.0	13,964.3	7,955.5	3,401.2	63,457.6
Liabilities 31.12.2019	26,257.8	7,494.2	2,382.1	12,577.2	6,090.3	180.4	54,982.0
Capital expenditure	107.4	44.0	3.7	4.2	37.7	48.0	245.0
Depreciation and Amortization	(75.2)	(28.2)	(4.2)	(3.1)	(24.3)	(9.5)	(144.5)

(Amounts in Euro million)

	1.1.2018 – 31.12.2018*						
	Retail Banking	**Corporate Banking**	**Asset Management/ Insurance**	**Investment Banking/ Treasury**	**South-Eastern Europe**	**Other /Elimination Center**	**Group**
Net interest income	847.2	597.4	8.1	121.2	199.2	(17.1)	1,756.0
Net fee and commission income	107.1	139.0	44.0	12.1	28.9		331.1
Other income	29.3	(26.7)	3.2	502.1	5.1	(0.6)	512.4
Total income	**983.6**	**709.7**	**55.3**	**635.4**	**233.2**	**(17.7)**	**2,599.5**
Total expenses	**(636.4)**	**(183.0)**	**(33.4)**	**(30.3)**	**(193.9)**	**(81.2)**	**(1,158.2)**
Impairment losses and provisions to cover credit risk	(1,057.0)	(450.4)	1.9	(3.2)	(221.8)	(0.1)	(1,730.6)
Profit/(losses) before income tax	**(709.8)**	**76.3**	**23.8**	**601.9**	**(182.5)**	**(99.0)**	**(289.3)**
Income tax							342.3
Profit/(losses) after income tax							**53.0**
Assets 31.12.2018	22,108.0	14,438.0	434.9	9,979.2	7,950.5	6,096.1	61,006.7
Liabilities 31.12.2018	24,976.2	7,647.5	2,160.1	11,783.6	6,097.7	198.5	52,863.6
Capital expenditure	93.4	39.6	2.6	8.4	13.7	16.4	174.1
Depreciation and Amortization	(57.8)	(23.5)	(2.3)	(3.1)	(9.8)	(5.5)	(102.0)

*Certain figures of the previous year have been restated.

(Amounts in Euro thousand)

	31.12.2019			31.12.2018		
	Balance before impairment	Accumulated impairments	Balance after impairment	Balance before impairment	Accumulated impairments	Balance after impairment
Mortgages	7,164,613	(1,832,896)	5,331,717	7,600,991	(2,263,042)	5,337,949
Consumer Loans	2,985,867	(1,519,454)	1,466,413	3,118,862	(1,727,983)	1,390,879
Corporate Loans	7,847,306	(3,783,514)	4,063,792	10,387,296	(5,351,417)	5,035,879
Total	**17,997,786**	**(7,135,864)**	**10,861,922**	**21,107,149**	**(9,342,442)**	**11,764,707**

b. Analysis by Geographical Sector

(Amounts in Euro million)

	1.1.2019 – 31.12.2019		
	Greece	Other countries	Group
Net interest income	1,322.9	224.4	1,547.3
Net fee and commission income	306.0	34.1	340.1
Other income	398.8	24.0	422.8
Total income	**2,027.7**	**282.5**	**2,310.2**
Total expenses (excluding provision for separation scheme)	**(893.4)**	**(231.7)**	**(1,125.1)**
Impairment losses and provisions to cover credit risk	(876.0)	(114.4)	(990.4)
Expenses for separation schemes	(49.6)		(49.6)
Profit/(losses) before income tax	**208.7**	**(63.6)**	**145.1**
Income tax			(48.0)
Profit/(losses) after income tax	**208.7**	**(63.6)**	**97.1**
Non-current assets 31.12.2019	1,569.0	261.5	1,830.5

(Amounts in Euro million)

	1.1.2018 – 31.12.2018*		
	Greece	Other countries	Group
Net interest income	1,538.30	217.7	1,756.00
Net fee and commission income	302.1	29	331.10
Other income	507.3	5.1	512.40
Total income	**2,347.70**	**251.80**	**2,599.50**
Total expenses	**(945.1)**	**(213.1)**	**(1,158.2)**
Impairment losses and provisions to cover credit risk	(1,508.8)	(221.8)	(1,730.6)
Profit/(losses) before income tax	**(106.2)**	**(183.1)**	**(289.3)**
Income tax			342.3
Profit/(losses) after income tax			**53.0**
Non-current assets 31.12.2018	1,474.7	204.9	1,679.6

*Certain figures of the previous year have been restated.

4

DIGITAL TRANSFORMATION: ACHIEVEMENTS

4 DIGITAL TRANSFORMATION: ACHIEVEMENTS

The implementation of Alpha Bank's Digital Transformation Program, which was initiated in 2017, has continued as a key activity and at full scale during 2019, according to plan.
In line with the overall direction towards the improvement of customer experience, the offer of high quality products and services and the rationalization of the Bank's processes, a number of activities elaborated below were implemented, that will ultimately enhance the Bank's operating model through the use of innovative technologies.

THREE-YEAR DIGITAL TRANSFORMATION PROGRAM

The Digital Transformation Program that ultimately focuses on the enhancement of customer experience entails the further strengthening of the Bank's digital channels, the reinforcement of the necessary digital infrastructure as well as the redesign of the key Customer Journeys.

REDESIGN OF CUSTOMER JOURNEYS

With regard to customer journeys' redesign, the focus in 2019 was placed on the simplification and digitalization of the onboarding process for both Retail and Business Customers. Retail Customers can nowadays open a bank account, issue a debit card and acquire e-Banking credentials in any Branch of the Bank, in less than 15 minutes. Similarly, Business Customers can upload legalization documents through e-Banking and have them processed in less than three days. For the implementation of these digital transformation projects, the Agile Methodology was utilized, a new way of working which is being adopted by the Bank and is used in other key projects as well.

TRANSACTION MIGRATION PROGRAM

The Transaction Migration Program continued to grow during 2019, aiming at improving customer aptitude towards digital banking as well as moving a significant number of teller transactions to digital channels. Until the end of 2019, the program was implemented throughout 336 Branches (175 full support and 161 partial support), thus covering effectively the largest part of the Branch Network.
The results of the program are outstanding, as it achieved the transfer of 55% of teller transactions to digital channels, overcoming the initial targets at large. At the same time, the fact that the Branches, which completed the program within 2018, maintained the positive results indicates clearly the need for awareness raising and support at customer level, to ensure acquaintance with the new automated ways of receiving services, as well as the trust Customers expressed towards adopting a new way of transacting through digital

channels to satisfy their everyday banking needs.
In this framework, Branch Employees adopted a new operational model focused on the continuous promotion of digital channels to Customers, aiming at freeing up time from Branch tellers to allow them to focus on offering other value-added services. It is indicative that mobile banking active users increased by more than 50% in 2019 and web banking active users by 25%, respectively.

DIGITAL INFRASTRUCTURES

A key activity of the Digital Transformation Program is the further strengthening of the required digital infrastructure, which enables the offering of new and innovative services and capabilities to both Customers and Employees.
With regard to the strengthening of digital infrastructure, Wi-Fi was fully implemented throughout the Bank's Branch Network. At the same time, a platform enabling the use of qualified digital signatures (eIDAS) was implemented and offered initially to the Bank's Corporate Customers.
In addition, the replacement of ATMs throughout the Bank's Branch Network was completed within 2019. At the same time, 190 new Automated Cash Transaction Centers (ACTCs) were installed, thus upgrading in full the existing infrastructure. More than 90% of Branches have at least one ACTC, while more than 35% has more than one.
Lastly, along with the Transaction Migration Program, more than 160 digital corners were installed within the Bank's Branches, with a direct impact on the Network's overall image.

i^3: ALPHA BANK'S INTERNAL INNOVATION COMPETITION

The first internal innovation competition of Alpha Bank, namely i^3, was addressed to all the Bank's Employees and invited them to present new ideas and proposals, aiming at improving the Bank's operation as well as at improving customer experience through the use of digital technologies.
i^3 was very well received by the Bank's Employees, as shown by the high participation numbers coming from Employees around Greece. 228 ideas were submitted from 281 Bank Employees. 12 participations came out of the evaluation process as the strongest and entered a coaching and mentoring program that lasted 4 weeks.
During the last phase of the competition, the 12 ideas were presented to and evaluated by a significant number of Managers and Executives of the Bank. The three winners were awarded their prizes during the Digitalized 2019 event.

FINQUEST BY ALPHA BANK

The FinQuest by Alpha Bank innovation competition aimed at identifying innovative technologies and solutions that have the potential to impact the way the financial industry works. The competition was open to the full spectrum of the fintech ecosystem, at both a domestic and an international level. It attracted 70 outstanding participations from 12 different countries. Successful entrants followed a six-week accelerator program that gave them the opportunity to fine-tune their applications through the access to Alpha Bank's Application Programming Interfaces (APIs), by participating in boot camps and interactive workshops and by having mentoring sessions from more than 40 experienced Alpha Bank Executives.
During the pitching event, seven teams presented their proposals and three winners were identified through criteria that looked at a) satisfying real problems of the financial sector, b) the innovation element, c) the ease of implementation and d) the potential benefit for the banking sector and its customers.

"DIGITALIZED" EVENT

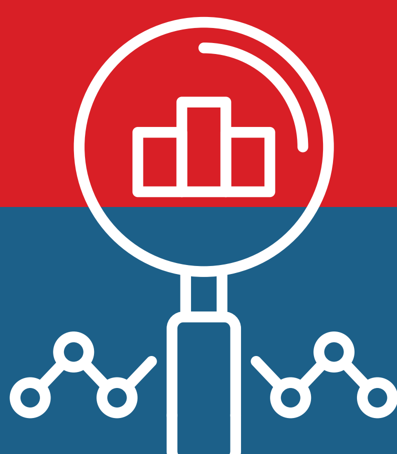
Following up on the success of the event held in 2018, "Digitalized 2019" focused on the association of digital transformation with corporate culture. A key aspect of the Digitalized event is to create an open forum that would instigate dialogues between top executives around the topic of digital transformation.
"Digitalized 2019" took place in December 2019 at the Athens Concert Hall with the participation of approximately 500 Bank Executives as well as executives of top performing Greek enterprises.
The key role of digital technologies as well as the main pillars of Alpha Bank's digital strategy were highlighted during the event. A major factor that was underlined throughout the event was the importance of the human factor in the success of digital transformation programs within organizations.
The event included award ceremonies for the 3 winners of i^3, Alpha Bank's internal innovation competition, as well as for the 3 teams with outstanding performance among dozens of participations from 12 countries during FinQuest by Alpha Bank, the Bank's newest digital innovation competition.

PSD2 AND OPEN BANKING

With regard to open banking, the Bank began offering PSD2 APIs in September 2019, while at the same time the framework for Strong Customer Authentication was implemented.
Lastly, through open banking, Alpha Bank was the first bank to offer its Customers, through the myAlpha e-Banking platform, the possibility to access the balances and transactions of accounts held at other Greek banks.

5

OPERATIONAL SYSTEMS AND DISTRIBUTION CHANNELS



5 OPERATIONAL SYSTEMS AND DISTRIBUTION CHANNELS

OPERATIONAL SYSTEMS AND IT PROJECTS

Considering the Bank's Business Strategy as well as the legal and regulatory environment, the Information Technology Divisions have prepared and implemented the "IT Strategy Plan 2016-2020". The IT Strategy Plan's objective is to ensure the overall efficiency and cost-effective operation of Information Technology, in order to meet business needs, within the continuously changing economic and technological environment as well as the ever-increasing demands of regulators.

In this context, during 2019, the IT Divisions focused on the Strategic IT Projects launched in 2016, on meeting regulatory and supervisory requirements, on projects aiming to meet operational needs as well as on the changes required due to the implementation of the Legislative Acts in the context of the capital controls.

In addition to the projects and requests launched and/or implemented during 2019, the IT Divisions contributed significantly to the Digital Transformation Initiative of the Bank as well as to the progress achieved in the major projects that were launched in the framework of the architectural redesign of the Core Banking System. More specifically, the main projects during 2019 concerned the following:

•The architectural redesign, aiming primarily at drastically improving the time to market, while also improving the efficiency of the IT resources. The functionality (banking transactions and services) is provided with the use of modern technologies and a three-tier architecture:

- Service Oriented Banking Components.
- Open-Source Business Processes Orchestration and Business Rules Management.
- Modern and unified Web-based Front-end (User Environment).

The project started in 2016 and, so far, many products and transactions' functionalities have been migrated to the new infrastructure, such as customer transactions, deposits, term deposits, loans disbursement and payments, loans management, payments, cards, ATM, bank checks, foreign exchange and safe deposit boxes.

• The upgrade/replacement, currently still in progress, of outdated critical hardware, in order to minimize operational risk and ensure stability, reliability and security.

• The upgrade and/or replacement of critical hardware and system software which have reached their expected lifecycle and are no longer supported by their manufacturers.

• The application of the Legislative Acts in the context of the capital controls. Following the Legislative Act of 28.6.2015 concerning the Short-Term Bank Holiday (published in Government Gazette Vol. A 65/28.6.2015), in 2019 the IT Divisions, in collaboration with the Legal Services and the respective Business Units, implemented the necessary adjustments, as required by the changes in the relevant legislation.

• The participation in the design and completion of major large-scale projects, including the Markets in Financial Instruments Directive (MiFID) II, the International Financial Reporting Standard (IFRS) 16, the EBA FINREP Report and the Payment Services Directive (PSD) 2 as well as the implementation and application of the General Data Protection Regulation (GDPR – Regulation (EU) 2016/679).

Additionally, the major projects per Business Unit completed in 2019 included the following:

• Customer Information/Business Intelligence and MIS
  - GDPR – Consent Management
  - Implementation of a Legalization System
  - Implementation of the e-Signature application
  - Customer Journey/Retail Onboarding (ROB)
  - Customer Journey/Business Onboarding (BOB)
  - Discovery and Visual Analytics
  - Operational CRM (CMART) Portfolio Management
• Core Banking Software and Deposit Products
  - Enriched Customer Transaction Information
  - Payment Account Directive (PAD): Account Fee Statement
  - MiFID II/PJ 35/Extra Profit Statement and Confirmation
  - FINREP – Implementation of software required for the submission of FINREP reporting to the European Banking Authority (EBA)
  - IFRS 16 (Leases)
• Payment Systems
  - BankTrade and Client Trade upgrade
  - Alpha Mass Payments Platform upgrade
  - FTS – A project to fully automate the Funds Transfers Return Process, regarding non-SEPA credit transfers
  - DIAS CREDIT TRANSFERS PLATFORM (DCT) Release v5.0.- Changes in functionality
• Head Office Units
  - New HRMS application (SDPSP)
  - e-Front – Upgrade of the central system for the management and evaluation of e-Learning seminars
• Credit operations/Non-Performing Loans/Non-Performing Exposures
  - ANCHOR - QUALCO R2
  - Interbanking management of NPL cases under Law 3869
  - Unified Workflow for Customer-based Loan Settlement
  - Wholesale Workflow
  - Workflow Interface with the Tiresias Credit Profile System
  - European Central Bank Templates for Asset-Backed Securities
  - Project Venus – Historical loan transaction data
  - Mercury Project – Loan sale project
  - Collections and Recoveries for Wholesale Project (Arotron) (Phase II)
• Alternative Networks
  - SMS OTP for e-Banking Business users
  - e-Statements for consumer loans
  - POS e-Statements
  - Retail myAlpha Web redesign
  - PSD2 – APIs
  - PSD2 – TPP management platform
  - PSD2 – Reporting
  - PSD2 – Group API Platform
  - Digital Certificates
  - Loans and Cards Portfolio Management system (LPM)
• Investments
  - MiFID II/PJ 13/Target Market
  - MiFID II/PJ 29/Costs and charges ex-post disclosure
  - MiFID II/PJ 20/Pledge/Unpledge (e-info and deal slips)
  - MiFID II/PJ 30/Mutual Funds Commissions
  - MiFID II/PJ 31/Unified Product Registry
  - MiFID II/PJ 32/10% Alert Over The Counter (OTC) Derivatives
  - Insurance Distribution Directive (IDD) – AlphaLife
• Treasury and Risk
  - KONDOR Suite – upgrades Project
  - Murex – Installation of a new application
  - Interface between ABRS and Syscon

In the context of the IT Service Management System procedures' adoption, all of the Bank's applications and systems were defined as IT Services. The Services are defined in terms of the building blocks which enable their operation and support, i.e. infrastructures, software, human resources and processes. The list of Services as well as the service management processes (requests, changes, events, etc.) are directly supported by the service management tool, which is used by all the IT Units.

Additionally, the Project Management Division employs the Project & Portfolio Management (PPM) tool to manage the major IT projects.

Using this feature, in 2019 the IT Divisions processed 57,803 requests submitted by the Bank's Business Units, concerning system improvements, troubleshooting, provision of information, while they also initiated and/or completed 138 major projects. Regarding the Group Companies, a total of 7,108 requests concerning changes, improvements and troubleshooting were submitted and 14 major projects were completed.

Regarding process organization and optimization, the Bank's IT Divisions completed the following projects and activities in 2019:

• Certification based on the ISO 22301 Business Continuity Management (TÜV Austria)
• Certification based on the ISO 20000 IT Service Management

(Bureau Veritas)
• Quality Assurance Certification based on ISO 9001
Additionally, the IT Divisions participated in projects and processed requests pertaining to the Bank's annual certification, in accordance with the Payment Card Industry Data Security Standard (PCI-DSS).
The IT Divisions offered vital assistance in collecting and reporting data as well as in providing operational and technical support to the respective Bank's Divisions, during major audits and/or regulatory reporting in 2019, as follows:
• Bank of Greece Governor's Act 2651
• IT Risk self-assessment Questionnaire 2018 Single Supervisory Mechanism (SSM)
• Annual CPA Audit 2018 (Deloitte)
• Bank of Greece and European Central Bank – Blue Book Regulation – Report Payment Statistics 2018
• Single Resolution Board (SRB) – Critical Functions template
At the same time, the IT Divisions handled 27 internal and 4 follow-up audits. In the context of the overall systems and applications' improvement, the IT Divisions collaborated with the Internal Audit Division and the Market and Operational Risk Division to regularly review the status of the various improvement actions and projects, which have resulted from audits and operational risk action plans.

BUSINESS CONTINUITY: CERTIFICATION OF CRITICAL BUSINESS SECTORS

As part of the constant upgrade of their Business Continuity Management processes, in 2019, the Bank and the Group Companies Alpha Bank Romania S.A., Alpha Leasing S.A., Alpha Supporting Services S.A. and Alpha Finance S.A. proceeded with the renewal of their existing ISO 22301 (Business Continuity Management System) certification.
Additionally, in the same year, two more Business Sectors of Alpha Bank Romania were certified with ISO 22301 (Cards, Alternative Networks).
The audit, carried out by TÜV Austria as the Certification Body, confirmed the full compliance with the said standard and the high level of knowledge, awareness and training of the Personnel, with regard to the business continuity procedures.
It should be noted that, in line with best practices and methodologies, Alpha Bank has developed a uniform Business Continuity Management Framework, which applies to the entire Group, and has obtained the ISO 22301 Group certification. The Framework is reviewed and updated annually, in order to remain valid and efficient while extensive functional tests and tabletop exercises are performed every year.
It is mentioned indicatively that in 2019, within the Alpha Bank Group, 48 functional tests and 8 tabletop tests were conducted, with the participation of 51 Business Units from Alpha Bank S.A. and 46 Units from the Group Companies.
Seeking to ensure the efficient implementation of this Framework, Alpha Bank, in collaboration with an internationally recognized institute in the business continuity industry, carried out training programs, as it had also done in previous years, through which 96 Bank and Group Executives (from 42 Units of the Bank and 9 Group Companies) obtained the following Business Continuity certifications:
• Business Continuity Certified Lead Auditors (BCCLA)
• Business Continuity Certified Specialists (BCCS)
• Business Continuity Certified Planners (BCCP)

Business Continuity Certifications 2019

All of the above demonstrate the Bank's ongoing commitment to the protection, to the maximum extent possible, of its Employees' health and safety and to the uninterrupted provision of services and information to its Customers and to all the other Stakeholders (e.g. Shareholders, business partners, suppliers, supervisory and State authorities, etc.).

BRANCHES, ALTERNATIVE NETWORKS AND ELECTRONIC SERVICES

BRANCH NETWORK

Alpha Bank is successfully active in the Greek and the international banking markets through a total of 600 Branches and maintains a wide network of correspondent banks, both in Greece and abroad. At the end of 2019, the Alpha Bank Branch Network in Greece numbered 394 Branches and Customer Service Units (including five Business Centers and seven Alpha Private Bank Centers). The number of Branches in Greece was reduced by forty-nine (49) Units compared to 31.12.2018, as a result of the merger of forty-eight (48) Alpha Bank Branches. Furthermore, in the context of a more effective management of Non-Performing Exposures (NPEs), in 2019 the Bank operated twenty (20) Regional Retail NPE Workout Centers.
Correspondingly, the Group's International Network numbered 186 Branches, having a presence in Cyprus (Alpha Bank Cyprus Ltd: 22), in Romania (Alpha Bank Romania S.A.: 130), in Albania (Alpha Bank Albania SHA: 33) and in the United Kingdom (London Branch).
With a strong presence in both urban areas and the wider

region, the Group's extensive Network allows the Bank to adapt to the ever-changing market conditions, to improve its customer reach and to cater to the Customers' needs. In 2020, particular emphasis will be placed on further optimizing the Branch Network utilization and efficiency.

ALTERNATIVE NETWORKS AND ELECTRONIC BANKING SERVICES

Committed to its Business Plan and utilizing the possibilities offered by digital technology, the Digital Networks Division continues to successfully develop the Bank's digital channels. This intention to provide greater security, flexibility and time savings resonated with Customers, who prefer to carry out their cash transactions through the digital networks. Interestingly, in 2019, 88% of cash transactions made via the Bank were carried out through digital channels.

In the first half of 2019, the services for providing strong identification and a common security experience to Customers were fully upgraded, by completely changing the process of providing Additional Security Codes for sensitive transactions. Furthermore, in September 2019, businesses completed the transition of old devices to new Dynamic-linked devices, compatible with PSD2 requirements.

In March 2019, in the context of the Bank's compliance with PSD2, the Digital Networks Division, as business owner, developed the new "Alpha Bank Group API Portal" service for the Group, through which access to APIs is made available to third-party providers.

A new service for the electronic submission of legalization documents in "myAlpha Web for Businesses" was launched in July 2019. Through this service, Business Customers can submit their representatives' legalization documents to the Bank without having to visit a Bank Branch.

The new "myAlpha Web" service was launched in October 2019. This service further improves customer contact with the Bank as, in addition to the redesign of the service's look, a complete functional redesign has been carried out, reorganizing and grouping all the available functions and information.

As of November 2019, users of "myAlpha Web for Businesses" can electronically "view" statements of the transactions made through the POS provided to them by the Bank. In December 2019, all existing consumer loans of e-Banking users were included in "Alpha e-statements", while the new loans of existing subscribers as well as existing and new ones of all new e-Banking subscribers will be automatically included.

In December 2019, the Bank was the first bank in Greece to provide access through the new "myAlpha Web for Individuals" to accounts held by Customers at other banks. The service is available for the National Bank of Greece, Piraeus Bank and Eurobank.

In March 2019, the Automated Cash Transaction Centers of the Branch Network were fully upgraded, allowing payments via Alpha Bank cards.

In November 2019, the Bank abolished the charges for withdrawing cash from other banks' ATMs in 16 island areas where it has no Branch or ATM, absorbing the Direct Access Fee (DAF) established by all banking institutions across Europe for such transactions.

Finally, the ATMs of the Branch Network were replaced with state-of-the-art machines, which allow deposits of banknote bundles and immediately update the credited account.

myAlpha e-Banking

In 2019, the total number of active e-Banking Customers (myAlpha Web, myAlpha Mobile, myAlpha Phone) increased by 18%, while the number of cash transactions increased by 12%. It should be noted that, at the end of 2019, cash transactions made via e-Banking exceeded 78% of all cash transactions carried out in the Bank's Networks (Branch Network and e-Banking).

In terms of transaction services, at the end of 2019, 875 different payment types were available via e-Banking.

myAlpha Mobile

The "myAlpha Mobile" service has evolved dynamically in recent years, attracting increasingly more users. More specifically, in 2019, active users rose by 41% and cash transactions by 63% compared to 2018, while there was a 63% increase in users served exclusively through "myAlpha Mobile" on their mobile telephones. Tellingly for the service's course in 2019, three out of five subscribers to the Bank's digital networks now use the mobile application on a monthly basis and one out of three active e-Banking subscribers uses only "myAlpha Mobile" to obtain information and carry out transactions.

myAlpha Web

The "MyAlpha Web for Individuals" continued its upward trend in 2019, expanding its customer base, with an 8% increase in active users compared to 2018.

An important event in 2019 was the redesign of "myAlpha Web", which is now even more modern, boasting simplified navigation and a user-friendly structure. All available actions and information were reorganized and regrouped, maintaining a high level of reliability and transaction security.

In the new environment, the main point of reference is the "Overview". Through this feature, users now automatically view all their products, immediately having an overall picture of their relationship with the Bank and all the available actions, simply by selecting the product they are interested in.

In addition, in the updated "myAlpha Web", Transfers

and Payments are displayed in one section, called "New Transaction". The smart search bar which was created and added to this section, guides users to carrying out transactions. The "History" is now displayed in one section and a "New Products" section was created, displaying all online products and services provided by the Bank.
The service's functional and aesthetic redesign was first provided to the Bank's Employees at the end of June 2019, for their opinion and comments, prior to the completion of the final redesign phase and the final launch of the service for Customers.
Following the above, in December 2019, through the new "myAlpha Web" service, the Bank was the first bank in Greece to provide access for Individuals to their accounts at other banks. The service is available for the National Bank of Greece, Piraeus Bank and Eurobank.
As regards online products, online term deposits currently account for approximately 23% of the total term deposit accounts of Individuals in Euro and 13% of their value, while as regards the saving product "Alpha Save Smart", 47% of new accounts have been opened online, with amounts representing 17% of the total product portfolio.
The "myAlpha Web for Businesses" continued its upward trend in 2019, expanding its customer base, with a 10% increase in active users and a 9% increase in cash transactions compared to 2018.
Furthermore, in 2019, the service offered easy and fast online access for the electronic submission of legalization documents required either because their renewal is pending or because they have changed. Furthermore, timely notifications are provided, so that all Customers can collect the required documents in time, ensuring the seamless function of their transactions.

myAlpha Phone

The "myAlpha Phone" service is provided to Customers seeking information and helps them in executing their transactions via the telephone, through an automated service or through a representative. This is particularly useful for Customers with reduced mobility or visual impairments.

Electronic Services for Companies

Alpha e-Commerce

In 2019, the inclusion of new businesses in "Alpha e-Commerce" marked the same significant increase as in the previous year, while transactions more than doubled.
In October 2019, the project of the new IRIS service, which replaced MyBank for payments by debiting an account, was completed.
Consumer preference for this payment method is obvious, as turnover in 2019 stood at approximately Euro 49 million, marking a 22% increase.
Specifically, "Alpha e-Commerce" marked the following increases compared to 2018:

- Active subscribers by 27%.
- Card transactions by 58%.
- Value of card transactions by 26%.
- Number of transactions by debiting an account by 17%.
- Value of transactions by debiting an account by 22%.

Alpha Mass Payments

The "Alpha Mass Payments" service is dedicated to collecting dues via standing orders and/or digital networks as well as carrying out mass payments (e.g. payroll, payment of suppliers, etc.). The service's user-friendly interface offers features that allow users to create, send and monitor the progress of mass payment orders (e.g. payroll or payment of suppliers) and effectively serves small and medium-sized enterprises.

Automated Service

To enhance customer service and increase the efficiency of the Bank's ATM networks, while rationalizing their operating costs, approximately 450 feasibility studies, primarily concerning the configuration of the network of off-site ATMs (withdrawals, relocations, new installations, replacements, adjustment of rentals etc.), were carried out in 2019 and cost-benefit reports were compiled on the operation of all off-site ATMs.
The Bank also installed 219 new ATMs (109 off-site and 110 in Branches) and withdrew 86 ATMs (26 off-site and 60 due to changes in the Branch Network).
Moreover, as part of the program for ATM replacement with state-of-the-art machines, launched in 2018, 90% of Branches now allow deposits of banknote bundles, resulting in a two-fold increase of cash deposit transactions over 2018. Total transactions at ATMs increased by 2.6% over 2018.
Out of a total of 1,287 ATMs, 181 (14%) have special settings, thus allowing use by persons with visual impairments.
To better serve Customers and reduce the Branch teller workload regarding deposits and cash payments, 90% of the Branch Network was provided with 118 new Automated Cash Transaction Centers (ACTCs), resulting in a 39% increase in ACTC transactions over 2018.

Alpha e-statements

In the framework of optimizing the digital services offered by the Bank, as of November 2019 users of "myAlpha Web for Businesses" can access electronically the statements of the transactions made through the POS provided to them by the Bank.
In addition, in December 2019, all the existing consumer

loans of e-Banking users and existing and new loans of new subscribers were included in the “Alpha e-statements” service, while paper statements are no longer provided.

Donations for Social Purposes

Regarding donations for social purposes, e-Banking supports donations to approximately 72 different organizations.

Customer and Bank Officer Information – Training

• Managing communication with Alpha Bank Subscribers, regarding comments on the Bank’s smartphone apps on Google Play and App Store.
• Creating promotional material and managing Subscriber feedback on Twitter and LinkedIn, in cooperation with the Marketing and Public Relations Division.
• Information material and detailed answers regarding the operation of electronic services via the Bank’s website (www.alpha.gr).
• Promotional actions via text messages sent to mobile telephones and messages sent in the e-Banking environment, to directly inform Subscribers about the options and new features of the e-Banking services.
• Systematic participation in programs of the Bank’s Training Division, for the continuous training of new Officers in e-services.

6

RISK MANAGEMENT

6 RISK MANAGEMENT

The Alpha Bank Group is fully committed to applying the best practices and achieving the highest standards of corporate governance in every aspect of its business, including risk management.

Risk management is essential to promote the Group's strategic, business and financial objectives. It forms an integral part of the business strategy-setting process, including the business planning process and the risk appetite policy, as it defines the maximum acceptable risk appetite regarding each type of risk.

The key risk categories for Alpha Bank include credit risk, market risk, liquidity risk, counterparty and country risk as well as operational risk. In order to ensure that the impact of the aforementioned risks on the Bank's and the Group's financial results, long-term strategic goals and reputation is minimized, the Group applies identification, forecasting, measurement, monitoring, control and mitigation practices for the highest as well as for emerging risks, through an internal governance process based on the use of credit tools and risk management processes.

The Group's strategy for risk management and risk undertaking, applied to all of the Bank Units' and Group Companies' activities, is strictly aligned with the best international practices as well as with the current legislation and the regulatory and supervisory rules, while it continuously evolves through the development of a single risk management culture, which is shared across the Bank and the Group.

Throughout 2019, the main objective of the Risk Management Business Unit was to strengthen the Group's risk profile in line with its risk strategy, while maintaining a solid capital and liquidity position, against the backdrop of changing economic conditions and the rapidly evolving regulatory environment. Additionally, the Group continued to improve the Risk Management Framework and corporate governance practices, in order to ensure that the supervisory requirements are adequately integrated into its operation and that the fundamental risk management principles and regulations, which safeguard the observance of the principle of proportionality related to risk versus yield, are enhanced, so that its business activities produce an adequate yield with regard to their inherent risk and remain fully aligned with the risk appetite limits.

The Bank's Board of Directors ensures the Group's proper operation and organization. In accordance with the Corporate Governance Code, the Board of Directors is responsible for the approval of the long-term strategy and the operational objectives of the Bank and the Group, the risk strategy and the risk appetite of the Group and the regular monitoring of their implementation, with the support of the Risk Management Committee. The Board of Directors ensures that the levels of risk defined are well understood and communicated

throughout the Group.
The Board of Directors determines the risks that the Group may assume, the size of such risks, the limits on the Group's significant business operations and the basic principles for the calculation and measurement of these risks. The risk profile of the Group covers, among other substantial risks, the following risk types:
• Credit risk
• Market risk
• Liquidity risk
• Operational risk
The Risk Management Committee convenes at least once a month and advises the Board of Directors on the Group's risk profile as well as on the strategy on risk undertaking and risk and capital management. In accordance with the institutional framework, the Committee, taking into account the Bank's and the Group's business strategy and the sufficiency of the technical and human resources available, evaluates the adequacy and effectiveness of the risk management policy and procedures of the Bank and the Group, in terms of:
• The undertaking, monitoring and management of risks (market, credit, interest rate, liquidity, operational, concentration and other substantial risks) per category of transactions and Customers and per risk level (i.e. country, profession, activity).
• The determination of the applicable maximum risk appetite on an aggregate basis for each type of risk and the further allocation of each of these limits per country, sector, currency, Business Unit, Large Exposure, etc.
• The effective and timely formulation of a proposal for approval by the Board of Directors and the execution of the NPLs/NPEs strategy, taking into account their paramount importance as one of the single largest asset sources, where a multitude of risk factors is combined.
• The establishment of stop-loss limits or of other corrective actions.
Furthermore, the Committee reviews and assesses the methodologies and models applied regarding the measurement of risks undertaken and ensures communication among the Internal Auditor, the External Auditors, the Supervisory Authorities and the Board of Directors on risk management issues.
The General Manager and Chief Risk Officer supervises the Group's Risk Management Business Unit and reports on a regular basis and ad hoc to the Assets-Liabilities Management Committee (ALCo), the Credit Risk Committee, the Operational Risk Committee, the Risk Management Committee and the Board of Directors of the Bank.
The Bank's and the Group's business model and operations are regulated and supervised by the relevant authorities in each of the countries where they conduct business. The European Central Bank (ECB) and the Bank of Greece, as the Greek authority in charge that participates in the Single Supervisory Mechanism (SSM), act as the Bank's and the Group's primary supervisors, to monitor the latter's compliance with the Greek and the European banking legislations, with the supervisory regulations as well as with the Basel III (CRR/CRD) framework.
In the pursuit of its strategic business goals, the Alpha Bank Group adjusts the risk management framework regularly, to take into account new regulatory requirements, to improve the efficiency of its business activities and to ensure that risk management and the corresponding regulatory risk reports always comply with the relevant regulatory guidelines as well as with the principles of corporate governance.
The Group's risk strategy and risk management framework are organized according to the principles of three lines of defense, which have a decisive role in its effective operation. They provide a clear set of rules and standards to be applied with precision and clarity to a cohesive operating model that provides a framework to determine accountabilities and responsibilities concerning risk management across the entire Group.
In particular:
• The Business Units of Wholesale and Retail banking and the Business Units of Wealth Management constitute the first line of defense and risk "ownership" which identifies and manages the risks that arise when conducting banking business.
• The risk management Unit and the compliance Unit constitute the second line of defense and they are independent from each other as well as from the first line of defense. Their function is complementary to the carrying out of banking business of the first line of defense, in order to ensure the objectivity in the decision-making process, to measure the effectiveness of these decisions in terms of risk conditions and to comply with the existing legislative and institutional framework, by monitoring the internal regulations and ethical standards, as well as the total view and evaluation of the total exposure of the Bank and the Group to risk, based on established guidelines.
• The Internal Audit constitutes the third line of defense. As an independent function, it reports to the Audit Committee of the Board of Directors and audits the activities of the Bank and the Group, including the Risk Management function.

CREDIT RISK

Credit risk arises from a borrower's or counterparty's potential inability to fulfil their obligations to the Group due to the worsening of his/her creditworthiness, particularly within a deteriorating credit and macroeconomic environment.
Credit risk management is conducted, under the supervision of the Group's General Manager and Chief Risk Officer, by

multiple Divisions that are responsible for setting the Group-wide credit risk appetite and policies, reviewing the approval and follow-up processes in the Business Units, facilitating the quarterly process of calculating the impairment of credit exposures and monitoring and submitting regulatory and internal reports on the Group's consolidated credit portfolio, including the determination of portfolio limits for specific industries and countries. Dedicated departments develop credit rating and evaluation models in order to ensure that they are available for day-to-day credit processing at the Business Units and that they meet all regulatory and institutional requirements. A separate Division is responsible for validating the credit risk rating systems and models and has a direct reporting line to the General Manager and Chief Risk Officer of the Group.

GROUP RISK MANAGEMENT UNIT

The following Risk Management Divisions operate within the Group, under the supervision of the General Manager and Chief Risk Officer, with the responsibility of implementing the risk management framework according to the directions of the Risk Management Committee:

• Market and Operational Risk Division
• Credit Control Division
- Credit Risk Policy and Control Division
- Credit Risk Methodologies Division
- Credit Risk Cost Assessment Division
• Credit Risk Data and Analysis Division
- Credit Risk Data Management Division
- Credit Risk Analysis Division
• Risk Models Validation Division
• Wholesale Credit Division
• Wholesale Credit Workout Division
• Retail Credit Division

In addition, the Group has appointed Risk and Credit Managers in the countries where it operates, who are responsible for ensuring compliance with the local supervisory rules and regulations.

The Group has set a clear credit risk undertaking and management strategy that, in line with its business goals, reflects the risk tolerance and the profitability levels the Group expects to achieve with regard to the risks undertaken. The credit risk management framework evolves, according to the following objectives:

• The independence of the credit risk management operations from the risk undertaking activities and from the Officers in charge.
• The complete and timely support of Business Units during the decision-making process.
• The continuous and regular monitoring of the loan portfolio, in accordance with the Group's policies and procedures that ensure a sound credit approval process.
• The monitoring and strengthening of the credit risk profile, in accordance with the credit risk appetite, which encompasses credit quality (expected loss) and credit risk concentration (limits on single names, industries and geographical regions).
• The maintenance of a controls framework which ensures that credit risk undertaking is based on sound credit risk management principles and well-defined, rigid credit standards.
• The accurate identification, assessment and measurement of the credit risk undertaken across the Bank and the Group, at both individual credit and lending portfolio levels.
• The approval of every new credit facility and every material change of an existing credit facility (such as its tenor, collateral structure or major covenants) by the appropriate authority level which is well-defined.
• The assignment of the credit approval authority to the Credit Committees in charge, which consist of Executives from both the business and the credit monitoring Units, with sufficient knowledge and experience in the risk management sector, fully capable of implementing the Bank's internal policies and procedures.
• The decision-making process for credit approvals is performed within a clearly defined delegated authority framework.
• The measurement and assessment of all credit exposures of the Bank and the Group Companies to businesses or consolidated business groups as well as to their proprietors, in line with regulatory requirements.

The aforementioned objectives are achieved through a continuously evolving framework of methodologies and systems that measure and monitor credit risk, using a series of credit risk approval, credit risk concentration analysis and review, early warning for excessive risk undertaking and problem debt management processes. This framework is readjusted regularly, according to the challenges of the prevailing economic circumstances and the nature and scope of the Group's business activities.

Specifically, having as a main objective to further reinforce and improve the credit risk management framework, in 2019, the following actions have been implemented:

• Update of Credit Policy Manuals for Wholesale Banking and Retail Banking in Greece and abroad, taking into account the supervisory guidelines for credit risk management issues as well as the Group's business strategy.
• Continuous strengthening of the second line of defense control mechanisms in order to ensure compliance with the Credit Risk Policies at Bank and Group level.
• Update of the Group credit risk models development framework so as to be aligned with the current regulatory expectations and international practices.

• Re-development and calibration of the credit risk models, in order to ensure the accuracy of the estimations and the alignment with the current regulatory requirements.
• Update of the Group credit risk validation framework so as to be aligned with recent regulatory guidelines and international best practices.
• Validation of the market risk internal model and compliance with the Targeted Review of Internal Models (TRIM) recommendations.
• Validation of liquidity stress test scenarios associated with deposit outflow rates and liquidity buffer stress, in the framework of the Internal Liquidity Adequacy Assessment Process (ILAAP) Liquidity Stress Test Exercises and Recovery Plan.
• Development of an Operational Risk Model Validation Framework to provide guidelines on internal operational risk model validation, used in the framework of the Pillar II Internal Capital Adequacy Assessment Process (ICAAP).
• Validation of internal prediction Net Fee and Commission Income (NFCI) models, for the purposes of the European Banking Authority (EBA) stress test exercise.
• Validation of methods underlying the computation of counterparty credit risk and valuation adjustments (Credit Valuation Adjustment - CVA), used for International Financial Reporting Standard (IFRS) 13 and Pillar II ICAAP purposes.
• Ongoing validation of the risk models in order to ensure their accuracy, reliability, stability and predictive capacity.
• Implementation of the Credit Risk Model Management Policy that includes the framework of the basic principles, rules, criteria and specifications governing the management and monitoring of risks arising from the development and use of Credit Risk Models. This Policy has been developed in accordance with the current European Regulatory and Supervisory Framework.
• Adoption of a new methodology for rating the business sectors in risk zones, based on a predictive index that focuses on future perspectives and reflects the risks and prospects of each business sector. The new methodology aims to measure and monitor the concentration risk by business sector and to define the credit risk appetite level per business sector.
• Establishment of a four-year (2019-2022) Business Plan of the Group, based on the credit risk appetite level set by the business sector, taking into account the ranking of business sectors relative to their credit risk, according to the methodology described above, as well as the risk profile and the impact on expected credit loss of the new funding.
• Establishment of the Concentration Risk and Credit Threshold Policy, which includes the framework of principles and procedures that the Bank follows so as to manage the concentration risk, through the monitoring of credit risk limits set for its aggregate credit risk as well as for portfolios with shared credit risk characteristics, sub-portfolios and individual borrowers/group of borrowers.
• Update of the Credit Risk Early Warning Policy in terms of its scope and implementation perimeter enhancement, aiming at monitoring the evolution and performance of the lending portfolio and ensuring that it is in accordance with the Bank's and the Group's Credit Risk Appetite.
• Development of the Significant Risk Transfer Policy, in accordance with the relevant regulatory guidelines describing the procedures adopted by the Group, in order to assess whether significant risk is being transferred in case of securitization transactions for which the Significant Risk Transfer principle should be applied.
• Updating of the process applicable under the framework of the Environmental and Social Risk Policy. During the credit approval process, supplementary to the credit risk assessment, the strict compliance of the principles of an environmentally and socially responsible credit facility is also examined.
• Systematic estimation and assessment of credit risk per counterparty and per sector of economic activity.
• Design and implementation of initiatives in order to enhance the level of automation, accuracy, comprehensiveness, quality reconciliation and validation of data, as part of the Bank's strategic objective to an integrated approach for the development of an effective data aggregation and reporting framework, in line with the Basel Committee on Banking Supervision (BCBS) standard 239 requirements.
• Enhancement of the mechanism for the submission of the analytical credit data, the credit risk data, the data of the counterparties for legal entities financing, the governance structure, the operational model and the quality control framework, in order to meet the requirements for the monthly submission of analytical credit risk data, according to the European Union Regulation 2016/867 and the Bank of Greece Governor's Act 2677/19.5.2017 (Analytical Credit Datasets - AnaCredit).
• Update of the European Banking Authority (EBA) classification mechanism according to the EBA Guidelines on management of non-performing and forborne exposures and technical standards amending Commission Implementing Regulation (EU) 680/2014.
• Development of the State Guaranteed Loans Forbearance Policy Manual, which includes the framework of basic principles, rules and criteria governing the assessment of forbearance requests of loans guaranteed by the Greek State for Retail Banking or Wholesale Banking exposures, in accordance with the current legislative framework.
• Periodical performing of stress tests as a tool for assessing the impact of various macroeconomic scenarios on the business strategy formulation, the business decisions and

the Group's capital adequacy. The stress tests are conducted in accordance with the requirements of the supervisory framework and constitute a key component of the Group's credit risk management strategy.

• Design and implementation of a series of projects to ensure the Bank's compliance with the regulatory requirements deriving from the Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013 (EBA GL/2016/07).

Subsequently, the Group has revised the internal risk assessment systems and credit risk management processes, in order to ensure compliance of internal and external risk reporting with the new reporting templates and data aggregation practices.

Lastly, in order to upgrade and strengthen the internal credit risk management system, the following actions are in progress:

• Continuous upgrade of databases for performing statistical tests in the Group's credit risk rating models.

• Upgrade and automation of the aforementioned process in relation to the Wholesale and Retail banking by using specialized statistical software.

• Reinforcing the completeness and quality control mechanism of crucial fields of Wholesale and Retail Credit for the monitoring, measuring and controlling of credit risk.

• Continuous enhancement of the risk management framework and policies for the management of overdue and Non-Performing Loans, in addition to the existing obligations which arise from the Commission Implementing Regulation (EU) 2015/227 of January 9, 2015 amending Implementing Regulation (EU) No 680/2014 laying down implementing technical standards with regard to the supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council, the Executive Committee Act of the Bank of Greece 42/30.5.2014 and the amendment thereof through the Executive Committee Acts of the Bank of Greece 47/9.2.2015, 102/30.8.2016, 134/5.3.2018 and 136/2.4.2018, which define the framework of supervisory commitments for the management of overdue and Non-Performing Loans by credit institutions. This framework develops based on the following pillars:

a. The independent operation management of the "Troubled assets" through the Troubled Assets Committee and the representation of the administrative bodies in the Wholesale Banking Announcement Review Committee as well as in the Arrears Committees.

b. The specific management strategy for the non-performing and forborne exposures.

c. The continuous improvement of IT systems and processes, in order to comply with the required periodic reporting to the Management and the supervisory mechanisms.

At the end of 2019, the Non-Performing Loans of the Group reached Euro 14.7 billion and the Non-Performing Loans Ratio stood at 30.1% compared to Euro 17.6 billion and 33.5%, respectively at the end of 2018.

The Group Total Provisions Stock reached Euro 9.46 billion, at the end of December 2019 and the Non-Performing Loans Coverage Ratio stood at 64.6%, compared to 69.7% in 2018.

On 31.12.2019, the Group's forborne outstanding loans stood at Euro 17.42 billion with a total collateral value of Euro 10.7 billion.

The following tables present on a consolidated basis the Bank's loans and advances to Customers by asset quality and the ageing analysis of loans and advances to Customers by product line.

6. RISK MANAGEMENT

TABLE 1
LOANS AND ADVANCES TO CUSTOMERS
(IN EURO THOUSAND)

	Loans measured at fair value through profit or loss (FVPL)					
	Not past due	Past due	Net carrying amount	Value of collateral	Not past due	Past due
Retail Lending	0	451	451	451	7,096,580	435,138
Mortgage	0	0	0	0	5,040,716	370,157
Consumer	0	451	451	451	689,514	39,698
Credit Cards	0	0	0	0	906,396	14,560
Small Business	0	0	0	0	459,954	10,723
Corporate Lending	157,441	149,244	306,686	265,624	12,335,217	336,061
Large	151,732	140,357	292,089	264,984	8,058,781	171,944
SMEs	5,709	8,887	14,597	639	4,276,437	164,116
Public Sector	0	0	0	0	101,113	182
Greece	0	0	0	0	53,657	182
Other Countries	0	0	0	0	47,457	0
Total	157,441	149,695	307,136	266,074	19,532,911	771,381

	Stage 3				
	Not past due	Past due	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount
Retail Lending	1,678,492	9,370,899	11,049,391	4,202,904	6,846,486
Mortgage	625,133	5,542,478	6,167,611	1,919,141	4,248,470
Consumer	510,684	1,349,491	1,860,175	1,015,872	844,302
Credit Cards	34,112	203,615	237,726	121,252	116,474
Small Business	508,564	2,275,315	2,783,878	1,146,639	1,637,240
Corporate Lending	1,417,036	3,752,573	5,169,609	2,519,067	2,650,542
Large	707,874	1,812,832	2,520,706	1,186,754	1,333,951
SMEs	709,163	1,939,741	2,648,903	1,332,313	1,316,591
Public Sector	923	876	1,799	651	1,148
Greece	923	876	1,799	651	1,148
Other Countries	0	0	0	0	0
Total	3,096,451	13,124,347	16,220,799	6,722,622	9,498,176

31.12.2019								
Loans measured at amortized cost								
Stage 1			Stage 2					
Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount	Not past due	Past due	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount
7,531,718	**30,211**	**7,501,507**	**2,563,079**	**1,575,385**	**4,138,464**	**296,430**	**3,842,033**
5,410,873	4,837	5,406,036	1,554,220	1,323,708	2,877,928	100,889	2,777,039
729,212	9,607	719,605	313,191	128,756	441,947	85,983	355,965
920,956	13,015	907,941	72,077	46,564	118,641	36,617	82,025
470,677	2,752	467,925	623,590	76,357	699,947	72,942	627,005
12,671,278	**87,663**	**12,583,615**	**1,029,171**	**181,983**	**1,211,154**	**40,933**	**1,170,221**
8,230,725	70,466	8,160,259	732,664	128,994	861,659	28,229	833,429
4,440,553	17,197	4,423,356	296,507	52,988	349,495	12,704	336,791
101,296	**398**	**100,898**	**257**	**211**	**468**	**24**	**444**
53,839	156	53,684	0	14	14	0	14
47,457	242	47,215	257	197	454	24	431
20,304,292	**118,271**	**20,186,020**	**3,592,507**	**1,757,579**	**5,350,086**	**337,388**	**5,012,698**

31.12.2019						
Loans measured at amortized cost						
Purchased or originated credit impaired loans (POCI)					Total net carrying amount at amortises cost	Value of collateral
Not past due	Past due	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount		
1,103,424	**4,073,378**	**5,176,802**	**1,630,786**	**3,546,017**	**21,736,043**	**17,582,279**
541,793	2,475,513	3,017,307	701,123	2,316,184	14,747,728	13,949,755
389,318	837,040	1,226,358	498,756	727,602	2,647,474	1,121,961
4,914	41,694	46,607	29,554	17,053	1,123,493	15,006
167,399	719,130	886,530	401,352	485,178	3,217,348	2,495,556
420,195	**645,373**	**1,065,568**	**523,872**	**541,697**	**16,946,075**	**12,954,941**
312,324	175,781	488,105	148,406	339,699	10,667,339	7,878,539
107,871	469,592	577,464	375,466	201,998	6,278,736	5,076,403
3,032	**56**	**3,088**	**51**	**3,036**	**105,527**	**60,808**
3,032	56	3,088	51	3,036	57,882	47,256
0	0	0	0	0	47,645	13,552
1,526,652	**4,718,807**	**6,245,458**	**2,154,709**	**4,090,750**	**38,787,645**	**30,598,029**

TABLE 2
AGEING ANALYSIS OF LOANS BY IFRS 9 STAGE AND PRODUCT LINE OF LOANS
(IN EURO THOUSAND)

	31.12.2019								
	Loans measured at fair value through profit or loss (FVPL)								
	Retail Lending				Corporate Lending		Public Sector		Total
	Mortgage	Consumer	Credit Cards	Small Business	Large Corporate	SMEs	Greece	Other Countries	
Current	0	0	0	0	151,732	5,709	0	0	157,441
1 - 30 days	0	0	0	0	75,418	0	0	0	75,418
31 - 60 days	0	0	0	0	0	0	0	0	0
61 - 90 days	0	0	0	0	46,079	0	0	0	46,079
91 - 180 days	0	0	0	0	8,329	0	0	0	8,329
181 - 360 days	0	0	0	0	10,530	8,887	0	0	19,418
> 360 days	0	451	0	0	0	0	0	0	451
Total	**0**	**451**	**0**	**0**	**292,089**	**14,597**	**0**	**0**	**307,136**
Value of collaterals	0	451	0	0	264,984	639	0	0	266,074

	31.12.2019									
	Loans measured at amortized cost									
	Retail Lending									
	Mortgage					Consumer				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
Current	5,037,095	1,497,725	568,698	506,205	7,609,723	680,912	255,986	271,787	291,767	1,500,452
1 - 30 days	368,941	785,081	302,852	299,160	1,756,034	38,693	67,449	54,164	34,742	195,047
31 - 60 days	0	243,061	169,155	107,288	519,503	0	21,120	37,264	17,199	75,583
61 - 90 days	0	251,172	423,282	270,236	944,690	0	11,409	32,712	15,245	59,366
91 - 180 days	0	0	201,639	68,036	269,674	0	0	52,707	23,965	76,672
181 - 360 days	0	0	236,532	56,320	292,853	0	0	38,526	15,159	53,685
> 360 days	0	0	2,346,312	1,008,939	3,355,251	0	0	357,143	329,526	686,669
Total	**5,406,036**	**2,777,039**	**4,248,470**	**2,316,184**	**14,747,728**	**719,605**	**355,965**	**844,302**	**727,602**	**2,647,474**
Value of collaterals	5,033,118	2,479,916	4,204,055	2,232,666	13,949,755	233,844	99,556	321,417	467,144	1,121,961

	31.12.2019									
	Loans measured at amortized cost									
	Retail Lending									
	Credit Cards					Small Business				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
Current	893,844	50,678	22,424	3,577	970,523	457,462	557,649	438,820	141,516	1,595,447
1 - 30 days	14,097	22,620	12,152	1,889	50,758	10,463	58,206	32,506	11,304	112,479
31 - 60 days	0	5,387	7,146	871	13,403	0	7,762	27,708	3,452	38,922
61 - 90 days	0	3,340	8,337	968	12,646	0	3,388	27,508	4,228	35,123
91 - 180 days	0	0	12,055	1,361	13,416	0	0	61,394	9,902	71,296
181 - 360 days	0	0	11,808	1,291	13,099	0	0	39,614	5,484	45,099
> 360 days	0	0	42,553	7,095	49,647	0	0	1,009,691	309,291	1,318,982
Total	**907,941**	**82,025**	**116,474**	**17,053**	**1,123,493**	**467,925**	**627,005**	**1,637,240**	**485,178**	**3,217,348**
Value of collaterals	2,283	27	12,661	35	15,006	339,017	423,471	1,361,403	371,665	2,495,556

	31.12.2019									
	Loans measured at amortized cost									
	Corporate Lending									
	Large Corporate					SMEs				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
Current	7,988,830	706,796	499,543	272,736	9,467,906	4,260,323	285,976	521,103	64,088	5,131,491
1 - 30 days	171,430	31,386	237,557	21,361	461,735	163,033	24,833	127,082	7,449	322,397
31 - 60 days	0	94,444	8,186	0	102,630	0	17,416	46,516	10,059	73,991
61 - 90 days	0	803	10,562	0	11,365	0	8,567	47,878	2,308	58,753
91 - 180 days	0	0	56,663	4,132	60,795	0	0	30,854	2,324	33,178
181 - 360 days	0	0	30,542	343	30,885	0	0	41,881	8,839	50,720
> 360 days	0	0	490,898	41,126	532,024	0	0	501,276	106,930	608,206
Total	**8,160,259**	**833,429**	**1,333,951**	**339,699**	**10,667,339**	**4,423,356**	**336,791**	**1,316,591**	**201,998**	**6,278,736**
Value of collaterals	5,245,036	754,860	1,622,859	255,783	7,878,539	3,070,036	274,778	1,505,182	226,407	5,076,403

	31.12.2019									
	Loans measured at amortised cost									
	Public sector									
	Greece					Other countries				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
Current	53,501	0	743	3,032	57,276	47,215	250	0	0	47,465
1 - 30 days	182	14	0	0	196	0	181	0	0	181
31 - 60 days	0	0	0	0	0	0	0	0	0	0
61 - 90 days	0	0	0	0	0	0	0	0	0	0
91 - 180 days	0	0	2	0	2	0	0	0	0	0
181 - 360 days	0	0	0	0	0	0	0	0	0	0
> 360 days	0	0	403	4	407	0	0	0	0	0
Total	**53,684**	**14**	**1,148**	**3,036**	**57,882**	**47,215**	**431**	**0**	**0**	**47,645**
Value of collaterals	46,506	0	750	0	47,256	13,098	454	0	0	13,552

MARKET RISK

Market risk is the risk of reduction in economic value arising from unfavorable changes in the value or volatility of interest rates, foreign exchange rates, equities and commodities markets. Market risk may arise from either the trading book or the Assets and Liabilities management.

1. TRADING BOOK

There is a dedicated Group Policy elaborating on how market risk is managed within the Group, i.e. the identification, measurement, monitoring and control of market risk inherent in Treasury assets and liabilities on which the Group and the local Treasury Management Units conduct transactions as well as through the determination that adequate capital is held against this type of risk. The ultimate objective of the Policy is to provide the framework and principles for the effective management of market risk, in order to:

• maintain market risk within the limits, in line with the Group's risk appetite,

• reduce the risk of fraud or regulatory non-compliance by prescribing sound methodologies,

• ensure adequate controls to prevent significant losses,

• facilitate efficient decision-making by quantifying, where possible, the probabilities of failing to achieve earnings or other targets.

All competent Group and country local Units apply the Policy by developing and applying corresponding processes.

Market risk for the trading book is measured by calculating the Value at Risk (VaR), using a dedicated system. The methodology applied to calculate the VaR is historical simulation. The Bank uses a one and a ten-day holding period, depending on the time required to liquidate the portfolio. Hypothetical and actual back-testing for the trading book VaR is performed on a daily basis, in order to validate the VaR model. Furthermore, according to best practices, an independent Unit conducts a validation of the internal model, at a minimum on an annual basis.

In order to calculate the one-day VaR for the Bank's trading book, historical data of two years and a 99% confidence level are used. Table 3 shows the VaR calculated for the Bank's trading book during 2019. The Group Companies have very low exposure and limits for the trading book and, consequently, market risk exposure is immaterial.

In addition to applying the VaR methodology for the

TABLE 3
TRADING BOOK VAR

	2019					2018
(in Euro)	Foreign Exchange Risk	Interest Rate Risk	Price Risk	Covariance	Total	Total
December 31	1,762,634	3,153,803	34,238	-1,816,901	3,133,774	1,776,353
Average daily value (annual)	1,543,660	2,249,484	24,079	-1,402,094	2,415,129	1,712,987
Maximum daily value (annual)	1,755,297	3,190,158	35,521	-1,754,281	3,226,695	2,122,143
Minimum daily value (annual)	1,022,390	1,962,745	7,477	-1,265,027	1,727,585	1,238,910

measurement of the trading book's market risk, the book's behavior is also tested against hypothetical changes in market parameters (scenarios) and extreme parameter changes noted in the past (stress-testing).
In 2008, the Bank of Greece validated the internal model used and further approved its application to calculate the trading book capital requirements. Since 31.12.2011, the Stressed VaR has been calculated along with VaR, in order to estimate capital requirements for general market risk. Following the incorporation of Emporiki Bank's positions in the Bank's portfolios during 2013, the Bank of Greece revalidated the application of the internal model by Alpha Bank, in order to measure the market risk capital requirements. In 2018, the Bank's internal model was subjected to the Targeted Review of Internal Models (TRIM) by the Single Supervisory Mechanism.
As part of the financial risk management policy implemented by the Assets-Liabilities Management Committee (ALCo), maximum exposure stop-loss and VaR limits have been set for products comprising trading and investment positions, taking into account the current Group needs and market conditions.
The Bank uses a dedicated system to monitor and examine in real time the exposure and stop-loss limits of the Athens trading and investment positions regarding the corresponding limit utilization and limit excess. The local Risk Management Units monitor the investment limits set for the corresponding Units abroad, on a daily and intra-day basis. The relevant results are consolidated, on a daily basis, in order to examine the utilization and excess of the Group investment limits. The corresponding VaR limits are monitored and examined on a daily basis as well.
The Bank uses a dedicated system to provide the risk and return analysis in the context of the Bank's compliance with Regulation (EU) 2017/653 on Key Information Documents for Packaged Retail and Insurance-based Investment Products (PRIIPs KIDs).
During 2019, the implementation of a new market risk system was concluded and put in production. Furthermore, the risk appetite for the trading and the banking books were reviewed, their governance was enhanced and the Amortized Cost portfolio was activated.

2. BANKING BOOK FINANCIAL RISKS

The banking book financial risks arise from the structure of the Assets and Liabilities and mostly from the Group's loan and deposit portfolios. The banking book financial risks are the exchange rate risk, the interest rate risk and the liquidity risk.

A. EXCHANGE RATE RISK

The General Management sets limits on the open foreign exchange position for the total position as well as for each currency. The total position is calculated by adding the current position for the balance sheet items to the forward position held on derivatives (Table 4).
The exchange rate risk undertaken by the Group derives mainly from holdings and the goal is to offset this risk, provided that the corresponding instruments in the said currencies are available.

TABLE 4
FOREIGN EXCHANGE POSITION OF ALPHA BANK GROUP 31.12.2019

(in Euro million)	USD	GBP	CHF	JPY	RON	RSD	Other FC	EUR	Total
Assets	2,476.1	566.6	830.1	24.1	1,662.3	0.1	295.8	57,602.5	63,457.6
Liabilities	2,508.1	271.1	120.1	4.1	1,156.1		420.7	50,501.9	54,982.0
Net Balance Sheet Position	-32.0	295.5	710.0	20.0	506.3	0.1	-124.9	7,100.6	8,475.6
Derivatives Forward Foreign Exchange Position	48.1	-294.5	-507.9	-19.9	-490.0		179.2	1,076.6	-8.4
Total Foreign Exchange Position	16.1	1.0	202.2	0.1	16.2	0.1	54.3	8,177.2	8,467.2

B. INTEREST RATE RISK

Interest Rate Risk in the Banking Book (IRRBB) refers to the risk to the Bank's capital and earnings arising from adverse movements in interest rates. There are three main sub-types of IRRBB:

- Gap risk arises from the term structure of banking book instruments and describes the risk arising from the timing of instruments' rate changes.
- Basis risk describes the impact of relative changes in interest rates for financial instruments that have similar tenors but are priced using different interest rates indices (bases).
- Option risk arises from option derivative positions or from optional elements embedded in a bank's assets, liabilities and/or off-balance sheet items, where the Bank or the Customer can alter the level and timing of the cash flows.

Interest rate risk management for the banking book is performed on a monthly basis, according to the Policies and Procedures for Assets and Liabilities Management that have been developed and adopted by all Group Units.

For the interest rate risk assessment and monitoring, the following estimation techniques, in line with the European Banking Authority (EBA) guidelines, are used on a regular basis:

- Gap analysis for each currency.
- Stress Scenario analysis for each currency.

When performing an Interest Rate Gap Analysis, the Group assets and liabilities are allocated into time buckets, according to their repricing date for variable interest rate instruments or according to their maturity date for fixed rate instruments. Assets or Liabilities with no specific re-pricing schedule (savings and sight deposits) are allocated into time buckets according to a statistical model that takes into consideration the behavioral analysis of the respective accounts.

Table 5 presents the Interest Rate Gap Analysis of the Group balance sheet as of 31.12.2019.

The Stress Scenario analysis is employed in order to calculate the impact of extreme movements of interest rates on the Net Interest Income (NII) as well as on the Economic Value of Equity (EVE). The stress scenarios imply the parallel movement and the non-parallel movement of the yield curve, to meet both regulatory requirements and internal needs. Specifically, IRRBB is measured under the following regulatory scenarios:

- Parallel shock up (+200 basis points)
- Parallel shock down (-200 basis points)
- Steepener shock (short rates down and long rates up)
- Flattener shock (short rates up and long rates down)
- Short rates shock up
- Short rates shock down

Furthermore, the following additional interest rate shocks are implemented for internal purposes:

- Parallel shock up (+25 basis points)
- Parallel shock down (-25 basis points)
- Parallel shock up (+50 basis points)
- Parallel shock down (-50 basis points)
- Parallel shock up (+100 basis points)
- Parallel shock down (-100 basis points)
- Long rates shock up
- Long rates shock down
- Basis Risk shock

Table 6 presents the change on both the NII and EVE, following the implementation of the stress scenarios on the market yield curves.

TABLE 5
ALPHA BANK GROUP
INTEREST RATE GAP ANALYSIS 31.12.2019

(in Euro million)	< 1 Month	1 to 3 Months	3 to 6 months	6 to 12 months	1 to 5 Years	> 5 Years	Non-Interest bearing	Total
Assets	18,945.4	9,167.0	2,999.8	2,018.4	12,601.2	8,685.6	9,040.3	63,457.6
Liabilities	17,348.5	6,111.3	5,531.7	6,809.1	11,915.2	5,445.4	1,820.9	54,982.0
Equity	0.0	0.0	0.0	0.0	0.0	0.0	8,475.6	8,475.6
Total Liabilities and Equity	17,348.5	6,111.3	5,531.7	6,809.1	11,915.2	5,445.4	10,296.4	63,457.6
Gap	1,596.9	3,055.7	-2,532.0	-4,790.7	686.0	3,240.2	-1,256.2	0.0
Cumulative Gap	1,596.9	4,652.6	2,120.6	-2,670.0	-1,984.0	1,256.2	0.0	0.0

TABLE 6
NET INTEREST INCOME & EQUITY SENSITIVITY

(in Euro million)

Interest rate changes scenarios (parallel yield curve shift)	Net Interest Income Sensitivity (for one year period)	Equity Sensitivity
Parallel shift of +200bps	-73	-329
Parallel shift of -200bps	5	1,599
Steepening	-4	73
Flattening	-69	140
Short Rates Up	-91	-125
Short Rates Down	15	479
Long Rates Up	-1	-198
Long Rates Down	-14	538

During 2019, the interest rate risk of the banking portfolio remained at low levels without any limits being exceeded in terms of Net Interest Income and Economic Value of Equity. Furthermore, the limited use of the Economic Value Limit of each Group Company did not realize any limit breach.
In addition, Interest Rate Risk in the Banking Book (IRRBB) stress scenarios have been presented and validated by the Treasury and Balance Sheet Management Committee (TBSCo). Furthermore, the Interest Rate Risk in the Banking Book policy and methodology was developed and approved by the TBSCo. It is noted that the analysis of the Balance Sheet in the Assets and Liabilities risk monitoring application (namely Sendero Asset and Liability module) has been updated with regard to the loan differentiation by distinguishing those that are measured at amortized cost and those that are measured at fair value through profit and loss, according to IFRS 9 and the respective risk parameters (perimeter, yield curves, discount spread). The banking portfolio net interest income and fair value are estimated based on the EBA Guidelines on the management of interest rate risk arising from non-trading book activities (July 2018) with the aim of monitoring the short-term and the medium-to-long-term interest rate risk in terms of Earning at Risk (EaR) and Economic Value of Equity (EVE). IRRBB stress scenarios results are implemented, monitored and presented, on a monthly basis, to the Treasury and Balance Sheet Management Committee and the Risk Management Committee as well as on a quarterly basis to the Assets-Liabilities Management Committee.
Moreover, the project of the inclusion of Subsidiaries abroad in the Sendero system is in progress with the support of the IT Division, in order for the monitoring of the Group's data to be improved through the automated incorporation of their data into the aforementioned system.

LIQUIDITY RISK

The liquidity risk concerns the Group's ability to maintain adequate liquidity to fulfill its transactional obligations, either regular or extraordinary. The most significant part of the Group's Assets is financed through customer deposits and wholesale funding.
During 2019, the deposit gathering campaigns during the year for the offer of new improved products have led to an increase of customer deposits both at a Bank and at a Group level. Thus, on 31.12.2019 the Bank's deposits increased by Euro 0.8 billion, almost 2.38% compared to 31.12.2018, whereas, during the respective period, the deposits in the Greek banking system increased by 6.42%. Correspondingly, the Group's deposits increased by 4.21% (Euro 1.63 billion). The above amounts include Greek Government deposits, which decreased from Euro 1.3 billion on 31.12.2018 to Euro 0.9 billion on 31.12.2019. The lifting of the capital controls in the Greek banking system on 1.9.2019, which were imposed for the first time on June 29, 2015 and resulted in the reduction of capital sources for the banking system, has empowered the positive economic climate. Already, since October 1, 2018, cash withdrawals from institutions in Greece have been permitted without limitation.
In 2019, the improvement of the economic climate as well as the restoration of confidence in the Greek Economy was reflected in interbank transactions. Specifically, an increase of Euro 0.13 billion in the Group's repurchase agreements (repos) and of Euro 0.62 billion in reverse repurchase agreements (reverse repos) was evident. In addition, in 2018 there was an increase in the bonds portfolio due to the purchase of securities amounting to Euro 1.6 billion.
Since 10.6.2019, Alpha Bank covered bonds have been eligible for European Central Bank (ECB) funding, replacing the

equivalent interbank repos. The nominal amount of covered bonds eligible as collateral amounts to Euro 2 billion, with a cash value of Euro 1.39 billion. This replacement resulted in a reduction of the funding cost by 90 basis points (0.9% repo funding compared to 0% ECB funding). At a Group level, the Romanian subsidiary bank was the first Bank in the country that issued a mortgage loans covered bond of Euro 0.2 billion.
As a result of the above developments, on 31.12.2019 the Bank's financing from the Eurosystem decreased by 9% compared to 31.12.2018, reaching the level of Euro 3.1 billion versus Euro 3.4 billion. All the financing is conducted through the Eurosystem's Targeted Longer-Term Refinancing Operations (TLTROs II). As of February 2019, the Bank is not financed through the Emergency Liquidity Assistance (ELA). On 24.1.2020, the European Central Bank (ECB) Governing Council decided to discontinue the publication of the press release on the ELA ceiling for Greek banks, since the ELA provision does not exceed the threshold of Euro 2 billion.
During 2019, the Bank reviewed, in the context of Pillar II requirements, both the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP). Furthermore, in the second semester of 2019, the Bank reviewed the policies and procedures of the Recovery Plan, along with the policies and procedures of the liquidity stress test scenarios. At the same time, all the Bank Subsidiaries have reviewed both the Contingency Funding Plans and the Recovery Plans. Finally, the Bank successfully participated in the ECB LiST (Liquidity Stress Test) exercise, which was conducted in the context of the Supervisory Review and Evaluation Process (SREP).
The interbank financing (short, medium to long-term) and the Early Warning Indicators of the Bank and of the Group Companies are monitored on a daily basis, with reports and checks, in order to capture daily variations.
Stress tests are conducted monthly and sometimes more frequently for liquidity purposes, in order to assess potential outflows (contractual or contingent). The purpose of this process is to determine the level of the immediate liquidity available in order to cover the Bank's needs. These exercises are carried out in accordance with the approved Liquidity Buffer and Liquidity Stress Scenarios Policy of the Group.
An important liquidity risk monitoring tool that Alpha Bank employs on a monthly basis is the Liquidity Gap Analysis for each currency to which it is exposed at a Bank and a Group level. According to the Liquidity Gap Analysis, cash flows arising from all assets and liabilities are estimated and allocated into time buckets based on their maturity date, with the exception of the accounts without contractual maturity (e.g. demand customer deposits, rollover working capital loans etc.) which are allocated to time buckets according to a statistical model that takes into consideration the behavioral analysis of the respective accounts. Table 7 presents the Liquidity Gap Analysis at Group level as of 31.12.2019.

COUNTERPARTY AND COUNTRY RISK

Counterparty risk is the risk of a counterparty defaulting before the final settlement of all existing transactions' cash flows against the Group. An economic loss would occur if the portfolio

TABLE 7
ALPHA BANK GROUP
LIQUIDITY GAP ANALYSIS 31.12.2019

(in Euro million)	< 1 Month	1 to 3 Months	3 to 6 months	6 to 12 months	> 1 Year	Total
Assets	13,515.1	3,649.7	1,384.3	4,715.0	40,193.6	63,457.6
Liabilities	15,190.6	5,617.8	5,554.7	7,219.3	21,399.6	54,982.0
Equity	0.0	0.0	0.0	0.0	8,475.6	8,475.6
Total Liabilities and Equity	15,190.6	5,617.8	5,554.7	7,219.3	29,875.2	63,457.6
Gap	-1,675.5	-1,968.1	-4,170.4	-2,504.3	10,318.4	0.0
Cumulative Gap	-1,675.5	-3,643.6	-7,814.1	-10,318.4	0.0	0.0

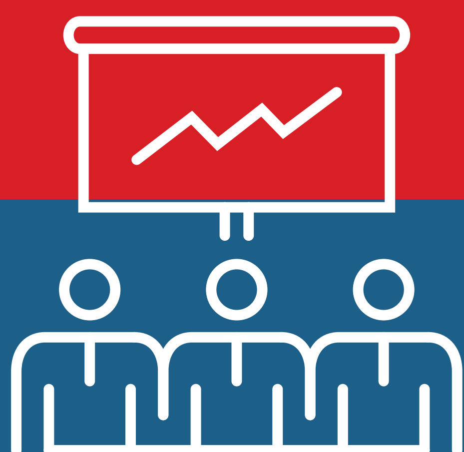
of transactions with the counterparty had a positive economic value to the Group at the time of the counterparty's default.
Country risk is the collection of risks associated with investing in a country. Risk per country may either be direct (including exposure to the Central Government, public utility companies, local authorities and the Central Bank), indirect (referring to funding Group Units' operations in the country) or related to the country's banking and private sector.
The monitoring and the examination of counterparty limit utilization and limit excess are carried out in real time using a dedicated system for the Bank, Alpha Bank London Ltd and Alpha Bank Romania S.A. As far as the other Group Companies are concerned, it is carried out on a daily basis. Country risk is monitored across all countries where the Group operates, irrespective of whether it has an actual presence. Furthermore, according to the relevant policies and procedures, certain interbank counterparty and country factors, e.g. credit rating, bond credit spread, etc., are monitored on a regular basis, since their change may trigger the review of the corresponding limits.
Derivatives transactions with Customers are taken into account when considering the total exposure against them and the establishment of credit limits per Customer. The corresponding limits for derivatives transactions are monitored and examined on a regular basis for the limit utilization and any limit excess.
The Bank uses a dedicated system in order to quantify the credit valuation adjustment for the derivatives portfolio (Bilateral Credit Valuation Adjustment – BCVA). The methodology applied is Monte Carlo simulation, which takes into consideration market observable data, such as Credit Default Swap (CDS) spreads or the output of the Bank's internal models. The credit valuation adjustment for the derivatives portfolio is performed on a monthly basis and affects the fair value of the transactions. According to best practices, the BCVA model is validated by an independent Bank Unit.
The system used for BCVA calculation is also used to calculate the Potential Future Exposure for customer derivatives, which depends on the derivative's type, its nominal value and the remaining time to maturity.
The Bank uses a dedicated system to measure the Expected Credit Loss (ECL) for Treasury Products on a daily basis.
During 2019, the system for monitoring counterparty credit limits at the Bank and at Alpha Bank Romania was replaced due to the upgrade of the front office system. Furthermore, the Counterparty Credit Manual for Treasury Positions and Country Risk Exposure Manual was updated.

OPERATIONAL RISK

Operational risk is the risk of loss from inadequate or failed internal processes and IT systems, people (intentionally or unintentionally) and external events. Operational risk also includes legal risk.
The Group has adopted the Standardized Approach for the operational risk capital calculation and fulfills all quality requirements set therein. In particular, for the effective management of operational risk, the Group has adopted and implements an appropriate Operational Risk Framework, which pertains to the following issues:
• The collection and management of operational risk events, including lawsuits filed against the Group.
• The operational risk identification and assessment, performed through various operational risk assessment processes.
• The operational Key Risk Indicators' (KRIs) development and monitoring.
• The operational risk reporting.
• The introduction of operational risk mitigation techniques, which concern the implementation of action plans that improve the current internal control system as well as the purchase of Insurance Policies against specific risks.
• The coordination of the management of specific insurance policies, namely the:
1. Bankers Blanket Bond -Crime Bond
2. Bankers Blanket Bond -Civil Liability
3. Directors and Officers (including the Run Off Policy)
4. Cyber Risk policy.
• The calculation of capital requirements for operational risk.
The Framework is continuously reviewed and various initiatives have been introduced aiming at its improvement. It is supported by an appropriate organizational structure with clear roles and responsibilities under the core assumption that the prime responsibility for operational risk management remains with all the Units of the Bank and the Group Companies.
During 2019, the Group initiated the project for the establishment of a new Operational Risk system infrastructure. The management of Operational Risk Events will be the first operational risk area which will migrate to the new system. The onboarding of other Operational Risk areas (Risk Assessments, Controls monitoring via Key Risk Indicators and Action Plans, etc.) will be linked with subsequent milestones.
Furthermore, the Group finalized the Model Risk Framework and further improved the Operational Risk Appetite Framework through the introduction of additional Key Risk Indicators for the monitoring of Conduct, Compliance and Fraud Risk.
Additional improvements in the Operational Risk Framework are scheduled to take place within 2020 through the update of Policies and Procedures, further enhancements of assessments' methodologies and automation of control monitoring mechanisms, namely the Key Risk Indicators and the Action Plans.

7

NON-PERFORMING EXPOSURES MANAGEMENT



7

NON-PERFORMING EXPOSURES MANAGEMENT

In a challenging economic environment, the Bank set as a paramount objective the effective management of Non-Performing Exposures (NPEs), as this will lead not only to the improvement of its financial strength but also to the release of funds towards households and productive business sectors, contributing to the development of the Greek Economy in general.

Following its submission on September 30, 2018, the Bank submitted a revised NPE Business Plan on March 29, 2019, including targets per asset class for the period 2018-2021. The updated NPE Business Plan illustrates a mix of organic and inorganic solutions to achieve the Plan's targets. The Bank's objective for the management of troubled assets is to reduce the NPE ratio from 44% in the third quarter of 2019 to less than 10% by the end of 2022. The achievement of the objectives is driven by the implementation of initiatives concerning:

• Increased oversight in governance, policies and operating model issues along with the active involvement of the Management and of the Board of Directors, with clear roles and accountabilities through the relevant Committees.

• Launch of the "Retail NPE Transformation Plan" in July 2018, establishing a new end-to-end platform for the management of the Retail Troubled Assets. In 2019, the Retail NPL Unit of the Bank achieved a Euro 1.1 billion organic NPE reduction.

• Portfolio segmentation and analysis based on detailed execution roadmaps, within a strict and defined segmentation framework under continuous review, update and improvement.

• Refinement of restructuring products with additional functionalities, which are based on the debtors' repayment ability and outlook, aiming at long-term viable restructurings.

• Re-engineering of Retail NPL Legal Actions landscape in order to reduce legal workout lifecycle time and improve process efficiency.

• Effective human resources management focusing on know-how and training, which is further improved through attracting specialized Executives.

• Strategic joint venture initiative with doBank Hellas, in cooperation with the other Greek systemic banks. An assignment agreement has been signed for the management of Non-Performing Exposures of Small and Medium-sized Enterprises (SMEs) of approximately Euro 400 million over the total SMEs' exposures of the Greek systemic banks of Euro 1.5 billion approximately. The aim of this common initiative of the Greek systemic banks is to tackle SMEs' NPEs, in cases where the banks have common Customers, in coordination and with a uniform credit policy, as well as to provide common solutions.

• The development and implementation of a uniform management strategy for repossessed real estate properties,

aiming at:
- Monitoring the repossession procedure (asset onboarding) and its assignment to the Group Company Alpha Astika Akinita S.A. or to other appropriate asset management agencies.
- Supervising and coordinating asset management and development.
- Supervising and coordinating asset commercialization.
- Setting and monitoring appropriate Key Performance Indicators (KPIs) for the asset management agencies (internal units and external collaborators).

The successful implementation of the Bank's NPE Strategy is affected by a number of external/systemic factors that include, among others, the following:

• Taking advantage of a continuously improving economic environment.
• Intensification of electronic auctions to support liquidations and serve as a credible enforcement tool for non-cooperative borrowers; despite the positive expected impact of the e-Auctions platform, there are certain impediments of legal nature (e.g. the ability of the borrower to file a petition for submission in the provisions of Law 3869 shortly before auction) that are adversely affecting the flow of e-Auctions.
• Acceleration of the Household Insolvency Law (Law 3869) court decisions – further legislative changes that facilitate interbank cooperation in managing cases within the Law 3869 framework.
• New debtor protection scheme (Law 4605) on primary residences of vulnerable households. Following the State's electronic platform launch, the perimeter applying for the new law and any potential impact will be reassessed, while the Bank has achieved the operational and systemic readiness required.
• Improvements in the management and transfer of NPLs framework (Law 4354) which will support the realization of significant transactions and the improvement of the conditions for a series of portfolios to be transferred within the upcoming period. The abovementioned transactions will be further supported by the fact that the domestic servicing industry is finally gaining traction with the establishment and licensing of several servicers.
• Enhancement of the legal framework of Corporate Bankruptcy (Law 3588) is expected to speed up recoveries and the efficiency of corporate cases resolution, while preserving the assets' value.
• Realization of the systemic Greek banks cooperation (NPL Forum) deliberations for the resolution of common large corporate cases and the cooperation of the banks aiming at a joint management of SMEs' loans.

The Bank's full commitment towards the active management and reduction of NPEs over the Business Plan period is reinforced through the constant review and calibration of the Bank's strategies, products and processes in the evolving macroeconomic environment.

In addition to the established initiatives to accelerate the reduction of its distressed portfolio, the Bank has presented its Strategy update for the period 2020-2022, with one of its three major transformation pillars, introducing a large-scale initiative regarding its current NPE landscape, namely "Project Galaxy". More specifically, "Project Galaxy" consists of an NPE acceleration plan which is expected to take place in 2020 and aims to decisively reduce NPEs through a large-scale transaction within a comfortable capital envelope. The main parts of the abovementioned initiative are the following:

i. Front-loaded, substantial NPE reduction through a large securitization transaction: the Bank plans to proceed to the Securitization of up to Euro 12 billion Retail and Wholesale NPEs through the Hercules Asset Protection Scheme (HAPS), resulting in the immediate de-risking of its balance sheet.

ii. Carve-out of the current NPE platform and outsourcing of servicing to an independent entity in order to support Galaxy and business model efficiency. Cepal Hellas, which will serve as the carve-out vehicle, will become a subsidiary of Alpha Bank prior to its sale to a third-party investor.

The Bank aims at creating a market-leading servicer by combining the capabilities of Alpha Bank's and CEPAL's servicing platforms. The servicer (hereinafter "New Cepal") will benefit from an appropriate execution capacity and a management team with significant experience in NPE management. Following the creation of the "New Cepal", investors will acquire a controlling stake and Alpha Bank will enter into a long-term Service Level Agreement with "New Cepal" for the servicing of its Core NPEs. "New Cepal" will continue to service existing and newly-acquired portfolios for investors.

8

CAPITAL ADEQUACY

8 CAPITAL ADEQUACY

CAPITAL ADEQUACY RATIOS

The policy of the Group is to maintain a strong capital base, in order to ensure the Bank's development and the trust of depositors, Shareholders, markets and business partners. Share capital increases are conducted following resolutions of the General Meeting of Shareholders or of the Board of Directors, in accordance with the Articles of Incorporation and the relevant laws. For the period that the Hellenic Financial Stability Fund (HFSF) participates in the share capital of the Bank, the latter may not purchase its own shares without the former's approval, according to the Relationship Framework Agreement (RFA) which has been signed between the Bank and the HFSF. Alpha Bank, as a systemic bank, has been supervised since November 2014 by the Single Supervisory Mechanism (SSM) of the European Central Bank (ECB), to which data are submitted on a quarterly basis. The supervision is carried out in accordance with Regulation (EU) No 575/2013 (CRR) and the relevant Directive 2013/36/EU (CRD IV), as transposed into Greek Law 4261/2014. The framework is widely known as Basel III and consists of three fundamental pillars:

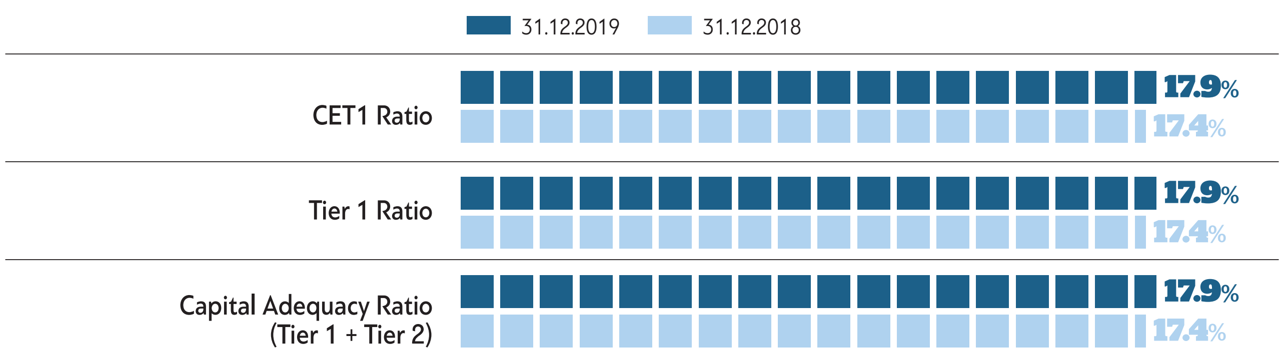
- Pillar I, which specifies the calculation of minimum capital requirements. The Bank submits to the SSM, through the Bank of Greece, the reports pertaining to its capital requirements on a solo and a consolidated basis, in accordance with the Implementing Technical Standards developed by the European Banking Authority (EBA).
- Pillar II, which sets the principles, criteria and processes required to assess capital adequacy and the risk management systems of credit institutions.
- Pillar III, which aims at increasing transparency and market discipline and sets the requirements concerning the disclosure of key information regarding the exposure of financial institutions to fundamental risks as well as the disclosure of the processes applied to manage the said risks.

Apart from the above, this framework defines the regulatory capital of credit institutions and addresses a series of other regulatory issues such as monitoring and control of large exposures, open foreign exchange position, concentration risk, liquidity ratios, the internal control system, including the risk management system, as well as the regulatory reporting and disclosures framework.

The Capital Adequacy Ratio compares the Group's regulatory capital with the risks assumed by the Group (Risk Weighted

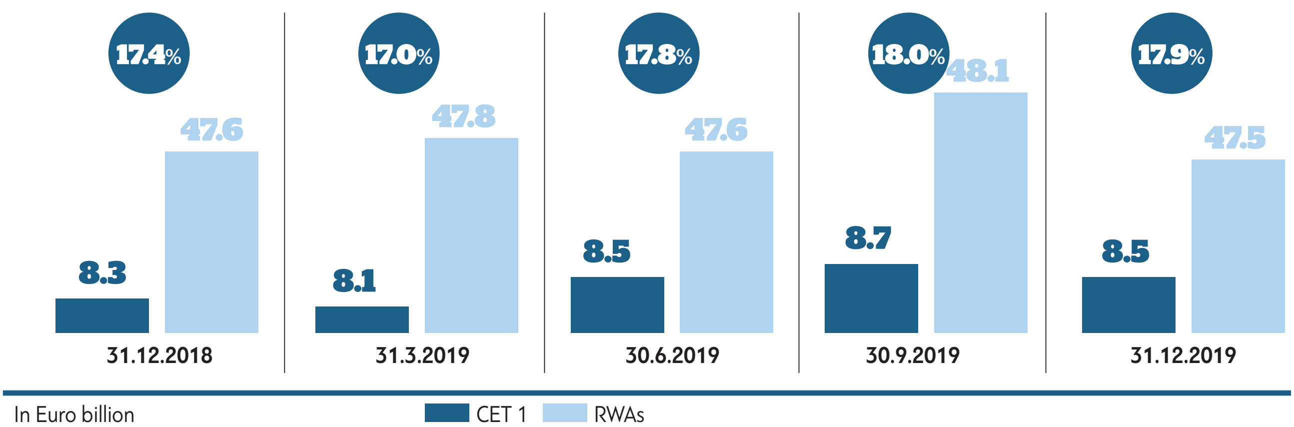
Assets). Regulatory capital includes Common Equity Tier 1 (CET1) capital (share capital, reserves, minority interests), additional Tier 1 capital (hybrid securities) and supplementary Tier 2 capital (subordinated debt). Risk Weighted Assets include the credit risk of the banking book, the market risk of the trading book and operational risk.
According to this regulatory framework for the calculation of the Capital Adequacy Ratio, the transitional arrangements in force are followed. Moreover:
• Besides the 8% Capital Adequacy Ratio limit, there are limits of 4.5% for the Common Equity Tier 1 (CET1) ratio and 6% for the Tier 1 ratio.
• The maintenance of capital buffers additional to the Common Equity Capital is required. In particular:
  • A capital conservation buffer of 2.5%.
  • The Bank of Greece through Executive Committee Acts set the following capital buffers:
  - A countercyclical capital buffer rate for the year 2019 standing at “zero per cent”.
  - An Other Systemically Important Institution (O-SII) buffer standing at 0.25% for 2019, which will gradually rise to “one percent” (1%) until 1.1.2022.

Capital Adequacy Ratios



The above ratios include the audited year-end profits.

The following graph presents the evolution of the regulatory own funds, risk weighted assets and CET1 ratio of the Group.



Since March 1, 2019, the minimum limit that should be met for 2019 for the Overall Capital Requirements (OCR) is 13.75%. On December 10, 2019, the ECB informed Alpha Bank that since January 1, 2020, the minimum limit for the Overall Capital Requirement (OCR) is 14%, increased by 0.25%, due to the gradual increase of the O-SII buffer. The OCR is composed by the minimum own funds requirements (8%), according to article 92(1) of the CRR, the additional Pillar II own funds requirements (P2R), according to article 16(2) (a) of Regulation (EU) No 1024/2013, and the combined buffer requirements (CBR), according to article 128(6) of the Directive 2013/36/EU. The above minimum ratio should be maintained on a phase-in basis under the applicable transitional rules of the CRR/CRD IV, at all times.
As per the recently announced regulatory measures by the EBA and the ECB, in view of the Covid-19 outbreak, capital regulatory thresholds for European banking institutions have been relaxed, allowing banks to operate temporarily below the level of capital defined by the Capital Conservation Buffer and the Countercyclical Buffer. Furthermore, the upcoming change under CRD V regarding the P2R buffer was brought forward, allowing the Pillar 2 Requirement (P2R) to be covered by Additional Tier 1 (AT1) capital and Tier 2 (T2) capital and not only by CET1 capital.
EU-wide stress tests are primarily focused on the assessment of the impact of risk drivers on the solvency of banks. Banks are required to stress a common set of risks (credit risk – including securitizations – market risk and counterparty credit risk, operational risk – including conduct risk). The EU-wide Stress Test is conducted every two years; however, due to the outbreak of Covid-19 and its global spread, the EBA decided to postpone the EU-wide Stress Test of 2020 until 2021 to allow banks to focus on and ensure continuity of their core operations. For 2020, the EBA will carry out an additional EU-wide transparency exercise in order to provide updated information on banks' exposures and asset quality to market participants.
On February 6, 2020, Alpha Bank successfully placed a Euro 500 million, Tier 2 bond with 10-year maturity, callable after 5 years, at a yield of 4.25%, listed on the Luxembourg Stock Exchange. The transaction constitutes an integral part of Alpha Bank's strategy, optimizes the Bank's capital structure and diversifies its capital sources, while further strengthening the Total Capital Ratio by approximately 104 basis points, at 19%.
The issuance provides Alpha Bank with an alternative funding source beyond its existing customer deposits, European Central Bank funding and interbank repos. In addition, it allows reduced reliance on secured funding that requires pledged assets, improving its overall funding and liquidity profile.
On October 25, 2017 a political agreement was reached between the European Parliament, the European Council and the European Commission on the proposal for a Regulation of the European Parliament and of the Council amending

Regulation (EU) 575/2013 regarding the transition period to mitigate the impact of the introduction of IFRS 9 on regulatory capital. Regulation (EU) 2017/2395 was adopted by the European Parliament and the Council and was published in the Official Gazette of the European Union on December 12, 2017.

In accordance with the transitional provisions, starting from the first date of the IFRS 9 application and for a period of five years, the banks may add to the CET1 ratio the post-tax amount of the difference in provisions that will result from the transition to the new IFRS 9 in relation to the provisions that would have been recognized on 31.12.2017 in accordance with IAS 39 ("Static" amount). The amount of the difference in provisions to be added to the CET1 ratio will decrease annually on a weighting basis, so that the amount of provisions added to the CET1 ratio gradually decreases, until the full impact of IFRS 9 is absorbed by the end of the five-year period (phase-in). The weighting factors were set per year at 0.95 in the first year, 0.85 in the second, 0.7 in the third, 0.5 in the fourth and 0.25 in the last year.

In addition, for a period of five years from the first application of IFRS 9, banks may add/restore to the CET1 ratio the amount, weighted annually with the aforementioned weighting factors, of the post-tax provisions of the impairment categories 1 and 2 at the date of the annual financial statements, to the extent that it exceeds the amount of the corresponding provisions at the date of the initial application of IFRS 9 (1.1.2018). Impairment categories 1 and 2 are respectively defined as the expected impairment losses based on the 12-month expected credit losses and the lifetime expected credit losses, excluding credit-impaired financial instruments.

Alpha Bank makes use of Article 473a of the above Regulation and will apply the transitional provisions for the calculation of Capital Adequacy on both a standalone and consolidated basis. The Bank is adequately capitalized to meet the needs arising from the application of the new standard, as the Group Common Equity Tier 1 (CET1) ratio stands at 17.9% as at 31.12.2019, while the impact from the full implementation is estimated at approximately 3% and the ratio stands at 14.9% as at 31.12.2019 for the Group.

In light of the Covid-19 pandemic, the Basel Committee has proposed amendments to the existing transitional arrangements for the regulatory capital treatment of Expected Credit Losses (ECLs). Jurisdictions may permit banks to switch from the static approach to the dynamic approach to determine the transitional adjustment amount (even if they had previously switched the approach that they use). Irrespective of when a jurisdiction initially started to apply transitional arrangements, for the two-year period comprising years 2020 and 2021, jurisdictions may allow banks to add back up to 100% of the transitional adjustment amount to CET1. The "add-back" amount must then be phased-out on a straight line basis over the subsequent three years.

8. CAPITAL ADEQUACY

9

CYBERSECURITY AND DATA PROTECTION

9

CYBERSECURITY AND DATA PROTECTION

CYBERSECURITY AND INFORMATION SECURITY

The Cybersecurity and Information Security Division is responsible for the development, implementation, maintenance and monitoring of the cybersecurity and information security policy, principles, procedures and mechanisms as well as for the management of Cybersecurity issues at Group level, in accordance with the Group's operational objectives and the regulatory framework.

In this context, the Division manages the projects and infrastructure that are required for the efficient and effective management of the Group's cybersecurity and information security issues.

In 2019, the Cybersecurity and Information Security Division participated and/or managed 60 initiatives/projects in the context of its 2018-2020 Strategic Plan and handled 153,958 requests (144,381 IDM access requests, 9,577 firewall/system access requests). Among others, the Cybersecurity and Information Security Division participated in strategic IT projects that were launched or are in progress as well as in necessary modifications to cover regulatory/supervisory and business requirements.

From a governance standpoint, the Division formally published the redesigned Group Cybersecurity and Information Security Framework, which was approved by the Management and was followed by the successful annual audit and recertification according to the ISO 27001 Information Security Management Standard (by Bureau Veritas). The Division, in cooperation with the IT Divisions, extended the ISO 27001 scope to include IT Operations. Similar adjustments were made to the ISO 20000 IT Service Management System processes to include Cybersecurity functions and collaboration.

The Division was also audited and certified according to the ISO 22301 Standard (TÜV Austria) for Business Continuity Management.

As regards infrastructure and operations, significant improvements were implemented, including upgrades/replacements of infrastructure and operational software (FireEye ATP Endpoint, Imperva WAF, Checkpoint Firewall) and migration to virtual systems (Clearswift, IPS, ERMIS, Checkpoint Managers). The Bank's anti-DDoS capabilities were significantly enhanced with the activation of the Global Anti-DDoS service (AKAMAI) as well as with the installation of Arbor anti-DDoS technology on premises.

A fully operational Cybersecurity Incident Response Team (CSIRT) was created, covering the relevant NIS Directive requirements. The Team established an Incident Response Platform and was very effective in identifying, analyzing, containing and/or mitigating threats as well as in monitoring the overall threat landscape.

The Division also signed a formal Memorandum of Cooperation with the Greek National CERT (Computer Emergency Response Team). Alpha Bank is the first Greek bank (or organization) that has direct cooperation and a formal communication channel with the national Computer Security Incident Response Team (CSIRT), also covering the relevant NIS Directive requirements.

In 2019, the Cybersecurity and Information Security Division managed 20 initiatives and associated projects, in addition to the operational activities and administration of requests.

The said initiatives and projects are the result of the Cybersecurity Program Management (CPM) Maturity Assessment which formed the Cybersecurity 2018-2020 Strategic Plan. The Plan covers the 17 CPM domains and the projects are designed to introduce, improve and/or adapt functions so as to improve the overall Cybersecurity maturity and level, while achieving alignment with the Business Strategy. The Plan covers governance as well as organizational and technical areas.

The Strategic Plan implementation is monitored by and reported to the Audit Committee (quarterly), the Operational Risk Committee (monthly) and the Executive Committee.

The major/critical projects listed below are part of this strategy:

1. Formal publication and implementation of the redesigned Group Cybersecurity and Information Security Framework. The framework includes new policies regarding contemporary technologies and practices such as the use of cloud services, mobile device management and teleworking, social media, etc. The framework also covers key regulatory requirements including the NIS Directive, the EU Cybersecurity Act, GDPR, EBA Guidelines on Cloud Services, EBA ICT Risk Guidelines as well as established and ISO certified Management Systems of the Bank (IT Service Management, Business Continuity and Quality).

2. Cybersecurity Maturity assessment methodologies have been established as tools for the continuous assessment of Cybersecurity performance, threat/risk assessment, so as to support strategic planning, prioritization and budgeting. The adoption of a new methodology for maturity assessment supported by a software platform with continuous updates for benchmarking and the threat landscape has been initiated by Deloitte.

3. The new Information Security Risk Assessment Methodology was fully deployed, in the context of the Group Operational Risk Management Policy as well as of ICT Risk requirements. The Division directly supports Business Units and Group Companies in conducting:

a. Information classification and information security risk assessments.

b. Recording deviations and implementing improvements to the security of critical systems, infrastructure and procedures.

A new questionnaire for assessing the cybersecurity design as well as cybersecurity risks for new projects during the Request for Information (RfI), the Request for proposal (RfP) and the implementation has been established.

4. The Division has actively participated in the design of the new GRC (Governance-Risk-Compliance) Platform RSA Archer, which will include cyber risk and incident response operations data. Until the platform is operational, cyber risk assessments and data classifications are conducted via the Continuity Guardian tool, which references a unified source of IT data (IT Assets) and is combined with Business Continuity assessments.

5. Monitoring of the implementation of the plan for the correction of deviations from the Cybersecurity and Group Information Security framework from all the Bank's Units and Group Companies and coordination of the Local Information Security Officers.

6. Certifications:

• Annual certification assessment Level 1 Service Provider and Level 4 Merchant for the Bank, under the PCI DSS v3.2 security standard.

• Annual audit and recertification of the Cybersecurity and Information Security Division according to the ISO/IEC 27001:2013 Standard, having as a scope the design, development, operation, management and support of Alpha Bank Group Information Security.

• Certification of the Cybersecurity and Information Security Division according to the ISO/IEC 22301 International Standard for Business Continuity.

7. Evaluation of outsourcing contracts as regards Cybersecurity

and Information Security clauses as well as evaluation, design and definition of Cybersecurity requirements into the Bank's and the Group Companies' new systems and infrastructure.
8. In the context of the overall systems and applications enhancement, the Division cooperated with the IT Divisions, the Internal Audit Division and the Operational Risk Division through regular reviews, audits and risk assessments, including regular and on-demand external audits.
9. Performing security audits and improvement actions on the security of critical systems, infrastructure and procedures of the Group. The Division conducted 45 penetration tests and 54 vulnerability assessments at system and application level. In addition, the Division conducted 44 information security risk assessments. It is noted that a business case and detailed risk assessment for the adoption of Microsoft Office 365 Services was conducted. The relevant documentation was presented to the Board of Directors, which approved the proposal for a six-month assessment period following the approval by the regulator.
10. A fully operational Cyber Security Incident Response Team (CSIRT) was established as per the Strategic Plan and covering relevant NIS Directive requirements. The Team established an Incident Response Platform and was very effective in identifying, analyzing, containing and/or mitigating threats as well as in monitoring the overall threat landscape. Within its first year, the Team successfully recovered a significant amount of hijacked Web Banking credentials belonging to Customers of Alpha Bank as well as of the other three systemic banks.
11. The Division signed a formal Memorandum of Cooperation with the Greek National CERT. Alpha Bank is the first Greek bank (or organization) that has direct cooperation and a formal communication channel with the National CSIRT, also covering relevant NIS Directive requirements. In this context, the Team developed the skills for the management, analysis and response to cyberattacks. The Division also represented the Bank in the annual Ministry of National Defence and NATO Cyber Defense Exercises.
12. Identity and access management operations were further optimized in 2019 by improving procedures and continuously integrating new applications into the Identity Management (IDM) platform. Tools that automate the process of granting access to external mail and the internet were developed internally, so as to solve the large number of relevant requests and improving response time. Additionally, users automatically receive awareness messages informing them about threats and the acceptable use of mail and the internet.
13. Anti-DDoS (Distributed Denial of Service) capabilities were significantly enhanced with the subscription to the AKAMAI Global WAF/ADDoS Service. In addition, on-premises resource protection was upgraded with the deployment of ARBOR Anti-DDoS replacing the existing RioRey devices. ARBOR is used by both major ISPs (Forthnet and Cosmote) and allows direct telemetry between the devices, significantly reducing reaction time for the mitigation of attacks which are directly aimed at the Bank's Data Center.
14. Replacement/upgrades and/or improvements of critical Cybersecurity infrastructure for the Bank and the Group Companies, including Imperva WAF Upgrade, Checkpoint Firewalls upgrade to version R80, enhancement of the Fireeye ATP (Advanced Threat Protection) Infrastructure and IDM upgrade to Single Sign On capability. Furthermore, the availability of critical Cybersecurity infrastructure was enhanced through virtualization (e-mail security, IPS, Secure File transfer (Ermis), Checkpoint Firewall Managers). Continuous onboarding of critical applications to the IDM System, including the new Core Banking (CBS) and the Loans Management System (Siglo). In addition, the disaster recovery process for the IDM System was automated, resulting in the reduction of necessary downtime from 1 hour to 15 minutes.
15. The Division facilitated the Cybersecurity assessment and design for critical projects including Human Resources, digital and web banking products and services with more flexible and efficient methods, significantly reducing the required time and without compromising the required level of security.
16. The Bank (Cybersecurity and Information Security Division and IT Divisions) participates in the EU Horizon 2020 FINSEC project, in which the Division is also part of the Consortium proposing the organization and establishment of a European Financial Information Sharing Alliance function, facilitating the exchange of information regarding threats and Cyber Intelligence for financial institutions.
17. Participation in the evaluation and deployment of new technologies as well as in the evaluation of security technologies to enhance existing capabilities or support new environments (such as Cloud and Containers). The Division evaluated CASB, Azure Information Protection (AIP), Antivirus, Honey Pot solutions, Mobile Device Management (iTune), Imperva DBF redesign, Cloud Firewall solutions, Azure and Azure stack integration with Alpha Bank infrastructure and EDR solutions for end-user protection.
18. Review, evaluation and/or consulting on the secure design requirements for 40 projects for the Bank and the Group, based on the Group Cybersecurity and Information Security Framework.
19. Review and development of requirements for enhanced coverage of the Cybersecurity Insurance, as part of the annual Bankers Blanket Bond (BBB) renewal. Negotiations with the underwriters and provision of technical data (controls and measures) for the finalization of the contract.
20. Information Security training and awareness for the Bank and the Group Companies Personnel.

Finally, the Division was involved in projects and activities related to the management and monitoring of the Cybersecurity and Information Security of the Bank and the Group Companies.

For 2020, besides the initial planning and goals set at the beginning of the year, the Covid-19 developments set new priorities and accelerated specific projects and initiatives that had a different time plan and/or scope of implementation, such as the number of Employees that could work from home.

The Cybersecurity and Information Security Division, in cooperation with the IT Divisions, designed and developed in record time an architecture employing existing and new technologies that allows Employees to work from home with the necessary security.

At the same time, the Division, in cooperation with the Corporate Communications Division and the Digital Networks Division, prepared the material for raising awareness among myAlpha Web Customers/Subscribers. This material underlines the increased danger from malicious attacks aiming at credential theft and fraud (Phishing, telephone calls from supposed IT technicians) resulting from the increase of electronic services usage due to Covid-19.

Similar instructions and warnings were sent to the Bank's Employees, emphasizing that these increased risks are also true for any teleworking activities.

The material (messages and videos) were published in myAlpha Web, the Bank's website as well as in relevant Social media (Twitter, LinkedIn).

Anticipating the growing requirements by Employees and Customers alike, the Division, in close cooperation with the IT Divisions, implements and improves solutions for their continuous and secure support. In this context, initiatives are currently in progress pertaining to:

• Providing secure communications and document exchange between Customers and the Branch Network.
• Providing secure use of business applications to the Bank's Employees without having to login to their office terminal.
• Extending teleworking capabilities to the Branch Personnel, if required.

As far as the original scheduling and objectives for 2020 are concerned, the main projects/initiatives include the following:

1. Continuous evaluation of the maturity level (for the Bank and the Group Companies) is critical for the efficient and effective operation of Cybersecurity in the Group. In this context, it is understood that the existing approach is not sufficient to provide the necessary information. The adoption of a new methodology for maturity assessment, supported by a software platform with continuous updates for benchmarking and the threat landscape has been initiated by Deloitte.

2. Deloitte has also been chosen to execute a TIBER-EU based exercise (Threat Intelligence-Based Ethical Red-teaming), as required by the relevant EBA guideline. Taking into account the current circumstances, the main objective of the exercise will be the attempted compromise and evaluation of the protection measures for the remote working services, in addition to the originally planned scope of myAlpha Web and myAlpha Mobile. In this way, the exercise will achieve two critical goals: testing and verifying the Bank's security measures for teleworking and the expected benefits (organizational and technical) from the TIBER exercise.

3. Further development of the cyber risk assessment methodology, so as to provide an overall risk position, as well as quantification of risks with monetary values. In this context, the risks related to teleworking and the increase in the use of electronic services by the Personnel and the Customers are added or upgraded.

4. At organizational and process level, the planned Cybersecurity and Information Security Division projects for 2020 include:

• Annual audit and recertification, according to the ISO 27001 Information Security Management (Bureau Veritas) with an extended scope integrating IT Operations.
• Annual audit and recertification of the Cybersecurity and Information Security Division, according to the ISO 22301 Business Continuity Management Systems Standard (TÜV Austria) in the context of Alpha Bank Business Continuity.
• Support for the certification of the Bank as a Level 1 Service Provider and as a Level 4 Merchant, according to PCI-DSS.

5. Design and implementation of a metrics model, in order to assess the adoption and efficiency of the Cybersecurity and Information Security framework.

6. Development of a Cybersecurity Awareness Program for the Personnel and the Customers. The program will be on-going, with frequent content updates, measurable and supported by an on-line platform. Particular emphasis will be placed on teleworking, because of increased Phishing and Scamming attacks due to the Covid-19-related increase in the use of e-services and remote working worldwide.

7. Enhancement of the Alpha Bank Computer Security Incident Response Team (CSIRT) and certification thereof by established EU and global organizations. The said certification is expected to provide a significant competitive advantage for the Bank.

8. Development of an information inventory which will contain all types and classifications of information processed by the Business Units. This will provide detailed Cybersecurity requirements and will include lists related to information access by third parties.

9. Establishment of a Software Development Lifecycle Methodology for the embedding of security requirements and

best practices during the development of new applications and systems, resulting in significantly reduced duration of Cybersecurity testing and increased assurance of the software end-products.
10. Establishment of security controls based on compliance requirements and standards in order to standardize minimum accepted security levels.
11. Establishment of a Cybersecurity Architecture Framework for the efficient evaluation and adoption of technologies and applications/systems as well as for the closer collaboration between Cybersecurity and IT Architecture teams.
12. The activities for the secure deployment of Microsoft Office 365 services have been substantially expanded from the original planning, especially as regards the number of users. Because of Covid-19 and the lock-down measures, the Office 365 Services were deployed to nearly all Head Office Units' Employees. In the following months, there are more activities planned related to activities and projects for the expansion of operations (further services) as well as the addition of more users. Moreover, security mechanisms and practices used for the protection of both users and data within the Office 365 environment are developed and improved.
13. Modeling of activities to support the evaluation and adoption of new technologies introduced by IT (e.g. containerized environments).
14. Planning and standardization of activities related to the migration of physical components to cloud environments. The completion and results of this activity are expected to be augmented by the expertise that is being gained due to the expanded deployment of Office 365 services to the Bank's Employees.
15. Further development and enhancement of the Identity and Access Management (IAM) strategy. Evaluation of new methods/approaches and technologies for the optimization of IAM.
16. New infrastructure along with upgrades of security infrastructure and new Cybersecurity and information security services (new releases, licenses, replacements, new services).

DATA PROTECTION

Alpha Bank has implemented the General Data Protection Regulation (EU) 2016/679 of the European Parliament and of the Council, also known as GDPR, on the protection of natural persons with regard to the processing of their personal data, since May 25, 2018.
The General Data Protection Regulation is applied to the Bank and the Group Companies operating in the European Union, which process personal data[1]. For the scope of the aforementioned, a Group framework consisting of policy, procedures as well as methodology is adopted, albeit minimum differences deriving from local legal/regulatory and business requirements do exist in countries where the Group operates.
The Bank, with respect for the data subjects' rights and freedoms, collects, records, manages and processes personal data of natural persons during the course of its business activities and always in accordance with the legislative framework in force. Moreover, the Bank acknowledges the protection of such personal data as a key priority.
For the scope of the provision of information to natural persons as regards the processing of their personal data by the competent Units of Alpha Bank or third parties acting on the Bank's behalf, a document entitled "Notification on the Processing of Personal Data" is given to the Customer upon the initiation of its contractual (or pre-contractual) relationship with the Bank. This document is available in a prominent place at Alpha Bank's website and encompasses all the information deemed necessary for the natural person to be aware of, such as the purposes of processing of its personal data, the sources of its collection, the data recipients, the data retention period, the rights of data subjects and the ways to exercise them as well as the contact details of Alpha Bank's competent Units.
In addition to the above general notification, a specific notification is provided to natural persons about the processing of their personal data conducted for products and services available via digital networks or for services offered, based on new technologies, in the course of the Bank's digital transformation.
Furthermore, during 2019, the Bank proceeded with a series of coordinated actions for further enhancing the GDPR implementation by the Bank and the Group Companies. Such actions are indicatively mentioned, as follows:
• The updating of the Bank's Record of Processing Activities for new operations involving personal data processing as well as already existing operations that were reverified and updated.
• The execution of a data protection impact assessment whenever data processing is likely to result in high risks for the rights and freedoms of data subjects as well as the drafting and development of pertinent action plans for the implementation of all the appropriate technical and organizational measures to mitigate such risks.
• The signing of standard contractual documents for personal data processing by service providers/third parties, who process personal data of natural persons on behalf of the Bank, acting as "Data Processors", for any new operations assigned by the Bank to such parties.
• The finalization of a periodic risk assessment mechanism on third parties/vendors in accordance with the GDPR foreseen requirements as well as its implementation kick-off.

[1]More specifically, the Group-level application of GDPR covers, apart from Alpha Bank S.A., the Group Companies Alpha Bank Romania S.A., Alpha Bank Cyprus Ltd and Alpha Bank London Ltd as well as the 16 largest Group Companies active within the European Union.

• The optimization of the already existing appropriate infrastructure (technical and other) aiming to support:
- The consent obtained by the data subject, where necessary, for the processing of his/her personal data as well as the withdrawal of such consent.
- The effective management of the above-mentioned consent in conjunction with the documented monitoring of the required process related to the data subject's notification on his/her personal data processing.
• The retraining of a part of the Group's Personnel (over 3,000 Employees in the Group) in issues related to personal data protection, in combination with the inclusion of a specialized session in the annual training program of the Bank as well in the prerequisite "Alpha Web-based Training" programs for Retail Customer Service.
• The continuous updating of the microsite exclusively dedicated to GDPR within the intranet site of the Bank, serving as a permanent reference point for its entire Personnel.
• The development of a dedicated IT solution aiming to provide system support to all critical GDPR implementation and monitoring tools, i.e. Record of Processing Activities, Data Protection Impact Assessment, mechanism on periodic risk assessment of third parties/vendors as well as personal data breach management. The pertinent parameterization has already commenced for the Bank and its extension to all the Group Companies has been put forward in alignment with the personal data management and protecting framework, as defined and adopted in the Alpha Bank Group.
• The implementation, as appropriate, of the required technical measures, such as anonymization/pseudonymization and identity access management to systems/applications of the Bank involved in personal data processing, in order to further strengthen the information security level. The implementation of the said measures to systems/applications of the Group Companies in Greece and abroad is gradually expanding.

It should be noted that Alpha Bank is already certified in accordance with the ISO/IEC 27001:2013 standard for Information Security and in accordance with the ISO/IEC 22301:2012 standard for Business Continuity. Both certifications are renewed annually and indicate the importance that the Bank places on its Customers' and partners' personal data.

For the year 2020, with the scope of further enhancing the data protection framework in all its three elements (i.e. human factor – policies/procedures – systems/applications), the following actions are scheduled to be implemented:
• The raising of the awareness level of Employees on GDPR-related issues in conjunction with the specialized/targeted training of Personal Data Coordinators who have been assigned in the Business Units of the Bank that process personal data.
• The updating and optimization of policies and procedures.
• The conclusion of all the appropriate technical and organizational measures' implementation, as well as the activation – expansion of the pertinent systemic support comprising the most salient functions related to the personal data protection framework.

For the optimum coordination of all the above-mentioned actions, the Bank has appointed a Group Data Protection Officer (GDPO), who reports on the Bank's level of compliance with the foreseen regulatory requirements to the General Management of the Bank as well as to the Audit Committee of the Board of Directors.

Additionally, for the scope of enhancing effectiveness on personal data breach management, the competent Committee that has already been established convenes, when necessary, to assess occurring personal data breaches and coordinate required actions that need to be initiated by the competent Units of the Bank.

Personal data entrusted to the Bank by its Customers constitute a major asset for the Bank, therefore their continuous and effective protection is acknowledged as of utmost importance. On that direction, as also stated above, Alpha Bank steadily adheres to the main GDPR principles, as follows:
• Lawfulness, fairness, transparency and purpose limitation, in terms of data processing.
• Data minimization, accuracy and storage period limitation, in terms of their use.
• Safeguarding data confidentiality, integrity and availability, in terms of their protection.

10

CORPORATE GOVERNANCE

10 CORPORATE GOVERNANCE

CORPORATE GOVERNANCE CODE

The Bank operates within the framework of the Alpha Bank Corporate Governance Code, which is posted on its website (https://www.alpha.gr/en/group/corporate-governance). Effective corporate governance constitutes an expressed goal of the Bank, which is constantly pursued.

In particular, the Corporate Governance Code as well as the corporate governance practices which are implemented by the Bank are in accordance with the requirements of the relevant legislative, supervisory and regulatory framework, both of Greece and of the European Union, and with the international best practices in corporate governance. They aim at increasing the long-term economic value of the Bank, taking into consideration the interests of the Shareholders, those transacting with the Bank, the Employees and other Stakeholders. The Bank complies with the legislation requirements for corporate governance pertaining to listed companies, the special legislation of the Hellenic Financial Stability Fund and the provisions applied to credit institutions pursuant to the Greek and the European Union law as well as with the guidelines issued by the European Banking Authority, the European Securities and Markets Authority and the European Central Bank on this thematic area.

Alpha Bank has always been implementing principles of corporate governance, enhancing transparency in communication with the Bank's Shareholders and keeping investors promptly and continuously informed. In this context, the Bank has adopted the following modifications, prior to their establishment as regulatory and legal requirements: the separation of the Chair's duties from those of the CEO and the establishment of the Audit Committee of the Board of Directors.

The Bank constantly enhances the corporate governance framework it applies by adopting practices and measures beyond those defined in the relevant legislation, such as a larger number of Non-Executive Independent Members of the Board of Directors, by adopting additional independence criteria to be fulfilled by the Non-Executive Independent Members than those provided for in the relevant legislation, by the establishment of monthly meetings of the Audit Committee of the Board of Directors and the Risk Management Committee of the Board of Directors as well as by the establishment of joint meetings of the Audit Committee with the Risk Management Committee.

Furthermore, the Board of Directors regularly examines corporate governance issues and during 2019 it revised the Charters of all Board of Directors' Committees, in order for them to be fully aligned with the relevant regulatory framework and with the most recent best practices of corporate governance. Each Committee has been assigned with explicitly defined and distinct responsibilities.

During 2019, the Bank updated the Articles of Incorporation, established a Remuneration Policy as per the provisions of articles 110 and 111 of Law 4548/2018, which incorporated into Greek law the relevant provisions of the Shareholders Rights Directive and updated the Senior Executives Severance Payment Policy, which applies to the Senior Executives and Managers of Alpha Bank. The aforementioned documents were approved by the Extraordinary General Meeting of Shareholders held on 20.11.2019 and are posted on the Bank's website (https://www.alpha.gr/en/group/corporate-governance).

Furthermore, the positions of General Manager of International Network and of General Manager – Chief Legal and Governance Officer were established early in the year.

Additionally, at the Board of Directors meeting held on 19.11.2019, it was resolved that as of 2.12.2019 the Board of Directors' powers and authorities, other than for matters requiring, according to applicable law, a collective decision, are delegated exclusively to the CEO with the power to further sub-delegate such powers and authorities. Moreover, the position of the Deputy CEO was abolished and any power previously granted to the Deputy CEOs was hereby revoked. Mr. Demetrios Mantzounis resigned from the position of Non-Executive Member of the Board of Directors on 31.12.2019.

CODE OF ETHICS

The Bank has adopted a Code of Ethics for the performance of duties with the purpose to implement the standards required by modern corporate governance and effective internal audit. The Code describes the commitments and the practices of the Bank regarding its activities, the management, the rules of conduct of Executives and Employees towards each other, but also towards those transacting with the Bank and towards the Shareholders. The said Code, as in force, is posted on the Bank's website (https://www.alpha.gr/en/group/corporate-governance/code-of-ethics).

GROUP COMPANIES' CORPORATE GOVERNANCE

The Bank, in accordance with the best practices of corporate governance and aiming to further enhance the collaboration within the Group, has launched a series of meetings between the Members of the Board of Directors of the Bank and Board Members and representatives of the Group Companies. In these meetings, important issues of mutual interest are discussed and the necessary guidance is provided. In particular, a visit to Cyprus took place on 19.4.2019 on the subject of the NPL and NPE portfolios of Cyprus, with the participation of the Member of the Risk Management Committee, Mr. R.R. Gildea, of Executives of the Bank as well as of Executives of Alpha Bank Cyprus Ltd.

During 2019, the Bank conducted a review of Policies relevant to the corporate governance practices implemented by the Group Companies. Following a thorough gap analysis, the Group Companies' policies relevant to the corporate governance practices were fully aligned with legal and regulatory requirements, EBA guidelines as well as with Alpha Bank's corporate governance practices.

COMMUNICATION WITH SHAREHOLDERS, INVESTOR ROADSHOWS AND CORPORATE GOVERNANCE MEETINGS

The Bank enhances its relations with proxy advisors and institutional investors who focus on corporate governance, providing them, where necessary, with further information so as to facilitate their decision-making process on corporate governance matters of the Bank in view of the General Meetings of Shareholders.

In particular, given the increasing interest of institutional investors and proxy advisors in corporate governance issues, bilateral meetings were held throughout the year with representatives from proxy advisors, analysts and investors.

BOARD OF DIRECTORS

CHAIR

Vasileios T. Rapanos (Non-Executive Member)

He was born in Kos in 1947. He is Professor Emeritus at the Faculty of Economics of the University of Athens and has been an Ordinary Member of the Academy of Athens since 2016. He studied Business Administration at the Athens School of Economics and Business (1975) and holds a

Master's in Economics from Lakehead University, Canada (1977) and a PhD from Queen's University, Canada. He was Deputy Governor and Governor of the Mortgage Bank (1995-1998), Chairman of the Board of Directors of the Hellenic Telecommunications Organisation (1998-2000), Chairman of the Council of Economic Advisors at the Ministry of Economy and Finance (2000-2004) and Chairman of the Board of Directors of the National Bank of Greece and the Hellenic Bank Association (2009-2012). He has been the Chair of the Board of Directors of the Bank since May 2014.

EXECUTIVE MEMBERS

CEO

Vassilios E. Psaltis (CEO as of 2.1.2019)

He was born in Athens in 1968 and holds a PhD and an MBA from the University of St. Gallen in Switzerland. He worked as Deputy (acting) Chief Financial Officer at Emporiki Bank and at ABN AMRO Bank's Financial Institutions Group in London. He joined Alpha Bank in 2007. In 2010 he was appointed Group Chief Financial Officer (CFO) and in 2012 he was appointed General Manager. Through these posts, he spearheaded capital raisings of several billions from foreign institutional shareholders, diversifying the Bank's shareholder base, as well as significant mergers and acquisitions that contributed to the consolidation of the Greek banking market, reinforcing the position of the Bank. He was voted seventh best CFO among European banks (2014 and 2018) by institutional investors and analysts in the Extel international survey. He has been a Member of the Board of Directors of the Bank since November 2018 and Chief Executive Officer since January 2019.

GENERAL MANAGERS

Spyros N. Filaretos

He was born in Athens in 1958. He studied Economics at the University of Manchester and at the University of Sussex. He joined the Bank in 1985. He was appointed Executive General Manager in 1997 and General Manager in 2005. In October 2009 he was appointed Chief Operating Officer (COO). He has been a Member of the Board of Directors of the Bank since 2005.

Artemios Ch. Theodoridis

He was born in Athens in 1959. He studied Economics at the Athens University of Economics and Business and holds an MBA from the University of Chicago. He joined the Bank as Executive General Manager in 2002 and was appointed General Manager in 2005. As of 2017, he has been supervising the Non-Performing Loans and the Treasury Business Units. He has been a Member of the Board of Directors of the Bank since 2005.

SENIOR ADVISOR TO THE CEO

George C. Aronis (Executive Member until 31.1.2020)

He was born in Athens in 1957. He studied Finance and holds an MBA from the Athens Laboratory of Business Administration. He worked in ABN AMRO BANK both in Greece and abroad and he served for five years as General Manager Consumer Banking. In 1999 he joined the National Bank of Greece Group and served in managerial positions and in 2002 he was appointed General Manager Retail Banking. He joined Alpha Bank in 2004 as Retail Banking Manager. In 2006 he was appointed Executive General Manager and in 2008 General Manager, supervising the Retail and Wholesale Banking Business Units. He was a Member of the Board of Directors of the Bank from 2011 to January 2020.

NON-EXECUTIVE MEMBERS

Efthimios O. Vidalis

He was born in 1954. He holds a BA in Government from Harvard University and an MBA from the Harvard Graduate School of Business Administration. He held several leadership positions for almost 20 years at Owens Corning, where he served as President of the Global Composites and Insulation Business Units. He joined S&B Industrial Minerals S.A. in 1998 as Chief Operating Officer (1998-2001), became the first non-family Chief Executive Officer (2001-2011) and served on the Board of Directors for 15 years. He was a member of the Board of Directors of Future Pipe Industries (Dubai, U.A.E.) from 2008 to 2019, Chairman of the Board of Directors of the Greek Mining Enterprises Association (2005-2009) and member of the Board of Directors of the Hellenic Federation of Enterprises (SEV) from 2006 to 2016, where he served as Vice Chairman (2010-2014) and as Secretary General (2014-2016). Furthermore, he is the founder of the SEV Business Council for Sustainable Development and was the Chairman thereof from 2008 to 2016. He is a non-executive member of the Board of Directors of TITAN CEMENT COMPANY S.A. and Fairfield-Maxwell Ltd (U.S.A.). He has been a Member of the Board of Directors of the Bank since May 2014.

Demetrios P. Mantzounis (CEO until 2.1.2019 and Non-Executive Member until 31.12.2019)

He was born in Athens in 1947. He studied Political Sciences at the University of Aix-Marseille. He joined the Bank in 1973. In 2002 he was appointed General Manager and from 2005 to 2018 he served as Managing Director. Based on the annual international survey conducted by Extel, he was voted among the 20 best CEOs of European banks at a Pan-European level in 2014, 2016 and 2018. Moreover, based on the same survey, he was voted Best CEO in Greece in 2014 and in 2016 and Second Best CEO in Greece in 2018. He was a Member of the Board of Directors of the Bank from 1995 to 2019.

NON-EXECUTIVE INDEPENDENT MEMBERS

Jean L. Cheval

He was born in Vannes, France, in 1949. He studied Engineering at the École Centrale des Arts et Manufactures, while he holds a DES (Diplôme d'Études Spécialisées) in Economics (1974) from the University of Paris I. After starting his career at BIPE (Bureau d'Information et de Prévisions Économiques), he served in the French public sector (1978-1983) and then worked at BANQUE INDOSUEZ-CRÉDIT AGRICOLE INDOSUEZ (1983-2001), wherein he held various senior management positions. He served as CEO and then as Chairman of the Banque Audi France (2002-2005), while he was Head of France at the Bank of Scotland (2005-2009). As of 2009 he has been working at Natixis in various senior management positions. He is currently a member of the Board of Directors of HIME-SAUR, France and of EFG-Hermès, Egypt. He has been a Member of the Board of Directors of the Bank since June 2018.

Carolyn G. Dittmeier

She was born in 1956. She holds a BSc in Economics from the Wharton School of the University of Pennsylvania. She is a statutory auditor, a certified public accountant, a certified internal auditor and a certified risk management assurance professional focusing on the audit and risk management sectors. She commenced her career at the auditing and consulting firm KPMG and subsequently assumed managerial responsibilities in the Montedison Group as Financial Controller and later as Head of Internal Audit. Subsequently, she took on the role of Chief Internal Audit Executive of the Poste Italiane Group. She has carried out various professional and academic activities focusing on risk and control governance and has written two books. She was Vice Chair and Director of the Institute of Internal Auditors (IIA), Chair of the European Confederation of Institutes of Internal Auditing (ECIIA) and Chair of the Italian Association of Internal Auditors. Furthermore, she served as Independent Director and Chair of the Risk and Control Committee of Autogrill SpA as well as of Italmobiliare SpA. She is currently President of the Statutory Audit Committee of Assicurazioni Generali SpA and a member of the Boards and/or the Audit Committees of some non-financial privately held companies. She has been a Member of the Board of Directors of the Bank since January 2017.

Richard R. Gildea

He was born in 1952. He holds a BA in History from the University of Massachusetts (1974) and an MA in International Economics, European Affairs from the Johns Hopkins University School of Advanced International Studies (1984). He served in JP Morgan Chase from 1986 to 2015, wherein he held various senior management positions throughout his career. He was Emerging Markets Regional Manager for the Central and Eastern Europe Corporate Finance Group, London (1993-1997) and Head of Europe, Middle East and Africa (EMEA) Restructuring, London (1997-2003) as well as Senior Credit Officer in EMEA Emerging Markets, London (2003-2007). From 2007 to 2015 he was Senior Credit Officer for JP Morgan's Investment Bank Corporate Credit in EMEA Developed Markets, London and was appointed Senior Risk Representative to senior committees within the Investment Bank. He is currently a member of the Board of Advisors at the Johns Hopkins University School of Advanced International Studies, Washington D.C., where he chairs the Finance Committee as well as a member of Chatham House (the Royal Institute of International Affairs), London and of the International Institute of Strategic Studies, London. He has been a Member of the Board of Directors of the Bank since July 2016.

Shahzad A. Shahbaz

He was born in 1960. He holds a BA in Economics from Oberlin College, Ohio, U.S.A. He worked at various banks and investments firms, since 1981, including the Bank of America (1981-2006), from which he left as Regional Head (Corporate and Investment Banking, Continental Europe, Emerging Europe, Middle East and Africa). He served as Chief Executive Officer (CEO) of NBD Investment Bank/Emirates NBD Investment Bank (2006-2008) and of QInvest (2008-2012). He is currently the Group CIO of Al Mirqab Holding Co. He has been a Member of the Board of Directors of the Bank since May 2014.

Jan A. Vanhevel

He was born in 1948. He studied Law at the University of Leuven (1971), Financial Management at Vlekho (Flemish School of Higher Education in Economics), Brussels (1978) and Advanced Management at INSEAD (The Business School for the World), Fontainebleau. He joined Kredietbank in 1971, which became KBC Bank and Insurance Holding Company in 1998. He acquired a Senior Management position in 1991 and joined the Executive Committee in 1996. In 2003, he was in charge of the non-Central European branches and subsidiaries, while in 2005 he became responsible for the KBC subsidiaries in Central Europe and Russia. In 2009, he was appointed CEO and implemented the Restructuring Plan of the group until 2012, when he retired. From 2008 to 2011, he was President of the Fédération belge du secteur financier (Belgian Financial Sector Federation) and a member of the Verbond van Belgische Ondernemingen (Federation of Enterprises in Belgium), while he has been the Secretary General of the Institut International d'Études Bancaires (International

Institute of Banking Studies) since May 2013. He was also a member of the Liikanen Group on reforming the structure of the EU banking sector. Currently, he is a Board member of two private industrial multinational companies and of a private equity company. He has been a Member of the Board of Directors of the Bank since April 2016.

NON-EXECUTIVE MEMBER

(Pursuant to the provisions of Law 3864/2010)
Johannes Herman Frederik G. Umbgrove

He was born in Vught, the Netherlands in 1961. He holds an LL.M. in Trade Law (1985) from Leiden University and an MBA from INSEAD (The Business School for the World), Fontainebleau (1991). He worked at ABN AMRO Bank N.V. (1986-2008), wherein he held various senior management positions throughout his career. He served as Chief Credit Officer Central and Eastern Europe, Middle East and Africa (CEEMEA) of the Global Markets Division at The Royal Bank of Scotland Group (2008-2010) and as Chief Risk Officer and member of the Management Board at Amsterdam Trade Bank N.V. (2010-2013). From 2011 to 2013 he was Group Risk Officer at Alfa Bank Group Holding and as of 2014 he has been a Risk Advisor at Sparrenwoude B.V. He has been a member of the Supervisory Board of Demir Halk Bank (Nederland) N.V. since 2016 and in 2018 he became the Chairman thereof. Furthermore, he has been a Member of the Supervisory Board of Lloyds Bank GmbH since December 2019. He has been a Member of the Board of Directors of the Bank, representing the Hellenic Financial Stability Fund since April 2018.

SECRETARY

George P. Triantafyllides

COMPOSITION AND FUNCTIONING OF THE BOARD OF DIRECTORS

The Board of Directors represents the Bank and is qualified to resolve on every action concerning the Bank's management, the administration of its property and the promotion of its scope of business in general. Indicatively, the Board of Directors is qualified to resolve on the issuance of all kinds of bond loans, with the exception of those which belong to the exclusive competence of the General Meeting.

The primary concern of the Board of Directors, while exercising its powers, is to promote the interests of the Bank, of the Shareholders and of its Employees as well as of other interested parties, as the case may be. The Board of Directors monitors the compliance and adherence to the provisions of the law, within the framework of the corporate interest as well as the compliance to procedures of reliable and timely information and communication.

Board of Directors Composition 2019

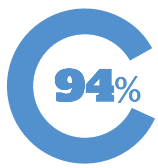
Following the resignation of Mr. D.P. Mantzounis from the position of Chief Executive Officer and the election of Mr. V.E. Psaltis to the said position, with effective date 2.1.2019, which took place during the Board of Directors meeting held on 29.11.2018, the Board of Directors was constituted anew into a body in accordance with the Articles of Incorporation at its meeting of 2.1.2019.

At the Ordinary General Meeting of Shareholders held on 28.6.2019, the General Meeting was informed about the election of a new Member of the Board of Directors and in particular that:

- At the meeting of the Board of Directors held on 30.8.2018, Mr. I.S. Dabdoub submitted his resignation from the position of Member of the Board of Directors and of its Committees.
- At the meeting of the Board of Directors held on 29.11.2018, Mr. V.E. Psaltis was elected as Member of the Board of Directors of the Bank.
- At the meeting of the Board of Directors held on 29.11.2018, Mr. D.P. Mantzounis submitted his resignation from the position of Managing Director – CEO with effective date 2.1.2019.
- Through a unanimous resolution of the Board of Directors,

Mr. V.E. Psaltis was appointed new CEO on 2.1.2019.
The tenure of the Members of the Board of Directors is four years, even though Law 4548/2018, in force as of January 1, 2019, stipulates that the tenure can be up to six years. The Board's tenure ends at the Ordinary General Meeting of Shareholders which will take place in 2022.
The Board of Directors convenes every month or more often, if necessary. In 2019 it convened 18 times. The average participation rate of the Members of the Board of Directors in the meetings stood at 94% (based on the composition of the Board of Directors on 31.12.2019).

Board Meetings Average Attendance



Two strategy offsite meetings took place during 2019 with the participation of all the Members of the Board of Directors (100% attendance).
The Board has established an attendance objective, which stipulates that the Members should attend more than 85% of the Board of Directors meetings. The Corporate Governance and Nominations Committee deemed that there were no Member absences from Board meetings without a valid reason. The Members of the Board of Directors who were absent had informed the Bank in time of the relevant reasons.

EVALUATION OF THE BOARD OF DIRECTORS

The Board of Directors, in accordance with the Corporate Governance Code and the Policy for the Annual Evaluation of the Alpha Bank Board of Directors it has adopted, assesses on an annual basis its effectiveness as well as that of its Committees. Every three years, the Board of Directors may appoint an external consultant to conduct these assessments.
The overall evaluation of the Board of Directors and its Committees for the year 2018 was conducted by Nestor Advisors, a London-based corporate governance consulting firm, with the assistance of the Corporate Governance and Nominations Committee. The individual evaluation of the Members of the Board of Directors was conducted by the Chair of the Board of Directors.
Further to the annual evaluation of the Board of Directors, a reassessment of the Board Members' collective suitability in terms of knowledge, skills and experience based on the Joint ESMA/EBA Guidelines on the Assessment of the Suitability of Members of the Management Body and Key Function Holders (the "Joint ESMA/EBA Guidelines") was conducted in November with the support of the Corporate Governance and Nominations Committee.
Moreover, at the annual Meeting of the Non-Executive Members of the Board of Directors, the Non-Executive Members verified that the Board and its Committees have developed effective procedures regarding their operation.
The Non-Executive Members also evaluated the performance of the Executive Members and highlighted the contribution of each and every one of them to the accomplishment of satisfactory results during these highly volatile economic circumstances which the country is experiencing as well as their excellent cooperation with their Non-Executive peers.
It was confirmed that during the meetings the Members of the Board of Directors deliberate openly in an environment of trust and they feel free to express their views.

INDUCTION AND TRAINING PROGRAMS FOR THE MEMBERS OF THE BOARD OF DIRECTORS

The Bank offers to the new Members of the Board of Directors an induction program on Legal and Regulatory requirements, Corporate Governance principles, Risk Management, Internal Audit, Compliance, Capital Adequacy, Financial and Accounting services, Information Technology and Security and Strategic Planning as well as the possibility for relevant information seminars and information meetings.
Moreover, the Bank provides continuous informative sessions to the Members of the Board of Directors in order to update them on current issues of the banking market and on the regulatory developments in the financial sector.
In particular, for the year 2019, all the Members of the Board of Directors were offered informative sessions on the following subjects:
- NPL Reduction Schemes:
• A Systemic Approach for NPE and DTC Reduction of Greek Banks, Bank of Greece.
• Proposal for the Introduction of a Greek Asset Protection Scheme, Hellenic Financial Stability Fund.
- Directors, officers and company reimbursement insurance:
• Bankers Blanket Bond and Civil Insurance Policy (AXA and AON).
- Digital transformation/Cybersecurity/Fintech:
• The Cybersecurity Landscape in the Financial Industry.
- The Evolving Role of the HFSF.
- Human resources/Labor laws.
The Bank also provides its Board Members with the opportunity to participate in training and education sessions offered by external institutions. Upon request by any Member, the Bank may offer tailor-made programs to further enhance the Members' knowledge and competences.

Committees of the Board of Directors

Audit Committee

Chair:	Carolyn G. Dittmeier
Number of Members:	5
Frequency:	At least once every month
Number of meetings in 2019:	13
Average participation rate of the Members:	98% (based on the Committee's composition on 31.12.2019)

The specific duties and responsibilities of the Audit Committee are determined in its Charter, which was amended in December 2019 and is posted on the Bank's website (https://www.alpha.gr/en/group/corporate-governance/commitees).

Audit Committee Composition

Non-Executive Independent Members	Non-Executive Members
60%	40%

Based on the composition of the Audit Committee on 31.12.2019

In 2019, the Audit Committee of the Board of Directors of Alpha Bank was comprised of the following Non-Executive Members of the Board of Directors:

- Carolyn G. Dittmeier, Chair, Non-Executive Independent Member
- Efthimios O. Vidalis, Non-Executive Member
- Jean L. Cheval, Non-Executive Independent Member
- Jan A. Vanhevel, Non-Executive Independent Member
- Johannes Herman Frederik G. Umbgrove, Non-Executive Member

The Committee assessed the Group Internal Auditor, the Group Compliance Officer and the Internal Control System of the Bank and the Group for 2018, based on the relevant data and information of the Internal Audit Division, the Compliance Division and the Management as well as on the findings and the recommendations from both the Statutory Certified Auditors of the Bank and the Regulatory Authorities.

Within its competence, the Committee supervised the operation of the Internal Audit Division and monitored the function of the Compliance Division, including the assessment of their effectiveness and independence, as well as their organizational structure and resources.

In a meeting without the presence of Bank Management, the Head of Internal Audit assured the Audit Committee of the independence of the above-mentioned Divisions.

The Committee was informed about the scope and the results of the audits and activity of the Internal Audit Division and the Compliance Division and especially about their findings related to the adequacy and effectiveness of the Internal Control System, in accordance with the Bank of Greece Governor's Act 2577/2006, as in force.

Additionally, it monitored the corrective actions for the remediation of significant recommendations which were included in the reports of various audits.

The Committee reviewed the audit risk assessment and planning process as regards the 2020 Group Audit Plan and the (multiannual) Audit Plan for the years 2020-2024, submitting them to the Board of Directors for approval. In addition, it was informed about the Compliance Framework, Annual Plan and Objectives for 2020 along with the Organizational Structure of the Compliance Division for the year 2020.

The Committee took cognizance of the Minutes of the Whistleblowing Committee as well as of the outcome of the investigations with regard to the reported cases, in accordance with the Whistleblowing Policy and Procedures.

The Committee evaluated the following annual reports for the year 2018, which were submitted to the Bank of Greece:

a) The Regulatory Compliance Report.

b) The evaluation of the adequacy and effectiveness of the Anti-Money Laundering and Combating the Financing of Terrorism Policy.

c) The evaluation of the adequacy and effectiveness of the Internal Control System of the Alpha Bank Group by the Internal Audit Division.

d) The Independent Assessment Report regarding the custody of Alpha Bank customer assets.

In addition, the Committee drafted and submitted to the Bank of Greece its assessment reports on the adequacy and effectiveness of the Anti-Money Laundering and Combating the Financing of Terrorism Policy as well as on the Internal Control System of the Alpha Bank Group.

In 2019, the Committee submitted to the Board of Directors and the General Meeting of Shareholders for approval the fees of "Deloitte Certified Public Accountants S.A." and "SOL S.A." for the statutory audit of the Financial Statements of the Bank and the Group Companies for the year 2019 and the issuance of a tax certificate (where applicable).

The Committee performed oversight over the financial reporting process and the procedures for preparing the Financial Statements of the Bank and the Group.

Furthermore, in six joint meetings with the Risk Management Committee, it reviewed the preparation of the annual Financial Statements for the Bank and the Group for the year 2018 as well as the quarterly Financial Statements for the Group and the semi-annual Financial Statements for the Bank and the

Group for the year 2019, prior to their submission to the Board of Directors for approval.
The Committee monitored the Statutory Certified Auditors' (Deloitte) activity and performance. The Committee reviewed the Statutory Certified Auditors' Audit Plan for 2019 with reference to the planned audit approach, key audit matters and risks, audit standards and regulation, etc.
The Statutory Certified Auditor stated that they did not identify any issue which would have a material impact on the Financial Statements. The Committee evaluated the internal control issues regarding the financial reporting processes identified by the Statutory Certified Auditor and the adequacy of the responses provided by the Management.
The Audit Committee monitored the independence of the Statutory Certified Auditor. It took cognizance of and provided approvals when required, regarding the provision of Non-Audit Services to the Bank and the Group by the Statutory Certified Auditor, on the basis of the Policy of the Bank "Assignment of Non-Audit Services to Auditors", which the Audit Committee updated during the year. The Statutory Certified Auditor, Deloitte Certified Public Accountants S.A., assured the Audit Committee of their independence.
The Committee took cognizance of the Additional Report of "Deloitte Certified Auditors" based on article 11 of Regulation (EU) 537/2014 and submitted it to the Board of Directors.
During 2019, the Audit Committee recommended to the Board of Directors the appointment of a new Head of Internal Audit and a new Head of Compliance.
After each meeting, the Chair of the Audit Committee informed the Board of Directors of the issues that had been discussed and decided upon.

Risk Management Committee

Chair:	Jan A. Vanhevel
Number of Members:	4
Frequency:	At least once every month
Number of meetings in 2019:	13
Average participation rate of the Members:	98% (based on the Committee's composition on 31.12.2019)

The specific duties and responsibilities of the Risk Management Committee are determined in its Charter, which was amended in December 2019 and is posted on the Bank's website (https://www.alpha.gr/en/group/corporate-governance/commitees).

Risk Management Committee Composition

Non-Executive Independent Members	Non-Executive Members
75%	25%

Based on the composition of the Risk Managment Committee on 31.12.2019

In 2019, the Risk Management Committee of the Board of Directors was comprised of the following Non-Executive Members of the Board of Directors:
• Jan A. Vanhevel, Chair, Non-Executive Independent Member
• Richard R. Gildea, Non-Executive Independent Member
• Carolyn G. Dittmeier, Non-Executive Independent Member
• Johannes Herman Frederik G. Umbgrove, Non-Executive Member
During the last year, the Committee reviewed and endorsed for approval by the Board of Directors:
• The Group's Capital Adequacy Statement (CAS) and the Liquidity Adequacy Statement (LAS) for 2019, the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Internal Capital Adequacy Assessment Process (ICAAP) Reports for 2019 as well as the updated ICAAP Framework.
• The Pillar III Disclosures Annual Report for the Financial Year 2018 and the Pillar III Semi-Annual Report as at 30.6.2019.
• The updated Recovery Plan for 2019 and the Recovery Plan Framework; additionally, the Risk Management Committee was informed about the Recovery Plan Dry Run Exercise which was carried out in October 2019.
• The 2019 Liquidity Coverage Ratio (LCR) Restoration Plan.
• The Risk and Capital Strategy and the Risk Appetite Framework for 2020.
• The updated NPLs/NPEs operational targets (including those for Cyprus) submitted to the SSM as per the new NPLs/NPEs Business Plan.
• The Stress Test Governance Framework.
• The summary of the Bank's assessment of key risks relating to the Interest Rate Benchmark reform.
• The Bank's final Action Plan based on the SSM's recommendations regarding the On-Site Inspection (OSI) of NPE Management, which was carried out in the second half of 2017.
The Committee reviewed on a monthly basis the progress made with regard to the achievement of the targets submitted to the SSM.
Moreover, it was updated on a regular basis on the Single Supervisory Mechanism and the Single Resolution Board Agendas for 2019 and monitored issues regarding the Minimum Requirement for Own Funds and Eligible Liabilities (MREL). Furthermore, the Committee was informed about the

Single Resolution Board's Annual Decision on the Alpha Bank Group Resolution Plan and the Annual Assessment thereof by the Single Resolution Board.

The Committee was updated on the Pillar II Capital Requirements for all risk types, including credit risk, the Single Supervisory Mechanism Liquidity Exercise and the European Banking Authority's 2019 Transparency Exercise.

In addition, the Committee was informed of the SSM's on-site inspections of the Wholesale portfolio and the on-site inspection of compliance with and implementation of the International Financial Reporting Standard (IFRS) 9, monitoring the management action plans.

The Committee was updated on the Action Plan implementation of the European Central Bank's Supervisory Review and Evaluation Process (SREP) for 2018. Furthermore, it took cognizance of the Draft SREP Decision establishing prudential requirements for 2019, of the Bank's answer and of the proposed action plan regarding the said Decision.

Aiming at further enhancing corporate governance and the collaboration among the Group Companies, the Risk Management Committee held videoconference meetings with the Risk Committees of Alpha Bank Cyprus Ltd and Alpha Bank Romania S.A., during which risk management issues were reviewed.

The Committee reviewed information on the secured funding transactions and the repos transactions pertaining to securitized portfolios. Moreover, the Committee was updated regularly regarding the evolution of the Liquidity Coverage Ratio (LCR) Restoration Plan.

The Committee reviewed the Excerpt from the 2018 Internal Control System Assessment Report concerning the assessment of the risk management procedures.

At six joint meetings with the Audit Committee, the Risk Management Committee reviewed the preparation of the annual Financial Statements for the Bank and the Group for the year 2018 as well as the quarterly Financial Statements for the Group and the semi-annual Financial Statements for the Bank and the Group for the year 2019, prior to their submission to the Board of Directors for approval. The Committees also reviewed jointly Operational Risk issues.

The Committee performed oversight over the key indicators of the Risk Management and Capital Strategy and Recovery Plan Dashboard and recommended to the Board of Directors the risk undertaking and capital management strategy as well as the risk appetite corresponding to the business objectives of the Bank and the Group and monitored their implementation.

The Committee monitored Non-Performing Loans Write-Offs and Write-Downs for the fiscal year 2018 and those anticipated for 2019.

The Committee evaluated the adequacy and effectiveness of the risk management policy and procedures of the Bank and the Group, in terms of the undertaking, the monitoring and the management of risks, of the determination of the applicable maximum risk undertaking limits on an aggregate basis for each type of risk and the further allocation of each of these limits per country, sector, currency, business unit, etc. and of the establishment of stop-loss limits or of other corrective actions. It also took cognizance of the various corrective measures taken to contain the Bank's exposure to risks. It recommended further steps in operationalizing risk appetite at all levels of the Bank.

It promoted appropriate communication among the Internal Auditor, the External Auditors, the Chief Risk Officer, the Regulatory Authorities and the Board of Directors on risk management issues.

During the year, the Committee was informed of the developments in the international and the Greek economic environment. It responded to the emerging conditions and made proposals on the measures needed to address the economic developments.

After each meeting, the Chair of the Risk Management Committee informed the Board of Directors of the issues that had been discussed and decided upon.

Remuneration Committee

Chair:	Richard R. Gildea
Number of Members:	4
Frequency:	At least quarterly per year
Number of meetings in 2019:	10
Average participation rate of the Members:	98% (based on the Committee's composition on 31.12.2019)

The specific duties and responsibilities of the Remuneration Committee are determined in its Charter, which was amended in December 2019 and is posted on the Bank's website (https://www.alpha.gr/en/group/corporate-governance/commitees).

Remuneration Committee Composition

Non-Executive Independent Members	Non-Executive Members
50%	50%

Based on the composition of the Remuneration Committee on 31.12.2019

In 2019, the Remuneration Committee of Alpha Bank was comprised of the following Non-Executive Members of the Board of Directors:

• Richard R. Gildea, Chair, Non-Executive Independent Member

• Efthimios O. Vidalis, Non-Executive Member
• Jean L. Cheval, Non-Executive Independent Member
• Johannes Herman Frederik G. Umbgrove, Non-Executive Member

The Committee finalized the remuneration amounts for the financial years 2018 and 2019 for the Non-Executive Members of the Board of Directors.

The Committee reviewed and proposed to the Board of Directors the approval of the following documents:

- Remuneration Policy as per the provisions of Law 4548/2018.
- Remuneration Policy for Alpha Bank and the Group Companies.
- Benefits Policy for Alpha Bank and the Group Companies.
- Senior Executives Severance Payment Policy.
- Expenses Policy for the Non-Executive Members of the Board of Directors.

The Committee took cognizance of and reviewed the audit report on the Remuneration Policy for Alpha Bank and the Group Companies for the year 2018, which was carried out by the Internal Audit Division.

The Committee reviewed the Variable Remuneration Framework.

The Committee was informed of the results of the 2018 Performance Evaluation which was launched in January 2019 with the participation of 7,366 Employees.

The Committee was informed by the Human Resources Division of the 360 degrees Development Program, with the participation of a total of 95 Executive General Managers and Division Managers as well as a total of 202 Division Assistant Managers.

After each meeting, the Chair of the Remuneration Committee informed the Board of Directors of the issues that had been discussed and decided upon.

Corporate Governance and Nominations Committee

Chair:	Shahzad A. Shahbaz
Number of Members:	4
Frequency:	At least quarterly per year
Number of meetings in 2019:	10
Average participation rate of the Members:	100% (based on the Committee's composition on 31.12.2019)

The specific duties and responsibilities of the Corporate Governance and Nominations Committee are determined in its Charter, which was amended in December 2019 and is posted on the Bank's website (https://www.alpha.gr/en/group/corporate-governance/commitees).

Corporate Governance and Nominations Committee Composition

Non-Executive Independent Members	Non-Executive Members
50%	50%

Based on the composition of the Corporate Governance and Nominatiopns Committee on 31.12.2019

In 2019, the Corporate Governance and Nominations Committee of Alpha Bank was comprised of the following Non-Executive Members of the Board of Directors:

• Shahzad A. Shahbaz, Chair, Non-Executive Independent Member
• Efthimios O. Vidalis, Non-Executive Member
• Jean L. Cheval, Non-Executive Independent Member
• Johannes Herman Frederik G. Umbgrove, Non-Executive Member

The Committee reviewed the attendance of the Members of the Board of Directors at Board Meetings during the year 2018 and deemed that there were no Member absences without a valid reason.

During 2019, the Committee reviewed and proposed to the Board of Directors the approval of the following documents:

- The four Board of Directors Committees' Charters.
- The Bank's Articles of Incorporation.
- The Executive Committee Charter.
- The Corporate Governance Statement for the year 2018.

The Committee, after reviewing the independence criteria, confirmed that the Non-Executive Independent Members fulfil all the criteria for being Non-Executive Independent Members of the Board of Directors, in accordance with Law 3016/2002 on "Corporate Governance", the Articles of Incorporation and the Corporate Governance Code of the Bank, as in force.

During 2019, the Committee:

- was informed of the proposal regarding the establishment of two new positions, i.e. General Manager of International Network and General Manager – Chief Legal and Governance Officer and resolved to propose their approval by the Board of Directors,
- proposed to the Board of Directors the new composition of the Executive Committee, effective as of December 2, 2019,
- took cognizance of the new Organizational Chart and proposed to the Board of Directors its approval, effective as of December 2, 2019,
- recommended to the Board of Directors the approval of the Induction and Training Program for the Members of the Board of Directors along with the suggested informative sessions for the year 2019.

After each meeting, the Chair of the Corporate Governance and Nominations Committee informed the Board of Directors of the issues that had been discussed and decided upon.

COMPOSITION OF THE BOARD OF DIRECTORS AND THE BOARD OF DIRECTORS' COMMITTEES

Board of Directors		Gender	Age	Tenure	Term ends	Committees			
						Audit	Risk Management	Remuneration	Corporate Governance and Nominations
Chair (Non-Executive Member)									
Vasileios T. Rapanos		M	72	5	2022	-	-	-	-
Executive Members									
Vassilios E. Psaltis[1]	CEO	M	51	1	2022	-	-	-	-
Spyros N. Filaretos	General Manager	M	61	14	2022	-	-	-	-
Artemios Ch. Theodoridis	General Manager	M	60	14	2022	-	-	-	-
George C. Aronis[2]		M	62	8	2022	-	-	-	-
Non-Executive Members									
Efthimios O. Vidalis		M	65	5	2022	M	-	M	M
Demetrios P. Mantzounis[3]		M	72	24	2022	-	-	-	-
Non-Executive Independent Members									
Jean L. Cheval		M	70	1	2022	M	-	M	M
Carolyn G. Dittmeier		F	63	2	2022	C	M	-	-
Richard R. Gildea		M	67	3	2022	-	M	C	-
Shahzad A. Shahbaz		M	59	5	2022	-	-	-	C
Jan A. Vanhevel		M	71	3	2022	M	C	-	-
Non-Executive Member (pursuant to the provisions of Law 3864/2010)									
Johannes Herman Frederik G. Umbgrove		M	58	1	2022	M	M	M	M

C: Chair
M: Member
-: The Member does not participate in this Committee

[1] CEO as of 2.1.2019
[2] Member of the Board of Directors until 31.1.2020
[3] CEO until 2.1.2019 and Non-Executive Member until 31.12.2019

EXECUTIVE COMMITTEE

The Executive Committee acts as a collective corporate body of the Bank. The Committee's powers and authorities are determined by way of a CEO act, delegating powers and authorities to the Committee.

The indicative main responsibilities of the Committee include, but are not limited to, the following:

The Executive Committee prepares the strategy, business plan and annual budget of the Bank and the Group for submission to and approval by the Board of Directors as well as the annual and quarterly financial statements, decides on and manages the capital allocation to the Business Units, prepares the Internal Capital Adequacy Assessment Process (ICAAP) Report and the Internal Liquidity Adequacy Assessment Process (ILAAP) Report, reviews and approves the policies of the Bank, approves and manages any collective program proposed by the Human Resources Division for the Personnel and ensures the adequacy of Resolution Planning governance, process and systems. Further to the above, the Committee is responsible for the implementation of: the overall risk strategy, including the institution's risk appetite and its risk management framework, an adequate and effective internal governance and internal control framework, the selection and suitability assessment process for Key Function Holders, the amounts, types and distribution of both internal capital and regulatory capital and the targets for the liquidity management of the Bank.

It convenes generally once per week.

The Executive Committee is comprised of the following Members:

CHAIR

Vassilios E. Psaltis, CEO

MEMBERS

Spiros A. Andronikakis, General Manager – Chief Risk Officer (CRO)

Ioannis M. Emiris, General Manager of Wholesale Banking

Artemios Ch. Theodoridis, General Manager of Non-Performing Loans and Treasury Management

Lazaros A. Papagaryfallou, General Manager – Chief Financial Officer (CFO)

Isidoros S. Passas, General Manager of Retail Banking

Nikolaos V. Salakas, General Manager – Chief Legal and Governance Officer

Spyros N. Filaretos, General Manager – Chief Operating Officer (COO)

Sergiu-Bogdan A. Oprescu, General Manager of International Network

STATUTORY CERTIFIED AUDITORS

The mandatory audit of the financial year 2019 has been assigned to the audit firm "Deloitte Certified Public Accountants S.A.".

INTERNAL AUDIT

In order to protect the Bank's assets and to safeguard its Shareholders' and Customers' interests, an Internal Control System is in place, which includes control and auditing mechanisms and procedures that cover all the Bank's activities on a continuous basis and contribute to the Bank's effective and secure operation.

The audit methods are risk-based and a specialized internal audit project management software is used. These allow for organizing, executing and evaluating the audit process as well as for compiling MIS reports at Group level.

In every country where the Group conducts business, there is an Internal Audit Unit that applies the same methodology and standards and reports as the one that is used in the Internal Audit Unit of the Bank.

In 2019, the Internal Audit Units carried out audits at the Branches as well as at the Head Office Units of the Bank and the Group Companies.

The Management and the Audit Committee of the Bank's Board of Directors were informed of the audit results and of the internal auditor's opinion on the adequacy and on the effectiveness of the Internal Control System.

REGULATORY COMPLIANCE

The Bank identifies, evaluates and manages risks it may be exposed to due to failure to comply with the applicable regulatory framework (compliance risk). To this end, the legal and regulatory obligations of the Group are recorded and the compliance level is assessed. In cases of identified deviations, their repercussions are evaluated in time and the appropriate measures are implemented, so that the Customers' and Shareholders' interests are protected along with the Bank's reputation.

In particular, the most important actions and developments that took place in this area during 2019 include the following:

• Harmonizing the methodology for the preparation of the Compliance Risk Assessment as well as the setting of the annual targets for the Group Companies in Greece and abroad.

• Monitoring and efficiently coordinating the Compliance Officers of the Group Companies in Greece and abroad.

• Conducting second-level controls to ascertain the implementation of MiFID II-related Policies.

• Participating in working groups with the aim of harmonizing the Bank's procedures with the requirements deriving from the MiFID II regulatory framework, such as the Systematic Internalizer.

• Conducting second-level controls to ascertain the implementation of the Policy on Related Parties Transactions.

• Participating in the working group for the implementation of Law 4537/2018 "Incorporation in the Greek legislation of Directive 2015/2366/EU on payment services and other provisions".

• Participation in the working group for the assessment and valuation of the operational risk at Bank level.

• Evaluating the outsourcing service providers.

• Coordinating the adoption of Group Policies by Group Companies.

• Providing an opinion on the Risk and Control Self-Assessment (RCSA) process of the Group Companies in Greece and abroad.

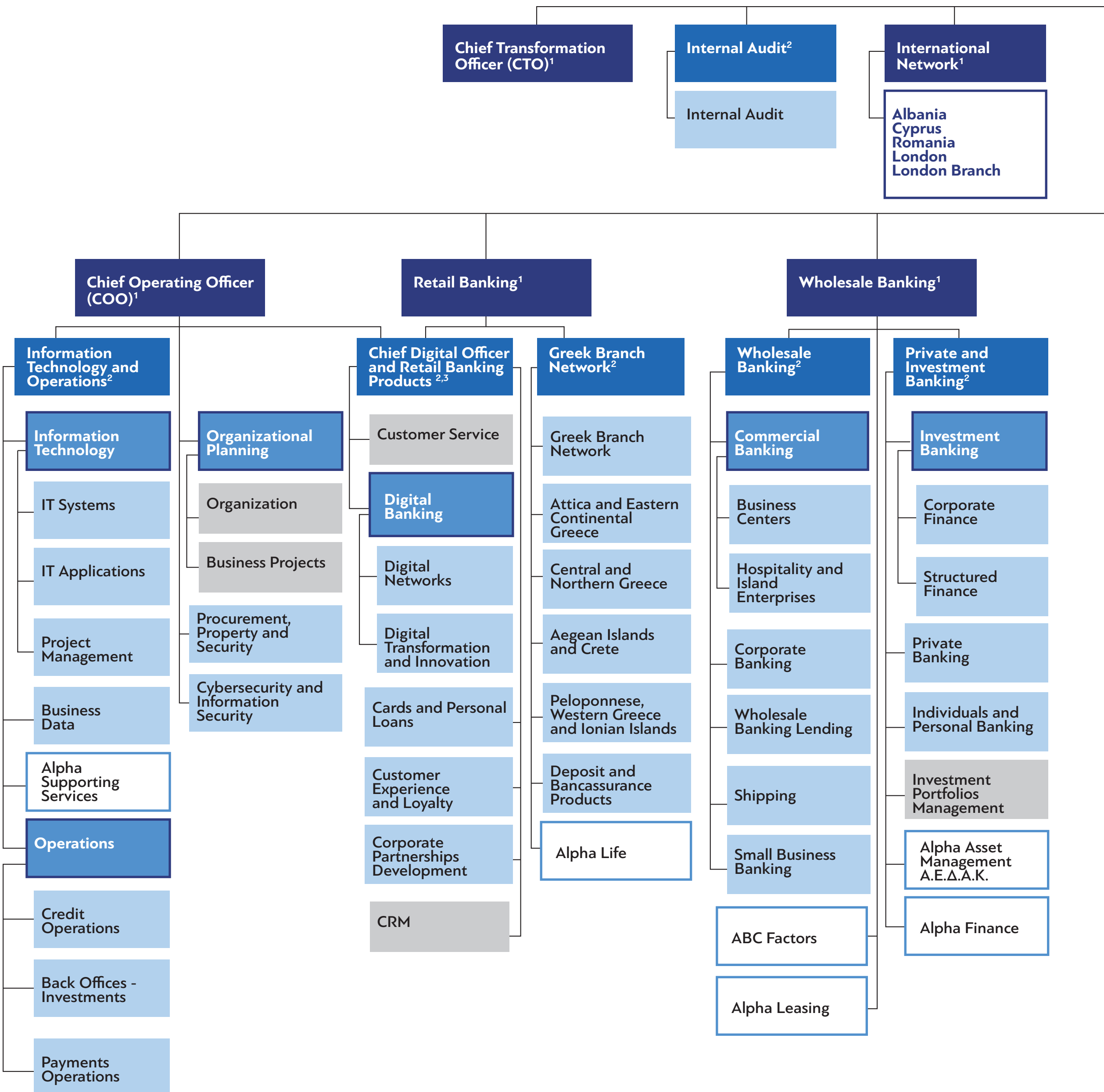
• Aligning products and services as well as pricing with the regulatory framework, in order to ensure consumers' protection.
• Monitoring the timely submission of the reporting related to data notification to the Supervisory Authorities.
• Participating in working groups of the Hellenic Bank Association and of the Bank regarding the compliance with the new regulatory framework and the improvement of the services and the products offered by the Bank.
• Reviewing the AML Manual.
• Reviewing the internal procedures Manual of the AML/CFT Special Unit, in order to ensure consistency and alignment to existing processes.
• Participating in working groups of the Hellenic Bank Association regarding the pending issuance and circulation of the new Act by the Bank of Greece, in replacement of the Banking and Credit Matters Committee (BCMC) Decision 281/17.3.2009.
• Participating in working groups of the Bank, regarding:
  • The Retail Onboarding project, aiming at establishing a digital customer verification and account opening process (via web and mobile telephone).
  • The Business Onboarding project, aiming at establishing an electronic flow for the legalization process of businesses.
• Finalizing the Ultimate Beneficial Owner (UBO) Project, resulting in the temporary blocking of companies' deposit accounts of the non-compliant UBO Customers.
• Submitting files concerning services or products to the Bank of Greece, in compliance with the Bank of Greece Governor's Act 2651/2012, in order to assess the Money Laundering (ML) and Terrorist Financing (TF) risk for the year 2018 and for the first half of 2019.
• Designing the "Know Your Customer (KYC) Questionnaire" for individual Customers, aiming at properly establishing and evaluating Customers' financial and transactional profile.
• Evaluating the effectiveness of the Siron AML system in terms of the efficiency of existing scenarios and the design of new scenarios based upon the transaction triggers, in order to be fully compliant with the existing regulatory framework.
• Reviewing and reassessing Customers' transactional activity, in order to ensure that the transactions performed are in accordance with their profile and KYC records.
• Conducting regular training seminars for Bank Employees in order to improve AML awareness and understanding, along with Employees participating as trainees in accredited educational programs on Compliance and AML/CFT-related issues.
• Conducting seminars attended by Executives from across the Branch Network, in order to raise compliance awareness.
• Identifying and applying corrective actions to all areas of AML/CFT activities with significant audit findings in relation to Group Companies based abroad.
• Implementing due diligence measures to correspondent banks at which the Bank holds nostro accounts in various currencies.
• Reassessing the relationships with the correspondent banks in non-EU countries that hold vostro accounts at Alpha Bank, as part of the annual assessment program.
• Updating the Circular and the Procedures Manual on the Lifting of Bank Secrecy and the Management of Relevant Requests.
• Updating the Internal Procedures Manual of the Bank Secrecy and Provision of Information to Third Parties Functional Area.
• Updating the microsite of the Bank Secrecy and Provision of Information to Third Parties Functional Area on the Bank's intranet portal.
• Providing guidelines to the Branch Network on handling Customers and third-party requests pertaining to the disclosure of bank secrecy.
• Conducting regular training seminars to Bank Employees in order to safeguard bank secrecy and professional confidentiality.
• Processing a large number of cases regarding the provision of information to Supervisory, Tax, Judicial and other Authorities.
• Freezing customer property assets in compliance with Judicial and Financial Authorities' orders.

Emphasis was placed on the Employees' training, in order to consolidate and ensure implementation of regulatory compliance principles and to increase their awareness on relevant issues.

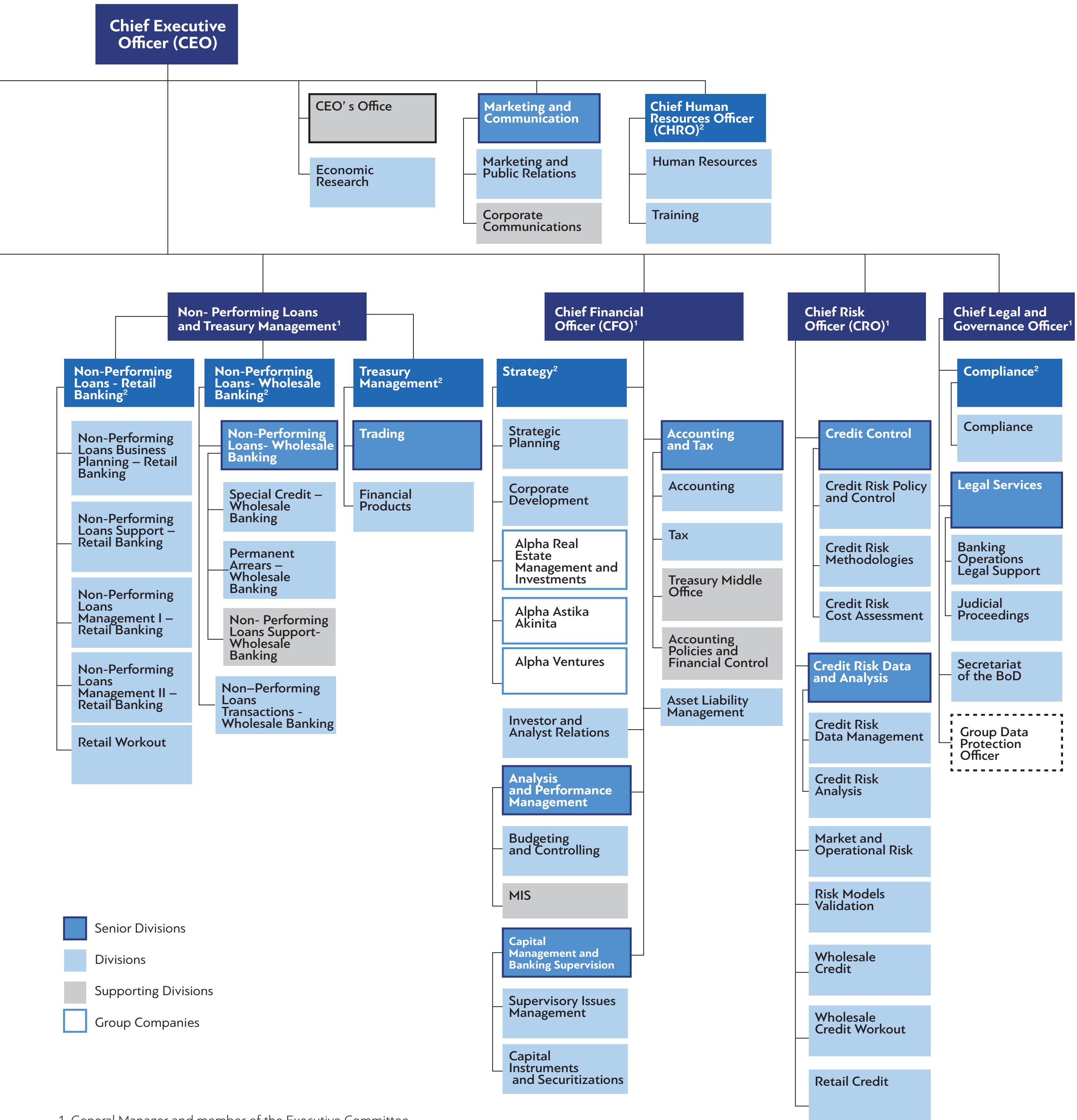
The main objective for 2020 is the implementation of uniform regulatory compliance policy and procedures in the entire Group, in order to achieve complete and ongoing compliance in an ever-changing regulatory environment. The Compliance Division's priority is the smooth and productive cooperation with the Regulatory Authorities at both national and European level, in order to secure customer interests and cater to their needs, as well as the protection of the Bank from money laundering and terrorist financing risks, through the compliance with all recent developments on the AML regulatory framework, upon the issuance and circulation of the new Act by the Bank of Greece (in replacement of BCMC Decision 281/5/17.3.2009), the enhancement of the Siron AML system for the continuous monitoring and detection of unusual or suspicious transactions and the continuous education and AML training of Branch Employees.

Concluding, a significant amount of the efforts of the Compliance Division will focus on:
• Further enhancing Compliance Awareness.
• Enhancing control mechanisms, in order to have a full picture regarding the Bank's compliance level.

ORGANIZATIONAL CHART



ALPHA BANK



1. General Manager and member of the Executive Committee
2. Executive General Manager
3. Reports to the General Manager - Chief Operating Officer concerning Digital Strategy issues and the General Manager of Retail Banking concerning issues related to Retail Banking products

Effective Date: 2.12.2019
(General Management Act No 42A/2.12.2019)

11

FINANCIAL STATEMENTS

GROUP FINANCIAL STATEMENTS AS AT 31.12.2019

CONSOLIDATED INCOME STATEMENT

(Amounts in Euro thousand)

	From January 1 to	
	31.12.2019	**31.12.2018***
Interest and similar income	2,022,356	2,278,188
Interest expense and similar charges	(475,088)	(522,143)
Net interest income	1,547,268	1,756,045
Fee and commission income	432,022	410,448
Commission expense	(91,893)	(79,396)
Net fee and commission income	340,129	331,052
Dividend income	1,072	1,344
Gain less losses on derecognition of financial assets measured at amortized cost	(16,054)	(117)
Gains less losses on financial transactions	414,580	462,789
Other income	35,851	49,690
Total other income	435,449	513,706
Total income	**2,322,846**	**2,600,803**
Staff costs	(459,938)	(475,325)
Expenses for separation schemes	(49,615)	
General administrative expenses	(483,204)	(528,236)
Depreciation and amortization	(144,532)	(102,027)
Other expenses	(37,387)	(52,656)
Total expenses before impairment losses and provisions to cover credit risk	**(1,174,676)**	**(1,158,244)**
Impairment losses and provisions to cover credit risk	(990,415)	(1,730,647)
Share of profit/(loss) of associates and joint ventures	(12,603)	(1,265)
Profit/(loss) before income tax	**145,152**	**(289,353)**
Income tax	(48,027)	342,312
Net Profit for the year after income tax	**97,125**	**52,959**
Profit/(loss) attributable to:		
Equity holders of the Bank	**97,010**	**52,961**
Non-controlling interests	**115**	**(2)**
Earnings/(losses) per share		
Basic and diluted (Euro per share)	0.06	0.03

*The Consolidated Income Statement of the comparative period has year restated.

The table above derives from the Annual Report as of 31.12.2019. Therefore, we recommend that the reader should visit the website of the Bank, where the financial statements as well as the auditor's report are available https://www.alpha.gr/en/group/investor-relations/group-results-and-reporting/financial-statements-bank-and-group

CONSOLIDATED BALANCE SHEET

(Amounts in Euro thousand)

	31.12.2019	31.12.2018
Assets		
Cash and balances with central banks	2,028,335	1,928,205
Due from banks	3,332,690	2,500,492
Trading securities	18,751	8,339
Derivative financial assets	1,009,193	725,173
Loans and advances to Customers	39,266,269	40,228,319
Investment securities		
- Measured at fair value through other comprehensive income	7,557,499	6,961,822
- Measured at amortized cost	1,070,730	
- Measured at fair value through profit or loss	55,541	42,794
Investments in associates and joint ventures	13,385	23,194
Investment property	485,836	493,161
Property, plant and equipment	852,332	734,663
Goodwill and other intangible assets	492,346	434,093
Deferred tax assets	5,174,297	5,290,763
Other assets	1,536,898	1,363,685
	62,894,102	**60,734,703**
Assets classified as held for sale	563,519	272,037
Total Assets	**63,457,621**	**61,006,740**
Liabilities		
Due to banks	10,261,283	10,456,359
Derivative financial liabilities	1,446,915	1,147,895
Due to Customers	40,364,284	38,731,835
Debt securities in issue and other borrowed funds	1,088,693	943,334
Liabilities for current income tax and other taxes	39,873	41,272
Deferred tax liabilities	31,865	18,681
Employee defined benefit obligations	90,932	86,744
Other liabilities	1,057,844	908,515
Provisions	599,541	527,386
	54,981,230	**52,862,021**
Liabilities related to assets classified as held for sale	801	1,603
Total Liabilities	**54,982,031**	**52,863,624**
EQUITY		
Equity attributable to holders of the Bank		
Share capital	463,110	463,110
Share premium	10,801,029	10,801,029
Reserves	739,676	460,025
Amounts directly recognized in equity and are associated with assets classified as held for sale	(122)	(122)
Retained earnings	(3,572,126)	(3,624,847)
	8,431,567	**8,099,195**
Non-controlling interests	**28,951**	**28,814**
Hybrid securities	**15,072**	**15,107**
Total Equity	**8,475,590**	**8,143,116**
Total Liabilities and Equity	**63,457,621**	**61,006,740**

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Euro thousand)	From January 1 to	
	31.12.2019	**31.12.2018**
Profit/(loss), after income tax, recognized in the Income Statement	**97,125**	**52,959**
Other comprehensive income		
Items that may be reclassified subsequently to the Income Statement		
Net change in investment in securities measured at fair value through other comprehensive income	523,929	(556,366)
Net change in cash flow hedge reserve	(130,463)	(2,719)
Foreign currency translation net of investment hedges of foreign operations	(1,486)	11,002
Share of other comprehensive income of associates and joint ventures		(149)
Income tax	(114,779)	159,240
Items that may be reclassified subsequently to the Income Statement	**277,201**	**(388,992)**
Items that will not be reclassified subsequently to the Income Statement		
Net change in actuarial gains/(losses) of defined benefit obligations	(11,325)	1,171
Gains/(losses) from equity instruments measured at fair value through other comprehensive income	(9,282)	(7,314)
Income tax	6,650	493
Items that will not be reclassified subsequently to the Income Statement	**(13,957)**	**(5,650)**
Other comprehensive income for the year, net of tax	**263,244**	**(394,642)**
Total comprehensive income for the year, net of tax	**360,369**	**(341,683)**
Total comprehensive income for the year attributable to:		
Equity holders of the Bank	**360,261**	**(341,681)**
Non-controlling interests	108	(2)

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts in Euro thousand)	Share capital	Share premium	Reserves	Retained earnings	Total	Non-controlling interests	Hybrid securities	Total
Balance 1.1.2018	**463,110**	**10,801,029**	**846,010**	**(3,669,376)**	**8,440,773**	**28,534**	**15,107**	**8,484,414**
Changes for the year 1.1.2018 - 31.12.2018								
Profit/(Loss) for the year, after income tax				52,961	52,961	(2)		52,959
Other comprehensive income for the year, net of tax			(388,992)	(5,650)	(394,642)			(394,642)
Total comprehensive income for the year, net of tax			**(388,992)**	**47,311**	**(341,681)**	**(2)**		**(341,683)**
Acquisitions, disposals, and other changes of ownership interests in subsidiaries				(198)	(198)	282		84
Appropriation of reserves			2,885	(2,885)				
Other				301	301			301
Balance 31.12.2018	**463,110**	**10,801,029**	**459,903**	**(3,624,847)**	**8,099,195**	**28,814**	**15,107**	**8,143,116**

(Amounts in Euro thousand)	Share capital	Share premium	Reserves	Retained earnings	Total	Non-controlling interests	Hybrid securities	Total
Balance 31.12.2018	**463,110**	**10,801,029**	**459,903**	**(3,624,847)**	**8,099,195**	**28,814**	**15,107**	**8,143,116**
Impact of initial application of IFRS 16 at 1.1.2019				(27,930)	(27,930)			(27,930)
Balance 1.1.2019	**463,110**	**10,801,029**	**459,903**	**(3,652,777)**	**8,071,265**	**28,814**	**15,107**	**8,115,186**
Changes for the year 1.2019 - 31.12.2019								
Profit/(Loss) for the year, after income tax				97,010	97,010	115		97,125
Other comprehensive income for the year, net of income tax			277,208	(13,957)	263,251	(7)		263,244
Total comprehensive income for the year, after income tax			**277,208**	**83,053**	**360,261**	**108**		**360,369**
Acquisitions, disposals, share capital increase and other changes of ownership interests in subsidiaries						29		29
Appropriation of reserves			2,443	(2,443)				
(Purchases), (redemption)/ Sales of hybrid securities, after income tax							(35)	(35)
Other				41	41			41
Balance 31.12.2019	**463,110**	**10,801,029**	**739,554**	**(3,572,126)**	**8,431,567**	**28,951**	**15,072**	**8,475,590**

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CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in Euro thousand)

	From January 1 to	
	31.12.2019	**31.12.2018**
Cash flows from operating activities		
Profit/(Loss) before income tax	145,152	(289,353)
Adjustments of profit/(loss) before income tax for:		
Depreciation, impairment and net result from disposal of plant, property and equipment	98,646	89,557
Amortization and impairment of intangible assets	63,068	59,910
Impairment losses on financial assets and other provisions	1,106,872	1,766,576
Gains less losses on derecognition of financial assets measured at amortized cost	16,054	(2,606)
Fair value (gains)/loss on financial assets measured at fair value through profit or loss	25,247	68,272
Net (gain)/loss from investing activities	(551,987)	(635,858)
Net (gain)/loss from financing activities	39,860	51,007
Share of (profit)/loss of associates and joint ventures	12,603	1,265
	955,515	**1,108,770**
Net (increase)/decrease in assets relating to operating activities:		
Due from banks	182,394	(142,653)
Trading securities and derivative financial instruments	(91,485)	(13,529)
Loans and advances to Customers	(459,334)	(558,712)
Other assets	(115,621)	337,225
Net increase/(decrease) in liabilities relating to operating activities:		
Due to banks	(195,077)	(2,685,172)
Due to Customers	1,627,638	3,884,920
Other liabilities	(123,486)	(42,607)
Net cash flows from operating activities before income tax	**1,780,544**	**1,888,242**
Income tax paid	(27,743)	(30,789)
Net cash flows from operating activities	**1,752,801**	**1,857,453**
Cash flows from investing activities		
Investments in associates and joint ventures	(2,794)	(5,722)
Proceeds from disposals of subsidiaries	118,186	2,100
Dividends received	1,072	1,344
Acquisitions of investment property, plant, property and equipment and intangible assets	(244,770)	(174,114)
Disposals of investment property, plant, property and equipment and intangible assets	54,029	38,827
Interest received from investment securities	169,076	59,032
Purchases of Greek Government Treasury Bills	(464,596)	(2,164,218)
Proceeds from disposal and redemption of Greek Government Treasury Bills	1,061,524	2,594,944
Purchases of investment securities (excluding Greek Government Treasury Bills)	(6,436,552)	(4,822,335)
Disposals/Maturity of investment securities (excluding Greek Government Treasury Bills)	5,064,161	3,394,118
Net cash flows from investing activities	**(680,664)**	**(1,076,024)**
Cash flows from financing activities		
Issuance of debt securities and other borrowed funds	416,906	512,279
Repayments of debt securities and other borrowed funds	(281,492)	(300,877)
Interests paid on debt securities in issue and other borrowed funds	(24,620)	(18,163)
Lease payments of assets	(39,746)	
Net cash flows from financing activities	**71,048**	**193,239**
Effect of exchange rates on cash and cash equivalents	11,999	11,643
Net increase/(decrease) in cash flows	**1,155,184**	**986,311**
Cash and cash equivalents at the beginning of the year	**2,247,144**	**1,260,833**
Cash and cash equivalents at the end of the year	**3,402,328**	**2,247,144**

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BANK FINANCIAL STATEMENTS AS AT 31.12.2019
INCOME STATEMENT

(Amounts in Euro thousand)

	From January 1 to	
	31.12.2019	**31.12.2018***
Interest and similar income	1,734,294	2,003,984
Interest expense and similar charges	(437,804)	(482,282)
Net interest income	1,296,490	1,521,702
Fee and commission income	369,809	352,464
Commission expense	(80,888)	(70,190)
Net fee and commission income	288,921	282,274
Dividend income	23,760	62,413
Gain less losses on derecognition of financial assets measured at amortized cost	(16,421)	4,715
Gains less losses on financial transactions	313,595	95,917
Other income	16,813	29,542
Total other income	337,747	192,587
Total income	**1,923,158**	**1,996,563**
Staff costs	(346,199)	(369,217)
Expenses for separation schemes	(49,615)	
General administrative expenses	(384,215)	(429,137)
Depreciation and amortization	(109,419)	(78,316)
Other expenses	(27,090)	(28,631)
Total expenses before impairment losses and provisions to cover credit risk	**(916,538)**	**(905,301)**
Impairment losses and provisions to cover credit risk	(924,799)	(1,478,683)
Profit/(loss) before income tax	**81,821**	**(387,421)**
Income tax	(27,252)	450,825
Profit/(loss) after income tax	**54,569**	**63,404**
Earnings/(losses) per share:		
Basic and diluted (Euro per share)	0.04	0.04

*The Income Statement of the comparative year has been restated.

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BALANCE SHEET

(Amounts in Euro thousand)	31.12.2019	31.12.2018
ASSETS		
Cash and balances with central banks	1,201,807	719,959
Due from banks	3,332,938	2,625,186
Trading securities	18,647	6,815
Derivative financial assets	1,024,484	730,215
Loans and advances to Customers	34,854,802	35,648,197
Investment securities		
- Measured at fair value through other comprehensive income	6,224,379	5,691,866
- Measured at fair value through profit or loss	187,148	180,175
- Measured at amortized cost	1,070,730	
Investments in subsidiaries, associates and joint ventures	919,757	863,731
Investment property	39,679	24,558
Property, plant and equipment	697,459	628,894
Goodwill and other intangible assets	448,165	390,445
Deferred tax assets	5,233,082	5,339,676
Other assets	1,356,278	1,282,843
	56,609,355	54,132,560
Assets classified as held for sale	1,371,837	1,043,900
Total Assets	**57,981,192**	**55,176,460**
LIABILITIES		
Due to banks	10,754,495	10,689,412
Derivative financial liabilities	1,447,703	1,149,513
Due to Customers	35,541,466	33,492,218
Debt securities in issue and other borrowed funds	882,566	841,307
Liabilities for current income tax and other taxes	24,887	19,842
Employee defined benefit obligations	87,395	83,747
Other liabilities	934,559	830,738
Provisions	200,746	218,596
Total Liabilities	**49,873,817**	**47,325,373**
EQUITY		
Share capital	463,110	463,110
Share premium	10,801,029	10,801,029
Reserves	568,438	323,104
Retained earnings	(3,725,202)	(3,736,156)
Total Equity	**8,107,375**	**7,851,087**
Total Liabilities and Equity	**57,981,192**	**55,176,460**

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STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Euro thousand)	From January 1 to	
	31.12.2019	**31.12.2018**
Profit/(loss), after income tax, recognized in the Income Statement	**54,569**	**63,404**
Other comprehensive income		
Items that may be reclassified to the Income Statement		
Net change in investment securities' reserve measured at fair value through other comprehensive income	475,994	(495,131)
Net change in cash flow hedge reserve	(130,454)	(2,350)
Income tax	(100,206)	144,269
Items that may be reclassified to the Income Statement	**245,334**	**(353,212)**
Items that will not be reclassified to the Income Statement		
Net change in actuarial gains/(losses) of defined benefit obligations	(10,931)	1,123
Gains/(losses) from equity securities measured at fair value through other comprehensive income	(11,160)	(2,577)
Income tax	6,406	422
Items that will not be reclassified to the Income Statement	**(15,685)**	**(1,032)**
Other comprehensive income for the year, after income tax	**229,649**	**(354,244)**
Total comprehensive income for the year, after income tax	**284,218**	**(290,840)**

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STATEMENT OF CHANGES IN EQUITY

(Amounts in Euro thousand)	Share capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2018	**463,110**	**10,801,029**	**676,316**	**(3,798,528)**	**8,141,927**
Changes for the year 1.1.2018 - 31.12.2018					
Profit/(Loss) for the year, after income tax				63,404	63,404
Other comprehensive income for the year, after income tax			(353,212)	(1,032)	(354,244)
Total comprehensive income for the year, after income tax			**(353,212)**	**62,372**	**(290,840)**
Balance 31.12.2018	**463,110**	**10,801,029**	**323,104**	**(3,736,156)**	**7,851,087**

(Amounts in Euro thousand)	Share capital	Share premium	Reserves	Retained earnings	Total
Balance 31.12.2018	**463,110**	**10,801,029**	**323,104**	**(3,736,156)**	**7,851,087**
Impact of initial application of IFRS 16 at 1.1.2019				(27,930)	(27,930)
Balance 1.1.2019	**463,110**	**10,801,029**	**323,104**	**(3,764,086)**	**7,823,157**
Changes for the year 1.1.2019 - 31.12.2019					
Profit/(Loss) for the year, after income tax				54,569	54,569
Other comprehensive income for the year, after income tax			245,334	(15,685)	229,649
Total comprehensive income for the year, after income tax			**245,334**	**38,884**	**284,218**
Balance 31.12.2019	**463,110**	**10,801,029**	**568,438**	**(3,725,202)**	**8,107,375**

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STATEMENT OF CASH FLOWS

(Amounts in Euro thousand)	From January 1 to 31.12.2019	31.12.2018*
Cash flows from operating activities		
Profit/(loss) before income tax	81,821	(387,421)
Adjustments of profit /(losses) before income tax for:		
Depreciation, impairment and net result from disposal of plant, property and equipment	61,692	52,775
Amortization/impairment/write-offs of intangible assets	54,778	49,405
Impairment losses on financial assets and other provisions	1,029,846	1,508,284
Gains less losses on derecognition of financial assets measured at amortized cost	16,421	(4,715)
Fair value (gains)/loss on financial assets measured at fair value through profit or loss	(12,603)	71,366
Impairment of investments	86,973	394,365
Net (gain)/loss from investing activities	(499,656)	(678,550)
Net (gain)/loss from financing activities	35,667	47,015
	854,939	**1,052,524**
Net (increase)/decrease in assets relating to operating activities:		
Due from banks	349,522	(12,732)
Trading securities and derivative financial instruments	(103,678)	(30,486)
Loans and advances to Customers	(613,088)	(10,347)
Other assets	(99,381)	366,797
Net increase/(decrease) in liabilities relating to operating activities:		
Due to banks	65,082	(3,062,438)
Due to Customers	2,049,247	3,233,390
Other liabilities	(126,352)	(41,601)
Net cash flows from operating activities before income tax	**2,376,291**	**1,495,107**
Income tax paid	3,050	
Net cash flows from operating activities	**2,379,341**	**1,495,107**
Cash flows from investing activities		
Investments in subsidiaries, associates and joint ventures	(109,007)	(531,585)
Proceeds from disposal of subsidiaries, associates and joint ventures	62,108	38,320
Dividends received	23,760	78,159
Acquisitions of investment property, plant property and equipment and intangible assets	(147,677)	(126,386)
Disposals of investment property, plant, property and equipment and intangible assets	24,364	1,171
Interest received from investment securities	128,577	34,295
Purchases of Greek Government Treasury Bills	(469,700)	(2,157,218)
Proceeds from disposal and redemption of Greek Government Treasury Bills	1,063,418	2,559,786
Purchases of investment securities (excluding Greek Government Treasury Bills)	(5,404,623)	(3,843,678)
Disposals/maturities of investment securities (excluding Greek Government Treasury Bills)	3,979,802	2,583,014
Net cash flows from investing activities	**(848,978)**	**(1,364,122)**
Cash flows from financing activities		
Issuance of debt securities in issue and other borrowed funds	218,849	520,929
Interest paid for debt securities in issue and other borrowed funds	(11,970)	(17,241)
Repayments of debt securities in issue and other borrowed funds	(170,332)	(263,547)
Finance lease payments	(31,168)	
Net cash flows from financing activities	**5,379**	**240,141**
Effect of foreign exchange rates on cash and cash equivalents	1,733	1,526
Net increase/(decrease) in cash flows	**1,537,475**	**372,652**
Cash and cash equivalents at the beginning of the year	**1,002,723**	**630,071**
Cash and cash equivalents at the end of the year	**2,540,198**	**1,002,723**

*Certain figures of the previous year have been restated for comparability purposes.

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