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BUSINESS REVIEW

ALPHA
SERVICES AND HOLDINGS

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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.

KEY INDICATORS

(Amounts in Euro million)	Group of Alpha Services and Holdings		
	Change %	**2021**	**2020**
BALANCE SHEET [1]			
Total Assets	4.7%	73,356	70,040
Loans and Advances to Customers, before Allowance for Impairment Losses	-19.6%	38,987	48,507
Allowance for Impairment Losses	-77.1%	-2,077	-9,080
Due to Customers	7.2%	46,970	43,831
Total Equity	-27.4%	6,080	8,370
INCOME STATEMENT [1]			
Total Income [2]	-108.6%	-222	2,572
Total Expenses before Impairment Losses and Provisions to Cover Credit Risk	11.6%	-1,274	-1,142
Profit before Taxes and Impairment Losses & Provisions to Cover Credit Risk	-204.6%	-1,496	1,430
Impairment Losses and Provisions to Cover Credit Risk	8.6%	-1,433	-1,319
Profit / (Loss) for the Year after Income Tax	-2894.2%	-2,906	104
Profit / (Loss) Adjusted for Gains Less Losses on Derecognition of Non-Performing Exposures and One-Off Results	279.3%	330	87
INDICES			
Net Interest Margin [3]		1.9%	2.9%
Total Capital Adequacy Ratio		16.1%	18.4%
TIER I Capital Adequacy Ratio		13.2%	17.3%
CREDIT RATINGS			
Moody's		Caa1	Caa1
Standard & Poor's		B-	B
Fitch Ratings		CCC+	CCC+
OTHER INFORMATION			
Branches [4]		484	519
Number of Employees		8,939	10,528

[1] The Consolidated Balance Sheet and the Consolidated Income Statement of the comparative year have been restated.
[2] The share of profit/(loss) of associates and joint ventures, and Gains Less Losses on Derecognition of Financial assets measured at amortized cost are included.
[3] The ratio is calculated based on Net Interest Income divided by the average interest bearing assets.
[4] Includes branches of Alpha Bank Albania classified as discontinued operation as at 31.12.2021.

LETTER FROM THE CHAIRMAN

Dear Shareholders,
Throughout 2021, the global economy and, by extension, the Greek economy were marked by sharp variations. Before the Russian invasion of Ukraine, the global economy was recovering dynamically from the impact of the COVID-19 pandemic and the difficulties in the international supply chain. Both the international and the Greek markets did not envisage the risk of a new crisis that would hinder the expected recovery of the economic activity. The energy crisis, which set off last summer and lowered the expectations of a robust growth for 2021 and 2022, gradually intensified and finally peaked with the invasion of Russia against Ukraine in February 2022. The war, apart from the immense humanitarian crisis affecting millions of people, has exposed the European and the global economies to the risk of the continuous rise of inflation, which hit a 40-year high, and of the significant slowdown or even recession of the economic activity.
Thus, no one can rule out the risk of returning - after decades - to stagflation. The significant increase in energy costs as well as in raw materials and food cost - developments which reflect the importance of the supply chain from Russia and Ukraine-– intensified inflationary pressures and created prolonged inflation expectations. At the same time, these developments have a negative impact on the real income and on household expenses and, in particular, of the most vulnerable groups.
Due to the new geopolitical crisis triggered by the Russian invasion, the hopes and plans for a robust and sustainable economic recovery faded away. All the global organizations and research institutions envisage a further rise in inflation and a significant reduction in the growth rates of the economic activity. In case the geopolitical crisis does not de-escalate by the end of the current year and the energy prices do not gradually fall, it is possible that the growth rate both in Europe and in Greece will be negatively affected. In such an undesirable scenario, the disposable income and the profit margins of businesses may further decrease, a fact which will have a negative impact on consumption, investments and, thus, on growth.
In the context of the geopolitical and the subsequent energy crisis, there is an urgent need of a new strategy pertaining to the country's energy sufficiency. On the one hand, the provision of Russian natural gas and oil must be substituted by other countries and, on the other hand, fossil fuel must be substituted by clean energy, which means, however, that important investments have to be made. But apart from the geopolitical and economic aspect of the energy issue, it is generally accepted that the use of fossil fuels has a significant impact on the rise of the greenhouse gas emissions and on climate change. These consequences affect the quality of life and play a decisive role in the economic activity worldwide.
The aforementioned developments have significantly

affected the financial markets as well. The high rise in inflation globally has resulted in the gradual normalization of the monetary policy by the central banks, among which the European Central Bank (ECB). The first reaction of the central banks was to increase interest rates, in order to control inflation, inflation expectations and their secondary effects. Overall, it seems that the markets anticipate the interest rates increase, since it is expected that most central banks will increase their base rates in 2022. The rise in inflation, the interest rates increase and the slowdown of the economic activity have led to significant risk aversion. As a result, the yield of sovereign and corporate bonds increased significantly, while the prices of shares decreased.

The economic activity in Greece recovered in a fast pace in 2021 and in the first quarter of 2022, offsetting the losses of 2020 due to the pandemic. In particular, in 2021 the GDP increased by 8.3%, in stable prices, due to the improvement of the private and the public consumption as well as to the increase in private investments. Consequently, whereas the pandemic does not hinder the economic activity anymore, the developments in the inflation and in the geopolitical field are causes of uncertainty and risks directly threatening the Greek economy.

The energy price hike, which is due to the geopolitical developments and the problems in the supply chains, gradually increases the prices in other commodities as well, such as food, and spills over into all sectors of the economy. Indicatively, the Harmonized Index of Consumer Prices (HICP) for Greece increased in the first half of 2022 and reached 8.5%, while the natural gas price more than doubled in the first five months and the electric power price also skyrocketed, entraining increases which are hard to be afforded by businesses and households. The Government has really taken measures to mitigate the negative impact on the household income and on the liquidity of businesses; these measures, however, hinder the effort made to restore the fiscal discipline and balance in the country.

Dear Shareholders,

Let us come to the developments in the financial sector. As a result of the improvement of the quality of their balance sheets, the banks turn the page in the field of financing the real economy. Following the significant reduction of the Loan-to-Deposit ratio, the banks have capital buffers and sufficient liquidity, thanks to the liquidity drawn from the ECB and the gradual return to a positive savings ratio. The private sector deposits increased by Euro 16.2 billion, half of which are household savings. Lastly, the Non-Performing Loans stock significantly decreased, following the sale of loans amounting to Euro 27.5 billion, through the “Hercules” program.

The target set by Alpha Bank’s Strategic Plan pertaining to the improvement of the quality of the loan portfolio was achieved in 2021, since the Group

NPEs ratio decreased to 13.1% versus 42.5% in 2020 and, following the additional measures taken, it has been drawn down to a single digit, since the second quarter of the current year. This is attributed to the sales and securitizations of Non-Performing Exposures standing at Euro 16 billion as well as to the increase of the Group Performing Loan Portfolio. The Group Non-Performing Exposures were down and stood at Euro 5.1 billion in 2021 versus Euro 20.9 billion in 2020.

Apart from the radical reduction of the NPEs, Alpha Bank in 2021 supported the Greek economy, since the total new disbursements in Greece amounted to Euro 5.4 billion, out of which Euro 1.6 billion were loans granted to businesses mainly in the sectors of transport, trade, tourism, energy and processing. This credit expansion in 2021 was supported by the enhancement of the deposit base, since the Group's deposits stood at Euro 47 billion at the end of 2021 versus Euro 43.8 billion at the end of 2020. Alpha Bank's capital position remained solid in 2021, with the Capital Adequacy Ratio standing at 16.1% and the Common Equity Tier (CET) 1 Ratio at 13.2%. 2021 was a milestone year for Alpha Bank, as the CEO will explain to you. Apart from the radical reduction of the NPEs, the Management of the Bank took some additional measures for cost reduction, the evaluation and better development of human resources and the IT upgrade of our operations.

With regard to this effort, the Board of Directors was particularly active and examined in a critical and constructive spirit the initiatives of the Management. In 2021, the Board of Directors convened 29 times, the Audit Committee 15, the Risk Management Committee 17, the Remuneration Committee 11, the Corporate Governance, Sustainability and Nominations Committee 10 and the Non-Executive Members of the Board of Directors had 7 meetings. Furthermore, the Board of Directors proceeded with the drafting of a plan for the improvement of its actions, on the basis of the recommendations made by the External Advisor on Corporate Governance issues and of the proposals made by Fidelio, which assessed the operation of the Board of Directors, upon instruction of the Hellenic Financial Stability Fund.

At this point I would like to remind you that in the last years Alpha Bank embarked on an ambitious journey to enhance its corporate governance. The progress made is significant since the quality of its corporate governance is at the same level as that of the major European banks. In particular:

• We have one of the most independent and diverse Boards in Greece, with the ratio of Independent Directors standing at 61% - one of the highest percentages in Greece.

• Women's representation on our Board has grown from 8% in 2019 to 23% and, following your approval today, it will exceed 30%.

• We have adopted the Hellenic Corporate Governance Code.

• Our remuneration framework and policies have been enhanced to ensure alignment of interests with our Shareholders.

• We have introduced governance reforms to ensure better oversight of ESG-related issues, in accordance with international best practices.

The high inflation has already started to increase the central banks' policy rates, a fact which has a negative impact on the investment plans of businesses and the households' purchasing power. At the same time, the increase of the nominal GDP coupled with the controlled cost of servicing public debt - thanks to the low fixed interest rates of the "official sector"-– lead to the de-escalation of the debt-to-GDP ratio. This however does not mean that the sustainability of public debt is fully secured against the huge external threats. Thus, it is important to place emphasis on the gradual restoration and maintenance of the fiscal

balance, in order to achieve a primary surplus starting from 2023. The subsidies to support households and businesses should be mainly granted to those in need, on the basis of income criteria, so that these increases do not exceed in any case the increases in the tax income, which depends on the nominal income.
Despite the geopolitical uncertainty, the real GDP is expected to remain on an upward trend in the next quarters of 2022. The good tourism performance is expected to be the key driver for growth. The additional fiscal measures announced by the Government in order to mitigate the increased energy cost as well as the increase of the absorption rate of the resources granted by the Recovery and Resilience Facility (RRF) will also have a positive impact. According to the recent estimations of the European Commission, the real GDP will increase by 4.0% in 2022 and by 2.4% in 2023. It is also estimated that the Index of Consumer Prices will stand at 8.9% in 2022 and will de-escalate at 3.5% in 2023.
Nevertheless, apart from the support measures adopted by the Government, prerequisites for the support of the economic activity are the enhancement of the extrovert character of the Greek entrepreneurship and the increase of the competitiveness of products and services produced in Greece. The utilization of the financial resources granted by the RRF coupled with the prudent fiscal policy and structural changes will play a decisive role in order for the country to return to the investment grade, which is vital for the financing of the public and private sector.

Dear Shareholders,
This is a historic period, during which the development models we know are changing. The key pillars of the new model include the sustainable and inclusive growth as well as the utilization of the possibilities offered by new technologies in both the public and the private sectors. During this period, the financial system plays a decisive role both in the new era of digitalization and in supporting sustainable growth. Alpha Bank leads both initiatives by incorporating the new digital transition tools into its operation and makes the most of every possibility these tools provide to its Staff as well as to its Customers.
2021 was a challenging year, during which, amid difficult circumstances, significant achievements were accomplished. As Chair of the Board of Directors, I would like to express my gratification to the CEO and the Management Team, but also to all the Employees for their tough and methodical work, the understanding of the challenges and the difficulties we faced, and their commitment to the Bank. Last year, the extended Alpha Bank family grieved the loss of its founder, Yannis S. Costopoulos. Honoring his memory, we will move on to the new era, "with wisdom and vision" as he used to say. During the current year, the geopolitical environment suffered significant reversals globally and the uncertainty about the future of our economies has dramatically increased. Challenges are significant and unprecedented. Nevertheless, I would like to believe that sobriety will prevail in the world and we, at Alpha Bank, based on proper planning, accumulated experience and our love for the Bank and Greece, will deal successfully with the new challenges.

Athens, July 22, 2022

Vasileios T. Rapanos

LETTER
FROM THE CHIEF EXECUTIVE OFFICER

Dear Shareholders,
In 2019, when I had the honor to assume the position of Chief Executive Officer of our Bank, I never had a doubt about the challenging task which stood ahead. The successful reversal of the consequences of the multi-annual crisis and the return of our Bank to profitability constituted a particularly complex project. It required analytic planning, consistency in implementation, constant vigilance, adaptability to a changing environment, dedication and, most of all, a great amount of work.
More so, when during all this time we were called upon as Members of the Board of Directors and of the Executive Committee to deal with unprecedented challenges. The outbreak of the pandemic caused a steep and deep global recession. The recovery triggered by the fiscal policy measures adopted is now put to question, following the Russian invasion of Ukraine. At the same time, the dramatic imbalances in the energy market have triggered an inflation at a level which has not been recorded in the last 40 years.
Within this environment of instability, I can say that I am proud of what we have achieved. Not just by dealing with the severe legacy of the crisis but by changing the Bank itself, so that it may enter a sustainable and high-profitability course, thus creating value for our Shareholders.
We planned the clean-up of our balance sheet with caution and attention to detail. We implemented our plan rapidly and consistently, even though a large part of it had to be delivered within the course of the pandemic. Within three and a half years, we reduced Non-Performing Exposures (NPEs) from Euro 25.7 billion to Euro 3.2 billion, thus achieving the de-escalation of their percentage on loans from 49% in the beginning of 2019 to a single-digit number by June 30, 2022.
In parallel, we changed structures and procedures, we focused on the capitalization of talent and on the evolution of our corporate culture. We managed to return to the essence of banking, achieving significant credit expansion and supporting the growth perspectives of Greek businesses.
These changes brought the Bank once again to the position it deserves: At the forefront of business banking in the country.
The net increase of performing wholesale loans in Greece, from the beginning of 2019 until March 2022, approximates Euro 5 billion or +37%. During the first quarter of 2022 we expanded further our wholesale loan portfolio by Euro 1 billion, by undertaking major financings mainly in the energy, hospitality and infrastructure sectors.
The increased banking business, the improvement of our operational efficiency and the de-escalation of the cost of risk, as a result of the decrease of NPEs, paved the way for the return to profitability. While in 2018 the Return on Equity (RoE) was zero, we now aim at a 6% RoE for 2022, as a first step towards the achievement of our medium-term targets.

Dear Shareholders,
Within these circumstances of high inflation and geopolitical tension, our aim is not just to secure what we have achieved but to design the new roadmap that will guide our Bank safely towards further growth.
It is worth mentioning, in brief, some of the macroeconomic headwinds that lie ahead.
Stepping out of the mountain pass of the pandemic crisis, the global economy had to face the turbulence of inflation and the increasing tendencies of reversal of the globalization of international trade and markets.
The risk of recession looms over Europe once again, while the changes in the energy cost will surely impact further the lack of competitiveness of a number of economies. At the same time, the European Central Bank (ECB) is faced with the hard task of achieving a balance between price stability and financial stability.
While the monetary policy was expansionary, the two goals were not conflicting. When, however, the policy rates rise and the purchasing of securities by the

ECB stops in order to contain inflation, the fragmentation risk regarding the sovereign refinancing terms is increased, thus compressing household and business liquidity. Furthermore, the fact that inflation in Europe is more a cost inflation rather than a demand inflation, raises plausible questions about the effectiveness of monetary policy for its elimination.
There is no doubt that within this environment that is being formed the countries with a rather lower credit rating will be the first ones to come under pressure. Will Greece be among them? The fact that we have not yet reached the investment grade certainly makes things worse. Yet, as our Chair noted earlier, there are two significant factors concerning our country that will make the high inflation go hand in hand with a satisfactory economic growth. The first one is the remarkable recovery of tourism which can restore the balance of the foreign sector of the economy from the rise of the prices of imported raw materials and the second one is the investment injection which is actively financed by the Recovery and Resilience Facility (RRF).

Dear Shareholders,
Allow me, at this point, to refer to some key achievements and numbers that defined the previous year.
In 2021, we concluded four securitization and NPEs sales transactions of Euro 16 billion, while we initiated five more transactions for 2022 of a total amount of Euro 1.8 billion.
These transactions, with Galaxy being the most emblematic of them, were instrumental in achieving our target for a single-digit NPEs ratio already by the second quarter of 2022, i.e. 6 months earlier than we had planned.
Moreover, we proceeded with the issuance of two series of notes that gathered significant investor interest. Specifically, we proceeded with the issuance of Euro 900 million of MREL preferred notes and with the issuance of a Tier 2 note of Euro 500 million. Thus, we achieved our MREL target of 17.6% at the end of 2021.

In parallel, we set the foundation for the growth trajectory of the Bank with the successful share capital increase of Euro 800 million in July 2021.
With the support of our Shareholders, we have not just become the leaders in the financing of the growth plans of businesses but we have achieved something more: We have reconnected in the public debate the future of the banking system with the economy's growth and not with loss coverage any more.
At the end of the year, the Group Assets stood at Euro 73.4 billion, up by Euro 3.3 billion or 4.7%, compared to the end of 2020.
The performing loans portfolio, excluding the senior securitization notes of a total value of Euro 5.5 billion, increased by Euro 1.3 billion, i.e. 5%, compared to the end of 2020. On aggregate, our loans decreased by Euro 2.5 billion and stood at Euro 36.9 billion, mainly due to the securitizations and NPEs sales transactions.
The securities of the investment portfolio stood at Euro 10.6 billion, up by 5.9% compared to 2020, mainly due to bonds and mutual funds purchases. It is important to stress that, during 2021, we chose to make selective placements only in bonds, waiting for better investment opportunities in 2022, a decision which was verified during the first half of the current year.
Our deposits at Central Banks stood at Euro 11.8 billion, increased by Euro 4.3 billion, while customer deposits stood at Euro 47.0 billion, increased by Euro 3.1 billion or by 7.2%, setting the Loan-to-Deposit ratio at 78% from 90% in the previous year.
The balance of Notes issued by the Bank and of other loan obligations increased by Euro 1.4 billion due to the aforementioned issuances of preferred MREL notes and of the Tier 2 note.
The Total Capital Adequacy Ratio of the Group stood at the high level of 16.1% at the end of 2021 or at 16.7% taking into account the positive impact from the “Orbit”, “Sky” and “Riviera” transactions on the Risk Weighted Assets (RWAs).

Regarding the results of the financial year 2021, our balance sheet clean-up led to loss after tax of Euro 2.9 billion for the Group. However, the normalized profit after tax of the period, excluding the non-recurring income, stood at Euro 330 million, i.e. we achieved an RoE of 5%, marking at the same time an increase amounting to Euro 243 million versus the financial year 2020 and achieving the profitability targets set.
The key factors for the significant increase of the normalized profitability of the Group were the positive performance with regard to the fee and commission income, the reduction of our operating cost by approximately 4%, also including the sale of Cepal, and the improvement in the cost of risk, as a percentage of net loans, to 85 basis points.

Dear Shareholders,
I would like to refer specifically to some of the elements that confirm the appropriateness of our strategy, our successful planning and our management capabilities.
I would like to start with the decisive steps that we took for the clean-up of our balance sheet from NPEs. In June 2021, following a binding agreement with the leading international investment firm Davidson Kempner, we proceeded with the conclusion of the Galaxy securitization, a milestone transaction for the future of our Bank which was submitted to the "Hercules" program. The said transaction pertains to the sale of 51% of the mezzanine and the junior securitization notes of an NPEs portfolio worth Euro 10 billion and laid the foundation for achieving a single-digit NPEs ratio in the first half of 2022.
The transaction pertained, among others, to the sale of 80% of Cepal, a former Subsidiary of Alpha Bank in the servicing sector, and to the establishment of "New Cepal", but also to the demerger by way of hive-down of the banking business sector with the incorporation of a new company-credit institution.
Allow me, at this point, to congratulate all the Executives that worked with professionalism, dedication but also with resourcefulness for this transaction, which, if I may remind you, was completed within the adverse pandemic environment wherein every form of social and professional mobility was forbidden. The distinction awarded to Galaxy a few weeks ago as the most successful securitization transaction in Europe for 2021 constitutes another recognition of the capabilities of this team which worked for months, day and night. This distinction wholly belongs to them!
Another product of our partnership with Davidson Kempner was the Cosmos securitization, which was concluded within 2021 through the "Hercules" Program, for a mortgage portfolio of NPEs worth Euro 3.5 billion.
In fact, today, we are called upon to resolve, among others, on the free distribution to all our Shareholders of the subordinated securitization notes which have not been already transferred from the Bank to Davidson Kempner in the context of the Galaxy and Cosmos transactions. Thus, we are providing the opportunity to our Shareholders to acquire any excess value by the performance of these notes in the future.
Within the same year, we concluded a binding agreement with Hoist Finance, a well-known investment firm seated in Sweden, for the sale of a portfolio of Non-Performing and Unsecured Retail Loans of Euro 1 billion.
Finally, we achieved a significant clean-up of our balance sheet in Cyprus (Project Sky) through our binding agreement with Cerberus Capital Management, one of the leading investors worldwide with a portfolio exceeding USD 60 billion, for the direct sale of a portfolio of Non-Performing Loans and REOs amounting to Euro 2.4 billion. This constituted the second largest Non-Performing Loans transaction ever to take place in Cyprus, which was completed six months earlier compared to our initial planning.
The clean-up of our balance sheet would not be sustainable if, at the same time, we did not place emphasis on activities that contribute to the achievement of our target for 10% RoE. We located the areas where

we deemed that it would be better to seek alliances with international partners, so that, taking advantage of their know-how, we would move faster, but also, we located the areas wherefrom it would be better to withdraw, as our business did not fulfill the conditions for the desired capital return.
During the previous twelve months we completed a number of strategic moves which, inter alia, confirm the ability of this Bank to become the obvious partner of large international groups.
Alpha Bank holds a leading position in the Greek merchant acquiring market. Yet, recognizing that this is a sector where technology evolves rapidly and where significant investments of scale are required in order to preserve our competitiveness, we chose to conclude an agreement with Nexi. With this leading European paytech company, we established a new corporate vehicle, securing access to hi-tech products for our entire customer base and for the Bank itself the prospect of expanding further its penetration in the market, as the exclusive distributor of products and services of the new company.
We are also turning the page with regard to the Bank's real estate business with Project Skyline which pertains to the establishment of a new investment agent in the real estate sector, through an investment joint venture by the companies Dimand and Premia Properties. This new agent will develop real estate worth Euro 0.5 billion approximately, establishing the conditions for significant income from this business and contributing to the upgrading of the urban fabric, especially of Athens, through the creation of new tourist, cultural and economic development centers.
And, of course, we must not forget the strategic partnership in the bancassurance sector with Generali, one of the leading insurance and asset management companies worldwide, as well as our strategic relationship with Davidson Kempner in loan servicing.
Finally, we redesigned the Group's international presence, remaining in markets with significant growth potential, while supporting the international operations of our Greek Customers. As part of our strategic plan, the acquisition of our operations in Albania by the OTP group was concluded a few days ago. The said group, which is seated in Hungary and has an expanded presence in the area of Central and Southeastern Europe, guarantees the provision of high-quality services to our Customers. Our international operations are now focused on Romania, Cyprus, England and Luxembourg.

Dear Shareholders,
I am proud that Alpha Bank consistently continues to play, in particularly challenging circumstances, a decisive role in supporting Greek businesses and households, by providing financing tools and by building an environment of trust and security.
A year ago, we presented to you and to the international market, our strategic plan, Project Tomorrow, proceeding at the same time with a Share Capital Increase of Euro 800 million, in order to utilize from day one the opportunities created by Greece's return to a growth trajectory and by the historically unprecedented volume of European funds available to the Greek economy and entrepreneurship.
Twelve months later, the implementation of our strategic plan bears fruit.
Following a ten-year deleveraging, the performing loans portfolio, at Group level, increased by Euro 8.7 billion, including the senior securitization notes, since hitting its lowest levels in the first quarter of 2019, with healthy growth in both Greece and Romania.
On aggregate, in 2021, disbursements in Greece stood at Euro 5.4 billion, while the net credit expansion stood at Euro 1.3 billion thanks to wholesale banking.
In the first quarter of 2022, our Bank, consistent with its strategy, increased significantly the credit flow, thus maintaining for the second consecutive quarter the leading position with regard to the net credit expansion of domestic performing loans. We proceeded with new disbursements in Greece amounting to Euro 2.4 billion, with the net expansion of credit to businesses by Euro 1 billion as the driving force.

Despite the triple challenge of the insisting pandemic, of the energy prices and raw materials inflation and, of course, of the war in Ukraine, the momentum of the loan portfolio expansion is expected to be maintained in the next quarters, as the Bank has already secured a strong pipeline of credit to businesses.
Thus, the net credit expansion at Group level is expected to be more than double in 2022 compared to 2021 and the performing loans portfolio of the Group to increase by approximately 9%, with Wholesale Banking in Greece representing more than 90% of this increase.

Dear Shareholders,
I strongly believe that the role of a financial institution, such as Alpha Bank, does not only entail the achievement of targets and volumes, which obviously is an issue of decisive importance for the creation of value for our Shareholders. The recognition of a bank as an agent of growth and progress is brought about only through the evaluation of its footprint on society.
I have just mentioned one of the two pillars of our interaction with society. That of the financing of entrepreneurs and households.
The other pillar comprises transparency and accountability, not just to our Shareholders, but to a wider framework of social partners, and, ultimately, the alignment of our operating principles with the contemporary expectations of society.
In 2019, Alpha Bank embarked on an ambitious journey to enhance its corporate governance, setting international best practices as our benchmark. Our Chair referred to that but allow me to note our achievements during these three years, both with regard to the constitution of our Board of Directors, with the Independent Members' ratio standing at 61%, and in terms of the representation of women in it. I have the pleasure of collaborating with exceptional female colleagues and I hope that, with your approval today, the representation of women in the Board will exceed 30% from just 8% in 2019.

The business practice of our management team focuses on a more sustainable Greek economy.
With the conclusion of the recent climate risk stress test by the European Central Bank, Alpha Bank proceeds dynamically with supporting the transition of the Greek economy to low emission standards. Our new Sustainable Finance Framework covers the whole range of investments which will be required both by large corporations, where the long-term relationships of trust that we have built make us the partner par excellence for the implementation of their transition strategy, and by small and medium-sized enterprises, to which we offer an ecosystem of partnerships that simplify finding solutions.
Our active focus on the establishment of a more sustainable framework is also demonstrated by our participation in internationally acclaimed ESG indexes as well as by our constantly improving ratings. We are long-time constituents of both the FTSE4Good Emerging and the Bloomberg Gender Equality Index. We have also received an AA rating from MSCI ESG Ratings and we are founding signatories of the Principles for Responsible Banking which were formed through the United Nations UNEP FI global initiative.
The result of this systematic effort is the improvement of our rating on the ISS ESG Quality Score index by five notches since 2019.
These high ratings confirm the consistent administrative and organizational effort for a new operating business model of our Group, complying with international standards, the requirements of the regulatory authorities and our Customers' needs.
They acknowledge the adoption of the principles of equality, integration, meritocracy and of the recognition of diversity within the organization.
Lastly, they reflect our Bank's active presence over time in the societies within which it conducts business.
The entire management team are inheritors of the long track record of Alpha Bank's social contribution. Together, we play a leading part in awareness and environmental protection actions, such as the circular economy educational program in Astypalaia, in

the presence of the Prime Minister, the support of e-mobility on the same island, the donation of fire fighting vehicles to volunteer associations of the country and the creation of Impact Investments.
We stood by the inhabitants of the islands of Greece by supporting, through the Program “Together, for better health”, the operation of health centers on 70 islands of our country, thus securing access to healthcare for more than 830 thousand of our fellow citizens. We are now also expanding our interventions to mainland Greece.
We are proud of our, award-winning, initiatives for supporting integration and equal access to Education and Culture which led to our Bank receiving this year, for the first time, the distinction of “CSR Brand of the Year” at the Hellenic Responsible Business Awards which are organized under the auspices of the Ministry of Development and Investments, the Ministry of Environment and Energy and the Hellenic Federation of Enterprises.

Dear Shareholders,
The achievement of our financial targets, the implementation of complex financial transactions but also the concurrent enhancement of our corporate governance do not constitute ad-hoc, random “victories”.
These are the achievements of the new Alpha Bank which we have been methodically and consistently creating during the last three years.
They constitute the credentials of the effective collaboration of our Executives who implemented very ambitious goals, under circumstances of intense uncertainty and consecutive crises.
I always believed that Alpha Bank’s greatest advantage is our ability to operate Together and to reach our top performance, even when we are facing great challenges, so as to fulfill our commitments to our Shareholders.
This ability has been tested hard during the last three years. And I feel that we could not have responded better!
I would like to extend my gratitude to the Group Staff, because, with their tireless efforts, they are the pioneers of evolution for our Bank.
I consider myself very lucky to lead a team characterized by talent and effectiveness, which has been forged through the twists and crises of the last years.
We are in the midst of an era where the only certainty seems to be the succession of crises. The global economy has entered a period of severe disruption. We must be very cautious and ready to analyze thoroughly the facts, in order to build safely the future of our Bank and the Greek economy based on what we have achieved until now.
Under these circumstances, I feel that the prospects of a bank should also be assessed on the basis of its proven management efficiency over time.
Yet, despite the successes I mentioned, we do not rest.
Using what we have achieved during the last three years as a springboard, we continue. We create a resilient Bank, a Bank at the forefront of evolution, a Bank that supports its Customers and the economy and creates, again, after so many years, value for its Shareholders.
We, the entire Alpha Bank Management, continue Together.
With greater ambition and even stronger determination!
Thank you.

Athens, July 22, 2022

ALPHA BANK'S SHARE AND SHAREHOLDER STRUCTURE

Share

Alpha Services and Holdings S.A. (former "Alpha Bank S.A.") 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 December 2021, the capitalization of Alpha Services and Holdings S.A. stood at Euro 2,527 million and represented 4.95% and 32.92% of the capitalization of the Athens Stock Exchange General Index and Banking Index companies respectively, while the participation of its share in the FTSE/Athex Large Cap Index was 8.92%.

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). The share is included in international indexes such as the FTSE All-World Index, the FTSE Med 100 Index and the FTSE4Good Emerging Index, while starting from 14.7.2021 Alpha Services and Holdings S.A. is also included to the MSCI Global Standard.

The share's daily trading volume for 2021 amounted to an average of 9,385,487 shares per session, increased by 3% versus previous year, with an average daily value of transactions of Euro 9,932,558.

Share information for the Alpha Services and Holdings S.A.	2021	2020
Closing Price (year end, in Euro)	1.08	0.95
Highest Price (period, in Euro)	1.35	1.91
Lowest price (period, in Euro)	0.72	0.42
Market Cap (year end, in billion Euro)	2.5	1.5
Share's average daily trading volume	9,385,487	9,119,370
Average daily value of transactions (in Euro)	9,932,558	6,535,263

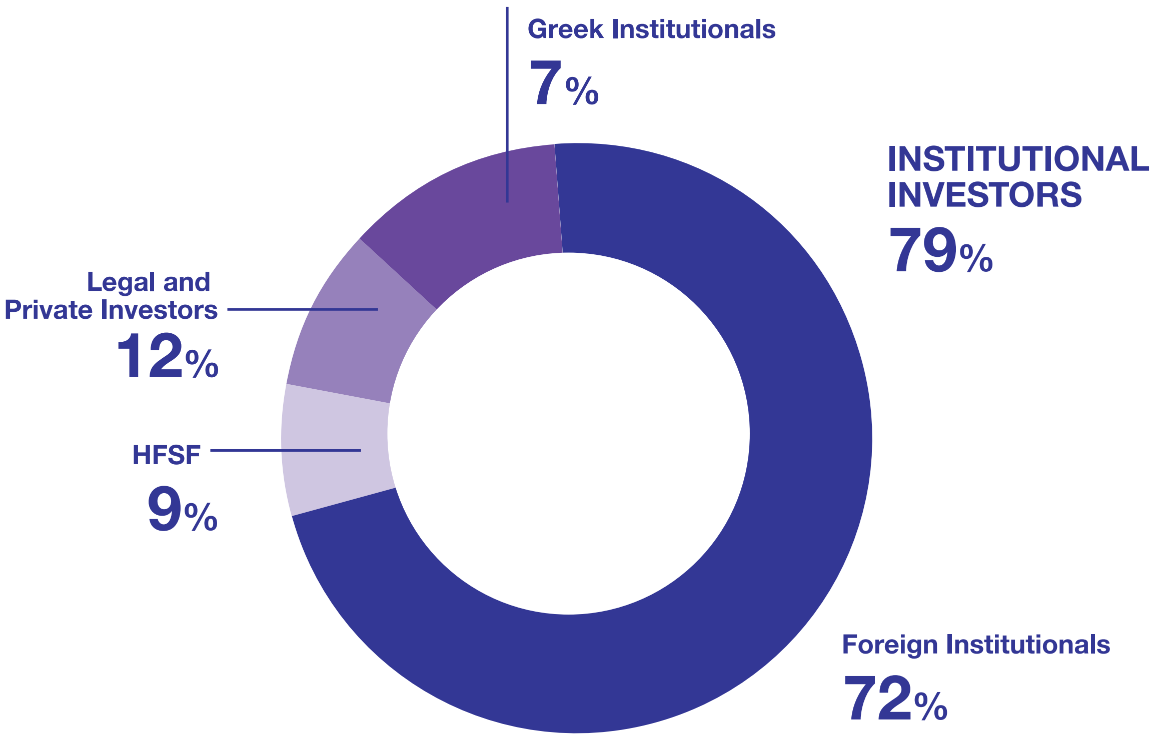
Shareholder Structure

On July 2, 2021, Alpha Services and Holdings S.A., 100% parent of Alpha Bank S.A. ("Alpha Bank"), announced that it successfully completed the offering of 800,000,000 new ordinary shares each of a nominal value of Euro 0.30 to institutional investors pursuant to a private placement outside of Greece ("International Offering") and a public offering retail and qualified investors in Greece ("Public Offering") at Euro 1.00 per New Share.

As a result, on 31.12.2021, the new share capital of Alpha Services and Holdings S.A. amounted to Euro 703,794,329.3 divided into 2,345,981,097 shares, which are listed for trading on the Securities Market of the Athens Stock Exchange ("ATHEX"), of which 2,134,842,798 are common, nominal, paperless shares with voting rights, of a nominal value of Euro 0.30 each owned by Private Investors and 211,138,299 are owned by the HFSF (9% of the share capital). From the shares owned by HFSF, 169,174,167 are subject to the restrictions foreseen in the provision of article 7a of Law 3864/2010.

The shares in circulation on 31.12.2021 were held by approximately 112,000 Individual and Institutional Investors.

The breakdown of the Alpha Services and Holdings S.A. shareholders on 31.12.2021 was, for descriptive (non-regulatory) purposes, as follows:



KEY EVENTS IN 2021

The key corporate events of strategic importance for the Bank in 2021 are the following:

• On 25.1.2021, in the context of the restructuring of the Bank's subsidiaries, the transfer of the shares of the Bank's subsidiary Alpha Bank Albania SHA, to the Bank's subsidiary Alpha International Holdings Single Member S.A. (SMSA), was completed.

• On 5.3.2021, the sale of the remaining shares of the company Forthnet held by the Bank was completed, following the partial disposal as of 13.11.2020, with the acceptance of a Public Offering to the company's shareholders.

•On 18.3.2021, the Financial Supervisory Authority of Romania, following a request by Alpha Finance Romania S.A., approved the revocation of its license.

• On 16.4.2021, the demerger by way of hive-down of the banking business sector of Alpha Bank S.A. (the "Demerged") was completed and its core banking operations were contributed into a new company – credit institution which was registered under GEMI on the same date under the name "Alpha Bank S.A." (the "Beneficiary"). Specifically, Alpha Bank S.A. substituted the Demerged as universal successor, in all of its assets and liabilities within the banking business sector transferred to it, as these are included in the Transformation balance sheet of 30.6.2020 and were formed until 16.4.2021, the completion date of the demerger. The "Demerged", by assuming the 100% of the issued shares of Alpha Bank S.A., becomes the parent entity of the Bank and its subsıdiaries (Alpha Bank Group). On 19.4.2021 the amendment of the Articles of Incorporation of the "Demerged" was approved, by virtue of the decision of the Ministry of Development and Investments number 45898/19.4.2021, and the banking license of the Demerged was revoked, while its corporate name changed to "Alpha Services and Holdings S.A.".

• On 22.6.2021, Alpha Services and Holdings S.A. (the "Alpha Bank Group"), 100% parent company of Alpha Bank S.A., announced the completion of the Galaxy Transaction, in accordance with the definitive agreement entered into on 22.2.2021 with certain entities managed and advised by Davidson Kempner Capital Management LP ("Davidson Kempner"). The transaction includes: a) the sale of 80% of its loan servicing Subsidiary, Cepal Services and Holdings Single Member S.A. ("New Cepal") to the company Airmed Finance DAC, and b) the sale of 51% of the Mezzanine and Junior securitization notes of Euro 10.8 billion of Non-Performing Exposures (NPEs) portfolio (the "Galaxy Securitizations") (together with the sale of New Cepal, the "Transaction" or "Project Galaxy") to the company Foxford Capital L5 DAC. Upon the completion of the Transaction, Alpha Bank S.A. entered into an exclusive long-term servicing agreement ("SLA") with New Cepal for the management of its existing Retail and Wholesale NPEs in Greece, as well as of any future NPE flows. The term of the SLA is 13 years with a right to extend.

• On 27.10.2021, Alpha Bank S.A. completed the reduction in kind of the Bank's share capital by the amount of Euro 10,825,250, through cancellation of 108,252,500 common, registered shares with voting rights, of a nominal value of Euro 0.10 each, held by Alpha Services and Holdings S.A., and the distribution to the latter of 95% of the mezzanine and junior notes, owned by the Bank and issued by the Irish company under the corporate name "Cosmos Securitization Designated Activity Company", of a total fair value equal to the amount of the above reduction of the Bank's share capital.

• On 11.11.2021, following the signing of a Memorandum of Understanding ("MoU") on 3.8.2021, the signing of a definitive agreement was announced between the Bank ("Alpha Bank") and Nexi S.p.A. ("Nexi") regarding the launch of a strategic partnership with respect of Alpha Bank's merchant acquiring business in Greece, which among others include: i) the spin-off of Alpha Bank's merchant acquiring Business Unit into a new entity which was established on 15.11.2021 under the corporate name Alpha Payment Services SMSA ("NewCo"), ii) the sale to Nexi of a 51% stake of NewCo, contingent on the fulfilment of certain conditions precedent, and iii) entering into a long-term distribution agreement, providing NewCo with access to Alpha Bank's Network in order to distribute payment acceptance products and services to business Customers of Alpha Bank in Greece. On 24.11.2021, Alpha Bank and NewCo initiated the process for the spin-off (carving-out) of the merchant acquiring Business Unit of the Bank for its contribution to NewCo and, on 29.11.2021, the Boards of Directors of both companies approved the relevant Draft Demerger Agreement, which was executed on the same date and published pursuant to the law. On March 22, 2022, by its unanimous Decision No. 773/2022, the Hellenic Competition Commission (HCC) approved the proposed acquisition of sole control by NEXI SpA. over the merchant acquiring Business Unit of Alpha Bank, according to article 8 par. 3 of Law 3959/11. In March 2022, NewCo was granted by the Bank of Greece an operation license as a payment institution, in accordance with Greek Law 4537/2018 and the relevant applicable legislation.

• On 6.12.2021, Alpha International Holdings Single Member S.A. ("AIH"), a wholly-owned subsidiary of the Group, entered into a binding agreement with OTP Bank Plc regarding the acquisition of Alpha Bank Albania SHA by the latter.

• On 10.12.2021, Alpha Bank S.A. successfully concluded the issuance of Euro 400 million Senior Preferred notes. The Senior Preferred notes have a long 2-year maturity (February 2024) and are callable the first year (February 2023), with a coupon of 3%. The notes will be listed for trading on the EuroMTF Market of the Luxembourg Stock Exchange.

• On 17.12.2021, Alpha Bank S.A. announced the successful conclusion of the Synthetic Securitization of a Euro 1.9 billion performing SME and Corporate portfolio (the "Transaction" or "Project Aurora") with Christofferson, Robb & Company (CRC) as lead investor, AnaCap Financial Partners (AnaCap) and the European Bank for Reconstruction and Development (EBRD).

• On 28.12.2021, Alpha Bank S.A. entered into a binding agreement with Hoist Finance AB (publ) for the disposal of a Portfolio of Non-Performing and Unsecured Retail Loans of an owed balance totaling Euro 2.1 billion and of total book value before impairment amounting to Euro 1.3 billion ("Project Orbit"). The disposal was completed on 24.3.2022.

• On 29.12.2021, the Share Capital Increase of Alpha Bank S.A. by the amount of Euro 16 million paid in cash by its sole Shareholder Alpha Services and Holdings S.A. and the issuance of 160,000 shares of nominal value Euro 0.10 each and disposal price Euro 1.00 each, was completed. The total difference between the nominal value and the disposal price of the new shares, i.e., the amount of Euro 144 million, was credited to the account "shares issuance above par". After the share capital increase, the share capital of Alpha Bank S.A. stands at Euro 5,188,999,246.

PROJECT TOMORROW

the new Strategic Plan of Alpha Bank

"Project Tomorrow" aims to place Alpha Bank directly at the top of the Greek banking system, creating the conditions to return, after more than 10 years, to a dividend policy which will effectively reciprocate the trust of our more than 115,000 Shareholders.
In addition, by the end of 2022 H1 Alpha Bank is expected to have achieved a single-digit NPE ratio, having completed a number of transactions included in "Project Tomorrow".

GOALS

Make the most of the growth potential of the RRF

Secure on time the capital to be invested

Alpha Bank Share Capital Increase

€800 million

to reach 10% return on tangible book value (RoTBV).

>10,000

Private investors participated in the Public Offering

"The successful completion of our share offering, which received strong interest from high-quality investors and was oversubscribed, is a clear vote of confidence in the Strategic Plan of Alpha Bank and the growth prospects for the Greek economy"

Vassilios Psaltis
Alpha Bank Group CEO

Achieve our profitability targets faster

Ensure the flexibility required to secure funding for high value projects

SHARE CAPITAL INCREASE

June 15, 2021

Approval of the Share Capital Increase of Euro 800 million by the Extraordinary General Meeting of the Shareholders of Alpha Services and Holdings, 100% parent company of Alpha Bank

with a majority of

84.9%

EXPECTED BENEFITS OF THE SHARE CAPITAL INCREASE FOR ALPHA BANK OVER THE PERIOD 2021-2024:

- Establishment of the Bank as a leader in the business investments to be mobilized by the RRF
- Improvement of profitability, achieving 10% Return on Equity
- Reinforcement of revenue sources through strategic moves

RESULTS OF THE SHARE CAPITAL INCREASE

- Immediate upgrade of the Alpha Bank share
- Inclusion of the share as a constituent of the Morgan Stanley Capital International MSCI Emerging Standard Index
- Increased capital inflows from investment funds

July 2, 2021

Successful completion of the Share Capital Increase

July 13, 2021

A milestone for Alpha Bank
The new shares from the Share Capital Increase are admitted for trading on the Athens Exchange

PROJECT TOMORROW

Strategic Plan Pillars

1. NPE clean-up of balance sheet
2. Reduction of operating expenses by 15% by 2024
3. Growth by 9% of fees and commissions income in the period 2020-2024, mainly through Wealth Management and Bancassurance

The Bank proceeds with transactions totaling

€8.1 billion

to reduce

¾

of problematic loans by the end of 2022

Reduction of NPE and NPL ratios in 2022

NPE

7%

NPL

5%

Full restoration of balance sheet quality by 2024

4

New fundings of Euro 8 billion between 2021 and 2024

5

Development of business abroad

24

The Transformation Program was launched in April 2020 and is expected to be completed in 2024.

Project Cosmos

SECURITIZATION OF LOANS

€3.4 billion

Project Hercules II

TRANSACTION COMPLETION

DECEMBER 2021

Project Orbit

NON-PERFORMING AND UNSECURED RETAIL BANKING LOANS

€1.3 billion

TRANSACTION COMPLETION

WITHIN 2022

Project Sky

PORTFOLIO OF NON-PERFORMING LOANS AND REAL ESTATE ASSETS IN CYPRUS

€2.4 billion

TRANSACTION COMPLETION

3rd QUARTER OF 2022

Project Solar

LOANS TOTALING

€400 million

consisting at 100% of wholesale loans

TRANSACTION COMPLETION

1st SEMESTER OF 2022

Other transactions

€700 million

PROJECT TOMORROW

Business development and capital optimization

Project Prometheus

Sale of Merchant Acquiring business

The Bank signed a binding agreement with Nexi for the sale of its Merchant Acquiring business.

benefit

+45 basis points to the capital adequacy ratio

TRANSACTION COMPLETION

WITHIN 2022

Project Riviera

Sale of Alpha Bank Albania

Alpha Bank Group entered into a binding agreement with OTP Bank Plc regarding the acquisition by OTP of a 100% holding on the share capital of Alpha Bank Albania SHA.

TRANSACTION COMPLETION

WITHIN 2022

Project Skyline

Transformation of Alpha Astika Akinita S.A. into a company active in the provision of real estate management and development services

Sale and transfer of the real estate portfolio of Alpha Astika Akinita S.A. to an Alpha Holdings Group Company, which will be the entity to pursue the establishment of the Project Skyline joint venture. Alpha Bank intends to retain a minority stake in the joint venture.

TRANSACTION COMPLETION

BY THE END OF 2022

DIGITAL TRANSFORMATION

Alpha Bank's Strategic Plan also foresees significant investments in IT infrastructure, aimed at increasing online sales and reducing operating costs.

€270 million **of investments in digital infrastructure included in the Strategic Plan budget**

Alpha Bank's Transformation Program

The alpha blueprint Transformation Program is a set of actions that Alpha Bank plans and implements, adopting **a series of important changes** in order to **improve its operation, ensure its effective response to the demands of its Customers** and **establish a new corporate experience and culture for its Employees.**

the **alpha** blueprint
from vision to value
customers

The Program aims at creating a Bank that will be more **functional,** more **innovative** and ultimately more resilient and more **profitable.** It is not just a vehicle for achieving financial goals and creating value for our Shareholders. It is a program that will **interfere in the core of banking** and will, after years of crisis, bring our attention back to people: to our **Society,** to our **Customers**, to our **Personnel.**

The new organizational structures and simplified procedures introduced by **the alpha blueprint** program, accelerate the implementation of the required projects and strengthen the entire Organization's alignment with the objectives of **"Project Tomorrow"**. At the same time, "the alpha blueprint" **drastically accelerates digital change,** which enhances Alpha Bank's **competitiveness** and its ability to respond promptly and effectively to the Customers' ever-changing needs.

Transformation Program Pillars

the alpha blueprint
from vision to value
customers

"Customer-centric growth"

The Customer is at the focus of all actions, which are aimed at providing him/her with tailor-made services through an improved Customer Experience both at physical Branches and, most importantly, in the digital channels.

the alpha blueprint
from vision to value
operations

"Operational model improvement"

With actions that enhance efficiency and reduce the average processing time as well as operational risk, including by redesigning or automating processes and by improving the interconnection of information systems, we aim to transform the way our work is organized.

the alpha blueprint
from vision to value
people

"Strengthening organizational effectiveness"

Our aim is to consolidate a new working environment that is based on the principles of meritocracy and transparency, boosts our best performance, creates strong teams and supports the emergence of talent.

Program duration

The Transformation Program was launched in April 2020 and is expected to be completed in 2023, taking place in two phases:

LAUNCH
APRIL 2020 – EARLY 2021

COMPLETION
2023

1. 1st Phase
Planning

- Establishment of the initial planning with the active participation of more than 200 Employees.
- Definition of the transformation perimeter, program structure, governance framework and general objectives per workstream.
- Completion of the bottom-up analysis, covering the design of new solutions and of the new, future operational model, the formulation of detailed implementation plans and the identification of intended benefits / required investments.
- Approval of the Program budget and scheduling of projects consisting of more than 100 actions and specific objectives.

2. 2nd Phase
Implementation

- The Program is expected to be completed in 2023.
- 23 Workstreams are implemented at a fast pace covering all 3 Pillars of the Program, under the guidance and with the support of the General Managers.
- Systematic monitoring of the Program's progress, based on the "continuous measurement – processing – discussion – optimization" cycle.
- Implementation of a series of actions aimed at strengthening the transformation culture, empowering the Bank's People and providing a work environment that rewards performance.


Workstream Sponsors
General Manager level
Workstream Owners
Initiative Owners
Marketing
Strategy
Finance
IT
Transformation Division
20+
Transformation Workstreams

Key economic goals and level of investment

Improve the Bank's productivity by 25% while simultaneously reducing the average processing time and operational risk

Increase interest income by Euro 200 million and income from commissions by Euro 35 million by 2024, in Wholesale Banking

A net reduction in operating costs by Euro 60 million per year

To achieve the above goals, the Transformation Program will be financed by the Bank with Euro 430 million, representing total investments and restructuring costs

Additional income of Euro 60 million from interest and Euro 65 million from commissions in Retail Banking, within 4 years

Euro 120 million is planned to be invested in technology

Immediate objectives and achievements of Alpha Bank

Retail Banking

- New internal Retail Banking organization based on specific Customer segments
- Creation of value propositions for Customer sub-segments

Customer Value Propositions

"Families" are a sub-segment of high value

New ways to attract Customers,

based on life stage campaigns

New Collaboration Platform

for Branch - Customer communications and transactions via video call

RMs devote their time

to effectively deepen relationships with Value Customers

Corporate Banking

Two new Business Centers

- New transactional products sales team
- A single gateway and new transactions in Web Banking for Businesses

Program for Business Transactions

Migration from Branches to Alternative Channels

>50% of transactions of businesses **mitigated to digital channels**

- Creation of a core Advanced Analytics Modelling team

Loan granting process

Granting of low-value consumer loans via the alternative networks (myAlpha mobile, myAlpha Web and check-out digital retailers)

Automated decision-making for

>50%

of loan applications

CAR LOAN

DECISION-MAKING TIME

Down

from 1 day TODAY

to less than 1 hour

CONSUMER LOAN

DECISION-MAKING TIME

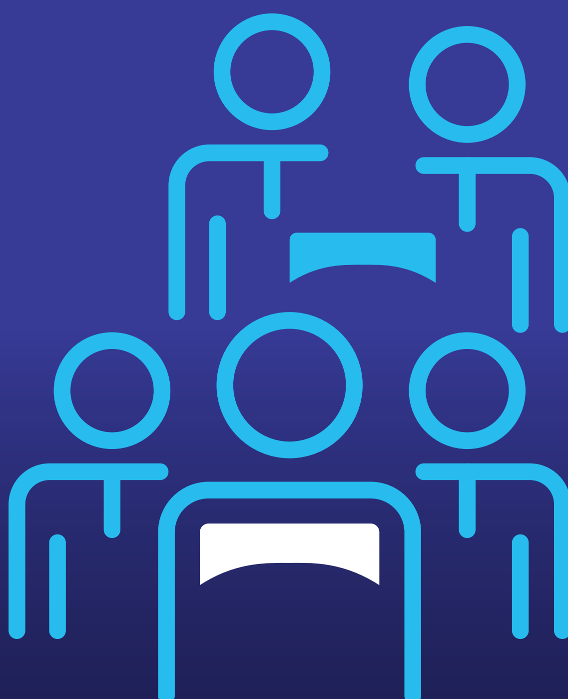
Down

from 2 days TODAY

to less than 1 day

Employees

- More than 15 actions to enhance efficiency and reduce average processing time and operational risk, using Robotic Process Automation
- New “Alpha Performance Dialogue” performance appraisal system
- Linking individual performance to a new compensations and benefits strategy
- Talent development and leveraging, including through modern training programs, and creation of succession plans
- Strengthening the Bank's corporate brand as an Employer (Employee Value Proposition).



THE ALPHA BLUEPRINT

“Together, we create the Alpha Bank of Tomorrow”

October 18, 2021: Presentation of the progress of the Bank's Transformation Program “the alpha blueprint” at a major online event, which was attended by all Alpha Bank Employees as well as by Media representatives.

The success of our Strategic Plan is based on the imple

The CEO Vassilios Psaltis and the Management Team of Alpha Bank presented the philosophy, the three main pillars and the first achievements of this important endeavor, whose progress represents a substantial change for our Bank and lays strong foundations that will allow it to maintain its leading role in the Greek market.

ementation of the Transformation Program

Vassilios Psaltis,
Alpha Bank Group CEO

SOCIAL CONTRIBUTION

At Alpha Bank we plan programs benefiting society, linking in practice entrepreneurship with social responsibility.

"Together, for better health"

The program "Together, for better health" was continued for the eighth year, offering medical devices and pharmaceutical equipment and supplies to the Health Units of the Greek islands.

Since its launch in 2014 and until the end of 2021, the Program had delivered

242,504

items of medical equipment and pharmaceutical supplies

to the Health Units of

70 Greek islands

with more than

833,357

residents

2021

THE PROGRAM VISITED

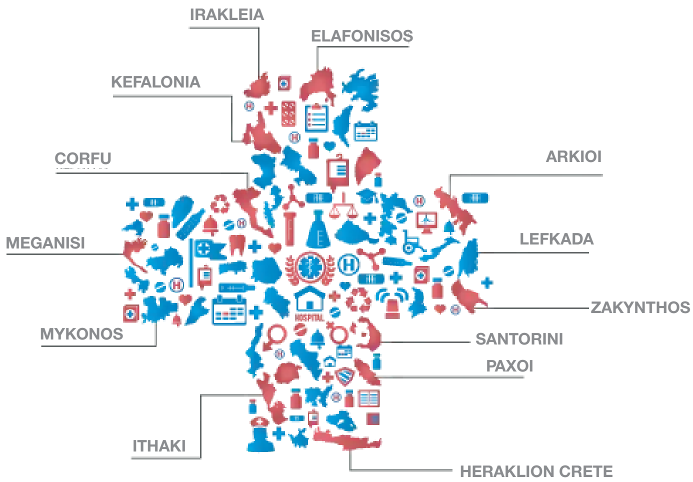
13

islands

- Lefkada
- Kefalonia
- Corfu
- Heraklion, Crete
- Zakynthos
- Santorini
- Ithaki
- Paxoi
- Mykonos
- Arkioi
- Meganisi
- Elafonisos
- Irakleia

AGONI GRAMMI GONIMI

PROGRAM 2021



In particular, 7 General Hospitals, 3 Health Centers and 4 Regional Clinics were supplied with:

27 medical devices	**830** items of medical consumables	**40** items of pharmaceutical equipment	**624** items of medical and miscellaneous equipment	**850** rapid tests

“Together, for better education”

In the field of education, the program “Together, for better education” was continued, aimed at strengthening public primary schools throughout Greece with modern teaching systems, books and sports equipment.

SOCIAL CONTRIBUTION

“The defacements that hurt”

The program “The Defacements that hurt” was continued for the ninth year and, on the occasion of the 200th anniversary of the Greek Revolution of 1821, it focused on the preservation of statues and busts of heroes of the Revolution, found in different locations in Athens.

“Together with the children at the Museum and the Theater”

With the program “Together with the children at the Museum and the Theater”, Alpha Bank in 2021 offered the joy of creation to children hosted in Institutions

10	250	156	>35
institutions participated in an online educational program of the Onassis Stegi	children of the Bank’s Employees participated in art workshops at the Benaki Museum	children hosted in Institutions took part in online creative workshops	events have taken place

“Nomos-Nomizo-Nomisma”

In 2021, the program “Nomos-Nomizo-Nomisma” of the Numismatic Collection “travelled” for one more year, visiting 8 regions of Greece. The Program was attended by 782 pupils from 13 primary schools. It also travelled abroad, to the Greek School of Naples, Italy, which has 9 pupils.

SEPTEMBER 2021

Launch of the new program “Coin and Transactions: From yesterday to nowadays”, in the form of an educational suitcase.

The educational suitcase “travelled”:

GREECE

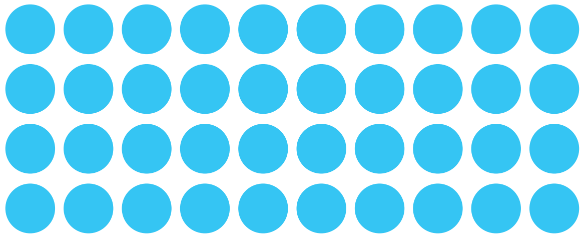
4	regions
8	schools
836	pupils attended

ABROAD

2	Greek schools in Brussels
108	pupils attended

STATUES AND BUSTS SELECTED:

- **Konstantinos Kanaris**
  Kypseli square
- **Emmanuel Xanthos**
  Kolonaki square
- **General Makriyannis**
  D. Areopagitou street
- **Georgakis Olympios**
  pedestrianized street in Koukaki
- **Athanasios Petimezas**
  Kypseli



>40 restorations of sculptures and monuments completed in Athens, Thessaloniki and Naflpio by the end of February 2021

"Equal Access to Culture"

In December 2021, the Bank announced "All Together at the Opera", an Accessibility program implemented in partnership with the Greek National Opera (GNO), which includes universal access to the GNO's performances, as well as artistic workshops and seminars for people both with and without disabilities.

>6,000

spectators had the opportunity to attend screenings of the 62nd Thessaloniki Film Festival

>10,000

individuals with visual, hearing or mobility impairments and disabilities were able to enjoy the cinema experience until today

SOCIAL CONTRIBUTION

"Response to emergencies"

In 2021, as part of the initiatives it takes in order to immediately respond to emergencies, Alpha Bank supported the people affected by the earthquake of **March 3, 2021 in Elassona,** offering food supplies, personal hygiene products and personal protective equipment.

During the wildfires of August 2021, Alpha Bank offered:

7,500

items of packaged foods and necessities to the Hellenic Red Cross

---

suspension for 6 months

of the payment of instalments of housing, business and consumer loans and on credit cards

---

postponement for 6 months

of all enforcement proceedings

The Bank supported the residents **of Arkalochori in Heraklion, Crete, after the earthquake of September 27, 2021,** offering rollaway beds.

"Human Resources Programs"

In 2021, 6 communities of Alpha Bank Employees were created, whose aim is to cultivate a teamworking spirit among their members, share practices and experiences from experts, and promote collaboration for the achievement of the Bank's goals.

A.W.A.R.E. Program (Alpha Women. Authentic, Resilient, Empowered)

OBJECTIVE: To further develop professional competences.
Total participants: 100 female employees of the Bank.

Bankers & Daughters Program

OBJECTIVE: To offer the opportunity to young university/college students, daughters of Alpha Bank employees, aged between 19-22, to gain professional experience by working for 1 week at the Bank.
Total participants: 45 individuals.

Agile Bankers Community of Change

OBJECTIVE: To build a flexible mindset within Alpha Bank.
Total members: 105

Alpha Ithacans Community of Change

OBJECTIVE: To encourage more Greeks from abroad to consider Alpha Bank as an employer of choice for their repatriation.
Total members: 30

#TAB (Trading Alpha Brains) Mentoring Community of Change – under the A.W.A.R.E. Program umbrella

OBJECTIVE: To encourage female employees of the Bank to work together, exchange knowledge and gain valuable experience through cooperation, interaction with each other and participation in selected initiatives.
Total members: 26

#SheforHe Mentoring Community of Change – under the A.W.A.R.E. Program umbrella

OBJECTIVE: To provide the opportunity for female Executives of Alpha Bank to mentor young, newly-hired male employees during their overall induction to the Bank.
Total members: 24

ENVIRONMENT

Alpha Bank applies environmentally-friendly practices and technologies, and also plans and supports activities benefiting the environment.

"Reuse for good"

In the context of the initiatives it takes to deal with climate change, the Bank, through the equipment withdrawal program "Reuse for good":

"Alpha e-statements"

Respecting the environment, Alpha Bank continues to digitalization of its services. During 2021, the Bank modified the "Alpha e-statements" service for all debit card holders, who now receive an e-mail notification on a monthly basis as a reminder to check their transactions. Credit card holders continue to use the e-statement service and their number increased by 3% over the last year.

By sending out electronic account statements (e-statements)

the Bank saved

168

tonnes of paper

whose production would have required **2,848** trees to be cut down, and avoided the emission of **16.33 tn of CO_2**, which would have been caused by sending the hard-copy statements to Customers by post.

offered
936
items of technological equipment
61%

591
items of office equipment
39%

to
96
organizations

These donations helped avoid total emissions corresponding to

38,9 tonnes of CO_2eq

9 tonnes more than last year

INDIRECT BENEFICIARIES FOR 2021
58%
6,829

DIRECT BENEFICIARIES FOR 2021
42%
4,960

"Impact investments"

Six new Structured Notes, categorized as impact investments and issued by BNP Paribas, were actively distributed to Private Banking Customers.

This targeted action managed to raise **Euro 10.9 million** and **USD 6.4 million.** Through reforestACTION, this was translated to the planting of **17,379 new trees,** which are equivalent to:

- the absorption of **2,606** tonnes of CO_2 emissions
- the production of over **69,500** months of oxygen
- the provision of shelter for **52,000** wild animals
- the creation of over **17,380** hours of work

The **reforestACTION** organization, in collaboration with the Forest Research Institute of Thessaloniki, identified the Aronas forest in the Prefecture of Katerini, which is in need of reforestation, as the most suitable one. This is a private forest covering a total area of approximately 1 km^2. The project is planned to last for five years (2021-2026) and the target is to have **30,000** new trees planted.

Alpha Bank is the leader in the new era of electric mobility for the island of Astypalea, with the **Alpha Green Solutions Consumer Loan.** Alpha Bank also participates in the e-astypalea State Action, which provides to the permanent residents of the island a subsidy of up to Euro 12,000 for the purchase of an electric means of transportation, with the **Alpha Green Solutions – Electric car/bicycle.**

CORPORATE GOVERNANCE

"Participation in Diversity Indices"

	2019	2020	2021	2021
Scope	Alpha Bank	Alpha Bank	Alpha Bank	Alpha Services and Holdings Group
Female Employees	3,846 (55.19%)	3,489 (55.17%)	3,149 (56%)	5,630 (61.8%)
Women on the Board of Directors (refers to the BoD of the Group)	1 (8.33%)	2 (15.38%)	2 (17%)	2 (17%)
Women in managerial positions*	261 (37.07%)	226 (36.81%)	201 (37.3%)	445 (56.7%)
Employees with disabilities	122	108	77	88

** Managerial positions include Branch Managers, Managers and Assistant Managers of Central Unit Divisions and Senior Management Members (General Managers, Executive General Managers, Chief Executive Officer).*

“Participation in International Sustainability Indices”

	2015	2016	2017	2018	2019	2020	2021
MSCI ESG Rating (scale CCC-AAA)	B	B	BB	BBB	A	AA	AA
FTSE4Good Emerging Index		●	●	●	●	●	●
ISS ESG Quality Score (score 1-10, 1 indicates lower risk and better disclosure)				Environment: 2 Social: 2 Governance: 8 November 2018	Environment: 1 Social: 2 Governance: 9 October 2019	Environment: 1 Social: 2 Governance: 4 December 2020	Environment: 1 Social: 2 Governance: 6 December 2021
Vigeo Eiris Best Emerging Market Performers					●	●	●
Climate Change CDP			Awareness/C	Management/B-	Awareness/C	Awareness/C	Management/B-
Bloomberg Gender Equality Index				● (Index 2019)	● (Index 2020)	● (Index 2021)	● (Index 2022)
Athex ESG Index*							●

** This is a new Athens Stock Exchange Index whose trading began on August 2, 2021*

1. THE GREEK AND THE INTERNATIONAL ECONOMY IN 2021 AND THE OUTLOOK FOR 2022

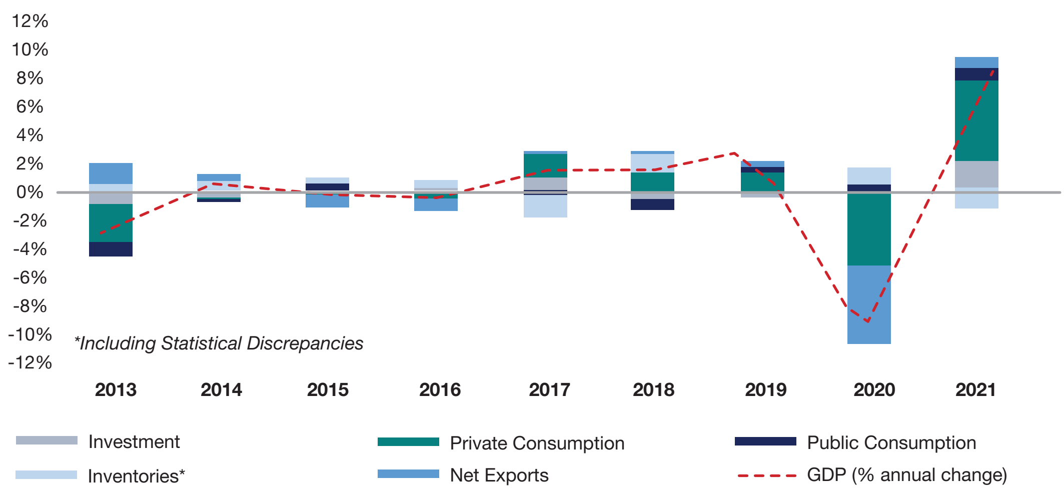
The Greek economy

The swift and strong recovery of economic activity, in 2021, recouped a significant part of the losses registered during the recessionary shock of the previous year, as GDP at constant prices increased by 8.3%, on an annual basis, compared to a decrease of 9%, in 2020.

The strong recovery of economic activity, in 2021, was primarily due to private consumption, which rose by 7.8% y-o-y, contributing 5.5 percentage points (pps) to GDP growth, mainly due to the sharp increase in savings accumulated during the pandemic and the significant gains in employment. Gross fixed capital formation recorded the second largest positive contribution to GDP growth (Graph 1), in 2021 (2.3 pps), increasing by 19.6% y-o-y. Regarding the investment categories, the higher increase was recorded in mechanical and technological equipment (34.5%, on an annual basis).

The good performance of exports of services and especially of tourist receipts, in 2021, resulted in the positive contribution of net exports to GDP growth, by 0.9 pps. Finally, public consumption rose by 3.7% y-o-y, contributing 0.8 pps to GDP rise, on the back of the fiscal interventions to address the negative effects of the pandemic, as well as other fiscal measures to support households and businesses against the increased energy prices. These include, inter alia, the provision of heating, electricity and petrol subsidies. On the contrary, inventories (including statistical differences) decreased significantly, during the previous year, deducting 1.1 pps from real GDP growth.

Graph 1. GDP contributions from the demand side



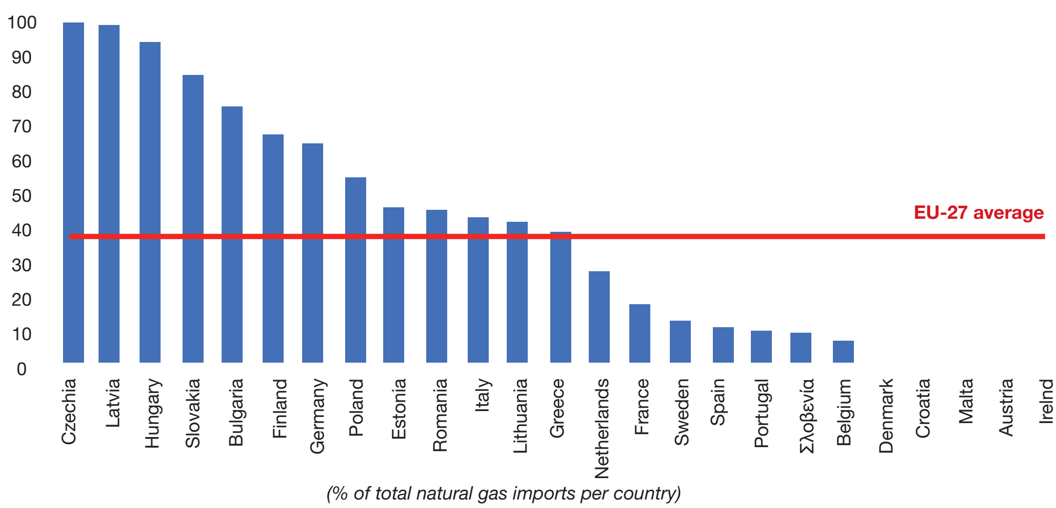
Source: ELSTAT, Alpha Bank Research Calculations

According to the initial projections (2022 State Budget-November 2021, European Commission-Autumn forecast, November 2021, Interim Monetary Report, Bank of Greece (BoG)-December 2021), 2022 GDP was forecast to rise by around 5%. Increased uncertainty, however, could decelerate the recovery of the Greek economy in the short term. The sources of uncertainty refer to: (i) the geopolitical risks, (ii) the inflationary pressures that emerged since the second semester of 2021 and mainly the increase of energy prices, and (iii) the evolution of the epidemiological situation. Furthermore, the supportive measures that were adopted, during the last two years, in order to address the negative impact of COVID-19 pandemic -part of which were abolished during 2021- are associated with additional fiscal risks (e.g. delays in loan repayments for which the state has provided guarantees).

The economic implications of the full-scale Russian invasion of Ukraine in early 2022, as well as the sanctions imposed on Russia, are mainly related to the prolongation of the period of strong inflationary pressures, as Russia is currently the main supplier of natural gas to the European Union (Graph 2). The Greek economy might be impacted by the geopolitical developments through the following additional channels: (i) the reduction of the real disposable income and the purchasing power of households, undermining economic growth, through a weaker-than-expected increase in private consumption, (ii) the tourism sector, directly, as regards tourist arrivals from Russia and Ukraine -which, however, constitute a small percentage of tourist arrivals in Greece- and indirectly, through the expected reduction in the purchasing power of consumers in the origin countries, as a consequence of the increasing energy prices, and (iii) the postponement of investment plans.

Therefore, GDP 2022 forecasts for Greece were revised downwards. Following the BoG Governor's Annual Report (April 2022), the 2022 GDP growth rate is estimated to 3.8%, according to the base scenario, and 2.8%, based on the adverse scenario, whereas the respective forecast included in the report published by the International Monetary Fund (IMF) in April 2022 (World Economic Outlook) is an increase of 3.5%. Finally, the Stability Programme (April 2022) foresees GDP growth for 2022 at 3.1%.

Graph 2. Share of natural gas imports from Russia (2020 data)



Source: Eurostat

The Greek government securities were eligible for purchase under the European Central Bank's (ECB) Pandemic Emergency Purchase Program (PEPP) in 2021, which contributed to the formation of favorable borrowing conditions. The decision of the ECB (December 2021) to continue buying Greek Government Bonds (GGBs), after the end of the PEPP in March 2022, is expected to sustain favorable lending conditions for the Greek state, as well as for the private sector.

In 2021, Greece successfully tapped the international debt capital markets, in January, March, May, June and September, through a 10-year, a 30-year and a 5-year bond issuance, as well as through the reopening of all the above, raising in total Euro 14 billion. In April 2021, Standard & Poor's upgraded Greece's sovereign credit rating by one notch from BB- to BB, while maintaining a positive outlook. In parallel, the Athens Stock Exchange (ASE) General Index recorded an increase, in 2021, by 10.4%.

Fiscal support remained in place, in 2021, as the government adopted additional fiscal measures of Euro 17 billion, whereas the 2022 State Budget incorporates fiscal interventions, to address the pandemic impact of Euro 3.3 billion. The Greek government also announced, in March and May 2022, the adoption of additional measures in order to support households and businesses against the inflationary pressures (increase in subsidies for electricity consumption, direct subsidies of fuel consumption, extension of the repayment period of all previous repayable advances, etc.).

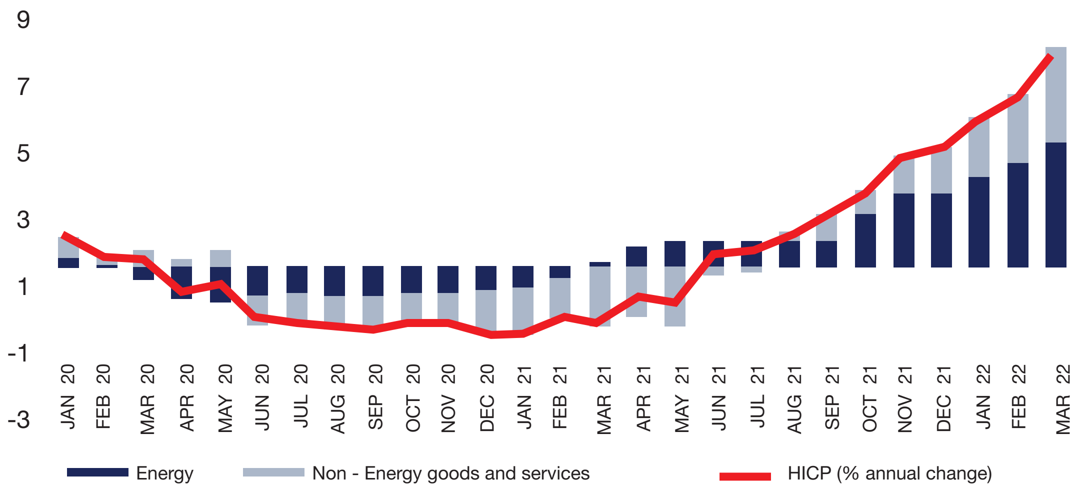
Greece's primary deficit (based on the ESA 2010 definition) reached 5% of GDP, in 2021 (1st estimation, ELSTAT), whereas it is estimated to drop to 2%, in 2022, according to the Stability Programme (April 2022). Furthermore, the General Government Debt was 193.3% of GDP, in 2021 (1st estimation, ELSTAT). In 2022, it is forecast to decrease further to 180.2% of GDP, as a result, mainly, of the economic rebound (2022 Stability Programme).

Graph 3. Residential Property Prices and Private Building Activity

Source: ELSTAT, Bank of Greece

The rebound of economic activity in Greece, in 2021, was in line with the evolution of the Economic Sentiment Indicator (ESI), which is a leading indicator of economic activity and stood at 110 points, in December 2021, compared to 91.5 points, in the same month of 2020.
Residential property price growth dynamics remained resilient, in 2021. According to the latest available provisional data by the Bank of Greece, nominal house prices remained on an upward trajectory, in 2021, rising by 7.1% y-o-y, from 4.5% y-o-y, in 2020 (Graph 3). Moreover, the increase in house prices of new apartments, i.e., up to 5 years old, outpaced the rise in house prices of old apartments, i.e., those over 5 years old (7.4% vs. 6.9% y-o-y, respectively).
Inflation, as measured with the Harmonized Index of Consumer Prices (HICP), followed an upward trend, in the second semester of 2021, mainly due to the rising energy prices globally, the supply chain disruptions and the shortages in raw materials. In December 2021, HICP increased by 4.4% y-o-y, compared to a fall of 2.4%, in the same month of 2020, whereas the average index rose by 0.6%, in 2021, compared to the previous year (Graph 4). In 2022, harmonized inflation is expected to range between 5.2% (base scenario) and 7% (adverse scenario), according to the Bank of Greece (Governor's Annual Report for 2021, April 2022), whereas according to the IMF (World Economic Outlook, April 2022), it is estimated at 4.5%. The Stability Programme (April 2022) foresees a 5.6% HICP increase for 2022.

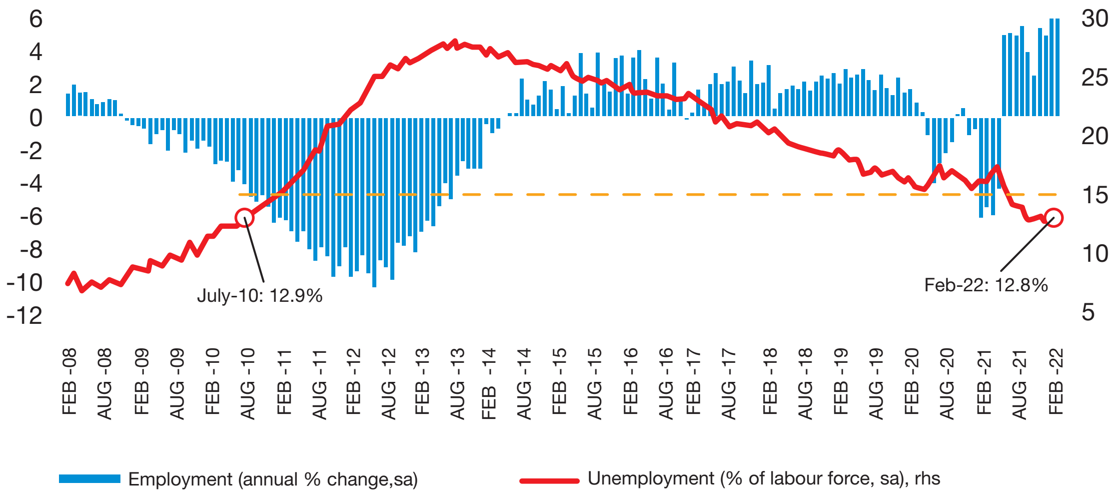
Graph 4. Contributions to HICP inflation: Energy and non-energy goods



Source: Eurostat, Alpha Bank Research Calculations

Labour market conditions continued to improve, in 2021, as the unemployment rate fell to 14.7%, almost 2 pps below the 2020 levels (16.3%), supported by significant employment gains (Graph 5). According to the Stability Programme (April 2022), the unemployment rate is expected to drop further, to 13.9%, in 2022.

Graph 5. Unemployment rate on a declining trajectory, the increase in employment



Source: ELSTAT

The current account balance recorded a deficit of Euro 10.8 billion, in 2021, compared to Euro 11 billion, in 2020. The marginal decrease in the current account deficit was a result of the rise in the services' surplus (Euro 5.7 billion), as well as of an improvement -albeit milder- in the primary and secondary income balances (Euro 1.6 billion in total), that counterbalanced the increase of the trade balance deficit (Euro 7.1 billion).

According to the Financial Stability Review (May 2022) by the Bank of Greece, in 2021, the Greek banks recorded losses after taxes, mainly due to the provisions related to the Non-Performing Loans (NPL) transactions. The Total Capital Ratio (TCR) for the Greek banks, on a consolidated basis, stood at 15.2%, in December 2021, from 16.6%, in December 2020, whereas the corresponding Common Equity Tier 1 (CET1) ratio reached 12.6%, against 15%, in the same month of the previous year.

The private sector's deposits amounted to Euro 180 billion, in December 2021, of which Euro 135.1 billion were household deposits and Euro 44.8 billion deposits of enterprises. Net inflow of deposits by the private sector rose by Euro 16.2 billion, in 2021, as a result of the increase of "forced" savings (due to lockdown measures in force in the first few months of 2021), as well as of the increase of "precautionary" savings (due to high uncertainty for the future). In addition, the measures adopted by the Greek government to support the economy, as well as the rise in employment, in the second semester of 2021, contributed to the rise of the deposit base.

The outstanding amount of total credit granted to the private sector amounted to Euro 109.6 billion, at the end of December 2021, while the annual rate of change stood at 1.3%. More specifically,

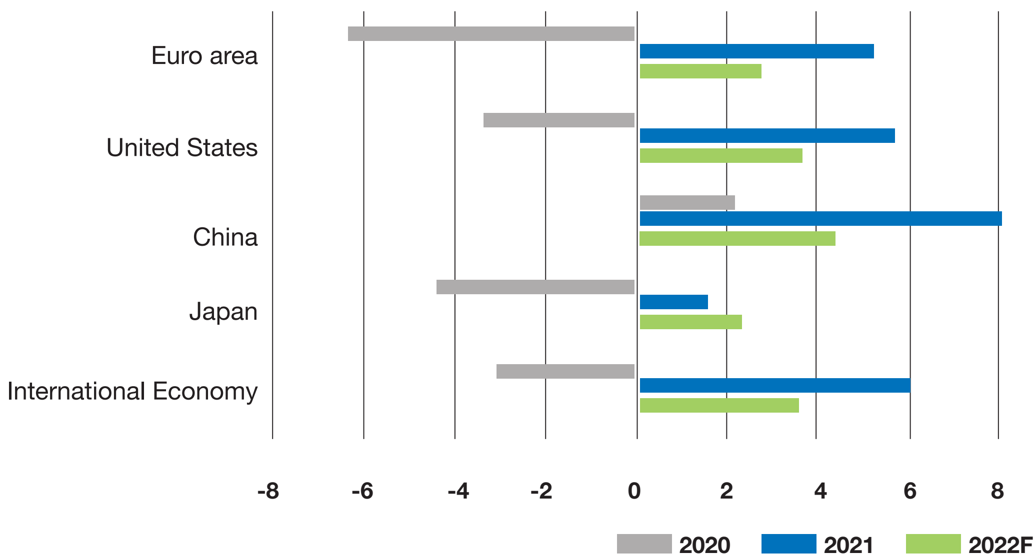
the annual rate of change of credit to non-financial corporations stood at 3.8%, in December 2021.
According to the latest data of the Bank of Greece, the total Non-Performing Loans (NPLs) stock (solo basis), at the end of December 2021, amounted to Euro 18.4 billion, reduced by Euro 28.8 billion compared to December 2020, primarily due to the loans' sales, under the state guarantee scheme regarding the securitization of the NPLs of the credit institutions ("Hercules" program). In terms of key quality indicators of NPLs, the total NPL ratio remained high (12.8%), at the end of 2021. The respective ratio for mortgages (10.4%) performed better compared to the business (13%) and consumer loans portfolios (19.5%).

The prospects of the Greek economy in 2022
The deteriorating epidemiological situation, in the last few months of 2021, the emergence of new mutations, the emerging inflationary pressures and the geopolitical risks are the main sources of uncertainty in the short term, which may slow down the recovery of the Greek economy.
The accumulation of savings, in the last two years, however, combined with the tax cuts and the fiscal interventions in effect from 2022, are estimated to partially offset the negative impact of inflation on the disposable income and therefore on consumption.
Moreover, despite the uncertainty that prevails for the above-mentioned reasons, the outlook for the Greek economy remains particularly positive in the medium term.
In 2022, a favorable environment is being created for a change in the composition of economic growth, which is expected to be driven mainly by the rise in investment. The increase of investment in the short-term will be determined by the evolution of the country's sovereign credit rating towards the so-called "investment grade", the disbursement of funds in the context of the Recovery and Resilience Facility (RRF) -the centerpiece of the recovery plan of the European Union (Next Generation EU), with the aim to deal with the negative impact of the pandemic-, as well as the implementation of structural reforms that will establish a business-friendly environment.
The National Recovery and Resilience Plan (NRRP) refers to the utilization of the RRF funds and incorporates investments and reforms aiming at the green and digital transition of the Greek economy, the strengthening of the infrastructure, as well as its exporting orientation. According to the NRRP, the RRF funds are expected to mobilize new investments of around Euro 57.5 billion, in the period 2021-2026, covering to a large extent the investment gap that was created in Greece, in the previous decade. Furthermore, the Greek government has already planned a structural reform agenda, which, combined with an improved debt risk profile, is expected to attract Foreign Direct Investment (FDI).
Risks, however, may also arise from delays in the absorption of the RRF funds, which would deteriorate business sentiment.

The international economy
In 2021, the international economy recovered strongly, despite the significant challenges it faced, such as the coronavirus variants, the inflationary pressures, the energy crisis and the supply chain disruptions. However, based on the available economic data, the economic recovery is not expected to be equal among countries, as it is linked to the progress of vaccination programs and to the expansionary policies implemented in the fiscal and monetary field, in each country. Some countries recovered faster compared to others. The explanation for the different rate of economic growth is largely attributed to the accessibility of vaccines of each country. Advanced economies outperformed emerging and low-income economies, as vaccination programs have covered a large proportion of the population, allowing for a faster recovery from pandemic losses, in terms of gross domestic product (GDP).
Global GDP increased by 6.1% in 2021, after a contraction of 3.1% in 2020, while according to the International Monetary Fund (World Economic Outlook, April 2022), it is expected to increase by 3.6% in 2022 (Graph 6), supported by the additional fiscal support in some economies, the strengthening of vaccination programs and the continued adjustment of economic activity. However, the forecast for the global growth is 0.8 percentage points lower than in the January 2022 forecast, largely reflecting the war's direct impacts

on Russia and Ukraine and global spillovers. The volume of the international trade decreased by 7.9% in 2020 and recovered by 10.1% in 2021. According to the International Monetary Fund (World Economic Outlook, April 2022), the volume of the international trade of goods and services is expected to increase by 5% in 2022.
In 2022, the international economy is expected to return to a new normal, as the pandemic either accelerated major changes that were expected to take place later, or triggered risks and highlighted significant opportunities. The main uncertainties for 2022 are related to both the future pandemic path and inflationary pressures, especially in energy prices.

Graph 6. GDP (Annual percent change)

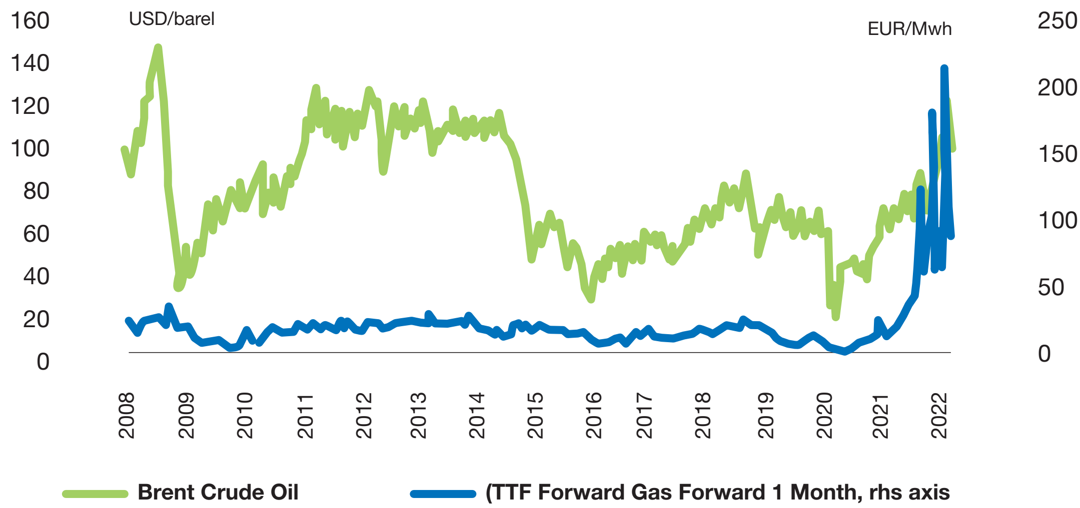


Source: IMF staff estimates

The Omicron variant, first identified in November 2021, confirms that the COVID-19 pandemic remains among the threats to global economic growth. Some countries have been forced to reintroduce restrictive measures to mitigate the spread of the new variant. Despite the growing adjustment of economies to restrictive measures, this development is expected to slow down, to some extent, the economic activity, especially in countries vulnerable to disruptions in international demand.
Global inflation rose, in 2021, mainly in advanced economies and especially in the USA. The sharp rise in inflation was caused by the imbalance between demand and supply, causing excess demand. The gradual normalization of economic activity, in 2021, led to a rapid increase in demand for goods and services, resulting in a rise in the general level of prices (demand-pull inflation). In addition, this increase is largely attributed to rising energy costs, as the inability of supply to meet the growing demand for oil and natural gas -which is considered as an intermediate fuel in the transition to renewable energy sources- has led to a large increase in their prices (Graph 7), burdening businesses and households. Furthermore, the global supply chain disruptions have resulted in shortages of intermediate goods, while rising commodity and raw material prices have led to rising production costs, part of which has been passed on to final product prices (cost-push inflation).
Globally, addressing inflationary pressures is crucial, as rising prices for basic goods, and especially energy, decrease disposable income and, consequently, consumption. The central banks seek to choose the appropriate monetary policy, in order to reconcile the support of the economic recovery and a high inflation, so that it does not

exceed its target. The Bank of England and the US Federal Reserve have already raised their interest rates, while this trend is expected to continue during 2022. A change in monetary policy in advanced economies, due to faster growth rate and growing inflationary pressures, could lead to negative changes in the financing conditions of emerging economies, causing capital outflows.

Graph 7. Energy prices on an upward trajectory



Source: Bloomberg

Additional uncertainties that could affect the international economy are:

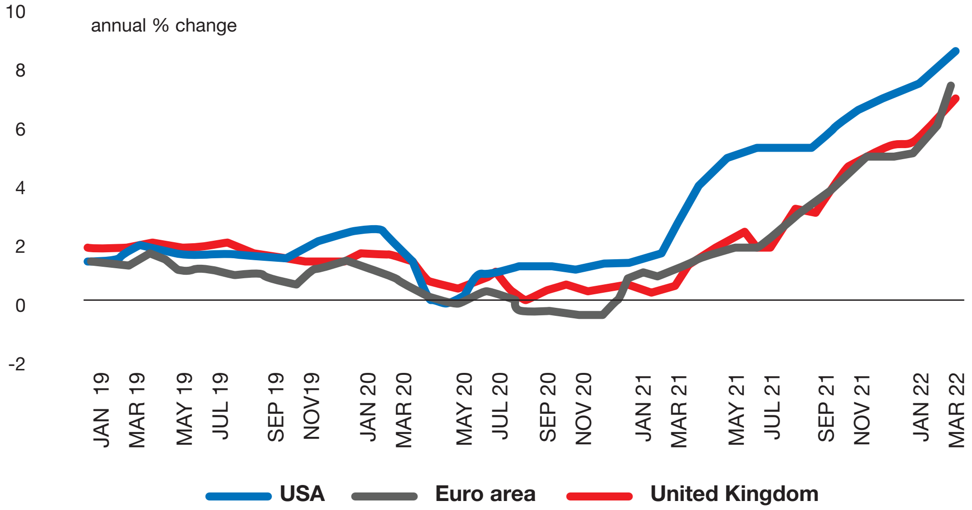
First, the economic implications of the full-scale invasion of Russia in Ukraine and sanctions against Russia are basically related with a longer period of inflation pressures in Eurozone fueled by gas, oil and food high prices over the medium term, as well as increased uncertainty from the disruption in financial markets. Additionally, a weaker increase in private consumption is expected, because of the large impact of high energy prices on households' real incomes and industries supply lines. At the same time, geopolitical tensions are observed in various areas worldwide, the escalation of which could have adverse economic impact, due to strong economic interactions. The USA-China geopolitical competition in various fields (trade, technology) may lead to an increase in protectionist policies (e.g. tariff increases), adversely affecting free trade and economic activity worldwide. Relations between the two countries could deteriorate sharply if tensions between China and Taiwan escalate.

Second, the possible slowdown in China's economy. The liquidity crisis of the property developer Evergrande Group has plunged into a crisis the Chinese real estate sector. In addition, strict restrictive measures in Shanghai, in order to limit the spread of the Omicron variant, weigh on economic activity, undermining the growth prospects of the world's second largest economy.

Third, the evolution and intensity of the energy crisis in 2022 may slow down or accelerate the «green» transition, i.e., the shift of production towards renewable energy sources. In 2022, the urgent need to take action on the effects of climate change will once again be in the spotlight. Extreme weather events (drought, fires) occur more

often due to global warming, with high economic and social costs. It is therefore an urgent need to accelerate the adoption of more environmentally friendly policies, despite the high transition costs.
In the USA, GDP increased by 5.7% in 2021, against a decrease of 3.4% in 2020. The main driver of the economic recovery was private consumption, fueled by the expansionary fiscal policy pursued since the outbreak of the pandemic. According to the International Monetary Fund (World Economic Outlook, April 2022), GDP is predicted to increase by 3.7% in 2022. The labour market recovery continued during 2021, with the unemployment rate falling to 5.4%, compared to 8.1% in 2020. It is noted that, in December 2021, the unemployment rate fell to 3.9%, approaching pre-pandemic levels (2019: 3.7%). The US Federal Reserve decided, at its December 2021 meeting, to accelerate the reduction of the monthly securities purchases (tapering), with the aim of ending the program in March 2022, three months earlier than initially planned. This development is expected to accelerate the increase of interest rates, in order to address inflationary pressures. Inflation increased from 1.2% in 2020 to 4.7% in 2021, recording, in December 2021, the highest increase since 1982 (7% on an annual basis, Graph 8).

Graph 8. Inflationary pressures on an upward trajectory



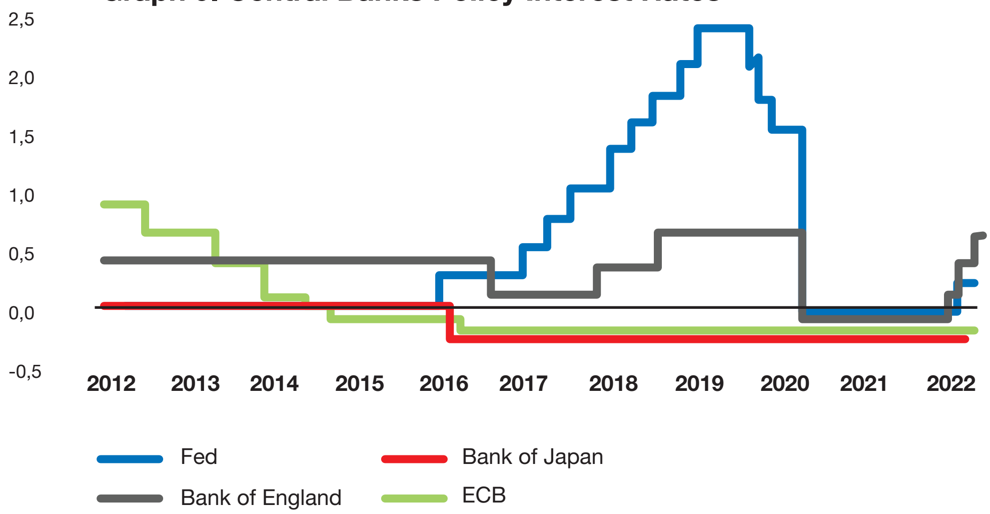
Source : Bloomberg

China's GDP growth accelerated from 2.2% in 2020 to 8.1% in 2021, achieving the second largest growth expansion -following India- among the major economies of the world. In 2022, GDP is expected to increase milder by 4.4%, according to the International Monetary Fund (World Economic Outlook, April 2022).
The GDP in Japan increased by 1.6% in 2021, from a drop of 4.5% in 2020, remaining below its pre-pandemic levels. GDP is expected to increase by 2.4% in 2022 (IMF, World Economic Outlook, April 2022), as the economy will continue to recover from the COVID-19 pandemic.
In Eurozone, the occurrence of the third wave of the pandemic caused the contraction of GDP, in the first quarter of 2021, by 0.9% on an annual basis, according to Eurostat. However, GDP increased by 14.6%, 4% and 4.6% in the second, third and fourth quarter of 2021 respectively, as the effectiveness of the restrictive measures and the progress of the vaccination programs, have led the European Union member-states to reopen their economies, mainly for the benefit of service companies. An important development is the recovery of consumption, which is also fueled by the accumulated deposits, during the pandemic.
The GDP in Eurozone increased by 5.3% in 2021, while the International Monetary Fund (World Economic Outlook, April 2022) forecasts growth of 2.8% in 2022, with private consumption being the driving force. The disbursement of the funds, under the "Next Generation EU (NGEU)" program, is crucial for the economic growth, as it is expected to mobilize additional investment. It is reminded that the European Commission adopted, in July 2020, the "Next Generation EU (NGEU)" program, i.e., a Development Fund (or Recovery Fund), amounting to Euro 750 billion, with the aim of recovering and strengthening the resilience of the European economy after the pandemic crisis, through a combination of grants and loans to the member-states of the European Union. A significant part of the resources will be directed to actions focused on the green and digital transitions.
The unemployment rate in the Eurozone stood at 7% in December 2021, the lowest level recorded since the outbreak of the pandemic crisis. The unemployment rate stood at 7.7%, on average, in 2021, while it is projected to decrease to 7.3% in 2022 (IMF, World Economic Outlook, April 2022).
The European Central Bank (ECB), at its December 2021 meeting, decided to slow, in the first quarter of 2022, the asset-buying program, in the context of the Pandemic Emergency Purchase Program (PEPP), with the aim of ending the program at the end of March 2022. The amounts from the repayment of securities acquired under this program will be reinvested, at least, up to the end of 2024. At the same time, monthly net purchases under the asset purchase program (APP) amounted to Euro 40 billion in April, Euro 30 billion in May and Euro 20 billion in June 2022. The calibration of net purchases for the third quarter will be data-dependent and reflect the evolving assessment of the outlook. The key interest rate remained unchanged at 0%, in 2021, while any adjustments to the key ECB interest rates will take place sometime after the end of the net purchases under the APP and will be gradual. Inflation, as measured by the harmonized index of consumer prices, increased from 0.3% in 2020, to 2.6% in 2021, with 39% attributed to rising energy prices. According to the ECB (Staff Macroeconomic Projections for the Euro area, March 2022), inflation is expected to rise to 5.1% in 2022, as energy prices will stay high for longer than previously expected but will moderate over the course of the year. According to the new ECB's single monetary policy strategy, price stability is better maintained, with a medium-term inflation target of 2%. This target is symmetric, meaning negative and positive deviations of inflation from the target are equally undesirable.
GDP in the United Kingdom (UK) increased by 7.4% in 2021, while the International Monetary Fund (World Economic Outlook, April 2022) forecasts growth of 3.7% in 2022. It is noted that, in 2020, the COVID-19 blow was hitting the UK economy hardest among the world's major economies, as GDP shrank by 9.3%. The Bank of England raised its base rate three times, between December 2021 and March 2022, to 0.75% (Graph 9). The decision was catalytically affected by the sharp rise in inflation. Inflation in the United Kingdom rose to 5.4% on an annual basis, in December 2021, and 2.6%, on average, in 2021, while the International Monetary Fund (World Economic Outlook, April 2022) estimates that inflation will rise to 7.4% in 2022.

Cyprus

In 2021, GDP in Cyprus increased by 5.5%, while the war between Russia and Ukraine is blurring the economic outlook for 2022, due to strong trade, financial and investment links with Russia. However, funds from the Recovery and Resilience Plan (RRP) are expected to boost investment in 2022. According to the International Monetary Fund (World Economic Outlook, April 2022), GDP is expected to increase by 2.1% in 2022.

Graph 9. Central Banks Policy Interest Rates



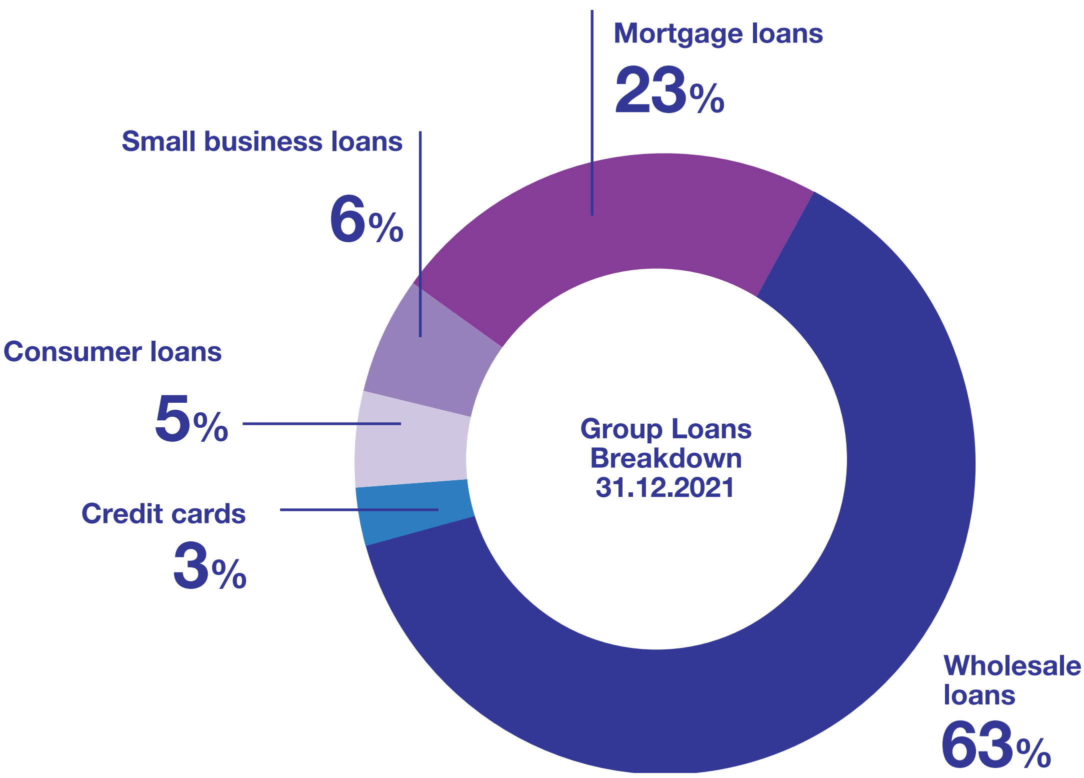
Source : Bloomberg

Romania

Romania's GDP, according to available data from the Statistical Authority (INSSE), increased by 5.9% in 2021, exceeding the average of the European Union (5.3%). Private consumption and investment performed strongly, while public consumption and net exports had a negative contribution to GDP, as imports of goods and services increased more strongly than exports. Regarding 2022, the International Monetary Fund (World Economic Outlook, April 2022) estimates GDP growth rate at 2.2%.

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 31.12.2021, the market share in deposits stood at 21.7%. It is worth noting that the Group also has an extensive loan portfolio that covers all key activity sectors of the Greek Economy. In 2021, the market share in domestic business loans stood at 22.6%, 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 2021, Group loans amounted to Euro 39.3 billion, out of which 63% were wholesale loans, 23% mortgage loans, 6% small business loans, 5% consumer loans and 3% credit cards.

New Group Loan Disbursements

Euro million	FY 2020	FY 2021	Δ y-o-y	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Individuals	318	422	+104	60	122	107	133
Businesses	5,299	4,986	-313	1,055	1,049	1,431	1,452
Total	5,617	5,408	-209	1,115	1,171	1,537	1,585

In 2021, new loan disbursements increased to Euro 5.4 billion versus Euro 5.6 billion in 2020, out of which 92% concerned business loans and 8% concerned loans to individuals. New business loan disbursements were mainly allocated to sectors such as energy, manufacturing, trade and transportation.
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 Luxembourg through the Luxembourg Branch.
With regard to the entire banking system, the balance of loans in the private sector stood at Euro 109.6 billion at the end of 2021, with a positive annual growth rate of 1.4%. With respect to the total loans to the private sector, 59% concerned corporate loans, 28% mortgage loans, 9% consumer and other loans and 4% loans to self-employed professionals, including farmers and individual businesses.
Specifically, the balance of loans to businesses increased by 4.5%, on an annual basis and stood at Euro 64.5 billion in December 2021, while loans to non-financial corporations increased by 3.7%, on an annual basis.
With regard to the evolution of loans to households, the negative annual growth rate stood at 2.4% in December 2021. Regarding each category of credit to households, the rate of reduction of mortgage loans in December 2021 stood at 3.0%, while the negative annual growth rate of consumer credit stood at 0.3%.
Finally, the positive annual growth rate of credit to self-employed professionals, farmers and individual businesses stood at 2.0% in December 2021.

RETAIL BANKING

Housing loans and consumer loans

Despite the recent pandemic crisis, the Mortgage Lending market is back on a path of strong growth after the 10-year long downturn in the Greek real estate market.
The increase in rental prices, the rise of construction activity and the imminent tax reliefs, combined with the fact that the Greek banks offer favorable terms of financing and competitive pricing policies, have contributed considerably to the increase of demand for mortgage loans.
In Alpha Bank, the increase in new mortgage loan disbursements, which had already started in previous years, continued during 2021 and was higher than 50%. This increase is mainly due to the strong performance of the Bank's Branch Network

and the strong output of the external partners' network.
During 2021, in line with the trend in the Mortgage Lending market, emphasis was given to the particularly favorable fixed rates, which protect consumers from possible fluctuations of floating rates in the future. In Alpha Bank, more than 80% of new loans were disbursed with fixed interest rates. At the same time, the offer of the special privileges for the acquisition of a first residence was extended for the whole year, due to the Customers' positive feedback. Thus, Alpha Bank continued to reward Customers who acquire their first residence through the Bank's financing, by offering particularly favorable terms, as well as insurance covers for the needs of all family members and Bonus point rewards.
Furthermore, in 2021, the Bank continued to support the households affected by the COVID-19 pandemic, through the State program ''GEFYRA I''.
During 2021, Consumer Lending increased significantly compared to 2020. The optimization of procedures and the offer of innovative products that cover the Customer's needs contributed to the increase of demand for Consumer Loans.
Moreover, in the context of Alpha Bank's Digital Transformation program, all necessary infrastructures for the development and promotion of consumer loans through digital channels have been put in place.
Thus, in late 2021 the consumer loan product "My Alpha Quick Loan" was launched. This brand-new digital loan is available exclusively via myAlpha Mobile/Web Banking, using an end-to-end digital and paperless procedure.
In the context of Sustainability, Alpha Bank participated in the new cycle of the co-financed program "Exoikonomo - Autonomo" of the Ministry of the Environment and Energy. The program provides incentives to citizens who plan to upgrade the energy efficiency of their home. At the same time, in order to enhance the e-astypalea "green" action of the Hellenic Republic, carried out in collaboration with Volkswagen Group, Alpha Bank introduced a particularly attractive offer exclusively for the residents of the island of Astypalea. The Alpha Green Solutions – Electric car/bicycle is a consumer loan for the acquisition of an electric car or bicycle with considerably privileged terms.
During 2021, Alpha Bank received about 3,000 applications for "Alpha Green Solutions" products ("Energy Saving Home", "Exoikonomo - Autonomo", "Consumer Loan") and the respective disbursements stood at c. Euro 10 million.
For the years ahead, Alpha Bank aims to develop new products and services that will fulfill its new vision, contributing to Sustainability, Digital Transformation and Green Growth.

Cards

In 2021, the second year of the pandemic, Alpha Bank cards maintained their strong position in the Greek market. The Bank has a significant portfolio of payment cards, with a total number of credit, debit and prepaid cards standing at over 4 million. Continuing the upward trend of recent years, turnover increased by 20% in 2021 compared to 2020, representing a significant share of the cards market, which in the case of credit cards stood at 39%.
In the Merchant Acquiring segment, the Bank maintained its leading position in the market for 2021. Driven by the increase in tourism compared to the previous year and in the use of cards for daily transactions, the settlement of foreign card transactions more than doubled and the transactions of other Greek cards increased by 24%.
The Bank has retained one of the largest networks of partner merchants, with more than 200,000 points of sale and the capacity to service all major international card schemes (Visa, MasterCard®, American Express®, Diners Club and China Union Pay).
In 2021, the Bank announced the signing of a binding agreement with Nexi S.p.A. for the establishment of a strategic partnership regarding the merchant acquiring business of Alpha Bank in Greece. The relevant transaction provides for the spin-off of the Bank's merchant acquiring Business Unit and its transfer to a new company, in

which Nexi will acquire a 51% stake, as well as the signing of a long-term distribution agreement providing the new company with access to Alpha Bank's Network. The transaction is expected to be completed in the first half of 2022.

Aiming at enriching the card products provided, Alpha Bank has launched the new Aegean Bonus Visa product line. The Bank renewed its long-standing, exclusive cooperation with AEGEAN and created three new cards, unique in the Greek market, with very attractive benefits: the Aegean Bonus Visa and Aegean Bonus Visa Premium credit cards, as well as the Aegean Bonus Visa debit card. The exclusive privilege of these cards is the possibility of converting the Bonus points collected from their use, into redemption miles of the Miles+Bonus Reward Program of AEGEAN and Olympic Air. At the same time, the new card products provide travel and banking privileges to their Holders, such as free luggage coupons, free escort ticket, free travel insurance, the option of paying in interest-free installments for purchases made at AEGEAN and abroad, etc.

One of the main goals was to maintain the Bank's strong position in innovation and digital payments. As early as 2020, Alpha Bank was the first Greek bank to offer Apple Pay to its Customers who were Visa and MasterCard® cardholders. In 2021, a series of related promotions were carried out, as a result of which the number of cards that were added to Apple Pay increased by 61%, while purchases using Apple Pay more than doubled.

In the same direction, Alpha Bank was again the first among the systemic banks to present Google Pay in the Greek market, in September 2021. Using this pioneering service by Google, Alpha Bank Cardholders and users of Android devices can pay quickly and easily at physical stores and online. In the last months of 2021, more than 120,000 Alpha Bank Cardholders activated Google Pay.

In tandem with the above developments, in June 2021 the State initiative "Freedom Pass" was announced, aimed at rewarding and supporting young people aged 18-25 who underwent coronavirus vaccination, with the amount of Euro 150, using a prepaid card for this purpose. As part of its strategy to provide innovative products, Alpha Bank responded immediately and became the only systemic Bank to participate in the program, with the virtual prepaid card "Freedom Pass Visa". The process of obtaining the card was very simple, as the next day after the submission by the beneficiaries of their application on the Ministry of Digital Government platform, Alpha Bank informed them about how to connect to myAlpha Mobile, where their already issued Freedom Pass Visa Card was available for immediate use in purchases at physical stores, after being added to the digital wallets available by the Bank, as well as for purchases online. More than 200,000 young people selected Alpha Bank to benefit from the Freedom Pass Program.

With a view to further modernizing the Bank's services and ensuring full alignment with the European Directive on electronic payments (PSD2), Alpha Bank upgraded the way e-commerce transactions are conducted and further strengthened their security. Since 2020, the Bank uses the Alpha SecureWeb service to implement the confirmation of the electronic purchases through Push Notifications and recommends to all Cardholders to activate them in myAlpha Mobile. In addition, in 2021, an alternative way of identification (Strong Customer Authentication) was implemented for Customers who do not have myAlpha Mobile or have not activated Push Notifications. The implementation allows the identification of the Customer with the combined use of myAlpha Code, received via Viber or SMS, and of a new code, the e-com PIN, a 3-digit numeric code defined by the Customer.

During October and November, a new credit card sales promotion took place in cooperation with Mastercard®, which rewarded Branch Network Officers, as well as new cardholders, with double Welcome Bonus points for every new card issued.

The Bank has made extensive use of the exclusive partnerships provided by the payment card schemes (Visa, MasterCard®) by organizing vari-

ous activities, among which the promotional activity with prizes and quizzes related to the Tokyo Olympic Games stood out. The response to the online game for the Olympics was satisfactory, with more than 10,000 entries.
During 2021, the Bonus Program continued to grow dynamically, showing an increase in the total number of Customers (+9%) and the number of Customers making redemptions (+6.5%), and stability in the number of redemptions (approximately 2 million redemption transactions), as a result of a well-organized annual action plan maintaining the balance between redemption offers and promotions to collect extra points, which met the needs and desires of the Bank's Customers. To enhance the use of digital communication via the Bonus App, a new functionality for obtaining e-Coupons was developed, which increases Customer engagement, as Customers can now use their mobile phones to instantly redeem Bonus points in selected Bonus Program merchants.
For 2022, the priority is to further develop card sales through digital channels and, more specifically, the capability of using myAlpha mobile to issue a credit card, with online and immediate response to our Customers' requests. The effort to develop digital wallets will continue, so that our Customers can benefit from maximum security and speed in their purchases. In addition, plans are in place for the development of innovative products and services for businesses, which are expected to offer significant value to Businesses- Customers and competitive advantages to the Bank.

Customer Experience

In the context of the Transformation Program, Alpha Bank has made a commitment to deliver an ongoing and optimal Customer Experience. Alpha Bank's Customer Experience Program aims to provide both Customers and Employees with new opportunities to expand their skills, share their knowledge and become banking industry advocates.
Customer experience aims at adopting the Customer's perception, by aligning all our actions and procedures to meet the different Customer needs and expectations, irrespective of the channel/ segment, by utilizing simpler banking experiences and new innovative services and processes.
In 2021, Customer experience was implemented in a methodical way, aiming at a unified, high-level Customer experience provided by all channels based on the following axes:

1. Analytics and Insights

Obtain metrics across the entire Bank and generate insights that help improve Customer experience
In line with the purpose of the on-going E2E measurement of Customer satisfaction throughout the organization, we bring all sources of insights together, synthesize them and highlight areas to address. We measure Customer experience across the organization, and we set up the framework, rules and needs for Customer experience measurement and Customer experience related surveys. The systematic measurement and monitoring of critical moments of truth was enriched both in terms of the Customer's overall relationship with the Bank, as well as in terms of interaction with various touchpoints, using strong Customer experience metrics such as the Net Promoter Score (NPS), Customer Effort Score (CES) and Customer Satisfaction (CSAT).
The Customer Experience Team evaluates every piece of feedback that we receive from our Customers and implements action plans and interventions to help us exceed our Customers' expectations. Through surveys, interviews, social media reviews, complaints, frontline staff feedback, User Testing, etc., Customers' interactions allow us to better understand the entire Customer journey and focus on the critical events that define their overall experience.

2. Governance and steering

Reach Customer satisfaction targets through management and prioritization of Customer experience activities
Customer feedback is very highly appreciated. No survey or Customer complaint goes unread.

Customer experience status is monitored and the synthesized insights are presented across the Bank. The Customer Experience Team provides guidance to establish priorities and facilitate coordination of initiatives and prioritization. Customer experience insights are exploited to meet Customers' expectations, incorporated into business decisions for the implementation of Customer experience improvement actions.

3. Customer experience interventions

Customer experience provided input for the design of journeys and interventions by ensuring redesign is aligned with Customer expectations.

Customer experience insights are integrated in the design of new products and services, ensuring that the needs of the Customers have been analyzed and failures have been resolved.

A new anthropocentric approach was initiated by the Customer Experience Team, setting the ground for new ideation, design and implementation methods of working together in cross-functional teams, by transforming "I lost my Card / I lost my PIN" and "Complaints" Customer journeys that have a high Customer experience impact.

In total, 34 quick fixes and interventions were identified for implementation, assuring a positive impact on our Customers' experience.

4. Culture Change

Implementation of actions for the adoption of a common vision and connection of all the Bank's departments, to facilitate and develop a Customer-centric culture.

The Customer Experience Team defined a plan to deliver Customer Experience Culture Change and a roadmap of activities that helped the Bank execute, promote and cultivate the Customer experience change, communicating that Customer experience excellence is a function of the entire Bank ecosystem and aligning all our actions towards our common goals and Customer experience KPIs in performance management. Customer experience has been assigned the overarching and ambitious role of evangelizing as well as implementing Customer centricity, in close co-operation with all Units within the Bank and in close interaction with the other transformation work streams, in terms of actions as well as of context.

In line with the above, the Customer Experience Academy was launched, to support the Bank's strategic goal of placing the Customer at the center of our actions and to strengthen the Customer experience ecosystem by defining the training needs and offering the methodology, tools and practices that foster a Customer-centric mindset.

Every Alpha Bank Employee plays an important role in delivering a great Customer experience. By empowering Employees to keep Customers at the center of everything they do and by establishing a positive culture of active listening, teamwork, and innovation, we can reach our goal of continuing being a trusted banking partner to our Customers.

Deposit products

For the second consecutive year, in 2021, global economic activity was directly affected by the implications of the COVID-19 pandemic. The international support measures, in combination with national vaccination programs, helped reduce the effects of the pandemic and re-enforced economic growth.

At domestic level, economic activity strongly recovered, as reflected in the substantial GDP growth, estimated at more than 7% on an annual basis. Respectively, the banking system's liquidity continued its upward trend, recording a significant increase of Euro 16.8 billion. Inflows were equally distributed among Individuals' (+Euro 8.9 billion) and Businesses' deposits (+Euro 7.9 billion). Until the end of the first semester of the year, the increase in deposits is directly related to the financial support measures for employees and companies, such as the suspension of payments on loans and tax liabilities, the reduction of consumer spending and the increase in saving activity. However, during the second semester of 2021, the dynamic recovery of the economy is mainly attributed to the growth of tourism and retail trade, as well as to the increase in the exports of goods and services.

Alpha Bank's strong and broad deposit base was further reinforced, in line with the market trend, indicating the stable and long-term trust of its Customers. The significant increase in deposit balances contributed to the maintenance of Bank's market share in relation to the competition.
Since the beginning of the pandemic, Alpha Bank ensured its Customers' secure access to the available products and services. Indicatively, the "Retail Onboarding" service, available through the updated "myAlpha Mobile" app, facilitates Individuals to start their cooperation with the Bank by offering them a deposit account, a debit card and an e-Banking subscription without visiting a Branch. Additionally, during 2021, Customers were offered the option to activate their inactive accounts through myAlpha Web service, thus expanding the range of digital services provided by the Bank.
The above-mentioned actions resulted in a significant increase in the deposit balances of the products provided through the Bank's alternative channels, such as "Alpha Online Term Deposit", "Alpha Online Term Deposit with Bonus" and the savings account "Alpha Save Smart", demonstrating our Customers' positive and strong response to modern and flexible offerings.
During 2021, the interest rates of most deposit products continued to de-escalate, further converging with those offered by other countries in the Euro area.

Bancassurance

Bancassurance presented significant growth margins in 2021, despite the impact of the COVID-19 pandemic. Regarding Alpha Bank, bancassurance revenues increased significantly by 9%, as a result of a well-implemented commercial plan, the launching of new products and actions to attract new Customers.
In 2021, Alpha Bank secured a new exclusive cooperation with Generali Hellas in the general and health insurance sectors and focused mainly on upgrading the level of Customer service and its operational systems, drawing on the Company's experience in new technologies and digital channels. The Health, Business and Property sectors remain a priority for new product development as well as new services offered, while a strong focus remained on digital utilization, customer-centric approach, and customer experience.
Regarding pension-savings programs, Alpha Bank in cooperation with AlphaLife launched in July 2021 the new Unit Linked program "Alpha Exelixis Multi Asset 85". It is an investment product based on insurance, offering permanent protection of 85% of the highest net share price of the Fund, as it is formed daily, securing at the same time the beneficiaries in case of an unexpected event. The product enriched the Company's product range, strengthening the existing Unit Linked programs, without limiting the options of Customers' who prefer traditional savings products.

WHOLESALE BANKING

Small business loans

Initiatives for small businesses

In 2021, Alpha Bank implemented an integrated strategic framework to support entrepreneurship and enhance the competitiveness of Small Businesses, promoting modern solutions, focused both on meeting the daily needs of Small Businesses and on strengthening their growth prospects.
At the end of 2021, the total balance of loans to Small Businesses (with credit limits up to Euro 1 million) stood at Euro 2.4 billion.

Alpha Bank Gold Business Banking

The "Alpha Bank Gold Business Banking" Service, with its specialized banking advisors, remained committed to the provision of immediate and uninterrupted banking consulting services to its Customers, focusing not only on identifying the most appropriate financial solutions, but also on the integration of new business development standards. In the context of the restart of the economy and despite the special conditions that continued to shape the business environment, due to the COVID-19 pandemic, in 2021 the number of the members of the Service increased by 30% compared to 2020. Regarding the level of banking cooperation, Gold Business Customers' deposits increased by 36% and International Trade volumes by 21%, while, at the same time, the Businesses-members of the Service absorbed about 70% of the total Small Business portfolio's new disbursements.

During the year, the adoption and use of digital communication channels was even more reinforced (e.g.,~ 500k messages sent via email, viber and sms, as well as remote meetings with Customers), enabling secure, flexible and personalized remote Customer service and communication with the specialized banking advisors, in order to ensure the accurate diagnosis of their financial situation and the identification of the most appropriate solution to their needs.

<u>Financial instruments in cooperation with National and European Institutions addressed to small and medium-sized enterprises (SMEs)</u>

True to its commitment to providing concrete support to Greek entrepreneurship, Alpha Bank provides SMEs with the appropriate financial instruments to strengthen their competitiveness in the Greek market.

More specifically, in 2021, during the COVID-19 pandemic, while business activity was suspended, Alpha Bank supported businesses, deploying State and European Financial Instruments in cooperation with the Hellenic Development Bank and the European Investment Fund, in order to enhance their liquidity so that they could smoothly adapt to the new challenges of the post-COVID-19 era.

Action "Business Financing - Entrepreneurship Fund II» (TEPIX II)

In May 2021, the Bank , in order to further support businesses, made available again the Sub-Program (1) of the Action "Business Financing - Entrepreneurship Fund II" of Hellenic Development Bank (HDB). The Sub-Program (1) provides loan financing for investment purposes to SMEs, for the implementation of projects enhancing the country's investment activity, with 40% interest-free financing due to the capital injection from Entrepreneurship Fund II (TEPIX II).

Until 31.12.2021, total disbursements amounted to Euro 7.16 million.

In 2021, the Sub-Program (4) "Working Capital financing - Interest-Free for 2 years" continued to be available under the framework of the "Entrepreneurship Fund II", in cooperation with the Hellenic Development Bank (HDB). Business Clientele benefited from access to liquidity in order to cover working capital needs, with a 100% interest subsidy for a period of 2 years from the HDB and a 5% interest rate reduction for the remaining 3 years, due to the 5% interest-free participation of Entrepreneurship Fund II in the capital of the loan. From the launch of the Action until 31.12.2021, total disbursements amounted to Euro 49.9 million.

"COVID-19 Business Guarantee Fund"

Throughout 2021, Bank's participation in the "COVID-19 Business Guarantee Fund" - Phase II program of the Hellenic Development Bank (HDB) continued. The Fund was created to support entrepreneurship and meet the increased liquidity needs of businesses due to the COVID-19 pandemic.

In particular, Phase II was addressed to Medium, Small, Micro and Large Enterprises, with the exception of off-shore companies, holding companies, enterprises in the financial sector, public bodies and their subsidiaries as well as local authorities. More specifically, under Phase II businesses received working capital financing to cover their operational needs, with an 80% Guarantee by the Fund.

The total amount of disbursements from the beginning of the availability of the "COVID-19 Business Guarantee Fund" - Phase II program until 31.12.2021, when the available budget was exhausted, amounted to Euro 560.46 million.

Especially for Micro-Enterprises which did not receive support from Phase I and Phase II of the "COVID-19 Business Guarantee Fund", in May 2021, the Bank signed an agreement for its participation in Phase III of the Fund. Phase III con-

cerns exclusively Micro-Enterprises and involves working capital financing with an 80% Guarantee by the HDB.
By 31.12.2021, Alpha Bank proceeded to disbursements totaling Euro 5.8 million.
"Action of the Development Fund of Western Macedonia (TADYM)"
In June 2021, the Bank participated in yet another initiative of the Hellenic Development Bank (HDB), addressed to Small and Micro-Enterprises operating in the Region of Western Macedonia (Florina, Kozani, Kastoria and Grevena) and have been affected by the COVID-19 pandemic. The "Western Macedonia Development Fund (TADYM)", provides financing to cover operational needs and expenses related to the transactional circle of businesses, with 100% interest subsidy for the first two years and a 40% interest rate reduction throughout the duration of the loan, due to the interest-free capital injection by the HDB.
By 31.12.2021, the Fund's disbursements amounted to Euro 2.7 million.
"Loan Guarantee Fund for Businesses HDB-TMEDE"
In October 2021, a new Support Fund was added to the financial instruments and the Bank's partnerships with the Hellenic Development Bank (HDB). The "HDB – TMEDE Business Guarantee Fund" is addressed to Small and Medium Enterprises of the engineering design and construction sector, which have undertaken the execution of works and/or a study for a public project. Businesses may receive working capital financing of up to Euro 200 thousand, with an 80% Guarantee from the HDB.
In the first two months of its disposal and until 31.12.2021, total disbursements amounted to Euro 1.8 million.
"COSME (LGF) - Direct Guarantee" / "COSME COVID-19"
Throughout 2021, the "COSME (LGF) / Direct Guarantee" Guarantee Program continued to be available to SMEs, with the Guarantee of the European Investment Fund (EIF). The Bank provides increased liquidity to eligible SMEs, with reduced collateral requirements and favorable pricing.
Within the framework of "COSME (LGF) / Direct Guarantee", throughout 2021, working capital financing up to Euro 150 thousand was included in the Sub-Program "COSME COVID-19" with an 80% Guarantee from the EIF.
Since the start of its disposal in April 2017 and until 31.12.2021, Alpha Bank has financed businesses through the Fund with a total amount of over Euro 730 million.
"EaSI Microcredit Program"
As of November 2020 and throughout 2021, the Bank has made available the "EaSI Microcredit Program", addressed to Micro-Enterprises (with a turnover under Euro 2 million and less than 10 employees), providing financing up to Euro 25 thousand without receiving additional collateral, due to the Guarantee provided by the European Investment Fund (EIF).
In addition, EaSI Microfinance provides, optionally, specialized advisory guidance, whereas Alpha Bank, in collaboration with the "Perrotis College" of the American Agricultural School, offers numerous training programs, professional training and specialized support in agri-food entrepreneurship (process optimization, sales development, production improvement, development of new products and services, processing, standardization, rational resource management, etc.).
By 31.12.2021, total disbursements amounted to Euro 6.4 million.

In parallel, Alpha Bank, in order to provide further financial solutions to businesses that have been affected by the negative consequences of COVID-19 pandemic, signed an agreement, in December 2021, with the European Investment Fund (EIF), for the launch of two new Guarantee Programs through the Pan European Guarantee Fund. The new programs focus on key activity sectors of the Greek economy and are aimed at providing liquidity to SMEs that invest in their development through the implementation of new investment plans for the production or development of new

improved products, for adapting substantially differentiated processes or services, for increasing their productivity and competitiveness and, finally, for reducing their energy footprint. The distribution of the products to the business Clientele is expected to start in 2022.
Through all the above financial instruments, Alpha Bank provides financing to eligible SMEs and contributes to the implementation of their investment and development plans to meet their working capital and credit requirement needs, with favorable pricing terms. The Bank's objective is to strengthen quality entrepreneurship and enhance the competitiveness and extroversion of businesses, placing emphasis on innovation and on the increase of domestic added value.

Alpha Agricultural Entrepreneurship
During 2021, Alpha Bank continued to strongly support the development of the primary sector with the "Alpha Agricultural Entrepreneurship" line of products, fully responding to challenges and opportunities by vigorously supporting entrepreneurship across the agri-food chain. In 2021, the financing of Small Businesses operating in the agricultural sector (farmers and agricultural businesses) amounted to 5.2% of the total financing provided by the Bank to Small Businesses.
Throughout the past year, despite the difficulties caused by the COVID-19 pandemic, Alpha Bank remained a valuable helper of the agri-food sector, supporting the production of agricultural products, the continuous upgrade of the level of food safety and quality, as well as the expansion of the export activity of the companies of the sector.
Moreover, by joining forces with the "Perrotis College" of the American Farm School, Alpha Bank enhances the competitiveness of agri-food businesses by providing specialized advisory services.
For the 7th consecutive year, the "Flexible Contractual Entrepreneurship Programs" operate successfully and constitute 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 also contributes to the rationalization of agricultural production, the modernization of the transaction cycle and the creation of an extended network of agribusiness enterprises, etc. thus strengthening the development of local markets.
With the "Flexible Contractual Entrepreneurship Programs", farmers/producers can cover high production costs when they really need to do so and are also able to negotiate better purchase prices via direct payback and improve the quality and quantity of the production ensuring its disposal at a pre-agreed price. Buyers, from their side, secure the liquidity that they need 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, farmers/producers can expand to new markets by attracting new producers to the above-mentioned scheme.
A clear demonstration of the successful operation of these programs is the increase in the number of partner businesses/farmers/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", an additional financing tool that enhanced the liquidity of a considerable number of farmers during the cultivation period of 2021, providing them with the opportunity to make advance payments on part of the agricultural aid (Basic and Green Subsidy) in order to meet their short-term working capital needs. Farmers can use their cards for the following:
• Purchases of agricultural supplies (seeds, pesticides, feeding stuffs, etc.) and fuels.
• Payment of bills for irrigation fees, agricultural

tariff electricity, etc.

• Payment of social security contributions (Greek Agricultural Insurance Organization-ELGA, Unified Social Security Institution-EFKA), State and issuance of an insurance coupon for land workers.

• Coverage of fees for the submission of Agricultural Aid Applications.

• Cash withdrawals (up to a specified amount).

Alpha Bank, seeking to offer the best possible solutions to meet agricultural needs, offers specialized financing solutions for the acquisition and modernization of the fixed assets of modern agricultural enterprises/farms.

Moreover, in 2021, Alpha Bank, in collaboration with businesses under the responsibility of the Wholesale Banking Business Unit, which are also leaders in the domestic agricultural machinery sector, provided specialized financing solutions that cover requirements in fixed assets (such as tractors, agricultural vehicles, etc.), in connection with the implementation of investments that have been included in Actions of the Rural Development Program or have not been included in any development program.

These financing tools provide suitable repayment terms, considering the farmers' actual needs based on the capacity of their farm holdings as well as the seasonality of their cash flows depending on the cultivation period. With these programs, the Bank provides support to farmers for the renewal of their agricultural equipment, the modernization of their agricultural and livestock raising 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 a privileged interest rate for farmers who had declared this account as the one to be credited with their agricultural subsidy payments for 2021.

• 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 Program "My Alpha POS" for partner businesses active in the trade of agricultural supplies, with privileged pricing for the acquisition of a POS terminal, low commissions for clearing card-based transactions and the "My Alpha POS Credit Line" option for working capital financing, depending on the amount of card-based transactions carried out with the terminal.

<u>Green solutions for small businesses</u>

In 2021, Alpha Bank adopted strategies and actions for environmental sustainability, social responsibility, and corporate governance. In this context, the Bank developed products focused on the protection of the environment and on tackling climate change as part of its efforts to integrate the ESG (Environmental, Social and Corporate Governance) criteria in its operations.

In line with the objective "A Clean Planet for all", a new green product, "Alpha Photovoltaic", was launched in May 2021. It is addressed to Small Businesses wishing to invest in the construction of Photovoltaic (PV) Stations with a power output up to 1 MW, to support Electric Power generation and sale. Alpha Bank's total funding for investments in small PV parks in 2021 amounted to Euro 5.9 million.

<u>Ecosystem of partnerships</u>

Alpha Bank also offers a full package of services across all green entrepreneurship sectors, covering sustainable investments, through its Ecosystem of Partnerships (with specialist consultants, suppliers and PV Station construction contractors).

Indicative services provided

• Advice and know-how related to the investment's return

• Design/Study of the installation area and equipment

• Economic viability of the project

• Formalities

• Project implementation.

Benefits

• Complete view of the investment and of its Internal Rate of Return (IRR)
• Comprehensive investment planning, from the design/study stage to the implementation of the project
• One-stop-shop solutions, at no extra charge
• Fast and flexible procedures
• Assurance of the implementation of profitable investments.

Another green program offered by Alpha Bank in 2021 was the "Athens Business Green Toolkit", an action under the "Partnership Agreement (PA) for the Development Framework 2014-2020" aimed at supporting Small and Micro-Enterprises of the Municipality of Athens in upgrading their operation, based on the principles of energy efficiency and bioclimatic planning.

Alpha Bank, in the context of providing integrated solutions, offered a pre-assessment of the eligibility of businesses interested in participating in the program, free of charge, in cooperation with its specialized partner ZEB - Zero Energy Building S.A.

For the smooth implementation of the investment, Alpha Bank offered a flexible financing scheme, which included:
• Short-term funding against assignment of the subsidy amount
• Issuance of a letter of guarantee for an advance of 40% on the amount of the subsidy
• Long-term financing to cover the amount of the businesses' own participation in the energy efficiency upgrade investment plan "EaSI" Microcredit Program, COSME (LGF).

Other activities

The promotion of the "Alpha in Business" line of financing products to all Small Businesses continued during 2021, with the Bank effectively responding to new applications for financing short-term working capital and/or investments in business premises and equipment.

At the same time, promoting the motto "innovation, diversification, speed", Alpha Bank supported Small Businesses operating in Greek tourist areas through the "Alpha Tourism Entrepreneurship" Program.

The Program consists of a set of products and services to enhance entrepreneurship in the tourism sector, while also facilitating the day-to-day operation of businesses, especially during the tourist season. "Alpha Tourism Entrepreneurship" seeks to upgrade the quality of the products and services offered and to improve the position of tourism businesses in the domestic and international market.

During 2021, the Bank served promptly and efficiently all requests for the settlement of Small Businesses import transactions. Since the beginning of the year and up to 31.12.2021, it handled 110,000 import/export transactions of Small Businesses, which amounted to over Euro 1 billion.

Business support measures

In the first quarter of 2021, the Bank participated in the Measure "Subsidy of Interest to Existing Loans of Small and Medium-sized Enterprises Affected by the COVID-19 Pandemic Measures – Phase II" of the Ministry of Development and Investment. The Measure provided for the full coverage of contractual interest (including the corresponding contribution of Law 128/75) of the companies' business credits for a period of 3 months (1.1.2021-30.3.2021).

Up to 31.12.2021, Alpha Bank subsidized the interest of a total of c. 2,060 accounts of Small Businesses, disbursing a total amount of Euro 2.19 million.

In April 2021, the Bank participated in the State Program "Gefyra II", for supporting businesses that have been proven to be affected by the COVID-19 pandemic.

The action subsidized the monthly contractual instalments of the enterprises' business loans for a period of 8 months, with a subsidy escalation according to the loan category and up to 90%. According to the figures provided, 2,670 Small Businesses-Customers were subsidized through Gefyra II, for a total subsidized amount of Euro 9.09 million (data as at 31.12.2021).

Large corporations finance

2021 has been year of recovery, following the spread during the previous year of the COVID-19 pandemic, the signs of which are still evident on the economic activity of enterprises and households. Additionally, in the second quarter of 2021, a gradual increase was observed in the prices of raw materials, transport and energy, which peaked towards the year-end, that pushed down the profitability of enterprises and increased their needs for working capital and letters of guarantee.

Against this unique background, the Bank continued to support and provide services for its Customers, by meeting their needs in a timely and effective manner, in line with the expected credit criteria.

Drawing on the improved liquidity conditions, the Bank submitted to its Customers, on a regular basis, proposals on the financing of more permanent capital needs, incorporating in its pricing policy the de-escalation of interest rate costs. At the same time, it continued to support the investment plans of businesses with diligently structured financial proposals, either on a bilateral or on a syndicated basis, placing particular emphasis on investment plans that reduce the environmental footprint of businesses and contribute to sustainable development within the framework of the ESG principles.

At the end of 2021, the total balance of the Division's loans to Large Corporations amounted to Euro 4.1 billion, whilst the respective balance of letters of guarantee and letters of credit stood at Euro 1.5 billion, indicative of the Bank's tangible support of its Customers, the largest Greek enterprises in particular, and of the latter's confidence in it.

As a result, the Bank was able to maintain a satisfactory profitability and the high quality of its lending portfolio. For the Bank, increasing fees deriving from ancillary business and the net interest income from asset-liability management are permanent core strategic choices 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, development projects and projects reducing environmental footprint, and showing clear prospects for growth.

• To be active in all potential European and/or State-backed economic recovery and growth programs (i.e., RRF, EIB projects), with a dual purpose: to be able to support large Greek Enterprises in their efforts to address the extraordinary conditions created by the pandemic as well as the current energy crisis; and to facilitate the modernization of different sectors of the Greek economy and reduce their environmental footprint.

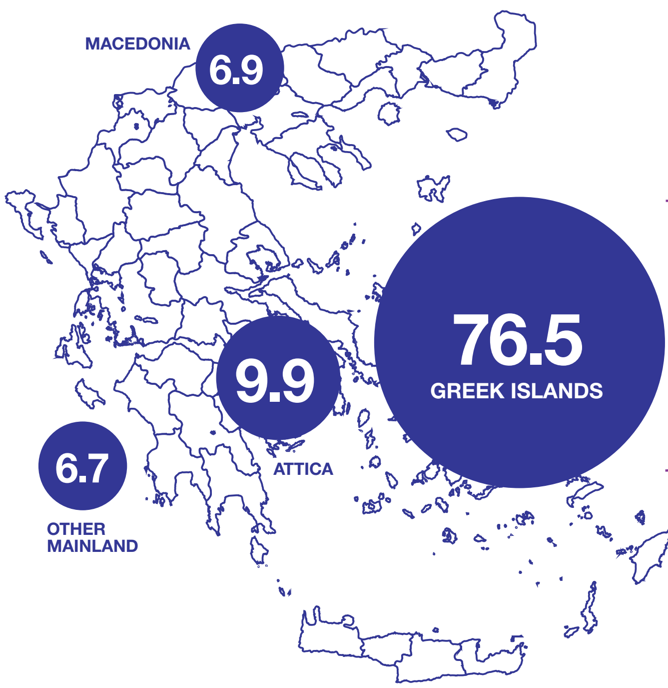
Hospitality and island enterprises finance

2021 was a year of great importance for the Hospitality and Island Enterprises Division, as the resumption of all tourism-related economic activities (from July onwards) was considered crucial for the resilience of the tourism businesses facing the continuing effects of the COVID-19 pandemic, as well as for regaining momentum regarding the economic course of the businesses operating in the sector going forward. Throughout the year, Customer needs were closely monitored, so as to be able to provide prompt assistance, where and as required, in order for businesses to cope with the continuing effects of the COVID-19 pandemic, especially in the first half of the year (a period during which various restrictions on travel and activities continued to be in effect), or to support Customer investment plans whose implementation had resumed, mainly during the second semester of the year. Customer requirements for meeting current liabilities were significantly reduced during 2021, due to the significant assistance and support provided by the government and the banking sector for coping with the economic effects of

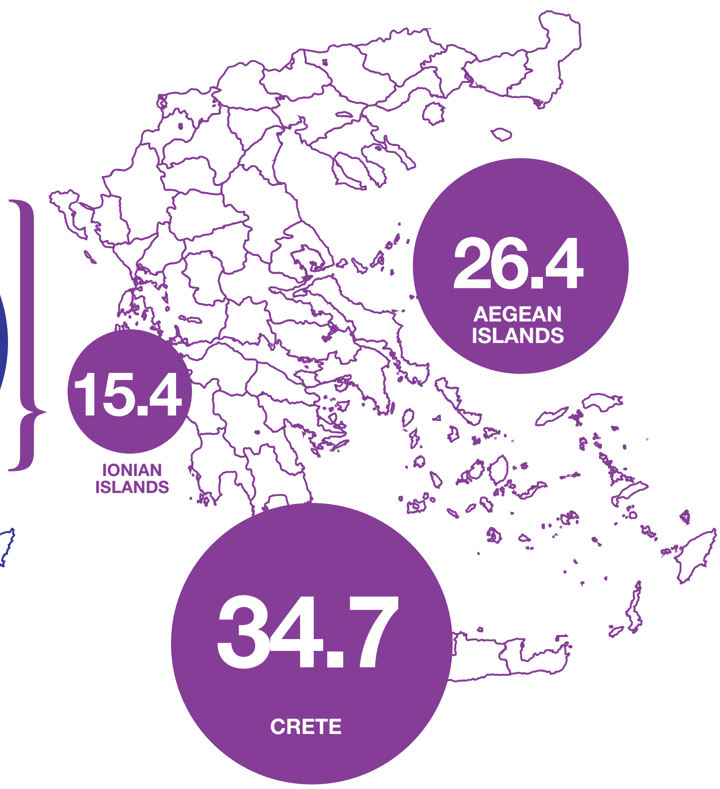
the pandemic, as well as due to the generally improved activity course of the tourist market during the period of operation after the COVID-19 related restrictions were lifted (second half of the year), which significantly exceeded initial estimates.
In particular, during the first quarter of 2021, the Division completed the disbursement process of the loans under the guarantee scheme of the Hellenic Development Bank, while it also maintained a significant momentum in new financings to Customers throughout the year in connection with the financing of capital expenditures and investment projects. It should be noted that the sector's positive course and the significant recovery of business activity that occurred in the third quarter of the year, led to a resurgence of investment interest in both acquisitions and capital expenditures. In this regard, the Bank continues to stand by its Customers to assist them in covering the financial needs that arise, having already approved (or considered for approval) a significant number of new investment plans expected to be carried out during the two-year period 2022-2023 in the tourism sector.
As of 31.12.2021, the total credit balances under management by the Hospitality and Island Enterprises Division stood at Euro 2.1 billion, including letters of guarantee, letters of credit and lending to Division's Customers by the Bank's subsidiaries in Greece and abroad, while new business loans during the year amounted to approximately Euro 300 million. The high rate maintained buy the Division in terms of new financings on an annual basis, demonstrates the Bank's tangible support of its Customers for strengthening their liquidity and supporting their investment plans, in order to further contribute towards the economic development of the tourism sector and support its already positive prospects.
The following graphs present the geographical distribution of the Division's Customers:

Hospitality and island enterprises finance

Distribution of credit balances in regions (%)



Distribution of credit balances in islands (%)



In 2022, a further significant improvement of the economic climate is expected to be recorded in the tourism activity as well as in the overall fundamentals of tourism enterprises (compared to the pre-COVID-19 levels), with the Hospitality and Island Enterprises Division continuing to monitor the needs of enterprises and the wider market situation, in order to be able to offer targeted products and solutions, drawing on the Bank's existing financing products (which can be tailored to meet specific needs), as well as on new financing products that are expected to be made available from projects funded by the Recovery and Resilience Facility (RRF), the new Development Law for Investment Incentives, and other actions supported by supranational organizations (EIB, EIF, etc.).

Shipping finance

The Bank has been successfully involved in shipping finance for over 25 years, providing specialized products and services (fund transfers, hedging solutions, branch operations, etc.) to Greek-owned ocean-going shipping companies and coastal shipping companies.

The Bank remains one of the main lenders of Greek shipping, as during 2021, new loans of approximately Euro 900 million were provided to existing and new Customers. The shipping loan portfolio stood at approximately Euro 2.7 billion on 31.12.2021, out of which approximately 45% referred to financings of bulk carriers, 36% of tankers and 19% of container carriers, LNGs and coastal shipping.

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

Leasing

The total interest income for the Group Company Alpha Leasing stood, in 2021, at Euro 11.7 million, down by 4.9% compared to 2020 (Euro 12.3 million), 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 83.1 million, versus Euro 88.4 million at the end of the previous year. The portfolio of accounts receivable from leasing agreements prior to impairment amounted to Euro 585.5 million versus Euro 578.1 million at the end of 2020.

Maintaining a strong coverage ratio led to a further increase in provisions for the impairment of bad debts by Euro 6.2 million (2020: Euro 8.9 million). Thus, total provisions were further strengthened, standing at the end of 2021 at Euro 201.5 million and accounting for 34.4% of the portfolio versus 33.8% in 2020 (Euro 195.4 million). 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 ranks it first in the leasing sector.

In this environment, the Company continued to actively manage its leasing contracts portfolio in 2021 as well as, focus 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 intent to selectively acquire new business.

Drawing on the experience gained over the previous years, while at the same time 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

ABC Factors has been a member of the Factors Chain International (FCI) since 1995 and of the International Trade & Forfaiting Association (ITFA) since 2006, regarding forfaiting services. In addition, in 2009, it became a founding member of the Hellenic Factors Association (HFA).

The main developments with a major impact on the Company's activities during 2021 were the following:

• The third wave of the COVID-19 pandemic, during the first quarter of 2021, in Europe and in Greece, in conjunction with the restrictive measures against the pandemic.

• The proper functioning of the Company and the smooth provision of service to the Customers, despite the containment measures imposed, and the adoption of teleworking in order to minimize potential operational risks.

• The need to secure a safe working environment for Personnel, by taking promptly the appropriate measures against COVID-19 transmission.

• The exclusion of factoring services from the State support schemes available to corporations.

• The gradual economic recovery, especially in the fourth quarter of 2021, which affected positively the turnover as well as the balances of discounted receivables.

• The maintenance of the profitable return on assets due to the strong and resilient profitability achieved, despite the difficult circumstances due to COVID-19.

• The upgrading of the Company's existing core platform with additional quality characteristics to support the optimization of productivity, mitigate operational risks and ensure the Company's compliance with the regulatory and supervisory requirements.

• The design and launch of the project for the installation of an interface system with Customers and debtors (Tesla Radius) and on boarding, as well as its connection to the Bank's web banking ("e-factoring" project included in the Group's Digital Transformation program).

The Company's turnover (volume of factored receivables) increased by 18.39% in 2021 compared to 2020 and stood at Euro 4,680,214,999.54 (87% domestic, 13% international), sustaining the Company's dominant position in the Greek factoring services market. During 2021, the average balance of discounted receivables decreased by 2.55% compared to 2020, while the total balance of advances to Customers before impairment as at 31.12.2021 stood at Euro 584,971,428.70, increased by 39% compared to 31.12.2020.

The Company maintained its profitability in 2021, with earnings before tax standing at Euro 10,309,132.17, decreased by 7.92% compared to 2020.

Non-Performing Receivables from Customers on 31.12.2021 decreased by 12.09% compared to 2020 and stood at Euro 5,423,841.36.

Following the implementation of the Company's "Impairment Policy for Receivables from Customers" and the implementation of the new International Financial Reporting Standard (IFRS) 9 "Financial Instruments" (Regulation 2016/2067/22/22.11.2016), the percentage of impaired advances to Customers stood at 0.92% of the total balance of advances to Customers through receivables discounting as at 31.12.2021 (Euro 5,389,454.71).

The Company has established a framework of thorough and prudent management of all kinds of risks, based on best practices of 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 so as to be applied in a coherent and effective way in the daily conduct of the Company's activities and enhancing the effectiveness of its corporate governance.

During 2021, the Company took all necessary and appropriate measures in order to protect itself against all types of financial risks. The main objective of the Company during 2021 was to maintain the high quality of its internal corporate governance and to ensure its compliance within the regulatory and supervisory provisions on 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), credit and operational risk as well as 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 Central Bank of Greece, in accordance with the Bank of Greece's Executive Committee Acts 193/1&2/27.9.2021, to which the required data are submitted in accordance to the Bank of Greece Governor's Act 2651/20.1.2012.

Products and services

- Domestic Factoring with Recourse
- Domestic Factoring without Recourse
- Reverse Factoring
- Invoice Discounting
- Accounts Receivables Control, Management and Collection
- Import Factoring
- Export Factoring
- Forfaiting

Prospects for the Company

The dynamism of 2021, in conjunction with the expected use of the funds from the Recovery and Resilience Facility (RRF), gave rise to initial predictions of an annual growth of approximately 5% in 2022. However, actual GDP growth is expected to weaken as a result of the Russian invasion in Ukraine in February 2022, the energy crisis, the inflation in prices, the disruptions in the supply chain, and the expected slowing down in the implementation of investment programs due to the uncertainty regarding the timeframe and magnitude of the impact of these parameters on the international and the Greek economy.
Given the above, and taking also into account the discontinuation of the financing and fiscal support measures for businesses to cope with the effects of the COVID-19 pandemic, it is estimated that factoring services will constitute the necessary tool for financing the businesses' requirements in working capital, supporting their commercial transactions within the supply chain, as well as ensuring the liquidation of their receivables both in Greece and abroad (receivables' management and credit cover).
The strategic plans and prospects of ABC Factors for 2022 are the following:

1. Maintenance of the Company's leading position in the sector in terms of market share, and of its high profitability, taking advantage of the opportunities in sectors of the Greek economy which constitute the pillars of its support and growth.
2. Provision of high-quality services to Customers, also supporting their business plans.
3. Emphasis on the promotion of specialized Supply Chain Finance services products (reverse factoring, non-recourse factoring, forfaiting), aimed at satisfying the multiple needs of the trading parties within the physical supply chain.
4. Expanding in sectors with prospects of growth, such as energy, telecommunications (where the Company has developed specialized products), trade of raw materials and the provision of services to industrial and manufacturing units.
5. Extension of the strategic cooperation with the European Bank for Reconstruction and Development (EBRD) for a credit line of an additional Euro 20 million, in order to provide liquidity to Small and Medium-sized enterprises.
6. Installation of an interface system with Customers and debtors (Tesla Radius) and on boarding, as well as its connection to the Bank's web banking ("e-factoring" project included in the Group's Digital Transformation program), in order to achieve:
i. The digital transformation of the Company.
ii. The optimal support and adaptation of services in response to the changing needs of Customers.
iii. The digitalization of the Company's internal procedures and of its transactions.
iv. The continuous improvement of the management of all risks, drawing on the best international practices.
v. The achievement of economies of scale in conjunction with the improved services offered to Customers.

INVESTMENT BANKING AND TREASURY MANAGEMENT

Personal banking

The Alpha Bank Gold Personal Banking Service is addressed to retail Customers with significant assets under management and offers personalized Customer service by certified Relationship Man-

agers with investment expertise, fully qualified to respond responsibly and consistently to their role. At the same time, Alpha Bank Gold Personal Banking offers its members exclusive privileges in terms of banking products and services, an upgraded level of Customer service, special pricing, and loyalty programs.
In order for the Alpha Bank Gold Personal Banking Service to swiftly adapt to the new conditions brought about by the COVID-19 pandemic and responding to our Customers' need for remote banking services while at the same time, remaining focused on our Customer-centric approach, in 2021 we expanded the communication channels with our Customers, we remained in close contact with them and we introduced new tools and flexible procedures, to ensure a seamless Customer service.
2021 was a year focused on upgrading our Customers' experience. Through a series of targeted informative actions implemented throughout the year, communication with the Bank's high-value Individuals-Customers about their investment options with Alpha Bank was further strengthened, while providing them with information on global developments as a consequence of the pandemic as well as, on the Greek economic juncture of drastic reductions in interest rates.
In this context, we leveraged Customer service options through the Bank's service channels by introducing new digital communication tools (both for face-to-face and remote communication) and we presented in detail the Bank's alternative investment proposals that better met their financial needs.
Delivering on the promise we have made to our Customers for continuous information and communication, a series of informative messages on corporate bond loans issued using the Electronic Book Building (EBB) service of the Athens Exchange were designed and sent to the Customers via digital channels (email/viber). At the same time, we continued to inform our affluent Clientele about the most important developments in the global money and capital markets, as well as about developments in the macroeconomic environment that affect investment portfolios, through the quarterly and ad-hoc reports ("Navigator") prepared by the Bank's team of experienced analysts and portfolio managers.
In 2021, digital upgrade projects for existing systems and applications were implemented, focusing on speed and simplification of procedures and on enabling remote access for all Gold Relationship Managers, to ensure the smooth communication and the seamless provision of service to their affluent Customers. In addition, we rationalized our Customer base to better cover the needs of Individuals Customers depending on their characteristics and on the Customer sub-segment to which they belong.
Taking into account the global economic conditions that were worldwide due to the pandemic and the volatility of the markets, the continuous vocational and specialized training of Gold Relationship Managers was our main concern during the year. In this respect, we have carried out a series of training programs (webinars & teleconferences), in cooperation with the competent Divisions of the Bank and our subsidiary Alpha Asset Management MFMC, as well as with partner Investment Firms abroad, focusing on the effective management of Affluent Customer relationships.
Moreover, during October and November 2021, in the framework of the internal training program for the Bank's Executives, two cycles of the specialized "Alpha Gold Basic training program" were implemented for approximately 40 new Gold Relationship Managers of the Branch Network.
As a result of all the above, 2021 was another year of significant increase in the results of the Alpha Bank Gold Personal Banking Service, driven primarily by the fees for Mutual Funds and Bancassurance products, as well as by the increase in the disbursements of mortgage loans of Affluent Customers. In 2021, the Alpha Bank Gold Personal Banking Service remained at the top tier of the domestic competition, having focused on the Customer-centric approach and the upgrading of the level of service, a fact that is attested by the results of the Customer satisfaction survey which was conducted during a challenging year.

In this context, being consistent to our quantitative and qualitative goals as well as to the achievement of the Bank's Business Plan, the objectives for 2022 are the following:
• Further upgrading of wealth management services by introducing innovative wealth management products and services, aiming at the holistic coverage of the financial needs of Affluent Customers.
• Development of new digital tools and service channels to leverage existing system infrastructure for upgrading Gold Personal Banking applications.
• Further upgrading of the level of Customer service via all transaction channels, through the simplification of procedures and the use of new technologies.
• Enhancing extroversion.
• Targeting the core Clientele of the Affluent Customer segment, in order to provide them specialized solutions for wealth portfolio management.
• Implementation of downgrading actions based on selected criteria, in order to optimize the Affluent Customer base, transferring Customers who do not meet the selected criteria to other Retail segments.
• Continuous vocational training for Gold Relationship Managers.

Mutual funds

Assets under Management - Market share
In 2021, Alpha Mutual Funds' assets under management increased significantly by 55% (Euro 833 million) and stood at Euro 2,355 million on 31.12.2021, compared to Euro 1,522 million on 31.12.2020. This increase is due primarily to the new inflows from mutual funds sales made through Alpha Bank's network and secondarily to the increase of securities' prices, which occurred in the Greek and the global capital markets. The Company's market share in the mutual fund sector increased further in 2021 and stood at 21.2% compared to 18.8% in 2020. In the institutional portfolios management sector, the assets under management increased by 3.9%, mainly due to new inflows of existing institutional Customers, and stood at Euro 736 million on 31.12.2021.
The total assets of mutual funds and institutional portfolios under management by the Company stands at Euro 3,090 million.
Revenues and Profitability
The Company's revenues from commissions and fees pertaining to the management of mutual funds and institutional portfolios amounted to Euro 31.81 million, presenting a significant increase by 76% compared to 2020 (Euro 18.11 million). Also, the Company's gross profit increased significantly by 132% to Euro 19.87 million, compared to Euro 8.56 million in 2020. An extraordinary income of Euro 6.55 million derived from outperformance fees on three mutual funds, also contributed to the improvement of the Company's profitability.
Main actions of the Company
In 2021, the Company proceeded to streamline and enhance its existing product mix with the following actions:
• Absorption of Alpha (LUX) Global Equity FoFs by Alpha (LUX) Global Themes FoFs, reducing the number of Luxembourg funds to three.
• Incorporation of ESG criteria in the investment policy of Alpha (LUX) Global Funds. All Sub-Funds qualify as products in accordance with article 8 of SFDR, i.e., promoting environmental and social

characteristics.

• Introduction of USD share classes in the Luxembourg based Alpha (LUX) Global Funds.

• Launch of Alpha Multi-Asset Protect 85 as an underlying mutual fund for Alpha Bank's Bancassurance Unit-Linked program.

• Merger of 3 bond Funds into a new Alpha Euro Aggregate Bond Fund, due to the partial overlap of investment objectives. The new Fund has an investment orientation mainly in the international euro-denominated bond market.

• Request submitted to the Hellenic Capital Market Commission for extension of the statutory purpose of Alpha Asset Management MFMC to include management of Alternative Investment Fund Management Organizations (AIFM).

• Regular briefings of the Bank's sales network about the Alpha Mutual Funds, with presentations and the distribution of supporting material, covering topics such as indicative portfolios of Alpha Mutual Funds, portfolio construction tools and analysis of financial markets.

• Regarding the management of institutional portfolios, the Company has renewed its cooperation with its existing institutional investors.

Alpha Mutual Funds and Returns

In 2021, Alpha Mutual Funds recorded outstanding returns and ranked in the top positions of their categories for yet another year. These returns benefited both existing unit-holders and new investors who placed their savings in the Company's products and led to a remarkable rise of its assets under management by Euro 0.8 billion (+55%) in 2021. Alpha Mutual Funds' top rankings confirm their status as a reliable investment choice over time. The Company's objective is to be the investors' first choice for its capacity to generate consistent performance as well as for its accumulated know-how and the professionalism of its human capital. The Company actively supports the sustainable development of the economy and the promotion of responsible investment policy, having been included in the United Nations-endorsed "PRI Initiative".

Alpha Mutual Fund Returns

GREEK INVESTMENTS	2021	3-year	5-year
Alpha Greek Bond Fund Classic	-0.7%	49.0%	106.9%
Alpha Greek Balanced Fund Classic	9.1%	51.2%	79.2%
Alpha Aggressive Strategy Greek Equity Fund Classic	19.0%	54.2%	60.6%
Alpha Blue Chips Greek Equity Fund Classic	17.0%	50.4%	56.5%
Alpha Greek Corporate Bond Fund Classic	4.8%	17.2%	28.2%
INTERNATIONAL INVESTMENTS			
Alpha Cosmos Stars USA Equity Fund of Funds Classic	30.8%	85.3%	85.0%
Alpha Global Blue Chips Equity Fund Classic	31.8%	78.8%	78.9%
Alpha Cosmos Stars Europe Equity Fund of Funds Classic	21.0%	52.6%	39.6%
Alpha Global Allocation Balanced Fund Classic	15.8%	39.7%	39.3%
Alpha (LUX) Global Themes ESG FoF EUR	20.6%	-	-

Source: Hellenic Fund and Asset Management Association, with returns dated 31.12.2021

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

Prospects and goals for 2022

In 2022, the course of the domestic mutual fund market is supported by the better prospects of the Greek economy, also linked to the fact of Greece being the largest beneficiary of the European Recovery and Resilience Facility (RRF) in terms of GDP in Europe. At the same time, developments in the international environment regarding the effects of strong inflationary pressures and the monetary policy to be adopted by the central banks, will play an important role in the demand for investment products. In this environment, the Alpha Mutual Funds sales target is increased in all Alpha Bank distribution networks.

The main objectives of the Company are the following:

• Consistent execution of budget.

• Promotion of Alpha Mutual Funds with continuous product presentations and updates on market developments of sales Personnel of Alpha Bank's network all over Greece.

• Incorporation of ESG (Environmental, Social and Governance) criteria in the investment policy of all Alpha Mutual Funds.

• Introduction of distribution share class in specific mutual funds.

• Launch of the new Alpha Conservative Greek Balanced Fund, complementing Greek investment products and offering an attractive risk/return profile.

• Creation of new bancassurance products in cooperation with AlphaLife.

• Development of the new corporate website.

• Upgrading of the mutual funds accounting platform.

Private banking

Alpha Bank was named "Best Private Bank in Greece" for the fourth consecutive year at the "Global Private Banking Awards 2021" by the internationally acclaimed publications "Professional Wealth Management (PWM)" and "The Banker" of the Financial Times Group.

This distinction is 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 deliver quality services, by incorporating new technologies and constantly improving its Wealth Management Operations. Our Customers' trust in us is also reflected in the results of the relevant Customer satisfaction survey, with our NPS score reaching a very high level and with positive evaluations by our Customers when compared with other private banking units abroad.

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, Patras and Heraklion, Crete, which are staffed by specialized and certified investment advisors.

Our Private Banking Customers have at their disposal a flexible series of services, which can also be combined to ensure the broadest possible coverage of investment needs:

• GEM Portfolio Management Services: The Bank assumes discretionary management of the Customer's portfolio.

• Portfolio Advisory Service: The Bank provides active management advice regarding the entire portfolio, whilst Customers may follow it at their discretion.

• Transactional Advisory Service: The Bank provides advice related to particular transactions, whilst Customers may follow it at their discretion.

• Execution only: The Bank executes the orders given by Customers wishing to manage their portfolios themselves.

In line with the Group'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, as well as the Customer's investment goals (capital preservation, maximization of capital gain, volatility tolerance), based on time horizon, investment experience and known or estimated future cash flows, in consideration of the applicable tax framework at the Customer's country of residence.

In addition, the Private Banking Division's cooperation with the UK-based Group Company Alpha Bank London Ltd, as well as with Société Générale Private Banking in Luxembourg, has resulted in a contemporary open-architecture structure, allowing Customers to also receive Services from their Private Banker in Greece with execution and safekeeping abroad.

Furthermore, as part of offering an enhanced Customer experience, our Private Banking Customers have at their disposal the exclusive Alpha Private Bank Phone Service. Our qualified team provides swift and secure remote banking services during extended working hours.

2021 was an especially creative and productive year and our efforts focused on the following priorities:

1. Upgrading the Customer Experience

Although 2021 was yet another year in which the effects of the continuation of the COVID-19 pandemic were evident, we remained fully operational having swiftly adapted to the new conditions and were able to accommodate our Customer needs with consistency and effectiveness.

More specifically, in the context of upgrading our Customer experience we had already introduced remote working with the use of tablets in the provision of investment services, for immediate and personalized servicing. As a result, the continuity

of our operations was ensured in an environment of absolute security for both our Customers and our Employees.
In addition, we made full use of the Bank's digital channels to communicate with Customers on a regular basis and to provide them with continuous and reliable updates.
At the same time, we collaborated effectively with the Portfolio Counselors of the Investment Portfolios Management Division. This collaboration was highly productive, as it did not only achieve the expected results for the Division, but also yielded attractive returns for the Customers.

2. Increasing Assets under Management

The effective management of our Customer needs which strengthened their trust in us, coupled with a well-coordinated extroversion program, resulted in a 14% increase in total assets under management.
More specifically:
• The dynamic promotion of the GEM Portfolio Management Services resulted in an increase of 41% in the assets under management of these Services.
• The assets under Advisory management (Discretionary, Portfolio Advisory, Transactional Advisory) came close to 87% of the total assets under management. The Advisory Services were upgraded as the InvestoR electronic platform was enhanced with new functionalities ensuring flexibility and automation in the advisory selling process of investment products, as well as full compliance with the MiFID II Regulatory Directive.
Furthermore, taking advantage of the recovery of the Greek economy which continued into 2021, we further developed our loans portfolio in response to the increased Customer needs.

3. Fees and Commissions

The regular contact with Customers and the attractive returns reinforced Customer trust and assisted in increasing transaction activity (+8% ytd) and, in combination with the increase in assets in all Services, resulted in the following:
• The income of the Private Banking Division rose by 19% compared to 2020.
• The Return on Assets under Management reached 1.10% (excluding cash and product cost).

4. Operating costs

Operating costs remained at the same level, while operational risk was reduced. 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 supporting and auditing functions of the Alpha Private Bank Centers.
Furthermore, the use of Key Risk Indicators (KRIs) in the monitoring and evaluation process of our Private Bankers further reinforced our target for substantial reduction of operating costs while ensuring the quality of our Services.

5. Customer events

Having already adjusted our events program due to the pandemic, the Private Banking Division continued with virtual events, video calls targeting specific Customer groups and one-on-one video calls.
The Private Banking Division constitutes a point of reference in the domestic Advisory Services and Portfolio Management market, remaining strongly focused on innovation and with a Customer-centric approach.
In line with the above, the Division's objectives for 2022, are the following:
• Digital transformation and redesign of the offering range of products and services, focusing on Customer experience. Namely, the deployment of digital technologies is already in progress, aiming at a new simplified, more effective operating model for the provision of investment services, fully compliant with the MiFID II Regulatory Directive. This way, we are not only focusing on further improving the level of Customer service but also on improving the efficiency and effectiveness of our operations. Once these are implemented, we shall be able to provide our services more quickly and paperless, thus, leaving our green footprint.
• Rationalization of the Bank's Clientele and reinforcement of synergies with all Divisions of the

Bank, to enhance the experience of existing Private Banking Customers and to recommend the Private Banking Services to eligible Customers of the Bank who currently do not benefit from such services.

• Further attraction of new Customers with portfolios stationed abroad, by providing advisory services through Alpha Private Bank in Greece and custody abroad.

• Focus on GEM Portfolio Management Services, with the aim for GEM portfolios to account for at least 40% of our Assets within the next three years.

• Introduction of innovative loan solutions/products for Customers with GEM Portfolio Management Agreements.

Corporate finance

The Corporate Finance Division includes Investment Banking activities, which focus on capital raising for private companies through Capital Markets transactions and the provision of financial advisory services in Mergers & Acquisitions (M&A) in the private sector, as well as in privatizations, advising either the Hellenic Republic acting as seller (Hellenic Republic Asset Development Fund-HRADF), or bidders.

The Corporate Finance Division also includes Real Estate Investments activities. Real Estate Investments undertakes the management and operation of real estate assets acquired as a result of the enforcement of the respective securities under loan facility agreements of the Bank or the Group's Subsidiaries. The aim of the Real Estate Investments Team's management 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 Vehicle Companies (SPVs). The Investment Banking Division ("IBD") acts in close collaboration with, Alpha Real Estate Management and Investments S.A. (AREMI), Alpha Astika Akinita S.A. (AAA), as well as with the Group's Subsidiaries in Southeastern Europe and other external partners.

During 2021, the Bank continued to provide financial advisory services in complex landmark privatization projects. Specifically, the tender for the appointment of a preferred investor to undertake the project for the development of the Egnatia Motorway through a concession, for which the Bank has undertaken the role of exclusive financial advisor to HRADF, has been completed. Furthermore, the Bank continued to provide financial advisory services to Hellenic Petroleum S.A., for the disposal of its 35% stake in DEPA Infrastructure and in DEPA Commercial, in accordance with the relevant tenders launched by HRADF. Especially for DEPA Infrastructure, in 2021, the preferred investor has been announced and the relevant sale and purchase agreement has been signed. Moreover, the Bank continued to provide financial advisory services to Hellenic Petroleum S.A. for the sale of its 35% stake in DEPA International and to HRADF for the project involving the exploitation of its real estate portfolio, which is in progress.

The Bank also completed landmark M&A transactions for large Customers in the private sector. More specifically, the Bank acted as financial advisor in the sale of the tomato products business including the production unit of the Anglo-Dutch multinational Unilever. The transaction was launched in 2020, whereas the signing of the share purchase agreement by the preferred bidder, MINERVA, and the completion of the transaction took place in 2021.

In the Capital Markets sector, the Bank was highly active in 2021, undertaking a role in both Share Capital Increases and Tender Offers, as well as Corporate Bond Issuances of both listed and not listed companies. In particular, the Bank undertook the role of Lead Underwriter for the share capital increases with payment in cash by its parent Company Alpha Services and Holdings S.A. and of PPC S.A., which were completed in 2021. In addition, the Bank undertook the role of Advisor for a new share capital increase with contribution in kind (assets) and in cash, of Premia Properties

S.A., which was completed in 2021, and of Ellaktor S.A.
Regarding the Public Tender Offers, the Bank undertook the role of financial advisor to the offeror, for Belterra Intvestments LTD's mandatory tender offer for the shares of Thessaloniki Port Authority S.A. Finally, the Bank also participated actively as Advisor and Lead Co-Ordinator and Bookrunner in the corporate bond issuances of Motor Oil (Hellas) S.A. and Costamare Participations PLC. It also had the role of Lead Co-Ordinator and Bookrunner in the bond issuances of Prodea R.E.I.C., CPLP Shipping Holdings PLC, ELVALHALCOR S.A. and GEK TERNA S.A., while it had the role of Lead Underwriter in the bond issuance of NOVAL PROPERTY R.E.I.C. The corporate bond market has been very active since 2017, attracting large investment appetite from retail and institutional investors, an interest that continues intensifying until today.
In 2021, the Corporate Finance Division proceeded to the sale of real estate assets under management in Greece and Romania of total transaction value of Euro 55 million. More specifically, it concluded the following transactions:
• Sale of an SPV holding a portfolio of prime commercial assets in Athens.
• Sale of an SPV holding an industrial asset in Athens.
• Sale of an SPV holding a hotel portfolio in Romania.
• Closing of a transaction fulfilling the disinvestment from a 535,000 m2 plot of land in Romania.
In 2021, the Corporate Finance Division successfully continued its activities as the Investment Banking Advisory and Real Estate Management arm of the Bank and expects further improvement of its market positioning in 2022, taking advantage of the various prospects that develop in its areas of activity.

Treasury

Following the resurgence of the pandemic in 2021, governments and central banks decided to extend or adjust the measures in support of the economies and markets.
At the end of 2020, the European Central Bank (ECB) readjusted the terms of financing of the third series of the targeted longer-term refinancing operations (TLTRO III) and extended the application period of the collateral easing measures for the Eurosystem refinancing operations.
Alpha Bank increased TLTRO III financing by Euro 1.1 billion to take advantage of the favorable financing terms and, simultaneously, prolonged the maturity of part of the program financing to December 2024, to continue support increased lending to the economy. The Bank's total financing from the ECB, in the framework of TLTRO III, reached Euro 13 billion.
Alpha Bank estimates that the lending targets set by ECB, under TLTRO III operations, have been achieved, resulting in a historically low funding rate of -1% for the period up to June 2022.
Increased and extended Eurosystem financing entails efficient management of available eligible collateral. Throughout 2021, Alpha Bank has been successful in securing the required collateral via bond purchases, and via increased reverse repo transactions.
Alpha Bank performed three highly successful bond issues in 2021, the first one of them in February 2021, amid increased volatility due to the COVID-19 pandemic. More specifically, the Bank concluded a Euro 500 million Lower Tier 2 bond issuance with a 5.25% coupon, covering the Tier 2 ratio, increasing the total capital ratio and substantially optimizing its capital structure.
A Euro 500 million inaugural senior preferred bond issuance was concluded in September 2021 with coupon set at 2.5%. Order books for the transaction reached 2 times the amount of issue, demonstrating the investors' interest and confidence in Alpha Bank's credit quality and growth prospects.
In December 2021, having executed the annual funding plan, Alpha Bank decided to take advantage of favorable market conditions and the investors' reverse enquiries and concluded another Euro 400 million senior preferred bond issuance,

shorter dated, with a 2.5% coupon. Prefunding a part of 2022 funding needs was achieved, providing flexibility as to future issuance plans and protection against elevated risk aversion that might rise the following year.
2021 issuance forms part of the Bank's strategy in covering MREL requirements, being fully committed to comply with all regulatory targets within the relevant timeframe set.
The resurgence of the pandemic in 2021 posed additional challenges for financial relationships and correspondent banking activities. Virtual meetings contributed to seamless communication, smooth transition, and the continued operation of correspondent accounts in the contacts of the Corporate Transformation of the Group.
Moreover, Alpha Bank took the initiative to arrange virtual meetings with several correspondent banks (beyond the typical geographical reach), aiming to enhanced cooperation in payments and trade, considering Greece's increased participation in the RRF.
Further negotiations were undertaken to achieve cost rationalization of payment-related fees and charges and to increase clean lines for unsecured trade transactions.
Regarding Capital Markets, increased investor appetite was noted concerning Greek government bonds throughout 2021. The gradual recovery of the Greek economy, combined with the upgrade of its credit rating outlook, resulted in a material yield tightening for Greek government bonds in the first semester of the year. This trend was reversed in the second semester, due to fears of inflationary pressure in developed economies and the change of stance regarding monetary policy from central banks.
Throughout the year, the Bank was actively engaged in market making-activities for both Greek sovereign and corporate bonds. Moreover, it participated in the Pandemic Emergency Purchase Program (PEPP), offering competitive quotes to the Bank of Greece and the secondary market. Transactions volumes in the Electronic Secondary Securities Market (HDAT) reached new record highs compared to previous years, and the Bank maintained its position as one of the top 5 dealers based on cumulative transaction values. As far as the primary market is concerned, the Bank participated in all issues of the Greek Public Debt Management Agency, with elevated bids for its own portfolio and its Clientele. In addition, in September 2021, the Bank acted as a Joint Lead Manager for the successful reissue of the 5-year and 30-year maturity Greek government bonds.
By actively managing its portfolios, the Bank, in 2021, remained highly involved in the European government and corporate bond market as well as in the supranationals, recording high profitability.
Similarly, significant financial gains were also achieved, in 2021, 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.
Finally, the transition of the Bank's derivatives agreement to the new overnight risk-free rates was implemented prior to year-end, in accordance with the regulatory requirements.

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.), energy distribution networks (natural gas, electricity, etc.) and in power generation (renewable energy sources, cogeneration units, thermal power stations). It is also active in the Greek, Cypriot and Romanian real estate finance markets, specializing in arranging and extending facilities for the acquisition and development of income producing real estate properties such as commercial centers, offices, warehouses, hotels, residential complexes and other special-purpose facilities.
In 2021, the Structured Finance Division was ac-

tively involved in arranging new structured financings on a syndicated or a bilateral basis, jointly with other commercial banks, but also with international financial institutions in infrastructure and real estate projects, marinas, waste management, energy distribution networks and power generation, with a focus on renewable energy sources, thus affirming the Bank's dominant position in this sector.
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. During 2021, the preferred bidder for the project was selected. The concession fee offered was the highest fee ever offered in a similar tender launched by HRADF.
The Structured Finance Division's loan book increased to approximately Euro 2.19 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 coming years, primarily driven by projects in the renewable energy sector, PPPs, concessions, and the development of income properties.

Brokerage services

The Greek stock market underperformed the main stock indices in 2021: ASE +10.43%, versus DAX 30 +15.79%, FTSE 100 +14.30%, CAC 40 +28.11% and S&P 500 +26.89%, with performance calculations performed in local currency.
The Athens General Index recorded a high for the year on August 31, 2021 (931.94 points) and a low for the year on January 28, 2021 (726.02 points).
According to data from the Athens Stock Exchange (Monthly Statistical Bulletin, Axia Numbers for December 2021), at the end of December 2021, domestic investors owned 37.55% of total market capitalization (compared to 37.60% at the end of December 2020) and foreign investors 62.45% (compared to 62.40% at the end of December 2020).
The total market capitalization for 2021 (as at December 31, 2021) amounted to Euro 61 billion compared to Euro 47.5 billion for 2020 (as at December 31, 2020). The average daily value of transactions for 2021 amounted to Euro 71.3 million compared to Euro 65.0 million for 2020.
Alpha Bank is active in equity and capital markets through the Group Company Alpha Finance Investment Services S.A. In 2021, the Company held the fifth position in the ranking of Athens Stock Exchange members, with a market share of 7.08%. Revenues from fees and commissions of the Company increased by 12.09% to reach Euro 11.11 million in 2021, compared to Euro 9.91 million in 2020, due to increased commissions both from stock exchange transactions and from other investment activities. Profit before income tax reached Euro 2.46 million, recording a significant y-o-y increase of about 39% (2020: Euro 1.77 million). 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 firms in the Greek market, being active in equities, derivatives (futures and options) and ETFs. Its operational model is based on cutting-edge technology and a high degree of automation.

Alpha Finance is also one of the most active members in the agreement-based liquidity provision services market. The latter attracts exchange-listed corporate Customers seeking improved liquidity and 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, and 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 international equities and derivatives markets.

For 2022, the main strategic goals for Alpha Finance are to meet its profitability and organic growth targets, in tandem with maintaining its goodwill and reputation as a brokerage company of choice.

SOUTHEASTERN EUROPE

Cyprus

Alpha Bank started operations in Cyprus in 1998 with the acquisition of Lombard Natwest Bank Ltd, a subsidiary of the NatWest Group in Cyprus. Through gradual equity purchases, Alpha Bank acquired full control of the acquired bank, which was later renamed Alpha Bank Cyprus Ltd. At the end of 2021, the Bank had a network of 17 Branches and 487 Employees.

During 2021, in parallel with the Government Interest Rate Subsidy Plans for Housing and Business Loans, the "Alpha Subsidy Plus+" promotional scheme was successfully implemented. To further boost the sales of mortgages and consumer loans, the Bank proceeded to plan its new promotional scheme, "Alpha Drive Home". At the same time, new partnerships have been launched with merchants, regarding customer referrals for financing their purchases through the "Alpha Personal Loan" product. In line with market trends, as of January 2022, the Bank also increased the interest rates of its housing loans.

In the small businesses segment, the Bank participated in the Government Guarantee Scheme, with a view to granting new low-cost loans to companies and self-employed workers.

In the cards segment, work started on the implementation of the Apple Pay project. The cooperation with Aegean for the issuance of new Aegean Visa cards, agreed to end in June 2024, was terminated.

The Wholesale Banking Division focused on developing the existing portfolio and on finding new healthy and profitable businesses, further penetrating into the sectors of trade, industry and health. In 2021, the contracts for the Bank's joining of the Energy Fund of Funds (FoF) were signed, with the participation of the European Investment Bank and the Republic of Cyprus. The FoF will be used to finance energy upgrade projects.

The International Banking Division focused on attracting new Customers, mainly through developing partnerships with existing and new professional brokers.

As part of the action plan to increase commissions in bancassurance, the Bank included the new "Alpha Auto Insurance" product in its portfolio, while the project "Alpha Life Plan" was upgraded, with the aim of expanding its potential Clientele. Work is in progress on the introduction of the new Integrated Online Platform for the development of bancassurance operations.

In December 2021, approval was obtained from the Central Bank of Cyprus for the provision of investment services. In this context, in January 2022, the distribution of mutual fund products to the Clientele of the Alpha Gold Segment was launched, in cooperation with three leading recognized investment firms, through the Branch Network.

In 2021, Alpha Bank's communication policy continued to be outward-looking and dynamic. The Bank's products and services were promoted through promotional campaigns on major channels and stations, with digital actions, videos at Malls, electronic advertisements on selected websites, information on the Bank's official website, one-way stickers on the Branch fronts, banners and videos at ATMs. The promotions concerned the products "Alpha Subsidy Plus+", the Consumer Loans “Alpha Personal Loan” and “Alpha Car”, the Bank’s Business Loans and the Cashback Program. The Bank is also continuing its efforts to strengthen its Brand Image and the promotion of its products and services by boosting its Social Media presence.

During 2021, the Bank’s Non-Performing Loans sector made significant efforts to limit the impact of the pandemic on the Bank’s loan portfolio and implemented the Non-Performing Exposures Plan, which had been submitted to the SSM in the first quarter of the year. In particular, it implemented a Euro 19 million organic decrease and contributed to the non-organic decrease with Euro 320 million. The implementation of the non-organic decrease under Project Sky led to the consolidation of the Bank’s loan portfolio, as the gross book value of Non-Performing Exposures dropped to Euro 51 million.

In 2021, the Operations Division took major steps to improve productivity. In this context, it upgraded the workflows of retail loans, debit cards, and payments. In addition, it proceeded with the digitalization of security files and automated the creation of legal documents. It also implemented a platform providing investment services to retail Customers, created a data analysis platform and implemented a system for calculating profitability per unit, product and Customer.

At the same time, the Operations Division implemented initiatives to improve the quality of the services provided to Customers, upgraded the ATM network, the web and mobile banking services, as well as the corporate website, and introduced new services based on the PSD2 Open Banking standards.

The Bank has also set up IT infrastructure to enable the rapid development of, and support for, new systems and services. In addition, it upgraded its network, implemented actions to reduce disaster recovery times to under 1 hour for critical systems, and adopted tools for remote working, minimizing the impact of the pandemic.

At the end of the year, deposits amounted to Euro 2.29 billion, while gross loans stood at Euro 1.08 billion.

Alpha Bank Cyprus Ltd presented a high capital adequacy ratio in 2021, as the Common Equity Tier 1 ratio stood at 13.1%, with the Equity Tier I ratio and the Total Equity ratio at 17.8%, using transitional provisions.

Romania

Alpha Bank has been present in Romania since 1994 and is the first foreign bank to operate in the country. At the end of 2021, it had a Network of 133 Branches and 2,022 Employees.

During 2021, the Bank continued to increase its loans to businesses, as well as mortgages, consumer loans and card balances. In the cards segment, the Bank developed the Mobexpert Premium Co-branded credit card.

At the end of 2021, gross loans stood at Euro 2,729 million.

In 2021, the Bank continued the promotion of the Alpha Gold Program, which focuses on the implementation of Alpha Gold Personal Banking in mutual funds.

At the same time, in 2021, the mobile payments infrastructure (XPay Mobile Payments Readiness), using which the Bank’s cards can be used in the Garmin Pay, Fitbit Pay with Visa, Apple Pay with Visa, Apple Pay with MasterCard® and Google Pay digital wallets, continued to be enriched.

The automation of the Bank’s Contact Center and the creation of the Retail Digital Onboarding also started in 2021.

During 2021, the Bank’s deposit base was further strengthened by attracting deposits from both businesses and individuals. At the end of the year, deposits amounted to Euro 2,684 million.

At the end of December 2021, the Bank’s Liquidity Ratio stood at 32.1%.

Albania

Alpha Bank has been present in Albania since January 1998. Since 2012, it operates in the country through the Group Company Alpha Bank Albania

SHA. At the end of 2021, Alpha Bank Albania SHA had a Network of 34 Branches.

In 2021, in the business lending segment, Alpha Bank Albania SHA focused on maintaining the quality of its loan portfolio, by increasing revenues and restructuring loans, while keeping Non-Performing Loans within the annual budget. This is reflected in the reduction of the Non-Performing Loan and Exposure ratios to levels below the 2020 ones. At the same time, Alpha Bank Albania SHA continued the expansion of its Customer base and increased its loans to businesses.

In the retail banking segment, during the COVID-19 pandemic, both mortgages and consumer loans continued to increase, as did the actions to ensure support for Alpha Bank Albania SHA Customers.

In 2021, Alpha Bank Albania SHA continued its strong presence in the cards segment, with 4,596 credit cards and 37,200 debit cards. A promotion for the new MasterCard® Debit Business card was also launched during the year.

At the end of 2021, loans stood at Euro 305 million.

During 2021, with a view to strengthening commission and loan revenues, Alpha Bank Albania SHA:

• Boosted loan penetration rates with existing Customers, giving priority to best-rated Customers.

• Expanded its bancassurance operations, which include non-loan related products.

• Focused on the pricing strategy for its services.

At the same time, in 2021, Alpha Bank Albania SHA carried out two advertising campaigns for all retail banking products and consumer loans.

Deposits with Alpha Bank Albania SHA stood at Euro 544 million, in 2021, while a shift was observed from time deposits to savings and sight deposits.

In 2021, the Bank continued to promote its e-Banking activities, which remained on an upward trend for yet another year, in terms of both user numbers and volume.

The Capital Adequacy Ratio of Alpha Bank Albania SHA stood at 14.7%, in 2021, with a Liquidity Ratio at 30.2%.

OTHER ACTIVITIES

REAL ESTATE MANAGEMENT

Alpha Astika Akinita S.A.

The main activity of Alpha Astika Akinita S.A., a member of the Alpha Bank Group, is the management and operation of real estate owned by Alpha Astika Akinita S.A. or third parties, advisory services on related matters, real estate and brokerage services, real estate and plant and machinery valuations for the Alpha Bank Group and for third parties, and participation in businesses having the same or similar purposes.

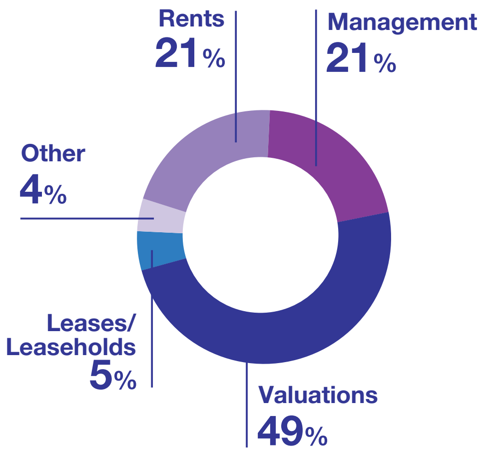
Alpha Astika Akinita S.A., acting as a real estate consultant, has expanded its operations by undertaking the management of the largest part of the Group's real estate portfolio in Greece and by coordinating the Group's real estate activities abroad, while it has created data bases for all the real estate properties owned, leased or rented by the Group and located in Southeastern Europe.

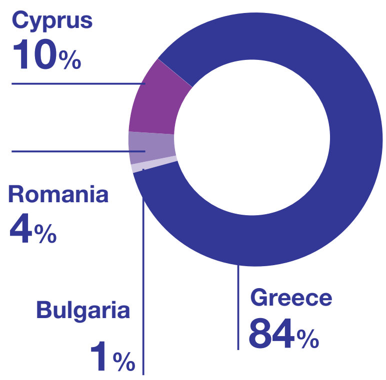
In that context, Alpha Astika Akinita S.A., in 2021, had a 100% participation in the following companies of the Group: Alpha Real Estate Bulgaria E.O.O.D., Chardash Trading E.O.O.D., Alpha Real Estate Services S.R.L. and Alpha Real Estate Services L.L.C.

The total consolidated assets of Alpha Astika Akinita stood at Euro 144 million for 2021, compared to Euro 147 million in 2020, decreased by 2%. Cash and cash equivalents of the Company amounted to Euro 76.4 million in 2021, versus Euro 77.1 million in 2020. In 2021, consolidated earnings before tax amounted to Euro 1.76 million, against earnings of Euro 4.46 million in 2020. Operating Revenues for 2021 amounted to Euro 13.26 million, compared to Euro 15.24 million in 2020.

After many years of remarkable growth, Alpha Astika Akinita S.A. possesses a high-quality property portfolio, significant funds and skilled Personnel. These features, combined with zero borrowing, are strong prerequisites for dealing with a particu-

Alpha Astika Akinita S.A. activities





larly difficult economic environment.
In 2022, the Company will continue to:
• manage purchases/sales, leases/rents, as well as tax and insurance issues related to real estate,
• rent the real estate that it owns,
• organize and check valuations and projects' certifications,
• supervise (project management) large projects,
• provide advisory services for the issues mentioned above.

Alpha Real Estate Management & Investments S.A.

The Bank has completed the establishment of a central Real Estate Unit, through a specialized Company of the Group, Alpha Real Estate Management & Investments S.A. (September 2018). The scope of Alpha Real Estate Management & Investments S.A. ("AREMI") is to maintain the full overview of the Real Estate Owned Assets (REOs) and collaterals in the Group balance sheet, in order to support the Bank in achieving its NPE business plan targets, as well as to apply an active asset management to all real estate owned assets, from investment appraisal to final exit. In particular, when the Bank acquires the ownership of real estate properties in the context of the management of Non-Performing Exposures (NPEs), Alpha Real Estate Management & Investments S.A. is responsible for:
- Monitoring the repossession procedure (asset on-boarding) and following this the assets' assignment to the appropriate asset servicers within or outside of the Group.
- Monitoring and coordinating the assets' management.
- Monitoring and coordinating the assets' commercialization according to the Group's policy into force.
- Setting and monitoring appropriate Key Performance Indicators (KPIs) for the asset servicers.
As a result of the described activity, Alpha Real Estate Management and Investments completed the investment appraisal of more than 5,000

properties during 2021 which the Group considered acquiring. Moreover, in cooperation with the relevant Divisions of the Group, the Company optimized the asset on-boarding process, leading to the properties' more efficient commercialization. In 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 conclusion of sale agreements of either individual properties or asset portfolios with a book value of over Euro 110 million. AREMI also manages the Group's special purpose vehicles (SPVs) and continuously improves the existing structure of the Group's Real Estate portfolio, contributing effectively to its strategic management. During the year, AREMI maintained its market monitoring processes and market intelligence database, including market indicators, news, transactions and macroeconomic information. The Company published internally (within the Alpha Bank Group), on a quarterly basis, reports covering key developments and KPI's 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 concluded the development of a property management system in cooperation with a specialized external provider.

Venture capital

For the fiscal year ended December 31, 2021, Alpha Ventures and Alpha Ventures Capital Management presented the following results:

• Alpha Ventures reported pre-tax losses of Euro 0.441 million. The losses mainly concern its operating expenses, as for the year ended there was no income from investment activity, except at the level of its subsidiary, Ionian Equity Participation.

• Alpha Ventures Capital Management reported losses of Euro 0.06 million, for its fourteenth fiscal year, mainly due to the expenses incurred for the management of the ALPHA TANEO AKES mutual fund, which is in the phase of liquidating its investments.

In 2021, the investment activity of Alpha Ventures and Alpha Ventures Capital Management focused on the effective management and liquidation of their portfolio under management. Despite the unprecedented recession caused by the COVID-19 pandemic, divestments continued, with inflows from investment liquidations in 2021, amounting to Euro 2.4 million, while new capital provided to portfolio companies amounted to Euro 0.5 million. In a broader perspective, the Greek ecosystem of start-ups continues to grow and mature, recording significant transactions and new rounds of financing by foreign institutional investors, while the contribution of the state through targeted measures and actions is important in supporting this ecosystem.

In 2022, our investment policy will focus on:

• The strengthening of our portfolio of companies, through partnerships, to exploit the business opportunities that are expected to be created in the post-COVID-19 era, in the context of the stated policies of the European Union and the Greek government.

• The smooth liquidation of our historical participations.

• The more intensive search for investment opportunities in the fields of financial technology (fintech) and digital transformation.

A few notable developments occurred after the end of the previous fiscal year, related to transactions that were initiated before the end of 2021 and concluded within the first quarter of 2022. More specifically, 4 transactions were completed, from which total inflows of at least Euro 6.6 million are expected. Furthermore, a share capital increase of Euro 1.1 million, in a company of our direct management portfolio, in which other investors also participate, was also completed.

It is noted that our view has not incorporated how the war crisis in Ukraine and the subsequent increase of energy prices and the delays in the global supply chain may affect the companies in our portfolio and our investment activity in general.

3. OPERATING SEGMENT AND GEOGRAPHICAL SECTOR ANALYSIS

A. ANALYSIS BY OPERATING SEGMENT

(Amounts in Euro million)

	1.1.2021 – 31.12.2021						
	Retail Banking	**Corporate Banking**	**Asset Management/ Insurance**	**Investment Banking/ Treasury**	**South-Eastern Europe**	**Other/ Elimination Center**	**Group**
Net interest income	508.8	464.3	13.6	210.0	173.8	5.4	1,375.9
Net fee and commission income	140.5	111.5	78.0	33.6	36.7	0.1	400.4
Other income	17.8	(48.0)	11.0	153.7	2.9	(2,135.6)	(1,998.2)
Total income	667.1	527.8	102.6	397.3	213.4	(2,130.1)	(221.9)
Total expenses (excluding expenses for separation schemes)	(538.0)	(171.5)	(41.3)	(34.4)	(260.3)	(130.6)	(1,176.1)
Impairment losses and provisions to cover credit risk and other related expenses	(846.8)	(88.6)		1.0	(476.6)	(1.0)	(1,412.0)
Impairment losses on other financial instruments			(1.2)	(19.8)			(21.0)
Expenses for separation schemes						(97.7)	(97.7)
Profit/(Losses), before income tax from continued operations	(717.7)	267.7	60.1	344.1	(523.5)	(2,359.4)	(2,928.7)
Income tax							55.8
Profit/(Losses), after income tax from continued operations							(2,872.9)
Profit/(Losses), after income tax from discontinued operations					(33.1)		(33.1)
Profit/(Losses), after income tax							(2,906.0)
Assets 31.12.2021	15,374.1	15,190.2	1,612.2	21,336.3	8,466.8	11,376.4	73,356.0
Liabilities 31.12.2021	31,063.1	8,807.4	2,597.3	18,016.3	6,394.4	397.9	67,276.4
Capital expenditure	66.5	27.6	3.8	4.0	31.8	9.2	142.9
Depreciation and Amortization	(81.9)	(31.7)	(5.4)	(4.9)	(23.6)	(9.6)	(157.1)
Investments in associates and joint ventures						68.27	

(Amounts in Euro million)

	1.1.2020 – 31.12.2020 as restated						
	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other/ Elimination Center	Group
Net interest income	650.4	520.5	14.5	154.1	186.6	1.2	1,527.3
Net fee and commission income	110.6	106.8	51.9	32.1	30.6	(0.1)	331.9
Other income	61.8	(9.0)	4.5	610.1	18.1	27.4	712.9
Total income	822.8	618.3	70.9	796.3	235.3	28.5	2,572.1
Total expenses (excluding expenses for separation schemes)	(566.3)	(166.1)	(38.1)	(30.3)	(208.6)	(106.1)	(1,115.5)
Impairment losses and provisions to cover credit risk and other related expenses	(898.4)	(236.2)		(2.7)	(168.4)	0.1	(1,305.6)
Impairment losses on other financial instruments			(1.1)	(11.7)	(0.6)		(13.4)
Expenses for separation schemes					(26.2)		(26.2)
Profit/(Losses), before income tax from continued operations	(641.9)	216.0	31.7	751.6	(168.5)	(77.5)	111.4
Income tax							(10.1)
Profit/(Losses), after income tax from continued operations							101.3
Profit/(Losses), after income tax from discontinued operations					2.7		2.7
Profit/(Losses), after income tax							104.0
Assets 31.12.2020	22,512.2	15,901.2	1,505.5	18,589.9	7,807.5	3,723.8	70,040.1
Liabilities 31.12.2020	28,664.2	8,378.4	2,504.3	16,070.2	5,913.0	140.5	61,670.6
Capital expenditure	102.1	34.8	3.8	4.4	37.4	18.0	200.5
Depreciation and Amortization	(82.8)	(30.4)	(4.4)	(3.9)	(21.1)	(16.4)	(159.0)
Investments in associates and joint ventures						30.72	

(Amounts in Euro thousand)

	31.12.2021			31.12.2020		
	Balance before allowance for expected credit losses	Allowance for expected credit losses	Balance after allowance for expected credit losses	Balance before allowance for expected credit losses	Allowance for expected credit losses	Balance after allowance for expected credit losses
Mortgages	1,435,055	230,599	1,204,456	6,840,339	1,920,069	4,920,270
Consumer Loans	597,419	257,707	339,712	2,844,517	1,650,657	1,193,861
Corporate Loans	2,658,427	1,226,952	1,431,475	8,121,832	3,965,965	4,155,867
Total	4,690,901	1,715,258	2,975,643	17,806,688	7,536,691	10,269,998

B. ANALYSIS BY GEOGRAPHICAL SECTOR

(Amounts in Euro million)

	1.1.2021 - 31.12.2021		
	Greece	Other countries	Group
Net interest income	1,188.9	187.0	1,375.9
Net fee and commission income	361.0	39.4	400.4
Other income	(2,001.0)	2.8	(1,998.2)
Total income	(451.1)	229.2	(221.9)
Total expenses (excluding provision for separation scheme)	(900.2)	(275.8)	(1,176.0)
Impairment losses and provisions to cover credit risk	(935.5)	(476.5)	(1,412.0)
Impairment losses on other financial instruments	(21.1)		(21.0)
Expenses for separation schemes	(97.7)		(97.7)
Profit/(Losses), before income tax from continued operations	(2,405.6)	(523.1)	(2,928.7)
Income tax			55.8
Profit/(Losses), before income tax from continued operations	(2,405.6)	(523.1)	(2,872.9)
Profit/(Losses), before income tax from discontinued operations		(33.1)	(33.1)
Profit/(Losses), after income tax	(2,405.6)	(556.2)	(2,906.0)
Non-current assets 31.12.2021	1,423.9	217.5	1,641.4

(Amounts in Euro million)

	1.1.2020 - 31.12.2020 as restated		
	Greece	Other countries	Group
Net interest income	1,328.9	198.4	1,527.3
Net fee and commission income	298.7	33.2	331.9
Other income	694.5	18.4	712.9
Total income	2,322.10	250.00	2,572.10
Total expenses (excluding provision for separation scheme)	(889.7)	(225.8)	(1,115.5)
Impairment losses and provisions to cover credit risk	(1,137.1)	(168.5)	(1,305.6)
Expenses for separation schemes	(12.8)	(0.6)	(13.4)
Profit/(Losses), before income tax from continued operations		(26.2)	(26.2)
Income tax	282.5	(171.1)	111.4
Profit/(Losses), before income tax from continued operations			(10.1)
Profit/(Losses), before income tax from discontinued operations	282.5	(171.1)	101.3
Profit/(Losses), after income tax		2.7	2.7
Non-current assets 31.12.2021	282.5	(171.1)	104.0

4. DIGITAL NETWORKS, DIGITAL TRANSFORMATION AND INNOVATION ACTIVITIES

Having identified early on the opportunities and the challenges of the new digital era, Alpha Bank has been implementing, since 2017, its digital transformation program methodically and consistently. The program includes operational levers and innovation-focused initiatives, whilst Customer experience remains the primary goal. Thus, digital channels are constantly enhanced, digital infrastructure is getting upgraded and new digital solutions are released.

e-Banking

In 2021, another year of public health crisis, the Customers' need for digital solutions in their daily transactions continued to grow rapidly. More specifically, the registration of new users in the e-Banking service increased by 31% to over 400,000 new subscribers in 2021, with 1 in 3 of them completing their registration exclusively remotely via myAlpha Mobile. Similarly, the number and value of transactions carried out via our digital channels increased by 19% and 20% respectively, compared to 2020.

In fact, Customers established myAlpha Web as their main source of information. In December 2021, active Individuals-Customers showed an increase of 19%, making 16% more transactions with a 23% increase in value, compared to December 2020. Moreover, 7 out of 10 e-bankers used the myAlpha Mobile app monthly, while almost 1 in 2 e-Banking subscribers used only this digital service in order to be informed and to make transactions.

In a year in which banking transactions became more mobile than ever, the Bank offered to its Customers modern solutions and services, so that they could carry out their transactions easily and quickly from their mobile devices. New functionalities have been incorporated into myAlpha Mobile app, such as the ability for Customers to view all the details of their cards, apply for and purchase new online products, and add their cards to the digital wallet of their choice with a single click.

Moreover, in December 2021, myAlpha Quick Loan, Alpha Bank's first online loan, was offered to a limited audience exclusively via myAlpha Mobile. Customers can apply for a consumer loan of up to Euro 5,000 without any documents required, receiving immediately the result of their application's evaluation on the screen of their mobile phone.

Customers also continued to show their preference for the Bank's online products, with new online term deposits maintaining their value in euro, while the number of debit cards issued via e-Banking increased by more than 130%.

Other Digital Channels

In 2021, we continued the program of replacing Off-Site ATMs with high-tech machines with the ability to accept deposits of banknotes in bundles, which resulted in an increase of 27% in the number of deposit transactions and 24% in their value compared to 2020. At the same time, the functionality of voice-guided transactions for people with vision impairments was extended to 145 ATMs of the Network, giving Customers the opportunity to carry out cash withdrawals and balance inquiries, by simply connecting their headphones to the corresponding ATM jack.

Regarding the network of Automated Payment Systems (APS), in 2021, 94.5% of the Branch Network had at least one APS, using which numerous deposit and payment transactions are carried out both in cash and by charging an Alpha Bank card.

New solutions and services

There has been impressive acceptance of the Bank's digital services among young people aged 18 to 25, who chose Alpha Bank for issuing their government-sponsored Freedom Pass card, which were rewarded for undergoing COVID-19 vaccination. The total number of Freedom Pass cards issued stood at over 200,000.

The innovative Digital Business Onboarding service, which Alpha Bank first introduced in the Greek market in 2020, was enriched with new features, providing new corporate Customers with even more options. More specifically, corporate Customers can now obtain a business sight account and a corporate e-Banking subscription, fully online, without the need for the Legal Representative of the company to visit a Branch. With the new implementations that aim to improve the services provided to businesses, the range of digital solutions and services is growing, while at the same time, Alpha Bank's digital profile is strengthened. Acceptance of the service is very high, as approximately 1 in 3 companies that started their cooperation with Alpha Bank chose the Digital Business Onboarding service.

Following on the success of "myAlpha Wallet", Alpha Bank's fully redesigned digital wallet for android users, the Bank became the first Greek Bank to offer its Customers all digital wallets available in the market (Apple Pay, Google Pay and Garmin). In 2021, Alpha Bank's Customers were able to add their Visa and Mastercard® cards to the digital wal-

let of their choice and make their contactless payments in an easier, faster, and more secure manner. The acceptance was massive, as the number of transactions carried out using the Bank's digital wallets stood at over 13,500,000. Android users' response to myAlpha Wallet remained high, with active users reaching 28,000 in December 2021, averaging 230,000 transactions per month.
Focusing on the simplification of procedures, on cost reductions and on providing an enhanced Customer experience, became a Registration Authority of Namirial, in accordance with the European Regulation 910/2014 (eIDAS). It now has the ability to identify its Customers (Know Your Customer) based on the procedures it already has in place, while at the same time meeting all AML requirements, and to issue Approved Electronic Signatures for its Customers and Personnel. This infrastructure enables the remote digital signing of all kinds of documents and also strengthens the end-to-end digital experience.

Innovation
Alpha Bank continued to actively pursue the development of an open innovation ecosystem. Its third digital innovation competition (i3), open exclusively to the Bank's Personnel, was launched in April 2021, aimed at soliciting innovative employee ideas to improve Customer and Employee experience through digital technology.
The 2021 edition of i3 welcomed 125 entries from colleagues across the Bank (Divisions and Branches). 10 teams were formed and coached by 21 Bank mentors. The competition ended with a phygital Pitch-Event and resulted in 3 winning ideas.
December 2021 saw the launch of the third edition of FinQuest by Alpha Bank, the Bank's international digital innovation competition, which takes place over 5 months. For the period 2021-2022, the competition is looking for innovative B2B and B2C solutions, at the prototype stage or already on the market, which a) use open data to improve the experience of our Customers or to serve our partners and b) leverage data analytics to offer ESG profiling of medium or large companies.
As was the case in previous years, this year's FinQuest aims to be a milestone for Alpha Bank. The targeted promotion of the competition and the expansion of the network of partners that support it, proves in practice that Alpha Bank not only monitors the domestic and international ecosystem, but also actively supports innovation.
At the end of 2021, FinQuest "Open Call", the competition's first phase, was completed with over 60 entries received from 17 different countries, a number that is expected to increase in early 2022. The next phase involves the business and tech assessment of all entries. The strongest of them will qualify to join a mini Accelerator in order to align their proposals with the current needs of the organization. Finally, the finalists, start-ups, will present their final, innovative proposals, which will have already further evolved in the competition's Accelerator, under the guidance of selected mentors and Alpha Bank Executives and partners.

Awards
In 2021, the Bank's digital solutions earned 7 awards at the Digital Finance Awards 2022 in the following categories:
- Gold award in the category "Best Customer Experience/Customer Loyalty Initiative" for the Digital Business Onboarding service.
- Gold award in the category "Best Core Banking System Project" for the Core Banking Private Cloud & Containerization project.
- Silver award in the category "Best Internet Banking" for myAlpha Web for Individuals service.
- Silver award in the category "Best Wallet" for myAlpha Wallet app.
- Silver award in the category "Best Digital Product Launch" for the opening of the first account with Alpha Bank using myAlpha Mobile app.
- Silver award in the category "Best Corporate Financing Digital Initiative" for the Digital Business Onboarding service.
- Bronze award in the category "Best Operations / Business Process / Agile / Development Project" for Alpha Bank's Onboarding services: Retail Onboarding and Business Onboarding.

In December 2021, the Bank's mobile banking applications received four distinctions at the Mobile Excellence Awards 2022, in the following categories:
- Gold Award for myAlpha Mobile app and the opening of the first account with Alpha Bank, in the category "Integration of Mobile in a Multi-Channel & Omni-Channel Strategy".
- Gold Award for myAlpha Mobile app and the opening of the first account with Alpha Bank, in the "Mobile Digital Transactions" category.
- Gold Award for bizpay app, in the category "New Business Services through Mobile".
- Bronze Award for myAlpha Wallet app, in the "UI/UX" category.

5. OPERATIONAL SYSTEMS AND DISTRIBUTION CHANNELS

Operational systems and IT projects

A. Summary

The IT Units are responsible for the design, implementation, development, maintenance and support of the IT Infrastructure, Data and S/W solutions on a Group Level, in line with the Bank's Business Plan, Operational Model and IT Strategy, as well as with the Supervisory Framework.
For the reference year, the IT Units:
• Delivered 91 Projects, 22 of which were initiated in 2021.
• Engaged in 156 projects, which were initiated and/or completed within 2021.
• Managed and fulfilled 53,090 IT Demands, submitted within 2021 in various categories.
Within the above, the IT Units supported:
• The Bank's Transformation Program, consisting of 22 "change the Bank" Projects.
• Juno Program, consisting of 12 projects aimed at supporting the corporate transformation plan of the Bank's hive-down of its banking sector to a new banking entity.
• IT's Strategic Program, consisting of 10 Projects for the evolution of the Bank's IT Landscape.
• Finalization of ARIES (NPEs Carve Out) Program, consisting of 15 subprojects for the transfer to CEPAL of applicable systems (i.e., Arotron, Qualco, Genesys, NPV Tool, etc.). CEPAL as of mid-2021 constitutes a separate legal entity not controlled by Alpha Bank. The sale of CEPAL resulted in the separation of relevant infrastructure and IT Landscape split.
• Loans Portfolio restructuring Program, consisting of Securitization subprojects/sale of Portfolios (Gemini, Cosmos, Galaxy, Aurora). Indicative activities included the development of a full-cycle accounting/loan monitoring, a full set of servicer's reports and automatic daily transfer of actual payments to the SPVs.
• Implementation of a new Credit Decisioning Automation platform (FICO Blaze Advisor), for Loan credit assessment optimization with a view to deliver time-efficient service and support growth as well as rationalization of credit-related operations (i.e., capacity, paperwork, etc.).
The IT Units in collaboration with the Training Unit scheduled 71 programs with a total of 3,461.5 hours of IT Staff training.
In terms of Regulatory, Certification and Audit, the IT Units were involved in:
• 8 external engagements (SSM ITRQ under SREP, Annual CPA, etc.)
• 19 Internal Audits

B. Strategic IT Projects

The strategic IT projects that were launched the previous years (mainly Architectural Redesign and Upgrade of Obsolete Systems) concluded successfully in 2021, providing a solid foundation for the evolution of all major banking applications.
<u>i. Architectural Redesign:</u> The primary target of this project group was to drastically improve the "time to market" KPI, and the effectiveness of the IT resources. The Core Banking Transactions are now provided using modern technologies and a 3-tier architecture:
-Service Oriented Banking Components
-Open Source Business Processes Orchestration and Business Rules Management
-Modern and unified Web-based Front-end (User Environment)
<u>ii. Upgrade of obsolete Systems:</u> The upgrade and/or replacement of critical hardware and system software which have reached their expected life-cycle and are no longer supported by their manufacturers: This group of projects (more than 50) covers the upgrade of more than 600 Win servers, 150 DB servers, and a number of middle-layer systems like IBM WebSphere Application Servers, MQ and Oracle Application Servers. Main objective of these projects is the reduction of operational risk (improve stability, reliability and security).
Based on this modern infrastructure (CBS-new Core Banking System), the new 5-year plan of IT (2021-2025) is built to achieve two strategic goals: Migrate more banking applications to the new infrastructure and further modernize the infrastructure by exploiting cloud concepts and architecture. Therefore, the plan is currently developed on the following axes:
i. Legacy Renovation (2021-2023). The program consists of the following 5 major projects:
a. Migration of the Fund Transfer services to CBS (2021-2022)
b. Upgrade of Operational Reporting Services

(2021-2022)
c. Replacement (migration to CBS ESB) of Legacy Enterprise Service Bus (2021-2023)
d. Redesign and modernization of all Batch programs (2021-2023)
e. Migration to CBS of the Financial and Accounting Transactions (2021-2022)
ii. Private Cloud & Containers (2021-2022). The core of the project is the introduction of a PaaS platform (Platform as a Service), for the homogenization of the technological infrastructures, offering a unified way of operation in IT. This platform (Red Hat OpenShift) allows the optimal utilization of the resources, thus contributing significantly to the creation of a computing cloud within the Bank (private cloud). This platform allows the execution of applications in the form of containers.
iii. Modernization of e-Banking EDG project (2021-2025). Implementation of an innovative delivery infrastructure for all digital channels of Alpha Bank. The project follows the design principles of CBS, the Domain Driven Design (DDD) principles and the best practices from the microservices model. This layer operates on top of the OpenShift infrastructure.

C. IT Functional Areas sample activities for the reference year

i. Core Banking Software Area
• Legacy Revamp - K02 Transaction Redesign (part of Strategic IT Initiatives - Legacy IT Systems Revamp) | delivered in 2021.
This project is part of an Alpha Bank IT initiative to replace outdated technologies and software.
ii. Financial Services Area
• Electronic Books | delivered in 2021.
This project was implemented to cover the new Legal requirement for Electronic Books that was introduced by the Independent Authority for Public Revenues (AADE).
• Engagement in Juno Program.
iii. Treasury Management
• Murex Upgrade | delivered in 2021.
The project concerns the installation of the additional Fundamental Review of the Trading Book Standardized Approach (FRTB SA) functionality in the Murex application in accordance with the regulatory framework.
iv. Risk Management
• Digitalization of Credit Decisioning | ongoing project as part of the Bank’s Transformation Program.
The project scope was the implementation of a new application (FICO Blaze Advisor) for the automation of Credit Decisioning to Retail Customers.
v. Business Intelligence and MIS Area
• WS7 Wholesale Transaction Migration Reporting Tool | completed in 2021 as part of the Bank’s Transformation Program.
The scope of the project was aimed to measure the wholesale Customers’ behavior in specific transactions.
• Real Time Contextual Marketing - Phase A | in progress.
Development of a new Real Time Contextual Marketing System to enable the CRM Division users to create Marketing Campaigns and Rules, for sending real-time push notifications to Alpha Bank Customers.
vi. Customer Information Area
• Customer Screening Tool | delivered in 2021.
Introduction of a new application that supports the Compliance Unit’s periodic reviews of the Bank’s existing Customers for KYC purposes.
• Customer Journey / Retail Onboarding & Business Onboarding | completed in 2021
Enhancement of existing functionality through new identification document types, certifications updates and with the opening of a corporate account. Inclusion of CRS Compliance Requirements.
vii. e-Banking and Intranet Applications Area
• W6 - e-term deposits | delivered in 2021 as part of the Bank’s Transformation Program.
The project scope was to add functionality of submitting an application for e-term deposit accounts via myAlpha web for businesses.
• Engagement in Juno Program.
viii. Administrative Services Area
• HR Core Applications for HOLDCO | delivered in 2021 as part of Juno Program.
All the necessary infrastructures/systems for HR were created in order to support the Staff working in HOLDCO.
ix. Non-Performing Loans and Workflow Area
• Legacy Revamp | delivered in 2021 as part of strategic IT Projects.

Implementation of the infrastructure on the fileNet platform in order to support the storage, management and retrieval of documents produced by the Legacy finCon Transactions.

x. Lending Products Area

• Loans Portfolio restructuring Program, consisting of Securitization subprojects/sale of portfolios (Gemini, Cosmos, Galaxy, Aurora). Indicative activities included the development of a full-cycle accounting/loan monitoring, implementation of a full set of servicer's reports and automatic daily transfer of actual payments to the SPVs.

• Finalization of ARIES (NPEs Carve Out) Program, consisting of 15 subprojects for the transfer to CEPAL of applicable systems (i.e., Arotron, Qualco, Genesys, NPV Tool, etc.). CEPAL as of mid-2021 constitutes a separate legal entity not controlled by Alpha Bank. The sale of CEPAL in mid-2021resulted in the separation of relevant infrastructure and IT Landscape split.

• my-Alpha Documents | completed in 2021 as part of the Bank's Transformation Program.

Implementation of the infrastructure on the fileNet platform in order to support the digital signing of documents by the Bank's Customers (Legal Entities and Individuals).

• Customer Journey (RICO) | in progress.

Implementation of the infrastructure on the fileNet platform in order to support the submission of applications for personal loans and credit cards from digital channels such as from the Customer's mobile phone.

xi. Payment Systems Area

• Legacy Revamp - FX rates in BankTrade | delivered in 2021 as part of IT Strategic initiatives.

This project is part of an Alpha Bank IT initiative to replace outdated technologies and software and in particular it concerns the development of APIs based on web service calls.

• Bank Trade application adjustment to 2020 Swift Standards | completed in 2021.

Facilitate the use of the Swift Standards 2020/2021 changes in the Bank Trade MT7XX category messages.

xii. Investment Products Area

• Private/Gold Statement - iDocs | delivered in 2021.

The project concerns automation of Statements production and dispatch process for the Private and Personal Banking segments of the Bank through iDocs platform.

xiii. Business Services and User Interface Software Area

• Private Cloud & Containers @ Alpha Bank | ongoing as part of Strategic IT Initiatives.

The project concerns the installation, configuration and use of a PaaS platform (platform as a service) for the homogenization of the technological infrastructures, offering a unified way of operation in IT, both at the level of systems and at the level of applications and is based on Red Hat OpenShift.

xiv. Data Management and Data Quality Management Area

• Integration of Critical Fields in the Data Governance Framework | ongoing.

In the context of the implementation of the Data Governance Framework, it is required to record the flow of information (Data Lineage) of the critical data of the respective Business space that is decided to join.

• Engagement in the ARIES Program.

D. IT Service Management

Alpha Bank IT operates under certified Management Systems for IT Service Management (ISO20000), Quality Management (ISO9001 for all IT Divisions), Business Continuity (ISO22301) and Information Security (ISO27001). All Management Systems include Policy, Procedure, Role and Responsibility matrices and are subject to internal and/or external audits at least annually. The continuous improvement process utilizes internal reviews, industry best practices and changes to the regulatory and legal environment to adjust policies, guidelines, standards and procedures.

In line with the adoption of the IT Service Management System processes, the Service Demands of the Business Units and the Branch Network are directly supported by the Microfocus Service Management tool that is used by all IT Divisions. In addition, the Project Management Division has installed and configured the Microfocus Project & Portfolio Management (PPM) tool for managing large IT projects.

In 2021, the IT Divisions processed 53,090 requests submitted by the Bank's Business Units

concerning system improvements, troubleshooting, requests of information and also initiated and/or completed 156 major projects.
Regarding the Group Companies, a total of 6,891 requests concerning changes, improvements and troubleshooting were submitted and 35 major projects were completed.

Business continuity

a. Certification of Critical Business Sectors

As part of the constant upgrade of the Business Continuity Management processes, in 2021 Alpha Bank S.A. and the following Group Companies proceeded with the renewal of their existing ISO 22301 (Business Continuity Management System) certification:
– Alpha Bank Romania S.A.
– Alpha Leasing S.A.
– Alpha Supporting Services S.A.
– Alpha Finance Investment Services S.A.
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 regards to the business continuity procedures.
It should be noted that, in line with the 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 Certificate). The Framework is reviewed and updated annually in order to remain valid and efficient, and every year extensive functional tests and tabletop exercises are performed.
It is mentioned indicatively that, in 2021, 40 functional tests and 30 orientation and tabletop exercises were conducted within Alpha Bank Group, with the participation of 64 Business Units from the Bank and 41 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 87 Bank Officers from 42 Units of the Bank obtained the following Business Continuity certifications:
• Business Continuity Certified Planner (80 Officers)
• Business Continuity Certified Lead Auditor (7 Officers)

Business Continuity Certifications 2021

b. Actions against the COVID-19 pandemic

Alpha Bank initially developed its Pandemic Response Plan in 2009, at the time of the H1N1 virus outbreak.

The Group Business Continuity Management Office reviews the Business Continuity Plan for Pandemic on a regular basis, in order to ensure that the Group's response is sufficiently robust.

To ensure the uninterrupted operation of its business activities and to avoid mass exposure of Personnel to potential health risks, in 2021, the majority of the Head Offices Personnel worked from home throughout the critical periods with COVID-19 outbreaks, in compliance with the directives issued by the National Public Health Organization (EODY) and the Greek government. Additionally, the Personnel at each Branch was split in two teams, one working at the Branch and the other remotely, rotating every 7 or 14 days.

Branch Network

Alpha Bank is successfully active in the Greek and the international banking markets through a total of 520 Branches and maintains a wide network of correspondent banks, both in Greece and abroad. At the end of 2021, the Alpha Bank Branch Network in Greece numbered 313 Branches and Customer Service Units (including seven Business Centers and seven Alpha Private Bank Centers). The number of Branches in Greece was reduced by twenty-five (25) Units compared to 31.12.2020, as a result of the merger of Alpha Bank Branches.

Furthermore, in the context of a more effective management of Non-Performing Exposures, in 2021 the Bank operated twenty-two (22) Regional Retail Non-Performing Exposures Workout Centers.

Correspondingly, the Group's International Network numbered 185 Branches, at the end of 2021, having a presence in Cyprus (Alpha Bank Cyprus Ltd: 17), in Romania (Alpha Bank Romania S.A.: 133), in Albania (Alpha Bank Albania SHA: 34) and in Luxembourg (Luxembourg 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 2022, particular emphasis will be placed on further optimizing the Branch Network utilization and efficiency.

6. RISK MANAGEMENT

The Alpha Bank Group is committed to applying the best practices and achieving the 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, and 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. 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 key risk categories for Alpha Bank include the following:

- credit risk,
- market risk,
- liquidity risk,
- counterparty and country risk,
- climate risk and
- 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 has developed mechanisms and procedures for the timely identification, measurement, monitoring and mitigation of risks as well as the assessment of their potential impact on the achievement of the objectives set.
Throughout 2021, the main objective of the Risk Management Unit was to adapt the Group's risk profile to its risk strategy, while maintaining a solid capital and liquidity position, against the backdrop of changing economic conditions, especially due to the extraordinary situation of the COVID-19 outbreak, and the continuously evolving regulatory environment.
In addition, the Bank acknowledging the potential implications of climate change in economic activity, which in turn affects the financial system, performed, from October 2020 to January 2021, a self-assessment of its practices for the management of climate, environmental, social and governance risks considering the supervisory expectations for the management of these risks. The respective self-assessment was submitted to the European Central Bank (ECB) in February 2021. Based on the gaps identified, a comprehensive action plan was developed and submitted to the European Central Bank in May 2021.
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 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.

Risk Appetite Framework

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 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.
The Group defines its risk management strategy through: (a) the determination of the extent to which the Bank is willing to undertake risks (risk appetite), (b) the assessment of potential impacts of activities in the development strategy by defining the risk management limits, so that the relevant decisions combine the anticipated profitability with the potential losses and (c) the development of appropriate procedures for the implementation of this strategy through a mechanism which allocates risk management responsibilities and accountability between the Bank Units.
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.
In particular:

- The Business Units of Retail, Wholesale, and

Wealth Banking and Non-Performing Exposures Remedial 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 in conducting banking business of the first line 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.

• 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.

Risk Management Governance

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 risk strategy and the risk appetite of the Bank and the Group and the regular monitoring of their implementation, with the support of the Risk Management Committee.

Based on each risk appetite that it defines, the Board of Directors ensures that the levels of risk 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 Management Committee convenes at least once a month and recommends the Board of Directors the approval of the Group’s risk profile as well as 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 policies 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, climate 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 Exposures, etc.

• The effective and timely formulation, proposal for approval to the Board of Directors and 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, the Audit Committee 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 and Internal Control, the Executive Committee (ExCo), the Risk Management Committee and the Board of Directors of the Bank.

Organizational Structure

The following Risk Management Divisions operate within the Group, under the supervision of the General Manager and Chief Risk Officer and with the responsibility of implementing and monitoring 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
• 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.

Credit Risk

Credit risk arises from a borrower's or counterparty's potential inability to fulfill 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 the 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, conducting 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. The independent Risk Models Validation Division is responsible for validating the credit risk, market risk, interest rate risk, liquidity and operational risk models and methodologies.

Credit Risk Management Framework

The Alpha Bank 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 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 conduct of a controls framework that ensures 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 Credit Units, with sufficient knowledge and experience in the application of the Bank's internal policies and procedures.

• The measurement and assessment of the risks from 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.

Main actions for reinforcing the credit risk management framework

Specifically, with main objective to further reinforce and improve the credit risk management framework the following actions have been implemented during 2021:

<u>Actions addressing Climate Risk-Related issues</u>

• Update of Bank's "Risk Inventory" in order to include in its Risk Registry, the dimension of climate-related risks. The main climate risk transmission channels in the area of credit risk include transition risk (e.g., the energy efficiency standards may trigger substantial adaptation costs and therefore lower profitability for counterparties as well as lower collateral values) and physical risk (e.g., a damage to counterparties' physical capital reduces the value of their assets and therefore, collateral valuations).

• Conduction of a materiality assessment analysis, in order to identify the sectors mostly sensitive to climate related risks. In this vein, the Bank conducted a transition risk assessment exercise in its corporates portfolio, to identify its exposure per sector and the allocation of portfolio to potentially high transition risk categories.

On physical risk, the Bank conducted a materiality assessment for flood risk as regards the allocation of its real estate secured exposures per risk class of the geographical location of exposures, taking also into consideration the collateral assurance against natural disasters for its whole secured building portfolio.

• Update of Credit Policy to expand the exclusion list activities i.e., the activities that does not finance. Specifically, the Group does not finance the following activities:

-Thermal coal mining or coal-fired electricity generation capacity.

-Upstream oil exploration.

-Upstream oil development projects, except in rare and exceptional circumstances where the proceeds of the project exclusively target the reduction of greenhouse gas (GHG) emissions or flaring from existing producing fields.

• In alignment with the European Central Bank expectations and in the context of the Action Plan submitted to the European Central Bank in May 2021, the Group has incorporated in its Risk Appetite Framework, the following qualitative statements on climate risks in the context of Credit Risk:

-Integrated the climate risks into its overall risk management framework.

-Enhanced its due diligence process with respect to the assessment of its Customers' ESG/climate risk profile, through the collection of relevant information.

-Finances green/sustainable transition of its counterparties, both in the short-term and in the long-term.

-Started collecting EPC rating certificates from its Customers, in order to monitor the energy performance class of its real estate secured exposures.

<u>Actions addressing COVID-19 issues</u>

In 2021, the Group, in the context of supporting its Customers who are affected by the crisis due to the COVID-19 pandemic, has taken a series of measures in order to support businesses as well as individuals facing temporary payment difficulties due to liquidity shortages. Initially, the Group provided its Customers with "installment suspension payment" programs until 31.3.2021, according to the relevant EBA guidelines (EBA/GL/2020/02, EBA/GL/2020/08 and EBA/GL/2020/15). It is noted that, on 31.12.2021, there were no active exposures that have received payment suspension scheme. Since 1.4.2021, for those Customers whose ability to pay has not been restored to the pre-crisis levels, by the "installment suspension payment” programs, the Bank proceeded to the following actions:

• For retail banking exposures, the Bank has individually assessed any financial difficulty, in order to return to the repayment levels applicable prior to the installment suspension schemes, by providing step up scheduling programs, which have been flagged as per the EBA Guidelines (EBA/ITS/2017/01, EBA/GL/2016/07).

• For business exposures, an individual analysis has been performed with the most updated financial data, as to the existence of financial difficulty. Based on this individual assessment, Customers have been granted with personalized solutions, which have been flagged as per EBA Guidelines (EBA/ITS/2017/01, EBA/GL/2016/07).

Moreover, during 2021, the following actions have been implemented:

• Continuous strengthening of the second line of defense control mechanisms, in order to ensure compliance with Credit Risks Policies at Bank and Group level, focusing on the management of the Bank and the Group’s Customers who have been affected by the crisis due to COVID-19.

• Amendment of the Group Loan Impairment Policy, regarding the significant increase in credit risk identification criteria of exposures under payment moratoria due to COVID-19 pandemic, since the respective EBA Guidelines “on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis” (EBA/GL/2020/02) are not applicable from 1.4.2021 onwards.

• Amendment of the Group Default Classification Policy, regarding the Forbearance Classification, the Unlikeliness-to-pay (UTP) assessment and the identification of Default of exposures under payment moratoria due to the COVID-19 pandemic, since the respective EBA Guidelines “on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis” (EBA/GL/2020/02) are not applicable from 1.4.2021.

<u>Other actions and programs</u>

• 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 and the Group’s business strategy as well as the Guidelines of the European Banking Authority regarding the loan origination and monitoring (EBA/GL/2020/06).

• Integration of the digitalization of retail credit decisioning project, through all retail banking product distribution channels for consumer loans and credit cards portfolios.

• Implementation of the business specifications in the context of the project for the digitalization and automation of retail credit decisioning process, for housing and small business loans portfolios.

• Update of the Wholesale Banking and Retail Banking Arrears and Forbearance Policies in the context of the implementation of Law 4738/2020 for the settlement of debts and the provision of a second chance to Physical Persons and Legal Entities facing problems of over-indebtedness.

• Update of the Concentration Risk and Credit Threshold Policy which includes the principles and procedures that the Bank follows so as to manage the concentration risk, at sector and borrower/group of borrowers level in the context of the Bank’s participation in the Hellenic Recovery and Resilience Facility (RRF).

• Update of the Group credit risk models development framework to align with the current regulatory expectations and international practices.

• Development, 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. Specifically, for 2021, according to the annual review of the Credit Risk parameters, the following adaptations have been applied:

-New Definition of Default: The new default definition has been adopted, where applicable, by incorporating a proxy algorithm for the period prior of 2021 and the new DoD implemented in production since January 1, 2021.

-COVID-19 Moratoria: For the population which is under COVID-19 moratorium within the credit risk parameter measurement outcome, the duration of the moratorium is excluded from the measurement and an equivalent time window after the end of the moratorium is used (rolling window approach).

• Periodic stress test exercises as a tool for assessing the impact of various macroeconomic scenarios on business strategy formulation, business decisions and the Group's capital position. Crisis simulation exercises are conducted in accordance with the requirements of the supervisory framework and constitute a key component of the Group's credit risk management strategy.

• Validation of the credit risk models, based on the approved time plan and the principles described in the "Credit Risk Models Validation Framework". Additionally, the models' robustness was assessed under the new default definition and a special treatment was introduced to handle the accounts under COVID-19 moratoria.

• Ongoing validation of the risk models in order to ensure their accuracy, reliability, stability and predictive capacity. More specifically:

-Validation of the market risk internal model and compliance with the Targeted Review of Internal Models (TRIM) recommendations.

-In line with the Liquidity Validation Policy, a regular internal review has been performed on risk quantitative models and stress testing assumptions used for internal liquidity risk management, in the framework of the Internal Liquidity Adequacy Assessment Process (ILAAP) and Recovery Plan.

-Operational risk model validation, used in the framework of the Pillar II Internal Capital Adequacy Assessment Process (ICAAP).

• Development of a unified impairment system, for debtors that are subject to an individual impairment assessment, illustrating the methodological tools provided by the individual impairment methodology. This system will be used by the participating Units, in the estimation of the expected cash flows of individually assessed borrowers.

Additionally, in order to enhance and develop 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 credit by using specialized statistical software.

• Reinforcing the completeness and quality control mechanism of crucial fields of wholesale and retail credit for monitoring, measuring and controlling credit risk.

• A project for the transition from the existing Rating Systems to the new Group Credit Rating Platform.

Loans and advances to Customers

At the end of 2021, the Non-Performing Exposures (NPEs) of the Group reached Euro 5.1 billion and the Non-Performing Exposures Ratio stood at 13.1% compared to Euro 20.9 billion and 42.5% respectively at the end of 2020, as a result of the completion of the transactions of Galaxy and Cosmos and the transfer to Held for Sale for the Orbit/Sky/Riviera portfolio.

At the end of 2021, the Non-Performing Loans (NPLs) of the Group reached Euro 2.4 billion and the Non-Performing Loans Ratio stood at 6.2% compared to Euro 14.6 billion and 29.8% respectively at the end of 2020.

The Group Total Provisions Stock reached Euro 2.3 billion at the end of December 2021 and the Non-Performing Loans Coverage Ratio stood at 97.1%, compared to 66.7% in 2020, while the cash coverage for NPEs stood at 45.7% in 2021, compared to 46.6% in 2020.

On 31.12.2021, the Group's forborne outstanding loans stood at Euro 6.1 billion with a total collateral value of Euro 4.3 billion.

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

TABLE 1
Loans by IFRS 9 stage (Past due and not past due)
(in Euro thousand)

31.12.2021	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**	**0**	**0**	**0**	**7,299,642**	**62,584**
Mortgage	0	0	0	0	5,292,201	36,334
Consumer	0	0	0	0	562,272	14,004
Credit cards	0	0	0	0	761,719	2,816
Small business	0	0	0	0	683,450	9,430
Corporate lending	**114,384**	**45,311**	**159,695**	**151,995**	**20,385,741**	**118,655**
Large	114,384	45,311	159,695	151,995	15,065,973	36,900
SME's	0	0	0	0	5,319,768	81,755
Public sector	**0**	**0**	**0**	**0**	**35,542**	**0**
Greece	0	0	0	0	33,372	0
Other Countries	0	0	0	0	2,170	0
Total	**114,384**	**45,311**	**159,695**	**151,995**	**27,720,925**	**181,239**

31.12.2021	Loans measured at amortized cost					
	Stage 3					
	Not past due	Past due	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount	Not past due
Retail lending	**1,069,306**	**1,225,165**	**2,294,471**	**625,968**	**1,668,503**	**979,418**
Mortgage	658,806	536,459	1,195,265	189,777	1,005,488	662,475
Consumer	131,750	309,307	441,057	196,680	244,377	198,783
Credit cards	3,714	61,690	65,404	33,331	32,073	901
Small business	275,036	317,709	592,745	206,180	386,565	117,259
Corporate lending	**652,102**	**1,121,223**	**1,773,325**	**910,483**	**862,842**	**168,911**
Large	349,236	297,113	646,349	272,375	373,974	147,172
SME's	302,866	824,110	1,126,976	638,108	488,868	21,739
Public sector	**513**	**595**	**1,108**	**464**	**644**	**0**
Greece	513	595	1,108	464	644	0
Other Countries	0	0	0	0	0	0
Total	**1,721,921**	**2,346,983**	**4,068,904**	**1,536,915**	**2,531,989**	**1,148,329**

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
7,362,226	**12,090**	**7,350,136**	**3,097,481**	**427,045**	**3,524,526**	**163,844**	**3,360,682**
5,328,535	3,347	5,325,188	1,922,919	248,820	2,171,739	67,858	2,103,881
576,276	3,755	572,521	371,251	93,569	464,820	52,765	412,055
764,535	2,679	761,856	86,192	20,413	106,605	12,613	93,992
692,880	2,309	690,571	717,119	64,243	781,362	30,608	750,754
20,504,396	**35,860**	**20,468,536**	**1,295,871**	**61,823**	**1,357,694**	**20,425**	**1,337,269**
15,102,873	32,350	15,070,523	799,968	29,798	829,766	15,990	813,776
5,401,523	3,510	5,398,013	495,903	32,025	527,928	4,435	523,493
35,542	**55**	**35,487**	**588**	**23**	**611**	**60**	**551**
33,372	40	33,332	362	23	385	51	334
2,170	15	2,155	226	0	226	9	217
27,902,164	**48,005**	**27,854,159**	**4,393,940**	**488,891**	**4,882,831**	**184,329**	**4,698,502**

Purchased or originated credit impaired loans (POCI)					
Past due	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount	Total net carrying amount at amortized cost	Value of collateral
391,344	**1,370,762**	**246,473**	**1,124,289**	**13,503,610**	**10,592,303**
145,480	807,955	80,081	727,874	9,162,431	8,722,590
98,539	297,322	72,927	224,395	1,453,348	482,496
7,621	8,522	5,350	3,172	891,093	3,536
139,704	256,963	88,115	168,848	1,996,738	1,383,681
195,195	**364,106**	**147,587**	**216,519**	**22,885,166**	**17,890,238**
57,451	204,623	38,693	165,930	16,424,203	13,156,372
137,744	159,483	108,894	50,589	6,460,963	4,733,866
0	**0**	**0**	**0**	**36,682**	**36,311**
0	0	0	0	34,310	33,979
0	0	0	0	2,372	2,332
586,539	**1,734,868**	**394,060**	**1,340,808**	**36,425,458**	**28,518,852**

TABLE 2
Ageing analysis of loans by IFRS 9 stage and product line of loans
(in Euro thousand)

31.12.2021	Loans measured at fair value thro				
	Retail lending				
	Mortgage loans	Consumer	Credit cards	Small business	L
Current	0	0	0	0	
1 - 30 days	0	0	0	0	
31 - 60 days	0	0	0	0	
61 - 90 days	0	0	0	0	
91 - 180 days	0	0	0	0	
181 - 360 days	0	0	0	0	
> 360 days	0	0	0	0	
Total	**0**	**0**	**0**	**0**	
Value of collaterals	0	0	0	0	

	Loans measured at amortized cost					
31.12.2021	Retail lending					
	Mortgage loans					
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	
Current	5,289,085	1,861,698	581,663	610,902	8,343.348	
1 - 30 days	36,102	157,262	30,538	23,875	247,777	
31 - 60 days	0	56,949	27,985	13,553	98,487	
61 - 90 days	0	27,972	23,040	8,997	60,009	
91 - 180 days	0	0	87,439	22,159	109,598	
181 - 360 days	0	0	115,885	27,788	143,673	
> 360 days	0	0	138,939	20,600	159,539	
Total	**5,325,187**	**2,103,881**	**1,005,489**	**727,874**	**9,162,431**	
Value of collaterals	5,075,320	1,953,492	1,015,231	678,547	8,722,590	

ugh profit or loss (FVPL)

Corporate lending		Public sector		
arge corporate	SME's	Greece	Other countries	Total
114,384	0	0	0	114,384
24,531	0	0	0	24,531
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
20,781	0	0	0	20,781
159,696	**0**	**0**	**0**	**159,696**
151,995	0	0	0	151,995

Consumer				
Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
558,708	329,909	95,585	169,231	1,153,433
13,814	40,867	10,647	13,096	78,424
0	9,998	6,483	4,999	21,480
0	31,282	6,053	3,136	40,471
0	0	21,599	6,730	28,329
0	0	42,412	12,688	55,100
0	0	61,598	14,516	76,114
572,522	**412,056**	**244,377**	**224,396**	**1,453,351**
183,564	100,919	78,715	119,298	482, 496

31.12.2021	Loans measured at amortized cost				
	Retail lending				
	Credit cards				
	Stage1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
Current	759,073	76,484	2,327	780	838,664
1 - 30 days	2,783	10,593	655	47	14,078
31 - 60 days	0	4,678	427	18	5,123
61 - 90 days	0	2,237	289	29	2,555
91 - 180 days	0	0	4,186	55	4,241
181 - 360 days	0	0	10,498	311	10,809
> 360 days	0	0	13,693	1,931	15,624
Total	**761,856**	**93,992**	**32,075**	**3,171**	**891,094**
Value of collaterals	1,707	11	1,789	30	3,537

31.12.2021	Loans measured at amortized cost				
	Corporate lending				
	Large corporate				
	Stage1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
Current	15,033,647	784,684	243,941	136,833	16,199,105
1 - 30 days	36,876	12,194	66,919	0	115,989
31 - 60 days	0	1,726	0	0	1,726
61 - 90 days	0	15,171	10,066	0	25,237
91 - 180 days	0	0	2,083	0	2,083
181 - 360 days	0	0	278	7,759	8,037
> 360 days	0	0	50,686	21,338	72,024
Total	**15,070,523**	**813,775**	**373,973**	**165,930**	**16,424,201**
Value of collaterals	11,883,973	664,095	446,202	162,101	13,156,371

31.12.2021	Loans measured at amortized cost				
	Public sector				
	Greece				
	Stage1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
Current	33,333	310	513	0	34,156
1 - 30 days	0	0	0	0	0
31 - 60 days	0	0	0	0	0
61 - 90 days	0	23	0	0	23
91 - 180 days	0	0	0	0	0
181 - 360 days	0	0	0	0	0
> 360 days	0	0	131	0	131
Total	**33,333**	**333**	**644**	**0**	**34,310**
Value of collaterals	33,324	23	632	0	33,979

Small business				
Stage1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
681,318	689.655	227,174	104,651	1,702,798
9,254	43.189	12,772	5,721	70,936
0	8.011	12,129	3,404	23,544
0	9.900	8,875	1,857	20,632
0	0	22,989	4,822	27,811
0	0	34,905	8,127	43,032
0	0	67,722	40,266	107,988
690,572	**750.755**	**386,566**	**168,848**	**1,996,741**
461,452	500.440	306,598	115,191	1,383,681

SME's				
Stage1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
5,316,381	491,853	200,967	17,099	6,026,300
81,632	19,001	48,737	3,505	152,875
0	12,442	6,058	3,142	21,642
0	197	6,533	0	6,730
0	0	11,129	0	11,129
0	0	21,871	35	21,906
0	0	193,574	26,809	220,383
5,398,013	**523,493**	**488,869**	**50,590**	**6,460,965**
3,601,378	408,848	657,341	66,298	4,733,865

Other countries				
Stage1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
2,155	217	0	0	2,372
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
2,155	**217**	**0**	**0**	**2,372**
2,105	226	0	0	2,331

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 transacted by the Group and the country local Treasury Management Units, as well as 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 Value at Risk (VaR), using a dedicated system. The methodology applied to calculate 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 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 2021. The Group Companies have very low exposure and limits for the trading book and, consequently, market risk exposure is immaterial.

TABLE 3
Trading Book VAR

(in Euro)						2021	2020
	Foreign Exchange Risk	Interest Rate Risk	Price Risk	Commodity Risk	Covariance	Total	Total
31 December	1,611,800	3,408,959	44,742	24	-1,108,784	3,956,741	4,652,422
Average daily value *	2,090,985	4,212,795	39,290	49	-1,975,827	4,367,292	4,663,097
Maximum daily value*	1,621,287	5,405,227	0	6	-1,636,901	5,389,619	5,637,432
Minimum daily value*	2,734,122	3,976,011	72,839	0	-3,115,837	3,667,135	3,131,103

***annual**

In addition to applying the VaR methodology for the 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, 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 Targeted Review of Internal Models (TRIM) by the Single Supervisory Mechanism focusing on procedures, the market risk management framework and the capital requirement calculation.

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 Greece 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 scope of the Bank's compliance with Regulation (EU) No 2017/653 on Key Information Documents for Packaged Retail and Insurance-based Investment Products (PRIIPs KIDs).

During 2021, the Group risk tolerance and risk capacity for banking book bond portfolios were reviewed in order to accommodate business needs. Following the fine-tuning of the new market risk system (MX.3 by MUREX), the KVAR+ market risk system was replaced starting in the beginning of July 2021. Additionally, the FRTB-SA (Fundamental Review of the Trading Book – Standardized Approach) functionality was upgraded into the new market risk system and FRTB-SA reporting was introduced according to regulatory requirements. The market risk limit monitoring system was also upgraded in order to address known bug fixes. In scope of the Benchmark Rate Reform, the new risk-free rate curves for the main currencies were implemented in the front office and the market risk system in order to comply with market practices and the changes in CSAs (Credit Support Annex) with third parties.

2. Banking Book Financial Risks

The banking book financial risks arise from the structure of the Assets and Liabilities and mostly 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).

TABLE 4
Foreign Exchange Position
Alpha Bank Group
31.12.2021

(in Euro million)	USD	GBP	CHF	JPY	RON	RSD	Other FC	EUR	Total
Assets	3,081.4	635.5	408.7	10.4	1,734.7	0.1	863,1	66,622.0	73,356.0
Liabilities	2,870.8	279.5	146.5	1.1	1,419.6	0.0	1,008.1	61,550.9	67,276.4
Net Balance Sheet Position	210.6	356.0	262.3	9.3	315.0	0.1	-145.0	5,071.1	6,079.5
Derivatives Forward Foreign Exchange Position	-175.4	-311.2	-185.8	-10.7	-272.3	0.0	180.7	793.2	18.5
Total Foreign Exchange Position	35.2	44.8	76.4	-1.4	42.7	0.1	35.8	5,864.4	6,098.0

The exchange rate risk undertaken by the Group derives mainly from banking book assets and liabilities and the goal is to offset this risk, provided that the corresponding instruments in the said currencies are available.

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 31.12.2021.

TABLE 5
Interest Rate Gap Analysis
Alpha Bank Group
31.12.2021

(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	26,981.3	10,914.4	3,913.3	1,695.7	10,777.6	8,614.2	10,459.3	73,356.0
Liabilities	12,855.8	4,572.6	3,020.4	3,622.7	31,928.9	8,834.3	2,441.8	67,276.4
Equity	0.0	0.0	0.0	0.0	0.0	0.0	6,079.5	6,079.5
Total Liabilities and Equity	12,855.8	4,572.6	3,020.4	3,622.7	31,928.9	8,834.3	8,521.3	73,356.0
Gap	14,125.5	6,341.8	892.9	-1,926.9	-21,151.3	-220.0	1,938.1	0.0
Cumulative Gap	14,125.5	20,467.3	21,360.2	19,433.3	-1,718.0	-1,938.1	0.0	0.0

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) of the Bank and the Group. 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

Table 6 presents the change on both the NII and EVE, following the implementation of the stress scenarios on the market yield curves, as of 31.12.2021 for the Group.

TABLE 6
Net Interest Income and Equity Sensitivity
31.12.2021

(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	130	632
Parallel shift of -200bps	-50	963
Steepening	-37	-215
Flattening	96	694
Short Rates Up	121	581
Short Rates Down	-61	-177
Long Rates Up	8	-73
Long Rates Down	1	526

During 2021, interest rate risk of the banking book decreased significantly due to the loan portfolio quality amelioration. Specifically, a significant decrease of NPEs was realized through Galaxy & Cosmos securitizations and Orbit & Sky sales. Furthermore, IRRBB remained within risk appetite framework limits. This also includes subsidiary level limits.

The system used for IRRBB analysis is Sendero Data Management and Risk Manager system. The Bank finalized the upgrading of Sendero to a newer version which is on production from January 2021. Furthermore, the automated process of inclusion foreign Subsidiaries in the Sendero system has been finalized.

The upgraded version resulted to better support for regulatory reports & KRIs, Dynamic Gap, DV01 by time bucket and Fair Value Gap. Moreover, it enhanced the EAR calculation as well as the easier consolidation of Subsidiaries.

The analysis of the Balance Sheet in the upgraded Assets and Liabilities risk monitoring application is still 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 Risk Management Committee as well as to the Assets-Liabilities Management Committee.

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 2021, there has been an increase of Customer deposits both at Bank and at Group level. Thus, on 31.12.2021, the Bank's deposits increased by Euro 3.53 billion, almost 9.29% compared to 31.12.2020. Correspondingly, the Group's deposits increased by 7.16% (Euro 3.14 billion). The above amounts include Greek government deposits, which decreased from Euro 0.4 billion on 31.12.2020 to null on 31.12.2021.

The decision of the European Central Bank (on 7.4.2020 and on 22.4.2020) to accept Greek sovereign debt instruments as collateral in Eurosystem credit operations even though they do not meet the minimum ECB rating requirements was sustained through 2021. With this decision the European Central Bank recognizes the recent progress achieved by the Hellenic Republic and helps common confrontation among member-states of the Eurozone.

Already from 24.6.2020, the Bank participated in the TLTRO III program which provides long-term financing with a conventional negative interest rate -0.5%. It is noted that the financing rate of this program can be set at -1% for the period from June 2020 to June 2022, provided that specific goals have been achieved, regarding the amount of the Bank's loans granted for individual periods. In particular:

- If the amount of loans granted under the program, for the period March 2020-March 2021, remains at the levels of March 2020, the interest rate will be -1% for the period June 2020-June 2021 and -0.5% for the remaining duration of the financing.
- In addition, if the loans granted for the period October 2020-December 2021 remain at the levels of October 2020, the borrowing rate can be set at -1% for the period June 2021-June 2022.

Moreover, following the announcement of 10.12.2020, three additional dates for participation in this program were added (June, September and December 2021) and the borrowing allowance under TLTRO III was increased from 50% to 55% of eligible loans.

In this context, the Bank's financing from the Eurosystem, which stood at Euro 13.0 billion on 31.12.2021, increased compared to 31.12.2020 by Euro 1.1 billion. Since specific goals, regarding the amount of the Bank's loans granted for individual periods, Euro 2 billion of the program have been renewed in December 2021, giving the Bank the benefit of receiving the increased negative rate of -1%.

This increased access to ECB funding led to a decrease of the more expensive interbank repurchase agreements (repos) by Euro 0.32 billion. Through the TLTRO, the Bank managed to increase the duration of its funding.

During 2021, 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

2021, 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.
In order to ensure that the Banks are prepared to confront the crisis of the COVID-19 pandemic, the Single Supervisory Mechanism requested an exceptional liquidity monitoring exercise conducted on a monthly basis. From this exercise, SSM has not up to this point identified any specific issues.
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 Bank and 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 31.12.2021.

TABLE 7
Liquidity Gap Analysis
Alpha Bank Group
31.12.2021

(in Euro million)	< 1 Month	1 to 3 Months	3 to 6 months	6 to 12 months	> 1 Year	Total
Assets	23,154.3	1,670.4	1,245.8	4,235.3	43,050.2	73,356.0
Liabilities	9,208.8	4,488.7	3,082.8	4,256.8	46,239.3	67,276.4
Equity	0.0	0.0	0.0	0.0	6,079.5	6,079.5
Total Liabilities and Equity	9,208.8	4,488.7	3,082.8	4,256.8	52,318.8	73,356.0
Gap	13,945.4	-2,818.3	-1,837.0	-21.5	-9,268.6	0.0
Cumulative Gap	13,945.4	11,127.1	9,290.1	9,268.6	0.0	0.0

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 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 2021, the counterparty credit manual regarding exposure towards the Hellenic Republic and Related Parties was updated in order to introduce a more granular limit structure.

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 Bankers Blanket Bond (Crime Bond and Civil Liability), the Directors and Officers (including the Run Off Policy) and the 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.
The following initiatives have been completed during 2021:
• Update of various acts, circulars and manuals (e.g. RCSA manual).
• Issuance of the Group's ICT Risk Management Framework in compliance with EBA requirements.
• Issuance of an Internal Control Validation Methodology for the testing of the efficiency of internal controls as a second line of defense.
• Development of an Entity Risk Assessment methodology to generate an annual Entity Operational Risk Profile.
• Adoption of an updated Operational Risk Taxonomy.
• Partial implementation of the new Operational Risk platform.
The Group will continue its initiatives towards the reinforcement of its Operational Risk Management Framework, the main objectives of which, for 2022, are as follows:
• Enhancement of Systems and Infrastructure, through the full implementation of an advanced Operational Risk Platform, including the migration from the current system.
• Implementation of the Entity Risk Assessment methodology to generate the annual Entity Operational Risk Profile.
• Further increase of KRIs across all Bank Units as well as the improvement of the existing KRIs framework, including the introduction of thresholds.
• Update of the Fraud Risk Policy.

7. CAPITAL ADEQUACY

The policy of the Group is to maintain strong capital ratios and ample buffers over minimum requirements in order to ensure the achievement of its business plan and the development and trust of depositors, shareholders, markets and business partners. Share capital increases are conducted following resolutions of the General Meetings 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 Alpha Services and Holdings S.A., 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 Company and the HFSF. Alpha Bank S.A, as a systemic bank, and consequently its parent Company Alpha Services and Holdings S.A. on a consolidated basis are supervised by the Single Supervisory Mechanism (SSM) of the European Central Bank (ECB), to which data are submitted on a quarterly basis. The supervision is conducted in accordance with the European Regulation 575/2013 (CRR) as amended, inter alia, by the European Regulation (EU) 2019/876 of the European Parliament and the Council ("CRR 2"), and the European Directive 2013/36 (CRD IV), as incorporated into Greek Law 4261/2014 and amended, inter alia, by Directive 2019/878 (CRD V) and incorporated into Greek Law 4799/2021.

The framework is widely known as Basel III and consists of three fundamental pillars:

• Pillar I, which specifies the calculation of minimum capital requirements. Alpha 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 the 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 investment portfolio (including also counterparty credit risk and CVA risk), the market risk of the trading book and the operational risk.

For the calculation of the capital adequacy ratio, the above regulatory framework is followed. In addition:

• Besides the 8% capital adequacy limit, there are applicable limits of 4.5% for CET 1 ratio and 6% for Tier I ratio, respectively.

• The maintenance of capital buffers additional to the CET1 capital is required. In particular, the Combined Buffer Requirement (CBR) consisting of:

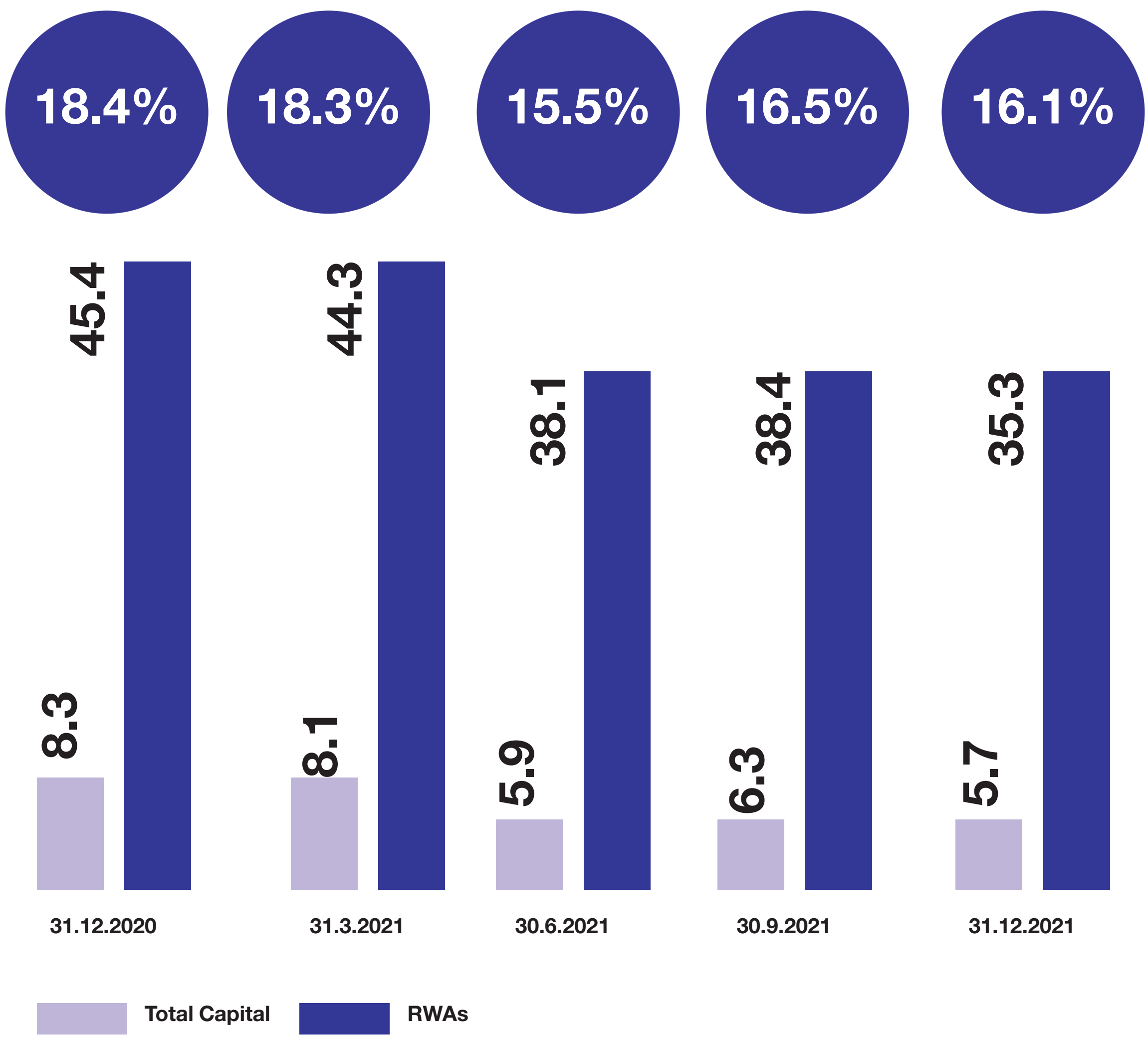
- The Capital conservation buffer stands at 2.5%.
- The following capital buffers set by the Bank of Greece through Executive Committee Acts:

* Countercyclical capital buffer equal to "zero percent" (0%) for 2021.

* Another systemically important institutions (O-SII) buffer, which will gradually rise to "one percent" (1%) from 1.1.2019 to 1.1.2023. For 2021, the O-SII buffer stands at 0.5%.

Alpha Services and Holdings S.A. Ratios	31.12.2021	31.12.2020
CET 1 Ratio	13.2%	17.3%
Tier 1 Ratio	13.2%	17.3%
Capital Adequacy Ratio (Tier 1 + Tier 2)	16.1%	18.4%

The following graph presents the evolution of the regulatory own funds, risk weighted assets and CET 1 ratio of the Group.



On December 28, 2020, the ECB informed Alpha Bank S.A., before the demerger, that since January 31, 2021 the minimum limit for the Overall Capital Requirements (OCR) remains unchanged from 2020 at 14%. On February 2, 2022, the ECB informed Alpha Services and Holding S.A. that from March 2022 the minimum limit for the consolidated Overall Capital Requirements (OCR) is 14.25%. 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 the Regulation 1024/2013/EU which corresponds to 3%, and the combined buffer requirements (CBR), according to article 128(6) of the Directive 2013/36/EU which correspond to 3% for 2021 and 3.25% for 2022 due to the increase of the O-SII buffer by 0.25%. The above minimum ratio should be maintained on a phase-in basis under applicable transitional rules of the CRR/CRD IV, at all times.

As part of the strategic capital management during 2021, Alpha Services and Holdings S.A. has successfully completed:

• On March 4, 2021, a Euro 500 million, Tier 2 bond issuance with institutional investors. The subordinated bond has a 10.25-year maturity and is callable anytime between year 5 and year 5.25 with a coupon of 5.5%, till 11.6.2026 which is adjusted to a new interest rate from the reset date to the maturity date. This new interest rate is defined based on the five-year swap rate and 5.823% spread for the remaining period from the reset date till the maturity date. The bond is listed on the Luxembourg Stock Exchange – EuroMTF Market.

• On July 2, 2021, the offer of Euro 800 million of new common shares further strengthening its regulatory capital and capital ratios.

Measures taken for the banks in order to tackle COVID-19 pandemic

As the economic effects of the COVID-19 pandemic started becoming apparent, the European Central Bank (ECB), the European Banking Authority (EBA) and the European Commission (EC) announced a number of measures to ensure that the banks they supervise will continue to fulfill their role in funding the real economy.

Specifically, starting from March 12, 2020, the ECB and the EBA announced the following relaxation measures for the minimum capital requirements for banks in the Eurozone:

• Banks are temporarily allowed to operate below the level of capital defined by the Capital Conservation Buffer and the Counter Cyclical Buffer. In addition, on July 28, 2020, the ECB announced through a press release that financial institutions are allowed to operate below the aforementioned thresholds at least up to the end of 2022.

• Furthermore, the change expected in January 2021 under CRD V regarding the composition of the Pillar 2 requirement (P2R) buffer was brought forward allowing the (P2R) to be covered by Additional Tier 1 (AT1) capital by 18.75% and Tier 2 (T2) capital by 25% and not only by CET 1.

• In parallel, ECB issued a recommendation to banks to limit the payment of dividends and share buy-backs. According to a press release issued by the ECB, on July 23, 2021, this recommendation remains applicable until September 30, 2021. In addition, on July 23, 2021, the ECB announced that it expects that banks will adopt a prudent and forward-looking approach when deciding on remuneration policies.

The European Commission decided to revise the existing regulatory framework by bringing forward regulations that would normally come with the CRR2/CRDV framework as well as provide a greater flexibility to the phase-in of the impact of the IFRS 9 on capital. The revised framework was published in the Official Journal of the European Union as at June 22, 2020.

On June 26, 2020, the Bank of Greece under an Executive Committee Act determined the capital buffer of systemically important institutions (O-SII) at 0.50%, maintaining it stable for 2021 and extending consequently the existing phasing-in period. The third and the fourth phases have been delayed by 12 months each and will apply starting from January 1, 2022 and January 1, 2023 respectively. This decision is in the context of the response to the COVID-19 pandemic in order to mitigate the subsequent financial impact.

On December 22, 2020, the Commission Delegated Regulation (EU) 2020/2176 of the Council of November 12, 2020, amending Delegated Regulation (EU) 241/2014 concerning the deduction of software assets from CET1 items, was published in the Official Journal of the European Union.

EBA Stress Test

Following the postponement of the 2020 Stress Test due to the outbreak of COVID-19 and its global spread, the European Banking Authority (EBA) launched the 2021 EU-wide Stress Test on January 29, 2021.

The Stress Test was conducted based on a static balance sheet approach under a baseline and an adverse macro scenario with a 3-year forecasting horizon (2020-2023). The result of the exercise is used as an input in the Supervisory Review and Evaluation Process (SREP).

The results of the exercise were published on July 30, 2021. According to the results, Alpha Services and Holdings S.A. (Group) successfully concluded the 2021 EU-wide Stress Test under both scenarios. More specifically:

• Under the baseline scenario, the capital generation for the 3-year period (2020-2023) was 2.8% fully absorbing 2.4% IFRS 9 phase-in, resulting in 2023 to a CET1 fully loaded ratio of 17.3% while the 2023 Leverage ratio (fully loaded) came to 13.0%.

• Under the adverse scenario, the 2023 CET1 fully loaded ratio stood at 8.3%, largely driven by the negative impact of credit risk, with the lowest point of the CET1 fully loaded ratio at 8.1%, in 2022. The 2023 Leverage ratio (fully loaded) resulted in 6.1%.

• The Stress Test methodology does not take into account capital strengthening (i.e., Tier II issuance, share capital increase) and balance sheet de-risking, events post December 31, 2020. Pro-forma with the share capital increase for the baseline scenario, the 2023 CET1 fully loaded ratio reached 19.1%, while the 2023 Leverage ratio (fully loaded) came to 14.4%. Under the adverse scenario, the 2023 CET1 fully loaded ratio stood at 10.2%, while the 2023 Leverage ratio (fully loaded) came to 7.6%.

Minimum Requirements for Eligible Own Funds and Eligible Liabilities

The Minimum Requirement of Own Funds and Eligible Liabilities (MREL) constitutes a buffer that the Bank has to maintain, on a consolidated basis, in order to absorb losses in the event of resolution. The required minimum levels of MREL are determined by the Single Resolution Board (SRB) on an annual basis. As per the latest official SRB decision, from January 1, 2022, the Bank shall comply, on a consolidated basis, with an intermediate MREL target equal to 14.02% of Total Risk Exposure Amount (TREA) and 5.91% of Leverage Exposure (LRE). From January 1, 2026, the consolidated MREL will be set equal to 22.76% of TREA and 5.91% of LRE. With the aim of compliance with the above requirements, the Bank carried out the following issuances in 2021, listed on the Luxembourg Stock Exchange – EuroMTF Market:

• On 23.9.2021, a Euro 500 million senior preferred notes issuance, in the context of the Euro Medium Term Note Program of Euro 15 billion. The Senior Preferred Bond has a 6.5-year maturity and is callable in year 5.5 with a fixed annual coupon of 2.5%.

• On 14.12.2021, a Euro 400 million senior preferred bond issuance. The senior preferred bond has a long 2-year maturity (February 2024) and is callable the first year (February 2023), with a coupon of 3%.

Liquidity

The Group calculates the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) on a monthly and quarterly basis respectively as defined by Regulation (EU) 575/2013. Both ratios (LCR and NSFR) exceeded the minimum acceptable supervisory threshold (100%) with LCR reaching 186.3% and NSFR 114%. This is attributed to the increase in Customer deposits, improved access to interbank markets and the issuance of Euro 500 million Tier 2 and Euro 900 million senior preferred bonds. More specifically, during 2021, liabilities to credit institutions amounted to Euro 14 billion, increased by Euro 900 million or by 6.8% compared to 31.12.2020, as within the year 2021 the Bank increased its funding from ECB via the Targeted Long Term Refinancing Operations (TLTRO III) by Euro 1.1 billion. Furthermore, Customer deposits amounted to Euro 47 billion, increased by Euro 3.7 billion or by 8.5% compared to 31.12.2020.

8. CYBERSECURITY AND INFORMATION SECURITY – PERSONAL DATA PROTECTION

Cybersecurity and information security

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

The Division manages the organization, projects and infrastructure that are required for the efficient and effective management of the Group's Cybersecurity and Information Security posture.

In 2021, CISD completed the first stage of its Strategic Plan 2021-2023, based on the new model for Cyber Maturity Assessment. This is the second cycle using the capability maturity approach, following the successful first cycle and completion of the corresponding Strategic Plan 2018-2020.

The new cycle/model for the period 2021-2023 evaluates Cybersecurity posture based on the assessment of Cyber capabilities for 32 Cyber Technical and Organizational domains/areas and more than 2,400 control objectives (criteria). The overall Strategy Plan 2021-2023 includes 104 projects/initiatives to reach the target maturity levels by end 2023.

In 2021, CISD managed 47 projects as part of the first stage of the new cycle and handled 128,362 operational requests.

CISD participated in strategic IT projects, as well as modifications required to cover Regulatory-Supervisory and Business requirements.

From a Governance and Compliance standpoint, the ISO27001 Management System was updated to incorporate the requirements of three new important standards:

- ISO27701 (Privacy Information Management)
- ISO27017 (Information Security Controls for Cloud Services)
- ISO27018 (Protection of Personally Identifiable Information in Public Clouds).

Subsequently, CISD and the IT Divisions were successfully audited and re-certified according to the ISO27001 and ISO20000 standards (Bureau Veritas) and re-certified according to the ISO22301 standard (TÜV Austria).

Targeted updates of Group Cybersecurity and Information Security Framework were implemented to cover changes in the operational and regulatory environments. Training and Awareness activities were intensified as part of the strategic and continuous improvement efforts to reinforce a sound Cybersecurity culture.

Alpha Bank's Cybersecurity Incident Response Team (CSIRT) has been very effective in identifying, analysing, containing and/or mitigating threats as well as monitoring the overall threat landscape. Major projects included enhancing threat monitoring coverage and the Threat Intelligence Domain. In addition, Cybersecurity incident management was further enhanced by adapting new processes including the development and improvement of relevant playbooks. The Alpha Bank CSIRT is also a full member of the Financial Services Information Sharing and Analysis Center (FS-ISAC), which greatly enhances CSIRT updates with the latest Cybersecurity events and threat trends specifically for the financial sector.

As regards to Cyber infrastructure and operations, significant improvements were implemented including upgrades/replacements of critical infrastructures, operational software upgrades and the deployment of new mechanisms to cover Endpoint, network, application, Cloud, mobile devices and e-mail security.

Identity and Access Management (IAM) projects have also been implemented to improve the related processes and integrate new applications with the IDM system.

Major projects completed in 2021

I.Governance, Compliance and Strategy

Targeted updates to the Group Cybersecurity and Information Security Framework (GCISF) policies, procedures and technical standards were implemented to adjust to regulatory, operational and technical changes. These included:

- Coverage of new requirements set by the new

ISO27017, ISO27018 and ISO27701 standards
- Cloud services
- DevSecOps
- Microservices
- OpenShift
- Containers

Employee awareness and training is a critical and continuous activity to achieve a high level of familiarization with good practices, identification and reaction to Cybersecurity risks. In addition to the program for new Employee induction to the Group Cybersecurity and Information Security Framework principles, a sophisticated Cybersecurity Awareness Program is being implemented and supported by an on-line platform. The first cycle of the program was implemented from February to June 2021, with distance learning courses focusing on key Cybersecurity issues and current threats. The program was distributed to more than 6,000 Employees of the Bank and training content is updated regularly to maintain its relevancy and is adjusted to its role within the Bank to achieve the necessary progression.

A simulated Phishing Campaign was executed internally targeting 500 Employees to evaluate the level of awareness and adjust/reinforce specific areas for improvement.

CISD Personnel attended Cybersecurity training courses, including Penetration Testing and Secure Software Development. Furthermore, CISD senior Officers attended courses and workshops regarding data protection and Cloud security. In addition, two senior staff members attended SANS training towards certification in “Advanced Cyber Incident Response”.

The Division concluded the necessary updates and modifications for the successful audit and re-certification according to PCI-DSS, ISO27001, ISO20000 and ISO22301. As regards to the ISO27001 Management System, the Division made all the necessary adjustments and additions to cover the requirements of the new standards:
- ISO27701: Privacy Information Management
- ISO27017: Information Security Controls for Cloud Services
- ISO27018: Protection of Personally Identifiable Information in Public Clouds.

Significant progress was made regarding the implementation of a metrics-based model in order to assess the adoption and efficiency of the Cybersecurity and Information Security Framework both in the Bank and the Group Companies.

II.Cybersecurity Risk

The development and evolution of the Cyber Risk Methodology is performed internally, takes into account international standards and frameworks (ISO 27001-27005, ISF, PCI-DSS, CoBIT, NIST) and is aligned with the Group Operational Risk Policy, while the assessments are further enhanced with information from data classification and security evaluations (penetration tests, vulnerability assessments).

The Cyber Risk Section directly supports Business Units and Group Subsidiaries in conducting Information Classification and Information Security Risk Assessments (ISRA), as well as conducting the critical coordination and monitoring of the execution of improvements and resolution of deviations.

The Section actively participated in the continued development of the GRC (Governance, Risk, Compliance) platform, which includes Cyber Risk and incident response operations data. The modules for Cybersecurity risk management, vulnerability management and incident response information were deployed in production.

Continuous and real time identification of Cybersecurity vulnerabilities for critical systems of the Bank is performed via the deployment and configuration of dedicated software.

Expansion of the current functionality and correlation between the identified risks regarding the systems/applications with their corresponding security events has been implemented.

The Cyber Architecture and Risk Assessment methodologies were updated to support Cloud services assessment and a new evaluation questionnaire for Cybersecurity design and Cybersecurity Risks regarding new projects (RfI/RfP) has been developed.

Overall, the Risk Management Section performed security assessments and improvements on the security of critical systems, infrastructure, and procedures for the Group. Activities included risk assessments, penetration tests, vulnerability assessments and Vendor Risk Assessments.

III. Cybersecurity Architecture

The Architecture Section evaluated 44 IT projects (new projects and major changes to existing systems) for their secure-by-design and secure-by-default characteristics, conformance to the Group Cybersecurity and Information Security Framework, adherence to the Information Security standards and best practices.

The Architecture Section was also involved in the evaluation of RfPs, with significant projects including:

- SAP BA
- SAP HRMS
- Low Code/No Code Workflow Tool
- Remote Customer Collaboration System

In 2021, the final draft version of the Cloud Core Technical Security Guideline was reviewed and formally issued, covering the Cybersecurity design for Cloud projects. The document will be expanded, covering further types of Cloud resources and technologies as these mature.

Additionally, the Cyber Architecture Section had significant involvement in the:

- Alignment of Cyber Architecture with the Cyber Risk Management Framework.
- Initial design for containerization, examining aspects of platform architecture and characteristics, security characteristics and design of containerized workloads and the security characteristics for the design of CI/CD pipelines.

IV.Threat and Incident Management

During 2021, the Alpha Bank Cybersecurity Incident Response Team (CSIRT), expanded its on-premise visibility and monitoring coverage as well as capabilities for Cloud Services. The foundations of the Cyber Threat Intelligence Framework were developed and will be further enhanced during 2022. Additionally, a re-designed and consolidated Crisis Management Plan was issued with Cyber incident considerations and the internal/external Incident Communications process significantly improved.

The Alpha Bank CSIRT maintains strong communication and exchanges critical threat intelligence information with national and international organizations including:

- National CSIRT (Hellenic Ministry of Defence).
- National Cybersecurity Authority (Ministry of Digital Governance).
- FIRST (Forum of Incident Response and Security Teams) as a full member.
- FS-ISAC (Financial Services Information Sharing and Analysis Center) as a full member.

Utilizing these sources as well as commercial Threat Intelligence services, the Alpha Bank CSIRT developed processes for collecting and analysing information, which can provide early warning for current and future threats and trends.

Operationally in 2021, the Alpha Bank CSIRT performed Phishing site takedowns, investigated raised incident cases, recovered Alpha Bank Customer e-Banking credentials and card numbers, as well as e-Banking Credentials for subscribers to other banks.

A critical activity for the Division and the Bank is the execution of Cyber Exercises to verify the controls and overall level of Cybersecurity both in technical and procedural areas.

In 2021, two major exercises were successfully performed:

- A Ransomware Resiliency Review (R3) assessment.
- A TIBER (Threat Intelligence-based Ethical Red Teaming) exercise with extensive technical testing.

Following these exercises, a detailed debriefing was performed to review results and plan corrective and improvement activities including the creation and/or update of related documentation and processes.

V. Cybersecurity Infrastructure and Operations

Cybersecurity Operations perform critical strategic and tactical activities as well as projects to achieve the necessary level of Cybersecurity.

In 2021, the Cybersecurity Operations Section

performed replacements, upgrades and improvements of critical Cybersecurity infrastructures, including:
- a Network Firewall replacement and Load Balancer upgrade,
- a new infrastructure architecture for Group Subsidiaries and a new extended detection and response solution implementation.

The Section designed and implemented security controls for corporate laptops and enhanced security controls for Mobile Device Management. A major strategic project linked to Endpoint security was the deployment of the new and advanced endpoint detection and response solution.

The Section was actively involved in the design and implementation of solutions for the Bank and Group to cover increased security requirements, especially in the areas of Digital Transformation and teleworking as well as streamlining security design consideration to cover support for the future use of Cloud Services and Containerization in cooperation with IT.

During 2021, deployment and configuration improvements of security controls were implemented for various operational and productivity Services. In addition, further development of the design to support future migration of assets and IT infrastructure subsets to the Cloud were implemented.

The Section was instrumental in the successful execution of major projects including the expanded teleworking services and digital services for Customers. A new corporate laptop and mobile device architecture was designed and implemented to accommodate the adoption of new services.

VI.Identity and Access Management (IAM)

IAM Governance as well as operational framework adaptations were implemented as part of continuous improvement, including testing and evaluation for contemporary, password-less authentication methods with the use of secure technologies (biometrics, digital certificates).

Internally developed tools that automate the process of submitting change requests have been deployed to optimize the handling of the increasing volume of requested changes and the consequent involvement of implementation teams. Furthermore, response time and overall user experience of the access management process have been substantially improved.

Automated awareness messages have been enhanced with recommendations about threats and the acceptable use of e-mail, Internet, teleconferencing and teleworking. The Section deployed the new Identity and Access Management (IAM) platform for Group Subsidiaries for user testing with the project covering operational and regulatory requirements as well as compliance to GDPR.

The Section was also instrumental in the user and activity transfer for the CEPAL and Alpha Services and Holdings projects.

Supporting projects and other activities

The 2021 review and negotiation for the Cybersecurity Insurance Policy renewal was particularly challenging as a result of the stance taken by insurers globally regarding Cyber Insurance. This influenced both the premium and the terms of insurance for all insured organizations internationally. Particular emphasis was placed on controls regarding Ransomware and for the first time, review and negotiations had a separate three-hour session explicitly for Cybersecurity. The strong Cybersecurity Governance, practices and technologies applied by the Cybersecurity Division, were instrumental in achieving the best possible terms for 2022.

Significant changes were designed and implemented in an effort to minimize the effect of increasing fraud activity through e-Banking.

Close cooperation with the Bank Units as well as critical external partners resulted in an initial consolidation plan for the centralization of fraud management activities as well as:
- Improvements in the handling and messaging when changes occur to a Web Banking subscriber profile.
- Improved handling of calls to the Customer Call Centre.
- Improved internal procedures for the notification of the Bank Units as well as other banks in cases

of inter-bank fraudulent transactions. Updates of Key Performance and Key Risk Indicators (KPIs - KRIs) for evaluating the efficiency and effectiveness of the Division's activities.
Cooperation with business owners for the definition of user roles and implementation via the IDM system.
Evaluation of outsourcing contracts as regards to Cybersecurity and Information Security requirements as well as GDPR technical and organizational measures.
Participation in Data Protection Impact Assessments (DPIAs) in cooperation with the Data Protection Officer for evaluation of technical and organizational measures.
The Division supported directly the Group Companies regarding Cybersecurity and Information Security issues.

Main areas of focus/activities & projects for 2022

Main areas of focus for Cybersecurity

The main areas of focus regarding Cybersecurity planning for 2022 are:
- Implementation of the projects planned for the year as outlined in the Cybersecurity Strategic Plan (2021-2023).
- Adjustments to the alignment with the Bank Business Strategy and corresponding IT and Digital Transformation projects and operations.
- Adjustment to the processes, practices and technologies based on regulatory and legal requirements.
- Evaluation, optimization and improvement of controls and processes, including progress for new technologies such as Cloud and Containers.

Continuous evaluation of the Cyber Maturity level (for the Bank and the Group Companies) is critical for the efficient and effective operation of Cybersecurity within the Group.
At the Organizational-Process level, the planned Cybersecurity and Information Security Division 2022 projects include:
- Combined ISO27001 (incl. ISO27701, ISO27017, ISO27018) and ISO20000 annual audit and re-certification (Bureau Veritas) for Cybersecurity and IT processes and operations.
- Annual audit and re-certification according to the ISO22301 BCM standard (TÜV Austria).
- Support for the certification of the Bank as a Level 1 Service Provider and as a Level 4 Merchant, according to the PCI-DSS standard.
- Audit and certification for the SWIFT Customer security program.
- TIBER and Ransomware exercises.

Development of the new Secure Software Development Lifecycle (SDLC) model in cooperation with IT, including activities to incorporate common processes and tools to support SDLC within DevSecOps.

Main Projects and Activities

Based on the 2021-2023 Strategic Plan, 40 projects have been planned for 2022, in addition to projects/initiatives that are in progress from 2021.

I.Cybersecurity Governance

Targeted updates of the Group Cybersecurity and Information Security Framework policies, processes and guidelines to adjust to regulatory, operational and technical changes including:
- Core and General Technological Security Guidelines
- Cloud providers and services Evaluation Methodology
- Critical Supplier Security Resilience Assessment Methodology.

Implementation of the Cybersecurity and Information Security Framework Level Monitoring project to assess the adoption and efficiency of the Cybersecurity and Information Security Framework.
Establishment of a defined process through which deviations and exceptions to the Cybersecurity and Information Security Framework will be handled through a holistic and formal approach.

II.Cybersecurity Awareness

Enhancements of the annual Cybersecurity Awareness Program (2nd cycle) for Employees and external partners. Deployment of the Customer awareness material with emphasis on Cybercrime will cover the various types of electronic

fraud that target e-Banking subscribers.
The Awareness Program is progressive per role with frequent content updates and supported by an on-line platform that also provides videos, tests, simulated Phishing campaigns, individual and collective training results and analytics.

III.Cyber Risk

Further development of the Cyber Risk Assessment methodology to provide an overall risk posture and appetite as well as quantification of risks values using the FAIR methodology (Factor Analysis of Information Risk) supported by a platform. This methodology will provide more accurate budgetary provisions, efficient technology investments, as well as rationalization of related costs.
Expansion and optimization of the continuous and real-time identification of Cybersecurity vulnerabilities. In addition to Cybersecurity vulnerability management, a compliance check module has been implemented to detect deviations from Technical Guidelines. A list of KPIs will be compiled as an output from the vulnerability management and compliance detection programs and will be used to measure respective risks.
A Risk quantification tool is planned to be acquired that will assist in establishing monetary values per risk criticality level so as to assist the decision-making process by business/risk owners when presented with Cyber Risks.

IV.Threat and Incident Management

SOAR technologies are evaluated for the deployment of a solution that will increase effectiveness and efficiency as regards to alerts received by the security systems.
As in 2021, at least one major exercise is planned for 2022, either in the form of TIBER and Ransomware Resilience or both. A second iteration of the Ransomware exercise will involve a table-top Crisis simulation at Executive level.
Incident management will be further enhanced by introducing new and/or adapting existing procedures and processes including the development and improvement of playbooks. Improvements in this area (along with experience from exercises) is critical to the further development of skills especially in the area of Cloud Incident Response and Forensics.
Focus is also on Threat Intelligence feeds management, by collecting, normalizing and enriching available data related to potential attackers and their motivation, intention and capabilities. In addition, the initiation of a formal insider threat program will enable the Bank to timely identify and effectively handle insider threats before they materialize.

V.Cybersecurity Architecture

Further development of the Cybersecurity Architecture Framework within the tactical activities of mapping the existing IT and Cybersecurity landscape, identification of areas of improvement, design for further enhancements/improvements.
Expansion and generalization of the Cybersecurity Architecture framework to cover other Cloud environments and providers in cooperation with IT and Cyber Risk to align relevant evaluation criteria and methods.
Enhancements to the Cybersecurity Architecture Framework within the scope of Containerization projects, regarding security characteristics that Containerized workloads need to include (definition of ready, definition of done) to ensure security by design and by default.

VI.Cyber Security Infrastructure and Operations

Continuous improvement of the existing infrastructure, as well as design and implementation of upgrades and new services. Cloud adoption design and implementation initiatives, as well as the adoption of new Agile methodologies for daily functions/operations.
Enhancement of the network monitoring and perimeter defence by implementing new solutions.
Enhancement of Web protection capabilities by utilizing threat intelligence feeds to periodically align infrastructure configurations.
Horizontal protection for Cloud environments and workloads with specific technologies. enhancements for endpoint security.

VII.Identity and Access Management

IAM strategic planning includes a holistic ap-

proach to establish a centralized Identity Lifecycle process. The IAM roadmap includes:
- Further optimization of the Identity and Access Management platform with new functionalities and integration with critical applications. Logical access governed by a central system coordinating all actions during the user identity lifecycle. System functionality will expand to effectively manage network access and access to assets, basic non-user account handling and enhance the employee termination process. The latter will offer advanced visibility on necessary actions required by individual business functions and prevent potential omissions.
- Identity Management System for Group Subsidiaries roll-out.
- Enhancement of the Privileged Account Management (PAM) process and mechanisms. Considering best practices and organization maturity, an analysis will be performed to establish a comprehensive definition of the privileged identity lifecycle management process, credential generation and account handling.
- Enhancement to Privileged Account Management (PAM) coverage and monitoring capabilities. Define the needs that relate to real time monitoring and expand Privileged Account Management coverage.
- Review and selection of an enterprise password management solution. This will enhance the current Privileged Access Management solution as a centralized privile`ged account credential management system to safeguard against unauthorized use.
- Proof of Concept for the evaluation of modern, password-less authentication methods.

Personal Data Protection

Alpha Bank applies the General Data Protection Regulation (Regulation EU 2016/679 of the European Parliament and of the Council), more commonly known as GDPR, which concerns the protection of Individuals with regard to the processing of their Personal Data. Fully respecting the rights and freedoms of Data Subjects, the Bank collects, records, uses, notifies and, in general, processes personal data of Individuals in the context of its business activity, in full compliance with applicable laws, to guarantee their protection. Additionally, it has appointed a Group Data Protection Officer, who informs the Management and the Audit Committee of the Board of Directors about the Group's level of compliance with the applicable legislation and has also established a Committee for the evaluation and management of Data Breach Incidents.
To inform Individuals about the processing of Personal Data carried out in each case by the competent Units of the Bank or by external third parties processing data on its behalf, the Bank has prepared the document entitled "Notification on the Processing of Personal Data", which is provided upon collection of their Personal Data. This document is posted at a central point on the Bank's website and serves as a set point of information for all relevant details that Individuals need to know as regards personal data processing, such as the purpose of processing, the sources and recipients of data, the storage period, their rights and how

to exercise them and the contact persons at the Bank's competent Services.
In addition to the above general information, Individuals are also provided with specific information on personal data processing, and also for products and services provided via alternative Digital Networks in the context of the Bank's digital transformation.
The Bank applies a set of coordinated actions in order to further establish personal data protection. These include, but are not limited to:
• Update of the "Notice on the Processing of Personal Data", which is addressed to the Customers of the Bank and the Record of Processing Activities kept by the Bank with the new processing flows of Personal Data indicatively such as:
-processing regards the Customer's Qualified Certificate for the Electronic Signature issued by a Qualified Trust Service Provider in accordance with Regulation EU 910/2014 (eIDAS),
-automated individual decision making, which may include the credit profiling of the Customer, in accordance with Article 22 of the GDPR, for the purpose of assessing the credit risk in cases of approval or rejection of an application for a loan or credit.
• Obtaining consent of Individuals, where necessary, as to processing of their data and allowing management and withdrawal by appropriate infrastructure.
• Assessing the impact on Personal Data processing flows of potentially high risk for the freedoms and rights of Individuals and the development of action plans for applying technical and organizational measures in order to mitigate risks.
• Assessing third parties, suppliers or cooperating companies as regards their compliance with all requirements provided under the GDPR and assessing the risk of assigning Personal Data processing to third parties on behalf of the Bank.
It should be noted that the Bank further enhances the already existing procedures and systems/applications for supporting Data Protection Framework, as follows:
• Integration of GDPR support applications in the Bank's Governance, Risk and Compliance (GRC) Platform.
• Implementation of i) Key Risk Indicators (KRIs) for monitoring the Organization's level of compliance with the GDPR and ii) Key Performance Indicators (KPIs) for assessing the effectiveness of the Personal Data Protection Framework.
• Development of the "Process for Notifying on Personal Data Processing and for Consent Management".
In 2021, Alpha Bank completed the updated training program on Personal Data management and protection that was carried out via e-learning. The course was successfully attended by more than 4,000 Officers of the Bank and the Group Companies in Greece.
The abovementioned demonstrate the strong commitment of the Organization for the continuous and effective protection of Personal Data entrusted to it by its Individuals Customers.

9. CORPORATE GOVERNANCE

Corporate Governance

Further to the resolution dated 2.4.2021 of the Extraordinary General Meeting of Shareholders and the registration in the General Commercial Registry (GEMI), on 16.4.2021, of the decision of the Ministry of Development and Investments, which approved the demerger of the société anonyme under the corporate name "ALPHA BANK SOCIETE ANONYME" (the "Demerged Entity"), by way of hive-down of the banking business sector with the incorporation of a new company-credit institution (the "Demerger"), as well as the new company's Articles of Incorporation, the Bank under the corporate name "ALPHA BANK SOCIETE ANONYME" (the "Bank") was incorporated on April 16, 2021, with Registration Code Number 159029160000 in the General Commercial Registry and with Tax Registration Number 996807331.

Corporate Governance code

The Bank, following a resolution of the Board of Directors, adopted the Hellenic Corporate Governance Code of the Hellenic Corporate Governance Council (the "Code").
The Bank complies with the Code, which is available on its website (https://www.alpha.gr/en/group/corporate-governance/corporate-governance-code), with the exception of the election of Vice-Chair or Senior Independent Director (par. 2.2.21 "Special Practice" of the Code).

Corporate Governance documents

During 2021, the Bank drafted:
• the Articles of Incorporation,
• the Charters of the Committees of the Board of Directors (i.e., Audit Committee, Risk Management Committee, Remuneration Committee, Corporate Governance, Sustainability and Nominations Committee), as well as
• policies pertaining to corporate governance and in particular:
-the Suitability and Nomination Policy for the Members of the Board of Directors and Key Function Holders,
-the Suitability and Nomination Process for the Members of the Board of Directors,
-the Diversity Policy,
-the Induction and Training Policy for the Members of the Board of Directors,
-the Policy for the Evaluation of Senior Executives and Key Function Holders,
-the Policy for the Succession Planning of Senior Executives and Key Function Holders, in order for them to be fully aligned with the current regulatory framework and with the most recent best practices of corporate governance.

Corporate Governance at Group level

During 2021, the Bank conducted a review of Corporate Governance documents adopted by the Subsidiaries. This analysis ensured that the Charters of the Board of Directors' Committees and the Policies of the Subsidiaries which are relevant to the Corporate Governance practices are fully aligned with the legal and the regulatory requirements and best practices, as well as with corporate governance principles, while taking into consideration the local regulatory framework.
Additionally, a series of meetings with the Subsidiaries took place in order to discuss issues relevant to Corporate Governance.

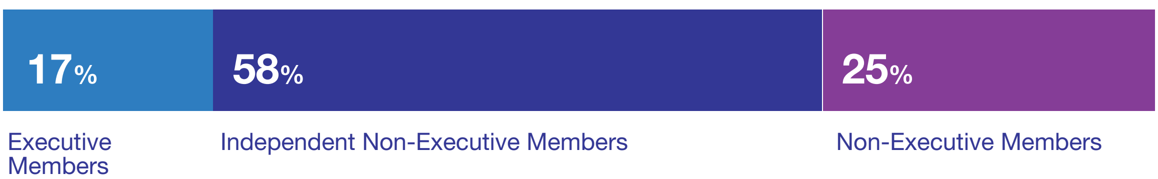
Board of Directors and Committees

1. Board of Directors

The appointment of the Members of the first Board of Directors is mentioned in the Bank's Articles of Incorporation and, specifically, in article 28 thereof. The current composition of the Board of Directors of the Bank is identical to the Board of Directors of the Company, thus the above-mentioned general reference to the latter applies for further related information.
The tenure of the Members of the Board of Directors is set for one year and shall be extended until the Ordinary General Meeting of Shareholders, which shall be convoked following the termination of the tenure of the first Board of Directors.
During 2021, the following changes took place with regard to the composition of the Board of Directors and its Committees:

On 17.6.2021, Mr. A.Ch. Theodoridis notified the Board of Directors via a letter of his resignation from the Board of Directors with immediate effect. The Board of Directors resolved to fill the vacated position and initiated the procedure for the search for a new Member, in replacement of the one that resigned.
The Board of Directors, at its meeting held on 16.12.2021, elected Ms. E.M. Andriopoulou as Member of the Board of Directors, in replacement of Mr. A.Ch. Theodoridis, Non-Executive Member, who resigned on 17.6.2021. The tenure of the elected Member has been set from 1.1.2022 until the expiration of the remainder of the tenure of the Member whom she replaces.
The Board of Directors, at its meeting held on 30.9.2021, resolved on the appointment of Ms. E.R. Hardwick, Independent Non-Executive Member, as Chair of the Corporate Governance, Sustainability and Nominations Committee (former Corporate Governance and Nominations Committee), in replacement of Mr. S.A. Shahbaz, who resigned. Mr. S.A. Shahbaz will continue to be a Member of the Committee.
Furthermore, the Board of Directors appointed Ms. C.G. Dittmeier, Independent Non-Executive Member, as the Member in charge of overseeing ESG issues.
The Members of the Board of Directors comply with the stipulations of article 83 of Law 4261/2014 on the combination of directorships, as they do not hold more than one of the following combinations of directorships at the same time: (a) one Executive directorship and two Non-Executive directorships; (b) four Non-Executive directorships, excluding directorships in organizations which do not pursue predominantly commercial objectives (e.g. non-profit, charities). Executive or Non-Executive directorships held within the same group are regarded as one directorship.

Board of Directors Composition 2021



(based on the composition of the Board of Directors on 31.12.2021)

In 2021, the Board of Directors convened 21 times. The average participation rate of the Members of the Board of Directors in the meetings stood at 99% (based on the composition of the Board of Directors on 31.12.2021).

Board Meetings Average Attendance

Profile of the Board of Directors and Committee Membership for the year 2021

Board of Directors		Audit (Committees)	Risk Management (Committees)	Remuneration (Committees)	Corporate Governance, Sustainability and Nominations (Committees)
Chair (Non-Executive Member)					
Vasileios T. Rapanos		-	-	-	-
Executive Members					
Vassilios E. Psaltis	CEO	-	-	-	-
Spyros N. Filaretos	General Manager - Growth and Innovation	-	-	-	-
Non-Executive Members					
Efthimios O. Vidalis		M	-	-	M
Artemios Ch. Theodoridis (until 17.6.2021)		-	-	-	-
Independent Non-Executive Members					
Dimitris C. Tsitsiragos		-	M	M	-
Jean L. Cheval		-	M	M	-
Carolyn G. Dittmeier		C	-	-	M
Richard R. Gildea		-	M	C	-
Elanor R. Hardwick		M	-	-	C (as of 30.9.2021) M (until 30.9.2021)
Shahzad A. Shahbaz		-	-	-	M (as of 30.9.2021) C (until 30.9.2021)
Jan A. Vanhevel		M	C	-	-
Non-Executive Member (pursuant to the provisions of Law 3864/2010)					
Johannes Herman Frederik G. Umbgrove		M	M	M	M

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

The CVs of the Members of the Board of Directors are posted on the Bank's website (https://www.alpha.gr/en/group/corporate-governance/administrative-structure/board-of-directors/biografika-melon#2).

2. Committees of the Board of Directors

Audit Committee

The Committee has been established and operates in accordance with all applicable laws and regulations. The Audit Committee currently constitutes a Committee of the Board of Directors and its Members were appointed through the Bank's Articles of Incorporation that were included in the notarial deed for the Hive-Down. The tenure of the Members of the first Audit Committee is set for one year and shall be extended until the Ordinary General Meeting of Shareholders which shall be convoked following the termination of the tenure of the first Board of Directors.

The Members of the Audit Committee fulfill the requirements of article 44 of Law 4449/2017, as in force; in particular, they have a proven excellent track record of knowledge of the banking and financial sector in general.

Chair:	**Carolyn G. Dittmeier**
Number of Members (including the Chair):	**5**
Number of meetings in 2021:	**8**
Average participation rate of the Members:	**98% (based on the Committee's composition on 31.12.2021)**

Audit Committee Composition

(Based on the composition of the Audit Committee on 31.12.2021)

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

During 2021, the main activities of the Committee, among others, were the following:

The Committee:

• Evaluated the following reports for the year 2020 which were submitted to the Bank of Greece:

- the Annual Report of the Internal Audit Division on the Internal Control System of the Bank for the previous year, as per the Bank of Greece Governor's Act 2577/9.3.2006,
- the Annual Report of the Compliance Division, as per the Bank of Greece Governor's Act 2577/9.3.2006,
- the Annual Report of the Compliance Officer on Anti-Money Laundering and Combating the Financing of Terrorism,
- the evaluation of the adequacy and effectiveness of the Anti-Money Laundering and Combating the Financing of Terrorism Policy,
- the evaluation of the adequacy and effectiveness of the Internal Control System of the Alpha Bank Group by the Internal Audit Division, the Compliance Division and the Management,
- the Independent Assessment Report regarding the custody of Alpha Bank's Customer assets.

• Was informed of the quarterly Activity Reports of the Internal Audit Division and the Compliance Division of the Bank, based on the plans previously endorsed by the Audit Committee.
• Submitted to the Board of Directors for approval the fees of Deloitte Certified Public Accountants S.A. and of SOL S.A. for the statutory audit of the Financial Statements of Alpha Bank S.A. and its respective Subsidiaries for the year 2021 and for the issuance of a tax certificate.
• Reviewed and endorsed the reappointment of the Statutory Certified Auditor (Deloitte) for the statutory and tax audit of Alpha Bank S.A. for the next five years.
• Reviewed the annual Financial Statements preparation for Alpha Bank S.A. and the Group for the year 2020, as well as the Press Release regarding the Annual 2020 Group's results, prior to their submission to the Board of Directors for approval.
• Reviewed the Statutory Certified Auditors' Audit Plan for 2021 with reference to the planned audit approach, the key audit matters and risks, the audit standards and regulation, etc. and evaluated the internal control issues regarding financial reporting processes identified by the Statutory Certified Auditor, as well as the adequacy of the responses provided by the Management.
• Reviewed the Non-Audit Services provided to the Bank by the Statutory Certified Auditor, on the basis of the Manual of the Bank on the Assignment of Non-Audit Services to Auditors.
• Monitored the procedure followed for the drafting of the Non-Financial Information Report and the Sustainability Report for the year 2020, in accordance with Laws 4548/2018 and 4403/2016, and, subsequently, endorsed the said Reports and submitted them for approval by the Board of Directors.

Regarding the Subsidiaries, the Committee:
• Aiming at further enhancing corporate governance and the collaboration among the Subsidiaries, launched a series of videoconference meetings with the Audit Committees of the Subsidiaries. In this context, meetings with the Members of the Audit Committee of Alpha Bank Cyprus Ltd, Alpha Bank Romania S.A., Alpha Bank London Ltd and Alpha Astika Akinita S.A. took place.
• Reviewed their Annual and Semi-Annual Activity Reports regarding the fulfillment of their responsibilities.

During 2021, the Audit Committee met jointly with the Risk Management Committee once.

Risk Management Committee

The Committee has been established and operates in accordance with all applicable laws and regulations. The Members of the current Risk Management Committee were appointed by the Board of Directors at its meeting of 16.4.2021.

Chair:	**Jan A. Vanhevel**
Number of Members (including the Chair):	**5**
Number of meetings in 2021:	**10**
Average participation rate of the Members:	**96% (based on the Committee's composition on 31.12.2021)**

Risk Management Committee Composition

(Based on the composition of the Risk Management Committee on 31.12.2021)

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

During 2021, the main activities of the Committee, among others, were the following:

The Committee:

- Reviewed on a monthly basis the progress made with regard to credit risk, liquidity risk, operational risk, as well as with regard to capital adequacy, regulatory liquidity and supervisory issues.
- Was regularly updated on issues related to Cepal as well as on the Bank's Non-Performing Exposures (NPEs) Remedial Management Business Unit and its interaction with Cepal and reviewed the implementation of the carve-out of the Wholesale and Retail Non-Performing Loans (NPLs) to Cepal.
- Reviewed the NPLs and NPEs Reduction Plan against the targets submitted to the Single Supervisory Mechanism (SSM) and was updated on the Alpha Bank Cyprus Ltd's NPEs portfolio and transaction developments.
- Evaluated the adequacy and effectiveness of the risk management policies and procedures of the Bank in terms of the undertaking, monitoring and management of risks.
- Endorsed the Climate-Related and Environmental Risk Questionnaire and resolved to submit it to the Board of Directors for approval in order for it to be further submitted to the SSM.
- Obtained updates about the Pillar I and Pillar II capital requirements for all risk types, as well as for credit risk and the achievement of the targets submitted to the SSM.
- Was informed of the publication of the results of the European Union-wide 2021 Stress Test which took place in July 2021.
- Was updated on a regular basis on the SSM and the Single Resolution Board (SRB) Agendas for 2021.
- Assessed the Annual Report of the Risk Management Business Unit for the year 2020, which was submitted to the Bank of Greece.

Regarding the Subsidiaries, the Committee:

- Aiming at further enhancing corporate governance and the collaboration among the Subsidiaries, launched a series of videoconference meetings with the Risk Management Committees of the Subsidiaries abroad. In this context, meetings with the Members of the Risk Management Committee of Alpha Bank Cyprus Ltd, of Alpha Bank Romania S.A. and of Alpha Bank London Ltd took place.
- Reviewed the Annual Activity Reports for 2020 and the Semi-Annual Activity Reports for 2021 prepared by the Risk Management Committees of the Subsidiaries.

Remuneration Committee

The Committee has been established and operates in accordance with all applicable laws and regulations. The Members of the current Remuneration Committee were appointed by the Board of Directors at its meeting of 16.4.2021.

Chair:	**Richard R. Gildea**
Number of Members (including the Chair):	**4**
Number of meetings in 2021:	**9**
Average participation rate of the Members:	**100% (based on the Committee's composition on 31.12.2021)**

Remuneration Committee Composition

Independent Non-Executive Members

Non-Executive Members

(Based on the composition of the Remuneration Committee on 31.12.2021)

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

During 2021, the main activities of the Committee, among others, were the following:

The Committee:

• Reviewed and proposed to the Board of Directors the approval of:

- the Expenses Policy for the Non-Executive Members of the Board of Directors,

- the amended Senior Executives Severance Payment Policy,

- the Remuneration Committee Charter,

- the salary ranges for Senior Executives, Key Function Holders and other Executives.

• Endorsed the Performance Incentive Program – 2020 Bonus Pool as well as the respective Bonus Allocation and recommended to the Board of Directors the approval thereof.

• Endorsed the 2020 Sales Incentive Program Bonus Allocation to Branch Employees, as well as the 2021 Sales Incentive Program Targets and the conditional bonus allocation for the first semester and the third quarter of 2021 and recommended to the Board of Directors the approval thereof.

• Resolved to recommend to the Board of Directors the approval of the allocation of Stock Options to Material Risk Takers, including the Senior Managers under the Bonus Ban Perimeter.

• Reviewed the list of Material Risk Takers for 2020.

• Reviewed the 2020 Evaluation Scorecards and the 2021 objective-setting Scorecards of the General Managers and of the Key Function Holders.

• Provided input to the Corporate Governance, Sustainability and Nominations Committee regarding the Policy for the Evaluation of Senior Executives and Key Function Holders.

• Finalized the remuneration amounts of the Members of the Board of Directors for the financial year 2021.

• Was updated on the Job Evaluation Framework developed by the Human Resources Unit.

• Was updated on the Voluntary Separation Scheme, which the Bank announced on September 17, 2021.

Regarding the Subsidiaries, the Committee:

• Reviewed the Annual Activity Reports for the year 2020 of the Remuneration Committees of the Subsidiaries.

• Reviewed the annual remuneration amounts of the Non-Executive Members of the Boards of Directors of the Subsidiaries for the year 2021.
• Reviewed the Minutes of the Remuneration Committees of Alpha Bank Romania S.A. and Alpha Bank London Ltd.
• Was updated on Alpha Bank Romania S.A.'s Total Human Resources Turnover Action Plan.

Corporate Governance, Sustainability and Nominations Committee (former Corporate Governance and Nominations Committee).
The Committee has been established and operates in accordance with all applicable laws and regulations. The Members of the current Corporate Governance, Sustainability and Nominations Committee were appointed by the Board of Directors at its meeting of 16.4.2021.

Chair:	**Elanor R. Hardwick**
Number of Members (including the Chair):	**5**
Number of meetings in 2021:	**8**
Average participation rate of the Members:	**95% (based on the Committee's composition on 31.12.2021)**

Corporate Governance, Sustainability and Nominations Committee Composition

(Based on the composition of the Corporate Governance, Sustainability and Nominations Committee on 31.12.2021)

The specific duties and responsibilities of the Corporate Governance, Sustainability and Nominations Committee are set out in its Charter, which is posted on the Bank's website (https://www.alpha.gr/en/group/corporate-governance/commitees).
During 2021, the main activities of the Committee, among others, were the following:
The Committee:
• Identified and recommended for approval by the Board of Directors candidates to fill vacancies in the Board of Directors; in particular, it recommended the appointment of Ms. E.M. Andriopoulou as Non-Executive Member of the Board of Directors, with effect as of 1.1.2022.
• Reviewed and proposed to the Board of Directors the approval of:
- the Charters of the Committees of the Board of Directors;
- the Suitability and Nomination Policy for the Members of the Board of Directors and Key Function Holders;
- the Suitability and Nomination Process for the Members of the Board of Directors;
- the Diversity Policy;

- the Induction and Training Policy for the Members of the Board of Directors;
- the Policy for the Evaluation of Senior Executives and Key Function Holders;
- the Policy for the Succession Planning of Senior Executives and Key Function Holders.
• Recommended to the Board of Directors the approval of the adoption of the Hellenic Corporate Governance Code.
• Confirmed, after reviewing the independence criteria, that the Independent Non-Executive Members fulfill all the criteria for being Independent Non-Executive Members of the Board of Directors, in accordance with Law 4706/2020 on Corporate Governance, the Articles of Incorporation and the Hellenic Corporate Governance Code, as in force.
• Recommended to the Board of Directors the approval of changes to the Organizational Chart of the Bank.
• Approved the Collective Board Evaluation Questionnaire and the Individual Self-Evaluation Questionnaire, in the context of the Board of Directors' evaluation.
• Was informed of the assessment of the effectiveness of the Bank's approach to Corporate Governance conducted by Nestor Advisors Limited.
• Was informed of a letter from the HFSF on the third Corporate Governance review and the Board evaluation recommendations implementation process.
• Was informed of Environmental, Social, and Governance (ESG) issues and, in particular, of the proposed Environmental, Social and Governance (ESG) Framework.

Regarding the Subsidiaries, the Committee:
• Reviewed the 2020 Annual and the 2021 Semi-Annual Activity Reports of the Subsidiaries' Nomination Committees and Boards of Directors.
• Reviewed the composition of the Subsidiaries' Boards of Directors and their Committees and was informed of any changes therein.
• Was informed of a series of meetings with the Subsidiaries in Greece and abroad conducted via videoconference by the Secretariat of the Board of Directors in order to discuss issues relevant to Corporate Governance.

Management Committees

1. Executive Committee

In accordance with Law 4548/2018 and the Bank's Articles of Incorporation, the Board of Directors has established an Executive Committee.
The Executive Committee acts as a collective corporate body of the Bank. The Committee's composition, responsibilities, competencies, decision-making process and its overall operation are set by the Board of Directors.
The current composition of the Executive Committee of the Bank is identical to the Executive Committee of the Company, thus the above-mentioned general reference to the latter applies for further information thereon.
The composition of the Executive Committee of the Bank is as follows:

Chair	
V.E. Psaltis	Chief Executive Officer
Members	
S.N. Filaretos	General Manager – Growth and Innovation
S.A. Andronikakis	General Manager – Chief Risk Officer
L.A. Papagaryfallou	General Manager – Chief Financial Officer
S.A. Oprescu	General Manager of International Network
N.V. Salakas	General Manager – Chief Legal and Governance Officer
I.M. Emiris	General Manager of Wholesale Banking
I.S. Passas	General Manager of Retail Banking
A.C. Sakellariou	General Manager – Chief Transformation Officer
S.N. Mytilinaios	General Manager – Chief Operating Officer

The indicative main responsibilities of the Committee include but are not limited to the following:
The 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.
• Monitors the performance of each Business Unit and Subsidiary of the Bank against the Budget and ensures that corrective measures are taken.
• Reviews and approves the policies of the Bank, informing the Board of Directors accordingly.
• Approves and manages any collective program proposed by the Human Resources Division for the Employees and ensures the adequacy of Resolution Planning governance, process and systems.
• Is responsible for the implementation of (i) the overall risk strategy, including the institution's risk appetite and its risk management framework, (ii) an adequate and effective internal governance and internal control framework, (iii) the selection and suitability assessment process for Key Function Holders, (iv) the amounts, types and distribution of both internal capital and regulatory capital and (v) the targets for the liquidity management.

2. General Manager-level Management Committees
2.1 Assets-Liabilities Management Committee (ALCo)

Frequency of meetings:	**Once a fortnight or ad hoc, following a proposal by a Member with voting rights**

The Committee:
• Decides on matters regarding the management of Asset-Liability and Cash management issues, i.e., liquidity, hedging strategy, capital structure, proposals for new products/services or modification of existing products/services, products pricing, risk monitoring and control, portfolios, etc.
• Assesses financial risks and decides on the risk hedging strategy and actions, taking into account (current and, according to forecasts, future) market conditions, the Regulatory Framework and the Supervisory Indicators.

2.2 Troubled Assets Committee

Frequency of meetings:	**At least quarterly or ad hoc, following a proposal by a Member with voting rights**

The Committee:
• Formulates and approves the delegated authorities granted to the Servicers, regarding decisions related to the credit risk of the portfolios assigned under their management.
• Evaluates and approves the amendments to the Service Level Agreements and forwards them to the Credit Risk Committee, as well as to the Risk Management Committee and the Board of Directors, if necessary.
• Formulates, evaluates and approves the Wholesale and the Retail Banking Non-Performing Loans strategy and forwards it to the Credit Risk Committee for approval and for information purposes to the Risk Management Committee, if necessary.
• Performs the initial approval of the annual budget, the Business Plans and the objectives set for the NPEs Strategy, Recovery and Monitoring (NSRM) Division and the Servicers. The above are forwarded to the Executive Committee and to the Board of Directors for the final approval, if necessary.
• Approves proposals for the sale of NPEs portfolios in terms of operational feasibility and relevance to the Business Plan and the budget of the NSRM Division. The above proposals are forwarded for approval to the Executive Committee or to the Board of Directors, if necessary.
• Formulates and approves the available types of settlements/restructurings and the final arrangements concerning Wholesale and Retail Banking Customers with loans in arrears and performs the periodic monitoring and evaluation of the effectiveness of their assessment.
• Plans, approves, monitors and evaluates the pilot programs for arrangements/settlements applied by the Servicers.
• Sets out the criteria for examining the long-term viability of the proposed arrangements and/or final settlements.
• Monitors, checks and evaluates the progress towards the approved budget, Business Plans and targets set for the NSRM Division and the Servicers in Greece and abroad.
• Submits the necessary proposals for the modification of the operational plans and the budget of proposals to the Credit Risk Committee and to the Risk Management Committee, if necessary.
• Approves the operational considerations (subject to approval by the Executive Committee and the Board of Directors) for assigning the management of NPEs portfolios to outsourcers/Servicers approved by the Bank of Greece.
• Provides the initial approval of the operational feasibility of the proposals submitted by the NSRM Division for the assignment of a project to consultants, subject to the final approval of the Cost Control Committee.
• Approves reports on the management of NPEs to be submitted to the European Central Bank and to the Hellenic Financial Stability Fund.
• Coordinates the activities of the Troubled Assets Committees of Group Companies abroad.

2.3 REO Committee I

Frequency of meetings:	**Quarterly or ad hoc, following a relevant request submitted by one of its regular Members with voting rights**

The Committee:
• Determines and monitors the strategy of acquisition, management, development and sale of Real Estate which is either under the Bank's or the Group's ownership or examined to be acquired by the Bank or the Group.

2.4 Operational Risk and Internal Control Committee

Frequency of meetings: **At least quarterly or ad hoc, following a relevant request submitted by one of its regular Members with voting rights**

The Committee:
• Ensures that the appropriate organizational structure, processes, methodologies and infrastructure to manage operational risk are in place.
• Is regularly updated on the operational risk profile of the Group and the results of the operational risk assessment process.
• Reviews recommendations for minimizing operational risk.
• Approves the operational risk provisions on Third Party Lawsuits against the Bank.
• Approves the authorization limits of the Committees responsible for the management of operational risk events of the Bank and the Group Companies.
• Reviews the operational risk events whose financial impact exceeds the limits of the other Committees.
• Is updated on the operational risk regulatory requirements, as well as on the regulatory findings which are identified via internal and external audits and assesses the action plans proposed for their mitigation.
• Is informed of issues raised by the Internal Audit Division, concerning high operational risk areas and required corrective actions in order to reduce operational risk.
• Takes cognizance of and decides upon issues related to Operational Risk and the Internal Control Framework.

2.5 Credit Risk Committee

Frequency of meetings: **Every month or ad hoc, following a proposal by one of its Members**

The Committee:
• Assesses the adequacy and efficiency of the credit risk management policy and procedures of the Bank and the Group and plans the required corrective actions.
• Approves and monitors the Bank's and the Group's Credit Risk Appetite.
• Reviews and updates the Group credit risk policies as per the Bank's Credit Risk Appetite.
• Reviews periodically the development of credit risk by sector and geographic area and of concentration risk where the Group operates.
• Reviews the reports of the Risk Management Units submitted to the Board of Directors and the Risk Management Committee.
• Reviews the Troubled Assets Committee's reports.
• Reviews the progress against the annual targets submitted through the Business Plan to the Single Supervisory Mechanism (SSM), in the framework of the management of NPEs and NPLs.
• Approves the Wholesale and Retail Credit Policy

Manuals.
• Approves the Group Credit Risk Policies as well as the Group Credit Monitoring Framework.
• Approves the Group's Write-offs.
• Approves the development and update of the Credit Risk Models and the relevant Governance Framework for the Credit Risk Model Management Policy.
• Approves the methodology for the calculation of provisions of impairments [Expected Credit Loss (ECL) Methodology].
• Approves the quarterly impairment provisions.
• Is informed of the most important findings resulting from the conduct of credit reviews by the Credit Control Division.
• Is informed of the strategy for the management of arrears, arrears regulations and the Group's Arrears Committees, approved by the Troubled Assets Committee.
• Reviews the results of the Stress Tests.
• Reviews the results of external evaluation processes, including the Supervisory Review and Evaluation Process (SREP), the Single Resolution Board (SRB) process, the SSM Audits, the European Banking Authority (EBA) Stress Tests, and decides on required actions for issues stemming therefrom.
• Reviews financial and risk monitoring and reporting issues (e.g. Pillar III disclosures, IFRS 9 reports, impairments).
• Is informed and reviews the progress of projects related to supervisory guidelines (e.g. new definition of default, provisioning calendar) as well as important projects for the Bank related to credit risk.

2.6 Cost Control Committee

Frequency of meetings:	**Once a fortnight or ad hoc, following a proposal by a Member with voting rights**

The Committee:
• Approves the Cost Control Policies.
• Validates the proposed Capital Expenditures/Operating Expenses (CapEx/OpEx) budget prior to its submission to the Executive Committee for approval and the formulation proposal on the projects portfolio.
• Examines and approves expense requests/projects' costs within the Committee's limits.
• Reviews the cost evolution versus the Budget, as well as mitigation actions in case of overruns.
• Evaluates proposals on cost containment initiatives.
• Assesses options to promote the Bank's cost-efficient operation.
• Validates cost allocation rules among the Bank's Business Units.

2.7 Credit Committee I

Frequency of meetings:	**At least twice a week**

The Committee:
• Decides, within its delegation limits, on the following:
- Credit requests to companies or groups of connected companies, under the responsibility of the Divisions supervised by the General Manager of Wholesale Banking.
- Risk issues of Credit Institutions, Central Governments, Transnational Organizations and Mediators under the responsibility of the Divisions supervised by the Executive General Manager of Treasury Management.
- Retail Banking credit requests for new credits and periodic reviews of credit limits.
- Credit requests of Individuals for personal/consumer and housing loans, for which an application is submitted through the Private Banking Division.
- Credit requests of companies or groups of connected companies, with performing exposures under the management of the Private Banking Division.
- Lending to companies or groups of connected companies of the International Network with performing exposures.

2.8 Arrears Committee I

Frequency of meetings:	**At least once a week**

The Committee:
• Decides on Customers' requests under the management of the Arrears Units in Greece and in the countries where the Group operates, regarding the following portfolios:
- Wholesale Banking – Greece,
- Retail Banking – Greece,
- Wholesale Banking – International Network.

2.9 Group Sustainability Committee

Frequency of meetings:	**At least bi-monthly or following a relevant request submitted by one of its regular Members with voting rights**

The Committee:
• Steers the Group's strategy and direction on sustainability and ESG-related topics, to support the sustainability and resilience of the Group's business model, as well as to enable long-term value creation.
• Agrees upon and proposes for endorsement by the Executive Committee and approval by the Board of Directors the Group's ESG Policy and its targets, including financial and non-financial Key Performance Indicators (KPIs), according to the established governance procedures.
• Ensures that the aforementioned ESG targets and KPIs are aligned with and are incorporated into the Group's Risk Appetite Framework, the Business Plan and any relevant policies, through the implementation of an appropriate decision-making process and the approval of the responsible bodies for the said policies.
• Monitors the Group's sustainability performance

against policy targets and benchmarks.
• Monitors current and emerging ESG trends affecting the Group.
• Proposes criteria for sustainable credit approvals, debt issuances and investments to be incorporated in the relevant policies.
• Oversees the content of ESG-related non-financial disclosures, including the Non-Financial Report and the Sustainability Report.
• Monitors the Group's alignment with ESG requirements, including regulatory expectations and Principles for Responsible Banking (PRB) commitments.
• Monitors the implementation of sustainability and corporate responsibility initiatives.
• Oversees internal and external communications related to ESG.
• Takes cognizance of ESG-related findings which are identified in external audits and assesses the action plans proposed to mitigate them.
• Is informed about the results of supervisory evaluations and decides on appropriate actions in response to topics stemming from new supervisory requirements, guidelines and recommendations of relevant Bodies, such as: (i) Supervisory Review and Evaluation Process (SREP), (ii) Single Supervisory Mechanism (SSM), (iii) European Banking Authority (EBA) and (iv) Other Legal, Regulatory or Government Authorities which may issue ESG-related legislation or regulations. For supervisory issues, the Committee leverages on the existing governance structure of the Bank.

Internal audit

In order to protect the Bank's assets and safeguard its Shareholders' and Customers' interests, an Internal Control System is in place, which includes control mechanisms and procedures that cover all its activities on a continuous basis and contribute to its effective and secure operation.
The mission of Internal Audit is to enhance and protect the value of the Organization by providing independent, objective and risk-based assurance, advice and insight.
The Internal Audit applies a risk-based approach in planning and conducting the audit engagements, in compliance with the International Professional Practices Framework of Internal Auditing and best practices. The audit methodology and the specialized internal audit project management software which are used allow for organizing, executing and evaluating the audit process, as well as for the production of reports at Group level.
Local Internal Audit Units at Group Subsidiaries apply the same methodology and standards with the Internal Audit Unit of the parent Company.
In 2021, the Internal Audit Units carried out audits at the Branches, as well as the Central Units of the Bank and the Group Companies.
The Board of Directors, through the Audit Committee, and the Management were informed of the Audit results and the Internal Auditor's opinion on the adequacy and 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 promptly evaluated and appropriate measures are implemented, so that Customers and Shareholders' interests are protected, along with the Bank's reputation.
Regarding Related Parties' transactions, in 2021, monitoring was enhanced, and relevant controls were deployed for all types of transactions stipulated in the Related Parties' Policy, increasing radically the awareness level.
The Anti-Bribery and Corruption Policy applies to all activities and operations of the Group and is addressed to all Employees, including Management, Customers, and third parties. The purpose of the Policy is to define the standards and principles regarding the prevention of bribery and corruption, as well as the adoption of best practices pursuant to the provisions of the regulatory framework. The Group has adopted a zero-tolerance approach to-

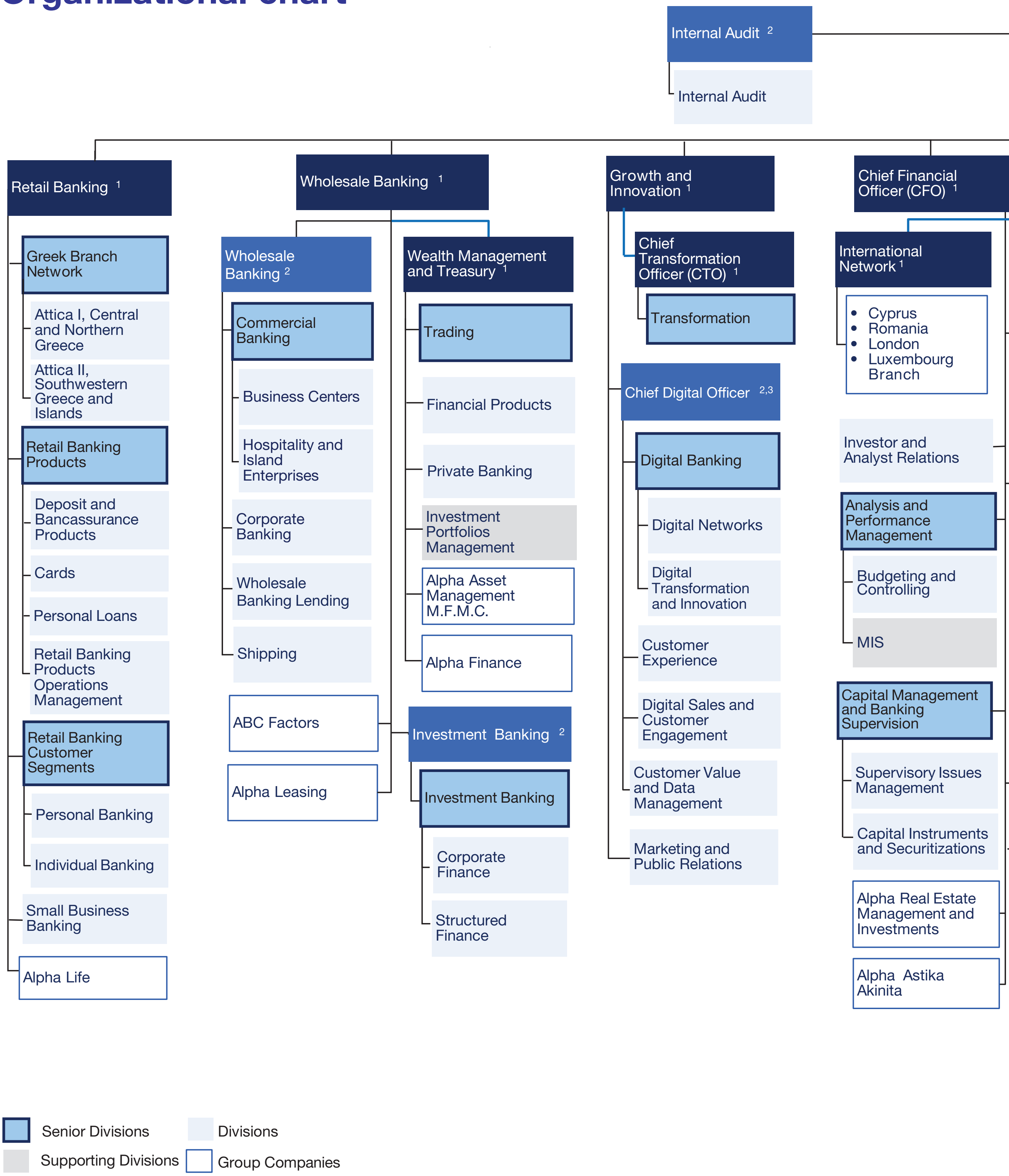
wards all forms of bribery and corruption.
In 2021, the Compliance and Asset Liability Management Divisions updated the Product Development Policy of the Bank. The revised Policy which was approved on 24.2.2022 by the BoD, sets out the principles and procedures that must be adopted by the competent Group Units in order to design a new or modify, remove or replace an existing product or service, so as for all risks arising for the Bank and the Group Companies, as well as for their Customers to be effectively mitigated.
In 2021, the Compliance Division conducted training programs aiming to increase awareness regarding the obligations deriving from compliance risk, as well as training programs to improve Ethics and Transparency.
In 2021, the Whistleblowing Policy was updated incorporating core elements of the (EU) Directive 2019/1937 and was enriched with a better-documented handling of reports, as well as by setting a broader scope and more efficient structure of the Whistleblowing Committee. During the year, the Compliance Division received 7 new whistleblowing reports, through various means (e-mail, phone, post, etc.). The Whistleblowing Committee has convened 7 times during the same year and has reviewed all reports submitted, informing the Audit Committee accordingly.
In the context of the updated Policy for the Prevention of Conflict of Interest, the Compliance Division fully undertook the responsibility of granting an opinion on Personnel's requests to initiate a business activity in parallel with the one in the Bank.
In 2021, the mother Company endorsed a Market Abuse Prevention Policy and to that end the Compliance Division proceeded with the enhancement of existing respective controls and the endorsement of new ones, aiming at a rigorous monitoring of the provisions of said Policy.
As far as compliance with the MIFID II regulatory framework is concerned, during 2021, the introduction of new periodic controls continued, in parallel with the monitoring of the existing ones, while remote audits of the supervisory authorities were carried out and useful conclusions were drawn.
The results of the monitoring are assessed as particularly positive since the level of officers' awareness remains high and the framework of policies and procedures is considered sufficient. Furthermore, a procedure for managing and monitoring inducements was established, in accordance with the provisions of L.4514/2018, as well as the EU Delegating Regulation 593/2017.
During 2021, the deployment of Key Performance and Risk Indicators (KPIs/KRIs) with regards to Customer Conduct Risk was further enhanced, in order to better address issues arising and apply appropriate remedial actions.
In addition, throughout 2021, the Compliance Division provided support to the Branch Network and the Business Divisions by issuing relevant opinions and advisory notes, reviewing, and opining upon procedure manuals, internal processes, and products/services, ensuring, in this way, the implementation of the current regulatory framework.
In this context, the Compliance Division participated actively in the Bank's outsourcing activities working group regarding the assessment and performance of the gap analysis of the Outsourcing Policy against the EBA Guidelines on Outsourcing activities.
Moreover, in 2021 aiming at the effective monitoring and management of compliance risk, the timely and consistent adaptation of the Bank to new laws and regulations, as well as the creation of an adequate and effective compliance control environment within the Bank and the Group companies, the following actions were additionally implemented:

- The design and implementation of targeted training programs for Bank Officers and Employees, in order to raise awareness on the obligations arising from compliance risk and to ensure implementation of regulatory compliance principles.
- The participation of the Compliance Division Personnel as trainees to accredited educational programs on Compliance, Anti-Money Laundering and Combating the Financing of Terrorism, Bank Secrecy related issues, Whistleblowing and Trans-

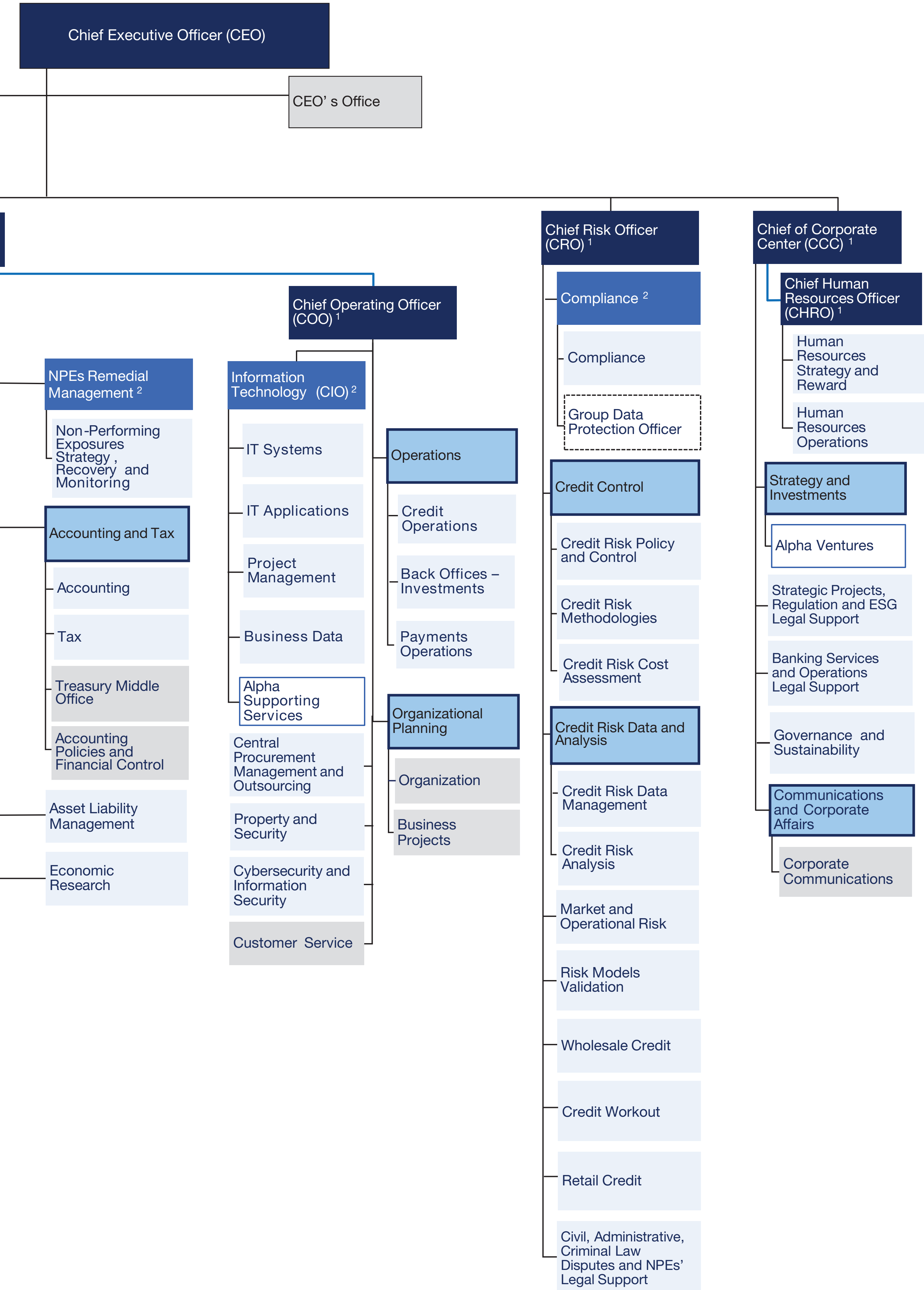
parency issues intended to further expand subject-matter knowledge and skillsets.
• The participation of the Compliance Division Personnel in the Bank's corporate transformation in relation to compliance issues.
• The update of the CRS Manual, incorporating legal entities' categorization procedures.
• The timely submission of the Bank's reports to Supervisory Authorities.
• The active participation and coordination of periodic review and periodic certification for Qualified Intermediary purposes in the context of Hivedown.
• The update of the Compliance Division Rules and Regulation.
• The update of the Whistleblowing Policy.
• The review of the Anti-bribery and Corruption Policy.
With regard to Anti-Money Laundering and Combating the Financing of Terrorism, the most important actions and developments that took place during 2021 are summarized below:
• The update of the Group Anti-Money Laundering and Combating the Financing of Terrorism Policy in order to accommodate the requirements of the Directive (EU) 2018/843 (AMLD5) and the Greek Law 4734/2020 (amending Law 4557/2018), as well as to incorporate the objectives of the Compliance Transformation Program (CTP).
• The issuance of the Main Principles on Sanctions or Restrictive Measures against countries, individuals or legal entities, applied at Group level to achieve full compliance with the sanction regimes issued by the European Union and the United Nations' Security Council.
• The update of the Anti-Money Laundering and Combating the Financing of Terrorism Procedures Manual, which records the obligations of the Units managing Customers and their requests, both Branches and Central Divisions of the Bank, when Customer onboarding and during the life of the business relationship.
• The endorsement and operation of the two new Units responsible for performing Customers' Periodic Review for the risk of Money Laundering and Financing of Terrorism and monitoring Customer Suspicious Transactions' Alerts Monitoring.
• The issuance of a Circular on the initiation of the centralized procedure for Customers' periodic review and of manuals on applying the underline application and updating Customers' KYC (Know Your Customer) data, which constitutes a prerequisite for performing their assessment on compliance matters.
• The completion of the "AML Enhancement Program", aiming to strengthen AML-KYC controls, processes, and policy, including the completion of the project for the implementation of systemic restrictions in order to address deficiencies in Customers' KYC verification when they onboard.
• The implementation of the Customers' periodic review process and the relevant application, providing the opportunity to assess and update pertinent information in the KYC Profile and to analyze Customer activity on a pre-defined basis.
• The implementation of the new Customer Risk Rating (CRR) methodology aiming to serve as the criterion for determining the Customer's periodic review frequency and the level of the due diligence required.
• The continuous evaluation of 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 for the Bank to be fully compliant with the existing regulatory framework, as well as with international best practices.
• The systematic review and reassessment of the Customers' transactional activity in order to ensure that transactions performed are in accordance with the Customer's profile and Know Your Customer (KYC) records.
• The execution of specialized training programs on Anti-Money Laundering and Combating the Financing of Terrorism issues to Executives and Employees of the Bank, so that they are informed of the current developments and the new procedures which are required according to the updated Anti-Money Laundering and Combating the Financing of Terrorism Procedures Manual. Emphasis was placed on issues of restrictive measures and ultimate beneficial owners' identification.
• The submission of files concerning services or products to the Bank of Greece, in order to assess the Money Laundering and Terrorist Financing risk, in compliance with the Bank of Greece

Governor's Act 2651/2012.
• The active participation in the working groups of the Bank. The main ones refer to:
- The "Family Product Working Group", aiming to develop products that meet families' needs.
- The "Prometheus Project" for the sale of the card acquiring sector from the Bank.
- The "Data Stewards Working Group" with the aim to identify critical Customer data and ensuring data quality.
- The "Remote Collaboration Platform Project", aiming to create a process for Customers to remotely execute their transactions.
- The "Instant Payments & Sanctions Screening Project", aiming to deliver the required systemic implementations for performing direct payments.
• The initial meeting with the Anti-Money Laundering and Combating the Financing of Terrorism College organized by the Bank of Greece with representatives from other European Supervisors from the countries in which the Bank operates.
• In the context of the supervision and monitoring of Group Subsidiaries, the Compliance Division continued to implement on a periodic basis the following controls:
- Launched monthly or quarterly virtual meetings with the Compliance Officers of the Subsidiaries.
- Reviewed the material related to Compliance and Anti-Money Laundering issues, prepared by the local Compliance office before its submission to the Audit Committee of the Subsidiary.
- Reviewed the annual Compliance Program proposed prior to its submission for approval, in order to ensure alignment with the Group respective Policies and Procedures.
• The implementation of due diligence measures to correspondent Banks holding nostro accounts in various currencies.
• The timely reassessment of the correspondent banking relationships, according to the assessment plan.
In regard to Banking Secrecy the most important actions and developments that took place during 2021 include the following:
• The processing of an increased number of cases regarding the provision of information to supervisory, tax, judicial and other Authorities, as well as to Individuals.
• The freeze of Customer property assets in compliance with judicial and financial Authorities' orders.
• The design and implementation of regular training programs to the Bank Employees on safeguarding Banking Secrecy and professional confidentiality.
• The conclusion of remote reviews on the Branch Network in order to safeguard Bank Secrecy adherence and identify potential breaches.
• The updating of the Bank Secrecy Internal Procedures Manual.
• The provision of guidelines to the Branch Network for handling requests pertaining to the disclosure of Banking Secrecy.
The main objectives for 2022 refer to the implementation of harmonized regulatory compliance policy and procedures across the Group Subsidiaries in order to achieve efficient and ongoing compliance in an ever-changing regulatory environment. The Compliance Division prioritizes a smooth and productive cooperation with the Regulatory Authorities at national as well as European level, in order to effectively manage the Regulatory Risks, to strengthen the Bank's protection from the risks of Money Laundering and Terrorist Financing and, at the same time, safeguarding Customer interests and cater to their needs.
In summary, for 2022, the efforts of the Compliance Division Personnel will focus on:
- Further increasing Compliance Awareness.
- Enhancing control mechanisms in order to monitor the Bank's compliance level.
- Enhancing monitoring of Group Companies.
- Evaluating the process for the establishment of Customers' financial and transactional profile, through the KYC Questionnaire, and implementing improvements, including the systematic assurance for the completion of the KYC questionnaire.
- Ongoing evaluating and improving the new centralized procedures for Customers' periodic reviews and suspicious transactions' alerts monitoring, including systemic improvements.
- Designing and implementing the Compliance Transformation Program for the Group's Subsidiary Banks in Cyprus and Romania.

Organizational chart



1 General Manager and member of the Executive Committee
2 Executive General Manager
3 For matters and tasks related to the Branch Network sales support as well as the design and execution of communication campaigns to Retail Customers, the Executive General Manager - Chief Digital Officer refers to the General Manager - Retail Banking



Effective Date: 9.6.2022
(General Management Act No 54A/9.6.2022)

10. FINANCIAL STATEMENTS

GROUP FINANCIAL STATEMENTS AS AT 31.12.2021
CONSOLIDATED INCOME STATEMENT

(Amounts in Euro thousand)	From 1 January to	
	31.12.2021	**31.12.2020***
Interest and similar income	1,887,539	2.056,953
Interest expense and similar charges	(511,643)	(529,606)
Net interest income	1,375,896	1.527,347
Fee and commission income	466,808	384,869
Commission expense	(66,438)	(53,011)
Net fee and commission income	400,370	331,858
Dividend income	1,825	2,958
Gains less losses on derecognition of financial assets measured at amortized cost	(2,247,871)	173,202
Gains less losses on financial transactions	218,089	515,792
Other income	23,617	21,941
Staff costs	(406,746)	(453,764)
Expenses for separation schemes	(97,701)	(26,214)
General administrative expenses	(480,187)	(464,266)
Depreciation and amortization	(157,055)	(158,982)
Other expenses	(132,116)	(38,501)
Profit/(Loss), before impairment losses, provisions to cover credit risk and related expenses	**(1.501,879)**	**1,431,371**
Impairment losses, provisions to cover credit risk and related expenses	(1,433,013)	(1,318,984)
Share of profit/(loss) of associates and joint ventures	6,167	(1,014)
Profit/(Loss), before income tax	**(2,928,725)**	**111,373**
Income tax	55,795	(10,131)
Profit/(Loss), after income tax from continuing operations	**(2,872,930)**	**101,242**
Net profit/(loss), after income tax from discontinued operations	(33,144)	2,766
Profit/(Loss) for the year	**(2,906,074)**	**104,008**
Profit/(Loss) attributable to:		
Equity holders of the Company	**(2,906,160)**	**103,800**
Non-controlling interests	**86**	**208**
Earnings/(Losses) per share		
Basic (€ per share)	(1.5046)	0.0672
Basic from continuing operations (€ per share)	(1.4875)	0.0654
Basic from discontinued operations (€ per share)	(0.0172)	0.0018
Diluted (€ per share)	(1.5040)	0.0672
Diluted from continuing operations (€ per share)	(1.4868)	0.0654
Diluted from discontinued operations (€ per share)	(0.0172)	0.0018

*as restated

Certain figures of the previous year have been restated.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Euro thousand)	From 1 January to	
	31.12.2021	**31.12.2020***
Profit/(Loss) for the year, recognized in the Income Statement	**(2,906,074)**	**104,008**
Other comprehensive income		
Items that may be reclassified subsequently to the Income Statement		
Net change in reserve of investment securities measured at fair value through other comprehensive income	(237,923)	(361,940)
Net change in cash flow hedge reserve	20,785	20,841
Foreign currency translation net of investment hedges of foreign operations	(1,627)	(2,951)
Income tax	56,550	95,250
Items that may be reclassified to the Income Statement from continuing operations	**(162,215)**	**247,738**
Items that may be reclassified to the Income Statement from discontinued operations	**1,753**	**2,767**
Items that will not be reclassified to the Income Statement		
Premeasurement of defined benefit liability/(asset)	3,480	(5,348)
Gains/(Losses) from investments in equity securities measured at fair value through other comprehensive income	13,834	3,619
Income tax	(5,081)	1,452
Items that will not be reclassified to the Income Statement from continuing operations	**12,233**	**(277)**
Other comprehensive income, after income tax	**(148,229)**	**(250,782)**
Total comprehensive income for the year	**(3,054,303)**	**(146,774)**
Total comprehensive income for the year attributable to:		
Equity holders of the Company	**(3,054,378)**	**(146,972)**
From continuing operations	(3,021,234)	(149,738)
From discontinued operations	(33,144)	2,766
Non-controlling interests	75	198

*as restated

Certain figures of the previous year have been restated.

CONSOLIDATED BALANCE SHEET

(Amounts in Euro thousand)

	31.12.2021	31.12.2020*
ASSETS		
Cash and balances with central banks	11,803,344	7,467,316
Due from banks	2,964,056	2,741,547
Trading securities	4,826	30,014
Derivative financial assets	941,609	1,267,083
Loans and advances to customers	36,860,414	39,380,002
Investment securities		
- Measured at fair value through other comprehensive income	6,634,120	6,577,698
- Measured at amortized cost	3,752,748	3,335,733
- Measured at fair value through profit or loss	253,346	137,675
Investments in associates and joint ventures	68,267	30,716
Investment property	425,432	569,524
Property, plant and equipment	737,813	796,331
Goodwill and other intangible assets	478,183	599,245
Deferred tax assets	5,427,516	5,278,904
Other assets	1,572,797	1,587,943
	71,924,471	**69,799,731**
Assets classified as held for sale	1,431,485	240,343
Total Assets	**73,355,956**	**70,040,074**
LIABILITIES		
Due to banks	13,983,656	13,106.681
Derivative financial liabilities	1,288,405	1,768,357
Due to customers	46,969,626	43,830,940
Debt securities in issue and other borrowed funds	2.593.003	1,222,869
Liabilities for current income tax and other taxes	59,584	70,141
Deferred tax liabilities	23,011	32,379
Employee defined benefit obligations	29,448	43,737
Other liabilities	888,030	891,580
Provisions	834,029	703,630
	66,668,792	**61,670,314**
Liabilities related to assets classified as held for sale	607,657	251
Total Liabilities	**67,276,449**	**61,670,565**
EQUITY		
Equity attributable to holders of the Company		
Share capital	703,794	463,110
Share premium	11,362,512	10,801,029
Reserves	320,671	492,791
Amounts directly recognized in equity and associated with assets classified as held for sale	15,127	
Retained earnings		
	(6,366,258)	(3,431,502)
Non-controlling interests	**6,035,846**	**8,325,428**
Hybrid securities	29,432	29,382
Total Equity	14,229	14,699
Total Liabilities and Equity	**6,079,507**	**8,369,509**
	73,355,956	**70,040,074**

*as restated

Certain figures of the previous year have been restated.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts in Euro thousand)	Share capital	Share premium	Reserves	Amounts recognized directly in Equity related to assets held for sale	Retained earnings as restated	Total	Non-controlling interests	Hybrid securities	Total
Balance 31.12.2019	463,110	10,801,029	739,676	(122)	(3,572,126)	8,431,567	28,951	15,072	8,475,590
Impact from the amendment of the accounting policy for the calculation of defined benefit obligations					38,024	38,024			38,024
Balance 1.1.2020	463,110	10,801,029	739,676	(122)	(3,534,102)	8,469,591	28,951	15,072	8,513,614
Changes for the year 1.1.2020-31.12.2020									
Profit/(Loss) for the year, after income tax					103,800	103,800	208		104,008
Other comprehensive income for the year, after income tax			(250,495)		(277)	(250,772)	(10)		(250,782)
Total comprehensive income for the year			(250,495)		103,523	(146,972)	198		(146,774)
Transfer of reserves related to the valuation of shares measured at fair value through other comprehensive income			(122)	122					
Acquisitions, Disposals, Share capital increase and other changes of ownership interests in subsidiaries							223		223
Valuation reserve of employee stock option program			1,667			1,667			1,667
Appropriation of reserves			2.067		(2,067)		10		10
(Purchases), (redemption)/sales of hybrid securities, after income tax						-		(373)	(373)
Expenses for share capital increase					74	74			74
Other			(2)		1.070	1.068			1.068
Balance 31.12.2020	463,110	10,801,029	492,791		(3,431,502)	8,325,428	29,382	14,699	8,369,509

Certain figures of the previous year have been restated.

(Amounts in Euro thousand)	Share capital	Share premium	Reserves	Amounts recognized directly in Equity related to assets held for sale	Retained earnings as restated	Total	Non-controlling interests	Hybrid securities	Total
Balance 1.1.2021	463,110	10,801.029	492,791		(3,431,502)	8,325,428	29,382	14,699	8,369,509
Changes for the year 1.1.2021-31.12.2021									
Profit/(Loss) for the year, after income tax	-				(2,906,160)	(2,906,160)	86		(2,906,074)
Other comprehensive income for the year, after income tax			(160,451)		12,233	(148,218)	(11)		(148,229)
Total comprehensive income for the year			(160,451)		(2,893,927)	(3,054,378)	75		(3,054,303)
Share Capital Increase	240.,000	- 560,000				800,000			800,000
Share Capital Increase through options exercise	684	1,483	(1,666)		183	684			684
Transfer of reserves related to the valuation of shares measured at fair value through other comprehensive income			(15,127)	15,127					
Acquisitions, Disposals, Share capital increase and other changes of ownership interests in subsidiaries			(10)			(10)	(36)		(46)
Valuation reserve of employee stock option program			3,083			3,083			3,083
Appropriation of reserves			2,021		(2,021)		11		11
(Purchases), (redemption)/sales of hybrid securities, after income tax					142	142		(470)	(328)
Expenses for share capital increase					(38,597)	(38,597)			(38,597)
Other			30		(536)	(506)			(506)
Balance 31.12.2021	703,794	11,362,512	320,671	15,127	(6,366,258)	6,035,846	29,432	14,229	6,079,507

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in Euro thousand)

	From 1 January to	
	31.12.2021	31.12.2020*
Cash flows from continuing operating activities		
Profit/(Loss), before income tax from continuing operations	(2,928,725)	111,373
Adjustments of profit/(loss), before income tax for:		
Depreciation, impairment, write-offs and net result from disposal of property, plant and equipment	145,522	103,419
Amortization, impairment, write-offs of intangible assets	119,103	74,154
Impairment losses on financial assets, related expenses and other provisions	1,696,772	1,385,369
Gains less losses on derecognition of financial assets measured at amortized cost	2,247,871	(173,202)
Fair value (gains)/losses on financial assets measured at fair value through profit or loss	(61,760)	90,590
(Gains)/Losses from investing activities	(251,234)	(722,326)
(Gains)/Losses from financing activities	50,129	46,885
Share of (profit)/loss of associates and joint ventures	(6,167)	1,014
	1,011,511	**917,276**
Net (increase)/decrease in assets relating to continuing operating activities:		
Due from banks	223,548	(259,266)
Trading securities and derivative financial instruments	14,641	(957)
Loans and advances to customers	(1,993,618)	(1,544,568)
Other assets	(13,811)	310,269
Net increase/(decrease) in liabilities relating to continuing operating activities:		
Due to banks	884,548	2,848,858
Due to customers	3,650,275	3,477,552
Other liabilities	(58,322)	(145,686)
Net cash flows from continuing operating activities, before income tax	**3,718,772**	**5,603,478**
Income tax paid	(58,242)	(2,313)
Net cash flows from continuing operating activities	**3,660,530**	**5,601,165**
Net cash flows from discontinued operating activities	**31,177**	**5,771**
Cash flows from continuing investing activities		
Acquisition of subsidiary		(41,967)
Investments in associates and joint ventures		(15,978)
Proceeds from disposals of subsidiaries	116,888	15,403
Dividends received	1,825	2,958
Acquisitions of investment property, property, plant and equipment and intangible assets	(160,660)	(157,935)
Disposals of investment property, property, plant and equipment and intangible assets	20,948	6,696
Interest received from investment securities	209,743	202,586
Purchases of Greek Government Treasury Bills	(1,237,405)	(1,101,788)
Proceeds from disposal and redemption of Greek Government Treasury Bills	1,305,359	612.757
Purchases of investment securities (excluding Greek Government Treasury Bills)	(3,996,826)	(6,793,607)
Disposals/Maturities of investment securities (excluding Greek Government Treasury Bills)	2.984.759	6,223,175
Net cash flows from continuing investing activities	**(755,369)**	**(1,047,700)**
Net cash flows from discontinued investing activities	**(13,175)**	**(23,063)**
Cash flows from continuing financing activities		
Share Capital Increase	800,684	
Share Capital Increase expenses	(40,327)	
Proceeds from issue of debt securities and other borrowed funds	1,385,681	495,363
Repayments of debt securities in issue and other borrowed funds	(20,877)	(391,403)
Interest paid on debt securities in issue and other borrowed funds	(41,972)	(17,367)
Payment of lease liabilities	(35,637)	(41,036)
Net cash flows from continuing financing activities	**2,047,552**	**45,557**
Net cash flows from discontinued financing activities	**(7,061)**	**(1,991)**
Effect of foreign exchange changes on cash and cash equivalents	(3,837)	8,833
Net increase/(decrease) in cash flows	4,959,817	4,588,572
Cash and cash equivalents at the beginning of the year	**7,990,900**	**3,402,328**
Cash and cash equivalents at the end of the year from discontinued operations	**81,617**	
Cash and cash equivalents at the end of the year	**12,869,100**	**7,990,900**

*as restated Certain figures of the previous year have been restated.

BANK FINANCIAL STATEMENTS AS AT 31.12.2021
INCOME STATEMENT

(Amounts in Euro thousand)	From 1 January to	
	31.12.2021	31.12.2020*
Interest and similar income	183,575	298,586
Interest expense and similar charges	(51,933)	(27,383)
Net interest income	131,642	271,203
Fee and commission income	31,422	19,747
Commission expense	(4)	(19)
Net fee and commission income	31,418	19,728
Dividend income		600
Gains less losses on derecognition of financial assets measured at amortized cost	(2,238.990)	739
Gains less losses on financial transactions	5,262	(19,935)
Other income	495	416
Staff costs	(833)	(499)
General administrative expenses	(17,828)	(816)
Depreciation and amortization	(33)	(2)
Other expenses	(1)	
Profit/(Loss), before impairment losses, provisions to cover credit risk and related expenses	**(2,088,868)**	**271,434**
Impairment losses, provisions to cover credit risk and related expenses	(256.345)	(353,859)
Profit/(Loss), before income tax	**(2.345.213)**	**(82,425)**
Income tax	44.717	(31,638)
Profit/(Loss) from continuing operations	**(2,300,496)**	**(114,063)**
Profit/(Loss) from discontinued operations	(338,386)	252,568
Profit/(Loss) for the year	**(2,638,882)**	**138,505**
Earnings/(Losses) per share		
Basic (€ per share)	(1.37)	0.09
Basic from continued operations (€ per share)	(1.19)	(0.07)
Basic from discontinued operations (€ per share)	(0.18)	0.16
Diluted (€ per share)	(1.37)	0.09
Diluted from continuing operations (€ per share)	(1.19)	(0.07)
Diluted from discontinued operations (€ per share)	(0.18)	0.16

*as restated

Certain figures of the previous year have been restated.

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in Euro thousand)

	From 1 January to	
	31.12.2021	**31.12.2020***
Profit/(Loss) for the year, recognized in the Income Statement	(2,638,882)	138,505
Other comprehensive income		
Items that may be reclassified subsequently to the Income Statement		
Net change in reserve of investment securities' measured at fair value through other comprehensive income	(87,964)	(363,393)
Net change in cash flow hedge reserve	6,036	20,841
Income tax	23,759	99,340
Items that may be reclassified to the Income Statement	(58,169)	(243,212)
Items that will not be reclassified to the Income Statement		
Remeasurement of actuarial gains/(losses) of defined benefit obligations	(17)	(5,883)
Gains/(Losses) from investments in equity securities measured at fair value through other comprehensive income	117	4,064
Income tax	(34)	528
Items that will not be reclassified to the Income Statement	66	(1,291)
Other comprehensive income for the year	(58,103)	(244,503)
Total comprehensive income for the year	(2,696,985)	(105,998)
From continuing operations	(2,300,514)	(114,063)
From discontinued operations	(396,471)	8,065

*as restated

Certain figures of the previous year have been restated.

BALANCE SHEET

(Amounts in Euro thousand)	31.12.2021	31.12.2020*
ASSETS		
Cash and balances with central banks		6,682,232
Due from banks	25,705	2,630,190
Trading securities		29,418
Derivative financial assets		1,272,924
Loans and advances to customers	18,446	35,280,807
Investment securities		
- Measured at fair value through other comprehensive income	133	5,170,579
- Measured at fair value through profit or loss	22,537	218,.317
- Measured at amortized cost	993,060	3,160,121
Investments in subsidiaries, associates and joint ventures	6,160,102	2,488,619
Investment property		46,659
Property, plant and equipment	7	642,381
Goodwill and other intangible assets	370	473,458
Deferred tax assets		5,263,104
Other assets	75,928	1,373,114
	7,296,288	**64,731,923**
Assets classified as held for sale	52,959	274,773
Total Assets	**7,349,247**	**65,006,696**
LIABILITIES		
Due to banks		13,333,799
Derivative financial liabilities		1,769,222
Due to customers		39,535,086
Debt securities in issue and other borrowed funds	1,044,403	1,048,536
Liabilities for current income tax and other taxes	31,839	64,296
Employee defined benefit obligations	30	36,435
Deferred tax liabilities	24	
Other liabilities	12,292	990.529
Provisions		189,499
Total Liabilities	**1,088,588**	**56,967,40**
EQUITY		
Share capital	703,794	463,110
Share premium	11,362,512	10,801,029
Reserves	423,244	326,893
Retained earnings	(6,228,891)	(3,551,737)
Total Equity	**6,260,659**	**8,039,295**
Total Liabilities and Equity	**7,349,247**	**65,006,696**

*as restated

Certain figures of the previous year have been restated.

STATEMENT OF CHANGES IN EQUITY

(Amounts in Euro thousand)	Share capital	Share premium	Reserves	Retained earnings as restated	Total
Balance 1.1.2019	463,110	10,801,029	568,438	(3,725,202)	8,107,375
Impact from the amendment of the accounting policy for the calculation of defined benefit obligations				36,177	36,177
Balance 1.1.2020	463,110	10,801,029	568,.438	(3,689,025)	8,143,552
Changes for the year 1.1.2020-31.12.2020					
Profit/(Loss) for the year, after income tax				138,505	138,505
Other comprehensive income for the year, after income tax			(243,212)	(1,291)	(244,503)
Total comprehensive income for the year, after income tax			(243,212)	137,214	(105,998)
Valuation reserve of employee stock option program			1,667		1,667
Expenses for share capital increase				74	74
Balance 31.12.2020	463,110	10,801,029	326,893	(3,551,737)	8,039,295

(Amounts in Euro thousand)	Share capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2021	463,110	10,801,029	326,893	(3,551,737)	8,039,295
Changes for the year 1.1.2021-31.12.2021					
Profit/(Loss) for the year, after income tax			(58,169)	(2,638,882)	(2,638,882)
Other comprehensive income for the year, after income tax			(58,169)	66	(58,103)
Total comprehensive income for the year, after income tax				(2,638,816)	(2,696,985)
Valuation reserve of employee stock option program			3,083		3,083
Transfer of reserves related to the demerger of banking operations			153,103	1,814	154,917
Share Capital Increase through cash	240,000	560,000			800,000
Share Capital Increase through options exercise	684	1,483	(1,666)	183	684
Share Capital Increase expenses				(40,335)	(40,335)
Balance 31.12.2021	703,794	11,362,512	423,244	(6,228,891)	6,260,659

Certain figures of the previous year have been restated.

STATEMENT OF CASH FLOWS

(Amounts in Euro thousand)

	From 1 January to	
	31.12.2021	**31.12.2020***
Cash flows from continuing operating activities		
Profit/(Loss), before income tax from continuing operations	**(2,345,213)**	**(82,425)**
Adjustments of profit/(loss), before income tax for:		
Depreciation, impairment, write-offs of property, plant and equipment	**1**	**2**
Amortization, impairment, write-offs of intangible assets	32	
Impairment losses on financial assets and other provisions	246,048	352,803
Gains less losses on derecognition of financial assets measured at amortized cost	2,238,990	(739)
Fair value (gains)/losses on financial assets measured at fair value through profit or loss	(2,893)	4.093
Impairment of investments	760	91
(Gains)/Losses from investing activities	(38,205)	
(Gains)/Losses from financing activities	46,014	23,228
	145,534	**297,053**
Net (increase)/decrease in assets relating to continuing operating activities:		
Loans and advances to customers	163,333	(419,982)
Other assets	**(61,131)**	**(16,258)**
Net increase/(decrease) in liabilities relating to continuing operating activities:		
Other liabilities	**(10,050)**	**20,737**
Net cash flows from continuing operating activities before income tax	237,686	(118,450)
Income tax paid	(54.209)	
Net cash flows from continuing operating activities	**183,477**	**(118,450)**
Net cash flows from discontinued operating activities	**3,183,008**	**5,978,719**
Cash flows from continuing investing activities		
Investments in subsidiaries, associates and joint ventures	(1,160,725)	(150)
Interest received from investment securities	7,421	
Purchases of investment securities (excluding Greek Government Treasury Bills)	(1.000.000)	
Disposals/Maturities of investment securities (excluding Greek Government Treasury Bills)	5,811	
Net cash flows from continuing investing activities	(2,147,493)	(150)
Net cash flows from discontinued investing activities	(164,344)	(1,426,605)
Cash flows from continuing financing activities		
Share Capital Increase	800,684	
Share Capital Increase expenses	(40,327)	
Issuance of debt securities in issue and other borrowed funds	495.660	495.363
Interest paid on debt securities in issue and other borrowed funds	**(28,188)**	**(8)**
Net cash flows from continuing financing activities	**1,227,829**	**495.355**
Net cash flows from discontinued financing activities	(60,749)	(402,043)
Effect of foreign exchange changes on cash and cash equivalents	215	119
Cash and cash equivalents of demergered sector	**(9,263.381)**	
Net increase/(decrease) in cash flows	**(7,041,438)**	**4,526,945**
Cash and cash equivalents at the beginning of the year	**7,067,143**	**2,540,198**
Cash and cash equivalents at the end of the year	25,705	**7,067,143**

*as restated

Certain figures of the previous year have been restated.

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BUSINESS REVIEW

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