ALPHA BANK

BUSINESS REVIEW 2015

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The Alpha Bank Historical Archives were established in 1999 on the initiative of the Bank's Chairman and Managing Director at the time, Mr. Yannis S. Costopoulos, with a view to preserving the corporate identity of the Bank and studying the Group's history.

Since their establishment, the Historical Archives have been widely active in gathering a wealth of material pertaining to the history of the Bank and of the Companies that compose the Alpha Bank Group, as well as in organising various events and exhibitions.

The illustration material for the Business Review 2015 is drawn from the recent publication of the Historical Archives entitled "**With Wisdom and Vision: Alpha Bank 19th - 21st Century**", which narrates the history of the Bank starting from the time when its founder J.F. Costopoulos embarked on his commercial ventures until the present day.

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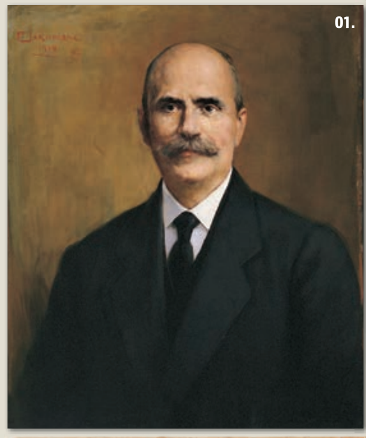
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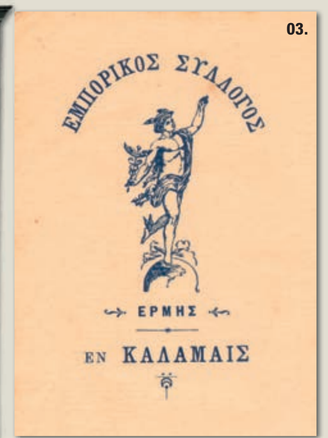

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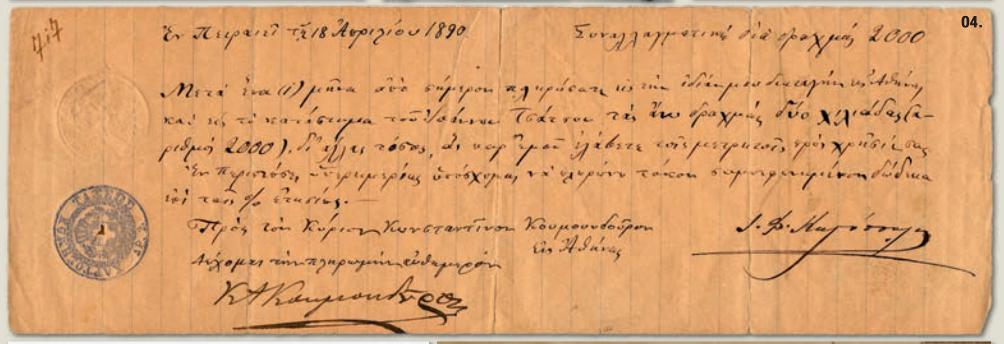
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КАΣМНРІА
HAUT NOUVAUTE
ΣΤΟΥ Ι. Φ. ΚΩΣΤΟΠΟΥΛΟΥ
Αἰόλου 81
ΣΥΛΛΟΓΗ ΠΛΟΥΣΙΑ ΚΑΙ ΣΤΕΡΕΟΤΗΣ
Σ. Σ. Ἕνεκεν τῆς εὐθηνίας τῶν τιμῶν, τὸ κατάστημα προσήλκυσε πολυπληθῆ πελατείαν, ἀρκούμενον εἰς ἐλάχιστον κέρδος.
«ΤΟ ΣΚΡΙΠ», 24 & 29 Μαρτίου 1900
05.

06.

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 to "Bank of Kalamata". In 1924, the Bank was renamed to "Banque de Crédit Commercial Hellénique" and its headquarters were moved to Athens. In 1947, the title was changed to "Commercial Credit Bank", in 1972 to "Credit Bank" and in March 1994 to "Alpha Credit Bank". "Alpha Credit Bank" grew greatly as, in addition to offering banking services and products, it developed into a major Group offering a wide range of financial services.

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

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

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

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

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

Key Indicators

Group Data		**Alpha Bank**	
(in Euro million)	**Change %**	**2015**	**2014**
BALANCE SHEET			
Total Assets	-5.0%	69,296	72,935
Loans and Advances to Customers (gross)	-0.3%	58,208	58,387
Allowance for Impairment Losses	36.1%	-12,022	-8,830
Due to Customers	-26.7%	31,434	42,901
Total Equity	17.5%	9,054	7,707
PROFIT AND LOSS ACCOUNT*			
Total Income (1)	-3.9%	2,258	2,349
Total Expenses	-16.0%	-1,305	-1,554
Profit/(Loss) before Taxes and Impairment Losses	**19.9%**	**953**	**795**
Impairment Losses and Provisions to Cover Credit Risk	63.5%	-3,020	-1,847
Negative Goodwill from Acquisitions			40
Profit/Loss after Income Tax	**315.5%**	**-1,371**	**-330**
INDICES			
Net Interest Margin (2)		3.1%	2.9%
Total Capital Adequacy Ratio (3)		16.8%	14.6%
TIER 1 Capital Adequacy Ratio		16.7%	14.3%
CREDIT RATINGS			
Moody's		Caa3	Caa1
Standard & Poor's		SD	CCC+
Fitch Ratings		RD	B-
OTHER INFORMATION			
Branches (4)		897	1,032
Number of Employees (5)		13,847	15,193

(1) (1) The profit/(loss) from associate companies and joint ventures is included.
(2) The Ratio was calculated based on NII divided by the average interest bearing Assets.
(3) The Ratio for 2014 has been restated as presented in the Consolidated Financial Statements as at 31.12.2015.
(4) The number of Branches in 2015 does not include 82 Branches of Alpha Bank in Bulgaria and 18 Branches of Alpha Bank A.D. Skopje that have been characterised as discontinued operations. The number of Branches in 2014 includes the 20 Branches of the Network of Citibank in Greece.
(5) The number of Employees in 2015 does not include the total number of Employees of the Group's Units that have been characterised as discontinued operations, i.e. 694 for Alpha Bank's Branch in Bulgaria and 238 for Alpha Bank A.D. Skopje.

**The figures for the comparative year of the Consolidated Income Statement have been restated due to modification of the presentation of legal expenses and the presentation of Alpha Bank's Branch in Bulgaria and Alpha Bank A.D.Skopje as discontinued operations.*

Letter from the Chairman

2015 was a year during which the Greek Economy and our banking system came under severe strain. The uncertainty about the outcome of the Greek Government's negotiations with the European partners, which dominated the entire first half of the year, resulted in significant deposit outflows and in the imposition of capital controls. In addition, it aggravated the problem of non performing loans and set back the Greek Economy's anticipated recovery.

Despite these developments, the Greek Economy proved remarkably resilient. At just -0.2%, recession was milder than the one predicted by the international organisations following the imposition of capital controls. This development can be attributed to the low elasticity of the – already significantly reduced – private consumption, as well as to the positive contribution of net exports to the GDP.

The Greek Economy will remain in recession during 2016, while the GDP growth rate is expected to return to positive ground as of the second half of the year, as confidence will be restored and structural reforms will be further promoted, following the completion of the first review of the new Economic Adjustment Programme. The elimination of the uncertainty surrounding our country's future in the Eurozone and the successful outcome of the negotiations with the European partners create a new framework that favours the recovery of economic activity and the return of economic life to normality.

The lifting of political uncertainty could have a substantial effect on our country's international competitive position. The great improvement in competitiveness in terms of labour cost, which was registered in our country over the past years, was not enough to boost investment and exports. A major component of competitiveness is the cost of capital. The latter is determined by the high cost of raising liquidity due to the high risk premiums, whose pricing also reflects political uncertainty to a large extent. Thus, the reduction of political uncertainty bolsters the country's credibility, which in turn leads to a reduction in the cost of capital, has a positive effect on attracting investment capital and strengthens the country's productive potential. The recovery of the economic activity must be the cornerstone of our policy, not only because it will help improve incomes and reduce unemployment, but also because it will be pivotal to the national effort to improve public debt sustainability.

At this point, it is worth mentioning that the commitment made by the Greek Government in the context of the first review of the Economic Adjustment Programme, regarding the adoption of a contingency plan providing for additional cuts on public spending in the event that the fiscal targets are not achieved, enhances the country's credibility in the international markets. This contingency plan serves as additional assurance to our European partners of the Greek authorities' resolve to honour their commitments, as well as a factor that alleviates concerns in the capital markets and establishes a climate of stability in the business environment.

Yet, the elimination of political uncertainty will merely trigger the development process. The sustainability of this process presupposes the attraction of direct domestic and foreign investments, which will improve the international competitiveness of our products and services through improvements in productivity and, secondarily, will increase the efficiency of other businesses as well, through upgrades in technology and know-how. The failure to achieve a shift in the production model of Greece during the crisis is closely linked to the scarcity of investments in our country. In recent years, disinvestment in Greece has taken on large proportions. In 2007, investments corresponded to 25% of the GDP; in contrast, last year they stood just above 11%, while currently they lag behind depreciation of production equipment.

Disinvestment is largely responsible for the most significant socio-economic problem caused by the prolonged recession: the explosive rise of long-term unemployment and especially youth unemployment. Beyond its social dimension, this problem also has a negative impact on the development process, as it erodes skills and causes an outflow of high quality human resources – a phenomenon widely known by the English term "brain drain". As a result, Greece is deprived of high-quality workforce and of innovative business ideas and, consequently, of a key driver of economic growth.

In addition to restructuring the productive base of the Greek Economy, the achievement of the fiscal targets, to which the Government has committed itself, remains a key element of the economic policy. It is worth mentioning that the package of fiscal adjustment measures relies primarily on increases in the rates for almost all direct and indirect taxes. The international as well as the Greek experience show that this policy reduces the international competitiveness of goods and services and gives rise to disincentives to employment and investment, as well as to incentives for tax avoidance and tax evasion. It could be argued that curtailing public spending would result in the deterioration of the services provided by the State. Yet, the generalised increase in tax rates ultimately leads to a further reduction in incomes, while the burden of indirect taxes falls proportionately more on the financially weak. For this reason, limiting tax evasion and improving the efficiency of public spending are imperative. This will allow for reducing the excessively high tax burden and, at the same time, will improve the social services provided.

Despite the weaknesses of the fiscal adjustment policy, the completion of the review, the commitment to promoting swiftly the structural reforms and the adherence to the schedule of privatisations can restore confidence in the Greek Economy. The acceptance, once again, of Greek Government securities as collateral by the Eurosystem can lead to a significant reduction in the cost of financing for the Greek banks and, consequently, for the real economy. The role of the banking system in this national effort is of crucial importance. In order to respond to this role, credit institutions should rise to the great challenge of recovering the highest possible percentage of non performing loans. The institutional and legal environment that has been put in place by legislating the country's obligations under the new agreement with the European partners can assist this Herculean task.

Faced with the volatile economic environment of 2015, Alpha Bank coped successfully with the test of its new recapitalisation, without making any use of State aid and thus without burdening the public debt at all. Additionally, the full coverage of the Bank's capital requirements by Greek and foreign private investors, affirms once again their trust in the Bank and in its Management. We should also not forget that Alpha Bank is the bank receiving the least capital support from the Greek State.

The great challenge now is the management of non performing loans. As I have already mentioned, the new institutional and legal framework provides the possibilities for addressing this problem in a more active way. With a particularly high Cash Coverage Ratio, we are ready to implement proactive management strategies to address non performing loans, in the corporate as well as in the retail lending portfolio, with the aim of increasing the recoverable value of these loans. As you may already know from publications in the Press, Alpha Bank was the first one among all Greek banks to set up, in association with a leading specialist firm, a unit specialising in managing housing and consumer loans in an effective and socially responsible manner. In addition, acting jointly with Eurobank and in association with a leading global specialist investment firm, we will be providing management services for high-value corporate loans on a trial basis. Through these initiatives, combined with the expected recovery of the Greek Economy, we seek to create a new framework that will ensure the viability of the solutions that we plan, in order to return to normal conditions of operation and to contribute in a creative way to our country's development.

Lastly, I feel it is my duty to mention that, in these difficult times, our Bank has continued, modestly and without much publicity, its activities in the domain of culture as well as its initiatives to assist our fellow citizens who have been affected by the crisis.

Alpha Bank's successful course during a particularly difficult period was made possible thanks to the trust that you, our Shareholders, placed in the Bank, to the trust of our Customers and, of course, thanks to the tireless efforts of the Bank's Management Executives and all its Personnel. Once more, Alpha Bank's Employees worked with unparalleled zeal and dedication to their duties. In my capacity as Chairman of the Board of Directors, I would like to extend my sincere gratitude to all Personnel and to invite them to support, "with wisdom and vision" – to quote the favourite phrase of our Honorary Chairman Yannis S. Costopoulos – the Bank's way forward to the future.

Athens, June 30, 2016

Vasileios T. Rapanos

Letter from the Managing Director - CEO

The year 2015 was yet another difficult year for Greece, with the banking system operating under adverse conditions. In a volatile environment, the prolonged negotiations with the European partners reignited uncertainty and caused deposit outflows acceleration. This situation led to the imposition of capital controls and a Bank Holiday on June 28, 2015.

Under these circumstances, the Greek Economy in 2015 relapsed into recession, driven by uncertainty and also by the weakening in private consumption, following the increase in tax rates in the second half of the year. Ultimately, the recession was milder than the one initially estimated by the European Commission, mainly thanks to the sustained outperformance of Greek tourism.

Once again, the Greek banks proved particularly resilient in the face of the conditions that prevailed. During the Bank Holiday, operating under extremely adverse conditions, they secured the provision of services to their Customers regarding cash withdrawals from ATMs and the payment of pensions and welfare benefits, as well as other banking business such as the issuance of cards and security codes for electronic banking transactions. During the second half of the year, the banking system's exemplary handling of the operational difficulties caused for Greek enterprises by the imposition of the capital controls helped mitigate their overall impact on the Greek Economy.

The relapse into recession, combined with the political uncertainty, intensified the trend against debt repayments, aggravating further the problem of non performing loans and establishing the conditions that necessitated a new recapitalisation of the Greek banks, just one year after their recapitalisation in 2014, which had been universally acclaimed as successful.

In the autumn of 2015, another Stress Test as well as an Asset Quality Review were carried out and demonstrated the need for strengthening the capital base of Greek banks. The new recapitalisation was completed successfully in December 2015, with increased private sector participation and created solid foundations for the banking system's pivotal role in the economic recovery. Foreign investors placed approximately Euro 5.3 billion in the four systemic banks. Additionally, around Euro 2.7 billion was raised through offers for the exchange of bonds with shares. Finally, approximately Euro 5.4 billion of additional capital – for two of the four banks which did not cover all of their capital requirements from private sources – was provided by the Hellenic Financial Stability Fund.

It is worth mentioning that an indication of the success of the recapitalisation effort is the savings achieved in terms of public funds. In effect, the amount used was ultimately much lower than the Euro 25 billion initially predicted by the Eurogroup in August 2015, in the framework of the agreement on the third Fiscal Adjustment Programme.

The prolonged economic crisis afflicted the Greek banking system, which had to carry an additional heavy burden during the previous year. Apart from the challenging task of supporting the Greek Economy in addressing the side effects of the capital controls, the credit institutions devoted a significant part of their capacity to the production of numerous reports and data, not only for submission to the Regulatory Authorities in the context of audits, but also in response to requests from a multitude of other Authorities.

The relevant tasks typically involve a large number of Banking Services at the business as well as at the technical level. An indicative measure of the effort that was required is that during 2015 alone, the extra work put in by Alpha Bank's IT services amounted to approximately 3,500 person-days, while the external costs from outsourcing related projects to third parties, as was often required by the Authorities, stood at nearly Euro 3 million.

Greece's new agreement with its European partners may mark the beginning of a new path that could finally lead the country out of the crisis, provided that this agreement is implemented without delay. Late 2015 saw the adoption of the new institutional framework for the management of non performing loans, which upgrades substantially the procedure for the out of court settlement of disputes and, at the same time, specifies the terms for the protection of the borrowers' main residence. In addition, the country's bankruptcy legislation is modernised, acquiring the flexibility required in order to reconfigure effectively the business landscape.

The improvement in the judicial framework in terms of infrastructure and specialised know-how, in combination with the recent amendment of the legislation which establishes the conditions for the development of a secondary market for non performing loans, constitute major interventions in order to address the problems concerning the recoverability of these loans.

Yet the single most important factor as regards the effectiveness of the loan arrangements is the recovery of the Greek Economy itself. Given the contractionary fiscal policy applied, which relies on high tax rates, the elimination of uncertainty is the necessary and sufficient condition for bolstering economic activity.

The completion of the first review of the Fiscal Adjustment Programme in June 2016, although achieved with a delay, can act as a catalyst for the gradual discontinuation of the banks' reliance on the Emergency Liquidity Assistance (ELA) facility of the Bank of Greece, for the participation of Greek bonds in the Quantitative Easing Programme of the European Central Bank and for the reinstatement of the banks' long standing relationships of trust with the savers that will ultimately lead to the gradual easing of the restrictions under the capital controls.

Against the adverse environment of the previous year and despite the delivery disruption to our business plan targets, the operating performance of Alpha Bank stood resilient.

At the same time, the Bank recorded a significant performance in the completion of the Comprehensive Assessment conducted by the European Central Bank, despite the higher hurdle rates with regard to the Common Equity Tier 1 (CET1) Ratio and the repayment of Euro 940 million of state preference shares in 2014. In particular, Alpha Bank registered the lowest adjustment after tax among its Greek peers in the Asset Quality Review, with only a 3.1% Common Equity Tier 1 (CET1) Ratio impact or Euro 1.7 billion.

As regards the capital needs recorded in the Stress Test, the Bank registered a capital shortfall of Euro 263 million under the baseline scenario and Euro 2,743 million under the adverse scenario. The Bank achieved the highest CET1 Ratio in the sector after adjustments in both scenarios. The capital shortfall, according to the adverse scenario, was reduced at a later stage to Euro 2,563 million by the Single Supervisory Mechanism (SSM), taking into account mitigating actions of Euro 180 million.

Following the European Central Bank Stress Test, the Bank raised successfully the capital required from private investors. In particular, in November 2015 Alpha Bank successfully completed a Euro 2,563 million Share Capital Increase with no use of State aid, fully addressing the adverse scenario of the Comprehensive Assessment and materially improving the quality of its capital structure. The Bank's Share Capital

Increase was conducted through a private placement of Euro 1,552 million to Greek and international institutional investors and through a capitalisation of monetary claims of Euro 1,011 million in the context of a voluntary exchange offer of existing senior notes, subordinated notes and hybrid securities.

The private character of the Bank was safeguarded as the book was significantly oversubscribed and was covered entirely by the private sector. Following the Share Capital Increase, Alpha Bank features a strong and clean shareholder structure with private sector shareholding and free float standing at 89% versus 34% before the Increase. At the same time, State ownership through the HFSF was reduced to 11%. At the end of December 2015, Alpha Bank's market capitalisation reached Euro 3.8 billion, the highest in the sector, while Tangible Equity amounted to Euro 8.7 billion.

The strong capital adequacy continues to constitute a strategic advantage for the Bank in the current volatile economic environment. At the end of December 2015, Alpha Bank's Common Equity Tier 1 (CET1) stood at Euro 8.7 billion resulting in a Common Equity Tier 1 (CET1) Ratio of 16.7%. The fully loaded Basel III CET1 Ratio stands at 16%.

The Risk Weighted Assets (RWAs) amounted to Euro 52.2 billion at the end of December 2015, down by Euro 0.5 billion year-on-year, mainly due to lower loan contribution.

Despite the return of the Greek Economy to recession, the Non Performing Loans (NPLs) formation is encouraging. In the fourth quarter of 2015, new NPLs stood at Euro 214 million, less than half of the corresponding amount in the third quarter of 2015, as Customer behaviour improved, leading to the resumption of the collection and restructuring efforts, following the recent amendments on the legal and judicial framework mentioned above. As a result, the NPL ratio stood at 36.8% at the end of December 2015 and, by geographical area, it reached 37.6% in Greece and 33.7% in Southeastern Europe.

For the Group, the business, mortgages and consumer NPL ratio stood at 36.7%, 33.9% and 46.1% respectively, while their provisions cash coverage stood at 79%, 47% and 80% correspondingly.

For the full year period, impairments stood at Euro 3,019.8 million, further raising the NPL Cash Coverage Ratio to 69%. The total coverage including collateral stood at 126%.

The accumulated balance sheet provisions in combination with high quality collaterals protect the Bank and place it in an advantageous position during the anticipated recovery of the economy. Accumulated balance sheet provisions for the Group amounted to Euro 15.8 billion at the end of the fourth quarter of 2015. As a result, the ratio of loan loss reserves over loans stood at 26%.

The top priority of the Bank in the current environment is the effective management of NPLs, the timely recognition of the financial difficulties of Customers and the use of all available tools, such as restructuring, rescheduling and obtaining additional collaterals, in order to best secure its interests along with the viability of enterprises.

Credit expansion remained in negative territory in the previous year. Gross loans of the Group amounted to Euro 62 billion, down by 0.5% on an annual basis. Loan balances in Greece stood at Euro 52.5 billion, while in Southeastern Europe loans amounted to Euro 9.2 billion, excluding Bulgarian and F.Y.R.O.M. operations.

The extreme uncertainty conditions that prevailed in the first half of 2015 related to sovereign and Grexit risk, in combination with the increase of tax obligations in the second half of the year, led to massive deposit outflows. In 2015, Group deposits recorded severe outflows, mainly in Greece during the first half of 2015 (Euro 10.6 billion), affected by the increased uncertainty at the sovereign level, while the deposit mix has shifted towards core deposits. However, following the imposition of capital controls, the declining trend of deposits was halted.

As a result, the Group deposits base recorded an increase to Euro 31.4 billion, stemming from corporates. In Greece, deposits stood at Euro 26.7 billion at the end of December 2015, up by Euro 0.7 billion in the fourth quarter of 2015, with core deposits from businesses accounting for the majority of inflows. The Loan to Deposit Ratio at the end of December 2015 for the Group stood at 147% and in Greece at 146%.

The core revenues remained resilient despite the adverse operating environment. Net Interest Income in 2015 stood at Euro 1,931.7 million, as the benefit from the ongoing reduction of time deposit cost throughout the year was offset first by the burden deriving from the higher dependence on ELA and second by the reduction of net loan balances by Euro 3.4 billion year-on-year. Deposit cost benefited from the phasing-in of repricing of new time deposit rates, which accelerated following the imposition of capital controls, reaching circa 1% at the end of December 2015, as well as from the change in the deposit mix towards core deposits.

Net Fee and Commission Income stood at Euro 314.7 million, down by 5.8% year-on-year, as the fragile economic environment and the imposition of capital controls affected adversely the business activities, the loan restructuring efforts as well as the contribution from brokerage operations. On the other hand, the switch of Customers' payment behaviour led to increased cards usage and enhanced the fee generation income. In addition, another record tourist season positively affected commissions from foreign exchange transactions.

Operating expenses, excluding extraordinary items and integration costs, were down by 7.6% year-on-year to Euro 1,153.8 million, beating the target of a Euro 1.2 billion annual cost base for 2015. The Cost to Income Ratio stood at 50.1% in 2015, down from 54.1% in 2014. At the end of December 2015, Personnel Expenses amounted to Euro 533.2 million, down by 21%, adjusted for the acquisition of Citibank's Retail Operations in Greece, mainly as a result of the reduced headcount following the successful Voluntary Separation Scheme (VSS) at the end of 2014 leading to the departure of 2,208 Employees.

Additionally, within the second half of the year, we concluded successfully the major projects of the operational integration of the Citibank Branch Network with the Alpha Bank Branch Network and the migration of Diners Club cards into the Bank's systems. In the area of e-banking, we proceeded with a full upgrade of the Alpha Web Banking and Alpha Mobile Banking services, offering our Customers a user friendly and secure electronic transaction environment for which the Bank recently received four important distinctions at the 2016 Lighthouse e-volution awards.

On November 26, 2015, the European Commission approved Alpha Bank's amended three year Restructuring Plan which consists of deepening the Bank's operational restructuring as well as allowing certain flexibilities, including the resumption of dividend payments going forward. Alpha Bank is well on track to deliver on its Restructuring Plan commitments, focusing on non core asset deleveraging with the completion of sale of its Bulgarian and F.Y.R.O.M. operations and the launch of the sale process for the Hilton Athens hotel.

In Southeastern Europe, the core operating income for 2015 stood at Euro 352.2 million, down by 5.4% on an annual basis, while the operating costs stood at Euro 202.8 million, improving by 4.3% on an annual basis. As a result, Core Pre-Provision Income stood at Euro 155.7 million.

The total number of Branches in Southeastern Europe, excluding Bulgarian and F.Y.R.O.M. operations, stood at 270 at the end of December 2015 versus 299 a year ago, as the rightsizing of the operating platform continues. Deposits of the International Network decreased by Euro 1 billion on an annual basis, negatively affected by the developments in Greece and, as a result, the Net Loans to Deposits Ratio stood at 176% at the end of December 2015.

In 2015, through its Corporate Social Responsibility Programmes, Alpha Bank continued the implementation of a number of initiatives and adopted policies that are fully aligned with European and international standards. In this context and in tandem with its responsible business activity, the Bank has been consistently supporting, for several years now, actions in the fields of healthcare, culture, education and the environment. In addition, it allocates part of its budget to social contribution purposes.

Furthermore, Alpha Bank provides financial assistance to Foundations, Societies and Organisations that support those in need and also offers books and computers to schools and other Foundations across Greece.

Under the programme "Together, for better health", designed to donate pharmaceutical supplies and medical equipment to health centres on Greek islands, supplies and equipment have been delivered until today to the health centres on the islands of Tilos, Nisyros, Lipsi, Kassos, Patmos, Symi, Astypalaia, Karpathos, Chalki, Leros, Kalymnos and Kos.

The year 2015 also saw the continuation of the Bank's "Helping Hand" programme, designed to support socially vulnerable groups (individuals in need, large families, the elderly). Since the launch of the Programme in 2012, a total of 15,000 carts with food supplies have been delivered.

With regard to Volunteerism, the Bank has an active and strong presence both in Greece and abroad. Indicative of this is that in 2015 participations in the "Alpha Bank Group Volunteer Day", which is held annually in all the countries where the Group is present, numbered more than 1,900 Volunteers.

Alpha Bank has also been demonstrating in practice, for many years now, its keen interest in Arts and Culture. Thus, in 2013 it developed and launched the programme "The defacements that hurt" for the restoration of sculptures in downtown Athens. The Programme was continued during 2015 and was also expanded to the city of Thessaloniki.

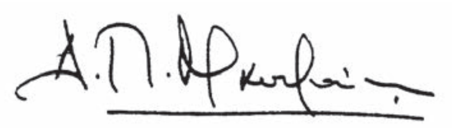
The Bank contributed substantially to the efforts to mitigate the impact of the capital controls and maintain confidence in the Greek Economy. A realistic assessment of the current circumstances, taking also into account the gradual implementation of the obligations that the country has undertaken, gives rise to optimism for a relaunch of the Greek Economy in 2016.

Our strong capital position and the more supportive legal and institutional framework, together with our increased business capacity to address non performing loans, will allow us to provide our Customers with long term solutions, with a view to increasing the recoverable value of the arrears portfolio.

In 2016, we will seek to improve our operating profitability through initiatives to contain operating costs and further reduce funding costs.

As the economy is expected to return to positive growth rates in the second half of the year and enter a sustainable path thereafter, Alpha Bank will aim to lead the effort to ensure that the country's recovery will take place within the European environment. We owe this to our Customers, to our Shareholders and to our Personnel, who demonstrated once again their diligence and dedication under severely adverse conditions.

Athens, June 30, 2016



Demetrios P. Mantzounis

Share

Alpha Bank has been listed on the Athens Exchange since 1925 and is consistently classed as one of the largest listed companies, in terms of market capitalisation. On 31.12.2015, the capitalisation of the Bank stood at Euro 3,827 million and represented 9.6% and 36.8% of the capitalisation of the companies in the General and Banking Indexes of the Athens Exchange, respectively, while the participation of its share in the FTSE/Athex Large Cap Index was 15%. In addition to the Greek stock exchange, the share is also listed on the London Stock Exchange in the form of Global Depository Receipts (GDRs), while it is traded over-the-counter on the New York exchange in the form of American Depository Receipts (ADRs). The share is also included in international indexes, such as the MSCI Emerging Markets Index, the FTSE All-World Index, the FTSE Med 100 Index and the STOXX Europe 600 Index (until 19.6.2015).

On 31.12.2015, the Bank's share capital stood at Euro 461,064,360.00 divided into 1,536,881,200 ordinary voting shares at a nominal value of Euro 0.30 per share. Out of these, 1,367,706,054 ordinary shares of the Bank are traded on the Athens Exchange, while the Hellenic Financial Stability Fund holds the remaining 169,175,146 ordinary, registered, voting, dematerialised shares or 11% of the total number of ordinary shares issued by the Bank.

The shares in circulation on 31.12.2015 were held by approximately 128,000 Private and Institutional Investors. Specifically, as of 31.12.2015, excluding the stake held by the Hellenic Financial Stability Fund, the Bank's shareholder base was composed of Individual Investors (4%) and Institutional Investors (96%).

The share's trading volume for 2015 amounted on average to 3,683,008 shares per session, with an average daily value of transactions of Euro 14,400,270. Correspondingly, with regard to the warrants, the average daily trading volume stood at 4,513,361 warrants, with an average daily value of transactions of Euro 682,022, in 2015.

Major Events in 2015

In 2015, Alpha Bank responded effectively to the great and unprecedented challenges that both our country and the banking sector had to face.

Dealing with the Impact of the Capital Controls

On June 28, 2015 a Banking Holiday was declared through a Legislative Act (published in the Greek Government Gazette, First Issue, No 65/28.6.2015). The Banking Holiday lasted three weeks and ended on July 20, 2015.

During this period of time, the Bank, operating under extremely challenging conditions, kept open 372 Branches of its Network, thus ensuring the provision of uninterrupted services to Customers regarding cash withdrawals from ATMs, the payment of pensions and welfare benefits to Customers who were pensioners and the conduct of the operations allowed (receipt of applications and issuance of the corresponding cards and Alpha Web Banking codes).

Furthermore, in order to examine and approve requests for exempting transactions from the restrictions imposed under the capital controls, the Bank established the following:

- A Central Service for Receiving Applications for Transactions within the Operations Division regarding transactions deemed necessary in order to safeguard public and social interest (e.g. payment of medical expenses, of tuition fees for studies abroad, imports of pharmaceutical supplies etc.).
- A Banking Holiday Special Issues Committee, responsible for examining matters pertaining to the capital controls and the relevant restrictions.

In addition to the above, in order to better inform Customers and achieve optimal coordination of the actions required by the Bank's competent Units, dedicated sections on the Bank's website and on the Alpha Bank Intranet were created, on which the guidelines in force were posted. In addition, two electronic mail (e-mail) - addresses were also created for collecting information and clarifications pertaining to the issuance of relevant instructions to the Bank's Officers.

The end of the Banking Holiday was followed by the opening of all Network Branches and the imposition of Restrictive Measures on cash withdrawals and the movement of capital.

In this context, a Banking Transactions Approval Subcommittee was established at the Bank, tasked with assessing Customer applications for the transfer of capital abroad, primarily in connection with their business activities.

The restrictions in the movement of capital are being gradually lifted in a number of individual operations, such as transactions on financial instruments in the Greek regulated markets, redemptions and cancellations of regular payments on mutual fund shares, remittances abroad up to a fixed monthly amount without prior approval etc.

Completion of a Euro 2.563 billion Share Capital Increase
In October 2015, Alpha Bank affirmed its strong capital position, as it posted the lowest capital requirements, under the baseline scenario, among all Greek banks reviewed in the framework of the European Central Bank's Comprehensive Assessment, which was completed on October 31, 2015. Detailed information about the Comprehensive Assessment can be found in the chapter on Capital Adequacy.

In November 2015, Alpha Bank was the first of the four Greek systemic banks to successfully complete a Euro 2.563 billion Share Capital increase, with no use of State aid, exclusively through private placement to Greek and foreign private investors. The successful outcome of this venture demonstrated, once again, the trust of the domestic and international investor community in the Bank's prospects.

Exchange Offer for Senior Notes, Subordinated Notes and Hybrid Securities - Liability Management Exercise
On 28.10.2015, the Bank announced proposals (the "Exchange Offers"), subsequently amended on November 6, 2015, to holders of Senior Notes, Subordinated Notes and Hybrid Securities (jointly referred to as the "Securities"), issued by the Bank or by the Group Companies Alpha Credit Group PLC, Emporiki Group Finance PLC and Alpha Group Jersey Limited, under the irrevocable guarantee of the Bank, to offer to exchange the Securities or the monetary claims arising from them (at the Bank's option) for non-transferable receipts issued by the Bank, which represent the right of the holders of the aforementioned Securities to receive New Shares of the Bank, which shall be issued under the Bank's Share Capital Increase.

The Exchange Offers concerned Senior Notes representing a total capital of Euro 985 million, as well as Subordinated Notes and Hybrid Securities representing a total capital of Euro 100.9 million. The deadline for the submission of Securities for exchange, in accordance with the above, expired on November 12, 2015 and was characterised by particularly high subscription levels, as the nominal value of the Securities offered under the Exchange Offers stood in excess of Euro 1 billion.

According to the terms of the Exchange Offers, the holders of Securities were invited to offer for exchange the Securities or the monetary claims incorporated in them (on the basis of the nominal value of such monetary claims, inclusive of accrued interest, excluding, however, such interest in the case of Hybrid Securities), at exchange rates of 100% for Senior Notes, 85% for Subordinated Notes and 50% for Hybrid Securities.

Finally, particular care was taken in order to ensure that investors, who could not acquire New Shares, under the laws in force or their statutory documents, would receive in cash the proceeds from the liquidation of the New Shares which they would otherwise receive if they not been subject to the aforementioned restrictions.

Sale of the operations of the Branch in Bulgaria
On July 17, 2015, Alpha Bank A.E. and Eurobank Ergasias S.A. announced the main business terms of the agreement on the transfer of the operations of Alpha Bank's Branch in Bulgaria to Eurobank's subsidiary in Bulgaria, Eurobank Bulgaria AD ("Postbank") (the "Transaction"). The Transaction is fully aligned with the two banks' Restructuring Plans, as approved by the competent Directorate General of the European Commission in 2014, which specify, inter alia, that each bank should focus its operations on its core markets. On 6.11.2015, the Bank signed the final agreement concerning the acquisition of the operations of Alpha Bank's Branch in Bulgaria by Eurobank Bulgaria AD. The Transaction was completed on 1.3.2016.

The Transaction involves all operations of Alpha Bank's Branch in Bulgaria, which consist of deposits amounting to Euro 254 million and gross loans amounting to Euro 410 million, as well as of retail and wholesale banking operations. The Transaction is capital neutral for Alpha Bank and is fully aligned with the Group's commitment to focus its operations on its core markets.

Sale of the entire share capital of Cardlink S.A.
On January 23, 2015 the entire share capital of "CARDLINK Société Anonyme for the Management and Operation of Electronic Transactions Networks" (Cardlink S.A.), held by Alpha Bank A.E. and Eurobank Ergasias S.A. at 50% each, was sold to a company of the Quest Holdings Group, for a total transaction consideration of Euro 15 million. Cardlink S.A. is active in providing network services for POS terminals used in electronic transactions by payment cards.

Sale of all shares held by the Bank in Alpha Insurance Limited
On January 16, 2015, the sale of all the shares held by the Bank in its insurance Group Company in Cyprus, Alpha Insurance Limited, was completed. An initial agreement for this transaction had been signed on December 12, 2014. The value of the transaction stands at Euro 14.5 million and is capital neutral for the Bank.

Completion of the Operational Integration of the former Citibank Network in Greece with the Network of Alpha Bank

The key projects involving the operational integration of the former Citibank Network in Greece with the Network of Alpha Bank and the migration of the Diners Club cards to the Bank's systems were successfully completed in the second half of the year.

Upgrade of Electronic Banking Services

Responding to modern global e-banking trends, Alpha Bank has fully upgraded its Alpha Web Banking and Alpha Mobile Banking services, offering to its Customers a friendly and secure environment for their online transactions. For these services, the Bank received four major distinctions in the 2016 Lighthouse e-volution awards, which presented awards for best practices in e-commerce and e-business for the fifth consecutive year. These distinctions confirm the successful redesign of the Alpha e-Banking services for Individuals, which have been available since June 2015 and earn the trust of new subscribers every day.

Bank of Kalamata
1918-1924

01. Aristomenous Street, Kalamata, early 1900
02. Founding Articles of Incorporation of the Bank of Kalamata, 14 March 1918
03. Annual Report, 1923
04. Cheque form, 1924
05. Advertisement, 1920
06. Provisional title representing ten shares, 1918

1. The Greek and the International Economy in 2015 and the Outlook for 2016

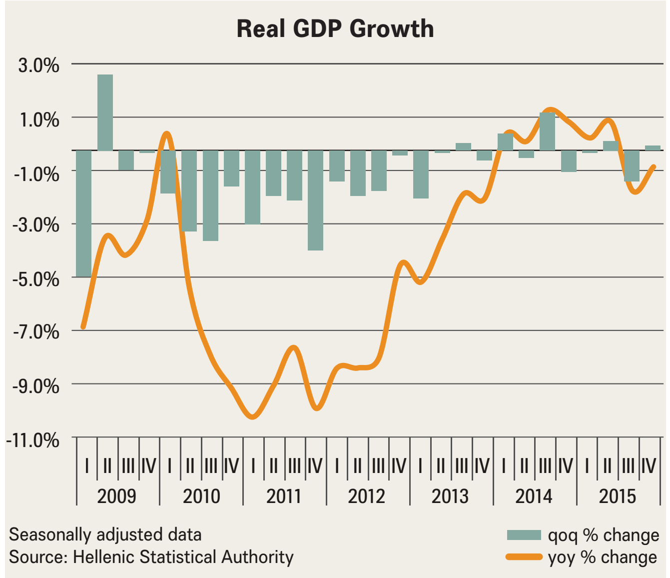
The Greek Economy

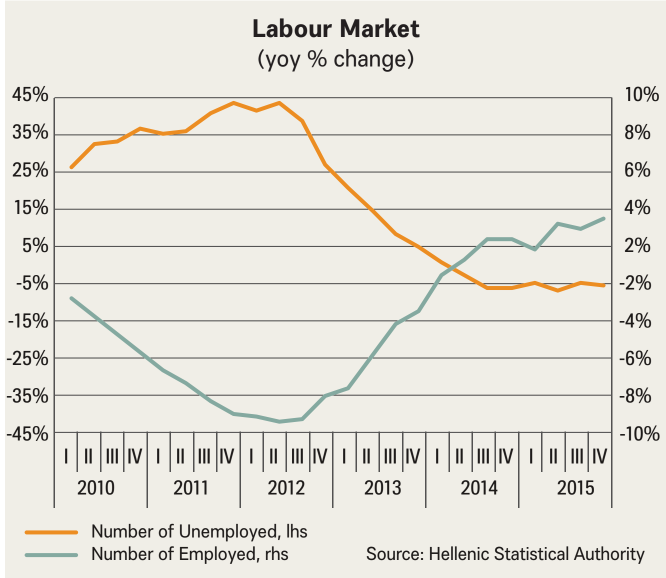
The Greek Economy, despite the strong setbacks that took place in the second half of 2015 and at the beginning of 2016, showed resilience that appears to mitigate the initially-expected negative consequences, due to the prolonged negotiations with the European partners and the imposition of the banking holiday and the capital controls. This was affected by the milder-than-expected impact on the economy of the restrictions on capital movements, the significant increase of tourism activity and the significant decline in oil prices.

The adjustment programmes implemented in our country since 2010 managed to address the main macroeconomic and fiscal imbalances, despite delays and divergences. Specifically, the large General Government deficit narrowed significantly, while the 3/4 of the total adjustment required was accomplished (final target for a primary surplus of 3.5% of GDP from 2018, as compared to a deficit of 10.1% of GDP in 2009).

Moreover, the current account deficit narrowed, losses in competitiveness recouped and the rigidities in labour market eased. Additionally, a notable restructuring was observed in production in favour of tradable goods and services and generally in favour of the most productive enterprises in each economic sector. The new loan agreement with the European partners contributed significantly to the decline in uncertainty and the restoration of confidence.

The main figures of the Greek Economy are described below:





The real GDP recorded a positive rate of change of 0.6% during the first half of 2015, while it fell by -1.3% in the second half, due to the capital controls and the increase in tax rates. In 2015 as a whole, GDP fell by 0.2%, against an increase by 0.7% in 2014.

The economic activity in 2015 was supported by the increased touristic, activity and net exports. Conversely, investment, revenues from shipping and imports were negatively affected by the capital controls and financing constraints. Private consumption had a positive contribution to GDP growth in the first half of 2015, while in the second half of the year, it was affected by the increase in tax burden which took a toll on households' disposable income.

Concerning inflation developments, the national index of consumer prices decreased by 1.7% on average in 2015 compared to a fall of 1.3% in 2014. There is a notable deceleration of the deflationary process mainly from October 2015 until the end of the year. This development was triggered mostly by the increase in the standard VAT rate from 13% to 23% for a large number of food products and services in August 2015. The impact of VAT hikes counterbalanced to some extent the deflationary pressures caused by the fall in oil prices and the sluggish demand. In 2016, deflation is expected to continue, albeit at a moderate pace, as the impact of lower oil prices and the weak domestic demand are estimated to outweigh the inflationary impact of the VAT increase.

As far as **the labour market is concerned**, the employment rate grew by 2% in 2015 (2014: +0.6%) on average, according to the seasonally adjusted data of the Hellenic Statistical Authority (population aged 15-74). Moreover, the number of the unemployed decreased significantly by 6% (2014: -4.2%). As a result, the average unemployment rate declined to 25% in 2015, from 26.5% in 2014.

Moreover, the employment population ratio increased to 44.5% in 2015 compared to 43.4% in 2014. Additionally, according to the ERGANI information system data, the net flows of salaried employment were positive in 2015, which is the second best performance since 2001. In particular, in 2015 the balance of net employment flows was positive standing at 99,700 persons compared to 99,122 persons in 2014.

Manufacturing production increased by 1.3% in 2015. In the first half of 2015 it increased by 2.3% year-on-year, while in the second half it registered a positive growth as well by 0.7%, despite the plunge the index registered in July 2015 due to the imposition of capital controls. The industrial production increased by 0.3% in 2015, against a fall by 1.9% in 2014. The improving performance of the Greek industry stemmed from the decline in oil prices and raw material as well as from the depreciation of the Euro. The upsurge in tourist arrivals in 2015 had a significant contribution to the industrial production growth, mainly in the food and beverage sector. It is noted that key sectors of the Greek industry continue to increase their production, as they managed to redirect a significant part of their activities to foreign markets.

It is encouraging that the Purchasing Managers' Index in manufacturing (PMI) rebounded relatively quickly in October 2015 and in December 2015 it exceeded the threshold of 50 points and stood at 50.2 for the first time since August 2014. The business confidence and in particular the Business Sentiment Indicator in Industry rebounded sharply, after its large decline registered last summer, as it started recovering since September 2015 and continued its upward trend until March 2016.

In external transactions, according to the Bank of Greece, the current account surplus amounted to Euro 0.073 billion in 2015 against a deficit of Euro 3.8 billion in 2014. This significant improvement in the current account surplus reflected the narrowing of the trade balance deficit (as imports registered a bigger fall than exports), which offset the decrease of the surplus of the services balance.

In particular, the balance of goods and services registered a small deficit of Euro 0.2 billion in 2015 compared to a large deficit of Euro 4 billion in 2014. The surplus of the services balance shrank by Euro 1.3 billion (2015: Euro 17 billion, 2014: Euro 18.3 billion), as net transport receipts registered a decline, which was partly offset by a rise in net travel and other services receipts. Specifically, the travel surplus increased, albeit at a decelerated pace, by 7.5% (2014: +9.7%). In 2016, tourism is expected to support the Greek Economy for another year, benefiting mainly from the relatively weak Euro and the geopolitical tensions among main competitors.

Regarding the fiscal adjustment, in 2015, according to ESA 2010, a primary deficit of Euro 6.1 billion or -3.4% of GDP was recorded, compared to a primary surplus of Euro 0.7 billion in 2014 (0.4% of GDP). Excluding the impact of the support to financial institutions, which stood at 4.1% of GDP, in 2015 the primary budget balance turned into a surplus of 0.7% of GDP in 2015. This development was mainly due to the better-than-expected performance of government revenues during the last months of 2015 as a result of tax hikes. According to the Financial Assistance Programme, a primary surplus target of 0.5% of GDP has been set for 2016.

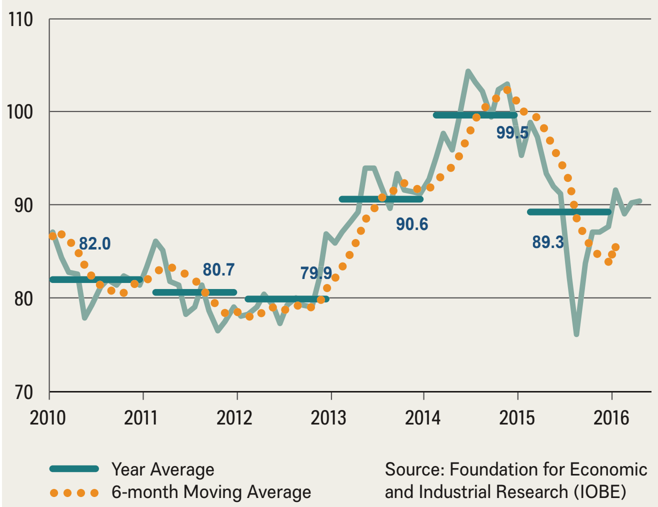
In 2015, the **banking system** faced unprecedented challenges. The significant deposit outflows and the increase in the Non-Performing Loans (NPLs) ratio caused turbulences in the Greek banking system and therefore another comprehensive assessment and recapitalisation for the Greek banks was necessitated. In fall 2015, the European Central Bank conducted the comprehensive assessment of the four systemic Greek banks and the stress test identified an aggregate capital shortfall of Euro 4.4 billion under the baseline scenario and an aggregate capital shortfall of Euro 14.4 billion under the adverse scenario. The recapitalisation of the Greek banking system was completed successfully in December 2015. The interest of foreign investors was substantial as they placed around Euro 5.3 billion in the four systemic banks. Furthermore, an additional Euro 2.7 billion was covered through liability management exercises (voluntary bond swap offers to bank bondholders). Finally, the Hellenic Financial Stability Fund covered the necessary additional funds, i.e. circa Euro 5.4 billion, that was not covered by private investors for two out of the four banks.

The rate of contraction of bank credit to the private sector, which had started since the second quarter of 2012, continued in 2015 mainly due to the constant decrease in demand, albeit at a significantly slower pace (December 2015: -2%[1], December 2014: -3.1%). At the end of December 2015, the private sector loans outstanding amounted to Euro 204.3 billion compared to Euro 212 billion at the end of December 2014. In particular, the rate of contraction of bank credit to corporations slowed down in December 2015 by only 0.9% year-on-year, compared to a decline of 3.7% in December 2014. The rate of decline of bank credit to households accelerated to 3.1% in December 2015, compared to -2.9% in December 2014.

Following the imposition of capital controls the deposit out flows halted. The outstanding amount of private sector deposits stood at Euro 123.4 billion in December 2015 versus

1 The rates of change are calculated taking into account loan reclassifications, write-offs and transfers, as well as exchange rate variations.

Economic Sentiment Indicator



Source: Foundation for Economic and Industrial Research (IOBE)

Euro 160.3 billion in December 2014, registering a fall by 23,5%. Concerning the structure of deposits, there was a fall in time deposits by 49.3% in 2015 and an increase of savings deposits (+15.1%) and sight deposits (+10%). The substitution of time deposits with savings deposits has been more intense since July 2015, after the imposition of capital controls.

The expected stabilisation of the Greek Economy, from the second half of 2016 onwards, will improve financial conditions. The management of the NPLs portfolio and the return of deposits remain the main challenges for the Greek banking system. The new framework for the management of NPLs improves the non-judicial solutions procedure, determines the terms for the protection of the main residence and enhances the bankruptcy law, thus restoring transaction practices.

The front-loaded design of the new Financial Assistance Programme as well as the majority of measures adopted before the first review enable the swift restoration of business confidence and investment attraction.

The Greek Economy is once again, in early 2016, at a crucial crossroads. The course of economic activity in 2016 is related to the successful completion of the first review of the Financial Assistance Programme and the implementation of reforms. The successful completion of the first review is expected to restore the confidence and the launch of discussions with the European partners regarding a set of actions (such as debt relief). This development is expected to have a positive effect on financing conditions and therefore on the growth prospects of the Greek Economy.

In 2016, the real GDP growth rate is expected to remain in negative territory at least in the first half of the year, amid negative carryover effects from 2015 and the impact of the increased tax burden on households' disposable income. The entrenchment of confidence and the improvement of the banking system's liquidity remain crucial for the gradual recovery of the economy.

The International Economy

The high volatility of stock markets recorded during the first months of the year negatively affects economic activity and is not expected to disappear soon. In 2016 global economic growth will mainly depend on the stabilisation of commodity prices and on how China's economy will succeed in avoiding major shocks, while moving from a growth model based on external demand to one which is based on consumption and services. China aims to produce competitive goods and turn Chinese consumers to domestically produced goods of equal quality instead of imported ones. The ultimate purpose is both to support economic growth and to offset the diminishing income.

However, it should not be forgotten that the heightening of geopolitical tensions is simmering and may disturb at any time the international economic activity.

According to the most recent estimates by the International Monetary Fund (April 2016), world GDP grew by 3.1% in 2015 compared to 3.4% in 2014 and is expected to grow by 3.2% in 2016. As for the developed economies, the growth rate in 2016 will be unchanged at 1.9% as in 2015 from 1.8% in 2014. International trade in goods and services is expected to record a rise in the current year (3.1%) and accelerate further in the next year (3.8%).

A key feature of the global economy is the prevalence of low inflationary pressures, particularly in developed economies, mainly due to the decline in energy and commodity prices.

The economic activity in developing economies is estimated to rise by 3.2% in 2016 from 3% in 2015 and further rise by 3.5% in 2017.

In developed economies, low inflation allows the continuation of expansionary monetary policy in order to strengthen recovery and improve the financial conditions of the private sector, which indirectly will positively affect the public sector as well. The major Central Banks aim to increase inflation to a level close to 2%, with a combination of conventional and unconventional measures of expansionary monetary policies such as very low, even negative, official interest rates, quantitative easing (QE) and forward guidance.

The prevalent position in the Organization of Petroleum Exporting Countries (OPEC) to maintain current production levels so that members with lower production costs protect their market shares as well as the anticipated increase of production by Iran and Indonesia, lead to the expectation that the price of oil will remain at low levels. The price of basic metals is also likely to remain low for a long period. Already, during the first quarter of 2016, the price of copper reached the lowest level since May 2009.

In the USA, external demand was affected by sluggish global demand and a relatively strong dollar in the fourth quarter of 2015, with exports falling significantly. The dynamics of economic growth returned to moderate levels in the last quarter of 2015 (1.4%), with respect to the previous two quarters (second quarter of 2015: 3.9%, third quarter of 2015: 2%). Within a fragile global economic environment, better-than-expected positive employment figures in March facilitated the stabilisation of the investment climate to some extent. Although the US economy continues improving, it is not clear that it will accelerate during 2016. In particular, the GDP growth rate in the USA was 2.4% in 2015 and is expected to remain unchanged in 2016.

In Japan economic growth is estimated to remain at 0.5% in 2016 and turn slightly negative to -0.1% in 2017, as the scheduled increase of two (2) percentage points in the consumption tax rate goes into effect.

China's GDP growth rate, after slowing down in 2015 to 6.9% from 7.3% in 2014, is expected to decelerate further in 2016 to 6.5%, due to a weakening in investment and exports as growth continues to shift away from manufacturing and investment to consumption and services.

Eurozone

In the Eurozone, GDP growth was 1.6% in 2015 compared with 0.9% in 2014, while during 2016 it is estimated to decrease further to 1.5%. The recovery is based mainly on domestic demand, though it is still weak. The accommodative monetary policy pursued by the European Central Bank and the weakness of the Euro have positively contributed to economic growth. The economic recovery occurred with significant job creation. The unemployment rate in the Eurozone eased further to 11.5% in 2015 versus 11.6% in 2014 and is expected to diminish to 10.5% in 2016. Differences in unemployment rates among member-states are expected to remain large in 2016.

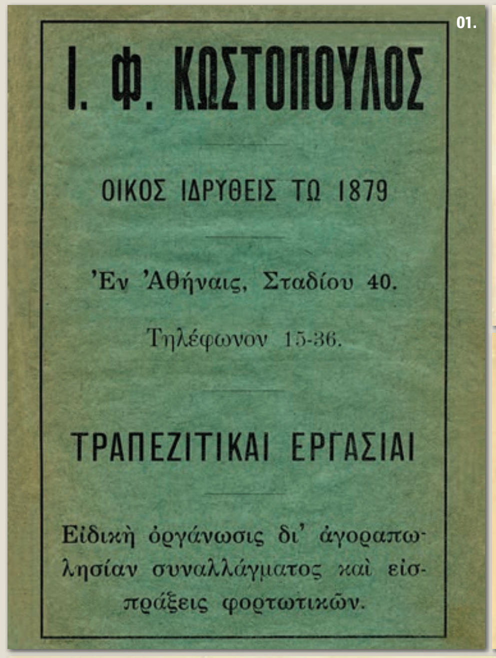
The General Government debt-to-GDP ratio is projected to decrease steadily thanks to higher primary surpluses and a more favourable growth-interest rate differential. The aggregate General Government debt-to-GDP ratio is forecast to decline from the peaks of 94.4% reached in 2014 to 92.9% in 2015. Overall, the fiscal policy stance in the Eurozone as a whole is expected to become slightly supportive to the economic recovery in the short term. However, there are considerable differences among member-states.

Southeastern Europe

In 2015, Southeastern Europe countries recorded an increase in economic activity. The highest growth rates were registered in Romania and F.Y.R.O.M. (3.7%). The economy of Cyprus posted a positive growth rate (1.6%), after three consecutive years of negative readings caused by the shrinking of production in the secondary sector and the difficulties in the financial industry. Moreover, the Serbian economy registered GDP growth (0.7%), after a decrease in 2014 as a result of the natural disasters in May 2014. Overall, the average growth rate in Southeastern Europe (excluding Turkey) is estimated to reach approximately 2.8% in 2016 and 2.9% in 2017 from 2.6% in 2015.

J.F. Costopoulos banking firm 1922-1924

01. Advertisement, 1922
02. Advertisement for the J.F. Costopoulos banking firm at 40, Stadiou Street, Athens
03. Correspondence paper
04. Advertisement in the Panhellenic Album of the National Centenary, 1921
05. Cheque form, 1924



2. Business Units

One of the largest financial sector Groups in Greece, the Alpha Bank Group offers a number of financial products and services to individuals and businesses and has a strong presence in the Greek and international banking market. On 31.12.2015, the Group's market share in domestic deposits stood at 21%. It is noteworthy that the Group also manages a comprehensive portfolio of loans, which covers all key activity sectors of the Greek Economy. In 2015, the Alpha Bank Group's market share in domestic business loans stood at 22.3%, making it one of the market leaders in terms of Greek enterprises' financing.

The Group offers a wide range of high-quality financial products and services, encompassing retail banking, wholesale banking, asset management and private banking, the distribution of insurance products, factoring and leasing, investment banking, brokerage and real estate management.

More specifically, the Retail Banking Business Unit pertains to all Individuals-Customers of the Group, self-employed persons and small and very small enterprises. The Wholesale Banking Business Unit pertains to the cooperating medium-sized enterprises and large corporations, enterprises with multinational activities and shipping companies.

The Alpha Bank Group is present in Southeastern Europe via the Group Companies that operate in Albania, Cyprus, Romania and Serbia. Moreover, the Group is present in the United Kingdom, through the London Branch and the Group Company Alpha Bank London Ltd.

Retail Banking and Small Enterprises

Credit expansion to the private sector for the entire banking system declined by 2% in 2015, versus 3.1% in 2014. In particular, the declining rate of household lending increased by 3.1% in 2015 versus 2.9% in 2014. This development reflects the increase in the negative trend, mostly in housing loans (2015: -3.5%, 2014: -3%). For consumer loans, the negative trend slowed down to -2.3% in 2015 from -2.8% in 2014.

In December 2015, private sector deposits stood at Euro 123.4 billion with an annual decline rate of 23.5% versus a decline by 2.4% in December 2014 and an increase by 1.4% in December 2013.

Housing Loans

The year 2015 was a particularly challenging year. The political developments, the bank holiday and the imposition of capital controls at the start of the second half of 2015, in combination with high unemployment, further reduction in incomes and ambiguities in the tax legislation, created an adverse macroeconomic environment on the real estate market activity and, by extension, on the demand for housing loans.

As a result of these conditions, the mortgage market balances remained on a downward trend with an annual decline rate of 3.5% in 2015 versus 3% in 2014.

These developments resulted in a further decrease in the number of applications for housing loans and, consequently, in fewer new loan disbursements. In 2015 the Bank disbursed Euro 25 million of new housing loans versus Euro 40 million in 2014 and Euro 67 million in 2013, yet succeeded in maintaining its mortgage loan market share at a stable 24%.

In an environment characterised by widespread reluctance to undertake long-term commitments, the Bank, in order to support young people wishing to acquire their own home, expanded its portfolio of mortgage loan products with the addition of the new "Alpha Housing Low Start" loan. With this new product, Customers can choose to pay a reduced instalment during the first years of their loan, in anticipation of the improvement of the economic climate in the future. Loan applicants are evaluated in terms of their ability to service their debt by paying the full instalments, in line with the principles of responsible lending.

Moreover, in June 2015 Alpha Housing Loans were included in the Bonus Loyalty Programme and gained a unique competitive advantage. Thus, each new housing loan rewards the borrower with immediately redeemable Bonus points earned from the very first Euro.

In addition to new mortgage loan products, the Bank continues to offer a number of debt settlement products, which provide comprehensive solutions intended to help Customers establish a repayment plan based on their current financial situation.

In 2015, an extension was granted to the programme for the rescheduling of subsidised housing loans granted to beneficiaries of the former Workers House Organisation (OEK), first introduced in 2014 with the aim of enabling this particular category of borrowers to repay their debts. Before the publication of this extension in the Greek Government Gazette, and as the programme's initial closing date for the submission of applications was drawing near, the Bank, in line with its commitment to provide substantial support to its Customers, contacted debtors-beneficiaries of the programme by telephone, in order to inform them of the programme's impending expiry, so that they would not lose their eligibility while maintaining the subsidy on their loan.

It is worth mentioning that a major organisational change was introduced in 2015, with regard to operational support. More specifically, mortgage credit support activities were transferred to a single Division responsible for supporting credit operations. The aim of this organisational change is to enhance the quality of the services provided through uniform treatment and faster completion of the relevant procedures, as well as to achieve significant economies of scale.

In 2016, Alpha Bank, in order to maintain its top-tier position in the mortgage credit market, aims to enhance business in new housing loans by developing competitive new products adapted to the current economic conditions. In parallel, it will continue to support its existing Customers by offering comprehensive solutions to allow them to service their loans promptly.

Consumer Loans

At the end of 2015, Alpha Bank's consumer loan portfolio stood at approximately Euro 5.1 billion.

Although reduced compared to 2014 as a result of the capital controls, purpose loans continued to represent in 2015 a significant part of new consumer loans. Overall, disbursement of new loans amounted to approximately Euro 80 million.

The management of debts in arrears from consumer loans and cards remained a major activity in 2015 as well, focusing on supporting Customers who had sustained significant changes in their income as a result of the current economic conditions.

The "Alpha Facilitation" programme offers comprehensive solutions for the settlement of overdue debts, aiming at helping Customers better plan and control their consumer loan and card debt repayments by significantly reducing monthly instalments and by restructuring them according to their financial capabilities. The said Programme's results in managing debts in arrears have been quite satisfactory.

Moreover, 2015 also saw the completion, in cooperation with the Ministry of Environment, Energy and Climate Change (YPEKA), of the "Energy Efficiency at Household Buildings" programme, subsidised by the Hellenic Fund for Entrepreneurship and Development (ETEAN). Under this Programme, a total of approximately 3,000 households were funded.

Cards

In 2015, the Alpha Bank cards maintained their top position in the Greek market. The Bank is the only issuer of cards in Greece for all four major international payment schemes (American Express®, Diners Club, Visa and MasterCard®), having issued over 3.6 million credit and debit cards in total. Turnover stood at Euro 3.1 billion, representing a market share of 35%.

The imposition of capital controls in the summer of 2015 led to a very significant increase in the use of cards and electronic payments in general, which completely changed the market landscape. It is worth mentioning that in 2015 Alpha Bank issued 600,000 new debit cards, when the corresponding number in 2014 was around 200,000. Moreover, in 2015 the use of debit cards in purchases more than doubled, compared to 2014.

This trend is expected to continue in the months to come, as the use of cards for purchases in Greece continues to trail the European average, while the cards-related provisions of the tax legislation currently in the drafting stage are also expected to further boost the use of cards.

The year 2015 was also marked by the successful completion of the integration of the Citibank MasterCard and Diners Club cards to the Bank's systems. In this context, eight new MasterCard® and Diners Club products, together with three new Loyalty Schemes, as well as a number of new services (Alpha Pay by SMS, Alpha Credit Protection, Flex Programme) were created and are now offered to all the Bank's Customers.

In April 2015, the new Enter Bonus Business American Express® card was created, a corporate debit card for small and medium-sized enterprises and self-employed persons, which combines ease and security in payments with the rewards of the Bonus Loyalty Programme. The new product has great potential that is expected to be further enhanced by its promotion, in collaboration with the Small Business Banking Division.

In order to cover to the needs of affluent Customers for high-profile products, two new debit cards were created in 2015, the Private Enter Bonus American Express® and the Gold Enter Bonus American Express® cards. The Gold Enter Bonus American Express® debit card now constitutes the signature card of the Alpha Bank Gold Customers, offering them access to the unique privileges of the Alpha Bank Gold Personal Banking service. More than 50,000 such cards have already been issued, with plans in place to further promote it in collaboration with the Mass Segment and Personal Banking Development Division, so that it is acquired by all Alpha Bank Gold Customers of the Bank.

Throughout the year, particular emphasis was also placed on the promotion of the Enter Bonus American Express® card, which combines unique cardholder privileges, through the use of the state-of-the-art contactless technology for ease, speed and security in transactions, and the rewards of the Bonus Loyalty Programme, while in parallel generating increased income for the Bank.

The initiatives and targeted actions to promote the "Alpha e-statements" and "Alpha alerts" services, which substantially reduce operating costs and increase significantly income for the Bank, were continued during 2015. Today, more than 230,000 cards are registered with the "Alpha e-statements" service. At the same time, the use of the "Alpha alerts" service keeps expanding, as it offers maximum security and control of transactions to Alpha Bank cardholders.

In line with the international developments and trends in electronic payments, we designed, in collaboration with the Alternative Networks Division, "My Alpha wallet", a pioneering digital wallet service that will combine electronic and physical payments, and that will also provide many additional services, such as information on the Customer's cards, electronic account statements (e-statements), access to Loyalty Programmes etc. The promotion of "My Alpha wallet" in the market will take place within 2016 in three stages.

The Bank's priorities for 2016 are to expand its cards portfolio, focusing on the Bank's affluent Customers, to take steps to further increase the use of cards, especially of the American Express® cards, and to continue to introduce innovations geared to catering to the needs of modern consumers. It will also continue its initiatives to further reduce costs, primarily by expanding the "Alpha e-statements" service, as well as to boost income.

In the Merchant Acquiring Business, the Bank maintained its leading position in the market, with a share that exceeded 40%, as it boasts the largest network of partner businesses, with over 115,000 sales points accepting all major international cards (Visa, MasterCard, American Express, Diners Club and China UnionPay). Turnover from card operations exceeded Euro 4.4 billion, registering an increase of 22%.

Moreover, in 2015 the businesses accepting Diners Club cards were fully integrated to Alpha Bank's systems. In addition, acceptance of Diners Club cards was extended to the Bank's entire existing network of partner businesses.

The operation of the new service "My Alpha POS", which offers interested businesses the opportunity to also apply on line in order to join the Bank's network of partner businesses as regards the merchant acquiring business, with the option of purchasing or leasing POS terminals, led to a significant increase in new partnership applications.

Finally, 2015 saw the entry into operation of the "Dynamic Currency Conversion (DCC)" service, which allows partner businesses to debit foreign Customers' cards in their home currency (other than the Euro).

Small Business Loans

Having as its primary objective to provide comprehensive solutions to Small Businesses, Alpha Bank offers a number of specialised products and services to cater to all their transaction cycle needs, in order to strengthen their competitiveness and provide them with substantial support that will help them cope with the particularly challenging and adverse conditions of the current economic environment.

At the end of 2015, the total balance of loans to Small Businesses (with credit limits up to Euro 1 million) stood at Euro 6.6 billion.

During 2015, the Bank's activities in the sector of Small Businesses focused primarily on the following:

- Supporting entrepreneurship and strengthening the competitiveness of Small and Medium-sized Enterprises, by promoting Supported Investment Programmes (JEREMIE, Entrepreneurship Fund etc.);
- Assisting the development of the agricultural production's primary sector by promoting the "Flexible Contractual Entrepreneurship Programmes";
- Providing prompt and quality service pertaining to import settlement requests, in order to ensure the smooth operation of Small Businesses after the imposition of capital controls;
- Restructuring its Small Business portfolio by offering the unified "Alpha Support" line of products;
- Strengthening the extroversion of export companies by financing them, in collaboration with the Export Credit Insurance Organization (ECIO);
- Integrating Citibank's Greek Retail Banking business portfolio.

Supporting entrepreneurship and strengthening competitiveness of Small and Medium-sized Enterprises continued to be the Bank's strategic objectives in 2015. By actively participating in the offer of Supported Investment Programmes, the Bank succeeded in securing favourable financing terms for solvent Small and Medium-sized Enterprises and in helping them obtain access to liquidity.

During 2015, the Bank's promotion of the Hellenic Fund for Entrepreneurship and Development (ETEAN) programmes included the following:

- The "Entrepreneurship Fund - Business Restarting" Programme, which offers Small and Medium-sized Enterprises interest-free loans subsidised at 50% for financing their fixed assets and working capital requirements. By 31.12.2015, 786 loan applications totalling Euro 146.67 million had been approved, while total disbursements stood at Euro 116.05 million.
- The "Entrepreneurship Fund - Guarantee Fund" Action, which grants Small and Medium-sized Enterprises loans guaranteed up to 80% by ETEAN, for financing investment plans and working capital requirements, against assignment of the corresponding subsidy amount. Up to 31.12. 2015, 126 applications totalling Euro 41.81 million were approved, while total disbursements stood at Euro 34.44 million.

In the context of the Bank's successful collaboration with the European Investment Fund for the promotion of the Co-funded JEREMIE Programmes (Joint European Resources for Micro to Medium Enterprises), in March

2015, Alpha Bank launched the offer of the "JEREMIE FRSP - ENTREPRENEURSHIP" (JEREMIE IV) Programme. This programme offers Small and Medium-sized Enterprises access to interest-free co-funded loans subsidised at 50% for financing their investment and business development plans as well as working capital requirements. By the end of 2015, 153 applications totalling Euro 11.98 million had been approved, while total disbursements until 31.12.2015 stood at Euro 3.87 million. The Bank negotiated and secured the extension of the Programme's offer period for 2016 as well.

Throughout 2015, Alpha Bank continued to promote its "Flexible Contractual Entrepreneurship Programmes", aiming to finance the entire transaction cycle of agricultural production, from processing through to the export of agricultural products. The Bank's involvement in the primary sector is an initiative of strategic importance, as it seeks to modernise agricultural production and to establish mutually profitable partnerships between agricultural producers and buyer companies active in agricultural production.

In 2015, the Bank concluded new partnerships with leading businesses, while it also began to develop promotional activities in various regions of Greece, aiming to provide information and support to Greek producers. These activities are expected to continue during 2016.

It is noteworthy that the Bank responded successfully to the particular requirements that arose, as a result of the capital controls imposed on 18.7.2015, and provided a prompt and efficient service in connection with all import settlement requests. Since the entry into effect of the capital controls and until the end of 2015, a total of 30,000 such requests, totalling Euro 280 million, were submitted.

Aiming mainly to restructure its Small Business portfolio during 2015 as well, Alpha Bank continued to promote dynamically the "Alpha Support" line of products. With these products, in conjunction with the implementation of the provisions of Law 4224/2013 (Code of Conduct), the Bank pursues and manages to constantly improve the quality of the said portfolio, by offering its Businesses-Customers viable solutions for the settlement of their debts, by means of a wide range of options adapted to their financial capabilities, in order for them to carry on their business activity smoothly.

In 2015, Alpha Bank, in collaboration with the Export Credit Insurance Organization (ECIO), continued to promote the "Extroversion" insurance programme, which provides financing for export companies with the key aim of strengthening the competitiveness and boosting the business activity of Greek exporting firms.

Furthermore, the migration of Citibank's Greek Retail Banking business portfolio to the Alpha Bank systems was completed successfully in 2015.

Throughout the year, the Bank continued to promote the "Alpha In Business" line of products to all its Businesses-Customers, with the aim of responding effectively to new applications for financing short-term requirements in working capital and/or investments in business premises and equipment. Lastly, the Bank continued to manage the Small Business loans portfolio through targeted assignments to the Branch Network, aiming at providing borrowers with flexible solutions to address their needs.

Deposit Products

The year 2015 was marked by a pronounced decrease in the deposits of the Greek banking system, which ultimately posted losses of Euro 37 billion, i.e. 23% of the total deposit balances of 31.12.2014, according to data released by the Bank of Greece. These significantly increased deposit outflows are primarily attributed to the political uncertainty that prevailed especially in the first half of 2015, during which they exceeded 95% of the total volume of deposit outflows.

The deposit outflows occurred primarily through cash withdrawals, placement in foreign Money Market Funds, as well as remittances to banks abroad.

In the first half of 2015, the Bank posted a slightly more pronounced rate of decline in deposits of Individuals, which resulted in a slight decrease in its market share compared to the start of the year.

In the second half of the year, the imposed capital controls, in combination with the political stability following the elections held in September 2015, contributed significantly to the containment of outflows. In December 2015, in particular, a significant increase in deposits by Euro 2.5 billion was observed in the market, mainly due to the seasonal increase in the deposit balances of salary accounts as well as to the enhanced liquidity of businesses.

In the last quarter of 2015, the balances of retail and corporate deposits kept with Alpha Bank posted a significantly higher increase compared to the corresponding averages for the market, thus allowing the Bank to regain a significant part of its share. In addition, first-demand deposits increased significantly, as, after the imposition of capital controls, term deposits were not renewed. As a result, the share of first-demand deposits in the Bank's deposits portfolio increased from 40% at the beginning of the year, to 60% at the year-end.

During 2015, the Bank continued its efforts to reduce the interest cost of its deposits portfolio, by means of the following:

- The gradual reduction of the interest rates offered on term deposits, which led to a significant reduction of the cost for the total portfolio.
- The reduction of the interest rates offered on the majority of sight and savings accounts, which drove the overall cost of on-demand accounts to lower levels at the end of 2015.

In 2015, the initial plan for the development and promotion of products and other actions was revised and adapted to the market conditions and to the new legislative and regulatory framework. Despite the adverse economic environment, the Bank in 2015 as well launched the following new deposit products:

"Alpha online Term Deposit"
Launched in March 2015, this is the very first product of the Bank to be offered exclusively via the Alpha Web Banking/Alpha Phone Banking services. The product was highly successful, attracting significant deposits. For the Bank, the "Alpha online Term Deposit" is a stepping stone to the development and offer of more deposit products via the Alpha Web Banking/Alpha Phone Banking services.

"Alpha Bonus Term Deposit"
The Bank launched new versions of the product, with three- and six-month durations, in order to expand the options available to depositors. The new versions are added to the "Alpha Bonus Term Deposit" products already on offer and are combined with the Bonus Loyalty Programme of the Alpha Bank cards, thus offering the Customer, in addition to interest, Bonus points which can be redeemed in products and services offered by the Programme's partner businesses.

Bancassurance

In order to cater to the needs of its Customers, Alpha Bank offers a comprehensive range of insurance products. These products include general and life insurance plans, as well as investment-savings plans. More specifically, investment-savings plans, which are a subcategory of life insurance plans, are offered by the Group Company AlphaLife Insurance Company S.A., whilst general and life insurance plans are offered through the Bank's long-standing and exclusive collaboration with AXA Insurance Company S.A.

The Greek insurance market declined by 5.9% in 2015, mainly affected by the decline in general insurance premiums. More specifically, general insurance premiums declined by 8%, while life insurance premiums declined by just 3.6%, due to the increase in health insurance premiums by 22.3%, compared to 2014.

Regarding the mortgage insurance segment, despite the continuing decline in new loan disbursements and in the pricing of premiums due to stiff competition, the Bank's position in terms of new general insurance premiums through AXA Insurance remained virtually unchanged, mainly due to the completion of the transfer of the Crédit Agricole Insurance S.A. portfolio to the former.

In the car insurance segment, the Bank offers the "Alpha Safe Auto" insurance plan in collaboration with AXA Insurance, which, in June 2015, reduced the plan's premiums once again and enhanced the services offered, in order to maintain its competitiveness.

In the life insurance segment, in collaboration with AXA Insurance and Biomedicine S.A., the Bank offers the "Alpha Health Care for All" insurance plan, which, as of June 2015, is also offered with great success as a group insurance plan for the personnel of companies, attracting great interest and achieving significant results.

With regard to investment-savings plans, the Bank offers its Customers, in collaboration with AlphaLife Insurance, the "Alpha Life" plan, designed to gradually create capital for future needs, and the "Alpha Prospects" plan, a capital growth plan, both of which were positively received by the Bank's Customers.

Lastly, new insurance premiums from referrals by the Bank's Business Centres increased by 10%, despite the difficult conditions during the second half of 2015, as a result of the capital controls and in contrast to the trend in the general insurance market, which declined by more than 10%.

With regard to the change in the tax legislation, which came into effect as of July 2015 and affected significantly the premiums in all insurance plan categories, AXA Insurance, in an effort to support its insurance Plans which are promoted through the Bank's Network, took immediate action to readjust premiums while in parallel assumed a significant part of the cost resulting from the increased tax.

Investment Products

In May 2015, Alpha Bank adopted the "Open Architecture" standard for the provision of investment products, offering to Alpha Bank Gold Personal Banking customers the option to choose from a wide range of investment products offered by 16 leading investment firms, internationally recognised in the world's largest markets. Thus, Alpha Bank Gold Personal Banking customers can invest from a wide range of Mutual Funds and SICAVs, managed by the following investment firms: Amundi, BlackRock, BNP Paribas, Citi, Credit Suisse, Franklin Templeton, Goldman Sachs, Invesco, J.P. Morgan, Legg Mason, Metlife, NN Investment Partners, Pictet, Pimco, Pioneer Investments and Schroders.

During 2015, 18 Structured Notes were issued (7 in Euro, 10 in US Dollars and 1 in UK Pounds Sterling) and offered through private placement, on a subscription basis during specific periods, to Alpha Bank Gold Personal Banking and Private Banking Customers, with significant sales results. The said products constitute a solution for Customers, as they offer high returns and help them diversify considerably their investment portfolio.

Lastly, 7 Market Linked Deposit were also offered to Alpha Bank Gold Personal Banking Customers. The key feature of these products is the combination of a fixed (contractual) and guaranteed interest rate for the Term Deposit with an additional "Extra Profit" rate, which yields a return in the event that a condition, defined in advance, is fulfilled.

Mass Segment and Personal Banking

In the framework of the Retail Banking Restructuring Project, in 2015 Alpha Bank made the strategic decision to invest in a new customer-centric approach in order to meet the diverse needs and wishes of its Customers in the best possible way. Thus, after the affluent Customers had joined the Alpha Bank Gold Personal Banking service, the Mass Segment and the Small and Medium-sized Enterprises categories of Retail Banking Customers were established.

The goal of this new, customer-centric approach is to secure long-term, stable and profitable relationships with the Bank's Customers. For the Bank, the benefits of this approach include, inter alia, increased income and reduced operating costs, made possible by both attracting new Customers and by strengthening relations with the existing Customers. At the same time, Customers enjoy a high-quality banking experience, as the Bank is able to foresee and address with great accuracy their personalised needs in products and services, and to serve them according to their preferences via the Branch Network or the alternative networks.

1. Affluent Customers - Alpha Bank Gold Personal Banking

In May 2015, the Personal Banking services provided to the Bank's affluent Customers were completely redesigned and the Alpha Bank Gold Personal Banking service was created. The new Service brings together Alpha Bank's long experience and Citibank's know-how in wealth management for affluent Customers. By adopting the Bank's customer-centric approach, the new Service aims to offer optimal management of the Customers' assets, as well as to cater to their overall banking needs.

The Alpha Bank Gold Personal Banking service was strengthened significantly in the previous year, as it is provided by a considerable number of Branches, while the service's team was also enhanced with the addition of new Relationship Managers.

In order to provide to Affluent Customersa high-quality, personalised in-Branch service, the creation of several new, dedicated service areas was launched in the middle of 2015 and is planned to continue during 2016.

To maximise customer satisfaction and optimise customer service, the following were introduced in the previous year:

1.1 Alpha Bank Gold Relationship Managers, trained under a new Programme that aims to provide them with continuous education which will be linked to their career development, and comprises:
- Three training modules (Basic, Advanced, Senior);
- Continuous training delivered by representatives of internationally recognised Fund Houses;
- E-learning programmes.

1.2 Service Signature Card – Gold Enter Bonus American Express®.
Created exclusively for affluent Customers, the Gold Enter Bonus American Express® debit card constitutes their signature card and their access to the world of privileges of the Alpha Bank Gold Personal Banking service, which include the following:
- Special pricing for bank and investment transactions;
- Dedicated customer service telephone line (+30 210 326 5000) for both bank and investment transactions;
- Access to SICAV Mutual Funds offered by 16 internationally Fund Houses;
- Quality leisure services (ticket issuing service for theatre shows and sport events, reservation service for restaurants etc.).

1.3 "Alpha Bank Gold Everyday Banking".
As part of the Alpha Bank Gold Personal Banking service, and taking into account the difficulties that arose in the Greek market from the imposition of capital controls, the Bank took the initiative to create Alpha Bank Gold Everyday Banking, which provides affluent Customers with the following:
- The possibility to carry out most of their transactions via a dedicated customer service telephone line;
- Access to the fully upgraded Alpha Web Banking and Alpha Mobile Banking services;
- The service's signature card, the Gold Enter Bonus American Express® debit card, allowing them to carry out their daily transactions immediately, without using cash.

2. Mass Segment

This new category of Individuals-Customers comprises Customers with total deposit and/or investment product balances up to Euro 50,000.

In creating this new category, the Bank's objective is to optimise the utilisation of its vast pool of Retail Customers by further segmenting it into groups with the same characteristics, needs and transaction behaviours, so as to be able to provide them with:
- Product proposals differentiated by customer group;
- The best possible customer service, irrespective of the Customer's location, at any time of day and via all available Networks.

The implementation of the above-mentioned strategy requires the development of sophisticated systems and infrastructures, with the enhancement of the Customer's experience as a criterion.

In particular, further classification of Individuals-Customers will improve customer relationship management by the Branches and will allow a more efficient utilisation of alternative networks for selected customer groups. In addition, targeted advertisements are planned, in order to promote more effectively products and services that address the overall needs of each Customer.

Medium-sized Enterprises and Large Corporations

The year 2015 was an uncommon year, both for the country as a whole and for the domestic financial system, marked by political and economic instability during the first semester, and by the imposition of capital controls in the summer.

Following an already long period of economic recession, these developments further affected domestic credit expansion, as the year-on-year growth rate of corporate lending for the entire banking system remained negative, throughout 2015.

Faced with these challenges and despite the adverse conditions, such as the system's reduced liquidity and the new Asset Quality Review carried out by the European Central Bank (ECB) in September with capital controls in full effect, the Bank in 2015 continued to stand by its Customers and to cater to their needs in a timely and effective manner, in line with the foreseen credit criteria. Furthermore, the Bank continued its policy of restructuring its lending portfolio, where this was considered necessary, in order to assist its Customers in promptly servicing their debts. In parallel, it further secured its claims by obtaining additional collateral, as appropriate, in a move necessitated by the prevailing economic conditions. The Bank also played a key part in facilitating its Customers' import activities under the new restrictions imposed by the capital controls, in order to ensure the smooth continuation of business activities in the country.

With a total balance of loans to Medium-sized Enterprises and Large Corporations standing at approximately Euro 7.2 billion, the Bank maintained a significant share of the market, a result that constitutes evidence of the tangible support it provides its Customers and, in particular, the largest Greek enterprises. The Bank's role as Arranger for the majority of the syndicated loans in the market contributed greatly to its efforts to financially support its Customers. With the help of the other participating – primarily Greek – banks, Alpha Bank provided enterprises with the necessary liquidity, by restructuring/rescheduling their loans, with a view to supporting entrepreneurship and business viability in the adverse economic conditions of the country.

With regard to collateral, the review of risks in the light of the adverse economic conditions led to an increase in the Bank's requirements for collateral. This practice, introduced in the past few years, continued throughout 2015 as one of the means available for offsetting the increased credit risk. The total value of collateral held by the Bank currently secures a significant percentage of loan balances.

In 2015, the Greek banking system faced with great intensity the need for effective non-performing loans management. In the light of the changes in the macro-economic fundamentals, the credit rating of certain Businesses-Customers of the Bank downgraded further, resulting in the relevant provisioning and the transfer of the management of these loans to the Non-Performing Loans Division - Wholesale - Greece. However, thanks to the timely steps that the Bank had already taken in the previous years in order to deal with most such cases, a high percentage of these loans are granted to acceptable-, medium- and low-risk borrowers. The effective lending portfolio management was also confirmed by the ECB, as, according to the results of the recent Asset Quality Review, Alpha Bank emerged as the Greek bank with the lowest capital shortfalls.

The above initiatives helped maintain the income from fees and the net interest income on the loans granted at satisfactory levels, which for 2015 totalled approximately Euro 440 million for the Corporate Banking Division. This allowed the Bank to meet the cost of money, to offset the increase in the provisions for bad debts and, ultimately, to maintain the satisfactory profitability and quality of its lending portfolio. For the Bank, balancing the income from the fees collected on its mediation services and the net income from asset-liability management is a fixed strategic choice for achieving organic growth.

The Bank's primary objective, following the successful completion of its recapitalisation in late 2015, is to pursue the effective management of its Customers, in terms of income/profitability as well as in terms of mitigating credit and operational risk. Once the domestic economic environment is stabilised and further improved, an additional objective will be to selectively develop lending and other financing business with Customers with an acceptable credit risk rating.

Shipping Finance

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

The Bank remains one of the main lenders of Greek shipping and, in that respect, in 2015 it granted a small number of new loans based on conservative criteria. With a shipping loan portfolio of around Euro 1.9 billion on 31.12.2015, exposure to ocean-going shipping accounted for 91% (44% dry bulk carriers, 40% tankers, 7% container carriers), while loans to coastal shipping accounted for 9%. Furthermore, 23% of shipping loans were participations in syndicated loans and 77% were bilateral loans. At the same time, the Bank maintained its position in the shipping sector, with regard to the provision of banking products (both traditional and/or specialised).

Despite the fluctuations of the freight market and the world economy, Greek ship-owners continue to demonstrate their commitment and strong position in the shipping industry. Bank lending, although currently limited, remains the main means of raising funds. Therefore, the Bank's aim will remain to respond to the maximum extent possible to its Customers' needs.

Leasing

Total interest income in 2015 for the Group Company Alpha Leasing stood at Euro 20.8 million, down by 12.8% compared to 2014, mainly due to the successive reductions in the Euribor rate, the selective deleveraging of the balance sheet and the settlement of debts related to existing leasing contracts. Nevertheless, production of new contracts stood at Euro 26.7 million, with collections in 2015 posting a significant growth by 28%. The imposition of capital controls, coupled with the continuing economic uncertainty, resulted in significant delays in the implementation of new approved high-value leasing contracts. The portfolio of accounts receivable from leasing agreements prior to impairment declined by 9.6%, amounting to Euro 779.6 million versus Euro 862.3 million at the end of 2014. Alpha Leasing ranks fourth in the leasing sector, according to the residual capital of leasing contracts.

Maintaining a strong coverage ratio led to a further increase in provisions for the impairment of bad debts by Euro 32.6 million. Thus, total provisions were further strengthened, standing at the end of 2015 at Euro 125.8 million and accounting for 16% of the portfolio, versus 11% in 2014. Maintaining adequate provisions for credit risk and ensuring solid capital adequacy remain the Company's primary objectives, in order to cope effectively with the crisis. Alpha Leasing's strong capital base places it first in the leasing sector.

In this environment, throughout 2015 as well, the Company continued to actively manage its leasing contracts portfolio, focusing on finding solutions to address the financial difficulties that Customers face in repaying their loans, through debt restructurings and settlements, while obtaining additional collateral in order to protect the Shareholders' interests and the viability of its Customers' businesses. In addition, organisational, 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 applying a prudent pricing policy, Alpha Leasing supports its Customers by providing credit facilities to sectors of the economy with significant growth prospects in the coming years and by developing solutions to help Customers who experience difficulties in servicing their debts.

Factoring

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

Despite the volatile economic environment in 2015, the Company managed to increase its turnover (the value of accounts receivable subject to factoring), which grew by 3.7% compared to 2014 and stood at Euro 4,391.9 million at 31.12.2015, driven both by its successful further penetration in individual market segments and by the promotion of the forfaiting and reverse factoring derivative products. At the same time, it expanded its share in the Greek factoring market from 32.5% to 34.1%, climbing to the market's top position.

In addition, in 2015, ABC Factors had yet another profitable year, as earnings before tax stood at Euro 16.4 million, up by 2.2% compared to 2014, despite the increase by Euro 650.6 thousand of the provisions for impairment of the accounts receivable, due to the adoption of the provisions of the International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement", pertaining to accumulated provisions and provisions for "Incurred But Not Reported" loss events. During 2015, the Company continued the successful restructuring of its portfolio and at the same time managed to increase the average balance of discounts by 13.3% compared to 2014, which stood at Euro 585.7 million as of 31.12.2015. The percentage of impairment stood at 0.8% of the total discounts as of 31.12.2015, due to the emphasis placed on rational credit risk management and on the implementation of best practices.

In line with the systematic and stringent risk management framework it introduced over the previous years, during 2015, the Company continued to take all the necessary and appropriate measures to better shield itself against all types of financial risks. With the aim of implementing and continuously improving this framework, ABC Factors focused on minimising its exposure to the risk of price fluctuations (interest rate risk), credit and operational risk, as well as to liquidity and cash flow risk, all of which are monitored by the competent units.

The main developments that had a major impact on the Company's course during 2015 were the following:

- Expanding the Company's customer base, maintaining the high quality of its portfolio, promoting the forfaiting and reverse factoring derivative products, further developing synergies with the Bank, as well as consolidating its collaboration with the Bank's Business Centres and the Corporate Banking Division;
- Gradually incorporating quality improvements and additions

in the new “proxima+” IT application for factoring, in order to comply with supervisory/regulatory obligations and to further optimise and automate the risk analysis/rating processes for Customers and buyers. This will allow for a more accurate identification of business risks, through the combinatorial analysis of several parameters such as Customer-buyer relationships, product combinations, risk reinsurance and industry risk;

- Further automating, where feasible, input data flows into the new “proxima+” IT application for factoring, which significantly improves productivity.

For 2016, the Company has the following strategic goals:

- To maintain its leadership in the sector, in terms of both market share and high profitability, taking advantage of the stressed liquidity conditions but also of the opportunities arising in those sectors of the Greek Economy which constitute its support and growth pillars, with a view to the economy’s recovery in the second half of 2016.
- To improve constantly the services provided to Customers and to support their growth plans.
- To place emphasis on further developing international factoring, either through direct involvement in foreign markets or through bilateral factoring, working with members of the FCI;
- To promote forfaiting and reverse factoring derivative products, through the ITFA network as well as through the Bank’s Network;
- To exploit the full potential offered by the new “proxima+” IT application for factoring, in order to achieve both new economies of scale, in tandem with making efforts to reduce general operating costs, and to increase the productivity of the Company’s Personnel;
- To further incorporate quality improvements and additions in the new “proxima+” IT application for factoring, in order to comply with supervisory/regulatory obligations;
- To complete the parameterisation of the new forfaiting and reverse factoring derivative products, and to activate the Client/Web Interface. These developments add further value to the Company’s cooperation with its Customers and support the growth and differentiation of its services, in line with the developments in the European market, while also enhancing the effectiveness of the processes required by the regulatory framework and the Supervisory Authorities.

The sustained growth of ABC Factors is driven by the high-quality expertise of its skilled Personnel, the support of the Bank, but mainly by the Company’s commitment to create value for its Customers by providing them with services and products tailored to their needs.

Asset Management and Brokerage Services

Mutual Funds

Despite the adverse economic conditions and the capital controls, Alpha Mutual Funds’ assets under management stood at Euro 1,073 million as of 31.12.2015, compared to Euro 1,191 million as of 31.12.2014, limiting the decrease of assets to 10% compared to the previous year. The reduction in assets is due to the suspension of mutual funds subscriptions for more than five months, as well as to the fall in securities prices, especially of domestic shares. The decrease of the Group Company Alpha Asset Management A.E.D.A.K.’s market share is considered circumstantial (14.8% compared to 19.7% in 2014) and it is exclusively due to capital inflows into foreign money market mutual funds of domestic market competitors, which were dictated by the concern for the country’s exit from the Eurozone and by the imposition of capital controls. The Company’s market share in assets other than money market mutual funds remained strong during 2015, marginally decreased by 0.86%.

The Company’s total revenues from commissions and fees pertaining to the management of mutual funds and institutional portfolios amounted to Euro 17.85 million, posting a decrease of 18%, due to the reduction of mutual funds’ average assets and to the restrictions on capital movement which halted the sales activity in the second half of 2015. This year, revenues from management of institutional portfolios presented an increase (+49%) compared to 2014, as a reward for the Company’s involvement in the institutional management area during the last years.

Alpha Asset Management A.E.D.A.K. offers 27 mutual funds spanning a wide range of investment options in terms of basic investment categories (equities, bonds, money market), geographical and sectorial diversification, as well as alternative investments such as commodities. It also offers specially-designed mutual funds which incorporate bancassurance schemes, in cooperation with the respective Division of the Bank. In parallel, the Company is actively engaged in the management of institutional investors’ portfolios.

Alpha Mutual Funds recorded outstanding returns in 2015, a difficult and highly volatile year for the markets. Among internationally-oriented Mutual Funds, “Alpha Cosmos Stars Europe Equity Fund of Funds” was the top performer (+11.88%) among all Funds of Funds in the Greek market while “Alpha Cosmos Stars USA Equity Fund of Funds” (+9.21%) was the top performer during the past three- (+66.31%) and five- (+76.21%) year period among Equity Funds of Funds, as well as among all Funds of Funds of the Greek market. Furthermore, outstanding returns were achieved by “Alpha Global Blue Chips Equity Fund” (+8.36%) and “Alpha Global Allocation Balanced Fund” (+5.63%), compared to mutual funds with similar investment policies. Among mutual funds that invest in the Greek capital market, “Alpha Greek Bond Fund” ranked first in its category with a return of +22.65% and was also the top performer among the total of 269 mutual funds of the Greek market. “Alpha Greek Balanced Fund” returned +7.73%, outperforming significantly its benchmark index. Furthermore, the “Alpha Aggressive Strategy Greek Equity Fund” (-11.85%) and the “Alpha Blue Chips Greek Equity Fund” (-14.46%) mutual funds outperformed the Athens Exchange General Index by 11.73% and 9.12% respectively.

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

In 2015, the creation of three new asset allocation Funds of Funds was approved, with different investment risk profiles and international investment orientation, however the lifting of capital controls is a prerequisite in order for the management of these mutual funds to commence and in order for them to become available to investors.

2016 is also a particularly crucial year for our country, during which the domestic mutual fund market will be significantly influenced by the developments in the Greek Economy. Moreover, the desired lifting of restrictions on capital movement will restore the considerable difficulties in the portfolios management and will activate the Mutual Funds sales network. The primary objective of the Company is to increase the assets under management via a positive balance between participations and redemptions of the Bank’s sales network. Lastly, the Company will continue its activity in the field of institutional investors’ funds management and in the enrichment of the services provided.

Private Banking

Alpha Bank, a pioneer in Private Banking services in Greece, has been providing comprehensive portfolio management to high net-worth Customers since 1993. These services are provided through the Alpha Private Bank Centres in Athens, Thessaloniki, Patra, Volos, Iraklion and London, which are staffed by certified and specialised investment advisors. The Bank’s Private Banking Customers have at their disposal a flexible framework of services offered under the trade name “Alpha Private Bank”. Depending on their needs, they can select any combination of services, for all or part of their portfolio. Thus, the following three types of portfolio management service are offered or a combination thereof:

- Discretionary Portfolio Management, where the Bank assumes unrestricted management of the Customers’ funds.
- Advisory Investment Management, where the Bank provides active management advice to Customers who make the final investment decisions themselves.
- Execution Only, where the Bank executes the orders given by Customers who wish to monitor and manage their portfolios themselves.

In line with the Bank’s corporate culture and in full compliance with the Markets in Financial Instruments Directive (MiFID), the services are offered after having considered the amount to be invested with a minimum portfolio size of Euro 300,000, the Customer’s investment goals (capital protection, maximisation of capital gain, normal volatility), the time frame, the investment experience and the known or estimated cash flows, together with the applicable tax framework at the Customer’s country of residence.

In 2015, the Private Banking Division focused its efforts on the following priorities:

- To maintain its customer base and strengthen relationships with its Private Banking Customers by offering solutions adjusted to the current circumstances.

- To successfully complete the integration of the Customers and Officers of Citibank's Citigold Select service into the Division's customer base and Organisational Structure respectively.
- To incorporate qualitative attributes from Citibank's model of operation in the key pillars of the Private Banking Services, such as the "Transaction Advisory" service.
- To invest in new technological infrastructures in order to improve the services provided.
- To successfully complete the Bank's Share Capital Increase through the repurchase of shares with a par value of Euro 100 million by private individuals.
- To maintain revenue levels, in spite of the capital controls implemented in the second half of 2015.

As a result of the above, despite the particularly negative environment, especially as concerned attracting new funds, the Private Banking Division managed to maintain its portfolio by offering suitable investment solutions. The funds under management of the Division currently exceed Euro 4 billion. It should also be noted that, in 2015 as well, the Discretionary Portfolios (Conservative, Balanced, Dynamic) continued to achieve very satisfactory results. In particular, the returns of the Conservative Portfolio reached 2.2% with a fluctuation of 6.4%, while those of the Balanced portfolio reached 5% with a fluctuation of 8.5% and those of the Dynamic Portfolio reached 7.3% with a fluctuation of 10.9%.

Seeking to provide Customers with high value-added services, the Bank is constantly improving its support regarding investment products. To this end, the Investment Portfolio Analysis Division is already in operation, under the supervision of the Private and Investment Banking Executive General Manager, in order to provide Private Bankers and Customers with constant and systematic support regarding portfolio management. At the same time, the efforts to make full use of Citibank's know-how and best practices, which have been successfully tested in numerous countries, are continuing.

In 2016, the Private Banking Division will focus on the following objectives:

1. To adopt a customer-oriented model of operation.
2. To expand the Private Banking service, in order to include more of the Bank's existing Customers.
3. To introduce technological upgrades and smart communication solutions.
4. To upgrade the services on offer by Alpha Bank London. Using a custom-designed infrastructure, Private Banking Customers will be able to maintain a portfolio with Alpha Bank, with Alpha Bank London or with both, and to be served, if they so wish, by the same Private Banker, thus enjoying a faster and more effective service.
5. To use new technologies for Portfolio Management.

Brokerage Services

The main characteristic of 2015 was the escalating volatility in prices within an environment of constantly increasing political risk. The imposition of capital controls, as well as the two elections, weighed heavily on the investors' interest and, as a result, the Greek market significantly underperformed compared with the main European markets for the full year 2015: Greece (General Index) -23.6% compared with Germany (DAX) +9.8%, United Kingdom (FTSE100) -4.9%, France (CAC) +9.2%, USA (S&P 500) -0.1% and Japan (Nikkei) +8.6%.

The average daily turnover in the Athens Exchange in 2015 amounted to Euro 85.6 million, down by 32.6% year-on-year.

At the end of December 2015, foreign institutional investors held 31.3% of the total market capitalisation (compared to 25.7% in December 2014), the Greek institutional investors held 6% (compared to 3.7% in December 2014), Greek private investors held 14.2% (versus 12.7% in December 2014), while the Hellenic Republic together with the Hellenic Financial Stability Fund held 13.4% (versus 32.3% in December 2014).

The Bank is active in the brokerage sector via the Group Company Alpha Finance Investment Services S.A., which in 2015 ranked sixth in the list of the ATHEX Brokerage Members, recording a 25% increase compared to the market share held in 2014 (6.79% versus 5.44%). The Company's transaction value in the Athens Exchange declined by 24% compared to 2014, while its turnover amounted to Euro 8.9 million, decreased by 16% compared to 2014 (Euro 10.6 million).

The Company provides retail and institutional investors with a comprehensive range of investment services, which include:

- Trading equities and Exchange Traded Funds (ETFs) in the joint Athens and Cyprus Stock Exchange platform.
- Trading derivatives in 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 acts as a Market Maker in the equities and derivatives market of the Athens Exchange.
- ALPHATRADE: Provision of a wide range of online services accessible via the Customer Service, the mobile applications for iPhone, iPad, iPod and for Android-based devices, the automated Interactive Voice Response system, as well as via the Company's website, at www.alphafinance.gr.
- Research: Timely provision of accurate information in the form of well-documented corporate, sector-specific and macroeconomic analyses.
- Transaction Clearing, Settlement and Custody Services: Integrated transaction clearing, settlement and custody services for the domestic and international equities and derivatives markets.

For 2016, the organic and profitable growth of its business is a key strategic priority for Alpha Finance. The Company also focuses on maintaining its good standing and the reputation it enjoys in the market.

Investment Banking and Treasury

Corporate Finance

In 2015, Corporate Finance activities remained focused on the provision of advisory services to the Greek State, as the Bank is acting as Financial Advisor thereto in connection with several major projects. In this respect, the tender for granting the exclusive right to organise and conduct mutual betting on horse races was concluded, with Opap Investment Ltd declared as the preferred bidder. It should be mentioned that the project for the development of State-owned properties is still in progress, while further actions were taken in order to conclude the sale of a 66% stake in the Hellenic Gas Transmission System Operator (DESFA).

The Bank's involvement in capital markets projects as well as in mergers and acquisitions was equally important. More specifically, in the capital markets sector the Bank completed successfully its new share capital increase totalling Euro 2.563 billion, through a private placement with qualified investors, carried out as part of the new recapitalisation of the Greek banking system, following the completion of the Comprehensive Assessment by the European Central Bank. It also successfully concluded the share capital increase of Attica Bank, in the amount of Euro 681 million, carried out following the results of the Comprehensive Assessment by the Bank of Greece. Finally, it provided advisory services to Hellas Online S.A., in connection to the mandatory public takeover bid submitted by Vodafone, as well as to NIREUS S.A., in connection with the listing of its new shares, which resulted from the capitalisation of its obligations to banks in the amount of Euro 58.6 million.

With regard to mergers and acquisitions, 2015 was a particularly important year, as the Bank successfully concluded its first cross-border transaction in the Romanian healthcare sector. This was a complex, high-profile transaction, in which the Bank acted as exclusive financial advisor to the shareholders of International Healthcare Systems, owner of 15 haemodialysis centres in Romania, pertaining to the sale of those centres to the multinational group Diaverum, one of the global leaders in the sector. Additionally, the Bank continued to provide financial advisory services to companies active in the real estate sector as well as to the "FRAPORT AG - SLENTEL Ltd" consortium, which had been declared successful bidder in the tender procedure for the privatisation of 14 Greek regional airports, with a bid of Euro 1.234 billion. In particular, the Bank acted as Financial Advisor to the above-mentioned consortium for this privatisation, which has been launched by the Hellenic Republic Asset Development Fund (TAIPED) and is currently in progress.

Finally, in the context of the Bank's broader organisational restructuring, 2015 was a milestone year for the independent operation of the Corporate Finance Division, which is the Bank's main provider of investment banking services.

Treasury

The first signs of economic recovery reported in late 2014, were followed by concerns over the prospects of the Greek economy and the derailment of the Program for Economic

Recovery in early 2015. The consequences were severe for both the Financial Markets Trading and Sales Divisions.

The first half of 2015 was marked by depositors' flee. Sizeable deposit outflows, in the area of Euro 40 bn, coupled with the gradual termination of transactions from the vast majority of international counterparties, resulted in major liquidity issues for the entire banking system. The international credit lines were suspended and funding through the Central Bank increased excessively, thus making it very difficult to secure liquidity.

Concerning liquidity management operations, the Bank succeeded in coping with the challenge of mass outflows by securing adequate reserves and best utilizing available collateral. Moreover, managed to strengthen the liquidity of the Group Companies by meeting the strict requirements imposed by the local Regulators and thus, made optimal use of all available funds. In June 2015, the imposition of a short term Bank Holiday followed by the capital controls, led to a highly regulated and restrictive environment for all interbank transactions. Nevertheless, these restrictions helped normalise liquidity in the banking system.

The successful recapitalisation of Greek banks towards year-end, was the first evidence of the restoration of investors' confidence in the Greek economy. Since then, there have been intensive negotiations, in an effort to restore the Bank's credit lines. The first positive results were reflected in the resumption of repo transactions, collateralised by securities issued by Greek companies and Supranational Organisations, on competitive terms, thus reducing the Bank's dependency on Central funding.

With regard to the recapitalisation, great emphasis was placed on securing the successful outcome of the liability management operation in senior, subordinated bonds and hybrid securities amounting to a total of Euro 1.1 billion, through the voluntary swap for shares, at swap rates of 100%, 85% and 50%, respectively. This was a highly demanding operation because of the number of securities (27 series), their complexity and the high dispersion of bond holders. In addition, the operation had to be completed within a very short time frame, during which other Greek banks were also making similar swap offers, and the Bank's Share Capital Increase was taking place. The acceptance rate for the voluntary swap offers stood at 93.08% (the highest among Greek banks), and made a key contribution of Euro 1.1 billion towards covering the Bank's capital needs.

Capital markets were affected by the negative investment climate described above, which resulted in the deterioration of credit prospects of Greek corporates and increased volatility in Greek bond prices. In the second half of the year, in particular, the implementation of capital controls initially led to the suspension of capital markets transactions and then to their dramatic contraction. The Bank responded positively to these crucial developments by helping support the prices of Greek sovereign and corporate bonds and by providing the market with the necessary liquidity. At a second step, operating within the framework laid down by the legislative act on capital controls, it demonstrated its adaptability, enabling its Customers to carry out transactions and facilitating their participation in the offers to swap securities for shares, as well as in the share capital increases carried out by the Greek credit institutions.

With regard to income from financial transactions, substantial profits were realised in the bond, equities and derivatives markets. Despite the increased volatility of financial markets worldwide, the Bank was able to minimise any variance in the results. Moreover, the Bank met fully the new requirements for specialised financial instruments which resulted from the acquisition of Citibank's Retail Banking Network, and thus covered successfully its Customers' needs.

In the context of the management and development of relations with financial institutions, the Bank secured the continuation of its Customers trade transactions even after the capital controls entered into effect. Agreements were concluded with correspondent banks to secure the required trade limits and progress was made in the negotiations and the evaluation of the Trade Finance facilities provided by the European Investment Bank and the European Bank for Reconstruction and Development. The Bank's efforts to increase its income included the conclusion of an agreement with Citibank Europe Plc for the provision of deposit services to its corporate Customers in Greece. Finally, in order to minimize operational risk, the revision or clean-up of the Bank's RMA Authorisations was successfully completed, in cooperation with the Society for Worldwide Interbank Financial Telecommunication (SWIFT).

In the financial products and services sector, swift adaptation to economic developments was a key requirement for the Bank throughout the year.

Management of Wholesale Banking deposits focused on the close monitoring of customer balances, the constant communication with the Client base, and the Bank's Business Units, in order to mitigate volatility and retain the Bank's client deposit balances. Constant communication boosted substantially the Bank's business deposits dynamic in terms of market shares, the latter seen growing during the year, while at the same time achieving containment of deposit interest rate costs, despite the highly demanding and volatile environment. Customer activities in international market transactions declined, due to the general contraction in business activity in financial markets from the business sector. Following the same lines and due to lack of investor interest, no debt capital market activity took place by Greek organisations. However, the Bank focused on improving the quality of its service in international markets products, in order to maintain its competitive advantage in terms of service quality.

Finally, with regard to transaction banking activities, 2015 was a year of intensive adjustments, focused on one hand in developing its business and product portfolio and on the other in incorporating in its operations the substantial changes brought about by the new legislative and regulatory framework of capital controls. The latter has significantly affected the payment services business as well as banking activity linked to international trade, which underwent sudden and extensive redesign. The Bank made certain that its products were adjusted in a timely manner and without compromising the high quality of its services, responding swiftly to its Customers' needs and supporting them in this new environment. Despite the high volatility in the business environment, a major part of the activity during the year focused on the development of new payment and trade products, which are soon expected to expand the Bank's comprehensive range of products and to further boost its competitiveness and its income from fees and commissions in the years to come.

Structured Finance

In 2015, the Structured Finance Division completed its first year of operation as an independent Unit, providing structured finance and related advisory services in the Project Finance and Real Estate Finance areas. Alpha Bank is a leader in the Greek Project Finance market, offering structured finance on a bilateral or syndicated basis for large-scale, stand-alone projects in the infrastructure sector (roads, airports, ports and others) and in power generation (renewable energy sources, thermal power stations, cogeneration units), in Greece and abroad. The Structured Finance Division is also active in the real estate market and has provided structured finance for the development of commercial properties, office premises, sports venues, warehouses and other special-purpose facilities, on the basis of the corresponding project's cash flows.

In 2015, despite the adverse conditions in the domestic market, the Division successfully concluded the financing arrangements for new projects in the sector of renewable energy sources, with a focus on wind farms. It was also successfully involved in the provision of advisory services for structuring and arranging the financing of the privatisation of the country's regional airports and for two new Public-Private Partnership (PPP) projects.

The Division's loan book in 2015 remained stable at approximately Euro 1.2 billion, due to parallel scheduled repayments in its loan portfolio. On the basis of existing mandates for the arrangement of financing for various projects, the volume and the performance of the loan portfolio are expected to increase in the years to follow, with business growth driven primarily by projects in the renewable energy and infrastructure (transport) sectors, as well as by PPPs.

Venture Capital, Equity Financing

Investment activity in 2015 declined, as a result of a number of factors that included the following:

- The capital controls imposed in mid-2015, the credit deceleration, the increase in taxes and the consequent continuing deterioration of the Greek Economy, which caused:
  - A fall in the growth rate of portfolio companies, which had to deal with liquidity and trust issues in their relationships with foreign parties, as well as the dwindling domestic demand;
  - A reluctance by entrepreneurs to embark on new business ventures in Greece, and their tendency to search for solutions abroad.
- The partial and long overdue resolution of the procedural matter involving the Greek State in connection with the operation of TANEO (the New Economy Development Fund), a co-investor with the Bank in the Alpha TANEO

Fund. Although the relevant legislation resolving the matter was enacted in late 2014, this long delay meant that the remaining investment period of the Alpha TANEO Fund until September 2015 was practically wasted. Moreover, the request submitted for an extension of the Fund's investment period by one year did not meet with a positive response from TANEO.

In spite of the above, the activities for the assessment of investment opportunities and for seeking out partnerships were continued, mainly through Alpha Ventures, especially towards the end of the year.

It should also be pointed out that in 2015 Euro 676,000 worth of capital was invested in three existing TANEO Fund participations, in line with our contractual commitments, and a new investment was made by Alpha Ventures.

Despite the negative economic environment, in 2015 both Alpha Ventures and Alpha Ventures Capital Management achieved positive results, as:

- For Alpha Ventures, operating results stood at Euro 204,012, while the reported Euro 884,792 of losses before tax are due to the recognition in the Company's results of the impairment of its portfolio's investment value.
- In its eighth financial year, Alpha Ventures Capital Management posted profit before tax of Euro 171,277, from the management of the Alpha TANEO Fund.

Although the Greek Venture Capital/Private Equity market is not as highly developed as those in Western Europe or North America, it has good prospects for growth, for the following reasons:

- Policy makers, in both the public and the private sector, seem to have realised the key role that this type of investment funds can play in economic growth. This is attested by the fact that the institutional framework has been adapted to facilitate such investments.
- The economic crisis and the general shortage of liquidity have made companies realise the urgent need to redefine their strategy and seek partnerships in order to exploit the opportunities present in Greece and abroad. Venture Capital/Private Equity companies can act as a catalyst for achieving these goals, since, in addition to contributing capital, they can provide the necessary level of trust between the parties involved, on the basis of their institutional role.
- The recent presence of an increasing number of investment fund companies and the initiatives that private and public sector organisations take to boost entrepreneurship, have helped entrepreneurs familiarise themselves with this type of financing. They have also come to realise that companies like Alpha Ventures are in a position not only to contribute capital, but also to offer substantial assistance with the organisation, management and strategic growth of businesses.

The strategy of Alpha Ventures mainly aims to exploit the opportunities present in the current economic conditions, based on the following priorities:

- Seeking out investment opportunities primarily in innovative, export-oriented companies active in sectors showing potential for rapid growth, aided by the use of state-of-the-art technology.
- Attracting third-party investment funds to be placed under management and/or co-invested. The long-term objective is for investment capital to come primarily from third parties and secondarily from Alpha Bank. To this end, partnerships are being promoted with private investment funds from Greece and abroad in order to jointly assess investment opportunities emerging in the Company's area of activity.

The capital available from Alpha Ventures restricts the investment potential within a range between Euro 1 million and Euro 5 million. Nevertheless, the reputation of Alpha Bank, combined with its long presence in the market and the experience of its Executives, allows it to collaborate with both major foreign investment funds and domestic strategic investors and facilitates major transactions. Thus, transactions involving investments (majority/minority shareholdings) of large companies in Greece and potentially the Balkans are constantly pursued.

Southeastern Europe

Albania

Alpha Bank's presence in Albania dates back to January 1998, while it has been active in the country since 2012 through the Group Company Alpha Bank Albania SHA. In 2015, the Bank's Network comprised 40 Branches and its Personnel amounted to 425 Employees.

In 2015, in an adverse economic environment, Alpha Bank Albania SHA adopted a prudent business expansion policy, financed the most important sectors and projects of the economy and improved the quality of its loan portfolio by writing-off a significant amount of non-performing loans. At the same time, the Bank launched new loan and deposit products and conducted marketing campaigns to promote them.

At the end of 2015, total loans amounted to Euro 367 million and the Bank's loan market share stood at 8.4%. In 2015, the Bank had a strong presence in the card industry, having issued 7,740 credit cards and 69,605 debit cards. Moreover, within the same year, the Bank launched the new housing loan "Alpha Fix" and the new consumer loan "Alpha Fix Realize", both of which are offered at a fixed rate, the "Enter American Express" card, as well as the new deposit products "Alpha My Term Deposit" and "Alpha Smile". At the end of 2015, deposits amounted to Euro 405 million.

In 2015, Alpha Bank Albania SHA maintained high capital adequacy and liquidity, with the Capital Adequacy Ratio standing at 16.9% and the Liquidity Ratio at 48.2%.

Lastly, it should be mentioned that Alpha Bank Albania SHA was awarded with the "2015 Philanthropy Award for Contribution at National Level" for its remarkable performance in the approach of corporate social responsibility, through the continuous support in the fields of health, education, environment, art and culture.

Cyprus

Alpha Bank's presence in Cyprus dates back to 1998 with the acquisition of Lombard Natwest Bank Ltd, a subsidiary of the NatWest Group in Cyprus. Alpha Bank acquired gradually the total share capital of the company which was later renamed Alpha Bank Cyprus Ltd. In 2015, the Bank's Network comprised 24 Branches and its Personnel amounted to 874 Employees.

The merger between Emporiki Bank - Cyprus Ltd and Alpha Bank Cyprus Ltd, through the absorption of the former by the latter, was concluded on March 30, 2015.

At the end of 2015, loans amounted to Euro 5,287 million and the loan market share was 4.5%. In 2015, Alpha Bank Cyprus Ltd continued its efforts to restrain non-performing loans by offering loan restructuring products. The Bank participated in the project for financing small and medium-sized enterprises in the sectors of industry, tourism and services in cooperation with the European Investment Bank. Moreover, the Bank restructured and relaunched the "Alpha Student Loan", which is offered for student expenses with favourable conditions and additionally it offers facilitations to young people and students through the offer of the special package "Alpha Welcome Youth Pack". In the card industry, the promotion of all the Bank's credit cards continued. In particular, seasonal offers and marketing campaigns were launched for the promotion of the Aegean Visa card, to take full advantage of the dynamic presence of Aegean Airlines in Cyprus. In addition, "Alpha Bank Enter Youth Visa", which is targeted at children and young people aged 13 to 23 years, was relaunched through a marketing campaign.

At the end of 2015, deposits amounted to Euro 1,852 million and the deposit market share was 4.0%. Within the same year, the Bank focused on attracting new deposits. The Bank relaunched a series of term deposits "Alpha Term Deposit with Miles", "Alpha Flexibility" and "Alpha Progress 1+/3+". Moreover, a marketing campaign was launched for the "Alpha Newlyweds" deposit plan, which offers high yields and other advantages.

In January 2015, the Bank signed an agreement with the insurance company ALTIUS INSURANCE (as the former subsidiary of the Bank Alpha Insurance Ltd sold in December 2014 was renamed) for a five-year cooperation in the sectors of general insurance, life insurance and bancassurance. In 2015, the Bank in conjunction with ALTIUS INSURANCE launched the new bancassurance product "Alpha Personal Accident", which offers financial compensation in case of loss of life or permanent total disability due to an accident and medical expenses due to an accident. Moreover, the Bank developed the application "Alpha Personal Accident" which offers Customers the opportunity to conclude insurance contracts directly through the Branch Network.

In 2015, the Bank presented smaller losses compared to 2014 as a result of the positive effect from the absorption of Emporiki Bank - Cyprus Ltd, the reduction of operating expenses and the lower cost of deposits.

At the end of 2015, Alpha Bank Cyprus Ltd presented high capital adequacy ratios with the Common Equity Tier 1 Ratio standing at 17.5%, the Tier 1 Capital Ratio standing at 20.5% and the Total Equity Capital Ratio standing at 23.4%, as per transitional provisions. The Bank's Capital Adequacy on 31 December 31, 2015 exceeds the minimum capital requirements of Pillar I and Pillar II, providing the Bank with capital buffer.

On May 28, 2015, the Bank was certified as an "Equal Opportunities Employer" by the Gender Equality Certification Body for applying good practices pertaining to gender equality in the working environment.

Romania

Alpha Bank has been active in Romania since 1994 and was the first foreign bank to operate in the country. In 2015, the Bank's Network comprised 130 Branches and its Personnel amounted to 1,882 Employees.

During the same year, the Bank focused on the expansion of its customer base through marketing campaigns for its products and services, as well as on the improvement of its loan portfolio's quality through loan restructuring and non-performing loans write-offs. Moreover, the Bank launched "Alpha Prime Personal Banking", in order to offer high-quality services to affluent Customers. In addition, the Bank promoted the new product and service packages "Access", "Connect" and "Explore" for Individuals. At the same time, a new bancassurance product was launched in cooperation with the insurance company Aegon. Finally, in December 2015, a pilot phase of the new "SMS alerts service" was initiated. This service is targeted both at Individuals and Corporate Customers and offers information on transactions via sms on mobile telephones. At the end of 2015, deposits amounted to Euro 1,383 million, while loans amounted to Euro 2,792 million and the loan market share was 5.5%.

In the same period, the capitalisation of Alpha Bank Romania was adequate and the Solvency Ratio stood at 23%, while the Common Equity Tier 1 (CET1) Ratio stood at 16%.

It is noteworthy that Alpha Bank Romania was named "Retail Bank of the Year 2015" by the "Business Arena Magazine".

In the leasing sector, the Alpha Bank Group has been active since 1998 through Alpha Leasing Romania IFN S.A., which provides Customers with credit facilities and continuously adapts its products to market needs.

In the brokerage sector, the Alpha Bank Group has been active since 1994, through SSIF Alpha Finance Romania S.A., which provides Customers with stock trading services in the Bucharest Stock Exchange and foreign markets, financial advisor services, services of participation in Initial Public Offerings (IPOs), etc.

Serbia

Alpha Bank's operations in Serbia started in 2002, while in 2005 it acquired Jubanka, the seventh largest bank in the country which was later renamed Alpha Bank Beograd and then Alpha Bank Srbija A.D. In 2015, the Bank's Network comprised 76 Branches and its Personnel amounted to 921 Employees.

In 2015, Alpha Bank Srbija A.D. kept its strong presence in the country, while it continued the restructuring process and the reduction in operational cost, through the rationalisation of the Branch Network and of Personnel expenses.

At the end of 2015, the Bank's loans amounted to Euro 718 million and the market share in loans was 4.5%. At the same time, deposits amounted to Euro 394 million.

In 2015, the Bank focused on loan restructuring and on cross-selling while it continued its cooperation with the Ministry of Health of Serbia for the implementation of the Hvala CSR Programme and the promotion of MasterCard Hvala, with the number of Hvala credit cards having doubled.

Other Activities

Real Estate Management

The main activities of the Group Company Alpha Astika Akinita S.A. involve managing and developing real estate assets owned by the Company itself or by third parties, providing advice on related matters, performing real estate and brokerage operations, carrying out valuations of real estate assets on behalf of third parties and participating in enterprises with the same or similar purposes.

Alpha Astika Akinita S.A., in its capacity as a real estate consultant, has expanded its activities, assuming the management of all of the Group's real estate assets in Greece and the coordination of the activities concerning properties located abroad. It has also created databases for all the properties used, leased out or rented by the Group in South-eastern Europe.

In this context, Alpha Astika Akinita S.A. wholly owned, in 2015 as well, the companies Alpha Real Estate D.O.O. Beograd, Alpha Astika Akinita D.O.O.E.L. Skopje, Alpha Real Estate Bulgaria E.O.O.D., Chardash Trading E.O.O.D. and Alpha Real Estate Services S.R.L.

In 2015, total assets grew by 2.3% to Euro 134 million versus Euro 131 million in 2014. Available funds stood at Euro 54.8 million in 2015 compared to Euro 49.9 million in the previous year. Profit before tax stood at Euro 4.2 million in 2015, versus Euro 3.5 million in 2014. This increase was mainly due to the reduction in operating expenses. The operating income for 2015 totalled Euro 10.3 million, the same as in 2014. Operating expenses for 2015 stood at Euro 7 million, compared to Euro 8.2 million for the previous year.

After several years of impressive growth, Alpha Astika Akinita S.A. today boasts a high-quality portfolio of real estate assets, substantial available funds and a Personnel team composed of real estate specialists. These characteristics, combined with the Company's nil borrowing, are the key prerequisites that will enable it to cope with the particularly difficult economic conditions.

In 2016, the Company will continue to:

- Manage acquisitions and sales, leases and rentals, as well as the tax and insurance matters related to the properties;
- Organise and check real estate valuations and certifications;
- Act as project manager for large-scale real estate projects.

Hotels

The Alpha Bank Group is active in the hotel sector through the Company "Ionian Hotel Enterprises S.A.", which was established in 1957 with the aim of constructing, running and developing high-end hotels and currently owns the Hilton Athens Hotel, for which a management contract was signed with Hilton Worldwide effective until 31.12.2017.

Operating in an environment of stiff competition, in 2015, the Hilton Athens Hotel succeeded in achieving the highest occupancy rate in the luxury category and the highest one compared to all competitor luxury hotels. More specifically, room occupancy stood at 67% versus 66.2% in 2014 and versus an average of 65.3% for luxury hotels and 65.4% for competitor luxury hotels.

The market share posted a marginal improvement against the competition, increasing to 29% versus 28.7% in 2014.

The turnover of the Hilton Athens Hotel stood at Euro 29.8 million compared to Euro 28.9 million in 2014 and posted an increase in all main sources of income, despite the continued recession in the domestic market and the contraction in consumer spending, which continues to impact negatively on the income from restaurants and bars. More specifically, income from rooms stood at Euro 18.1 million versus Euro 17.3 million in 2014, with the income from restaurants and bars posting a similar increase to Euro 8.4 million versus Euro 8.2 million in 2014.

With regard to expenses, a prudent approach was followed in managing all types of operating costs. As a result, the cost of sales, net of depreciation, stood at Euro 21.3 million versus Euro 21 million in 2014, posting a marginal increase of just 1.4% compared to a 3% increase in turnover. The increase in the operating cost is due exclusively to expenses directly related to the increase in room occupancy and in the income from restaurants and bars. Similarly, a conservative policy was also applied to administration expenses, which were reduced by 3.3%, and to distribution expenses, which remained at approximately the same level as in 2014. In addition, in a clear confirmation of the environmental awareness of the Company and of Hilton Worldwide, an investment plan to reduce energy consumption and operating costs was successfully completed.

In the same line, a combined heat and power unit was installed and launched into operation in March 2014, in an effort to further reduce energy costs, an objective that has already been achieved in the unit's first year of operation.

Given the above, profit before tax, financial and investment results and depreciation, stood at Euro 6.8 million versus Euro 6.4 million in 2014, thus succeeding in meeting the budget's target, despite the lower than projected income.

Banque de Crédit Commercial Hellénique 1924-1947

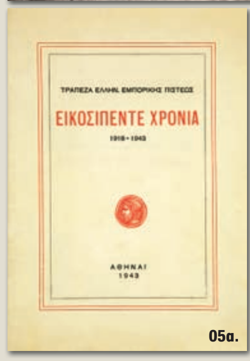
01. The Bank's Main Building, 1937
02. Advertisement, 1925
03. The Kalamata Branch before 1941
04. Cheque form, 1920s
05a - 05b. Commemorative publication for the Bank's 25th anniversary celebrations. Includes woodcuts by Spyros Vassiliou, 1943
06. Wall calendar, 1929-1932


01.

02.


03.

04.



05α.

05β.

06.

3. Operating Segment and Geographical Sector Analysis

Analysis by Operating Segment

(in Euro million)	1.1 - 31.12.2015						
	Retail Banking	**Corporate Banking**	**Asset Management/ Insurance**	**Investment Banking/ Treasury**	**South-Eastern Europe**	**Other**	**Group**
Net interest income	1,027.2	722.2	16.4	(147.2)	312.5	0.6	1,931.7
Net fee and commission income	107.4	134.0	43.5	(3.2)	31.8	1.2	314.7
Other income	6.6	12.3	1.0	82.1	(0.7)	(89.7)	11.6
Total income	**1,141.2**	**868.5**	**60.9**	**(68.3)**	**343.6**	**(87.9)**	**2,258.0**
Total expenses	**(673.8)**	**(148.3)**	**(30.4)**	**(31.4)**	**(221.1)**	**(135.4)**	**(1,240.4)**
Impairment losses	(1,328.4)	(1,325.7)		(2.6)	(362.0)	(1.1)	(3,019.8)
Provision for Voluntary Separation Scheme						(64.3)	(64.3)
Profit/(Losses) before income tax	**(861.0)**	**(605.5)**	**30.4**	**(102.3)**	**(239.5)**	**(288.6)**	**(2,066.5)**
Income tax							806.8
Profit/(Losses) after income tax from continuing operations	**(861.0)**	**(605.5)**	**30.4**	**(102.3)**	**(239.5)**	**(288.6)**	**(1,259.7)**
Profit/(Losses) from discontinued operations					(111.8)		(111.8)
Profit/(Losses) after income tax	**(861.0)**	**(605.5)**	**30.4**	**(102.3)**	**(351.2)**	**(288.6)**	**(1,371.5)**
Assets	25,189.1	16,711.1	483.5	11,943.3	9,806.2	5,163.1	69,296.2
Liabilities	22,416.3	4,827.5	1,359.0	25,038.3	6,309.0	291.9	60,241.9
Capital expenditure	58.6	30.5	1.4	0.9	9.4	6.8	107.7
Depreciation and Amortisation	(54.5)	(19.3)	(2.1)	(2.2)	(11.8)	(15.1)	(105.0)

(in Euro million) **1.1 - 31.12.2014**

	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other	Group
Net interest income	840.2	714.3	15.5	21.5	326.8	1.1	1,919.4
Net fee and commission income	104.0	150.0	38.0	7.6	33.9	0.7	334.2
Other income	6.1	12.9	1.8	67.2	32.4	(24.8)	95.6
Total income	**950.3**	**877.2**	**55.3**	**96.3**	**393.1**	**(23.0)**	**2,349.2**
Total expenses	**(734.7)**	**(162.2)**	**(32.0)**	**(28.8)**	**(232.1)**	**(163.2)**	**(1,353.0)**
Impairment losses	(705.5)	(586.4)			(555.2)		(1,847.1)
Voluntary Separation Scheme cost						(200.8)	(200.8)
Negative goodwill from the acquisition of Diners Club						40.3	40.3
Profit/(Losses) before income tax	**(489.9)**	**128.6**	**23.3**	**67.5**	**(394.2)**	**(346.6)**	**(1,011.4)**
Income tax							696.4
Profit/(Losses) after income tax from continuing operations	**(489.9)**	**128.6**	**23.3**	**67.5**	**(394.2)**	**(346.6)**	**(315.0)**
Profit/(Losses) from discontinued operations					(14.8)		(14.8)
Profit/(Losses) after income tax	**(489.9)**	**128.6**	**23.3**	**67.5**	**(409.0)**	**(346.7)**	**(329.8)**
Assets	25,128.1	18,725.4	404.2	11,132.8	12,386.3	5,158.6	72,935.5
Liabilities	29,837.8	7,046.0	1,938.9	15,938.9	9,977.0	490.3	65,228.9
Capital expenditure	41.3	18.3	2.0	1.0	10.0	11.3	83.9
Depreciation and Amortisation	(45.0)	(17.8)	(1.7)	(1.1)	(13.1)	(15.7)	(94.3)

Analysis by Geographical Sector

(in Euro million) **1.1 - 31.12.2015**

	Greece	Other countries	Group
Net interest income	1,598.6	333.1	1,931.7
Net fee and commission income	279.0	35.7	314.7
Other income	10.3	1.3	11.6
Total income	**1,887.9**	**370.1**	**2,258.0**
Total expenses	**(1,004.4)**	**(236.0)**	**(1,240.4)**
Impairment losses	(2,657.8)	(362.0)	(3,019.8)
Provision for Voluntary Separation Scheme	(64.3)		(64.3)
Profit/(Losses) before income tax	**(1,838.6)**	**(227.9)**	**(2,066.5)**
Income tax			806.8
Profit/(Losses) after income tax from continuing operations	**(1,838.6)**	**(227.9)**	**(1,259.7)**
Profit/(Losses) from discontinued operations		(111.8)	(111.8)
Profit/(Losses) after income tax	**(1,838.6)**	**(339.7)**	**(1,371.5)**
Total Assets	59,112.1	10,184.2	69,296.2

(in Euro million) **1.1 - 31.12.2014**

	Greece	Other countries	Group
Net interest income	1,559.6	359.8	1,919.4
Net fee and commission income	294.8	39.4	334.2
Other income	54.7	40.9	95.6
Total income	**1,909.1**	**440.1**	**2,349.2**
Total expenses	**(1,099.7)**	**(253.3)**	**(1,353.0)**
Impairment losses	(1,291.3)	(555.8)	(1,847.1)
Voluntary Separation Scheme cost	(200.8)		(200.8)
Negative goodwill from the acquisition of Diners Club	40.3		40.3
Profit/(Losses) before income tax	**(642.4)**	**(368.9)**	**(1,011.4)**
Income tax			696.4
Profit/(Losses) after income tax from continuing operations	**(642.4)**	**(368.9)**	**(315.0)**
Profit/(Losses) from discontinued operations		(14,8)	(14,8)
Profit/(Losses) after income tax	**(642.4)**	**(383.9)**	**(329.8)**
Total Assets	60,052.1	12,883.3	72,935.5

Commercial Credit Bank
1948-1972

01. Title representing 25 shares, 1965
02. The Main Building with its extension at Stadiou Street, Athens, 1969
03. Advertisement for “dressing” passbooks
in “Yannis Tseklenis Fashion”, 1971
04. Advertising brochure on the Kolonaki Branch, ca 1968
05. Advertisement for the faster processing of transactions.
Designed by cartoonist Yannis Kyriakopoulos (KYR), ca 1971
06. Advertisement for the “drive-in banking” system.
Designed by cartoonist Yannis Kyriakopoulos (KYR), ca 1971

4. Operational Systems and Distribution Channels

Operational Systems and IT Projects

The IT Divisions focused on the projects and initiatives that were necessary due to the acquisition of Citibank's Retail Banking operations in Greece, the application of the Legislative Acts concerning Capital Controls, as well as planning the Strategic IT Projects for the period 2016-2018.

The main IT activities during 2015 concerned the conclusion of the projects related to the acquisition of Citibank's Retail Banking operations in Greece and the completion of the adjustments for the implementation of the Capital Controls. The overall planning of Citibank-related operations comprised 226 projects, of which 222 were completed. At the same time, the project for the migration of Citibank's Retail Banking Customer and product data to the Bank's systems was successfully completed on schedule.

More specifically, the following projects were completed in 2015 in connection with the above acquisition:

- Migration of the deposit products and data on fund transfers and direct debits.
- Operation of e-Banking services.
- Migration of Citibank's consumer loans to the Loan Management System (LMS), of business loans to the Siglo system and of arrears to the Qualco system.
- Migration of credit and debit cards, including Diners cards, to Alpha Bank's systems.
- Migration of the ATM and POS networks.
- Transfer of bond accounts and investment portfolios of Customers, as well as execution of stock exchange transactions and provision of custody services for Citibank's Greek securities by Alpha Finance Investment Services S.A.
- Migration of the data of Customers holding SICAV (Alico-Metrolife) mutual funds and implementation of the monitoring of the active insurance policies that Citibank had taken out with third-party providers.
- Integration of Citibank balances, assets and equipment into the SAP system.
- Financial and regulatory Group reports.
- Transfer of Data Warehouse information to Alpha Bank, gathering of historical data and installation of Alpha Bank terminals at the Citibank Branches.
- Migration of Human Resources data, inclusion of the Employee time attendance system and migration of Personnel training data.

Following the Legislative Act of 28.6.2015 concerning the short-term Bank Holiday, the IT Divisions, in collaboration with the Legal Services Division and the competent Business Units, took immediate steps to implement the necessary changes in the Bank's systems in order to meet the relevant requirements and establish the related restrictions. Similarly, in the second half of 2015, the IT Divisions made specific and continuous adjustments to the Bank's systems, in order to ensure the implementation of the provisions of the Legislative Acts and Ministerial Decisions as these were being issued, while also drafting instructions to the Branches and the Business Units.

The IT Divisions handled over 6,750 requests from the Bank's Business Units for improvements, troubleshooting and the provision of information. These requests resulted in 53 major projects. As regards the Group Companies, a total of 4,855 requests for changes, improvements and troubleshooting were submitted.

With regard to process organisation and optimisation, the Bank's IT Divisions completed the following projects and activities in 2015:

- Allocation and integration of Citibank Personnel into the individual IT Divisions.
- Completion of the installation of the HP Project and Portfolio Management (PPM) tool for IT Project and Portfolio Management.
- Inclusion of all IT services in the HPSM System and interconnection of the latter with the HP PPM tool.
- Adjustments to the IT Services and Business Continuity Management Systems, ISO 20000 recertification (Bureau Veritas Hellas) and ISO 22301 recertification (TÜV Austria Hellas) respectively.
- Recertification of the Quality Assurance Management System (ISO 9001) of the IT Applications Division by Bureau Veritas Hellas.

The IT Divisions offered vital assistance in collecting and reporting data as well as in providing operational and technical support to the competent Units of the Bank, in the context of major audits in 2015, such as the Asset Quality Review (AQR) carried out by the European Central Bank (ECB), the audit performed by the Bank of Greece regarding the implementation of the capital controls and of Executive Committee Act 42/30.5.2014, as well as the annual audit by the Certified Auditors (KPMG). Additionally, the IT Divisions participate in the relevant projects and handle requests for the Bank's annual certification in accordance with the Payment Card Industry Data Security Standard (PCI-DSS).

At the same time, the IT Divisions were subject to 29 internal audits/follow-up audits and three inspections of the Management Systems by the Certification Bodies. As regards the overall improvement of the systems and applications, the IT Divisions collaborate with the Internal Audit Division and the Market and Operational Risk Division to regularly review the status of the various improvement actions and projects which have resulted from audits and from the Operational Risk Action Plans.

Acknowledging the difficulties in achieving certain operational and technological objectives and the need to quickly adapt to the wider financial, operational and technological circumstances, in 2015 the IT Divisions completed the project for the examination and proposal of Strategic IT Projects. These Projects aim to ensure an overall more efficient and cost-effective operation of the Information Technology function, in terms of covering the business needs in the intensely changing economic and technological environment. Thus, the projects proposed by the IT Divisions and approved for implementation during the period 2016-2018, include the following:

1. The architectural redesign for the creation of a flexible model of operation, with:
   - a uniform and simplified user interface at the Branches and Units (web-like design);
   - the introduction of a middle layer using a tool for the design and execution of business processes (Business Process Management - BPM);
   - the redesign of the main banking software of the Mainframe Computer (Host), based on the concept of distributed services (Services Oriented Architecture - SOA) and not of self-contained banking processes (traditional transaction software), with simultaneous transfer of the operational logic to the immediately previous layer ("orchestrating" the banking processes through BPM).

2.The integration of lending applications into the Siglo system (business, housing and consumer loans).

3.The upgrade and/or replacement of critical hardware and software which have reached their end-of-life and are no longer supported by their manufacturers.

The key benefits expected from the implementation of these Strategic Projects include:

- quicker response to business needs (time to market);
- greater flexibility and adaptability to changes in the operational environment;
- more efficient forecasts of operational and technical needs.

The expected benefits are further magnified with the implementation of major projects currently in progress, among which are the following:

- the upgrade and expansion of the Data Warehouse;
- the upgrade of the Mainframe Computer (Host);
- the transition of the Branches to the V-Branch environment;
- the completion of the project for the re-platforming of Siglo.

Certification of Critical Business Sectors and Top Distinction for the Bank

In the context of the constant upgrade in business continuity management processes, in 2015 the Bank proceeded with the renewal of the existing ISO 22301 certification (Business Continuity Management System) extending also this certification to the Group Company Alpha Leasing S.A.

Alpha Leasing, thus, is the fourth receiving this certification, following Alpha Bank A.E. and the Group Companies Alpha Supporting Services S.A. and Alpha Bank Romania S.A.,

Additionally, seeking to ensure the efficient implementation of the Business Continuity Plan and Procedures, Alpha Bank organised the "Business Continuity Effectiveness Programme", through which 135 Bank Executives were certified by an internationally recognised institute in the business continuity industry.

As a result of the above, the Bank received once again an award at the "Business IT Excellence (BITE) Awards 2015", organised by Netweek magazine of the Boussias Communications Network and the E-Business Research Center (ELTRUN) of the Athens University of Economics and Business. More specifically, the Bank was presented with one of the five "Top Awards" of the event, as it achieved one of the highest scores among all candidates in all categories, as well as with the first award in the "Business Continuity" category, which it had also received in 2012 and 2013.

Branches, Alternative Networks and Electronic Services

Branch Network

Alpha Bank is successfully active in the Greek and international banking markets, through a total of 897 Branches and maintains a wide network of correspondent banks, both in Greece and abroad.

At the end of 2015, the Alpha Bank Branch Network in Greece numbered 626 Branches and Customer Service Units (including nine Business Centres and nine Alpha Private Bank Centres). The number of Branches was reduced by two (2) Units compared to 31.12.2014, as a result of the merger of two (2) Alpha Bank Branches and the merger of two (2) Alpha Private Bank Centres.

Accordingly, the Group's International Network numbered 271 Branches, having a presence in Cyprus (Alpha Bank Cyprus Ltd: 24), in Romania (Alpha Bank Romania S.A.: 130), in Serbia (Alpha Bank Srbija A.D.: 76), in Albania (Alpha Bank Albania SHA: 40) and in the United Kingdom (London Branch). The number of Branches abroad is lower by 133 compared to 31.12.2014, as it does not include 82 Branches in Bulgaria and 18 Branches of Alpha Bank A.D. Skopje which have been classified as discontinued operations. Moreover, nineteen (19) Branches of Alpha Bank Romania S.A., five (5) Branches of Alpha Bank Srbija A.D. and five (5) Branches of Alpha Bank Cyprus Ltd have been merged, while the merger by absorption of four (4) Branches of Emporiki Bank - Cyprus Ltd by Alpha Bank Cyprus Ltd has been completed.

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 and improve its customer reach. In 2016, particular emphasis will be placed on optimising the Branch Network utilisation and efficiency.

Alternative Networks and Electronic Banking Services

A pioneer in electronic banking with a strong presence in the relevant market since 1993, Alpha Bank continues to place emphasis on providing modern Customer services, by offering enhanced, easy-to-use electronic banking services that make the Customers' daily transactions easier and address their needs, while ensuring a high level of quality and security.

Three key projects in this area were completed in 2015, namely the redesign of the "Alpha Web Banking for Individuals" service and of the "Alpha e-Banking for Individuals" information webpage (www.alpha.gr/e-banking/en), the redesign of the "Alpha Mobile Banking" service and the upgrade of the Bank's Call Centre with a natural language understanding system. In addition, the development of "My Alpha wallet" (a digital wallet) is at a final stage and is expected to be gradually completed in 2016.

The trust that the Customers put in Alpha Bank's electronic banking services (Alpha e-services) is evidenced by the continuous increase in their usage. During 2015, money transactions carried out through the Alpha e-services rose by 12% in relation to 2014 and currently account for 71.9% of the Bank's total money transactions. This increase was partly due to the imposition of the capital controls, which made a number of Customers use alternative networks for their transactions.

According to the latest data (third quarter 2015), the Bank holds a 22.7% share of the market in terms of active web banking subscribers and a 29.5% share in terms of the value of money transactions.

On the back of these results, the Bank garnered several major awards for both its "Alpha Web Banking for Individuals" service and the "Alpha e-Banking for Individuals" information webpage, at the 2016 Lighthouse e-volution Awards, which are presented in recognition of the best practices in e-commerce and e-business:

- Gold Award in the Usability category, for Alpha e-Banking for Individuals
- Gold Award in the Mobile Banking category, for the Alpha Mobile Banking App for Individuals
- Gold Award in the Innovative Services category, for Alpha Web Banking for Individuals
- Silver Award in the Design-Aesthetics category, for Alpha e-Banking for Individuals

Finally, 2015 saw the completion and entry into production of two projects involving ATM services, namely the acquiring of UnionPay International (UPI) cards and the Dynamic Currency Conversion (DCC) Service.

- **Automated Banking Services**

Automated banking includes Automated Teller Machines (ATMs) and Automated Cash Transaction Centres (ACTCs) for cash transactions. With the first ATMs being installed in 1981, Alpha Bank paved the way for modern banking technology in Greece.

In order to provide Customers with an enhanced level of service and improve the efficiency of the Bank's ATM networks, while also rationalising operating costs, a total of approximately 250 feasibility studies concerning primarily the configuration of the network of off-site ATMs (withdrawals, relocations, new installations, adjustment of rentals etc.) was carried out in 2015. On the basis of these studies, the Bank installed 37 new ATMs (13 off-site and 24 on-site) and withdrew 105 ATMs (29 off-site and 76 withdrawals due to changes in the Branch Network). Additionally, upon completion of the acquisition of Citibank's Retail Banking operations in Greece, 61 ATMs of the Citibank Network were withdrawn (45 off-site and 16 on-site) and 24 ATMs (4 off-site and 20 on-site) were included in Alpha Bank's ATM Network.

The project for the upgrade of the ATM network to Windows 7 started in 2015 and is expected to be completed during 2016. Under this project, 306 old-technology ATMs (125 off-site and 181 on-site) have been replaced with later-technology ATMs and 53.2% of the network has been upgraded. Cost-benefit reports were also compiled with regard to the operation of all off-site ATMs.

On 31.12.2015, the Bank had in operation 1,095 ATMs (659 on-site and 436 off-site), down by 5.9% compared to 2014. However, the number of transactions in 2015 rose to Euro 81.3 million, representing an increase by 13.2% versus the previous year (partly driven by the imposition of the capital controls), and their total value stood at Euro 11.2 billion, up by 2.5% compared to 2014.

In order to reduce the workload of Branch tellers involving payments in cash, in 2015 four new payments were made available through the network of Automated Cash Transaction Centres (ACTCs), which already support a wide range of cash transactions (payments on cards and loans, deposits to Alpha Bank accounts and payments to third parties such as telephony and internet service providers, public utilities, insurance companies etc.).

At the end of 2015, the Alpha Bank network of ACTCs numbered 285 units. The number of transactions via the Bank's ACTCs stood at 5.8 million, posting a marginal decline by 0.8% compared to 2014 (in spite of the capital controls), with the total value of these transactions reaching Euro 1.3 billion, down by 12.8% compared to 2014. The revenue from transaction fees and commissions stood at Euro 999,282, posting a decline by 6.1% versus the previous year.

With the continuous upgrades of the ATMs and ACTCs operation monitoring system, the Bank aims to meet the needs of Customers in the most secure and comprehensive way possible.

• Alpha Web Banking

Responding to modern global trends in electronic banking services, in June 2015 Alpha Bank delivered to its Customers the redesigned "Alpha Web Banking for Individuals" service, which offers a particularly user-friendly and secure environment for electronic transactions.

The redesign and upgrade of the service's functionality focused on the following priorities:

- To reconfigure the structure and aesthetics of the existing environment, in order to enhance users' overall experience, reconsider the existing functions and add new ones.
- To ensure ease-of-use, functionality and the provision of tools for better management of users' finances.
- To raise the awareness of matters concerning Customer security and protection.
- To leverage the service delivery technology available, so that Customers are provided with an optimal service experience irrespective of their specific choice of network through which they carry out their transactions.
- To strengthen Customer support.

The new "Alpha Web Banking for Individuals" service features a more pleasant and modern design combined with practical navigation and offers a number of significant benefits to the Customers of Alpha Bank, as it allows them to:

- Obtain information about all their products grouped together, from the overview page.
- Carry out their transactions easily and quickly and save, print and e-mail transaction receipts.
- Monitor the detailed activity of their products and save electronic copies of their deposit account, card and loan statements.
- Receive information swiftly and on time through the new inbox.

The new, modern Alpha Web Banking interface adapts easily to desktop computers and tablets, thanks to the adoption of a "responsive design" approach. It also allows Customers to configure their subscription's settings according to their personal preferences.

In order to promote and support the Alpha e-services more effectively and to provide a simple, quickly accessible and comprehensive source of detailed information, the new information webpage "Alpha e-Banking for Individuals" (www.alpha.gr/e-banking/en) was created. Thus, users are able to search for useful information and find answers to their questions on the use of Alpha Bank's electronic banking services, products and tools, by making use of instructional multimedia content.

An additional key factor in enhancing Customer experience is the improvement of the registration procedure for Individuals by visiting an Alpha Bank Branch which now allows Customers to complete their registration and activate their subscription immediately, with a single visit to a Branch.

In order to simplify the processes involved and expand the user base, the Additional Password Services have been upgraded with the inclusion of an option to send Additional Passwords via text messages on the Customer's mobile telephone. Customers are thus able to choose either to use the "Alpha Safe Access" smartphone application or to receive the one-time password on their mobile phone via text message.

2015 also saw many new companies and organisations joining the payments service. As a result, subscribers are now able to make payments of amounts due to more than 430 companies/organisations.

In 2015, the number of new subscribers (individuals) to the service, as well as the usage of the service itself posted a significant increase. More specifically, the number of total registered subscribers rose by 45% and the number of Customers who used the service rose by 60% compared to 2014.

Additionally, in 2015 the number of money transactions carried out via "Alpha Web Banking for Individuals" rose by 39% and the value of transactions rose by 41%.

The corresponding figures for "Alpha Web Banking for Businesses" also posted a rise, as the substantial increase in new registrations during 2015 drove the number of active subscribers up by 25%. Similarly, the number of money transactions carried out posted an impressive increase by 17%.

Compared to 2014, the Alpha Web Banking for Individuals and Businesses figures for 2015 show a substantial increase:

- in active subscribers by 54.3%;
- in the number of money transactions by 32.1%;
- in the value of transactions by 21.9%.

• Alpha Mobile Banking

2015 also saw an upgrade of the "Alpha Mobile Banking" service for iOS or Android smartphones.

From the outset, Alpha Mobile Banking was designed to offer a uniform user experience in combination with the new Alpha Web Banking, with emphasis placed on leveraging the user-friendly navigation and ease-of-use features of "smart" devices.

The content was fully adjusted to the requirements of smartphone screens, offering multiple options such as displaying more information if the user requests it, while the integration of "gestures" (tap and swipe) turns navigation into a truly novel experience.

The use of the Alpha Mobile Banking application offers all the key advantages of the new Alpha Web Banking service and, in addition, allows users to perform the following tasks, without having to enter their security codes:

- locate the nearest Branch, ATM or ACTC via an easy-to-use search tool;
- look up their International Bank Account Number (IBAN) and send it by e-mail or text message;
- see the points available on their card's loyalty programme;
- contact the Bank quickly and easily.

Compared to 2014, the Alpha Mobile Banking for Individuals figures for 2015 show a substantial increase:

- in active subscribers by 75.7%;
- in the number of transactions by 173.1%;
- in the number of money transactions by 95.7%;
- in the value of transactions by 81.4%.

• Call Centre - Alphaphone Banking

In the context of creating and providing new innovative services, since March 2015 Customer service via the Call Centre (at +30 210 326 0000) has been automated and supported by a natural language understanding system.

The implementation of this feature allows all users, even those with minimal knowledge of technology, to access the service they want easily and quickly, expressing their request by speaking in a natural way, without having to navigate through option menus. As a result, Customer service has improved significantly in terms of speed and ease.

The capabilities offered via the new Voice Portal are being gradually expanded to cover an increasing range of services, such as the automated submission of requests and the execution of transactions in connection with Alpha Bank cards, without intervention by an agent. The response to incoming calls has been noteworthy, despite the fact that they have increased by 100% from last year (from 500,000 calls in 2014 to 1,000,000 calls in 2015).

As regards Alphaphone Banking, the services' figures for 2015 show a substantial increase compared to 2014:

- in active subscribers by 40.3%;
- in the number of money transactions by 15.4%;
- in the value of transactions by 14.9%.

• Alpha e-statements

Aiming to provide information to Customers in a more immediate and secure way, decrease operating costs and contribute to the efforts to reduce the Bank's energy footprint, the project for the automatic integration of around 350,000 active Alpha Web Banking subscribers into the "Alpha e-statements" service was launched in late 2015 and is scheduled to be completed by the end of 2016.

The number of accounts included into the Service by the end of 2015 was as follows:

- 164,000 deposit and loan accounts (an increase by 55% compared to 2014);
- 230,000 card accounts (an increase by 93.7% compared to 2014).

• Alpha Line
Alpha Line provides banking services to businesses by means of an application installed on the Customers' computers. The number of active subscribers to this service currently stands at approximately 230 businesses, down by approximately 28% compared to 2014, with a similar decline in the number of transactions and in the amounts transferred. In order to rationalise its electronic banking services portfolio and reduce operating costs, the Bank is proceeding with the discontinuation of the service and refers its subscribers to the Alpha Web Banking service for Businesses, with the objective of completing this process within the first half of 2016.

• Mass collection/payment services based on electronic file transfer
The "Alpha Mass Payments" service refers to the collection of debts via standing orders and/or through alternative networks and to the execution of mass payments to third parties (e.g. payroll, payments to suppliers etc.). The service features a particularly user-friendly interface over the Internet and offers functionalities for creating, placing and monitoring the progress of mass payment orders. At the end of 2015, the Service numbered 3,918 subscribers. The total number of transactions carried out using the "Alpha Mass Payments" service and the other mass collection/payment services based on electronic file transfer increased by 3.5% compared to 2014.

• Alpha Web International Trade
Alpha Web International Trade, launched in 2007, allows Customers cooperating with the Bank in the import/export sector to monitor the progress of the respective settlement files and send electronic requests for settlements and Import Letters of Credit, as well as the necessary supporting documents. By the end of 2015, a total of 1,082 companies had registered with this service and 3,983 transactions had been processed.

• Alpha e-Commerce
In the area of electronic payments, Alpha Bank continued to support modern entrepreneurship by further developing the options offered by the "Alpha e-Commerce" service to the registered businesses.

In particular, in order to increase the ease-of-use of the Alpha e-Commerce payments page, the Bank made radical changes to the way in which it is displayed, introducing additional update information exclusively for Alpha Bank cardholders (display of the card's points available under the Bank's Loyalty Programmes and of the new balance of points after the transaction).

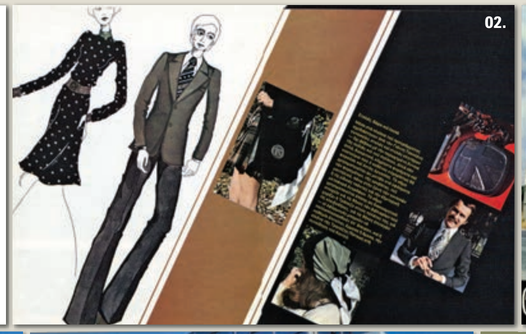
In addition, the option to redeem Bonus points at the time of transaction through special offers by merchants participating in the Alpha e-Commerce service as well as in the Bonus Programme was also implemented.

Finally, the security of electronic payments was further enhanced with the integration of the American Express SafeKey security protocol (similar to the Verified by Visa and MasterCard SecureCode security protocols), which handles the identification of Customers and secures the business in the event of disputed transactions.

In 2015, the number of transactions through the service posted a substantial increase by 22.4% compared to 2014.

Credit Bank
1972-1992

01. The Bank's new corporate logo, 1972
02. Creations by fashion designer Yannis Tseklenis for the Bank's new corporate image, 1973
03. Information brochure on the Bank's mobile Branches, 1973
04. Advertising brochure on the "teller" transactions system, 1978
05. The new Main Building after its completion, 1990
06. Advertising brochure on the Bank's 100th anniversary, 1979
07. Advertisement, 1985



5. Risk Management

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

Risk management is essential to promoting 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.

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

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

Throughout 2015, the main objective of the Risk Management Business Unit was to strengthen the Group's risk profile in line with its risk strategy, while maintaining a solid capital and liquid position, against the backdrop of changing economic conditions and the rapidly evolving regulatory environment. Additionally, the Group continued to refine the Risk Management Framework and corporate governance practices in order to ensure that the supervisory requirements are adequately integrated into its operation and that the fundamental risk management principles and regulations which safeguard the observance of the principle of proportionality related to risk versus yield are enhanced, so that its business activities produce an adequate yield with regard to their inherent risk and remain fully aligned with the risk appetite limits.

The Bank's Board of Directors ensures the proper operation and organisation of the Group. In accordance with the Corporate Governance Code, the Board of Directors is responsible for the approval of the overall business model, the risk strategy and the risk profile of the Group through the appropriate risk management policy. On the basis of the risk policies and appetites 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 profile of the Group covers, among other substantial risks, the following risk types:

- Credit risk
- Market risk
- Liquidity risk
- Operational risk

The Risk Management Committee convenes on a monthly and/or an ad hoc basis and advises the Board of Directors on the Group's risk profile as well as on the strategy on risk undertaking and risk and capital management. In accordance with the institutional framework, the Committee, taking into account the Bank's and the Group's business strategy and the sufficiency of the technical and human resources available, evaluates the adequacy and effectiveness of the risk management policy and procedures of the Bank and the Group, in terms of the:

- Undertaking, monitoring, and management of risks (market, credit, interest rate, liquidity, operational, other substantial risks) per category of transactions and Customers and per risk level (i.e. country, profession, activity).
- Determination of the applicable maximum risk appetite on an aggregate basis for each type of risk and further allocation of each of these limits per country, sector, currency, business Unit etc.
- Establishment of stop-loss limits or of other corrective actions.

Furthermore, the Committee reviews and assesses the methodologies and models applied pertaining to the measurement of undertaken risks and ensures communication among the Internal Auditor, the External Auditors, the Supervisory Authorities and the Board of Directors on risk management issues.

The General Manager and Chief Risk Officer supervises the Group's Risk Management Business Unit and reports on a regular basis and ad hoc to the Assets-Liabilities Management Committee (ALCo), the Credit Risk Committee, the Operational Risk Committee, the Risk Management Committee and the Board of Directors of the Bank.

The Bank's and the Group's business model and operations are regulated and supervised by the relevant authorities in each of the countries where they conduct business. The European Central Bank (ECB) and the Bank of Greece, as the competent authority that participates in the Single Supervisory Mechanism (SSM), act as the Bank's and the Group's primary supervisor to monitor their compliance with the Greek and the European banking legislations, with the supervisory regulations as well as with the Basel III (CRR/CRD) framework.

In the pursuit of its strategic business goals, the Alpha Bank Group adjusts the risk management framework regularly to take into account new regulatory requirements, to improve the efficiency of its business activities and to ensure that risk management and regulatory risk reporting are always compliant with the relevant regulatory guidelines as well as with the principles of corporate governance.

The Group's risk strategy and risk management framework are organised according to the principles of three lines of defence with a decisive role in its effective operation. They provide a clear set of rules and standards to be applied to a cohesive operating model, one that provides a framework for the articulation of accountabilities and responsibilities for managing risk across the Group. In particular:

- The Business Units constitute the first line of defence 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 defence and they are independent from each other, as well as from the first line of defence. They are complementary to the first line of defence in conducting banking business, in order to ensure objectivity in decision-making, measurement of the effectiveness of these decisions in terms of risk undertaking, compliance with the existing legislative and institutional framework, including internal regulations and ethical standards, and the aggregate view and evaluation of the total risk exposure of the Bank and the Group.

- The internal audit Units, which are independent from the first and the second lines of defence, constitute the third line of defence that uses audit mechanisms and procedures to cover constantly all the activities of the Bank and the Group and ensures the consistent implementation of the business strategy, including the risk management strategy, by fully applying internal policies and procedures, and contributes to the Bank's and the Group's effective and secure operation.

Credit Risk

Credit risk arises from a borrower's or counterparty's potential inability to fulfill his/her obligations against the Group due to the worsening of his/her creditworthiness, particularly within a deteriorating credit and macroeconomic environment.

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

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

- Market and Operational Risk Division
- Wholesale Banking Credit Risk Division
  - Wholesale Banking Credit Risk Methodologies Development Division
  - Wholesale Banking Credit Risk Analysis Division
- Retail Banking Credit Risk Division
  - Retail Banking Credit Risk Control Division
  - Retail Banking Credit Risk Assessment Division
- Wholesale Credit Division - Greece
- Wholesale Credit Division - International
- Retail Credit Division

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

The Group has set a strict and 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 competent Officers.
- The complete and timely support of Business Units during the decision-making process.
- The continuous and systematic monitoring of the loan portfolio, in accordance with the Group's policies and procedures that ensure a sound credit approval process.
- The monitoring and strengthening of the credit risk profile in accordance with the credit risk appetite, which encompasses credit quality (expected loss) and credit risk concentration (limits on single names, industries and geographical regions).
- The maintenance of a framework of controls to ensure that credit risk undertaking is based on sound credit risk management principles and well-defined, rigid credit standards.
- The accurate identification, assessment and measurement of credit risk 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) to any counterparty by the appropriate authority level which is well-defined.
- The assignment of the credit approval authority to the competent Credit Committees consisting of Executives from both the Business and Credit Monitoring Units, with sufficient knowledge and experience in the risk management sector, fully capable of applying the Bank's internal policies and procedures.
- The decision-making process for credit approvals is performed within a clearly defined delegated authority framework.
- The measurement and assessment of all credit exposures of the Bank and the Group Companies to businesses or consolidated business groups, as well as to their proprietors, in line with regulatory requirements.

The aforementioned objectives materialise through a continuously evolving framework of methodologies, systems and tools for measuring and monitoring 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. These processes are readjusted regularly according to the challenges of the prevailing economic circumstances and the nature and scope of the Group's business activities.

Specifically, the reinforcement and the improvement of this credit risk framework include the following:

- Continuous updating of Credit Policy Manuals and Credit Risk Rating Models for Wholesale Banking and Retail Banking in Greece and abroad, adapted to the regulatory framework, the international best practices, the given macroeconomic conditions and the Group's risk appetite, so as to ensure their proper and effective operation.
- Adjustments within the framework of preparing for the transition of the Bank and the Group Companies in Greece to the Advanced Internal Ratings-Based (IRB) Approach for measuring and managing credit risk through:
  – The ongoing validation process of the credit risk rating and management systems of the Bank and the Group;
  – The enhancement of all credit risk-related policies (Change Policy for Wholesale Banking and Documentation Policy).
- A separate procedure for the validation of the credit risk assessment models, which is carried out in two cases: (i) in order to develop new models or modify the existing ones, and (ii) as part of a constant assessment of these models' predictive ability.
- Updating of the Impairment Policies for Wholesale Banking Credit and Retail Banking Credit, in compliance with the new evolving legislative and supervisory requirements for prudential supervision.
- Centralised and automated application approval process and collection mechanisms for Retail Banking in Greece and abroad.
- Systematic and periodic qualitative control of Wholesale Banking Credit and Retail Banking Credit and systematic measurement and assessment of the concentration risk per product, portfolio, counterparty and sector of economic activity.
- Enhancement of the application of the credit risk control that monitors the Group's Wholesale Banking credit portfolio on an ongoing basis and undertakes targeted portfolio reviews to examine specific aspects of risk depending on the case, including, among others: the implementation of the credit risk policy, the use of the rating systems, the management of the credit-granting process and the credit exposures compliance with prudential standards and internal limits.
- Performing stress tests as a key risk management tool, fully integrated into core risk reporting and capital and liquidity planning at the Bank and Group levels, which provides indications of the capital required to absorb losses under the assumption of specific extreme hypothetical scenarios. Stress tests are conducted according to the requirements of the regulatory framework and constitute a fundamental parameter of the Group's Enterprise Risk Management strategy with the aim of assessing the impact of business decisions on the Group's capital position. Furthermore, the Bank's and the Group's Regulatory Credit Framework and the Credit Risk Management Framework were revised and updated with the incorporation of the institutional and regulatory requirements relating to the effective management of loans in arrears and of non-performing loans, including the new requirements and the definitions set out in the supervisory framework.

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

In addition, the Group, following the revision and update of the Credit Risk Policy on Forbearance, has enhanced the framework for the effective and efficient management of exposures in arrears and of non-performing exposures by extending appropriate forbearance measures to borrowers who may have or are found to have financial difficulties. These measures provide favourable conditions for the renegotiation of the initial terms and conditions of the troubled debt contracts, duly taking into account the causes of the debtor's financial difficulties on the basis of risk, viability and cooperativeness.

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

- Continuation of the preparation for the transition of the Bank and the Group Companies in Greece to the Advanced Calculation Method for Capital Adequacy against credit risk. The Advanced Internal Ratings-Based Approach will be used to this effect for the Wholesale Banking, the Retail Banking, as well as the Leasing and Factoring portfolios.
- Review and follow-up on the compliance of the credit risk management framework, which includes reporting to the General Manager and Chief Risk Officer of the Group, with the minimum requirements in CRR/CRD IV regarding the development of the IRB governance structure and the modelling framework.
- Monitoring and improvement of the current credit risk assessment systems, following the integration of the regulatory Guidelines of the Bank of Greece, the European Banking Authority and the Implementing Regulation (EU) 2015/227/9.1.2015 of the European Commission on Non-Performing Loans and Forborne Exposures.
- Monitoring the effectiveness of the specific forbearance types, as well as the closure solutions for debtors under the management of the Business Units and the Non-Performing Loans Divisions, which were developed in compliance with the aforementioned regulatory framework.
- Development of the necessary processes and models for the implementation of IFRS 9 Financial Instruments, which will be applied on 1.1.2018.
- Enhancement of the risk data systems that support regulatory reporting and external disclosures. The technical infrastructure incorporates the relevant legal entities and Business Units and aims to provide the basis for reporting on risk positions, capital adequacy and limit utilisation to the relevant functions on a regular and ad hoc basis.
- The Group's commitment to sustainable finance, as part of its Corporate Social Responsibility Policy, is strengthened by the effective management of the environmental and social dimension of its lending activities and reinforced by the integration of the Environmental and Social Responsibility Risk Management Policy into its business lending process, in the Group's Credit Policy and the current Credit Risk Management Framework.
- Gradual implementation of an automatic interface of credit risk rating systems with the core banking systems for all Group Companies abroad.
- Adoption of a mechanism to control the completeness and quality of the Wholesale and Retail Credit crucial areas, in the framework of monitoring and measuring credit risk.

At the end of 2015, the Non-Performing Loans of the Group reached Euro 22.85 billion and the Non-Performing Loans Ratio stood at 37% compared to correspondingly Euro 20.56 billion and 33% at the end of 2014.

The Group Total Provisions Stock reached Euro 15.83 billion at the end of December 2015, reinforcing the Non-Performing Loans Coverage Ratio from 62% in 2014 to 69%. Correspondingly, the Ratio of Provisions Stock to Total Loans reached 25.5% at the end of 2015.

On 31.12.2015 the Group's forborne outstanding loans stood at Euro 15.7 billion with a total collateral value of Euro 10.04 billion.

Tables 1 and 2 present, on a consolidated basis, the Bank's loans and advances to Customers by asset quality (Table 1) and the ageing analysis of past due but not impaired loans and advances to Customers by product line (Table 2).

The accumulated impairment allowance for "collectively assessed" loans and advances includes an amount of Euro 753.2 million concerning Incurred But Not Reported (IBNR) provisions as at 31.12.2015.

The impaired loans and advances also include past due restructured exposures up to 89 days that are collectively assessed and amount to Euro 3.7 billion as at 31.12.2015.

Table 1
Loans and Advances to Customers by Asset Quality
(impaired or not impaired - impairment allowance - value of collateral)

(in Euro thousand) **31.12.2015**

	Not Impaired Loans and Advances		Impaired Loans and Advances		Total Gross Amount	Accumulated Impairment Allowance		Total Net Amount	Value of Collateral
	Neither Past Due Nor Impaired	Past Due but Not Impaired	Individually Assessed	Collectively Assessed		Individually Assessed	Collectively Assessed		
Retail Lending	**12,330,901**	**3,237,400**	**908,770**	**18,387,664**	**34,864,735**	**590,755**	**8,332,795**	**25,941,185**	**22,145,812**
Mortgage	9,068,373	2,402,251	481,458	8,887,674	20,839,756	287,513	3,019,099	17,533,144	17,055,453
Consumer	1,585,339	381,010	130,599	3,775,741	5,872,689	81,236	2,234,476	3,556,977	1,371,613
Credit Cards	798,831	114,184	744	511,562	1,425,321	357	379,790	1,045,174	38,529
Small Businesses	878,358	339,955	295,969	5,212,687	6,726,969	221,649	2,699,429	3,805,891	3,680,217
Corporate Lending	**12,505,883**	**1,299,427**	**11,429,594**	**502,272**	**25,737,176**	**6,530,561**	**330,689**	**18,875,926**	**17,357,273**
Large Enterprises	8,588,308	965,395	5,649,635	108,635	15,311,973	2,983,937	154,650	12,173,386	10,031,239
Medium-sized Enterprises	3,917,575	334,032	5,779,959	393,637	10,425,203	3,546,624	176,039	6,702,540	7,326,034
Public Sector	**1,367,302**	**1,927**	**42,574**	**1,201**	**1,413,004**	**31,810**	**12,189**	**1,369,005**	**452,288**
Greece	1,251,879	1,927	42,574	1,201	1,297,581	31,810	10,317	1,255,454	425,793
Other Countries	115,423	0	0	0	115,423	0	1,872	113,551	26,495
Total	**26,204,086**	**4,538,754**	**12,380,938**	**18,891,137**	**62,014,915**	**7,153,126**	**8,675,673**	**46,186,116**	**39,955,373**

Table 2
Ageing Analysis of Past Due but Not Impaired Loans and Advances to Customers by Product Line

(in Euro thousand) **31.12.2015**

	Retail Lending				Corporate Lending		Public Sector		Total Past Due but Not Impaired
	Mortgage	Consumer	Credit Cards	Other (incl. SBL)	Large Enterprises	Medium-sized Enterprises	Greece	Other Countries	
1-30 days	1,506,020	252,144	78,054	196,815	433,557	182,613	1,541	0	2,650,744
31-60 days	456,078	77,057	21,469	52,133	290,890	63,574	360	0	961,561
61-90 days	440,153	51,356	14,661	91,007	218,952	76,417	26	0	892,572
91-180 days	0	453	0	0	6,024	924	0	0	7,401
181-360 days	0	0	0	0	2,642	686	0	0	3,328
>360 days	0	0	0	0	13,330	9,818	0	0	23,148
Total	**2,402,251**	**381,010**	**114,184**	**339,955**	**965,395**	**334,032**	**1,927**	**0**	**4,538,754**
Value of Collateral	2,092,653	77,757	65	240,871	768,226	285,764	1,897	0	3,467,233

Market Risk

Market risk is the risk of reduction in economic value arising from unfavourable 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

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. Backtesting is applied, in order to validate the VaR model.

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 2015. Group Companies have very low exposure and limits for the trading book and consequently market risk exposure is immaterial.

In addition to applying VaR methodology for the measurement of the trading book's market risk, the book's behaviour is also tested against hypothetical changes in market parameters (scenarios) and extreme changes in those parameters noted in the past (stress-testing).

In 2008, the Bank of Greece validated the internal model used and approved its application for the calculation of 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 the 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.

As part of the financial risk management policy implemented by the Assets-Liabilities Management Committee (ALCo), maximum exposure stop-loss and VaR limits have been set for products comprising trading and investment positions, taking into account the current Group needs and market conditions.

The Bank uses a dedicated system to monitor and examine in real time the exposure and stop-loss limits of the Athens trading and investment positions as to the corresponding limit utilisation 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 utilisation and excess of the Group investment limits. Furthermore, the corresponding VaR limits are monitored and examined on a daily basis as well.

During 2015, due to the adverse conditions in the Greek market and the lack of liquidity for bond and derivatives transactions, market parameters were monitored on an ongoing basis, for valuation and risk monitoring purposes. Furthermore, due to the imposition of capital controls and the reduction or withdrawal of interbank credit lines, a constant monitoring of business needs was carried out in order to review market limits, if deemed necessary. Since June 2015, following a respective request by the European Central Bank Single Supervisory Mechanism, risk reports are sent directly to the Single Supervisory Mechanism according to the required format within the scope of the application of the Internal Models Approach for the regulatory capital requirement calculation for market risk. Moreover, the Bank has commenced the selection process for the replacement of the market risk system.

Table 3
Trading Book VaR
(in Euro thousand)

	2015					2014
	Currency Risk	Interest Rate Risk	Price Risk	Covariance	Total	Total
31 December	1,824.5	159.0	31.7	-199.7	1,815.5	1,210.7
Average Daily Value (annual)	1,712.3	178.1	24.4	-189.3	1,725.5	1,268.6
Maximum Daily Value (annual)	3,079.3	200.2	25.6	-160.2	3,144.9	3,030.5
Minimum Daily Value (annual)	692.4	201.9	25.7	-178.8	741.1	784.3

Table 4
Foreign Exchange Position (Group)
(in Euro million)

31.12.2015	USD	GBP	CHF	JPY	RON	RSD	Other FX	Euro	Total
Total Assets	**2,210.6**	**405.0**	**1,853.6**	**36.1**	**1,241.7**	**295.9**	**261.2**	**62,993.0**	**69,296.2**
Total Liabilities	**2,070.7**	**266.5**	**35.0**	**1.5**	**834.7**	**106.5**	**385.8**	**56,541.1**	**60,241.9**
Net Balance Sheet Position	139.9	138.5	1,818.6	34.6	407.0	189.4	-124.6	6,451.9	9,054.3
Derivatives Foreign Exchange Position	-130.1	-102.4	-1,648.1	-30.1	-21.3	7.4	195.5	1,529.3	-199.7
Total Foreign Exchange Position	**9.8**	**36.1**	**170.5**	**4.5**	**385.7**	**196.8**	**70.9**	**7,981.3**	**8,854.7**

2. Banking Book Financial Risks

The banking book financial risks arise from the structure of the Assets and Liabilities and mainly of the loan and deposit portfolios of the Group. 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 cumulating the current position for the balance sheet items and the forward position held on derivatives (Table 4).

The exchange rate risk undertaken by the Group derives mainly from holdings and its offsetting is pursued, provided that the corresponding instruments in the said currencies are available.

During 2015, due to the imposition of capital controls and the reduction or withdrawal of interbank credit lines, the Group's open foreign exchange position increased. As market conditions improve, the Group gradually reduces these positions.

b. Interest rate risk

The interest rate risk arises mainly from the execution of core banking activities, such as receiving deposits and granting loans, as well as the undertaking of investment on financial instruments, whose performance or market value is affected by interest rate percentage or fluctuations.

The Group aims to maximise its profitability in line with its risk appetite and business objectives. Therefore, it recognises the need to provide a sound framework for the identification, assessment, monitoring, controlling and reporting of interest rate risks in the banking book, in a consistent manner across the Group.

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

The following assessment techniques are used on a regular basis and in line with the guidelines published by the European Banking Authority for interest rate risk monitoring and management in the banking book of the Group:

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

When performing Interest Rate Gap Analysis, the variable interest rate instruments of Group Assets and Liabilities are allocated into time buckets according to their repricing date, while fixed rate instruments according to their maturity date. Assets or Liabilities with no specific repricing schedule (e.g. working capital revolving credit accounts and savings and sight deposits) are allocated into time buckets according to a statistical study that takes into consideration the behavioural analysis of the respective accounts.

The Interest Rate Gap Analysis of the Group Balance Sheet as of 31.12.2015 is presented in Table 5.

Results on the change of both the net interest income and the net position of the available for sale portfolio (Table 6) are calculated after a parallel shift of + / - 100 on the market yield curves. For the 100 basis points reduction scenario, the change applied is up to the permitted level of the relevant interest rate (interest rate level should be up to zero) in accordance with the applicable interest rate curves per currency.

The results of the analyses are presented to the Risk Management Committee and to the Assets-Liabilities Management Committee.

Liquidity Risk

The liquidity risk concerns the Group's ability to maintain adequate liquidity to fulfil its transactional obligations, either regular or extraordinary. The most significant part of the Group's Assets is financed through customer deposits and wholesale funding.

In the first months of 2015, the customer deposits were significantly decreased at both Bank and Group level due to the uncertainty caused by the announcement of the national elections and the prolonged negotiations with the European partners. As a result, the Bank's funding by the Eurosystem, and especially through the Emergency Liquidity Assistance (ELA) mechanism, which was at zero level as of 31.12.2014, increased. During the second half of 2015 the imposition of capital controls, which reduced the deposits' outflow, and the successful Share Capital Increase of the Bank led to a decrease of funding by the Eurosystem to Euro 24.4 billion, of which Euro 19.6 billion were funded through the ELA mechanism, until the end of the year.

Liquidity management is performed through the timely identification of liquidity needs, identification of all available sources to cover these needs and by obtaining liquidity through the most cost-effective ways for the Group.

The most important areas requiring continuous monitoring are funding structure, evolution and relevant cost, the loan-to-deposits ratio, loan disbursements, collateral status, evolution of maturity mismatches, regulatory liquidity ratios and funding needs under stress test conditions.

Both the Bank and the Group Companies monitor the evolution of short- and long-term funding on a daily basis and send respective reports. Furthermore, in the context of monitoring the new regulatory Liquidity Ratios under Basel III requirements (LCR, NSFR), special attention is given to the evolution of liquidity assets and other balance sheet assets that can be used for additional funding.

Alpha Bank performs a Liquidity Gap Analysis on a monthly basis at Bank and Group level. According to this analysis, cash flows arising from all assets and liabilities are estimated and allocated to time buckets based on their maturity date with the exception of the accounts without contractual maturity (e.g. demand deposits, rollover working capital loans, etc.) which are allocated to time buckets according to a statistical study that takes into consideration the behavioural analysis of the respective accounts. Table 7 presents the Liquidity Gap Analysis at Group level as of 31.12.2015.

Table 5
Interest Rate Gap Analysis
(in Euro million)

31.12.2015	< 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	26,758.4	8,727.1	8,071.5	1,485.9	9,158.2	5,854.5	9,240.6	69,296.2
Liabilities	31,248.7	5,396.2	5,866.8	2,284.7	9,476.1	4,224.6	1,744.8	60,241.9
Equity	0	0	0	0	0	0	9,054.3	9,054.3
Total Liabilities and Equity	31,248.7	5,396.2	5,866.8	2,284.7	9,476.1	4,224.6	10,799.1	69,296.2
Gap	**-4,490.3**	**3,330.9**	**2,204.7**	**-798.8**	**-317.9**	**1,629.9**	**-1,558.5**	**0**
Cumulative Gap	**-4,490.3**	**-1,159.4**	**1,045.3**	**246.5**	**-71.4**	**1,558.5**	**0**	**0**

Table 6
Net Interest Income Sensitivity
(in Euro million)

Interest Rate Changes Scenarios (parallel yield curve shift)	Net Interest Income Sensitivity (for a one year period)	Equity Sensitivity
-100	-9.2	+124.6
+100	+14.4	-141.1

Counterparty and Country Risk

Counterparty risk is the risk of a counterparty's default 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 has a positive economic value to the Group at the time of the counterparty's default.

Counterparty risk refers to the risk of loss in the event that counterparty credit institutions fail to fulfil their contractual obligations in connection with debt securities, shares, interbank transactions (including derivatives), loans and International Trade transactions.

Country risk is the collection of risks associated with investing in a country.

Table 7
Liquidity Gap Analysis
(in Euro million)

31.12.2015	< 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	> 1 Year	Total
Assets	11,711.0	2,888.2	2,268.7	3,230.3	49,198.0	69,296.2
Liabilities	31,146.7	4,911.0	3,309.4	2,553.4	18,321.4	60,241.9
Equity	0	0	0	0	9,054.3	9,054.3
Total Liabilities and Equity	31,146.7	4,911.0	3,309.4	2,553.4	27,375.7	69,296.2
Gap	**-19,435.7**	**-2,022.8**	**-1,040.7**	**676.9**	**21,822.3**	**0**
Cumulative Gap	**-19,435.7**	**-21,458.5**	**-22,499.2**	**-21,822.3**	**0**	**0**

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 banking and private sector of the country.

The monitoring and the examination of counterparty credit institution limit utilisation and limit excess are carried out in real time using a dedicated system for the Bank, Alpha Bank London and Alpha Bank Romania. As far as the other Group Companies are concerned, it is carried out on a daily basis. Using the same system, the Bank monitors real-time country limits. Furthermore, according to the relevant policies and procedures, certain interbank counterparty and country parameters, 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 utilisation 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 a Monte Carlo simulation taking 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.

The same system is used to calculate Potential Future Exposure for Customer derivatives which depend on the derivative's type, its nominal value and the remaining time to maturity.

During 2015, the Credit Valuation Adjustment model applied for accounting purposes to derivatives was examined by the European Central Bank during the Comprehensive Assessment of the Greek banks resulting in a minimum impact on capital. The methodology for calculating internal default probabilities was reviewed in order to capture the evolution of default probabilities across time. Furthermore, due to the imposition of capital controls and the reduction or withdrawal of interbank credit lines, there was constant monitoring of business needs in order to review counterparty limits, as needed. During the year the Bank has commenced the selection process for the acquisition of a counterparty risk system to address regulatory requirements and internal reporting on counterparty risk issues was enhanced.

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 includes legal risk as well.

The Group has adopted the Standardized Approach for Operational Risk and fulfils all quality requirements set therein. In particular, for the effective management of operational risk, the Group has adopted and implements in accordance with the relevant regulatory requests an appropriate Operational Risk Framework, which pertains to the following issues, policies and procedures :

- The collection and management of operational risk events, including lawsuits of third parties filed against the Bank and the Group Companies.
- The operational risk identification and assessment, performed through the Risk and Control Self-Assessment (RCSA) process, Scenario Analysis and ad-hoc assessments of products, services and procedures, where appropriate, and other relevant techniques.
- The operational key risk indicators development and monitoring.
- The operational risk reporting.
- The operational risk mitigation techniques, which are implemented through the Bank´s control procedures, concerning both the internal control system corrective action plans, as well as the purchase of Insurance Policies.

The Framework is continuously reviewed and various initiatives have been introduced in order to improve it. 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 throughout the Group.

During 2015, the Group has updated the "Operational Risk Capital Calculation Policy under the Standardised Approach" and has initiated the update of the Fraud Risk Management Policy which will be finalised during 2016.

Currently, the Group is working towards the gradual implementation of the Advanced Measurement Approach (AMA) for Operational Risk. This will require the development of a robust internal calculation model for capital adequacy calculation as well as the enhancement of the policies, procedures and systems for operational risk management. Within this context, the Group has scheduled specific initiatives under the general "AMA Compliant" project, which will be implemented in 2016-2018.

In 2015, the Group enriched the process of collecting and analysing operational risk events and expanded the preventive methods of risk identification and assessment, in order to continuously improve the implementation of the operational risk management framework. In particular, the Risk Control Self-Assessment (RCSA) process was applied both to specific Divisions of the Bank, as well as to specific Group Companies, in accordance with the overall planning. It should be mentioned that, according to this process, potential operational risk exposures have been identified and assessed and several corrective action plans have been introduced. Additionally, the Market and Operational Risk Division worked closely with the Organisation Division and other delegated Business Units for the assessment of issues relevant with the implementation of Capital Controls and their effect on the Bank's Processes and Services.

The ALPHA era
1993-1999

01. Advertising brochure, 1993
02. Title representing 16,000 nominal shares, 1998
03. Drawing by cartoonist Yannis Kyriakopoulos (KYR) for the Bank's magazine "Mazi", 1994
04. Advertisement, 1994
05. Advertising brochure, 1993
06. Advertisement, 1999

6. Capital Adequacy

Capital Adequacy Ratios

The policy of the Group is to maintain a robust capital base, in order to safeguard the implementation of its operational strategy, taking into consideration the institutional framework requirements, as well as the trust of depositors, shareholders and markets. Share capital increases are carried out following resolutions of the General Meeting or the Board of Directors, in accordance with the Articles of Incorporation and the relevant laws. The Group is allowed to purchase treasury shares in accordance with and under the provisions of the law. Purchasing treasury shares, while the Bank participates in the Liquidity Enhancement Plan, pursuant to Law 3723/2008 as in force, is not permitted.

Alpha Bank, as a systemically important bank, has been supervised since November 2014 by the Single Supervisory Mechanism (SSM), which consists of the European Central Bank (ECB) and the national regulatory authorities of the participating countries. The supervision is carried out in accordance with the new framework entitled “Capital Adequacy of Investment Firms and Credit Institutions”, widely known as Basel III. The supervisory framework includes the maximum harmonisation Regulation (EU) No 575/2013 (CRR), which came into effect as of 1 January 2014 in parallel with Directive 2013/36/EU (CRD IV) dated 26 June 2013, as transposed into Greek legislation by means of Law 4261/2014. It consists of three fundamental supervisory principles (Pillars):

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

The capital adequacy framework, in addition to the above, defines the regulatory own funds of credit institutions and addresses a series of other regulatory issues, such as monitoring and control of large exposures, open foreign exchange position, concentration risk, liquidity ratios, the internal control system, including the risk management system, as well as the regulatory reporting and disclosures framework.

The said framework sets a progressive enhancement of the capital standards both quantitative and qualitative through the linkage of all capital limits with Common Equity Tier 1 (CET1) capital. As of 1.1.2014, besides the 8% Capital Adequacy Ratio limit, new limits of 4.5% for the Common Equity Tier 1 (CET1) Ratio and 6% for the Tier 1 Ratio were set, in accordance with Regulation (EU) No 575/2013 and the transitional provisions for the calculation of own funds, as adopted by the Bank of Greece. The said limits should be attained on a stand-alone and on a consolidated basis. Furthermore, the framework introduces transitional provisions for non-eligible capital instruments and deductible items (e.g. deferred taxation, additional tier 1 and tier 2 capitals).

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 (hybrid securities) and Tier 2 capitals (subordinated debt). Risk-weighted assets include the credit risk of the banking book, the market risk of the trading book and operational risk.

Capital Adequacy Ratios (%)		
Capital Type	**31.12.2015**	**31.12.2014**
CET1	8,700,546	7,555,266
Tier 1 Capital	8,700,546	7,555,266
Tier 2 Capital	64,323	173,204
Total Regulatory Capital for C.A.R. calculation	8,764,869	7,728,470
Risk-Weighted Assets	52,243,245	52,779,725
Capital Ratios		
CET1 Ratio	16.7%	14.3%
Tier 1 Ratio	16.7%	14.3%
Capital Adequacy Ratio (Tier 1 + Tier 2)	16.8%	14.6%

Capital requirements for credit risk represent circa 90% of the total and remain at the same levels in both years due to increased impairments in 2015 and the treatment of Deferred Tax Assets (DTAs) according to the implementation of Law 4340/2015.

Comprehensive Assessment

In accordance with the Financial Assistance Facility Agreement concluded between the European Stability Mechanism (ESM) and the Hellenic Republic, a Comprehensive Assessment (CA) was conducted for the four Greek systemic credit institutions by the SSM, in order to determine the impact of the deterioration of the Greek Economy on their financial position as well as any capital needs they might have. The Comprehensive Assessment was performed during the third quarter of 2015 and included both an Asset Quality Review (AQR) and a Stress Test.

The minimum capital threshold was set at 9.5% under the baseline scenario and at 8% under the adverse scenario respectively. Although the 2015 CA was based on the methodology applied in the 2014 CA conducted by the ECB for all the banks the latter supervises, the parameters and assumptions applied in 2015 were more adverse due to the economic circumstances prevailing at the time of the Assessment. The 2015 CA was conducted with reference date June 30, 2015. As part of the AQR, a portfolio of Greek loans was reviewed in terms of credit risk, adequacy of provisioning levels and management practices. In the context of the Stress Test, the SSM conducted, with the support of appointed financial advisors, an estimation of the future impairment losses of the Group's loans with a two-and-a-half-year horizon, under a baseline and under an adverse macroeconomic scenario. In addition, the SSM took into consideration the financial projections and estimations of future profitability made by the credit institutions, on the basis of commonly accepted levels of macroeconomic indices under the baseline scenario, while the development of the macroeconomic figures under the adverse scenario was configured by the ECB.

The CA results were announced on 31.10.2015. The Group registered the lowest adjustment after tax among its Greek peers in the AQR, with only a 3.1% CET 1 ratio impact or Euro 1.7 billion. In addition, in the Stress Test, the Bank registered a negligible capital shortfall of Euro 263 million under the baseline scenario and Euro 2,743 million under the adverse scenario, while it achieved the highest CET1 post adjustments in both scenarios. This performance was achieved despite the repayment of preference shares of Euro 940 million in 2014 and the hurdle rates of 9.5% and 8% under the baseline and adverse scenarios respectively. The capital shortfall, according to the adverse scenario, was reduced at a later stage to Euro 2,563 million after consideration of the third quarter before impairment result Euro 180 million.

Successful Recapitalisation

The Group covered the total of its capital needs of Euro 2,563 million, after consideration of the third quarter before impairment result, through an exchange offer for securities issued by the Group and through an increase of the Bank's share capital with cash.

Specifically, on 28.10.2015 the Bank announced separate invitations to the holders of all the outstanding series of securities issued by the Group Companies Alpha Credit Group Plc, Emporiki Group Finance Plc and Alpha Group Jersey Limited, to offer all outstanding securities for exchange with non-transferable receipts issued by the Bank (Liability Management Exercise). The Proposal concerned Tier 1 and Tier 2 securities amounting to a total of Euro 100.9 million, as well as senior securities of Euro 985.1 million. The total amount of securities offered for exchange stood at Euro 1,086 million, while the total offers accepted for exchange amounted to Euro 1,011 million.

Furthermore, on 24.11.2015, the Bank completed a private placement to Greek and international institutional investors of Euro 1,552 million. Following the Liability Management Exercise and the private placement, the total funds raised amounted to Euro 2,563 million, fully addressing the adverse case of the CA and materially improving the quality of the Bank's capital structure.

National Legal Framework (Laws 4335/2015, 4340/2015 and 4346/2015)

Law 4335/2015

On 23.7.2015, Law 4335/2015 was voted, which incorporates into Greek law Directive 2014/59/EU (BRRD) in relation to the recovery and resolution of credit institutions and investment firms. The Directive established a set of rules to deal with banking crises across the European Union, in order to avoid significant adverse effects on financial stability as well as to ensure that shareholders and creditors (including unsecured depositors) of credit institutions will share the burden of a potential recapitalisation and/or liquidation of troubled banks.

In accordance with Law 4335/2015, the Bank of Greece is designated as the resolution authority and has the power to apply resolution tools and exercise resolution powers. In this context, the Bank of Greece has the authority to establish the level of the Minimum Requirement of Own Funds and Eligible Liabilities (MREL) for each Greek bank.

The main resolution tools provided for in the Law in cases where an institution is considered insolvent or under an imminent insolvency threat, are the following:

- the sale of business tool,
- the bridge institution tool,
- the asset separation tool (the legal framework states that this tool should be applied only in conjunction with other resolution tools), and
- the bail-in tool (write-down and/or conversion of capital instruments and liabilities, effective as of 1.1.2016).

These tools may be applied individually or in any combination.

However, Law 4335/2015 provides that in cases of exceptional systemic crisis the Ministry of Finance has the ability to provide extraordinary financial support through state financial stabilisation measures.

Law 4340/2015

According to the Capital Requirements Regulation, applicable to all European banks, the amount of DTAs which "rely on future profitability" is not eligible for inclusion in the capital base.

Furthermore, Law 4303/2014 provides that DTAs that have been or will be recognised due to the debit difference deriving from the Private Sector Involvement (PSI) in the Greek debt relief, the accumulated provisions and other credit risk general losses, which are associated with amounts that existed up to 31 December 2014, can, from 2016 onwards, be converted into a final and settled claim against the State, if the accounting result for the period, after taxes, is a loss, based on the financial statements audited and approved by the Ordinary General Meeting of Shareholders. As a result, the aforementioned DTAs are not deducted from the Common Equity Tier 1 capital but they are assigned a risk weight of 100%, thereby improving an institution's capital position.

In April 2015, the European Commission announced that it requested information from financial institutions in Spain, Italy, Portugal and Greece, regarding their treatment of DTAs under their national laws.

As a consequence, a revision of the legal national framework was introduced by Law 4340/2015. By virtue of the new legislation, the amount of DTAs that may be converted into a final and settled claim against the State is limited to the amount related to the debit difference deriving from the PSI, and the provisions for credit risk which were accounted until June 30, 2015. In addition, the application of the Law was postponed for one year. In December 2015, the DTAs which are treated according to the above-mentioned legal framework amounted to Euro 3,417.1 million and constituted 78.1% of the Group's total DTAs and 6.5% of its total risk-weighted assets. The Group's CET 1 stands at 16.7% as of 31.12.2015, while for 2024, with fully loaded Basel III and under the current legal provisions, it is estimated at 16%. If the positive impact of the legislation is not taken into consideration, the CET 1 ratio is estimated at 10.7%.

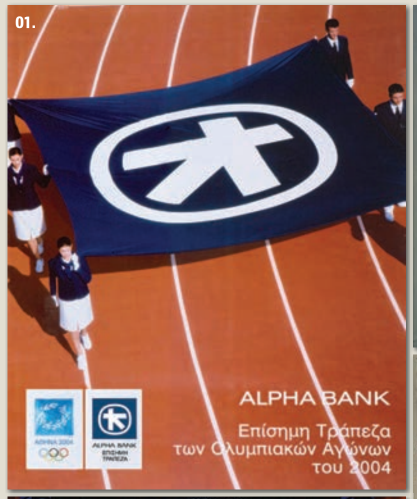
The same Law (4340/2015) also stipulates that the conditions under which the Hellenic Financial Stability Fund (HFSF) may provide precautionary recapitalisation support to Greek banks are: a) coverage of the capital requirements for existing losses (baseline scenario) and b) mandatory burden-sharing measures on holders of capital instruments and other creditors. The mandatory burden-sharing measures are imposed on holders of equity instruments, hybrid and subordinated notes and senior debt instruments, and include the power of the Greek Cabinet to impose either a write-down of the value of such instruments or their conversion into equity.

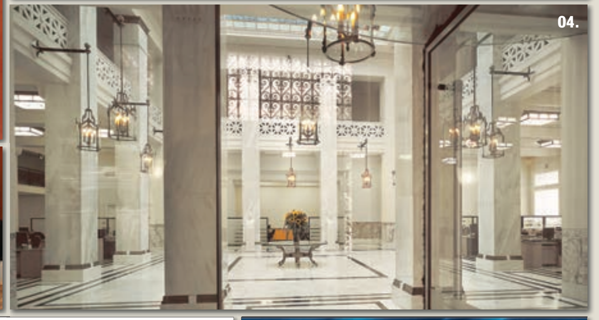
Law 4346/2015

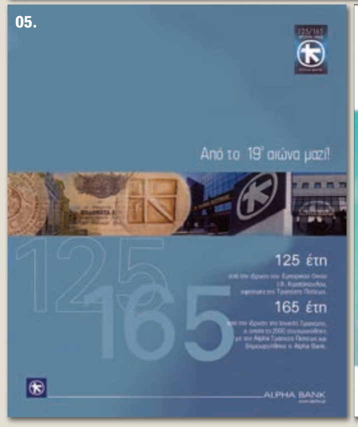
In accordance with the provisions of the third Financial Assistance Facility Agreement signed on August 11, 2015, Law 4346/2015, which, inter alia, extended the HFSF's initial duration until June 30, 2020, sets the minimum requirements pertaining to the governance of the HFSF and the Greek financial institutions, provided that the HFSF has the right to evaluate the corporate governance framework of the banks, as well as the Members of their Boards of Directors.

Alpha Bank
2000-2015

01. Advertisement
02. The Transactions Hall of the Ionian Bank's building, after its restoration
03. Event to honour the Employees who participated as volunteers in the Athens 2004 Olympic and Paralympic Games
04. The Transactions Hall of the Popular Bank's building, after its restoration
05. 06. 07. Poster and advertisements







7. Corporate Governance

Alpha Bank considers proper and responsible implementation of corporate governance principles as a key prerequisite for generating value for its Shareholders and society. The Bank adopted and implemented the principles of corporate governance as early as 1994, long before they became obligatory under laws and directives issued by regulatory authorities, aiming at transparency in communication with its Shareholders, at keeping investors promptly and continuously informed and at maintaining the proper governance of the Bank.

The corporate governance practices applied by the Bank comply with the provisions of the relevant laws and with the practices implemented throughout the European Union and have now been recorded in a single Corporate Governance Code. The Corporate Governance Code of Alpha Bank defines the duties and allocates the responsibilities among the Board of Directors, its Committees, the Executive Committee and the other Committees of the Bank. In addition, it sets out the framework and guidelines for the governance of the Bank.

A separate section on Corporate Governance is found on the Bank's website, where all the relevant information has been posted along with the Corporate Governance Code and the Charters of the Board of Directors' Committees, and in particular of the Audit Committee, the Risk Management Committee, the Remuneration Committee, and the Corporate Governance and Nominations Committee. The Bank implements a comprehensive system of internal audit for the Group in accordance with international standards and the current regulatory framework. In addition, it has adopted a Code of Ethics on the performance of duties with the purpose of promoting the standards required by modern corporate governance and of enhancing the efficiency of internal audit rules.

The Ordinary General Meeting of Shareholders of the Bank was held on 26.6.2015 and the Extraordinary General Meeting of Shareholders was held on 14.11.2015 wherein the share capital increase of the Bank was approved.

Board of Directors

In March 2015, as per a Decision by the Minister of Finance, Ms Marica Ioannou – Frangakis was appointed as representative of the Greek State in the Board of Directors of the Bank in replacement of Mr. Sarantis-Evangelos Lolos, in accordance with Law 3723/2008.

Ms Ioannou – Frangakis was provided by the Bank with a comprehensive and detailed introductory informational programme on Corporate Governance, Risk Management, Internal Audit, Compliance, Capital Adequacy, Financial Services and Human Resources.

The Board of Directors at its meeting on 24.3.2016 elected, as of 21.4.2016, Mr. Jan A. Vanhevel as Non-Executive Independent Member in replacement of Mr. Minas G. Tanes, for the remainder of his tenure. Mr. Jan A. Vanhevel was additionally appointed Chairman of the Risk Management Committee and Member of the Audit Committee.

Mr. Vanhevel has an outstanding track record in the banking industry, rising to the position of CEO and President of the Executive Committee of the KBC Group, which he served for over 40 years. His appointment to the Board adds further to the Bank's international banking expertise, which was initiated by the Alpha Bank Board in May 2014 with the appointment of Messrs Ibrahim S. Dabdoub and Shahzad A. Shahbaz, in response to the changing landscape in the Greek banking sector and anticipating the recent regulatory and legal trends in the Corporate Governance framework.

Following Mr. Minas G. Tanes' resignation, Mr. Pavlos A. Apostolides was appointed Vice Chairman of the Board of Directors and Mr. Shahzad A. Shahbaz was appointed Chairman of the Corporate Governance and Nominations Committee.

In 2015 the Board of Directors convened thirty times.

Curricula Vitae

HONORARY CHAIRMAN

Yannis S. Costopoulos
He was born in Athens in 1938. He holds a BSc in Naval Architecture from King's College, University of Durham, England. He joined the Commercial Credit Bank (as Alpha Bank was then called) in 1963. He served as Managing Director and General Manager of the Bank from 1973 and was Chairman of the Board of Directors and General Manager from 1984 to 1996. From 1996 to 2005 he served as Chairman of the Board of Directors and Managing Director of Alpha Bank. From February 2005 to May 2014 he served as Executive Chairman of the Board of Directors of the Bank, while in June 2014 the Ordinary General Meeting of Shareholders conferred upon him the title of Honorary Chairman of the Board of Directors.

The Board of Directors comprises the following Members:

CHAIRMAN (Non-Executive Member)

Vasileios T. Rapanos
He was born in Kos in 1947. He is Professor Emeritus at the Faculty of Economics of the University of Athens. He studied Business Administration at the Athens School of Economics and Business (1975) and holds a Master's in Economics from Lakehead University, Canada (1977) and a PhD from Queen's University, Canada. He was Deputy Governor and Governor of the Mortgage Bank (1995-1998), Chairman of the Board of Directors of the Hellenic Telecommunications Organization (1998-2000), Chairman of the Council of Economic Advisors at the Ministry of Economy and Finance (2000-2004), and Chairman of the Board of Directors of the National Bank of Greece and the Hellenic Bank Association (2009-2012). He has been the Chairman of the Board of Directors of the Bank since May 2014.

VICE CHAIRMAN (Non-Executive Independent Member)

Minas G. Tanes, as of 21.4.2016
He was born in 1940 and is the Chairman of FOOD PLUS S.A. He was at the helm of Athenian Brewery S.A. from 1976 to 2008 and was a Member of the Board of Directors of the Bank since 2003.

Pavlos A. Apostolides, as of 21.4.2016
He was born in 1942 and graduated from the Law School of Athens. He has been a member of the Bank's Board of Directors since 2004. He joined the Diplomatic Service in 1965 and has been, among others, Ambassador of Greece to Cyprus and Permanent Representative of Greece to the European Union in Brussels. In 1998 he became General Secretary of the Ministry of Foreign Affairs and in 1999 he was appointed Director of the National Intelligence Agency. He retired in November 2004.

Executive Members

Managing Director - CEO

Demetrios P. Mantzounis
He was born in Athens in 1947. He studied Political Sciences at the University of Aix-Marseille. He joined the Bank in 1973 and he has been a member of the Board of Directors of the Bank since 1995. In 2002 he was appointed General Manager and he has been the Managing Director since 2005.

Executive Directors and General Managers

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

Artemios Ch. Theodoridis
He was born in Athens in 1959. He studied Economics and holds an MBA from the University of Chicago. He joined the Bank as Executive General Manager in 2002. He has been a member of the Board of Directors of the Bank and a General Manager since 2005.

George C. Aronis
He was born in Athens in 1957. He studied Economics and holds an MBA, major in Finance, from the Athens Laboratory of Business Administration (ALBA). He has worked for multinational banks for 15 years, mostly at ABN AMRO BANK in Greece and abroad. He joined Alpha Bank in 2004 as Retail Banking Manager. In 2006 he was appointed Executive General Manager and in 2008 General Manager. He joined the Board of Directors of the Bank in 2011.

Non-Executive Members

Efthimios O. Vidalis
He was born in 1954. He holds a BA in Government from Harvard University and an MBA from the Harvard Graduate School of Business Administration. He worked at Owens Corning (1981-1998), where he served as President of the Global Composites and Insulation Business Units. Furthermore, he was Chief Operating Officer (1998-2001) and Chief Executive Officer (2001-2011) of the S&B Industrial Minerals Group. He is Secretary General of the Hellenic Federation of Enterprises (SEV) and Chairman of the SEV Business Council for Sustainable Development. He is an executive member of the Board of Directors of the TITAN Group. He has been a member of the Board of Directors of the Bank since May 2014.

Ioanna E. Papadopoulou
She was born in 1952 and is the President and Managing Director of the E.J. PAPADOPOULOS S.A. BISCUIT AND FOODWARE INDUSTRY. She has been a member of the Board of Directors of the Bank since 2008.

Non-Executive Independent Members

Evangelos J. Kaloussis
He was born in 1943 and is the Chairman of the Federation of Hellenic Food Industries (SEVT) as of 2006, whereas he has been a member of the Federation's Board of Directors since 2002. He was Chairman of NESTLE HELLAS S.A. from 2001 until 2015. He has been a member of the Board of Directors of the Bank since 2007.

Ioannis K. Lyras
He was born in 1951 and is the President of PARALOS MARITIME CORPORATION S.A. He has been a member of the Board of Directors of the Bank since 2005. He was Chairman of the Union of Greek Shipowners from 1997 to 2003. He represents the Union of Greek Shipowners to the Board of Directors of the European Community Shipowners' Associations.

Ibrahim S. Dabdoub
He was born in 1939. He studied at the Collège des Frères in Bethlehem, at the Middle East Technical University in Ankara, Turkey and at Stanford University, California, U.S.A. He was the Group Chief Executive Officer of the National Bank of Kuwait from 1983 until March 2014. He is Vice Chairman of the International Bank of Qatar (IBQ), Doha and a member of the Board of Directors of the International Institute of Finance (IIF) as well as Co-Chair of the Emerging Markets Advisory Council (EMAC), Washington D.C. He is also a member of the Bretton Woods Committee, Washington D.C. and of the International Monetary Conference (IMC). Furthermore, he is a member of the Board of Directors of the Central Bank of Jordan, Amman, of the Board of Directors of the Consolidated Contractors Company, Athens, and of the Board of Advisors of Perella Weinberg, New York. In 1995, he was awarded the title of "Banker of the Year" by the Arab Bankers Association of North America (ABANA) and in 1997 the Union of Arab Banks named him "Arab Banker of the Year". In 2008 and 2010 he was given a "Lifetime Achievement Award" by "The Banker" and "MEED" respectively. He has been a member of the Board of Directors of the Bank since May 2014.

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

Jan A. Vanhevel, as of 21.4.2016
He was born in 1948. He studied Law at the University of Leuven (1971), Financial Management at Vlekho (Flemish School of Higher Education in Economics), Brussels (1978) and Advanced Management at INSEAD (The Business School for the World), Fontainebleau. He joined Kredietbank in 1971, which became KBC Bank and Insurance Holding Company in 1998. He acquired a Senior Management position in 1991 and joined the Executive Committee in 1996. In 2003 he was in charge of the non-Central European branches and subsidiaries while in 2005 he became responsible for the KBC subsidiaries in Central Europe and Russia. In 2009 he was appointed CEO and implemented the Restructuring Plan of the group until 2012 when he retired. From 2008 until 2011 he was President of the Fédération belge du secteur financier (Belgian Financial Sector Federation) and a member of the Verbond van Belgische Ondernemingen (Federation of Enterprises in Belgium), while he has been the Secretary General of the Institut International d'Études Bancaires (International Institute of Banking Studies) since May 2013. He was also a member of the Liikanen Group on reforming the structure of the EU banking sector. He has been a member of the Board of Directors of the Bank since April 2016.

Non-Executive Member

(pursuant to the provisions of Law 3723/2008)
THE GREEK STATE, via its appointed representative:

Sarantis-Evangelos G. Lolos, until 17.3.2015
He was born in Athens in 1951. He is Professor of Economics in the Department of Economic and Regional Development at Panteion University of Social and Political Sciences. He studied at Warwick University in the U.K. and received a BSc degree in Engineering and a BA degree in Economics. In 1981 he obtained a PhD in Economics from the Council for National Academic Awards (CNAA) in collaboration with Imperial College, London. He was an Executive of the Economic Research Department of the Bank of Greece (1985-1997), while he collaborated as an expert and researcher with an advisory role in economic Ministries. His research and published work focuses mainly on issues of economic growth, macroeconomic and structural policies and financial economics. Following a decision by the Minister of Finance, he was appointed as a Member of the Board of Directors of the Bank representing the Greek State in 2010.

Marica S. Ioannou - Frangakis, as of 17.3.2015
She was born in Asyut, Egypt in 1950. She holds a BSc in Economics from the London School of Economics (LSE), University of London, U.K. and an MA in Development Economics from the University of Sussex, U.K. From 1978 to 1993 she worked at the Agricultural Bank of Greece, initially as Head of the Economic Forecasting Department (1978-1990) and then at the Privatisations Unit of the Governor's Office (1990-1993). From 1993 to 2010 she served as Head of the Liquidations Department of Ethniki Kefaleou S.A., a company of the National Bank of Greece group. She is currently an independent researcher focusing on Macroeconomics and Finance. She is a member of the Board of Directors of the Nicos Poulantzas Institute as well as of the Steering Committee of the EuroMemo Group. Following a decision by the Minister of Finance, she has been a member of the Board of Directors of the Bank as a representative of the Greek State since March 2015.

Non-Executive Member

(pursuant to the provisions of Law 3864/2010)

Panagiota S. Iplixian
She was born in 1949. She holds a BA in Business Administration

and a Postgraduate Diploma in Management Studies from the University of Northumbria, Newcastle upon Tyne, England, and specialised in Organisation and Methods at the British Institute of Administrative Management. In the interval 1972-1987 she worked for consulting firms. From 1987 until 2000 she worked for commercial banks in the United States and from 2000 until 2009 for EFG Eurobank Ergasias. From 2010 until 2012 she was a Non-Executive Independent Member of the Board of Directors of the Hellenic Financial Stability Fund. From October 2011 until December 2013 she was Non-Executive Vice President of the Board of Directors of New Proton Bank, representing the Hellenic Financial Stability Fund. She has been a member of the Board of Directors of the Bank, representing the Hellenic Financial Stability Fund, since January 2014.

Secretary

George P. Triantafyllides

Audit Committee

The Audit Committee comprises the following Non-Executive Members of the Board of Directors:

- Evangelos J. Kaloussis, Chairman
- Minas G. Tanes (until 21.4.2016)
- Jan A. Vanhevel (as of 21.4.2016)
- Ioannis K. Lyras
- Panagiota S. Iplixian

The Internal Auditor and the Group Compliance Officer report to the Audit Committee.

The Committee convened eight times in 2015.

The Committee evaluated the Internal Auditor and the Group Compliance Officer, as well as the Internal Control System of the Bank and the Group, based on the relevant data and information of the Internal Audit Division as well as on the remarks and findings of both the external auditors and the Supervisory Authorities.

As part of its responsibilities, the Committee monitored and supervised the work of the Internal Audit Division and the Compliance Division.

It was informed from the quarterly reports on the activity of the aforementioned Divisions, as well as on the corrective actions for the adequate handling of important remarks and recommendations that were documented in the reports of all sorts of audits (by internal auditors, external auditors, Supervisory Authorities, tax authorities, etc.).

The Committee was briefed about the extent of audits carried out by these Divisions and their results, and in particular their findings related to the adequacy and effectiveness of the Internal Control System, in accordance with the Bank of Greece Governor's Act No 2577/2006, as in force. It was also informed of and monitored the ongoing modernisation of the tools and procedures pertaining to the Internal Control System to meet the Bank's and the Group's increased demands.

It approved the Annual Plan of the Internal Audit Units.

It took cognizance of the minutes of the meetings of the Whistleblowing Committee and the findings pertaining to relevant cases.

The Committee evaluated: a) the annual report on issues pertaining to the Compliance Division, and b) the annual assessment report on the adequacy and effectiveness of the Anti-Money Laundering and Combating the Financing of Terrorism Policy, which are submitted to the Bank of Greece.

It ensured that the period of assignment to the same Regular Certified Auditor does not exceed the years provided by the law.

It reviewed the Annual Report of the Bank and the Group as of 31.12.2014, as well as the corresponding condensed quarterly and semi-annual Financial Statements, prior to their submission to the Board of Directors for approval.

The Committee held a series of meetings with the Bank's and the Group's Certified Auditors concerning the Financial Statements as of 31.12.2014, 30.6.2015 and 30.9.2015 and received clarifications in response to questions put forth by its Members. Pertaining to these issues, the Committee confirmed the adequacy and effectiveness of the procedures for preparing the Financial Statements of the Bank. The Certified Auditors and the Manager of the Internal Audit Division assured the Audit Committee of their independence and that, from the audits carried out, they did not identify any issue, which would have a material impact on the Financial Statements and the smooth operation of the Bank.

It provided prior approvals for all recommendations regarding service provision by the company defined as the Regular Certified Auditor, beyond those relating to the regular audit and performed the overall reviewing and monitoring of issues related to the existence and maintenance of its objectivity and independence.

The Bank informed all Members of issues pertaining to the independence of the Bank's Certified Auditors (KPMG). The company KPMG presented to the Audit Committee the issues pertaining to the scope of audits it conducts, the independence of the Certified Auditors, the auditing approach and the most important audit fields.

To ensure the Committee's independence, its meetings were held without Members of the Management being present. There were no disagreements on material issues.

The Audit Committee briefed the Board of Directors on the issues it monitored, discussed and decided upon, following every meeting.

Risk Management Committee

The Risk Management Committee comprises the following Members of the Board of Directors:

- Minas G. Tanes, Chairman (until 21.4.2016)
- Jan A. Vanhevel, Chairman (as of 21.4.2016)
- Evangelos J. Kaloussis
- Shahzad A. Shahbaz
- Panagiota S. Iplixian

The Committee convened fourteen times in 2015.

In 2016 the Risk Management Committee Charter was amended in order to include within its scope and responsibilities the effective and timely formulation, proposal to the Board, and execution of the NPL/NPE Strategy, given its paramount importance.

The Committee approved the submission of the Internal Capital Adequacy Assessment Process (ICAAP) Report for the year 2015 and of the Internal Liquidity Adequacy Assessment Process (ILAAP) Report for the year 2015 to the Single Supervisory Mechanism. Furthermore, it was informed of the annual supervisory disclosures for the year 2014 made by the Bank under the obligations laid down by Pillar III of the regulatory framework of Basel III.

It took cognizance of the Excerpt from the 2014 Internal Control System Assessment Report concerning the assessment of the risk management procedures.

Moreover, it took cognizance of the Annual Report of the Risk Management Business Unit for the year 2014 and submitted an Evaluation Report of the Risk Management Business Unit for the year 2014. Following the above, it proposed the approval of the Annual Report by the Board of Directors, in order for it to be submitted to the Bank of Greece, in accordance with the Bank of Greece Governor's Act 2577/2006.

It assessed the Chief Risk Officer's performance for the year 2014 and was informed of the range of his remuneration for the year 2015, which was determined in cooperation with the Remuneration Committee of the Board of Directors.

The Committee recommended to the Board of Directors the risk undertaking and capital management strategy as well as the risk appetite corresponding to the business objectives of the Bank and the Group and monitored and checked their implementation.

It held a series of meetings with the Bank's and the Group's Certified Auditors concerning the annual and bi-annual Financial Statements and received clarifications in response to questions put forth by its Members. The Committee also held meetings with the Chief Financial Officer about these issues to confirm the adequacy and effectiveness of the procedures for preparing the Bank's accounting statements and financial reports. The Certified Auditors assured the Risk Management Committee that, from the audits carried out, they did not identify any significant issue which would have a material impact on the Financial Statements and the smooth operation of the Bank.

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

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

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

The Risk Management Committee briefed regularly and in writing the Board of Directors on issues it monitored, discussed and decided upon.

Remuneration Committee

The Remuneration Committee comprises the following Non-Executive Members of the Board of Directors:

- Pavlos A. Apostolides, Chairman
- Ioannis K. Lyras
- Ibrahim S. Dabdoub
- Panagiota S. Iplixian

The Committee convened two times in 2015.

The Committee's decision of 22.12.2009 set the level of remuneration for the Executive Members of the Board of Directors and Members of the Executive Committee, adjusting it to the level of remuneration for the Governor of the Bank of Greece for the period that the Bank is subject to the provisions of Articles 1 and 2 of Law 3723/2008. The Committee issued an opinion on the level of compensation for the Members of the Board of Directors and its Committees. It submitted a proposal to the Board of Directors regarding both the Remuneration Policy and the Benefits Policy for Alpha Bank and the Group Companies and reviewed the implementation thereof. The Remuneration Committee informed in writing the Board of Directors of the issues it monitored, discussed and decided upon.

Corporate Governance and Nominations Committee

The Corporate Governance and Nominations Committee comprises the following Members of the Board of Directors:

- Minas G. Tanes, Chairman (until 21.4.2016)
- Shahzad A. Shahbaz, Chairman (as of 21.4.2016)
- Pavlos A. Apostolides
- Ioanna E. Papadopoulou
- Panagiota S. Iplixian

The Committee convened two times in 2015.

The Committee together with the Risk Management Committee, proposed to the Board of Directors the approval of the amended Risk Management Committee Charter.

It ascertained that the current compositions of all the Committees of the Board of Directors, i.e. the Audit Committee, the Risk Management Committee, the Remuneration Committee and the Corporate Governance and Nominations Committee, meet the requirements of the regulatory framework, are consistent with the principles of corporate governance of the Bank and are adequate for the effective and smooth operation of the Committees.

It proposed the approval by the Board of Directors of the Evaluation Procedure for the Members of the Board of Directors and of the Senior Management Executives Hiring and Evaluation Policy, and it submitted to the Board of Directors the results of the annual overall evaluation of the Board of Directors.

The Committee reviewed the attendance of Members at Board Meetings and deemed that the Members of the Board of Directors who were absent had informed the Bank on time of the relevant reasons and had authorised in writing another Member of the Board of Directors to represent them at the Meeting where they were not present due to impediment. All Members devoted sufficient time to the meetings of the Board and its Committees.

The Corporate Governance and Nominations Committee informed in writing the Board of Directors of the issues it monitored, discussed and decided upon.

BOARD OF DIRECTORS	Audit Committee	Risk Management Committee	Remuneration Committee	Corporate Governance and Nominations Committee
Chairman (Non-Executive Member) Vasileios T. Rapanos Professor Emeritus, University of Athens				
Vice Chairman (Non-Executive Independent Member) Minas G. Tanes (until 21.4.2016) Chairman, FOOD PLUS S.A.	○	●		●
Pavlos A. Apostolides (as of 21.4.2016) Honorary Ambassador			●	○
EXECUTIVE MEMBERS				
Managing Director - CEO Demetrios P. Mantzounis				
Executive Directors and General Managers Spyros N. Filaretos		○ (until 29.5.2014)		
Artemios Ch. Theodoridis				
George C. Aronis				
NON-EXECUTIVE MEMBERS				
Efthimios O. Vidalis Executive Member of the Board of Directors, TITAN S.A.				
Ioanna E. Papadopoulou President and Managing Director, E.J. PAPADOPOULOS S.A. BISCUIT AND FOODWARE INDUSTRY				○
NON-EXECUTIVE INDEPENDENT MEMBERS				
Evangelos J. Kaloussis Chairman, FEDERATION OF HELLENIC FOOD INDUSTRIES (SEVT)	●	○		
Ioannis K. Lyras President, PARALOS MARITIME CORPORATION S.A.	○		○	
Ibrahim S. Dabdoub Vice Chairman, INTERNATIONAL BANK OF QATAR			○	
Shahzad A. Shahbaz Investment Advisor		○		● (as of 21.4.2016)
Jan A. Vanhevel (as of 21.4.2016) Banking Executive	○	●		
NON-EXECUTIVE MEMBER in accordance with Law 3723/2008				
THE GREEK STATE, via its appointed representative, - Mr. Sarantis-Evangelos G. Lolos, Professor of Economics, Panteion University (until 17.3.2015) -Ms Marica S. Ioannou – Frangakis, Economist (as of 17.3.2015)				
NON-EXECUTIVE MEMBER in accordance with Law 3864/2010				
Panagiota S. Iplixian As representative and upon instruction of the Hellenic Financial Stability Fund.	○	○	○	○

● Committee Chairman ○ Committee Member

Executive Committee

The Executive Committee is the senior executive body of Alpha Bank. Its Members are the following:

- Demetrios P. Mantzounis, Managing Director - CEO, Chairman of the Executive Committee
- Spyros N. Filaretos, General Manager - COO
- Artemios Ch. Theodoridis, General Manager - Wholesale Banking and International Network
- George C. Aronis, General Manager - Retail Banking
- Alexios A. Pilavios, General Manager - Wealth Management
- Spiros A. Andronikakis, General Manager - CRO
- Vassilios E. Psaltis, General Manager - CFO

It convenes at least once a week under the chairmanship of the Managing Director and with the participation of the General Managers. Depending on the subjects under discussion, other Executives or Members of the Management of Group Companies participate in the meeting. The Executive Committee carries out a review of the domestic and international economy and market developments and examines issues of business planning and policy. Furthermore, the Committee deliberates on issues relating to the development of the Group and submits recommendations on the Rules and Regulations of the Bank, as well as on the budget of each Business Unit. Finally, it submits recommendations on the Human Resources policy and the participation of the Bank or the Group Companies in other companies.

Certified Auditors

The Auditors of the bi-annual and annual 2015 Financial Statements are the following:

Regular:	Nikolaos E. Vouniseas
	Ioannis A. Achilas
Alternate	Michael A. Kokkinos
	Anastasios E. Panagidis

of KPMG Certified Auditors A.E.

Internal Audit

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

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

In every country where the Group conducts business, there is an Internal Audit Unit, applying the same audit methodology as the one utilised in Greece.

In 2015, the competent Internal Audit Units carried out audits at the Branches, as well as at the Central Units of the Bank and the Group Companies.

The Management and the Audit Committee of the Bank's Board of Directors were informed of the results of the audits and of whether the Internal Control System achieves its objectives.

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). For this purpose, it continuously collects, records, processes and interprets data on the regulatory framework, monitors forthcoming changes and records deviations from the requirements and obligations for the Bank and the Group Companies so as to evaluate promptly their repercussions, implement suitable measures and safeguard both the Bank's interests and reputation.

In particular, in 2015 the most important actions in this area were the following:

- Supervising and effectively coordinating Compliance Officers in Group Companies and the Bank's Branches abroad so as to ensure that their activities are always in line with the applicable local and Greek regulatory framework.
- Monitoring corporate governance issues which are stipulated in Directive 2013/36/EU (CRD IV), as transposed into the Greek legislation via Law 4261/2014 and Regulation (EU) No 575/2013 (CRR).
- Drafting a new Circular and Procedures Manual for the Prevention of Use of the Financial System for Money Laundering and Terrorism Financing, as well as a new Operation Manual for the Siron AML Information System.
- Launching a new series of operations pertaining to regular remote audits of the Bank's Branch Network in order to verify compliance with the policy and procedures in force. The relevant audit results are duly communicated to the Division and corrective measures are taken, where deemed necessary.
- Monitoring the Bank's customer base and creating a list of High Risk Customers in terms of tax evasion for fiscal years 2013 and 2014, in compliance with the Bank of Greece Governor's Act 2652/2012.
- Submitting files concerning services or products to the Bank of Greece, in order to assess money laundering risk for the year 2014 and the first half of 2015, in compliance with the Bank of Greece Governor's Act 2651/2012.
- Replacing the AML Actimize system with the new Siron IT system.
- Launching the AML Siron Embargo and Siron KYC systems for controlling swift messages and Customer profiles respectively, against black lists.
- Participating in a Bank Working Group in order to enrich the Customer demographic database, as well as to control and improve its existing data qualityt.
- Issuing guidelines to the Branch Network on handling third party requests pertaining to the lifting of banking secrecy and dealing with a large number of cases regarding the provision of information to Supervisory and Tax Authorities. More specifically, the Compliance Division received and investigated the requests in question and consequently advised the Branches how to proceed in order to safeguard the Greek State's interests. In parallel, it responded to requests submitted by the Authorities pertaining to information on bank products.
- Ensuring customer protection through the compliance of the Bank's products, services and Transaction Terms with the regulatory framework in force.
- Monitoring the implementation of the Code of Conduct of Law 4224/2013 on non- performing loans, in order to improve confidence for the exchange of necessary information between the Borrowers and the Bank.
- Monitoring the observance of deadlines for the fulfilment of the reporting obligations to the Regulatory Authorities through the installation and operation of the application "Alpha Regulatory Reporting".
- Collecting and registering personal data files kept and processed by Alpha Bank's Divisions in accordance with Law 2472/1997.
- Completing the operational merger of the Compliance Unit of Citibank in Greece with that of Alpha Bank.
- Monitoring and coordinating measures to deal with fraud by establishing procedures to prevent, identify and reduce risks arising from external fraudevents, as well as to effectively manage the followup of detected events. Guidelines were provided to the Bank's Branch Network on the matter.

Particular emphasis was placed on employee training in order to consolidate and ensure implementation of compliance principles and to increase Employee awareness on the relevant issues. In 2015, besides the regular educational programmes, all the Bank's Branch Network Managers attended a special AML training programme , personal data protection and bank secrecy issues.

The main objectives for 2016 are the implementation of uniform compliance policy and procedures in the entire Group, so as to achieve complete and ongoing compliance in an ever-changing regulatory environment, the effective provision of information to national and European Supervisory Authorities, the issuing of the new Anti-Money Laundering Policy Manual and the full development of Alpha Bank's AML IT system for continuous monitoring and detection of unusual or suspicious transactions.

Group Information Security

The Bank has introduced the independent position of Group Information Security Officer, for the purpose of managing the information security risk arising from the increasing dependency of the Group's business operations on information (in oral, printed and electronic form) and IT systems.

The Information Security Division is responsible for developing, implementing, maintaining and monitoring the information security policy, key principles, procedures and mechanisms, as well as for managing related issues at Group level, in accordance with the Group's business goals and the Regulatory Framework. The Division establishes the Group Information Security Framework and submits it for approval to the Operational Risk Committee. It also supervises and coordinates the actions undertaken to ensure the effective management of the protection of information (in oral, printed and electronic form) and the systems within the Group, in collaboration with the competent Executives of the Group Companies. Furthermore, the Division advises on the necessity and the suitability of the projects pertaining to its responsibility. It also represents the Bank in the competent organisations and Authorities for information security issues and is responsible for communicating with them. Finally, it supervises and provides guidance to the Information Security Officers of the Group Companies and participates, in collaboration with the competent Divisions, in the selection of the Executives responsible for information security in the Group Companies.

The Division is active in the following functional areas:

I. Information Security Policy and Planning
II. Information Security Monitoring and Assessment
III. Information Security Infrastructures and Incidents Management.

The Division's core permanent activities are the following:

1. Checking the application of the Group Information Security Framework in all Units of the Bank and the Group Companies, as well as supervising and coordinating the Information Security Officers responsible locally.
2. Supervising the action plan to correct deviations from the Group Information Security Framework for the Bank and the Group Companies.
3. Monitoring security events and alerts on a 24/7 basis and taking appropriate measures to prevent and respond to attacks.
4. Conducting Information Security Risk Assessments of systems and services in the Bank and the Group.
5. Conducting security checks and introducing improvements in the security of the Group's critical systems, infrastructures and procedures.
6. Providing training and regular briefings to the Officers of the Bank and the Group Companies on information security issues.
7. Briefing the Management on critical information security issues.
8. Representing the Bank to the competent Authorities (Bank of Greece, Cyber Crime Unit, Hellenic Bank Association) and communicating with them about information security issues.

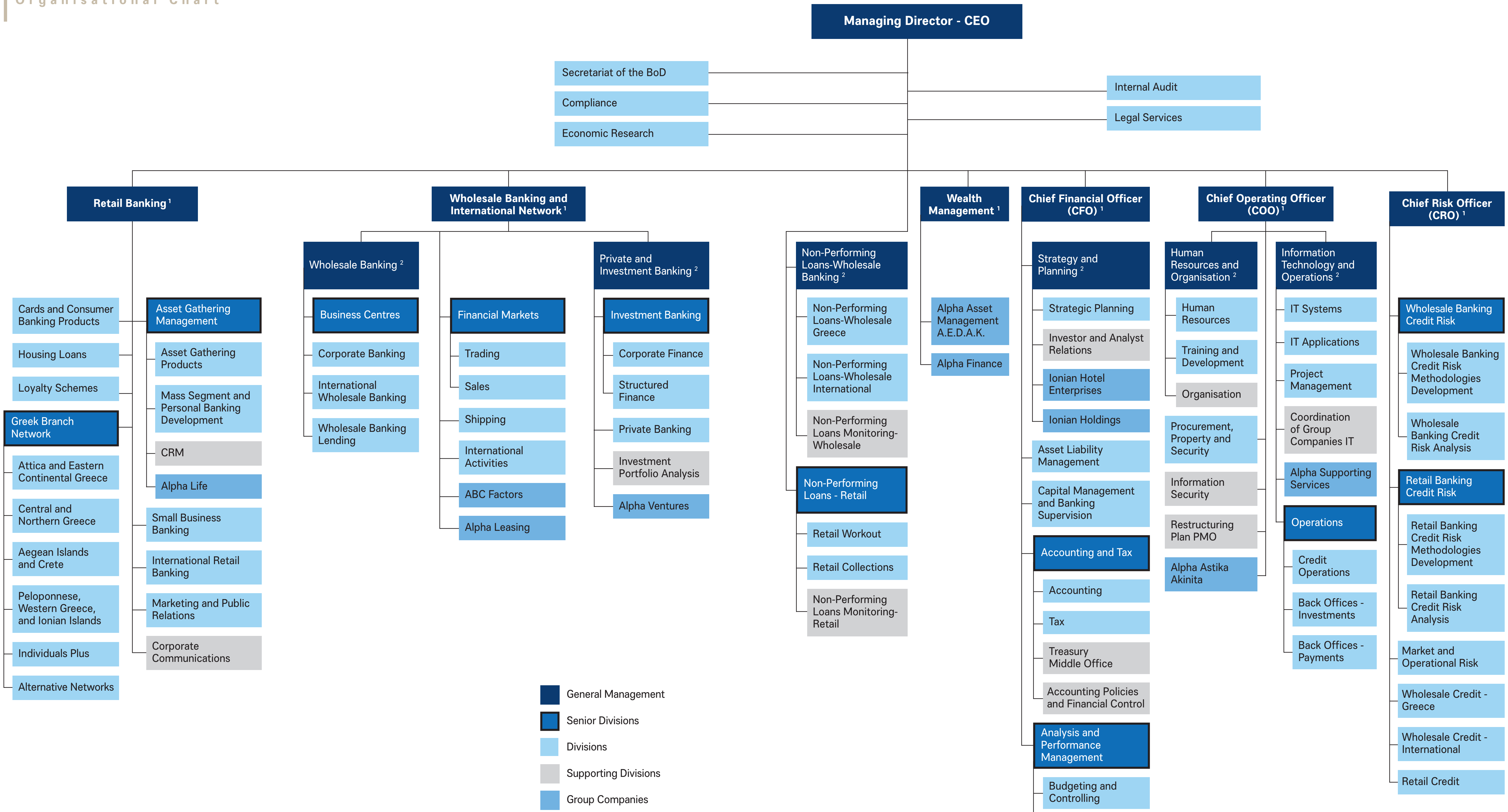
The most important activities of the Division in 2015 included the following:

1. Revising the Group Information Security Framework (new standards, a procedure and instructions were issued).
2. Designing and specifying security requirements in new systems and infrastructures of the Bank and the Group Companies and participating in their implementation. The following is an indicative list of related projects: new Alpha Web Banking, Siglo, Voice Portal (SPEECH), new Intranet, new vBranch infrastructure, i-apply and My Alpha wallet.
3. Supporting the Bank's certification as a Level 1 Service Provider and a Level 2 Merchant, in accordance with v3.0 and v3.1, respectively, of the PCI DSS International Data Security Standard.
4. Supporting the Division's certification in accordance with the ISO/IEC 27001:2013 International Information Security Standard, for the design, development, operation, management and support of Information Security for the Alpha Bank Group.
5. Revising the security codes mailing procedure for web banking subscribers (in collaboration with other competent Units of the Bank).
6. Implementing the Information Security Awareness Programme, by creating a new, continuously updated Portal on the Alpha Bank Intranet (http://infosec-portal). The purpose of this Portal is to provide the Group's Personnel with information on, inter alia, current threats, security measures, major security incidents and topical news from all over the world.
7. Evaluating new security technologies and measures (e.g. specialised technology to respond to zero-day and Advanced Persistent Threats (APTs) attacks).
8. Implementing a system for accessing corporate systems from mobile devices – namely, the Mobile Office application for mobile devices, which meets the requirements of the Bank's Executives for electronic mail, for processing internal documents stored in central infrastructures and for visiting Intranet sites.
9. Implementing a secure infrastructure for remote access, using Windows tablets, to services and applications of the Bank, in order to meet off-Branch Customer requirements.
10. Implementing a new security infrastructure for the vBranch project.
11. Creating a new Central Internal Certification Authority.
12. Integrating the Customer Management Relationship Tool (CMART) into the Identity Management (IDM) System as a connected application.
13. Completing the application of the "EndPoint Security" technology (encryption, device control) of portable computers that meet the relevant specifications in the Group Companies, as well as of the portable storage devices connected to them.
14. Completing the project on the upgrade of ATMs to the Windows 7 environment and strengthening their security level (hardening - installation of antivirus software).
15. Upgrading/replacing security mechanisms and infrastructures of the Group.
16. Installing the WebSafe Malware Protection Suite for the web banking systems in Alpha Bank Romania S.A., in Alpha Bank Srbija A.D. and in Alpha Bank Albania SHA.
17. Implementing two-factor authentication (OTP VIP) in the web banking system of Alpha Bank Srbija A.D.
18. Rerouting of inbound electronic messages of Alpha Bank Romania S.A. through the Group's central infrastructures, in order to ensure enhanced antispam and antimalware protection and reduce operating costs.
19. Installing/replacing antivirus software for the central electronic mail infrastructure (Symantec Mail Security for Microsoft Exchange Server) in the Bank, as well as in Alpha Bank Srbija A.D., in Alpha Bank Cyprus Ltd and in Alpha Bank Romania S.A.
20. Implementing information security projects in the context of the acquisition of Citibank's Retail Banking operations in Greece.

The Division's key priorities for 2016 are summarised as follows:

1. To conduct security checks and introduce improvements in the security of the Group's critical systems, infrastructures and procedures.
2. To revise the Group Information Security Framework, document deviations from the security specifications and monitor the implementation of corrective actions.
3. To design and specify security requirements in new systems of the Bank and the Group Companies.
4. To support the renewal of the Bank's certification as a Level 1 Service Provider and a Level 2 Merchant, in accordance with v3.0 and v3.1, respectively, of the PCI DSS International Security Standard.
5. To support the renewal of the Division's certification in accordance with the ISO/IEC 27001:2013 International Information Security Standard for the design, development, operation, management and support of information security for the Alpha Bank Group.
6. To provide training and regular briefings to the Officers of the Bank and the Group Companies on information security issues.
7. To install specialised technology to respond to zero-day and Advanced Persistent Threats (APTs) attacks via electronic mail and over the Internet.
8. To implement an automated information classification system.
9. To evaluate the Data Storage Encryption technology, in order to encrypt sensitive data in databases and central repositories (Data at Rest).
10. To use the secure infrastructure for remote access, using Windows tablets, to services and applications of the Bank, in order to meet off-Branch Customer requirements.
11. To evaluate a Security Information and Event Management (SIEM) system for providing centralised management and correlation of the information systems logs and the events generated by security mechanisms.
12. To implement an infrastructure for remote secure communication between the Bank's Executives via videoconference.

Organisational Chart



[1] General Manager
[2] Executive General Manager

Date Issued: 4.1.2016

Persons from the Bank's history

01. John F. Costopoulos (1856-1918)
02. Dionissios P. Loverdos (1877-1934)
03. Andreas P. Mantzounis (1868-1939)
04. Demetrios (Mimis) J. Costopoulos (1889-1936)
05. Alexandros G. Koryzis (1885-1941)
06. Vassileios G. Akrivos (-1955)
07. Georgios C. Iatrou (1871-1947)
08. Panos J. Costopoulos (1891-1965)
09. Panayotis D. Mantzounis (1904-1975)
10. Spyros J. Costopoulos (1896-1984)
11. Stavros J. Costopoulos (1899-1968)
12. Fotis P. Costopoulos (1929-2014)

Members of the General Management and Senior Executives of the Bank and the Group Companies, 2015

8. Auditors' Report and Financial Statements

Independent Auditors' Report
(Translated from the original in Greek)

To the Shareholders of
ALPHA BANK A.E.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ALPHA BANK A.E. (the "Bank") which comprise the consolidated balance sheet as of December 31, 2015 and the consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of ALPHA BANK A.E. as of December 31, 2015 and of its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the disclosures made in note 1.31.1 to the consolidated financial statements, which refer to the material uncertainties associated with the current economic conditions in Greece and the ongoing developments that could affect the going concern assumption.

Report on Other Legal and Regulatory Requirements

(a) The Board of Directors' Report includes a corporate governance statement, which provides the information set by paragraph 3d of article 43a of C.L. 2190/1920.

(b) We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying consolidated financial statements within the scope set by articles 43a (par. 3a), 108 and 37 of C.L. 2190/1920.

Athens, 4 March 2016

KPMG Certified Auditors A.E.

AM SOEL 114

Nikolaos Vouniseas
Certified Auditor Accountant
AM SOEL 18701

Ioannis Achilas
Certified Auditor Accountant
AM SOEL 12831

Balance Sheet

(in Euro thousand)	Consolidated		Alpha Bank	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
ASSETS				
Cash and balances with Central Banks	1,730,327	2,019,017	698,730	1,265,442
Due from banks	1,976,273	2,771,739	3,406,859	4,714,551
Securities held for trading	2,779	4,189	1,888	1,729
Derivative financial assets	793,015	1,148,476	794,471	1,153,944
Loans and advances to Customers	46,186,116	49,556,985	41,558,014	43,475,910
Investment securities				
- Available for sale	5,794,484	5,688,286	4,890,891	4,638,825
- Held to maturity	79,709	310,818	2,823	93,817
- Loans and receivables	4,289,482	4,299,101	4,289,482	4,299,101
Investments in subsidiaries, associates and joint ventures			2,087,386	2,072,689
Investments in associates and joint ventures	45,771	46,383		
Investment property	623,662	567,212	28,813	31,939
Property, plant and equipment	860,901	1,083,348	691,847	729,585
Goodwill and other intangible assets	342,251	331,424	299,821	261,351
Deferred tax assets	4,398,176	3,689,446	4,372,486	3,604,079
Other assets	1,510,225	1,365,066	1,421,770	1,289,764
	68,633,171	72,881,490	64,545,281	67,632,726
Non-current assets held for sale	663,063	53,971	447,601	1,831
Total Assets	**69,296,234**	**72,935,461**	**64,992,882**	**67,634,557**
LIABILITIES				
Due to banks	25,115,363	17,300,114	25,170,637	17,558,462
Derivative financial liabilities	1,550,529	1,948,541	1,556,555	1,946,401
Due to Customers			27,733,679	37,817,447
(including debt securities in issue)	31,434,266	42,900,633		
Debt securities in issue held by institutional investors				
and other borrowed funds	400,729	1,523,521	406,231	2,021,165
Liabilities for current income tax and other taxes	38,192	61,794	21,108	47,819
Deferred tax liabilities	20,852	25,502		
Employee defined benefit obligations	108,550	105,353	105,816	94,683
Other liabilities	910,622	1,091,747	831,557	993,887
Provisions	296,014	212,712	410,446	333,520
	59,875,117	65,169,917	56,236,029	60,813,384
Liabilities related to non-current assets held for sale	366,781	58,994	338,820	
Total Liabilities (a)	**60,241,898**	**65,228,911**	**56,574,849**	**60,813,384**
EQUITY				
Share Capital	461.064	3.830.718	461.064	3.830.718
Share premium	10.790.870	4.858.216	10.790.870	4.858.216
Reserves	301.223	105.712	153.631	53.351
Amounts recognised directly in Equity,				
related to Assets held for Sale	8.834	(25)		
Retained earnings	(2.546.885)	(1.142.801)	(2.987.532)	(1.921.112)
Equity attributable to Equity owners of the Bank	9.015.106	7.651.820	8.418.033	6.821.173
Non-controlling interests	23.998	23.266		
Hybrid securities	15.232	31.464		
Total Equity (b)	**9.054.336**	**7.706.550**	**8.418.033**	**6.821.173**
Total Liabilities and Equity (a)+(b)	**69.296.234**	**72.935.461**	**64.992.882**	**67.634.557**

Statement of Total Comprehensive Income

(in Euro thousand)	Consolidated From 1 January to 31.12.2015	Consolidated From 1 January to 31.12.2014	Alpha Bank From 1 January to 31.12.2015	Alpha Bank From 1 January to 31.12.2014
Interest and similar income	3,014,436	3,247,017	2,647,094	2,756,481
Interest expense and similar charges	(1,082,721)	(1,327,591)	(1,037,928)	(1,231,606)
Net interest income	1,931,715	1,919,426	1,609,166	1,524,875
Fee and commission income	383,410	391,322	315,702	318,217
Commission expense	(68,684)	(57,108)	(59,348)	(46,434)
Net fee and commission income	314,726	334,214	256,354	271,783
Dividend income	3,308	1,552	35,465	52,023
Gains less losses on financial transactions	(45,047)	40,361	(91,280)	15,504
Other income	63,202	64,442	16,868	17,725
	21,463	106,355	(38,947)	85,252
Total income	**2,267,904**	**2,359,995**	**1,826,573**	**1,881,910**
Staff costs	(533,114)	(649,621)	(401,781)	(518,226)
Cost/Provision of Voluntary Separation Scheme	(64,300)	(200,800)	(64,300)	(200,800)
General administrative expenses	(560,219)	(540,029)	(443,556)	(424,558)
Depreciation and amortisation expenses	(105,001)	(94,341)	(71,336)	(59,554)
Other expenses	(42,069)	(69,055)	(7,057)	(16,757)
Total expenses	**(1,304,703)**	**(1,553,846)**	**(988,030)**	**(1,219,895)**
Impairment losses and provisions to cover credit risk	(3,019,806)	(1,847,037)	(2,699,237)	(1,386,598)
Negative goodwill from acquisitions		40,287	48,237	
Share of profit/(loss) of associates and joint ventures	(9,821)	(10,759)		
	(3,029,627)	(1,817,509)	(2,651,000)	(1,386,598)
Profit/(Loss) before income tax	**(2,066,426)**	**(1,011,360)**	**(1,812,457)**	**(724,583)**
Income tax	806,758	696,439	823,105	677,122
Profit/(Loss) after income tax from continuing operations	**(1,259,668)**	**(314,921)**	**(989,352)**	**(47,461)**
Profit/(Loss) after income tax from discontinued operations	(111,786)	(14,787)	(42,924)	(11,068)
Profit/(Loss) after income tax (a)	**(1,371,454)**	**(329,708)**	**(1,032,276)**	**(58,529)**
Profit/(Loss) attributable to:				
Equity owners of the Bank				
- from continuing operations	(1,259,928)	(315,022)	(989,352)	(47,461)
- from discontinued operations	(111,786)	(14,787)	(42,924)	(11,068)
	(1,371,714)	**(329,809)**	**(1,032,276)**	**(58,529)**
Non-controlling interests				
- from continuing operations	260	101		
Other comprehensive income recognised directly in Equity:				
Items that may be reclassified subsequently to profit or loss				
Change in available for sale securities' reserve	217,034	(481,006)	67,378	(400,381)
Change in cash flow hedge reserve	52,313	(224,342)	52,408	(227,861)
Exchange differences on translation and hedging of net investments in foreign subsidiaries	1,072	(2,875)		

Statement of Total Comprehensive Income (continued)

(in Euro thousand)	Consolidated From 1 January to 31.12.2015	Consolidated From 1 January to 31.12.2014	Alpha Bank From 1 January to 31.12.2015	Alpha Bank From 1 January to 31.12.2014
Change in share of other comprehensive income from associates and joint ventures	(547)	(1,318)		
Income tax	(68,051)	182,822	(19,506)	164,034
Items that may be reclassified subsequently to profit or loss from continuing operations, after income tax	**201,821**	**(526,719)**	**100,280**	**(464,208)**
Items that may be reclassified subsequently to profit or loss from discontinued operations, after income tax	47	(34)		
	201,868	**(526,753)**	**100,280**	**(464,208)**
Items not reclassified to profit or loss from continuing operations				
Change in actuarial gains/(losses) of defined benefit obligations	941	(38,364)	1,025	(37,341)
Income tax	2,101	9,930	2,076	9,709
	3,042	**(28,434)**	**3,101**	**(27,632)**
Total of other comprehensive income recognised directly in Equity, after income tax (b)	**204,910**	**(555,187)**	**103,381**	**(491,840)**
Total comprehensive income for the period, after income tax (a)+(b)	**(1,166,544)**	**(884,895)**	**(928,895)**	**(550,369)**
Total comprehensive income for the period attributable to:				
Equity owners of the Bank				
- from continuing operations	(1,055,033)	(870,141)	(885,971)	(539,301)
- from discontinued operations	(111,786)	(14,787)	(42,924)	(11,068)
	(1,166,819)	**(884,928)**	**(928,895)**	**(550,369)**
Non-controlling interests				
- from continuing operations	275	33		
Earnings/(Losses) per share:				
Basic and diluted (Euro per share)	(3.5602)	(1.3370)	(2.6792)	(0.2373)
Basic and diluted from continuing operations (Euro per share)	(3.2701)	(1.2770)	(2.5678)	(0.1924)
Basic and diluted from discontinued operations (Euro per share)	(0.2901)	(0.0599)	(0.1114)	(0.0449)

Statement of Cash Flows

(in Euro thousand)

	Consolidated From 1 January to 31.12.2015	Consolidated From 1 January to 31.12.2014	Alpha Bank From 1 January to 31.12.2015	Alpha Bank From 1 January to 31.12.2014
Net cash flows from continuing operating activities	(1,320,644)	(1,317,796)	(1,695,169)	(1,688,344)
Net cash flows from discontinued operating activities	13,365	(4,052)	15,340	(1,412)
Net cash flows from operating activities (a)	**(1,307,279)**	**(1,321,848)**	**(1,679,829)**	**(1,689,756)**
Net cash flows from continuing investing activities	(44,970)	516,019	(142,253)	1,117,998
Net cash flows from discontinued investing activities	9,949	(125)	(460)	897
Net cash flows from investing activities (b)	**(35,021)**	**515,894**	**(142,713)**	**1,118,895**
Net cash flows from continuing financing activities	1,479,523	1,021,950	1,362,631	1,043,043
Net cash flows from financing activities (c)	**1,479,523**	**1,021,950**	**1,362,631**	**1,043,043**
Net increase/(decrease) in cash and cash equivalents of the period (a)+(b)+(c)	**137,223**	**215,996**	**(459,911)**	**472,182**
Effect of exchange rate fluctuations on cash and cash equivalents	(3,334)	5,081	2,130	1,848
Total cash flows for the period	**133,889**	**221,077**	**(457,781)**	**474,030**
Cash and cash equivalents at the beginning of the period	**1,194,244**	**973,167**	**1,223,029**	**748,999**
Cash and cash equivalents at the end of the period	**1,328,133**	**1,194,244**	**765,248**	**1,223,029**

Statement of Changes in Equity

(in Euro thousand)

	Consolidated From 1 January to 31.12.2015	Consolidated From 1 January to 31.12.2014	Alpha Bank From 1 January to 31.12.2015	Alpha Bank From 1 January to 31.12.2014
Equity at the beginning of the period (1.1.2015 and 1.1.2014 respectively)	**7,706,550**	**8,367,735**	**6,821,173**	**7,147,306**
Total comprehensive income for the period, after income tax	(1,166,544)	(884,895)	(928,895)	(550,369)
Share capital increase through private placement in cash	1,552,169	1,200,000	1,552,169	1,200,000
Share capital increase through capitalisation of financial receivables	1,010,831		1,010,831	
Redemption of preference shares		(940,000)		(940,000)
Share capital increase related expenses, after income tax	(43,506)	(35,764)	(43,506)	(35,764)
Change of ownership interests in subsidiaries		(333)		
Effect due to change of the income tax rate at share capital increase expenses	6,261		6,261	
(Purchases), (Redemptions)/Sales of hybrid securities, after income tax	(11,425)	(236)		
Other		43		
Equity at the end of the period (31.12.2015 and 31.12.2014 respectively)	**9,054,336**	**7,706,550**	**8,418,033**	**6,821,173**

Additional Data and Information

1. Companies included in the Consolidated Financial Statements, the Group's participation in them as at 31.12.2015, as well as the applied consolidation method, are presented in note 38 of the Consolidated Financial Statements as at 31.12.2015. Companies not included in the Consolidated Financial Statements are also listed in this note.
2. During the period from 1.1.2015 until 31.12.2015 the following changes took place in the Consolidated Financial Statements:

   a. concerning companies which are fully consolidated:

   - New Companies: On 3.2.2015, the Group's subsidiary, AGI-SRE Ariadni Ltd acquired the total number of shares of AGI-SRE Ariadni DOO, registered in Serbia. On 16.4.2015 the subsidiary of the Bank, Alpha Group Investments Ltd founded the company Alpha Investment Property Kefalariou A.E. On 30.4.2015, the Group's subsidiary, AGI-RRE Participations 1 Ltd acquired 99.996% of the shares of Asmita Gardens Srl, registered in Romania. On 7.5.2015 the Group subsidiary, AGI-RRE Poseidon Ltd acquired 2.97% of minority shareholder of Romfelt Real Estate S.A. and therefore the Group holds 98.86% thereof. On 23.9.2015 the subsidiary of the Bank, Alpha Group Investments Ltd, founded the company Alpha Bank Debt Notification Services A.E. On 8.10.2015 the Group's subsidiaries AGI RRE-Artemis Ltd and Alpha Group Investments Ltd acquired 100% of the shares of Ashtrom Residents Srl. On 30.10.2015 the subsidiary company of the Group, AGI-BRE Participations 5 Ltd founded the company AGI-BRE Participations 5 EOOD, registered in Bulgaria. On 10.11.2015 the Bank's subsidiary, Alpha Group Investments Ltd founded the company Alpha Investment Property Nea Erithrea A.E. On 8.12.2015, the Group's subsidiaries, AGI-RRE Arsinoe Ltd and AGI-RRE Cleopatra Ltd acquired 100% of the shares of Cubic Center Development S.A. based in Romania.On 24.12.2015, the Bank's subsidiary, Alpha Group Investments Ltd acquired 100% of the shares of Anaplasi Plagias A.E.
   - Liquidations/Sales: On 16.1.2015, the sale of the total number of shares of the subsidiary Alpha Insurance Ltd in Cyprus was completed. On 29.7.2015 the subsidiary of the Bank, Emporiki Development and Real Estate Management S.A. sold all the shares held in the company "Marina Zea SA". On 30.9.2015 the process of liquidation of the subsidiary company of the Bank, Commercial Media Advertising EPE was completed.
   - Changes/Renames: On 6.2.2015, the Group's subsidiary, AGI-Cypre Arsinoe Ltd was renamed to AGI-RRE Arsinoe Ltd. On 27.3.2015 the merger of Alpha Bank Cyprus Ltd and Emporiki Bank Cyprus Ltd was completed, through absorption of the second by the first.

   b. concerning companies consolidated under the equity method:

   - Liquidations/Sales: On 23.1.2015 the Bank proceeded in the sale of the total number of shares of the joint venture Cardlink.
3. On 2.6.2015, the merger of the Bank with its subsidiary, since 30.9.2014, Diners Club SA was approved, through absorption of the second by the first, pursuant to the Decision No 59073/2.6.2015 of the Companies and General Electronic Commercial Registry Division of the Ministry of Economy, Infrastructure, Shipping and Tourism, with registration No 367376/2.6.2015 in the General Electronic Commercial Registry.
4. The unaudited tax years of the Bank and the Group Companies are listed in notes 37b and 36b of the Financial Statements as at 31.12.2015 of the Group and the Bank respectively.
5. There are neither pending legal cases nor issues in progress, nor decisions of legal or arbitrary authorities, which may have a material impact on the financial position or operation of the Group and the Bank. The Group and the Bank have raised a provision for them which amounts to Euro 29 million and Euro 26.8 million respectively. Additionally, the Group and the Bank have raised a provision for the Voluntary Separation Scheme (note 7 and 31 of the Financial Statements as at 31.12.2015 of the Group and the Bank respectively) amounting to Euro 64.3 million as well as other provisions amounting to Euro 202.7 million and Euro 319.3 million respectively.
6. The Bank and the Group Companies did not hold any treasury shares as at 31.12.2015.
7. The total number of Employees of the Group as at 31.12.2015 was 14,779 (31.12.2014: 15,193) and of the

Bank was 9,729 (31.12.2014: 9,648) out of which the respective number of Employees for the Companies/Branches, presented as discontinued operations as at 31.12.2015, was 932 Employees for the Group and 694 Employees for the Bank.

8. The results arising from the related party transactions during the period 1.1.2015 until 31.12.2015 are as follows:

With members of the Board of Directors and other key management Personnel:

a) of the Group: income Euro 389 thousand, expenses Euro 3,635 thousand

b) of the Bank: income Euro 350 thousand, expenses Euro 3,627 thousand.

With other related parties:

a) of the Group: income Euro 6,367 thousand, expenses Euro 3,017 thousand

b) of the Bank: income Euro 136,402 thousand, expenses Euro 99,264 thousand.

The balances as at 31.12.2015 of the receivables and liabilities arising from the above transactions are as follows:

With members of the Board of Directors and other key management Personnel:

a) of the Group: receivables Euro 11,460 thousand, liabilities Euro 26,653 thousand, letters of guarantee Euro 11,689 thousand

b) of the Bank: receivables Euro 11,460 thousand, liabilities Euro 13,871 thousand, letters of guarantee Euro 11,689 thousand.

With other related parties:

a) of the Group: receivables Euro 162,417 thousand, liabilities Euro 26,084 thousand

b) of the Bank: receivables Euro 5,611,606 thousand, liabilities Euro 1,513,572 thousand, letters of guarantee and other guarantees Euro 773,629 thousand.

9. The income and expense items recognised directly in Equity are analysed in the "Statement of total comprehensive income", as presented above.

10. Due to the fact that no distributable profits exist for the Bank as at 31.12.2014 according to the article 44a of Codified Law 2190/1920, the Ordinary General Meeting of Shareholders decided at 26.6.2015:

- the non-distribution of dividends to the common Shareholders of the Bank and
- the non-payment to the Greek State of the respective return for the year 2014 on the preference shares it owned until 17.4.2014, under article 1 paragraph 3 of Law 3723/2008.

The above are also valid for the year 2015 and the Board of Directors of the Bank will propose to the Annual General Meeting of the Shareholders the non-distribution of dividend to the holders of the Bank's common shares

11. The figures of the comparative periods of the Financial Statements of the Group and the Bank were restated and presented in the notes 50 and 47 of the Financial Statements of the Group and the Bank respectively.

12. Profits and losses from discontinued operations are stated in detail in notes 48 and 44 of the Financial Statements of the Group and the Bank as at 31.12.2015 respectively.

13. On 24.11.2015 a share capital increase of Euro 1,010,830,828.00 was held through capitalisation on monetary claims in the framework of the optional exchange of securities which participated in the Liability Management Exercise and of Euro 1,552,169,172.00 through private placement in cash.

14. The emphasis of matter concerns the existence of uncertainty that could affect the going concern assumption, as referred to the disclosures made in note 1.31.1 and 1.29.1 of the Financial Statements of the Group and the Bank respectively.

15. The accounting policies applied by the Group and the Bank for the preparation of the Financial Statements as at 31.12.2015 are in accordance with the requirements of the International Financial Reporting Standards (I.F.R.S.) and are presented in note 1 of the Financial Statements as at 31.12.2015 of the Group and the Bank.

Athens, 3 March 2016

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER	THE GENERAL MANAGER AND CHIEF FINANCIAL OFFICER	THE ACCOUNTING AND TAX MANAGER
VASILEIOS T. RAPANOS ID No AI 666242	DEMETRIOS P. MANTZOUNIS ID No I 166670	VASSILIOS E. PSALTIS ID No AI 666591	MARIANNA D. ANTONIOU ID No X 694507

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