20
BUSINESS REVIEW

ALPHA BANK

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BUSINESS REVIEW 2020

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BRIEF HISTORY

The history of Alpha Bank begins in 1879, when John F. Costopoulos founded a commercial firm in the city of Kalamata, which quickly undertook banking activities, especially in the foreign exchange market. In 1918, the banking department of the "J.F. Costopoulos" firm was renamed "Bank of Kalamata". In 1924, the Bank was renamed "Banque de Crédit Commercial Hellénique" and its headquarters were moved to Athens. In 1947, the title was changed to "Commercial Credit Bank", in 1972 to "Credit Bank" and in March 1994 to "Alpha Credit Bank". "Alpha Credit Bank" grew greatly as, in addition to offering banking services and products, it developed into a major Group offering a wide range of financial services. In 1999, "Alpha Credit Bank" acquired 51% of the shares of the Ionian Bank and, in 2000, the merger of the Ionian Bank through absorption by "Alpha Credit Bank" was approved. The new enlarged Bank that emerged operates with the distinctive title "Alpha Bank".
The transfer of the entire Emporiki Bank share capital from Crédit Agricole S.A. to Alpha Bank was completed on February 1, 2013. On that date, the Bank acquired control of Emporiki Bank of Greece S.A. and in June 2013 the legal merger by absorption of the latter by the former was completed. Emporiki Bank was founded in 1886 and was a historic bank, which played a key role in the economic development of Greece during the 20th century.
The successful acquisition of Emporiki Bank in 2013 was followed by the acquisition of Citibank's Greek Retail Banking operations, which was completed in September 2014. This initiative further strengthens Alpha Bank's position in the Greek banking system and enhances its offering to its affluent customer base.
The Alpha Bank Group offers a wide range of high-quality financial products and services, in Greece and in Southeastern Europe.

KEY INDICATORS

(Amounts in Euro million)	Alpha Bank Group Change %	2020	2019
BALANCE SHEET			
Total Assets	10.4%	70,057	63,458
Loans and Advances to Customers, before allowance for impairment losses	1.1%	48,507	47,989
Allowance for impairment losses	4.6%	-9,080	-8,682
Due to Customers	8.6%	43,831	40,364
Total Equity	-1.7%	8,333	8,476
INCOME STATEMENT [(1)]			
Total Income [(2)]	11.6%	2,591	2,321
Total expenses before impairment losses and provisions to cover credit risk	-1.4%	-1,158	-1,175
Profit before Taxes and Impairment losses & provisions to cover credit risk	**25.0%**	**1,433**	**1,146**
Impairment losses and provisions to cover credit risk	33.3%	-1,320	-990
Net Profit for the year after income tax	**-1.0%**	**104**	**105**
INDICES			
Net Interest Margin [(3)]		2.9%	3.0%
Total Capital Adequacy Ratio		17.3%	17.9%
TIER I Capital Adequacy Ratio		17.3%	17.9%
CREDIT RATINGS			
Moody's		Caa1	Caa1
Standard & Poor's		B	B
Fitch Ratings		CCC+	CCC+
Capital Intelligence		B+	
OTHER INFORMATION			
Branches		519	580
Number of Employees		10,528	10,530

[(1)] The Consolidated Income Statement of the comparative year has been restated.

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

[(3)] The ratio is calculated based on NII divided by the average interest bearing assets.

LETTER
FROM THE CHAIRMAN

Dear Shareholders,
Ladies and Gentlemen,
2020 was a year like no other, dominated by the Covid-19 pandemic causing an unprecedented and acute health, social and economic crisis, with a heavy toll on human lives both in Greece and across the world. To contain the spread of the coronavirus, the Greek Government has taken a series of measures, including the closing of businesses and the restrictions on movement and travel.
The Greek economy, which was in the process of recovery, was severely affected by the restrictive measures taken in response to the crisis as well as by the drastic reduction in tourist arrivals. The high contribution of tourism and retail trade to the country's economic activity was reflected by the significant drop in GDP in the second quarter of 2020, by 13.9% year-on-year. Economic activity recovered slightly in the third quarter of 2020 due to an increase in public and private consumption, although the annual growth rate remained negative (-10%). The recession continued in the last quarter of the year, due to the new measures taken to address the second wave of the Covid-19 pandemic with GDP declining by 6.9% year-on-year. In 2020 as a whole, the country's GDP declined by 8.2% compared to 2019, primarily due to both the contraction of services exports as a result of the sharp decline of tourism and the decrease in private consumption; yet, the increase in public consumption, the resilience of goods exports and the decrease of imports had a positive contribution.
The sectors most affected by the pandemic, in terms of turnover, were in the tertiary sector: accommodation and catering services, property management services, the arts, leisure and entertainment.
Faced with the effects of the pandemic, the Greek Government reacted swiftly, taking fiscal policy measures of a broad and unprecedented scale to support businesses and employment. These measures meant that the economy shrank less than expected. Furthermore, the pandemic had a milder effect on the labour market, as the measures taken by the government were aimed at preserving jobs. At the same time, the impact of the pandemic on disposable income was mitigated by the government's measures including state income support schemes, combined with an increase in household and business savings, for providence purposes in view of possible future needs as well as forced savings due to limited consumption, mainly in the services sector.

Dear Shareholders,
Ladies and Gentlemen,
The adoption of a strongly expansionary fiscal policy, combined with the accommodative single monetary policy of the European Central Bank, contributed significantly to the mitigation of the crisis effects. Admittedly, at the outbreak of the pandemic, the financial system experienced a shock but, thanks to the measures taken by the competent authorities, it quickly regained its footing. It is also worth noting that the liquidity of the Greek banks improved significantly in 2020 as a result of the inclusion of Greek Government securities in the Pandemic Emergency Purchase Programme (PEPP) of the European Central Bank (ECB) and their acceptance as collateral in Eurosystem refinancing operations as well as due to the notable increase in customer deposits.
The European Union's response to the pandemic through the adoption of the "Next Generation EU" (NGEU) fund in July 2020, a Euro 750 billion Recovery Plan, was particularly impressive. The respective program aims to help relaunch economic activity and strengthen the resilience of the European economy in the post-Covid era. The main pillars of this policy are digital transformation, the transition to a green economy and the implementation of structural policies that will enhance the efficiency of the Member States' economies. For Greece, the use of the NGEU funds of Euro 32 billion will be effected through the National Recovery and

Resilience Plan "Greece 2.0", which aims at high and sustainable growth, job creation and social cohesion. Overcoming the crisis and making the best use of European funds is a challenge for the government, the public administration, the businesses and for the Greek society as a whole. Contrary to what was foreseen for the National Strategic Reference Framework, the centralized and sound coordination by the executive state is crucial for the success of this endeavor. It is also a challenge for the private sector which, with properly prepared and targeted investment projects in cutting-edge sectors, such as research and development, renewable energy, waste recycling, innovation, etc., will be able to play a leading role in the revival of the Greek entrepreneurship. The National Recovery and Resilience Plan goes beyond the simple offering of grants and loans and is supported by the acceleration of the implementation of the national reform program and the legislative initiatives, with a view to improving the country's position in rankings including those published by the Doing Business and International Competitiveness reports, through:

• firstly, the acceleration of the administration of justice and of the dispute resolution process;

• secondly, the adoption of a more growth-friendly tax policy mix, and

• thirdly, ensuring that the new tax system and the legal framework governing investments will not change but will remain stable for many years and, at least, for one investment horizon.

Dear Shareholders,
Ladies and Gentlemen,
The rapid activation of the National Recovery and Resilience Plan to absorb the capital resources that Greece is entitled to receive from the NGEU can significantly help restore the fiscal balance, so as to ensure the country's creditworthiness without the need to return to the strict austerity policies of the past that would trap the country in a state of stagnation.

This can be achieved:

• firstly, by making use of the EU resources that will significantly strengthen the country's growth dynamics, which will have the significant effect of reducing the debt-to-GDP ratio;

• secondly, by discounting the medium-term growth dynamics in markets, which will lead the country to an investment-grade rating faster, resulting in a further reduction of borrowing costs for the Greek State and, consequently, of the level of debt; and

• thirdly, with the investment plans of the Recovery Fund, which can contribute to improving the asset quality and structure of the Greek banks, which is an important criterion for the country's assessment by international rating agencies.

Despite the fact that, in 2020 and 2021, the expansionary policy is a widely applied option, it should be noted, of course, that the fiscal risks do persist. In Greece, the strongly expansionary fiscal policy followed in 2020 resulted in the general government primary balance turning from a surplus to a deficit. The emergence of a deficit, combined with a steep recession and deflation, led to a strong increase in public debt as a percentage of GDP. Of course, the medium-term sustainability of public debt, characterized by a favourable composition and time structure of repayments, is not expected to be undermined if fiscal measures remain targeted and temporary.

Dear Shareholders,
Ladies and Gentlemen,
Banks in Greece significantly increased their liquidity in 2020 as a result of measures taken by the ECB, including the admission of Greek bonds in refinancing operations,

the supervisory measures and the increased savings. This has helped to strengthen the ability of the Greek banks to grant higher loans to businesses than last year, and in particular to large companies operating in the commerce, industry and tourism sectors. Furthermore, in line with the guidelines of the European Banking Authority, the Greek banks have suspended the payment of loan instalments for borrowers affected by the Covid-19 pandemic.
At the same time, the Greek banks are taking on an important role in boosting the economy through the National Recovery and Resilience Plan, providing credit facilities, attracting and mobilizing private capital and acting as an investment assistant and advisor. Of course, the National Recovery and Resilience Plan represents a challenge for the banking system, which must now select the most viable and profitable investment plans, mobilize investment funds and, of course, help develop and maintain the new ecosystem that will support our country's growth.
The Hercules Asset Protection Scheme (HAPS), which was set up by the Greek government in late 2019, is helping the Greek banks reduce the amount of Non-Performing Loans. The "Hercules" Scheme, which the four systemic banks have joined, provides a state guarantee on senior bonds of securitized loans, against a fee granted to the State, which is calculated on market terms.

Dear Shareholders,
Ladies and Gentlemen,
At Alpha Bank, we have taken important steps in cleaning up our balance sheet from bad loans. This was achieved with the completion of Project Galaxy, which was a highly complex landmark transaction and the second largest rated Non-Performing Exposures securitization in Europe. To further reduce the Non-Performing Exposures ratio, we have taken new initiatives for additional transactions amounting to Euro 8.1 billion, which will reduce the ratio to 2% in 2024.
Alpha Bank believes that the Recovery and Resilience Facility represents a growth opportunity for Greek companies. With the aim of ensuring the availability of necessary capital, it made the first growth Share Capital Increase after the 2008 financial crisis, which was successfully completed on June 30, 2021. This increase amounted to Euro 800,000,000, while 800,000,000 new common shares, of a nominal value of Euro 0.30, were made available at an offer price of Euro 1 per new share. The new shares were offered in Greece to retail investors and to qualified investors in the context of a public offering, and outside Greece to qualified, institutional and other eligible investors pursuant to an international private placement book-building process. The oversubscription of the issue is undoubtedly a great success and a tangible sign of the confidence of the (Greek and international) investors in our Bank. It is worth noting that, based on the Tier 1 capital ratio, even before the recent increase, Alpha Bank had an internationally remarkable position. Based on research published in the latest issue (July 2021) of "The Banker" magazine, our Bank ranked 179th among the Top 1000 banks of the world.
Utilizing its valuable knowledge and experience, Alpha Bank will support its Customers in their investment plans and in making the most of the opportunities offered by the Recovery and Resilience Facility, by providing specialized solutions, tailored to the needs of each company. In 2020, Alpha Bank presented new loan disbursements amounting to Euro 5.6 billion at the highest level since 2008, mainly directed to manufacturing, commerce, transport, energy and tourism. It is true that for this year, too, the Bank will not pay dividends. However, thanks to all the initiatives taken by Management, we are now able to achieve double-digit profitability rates and to reinstate, after the financial year 2023, a robust dividend policy, returning the trust to our thousands of Shareholders.

Dear Shareholders,
Ladies and Gentlemen,
Despite the uncertainty caused by the pandemic and the need to take key actions to deal with it, Management continued its effort to transform the Bank into a more competitive business in the new international environment shaped by globalization and technological changes. The key pillars of this effort include the further rationalization of procedures and costs, the evaluation of Staff based on contemporary criteria, and the promotion of talent.

Already in 2016, efforts started to improve the functionality of the Board of Directors and the Bank in general, through the adoption of modern corporate governance principles, and for achieving full compliance with governance principles indicated by the European regulatory authorities. Our progress since 2017 is impressive, as reflected both in the recent report submitted to us by Nestor Advisors and in an evaluation by international consulting firm ISS (Institutional Shareholder Services). Despite this progress, there is much more to do. The modernization and transformation program continues and will pick up pace in the coming months. Regarding, in particular, the functionality of the Board of Directors, I must point out that at the 21 meetings held in 2020, the Board methodically and systematically promoted all key issues relating to the reduction of Non-Performing Exposures, the issuance of the Tier 2 capital and the restructuring that will strengthen the Bank's competitive position.

Dear Shareholders,
Ladies and Gentlemen,
The progress of the vaccination program and the use of the NGEU funds will play an extremely decisive role in the recovery of the Greek economy. For the Greek economy, the effectiveness of the vaccination program, both in Greece and in the tourists' countries of origin, is a crucial parameter for the gradual recovery of tourism as a result of the lifting of travel restrictions. The effective use of the NGEU funds represents a unique opportunity for the country to boost its economic activity after the heavy blow it suffered due to the pandemic and to rapidly adapt to the emerging post-Covid era. However, to fill the huge investment gap created during the economic recession of the last decade, it is imperative that the government proceeds with the plan for substantial structural reforms, as these were formulated in the Pissarides Committee report.

Dear Shareholders,
Ladies and Gentlemen,
The pandemic and the ensuing economic crisis have had a decisive impact on the daily life of businesses and employees, have redefined how we transact with our Customers and have shaped a highly uncertain environment, in which our Bank responded successfully. I am proud of the achievements of our Employees, who quickly adjusted to the adverse conditions, with commitment and dedication, providing quality work to serve our Customers and preserve the Bank's strong position. I would like to extend my warmest thanks to them. A warm thank you also goes to our Customers for their understanding and support. At Alpha Bank, true to our customer-centric model, we promise to stand by businesses and households and support their efforts towards recovery in the post-pandemic period. Finally, I would like to thank our Shareholders for the support and trust they showed in the vision we presented for our Bank's growth during the recent Share Capital Increase, reaffirming our leading position. On behalf of the Board of Directors, I promise that we will continue to work hard and tirelessly to do justice to the trust all of our partners (Employees, Customers, Shareholders) have had in us, contributing substantially to the progress of the Greek economy and to creating a society with equal opportunities for prosperity and dignity for all.

Athens, July 22, 2021

Vasileios T. Rapanos

LETTER FROM THE CHIEF EXECUTIVE OFFICER

Dear Shareholders,
Ladies and Gentlemen,
In 2020, the COVID-19 pandemic brought widespread disruption to the global economy which continues to persist the world over. In response, governments have taken unprecedented measures to support economic activity and accelerate vaccination programs.

Despite the prolonged uncertainty faced by states, businesses and households as a result of the virus and its mutations, Alpha Bank demonstrated flexibility and resilience as we stood by Greek society and supported entrepreneurship. Amidst these adverse market conditions, our determination ensured that we could successfully implement the Strategic Plan announced in late 2019. This has allowed us, after the recent Euro 0.8 billion Share Capital Increase, to regain our leading role in the Greek banking system.

Our strategic priority over the last two years has been to decisively address the legacy of the financial crisis. As part of Project Galaxy, we signed a definitive agreement with Davidson Kempner which included the sale of 51% of the Mezzanine and Junior securitization notes of a Non-Performing Exposures Portfolio worth Euro 10.8 billion and of 80% of our loan servicing subsidiary, Cepal. Going forward, Cepal will serve as a long-term strategic partner of the Bank, assuming the management of Non-Performing Exposures that remain on our balance sheet or those that may emerge in the future. Project Galaxy, a landmark transaction and the second largest rated Non-Performing Exposures securitization in Europe, is the springboard for our Bank's return to growth and strong profitability.

With the completion of Project Galaxy, and through the additional transactions of Euro 8.1 billion announced as part of our updated strategic plan in May 2021, we are on track to achieve a full clean-up of our balance sheet using exclusively existing capital so as to reach a Non-Performing Exposures ratio of 2% in 2024.

We made significant progress with our corporate transformation, laying the foundations for a revitalized Bank that is free of the legacy issues of the financial crisis. At the same time, we are accelerating the modernization of our Organization, through a multi-layered transformation plan, in order to offer new, specialized products and state-of-the-art services to our Customers while increasing the value we create for our Shareholders through higher efficiency rates. Finally, we fostered a new working environment by investing in and upgrading our skills and enriching our executive team to secure our position as one of the leading employers in Greece. This new culture has been combined with the introduction of new procedures to asses staff performance, from top management to new employees, based upon the key criteria of productivity, innovation and creativity.

In terms of our financial performance, in 2020 the **capital base** of Alpha Bank was reinforced and the Common Equity Tier 1 (CET 1) Ratio stood at 17.3%, while the Total Capital Adequacy (CAD) Ratio was 18.4% at the end of December 2020, providing a buffer of Euro 2 billion over the Bank's Overall Capital Requirement (OCR) of 14%. The Bank's capital base was further strengthen by the successful issuance of a TIER II bond of Euro 0.5 billion in February 2020, a move we repeated in the current year with a new issuance of a TIER II bond of Euro 0.5 billion, enabling the Bank to achieve a Total CAD Ratio of 16.9% when taking into account the impact of Project Galaxy.

Non-Performing Exposures (NPEs) continued to decline in 2020, by Euro 0.6 billion in Greece and by Euro 0.9 billion for the Group, as a result of curings and repayments that continued despite the pandemic, although at a smaller pace compared to 2019. As a consequence of Project Galaxy the level of Non-Performing Exposures was reduced by a further Euro 10.8 billion, bringing the Non-Performing Exposures Ratio down to 23.9% in Greece and 26.3% on a Group level[1]at the end of March 2021.

Regarding the Non-Performing Exposures cash coverage ratio, it stood at 48% in Greece and 53% for the Group after the completion of Project Galaxy.

The Bank provided significant support to its Customers and the wider Greek economy during 2020. This support was reflected in:

• performing loans moratoria, both for Businesses and Individuals, which amounted to Euro 5.5 billion and;
• **new loan disbursements** in Greece amounting to Euro 5.6 billion, up from Euro 3.5 billion in 2019, including the

[1] The Non-Performing Exposures Ratio stood at 43.3% in Greece and 42.8% for the Group, if Galaxy is not taken into account.

utilization of state sponsored schemes.
This marked the strongest performance of our Bank since 2008 and funds were mainly allocated to the manufacturing, trade, transportation, energy and tourism sectors. Gross loans of the Group amounted to Euro 49.1 billion at the end of December 2020, out of which loans in Greece stood at Euro 42.5 billion.
Following the expiration of moratoria that were in effect during 2020, Alpha Bank has been actively offering new "step-up" solutions to those Customers that continue to face temporary difficulties in order to avoid a "cliff effect" on their payments. These measures were also complemented by the successful State subsidy program "Gefyra", with Euro 1.1 billion of loans attributed to Alpha Bank Mortgage Customers enrolled in Q1 2021.
The strong lending activity of the Bank was supported by the **enhanced liquidity** achieved through higher deposits and financing from the European Central Bank. Specifically, private sector deposits in Greece increased in 2020 by Euro 3.6 billion (+10.4%) year-on-year, reflecting higher household and corporate savings. Moreover, at the end of December 2020, Eurosystem funding stood at Euro 11.9 billion, reflecting the full utilization of the Bank's TLTRO III borrowing allowance. The Group's Loan-to-Deposit Ratio further improved to 90% at the end of December 2020, up from 97% in the previous year.
Amid the unprecedented market volatility seen in 2020, Alpha Bank delivered a **solid performance** driven by a continued focus on cost discipline. Despite the impact of Euro 283 million of Covid-19 related impairments, Net Profit came to Euro 103.7 million in 2020.
Net Interest Income was resilient in 2020 on an annual basis (-0.4%) and stood at Euro 1,541.6 million, compared to Euro 1,547.3 million in 2019, as a result of improved funding cost mainly stemming from the substitution of interbank repos with Eurosystem funding at lower rates.
Net fee and commission income stood at Euro 335.3 million in 2020, registering a small decrease of 1.4% or Euro 4.8 million compared to 2019, primarily reflecting decreased fee generation from commercial banking activities due to the reduced volume of transactions caused by the pandemic.
In 2020, we maintained the momentum around **cost reduction,** with Group recurring operating expenses reduced by 3.6%, or Euro 38.5 million year-on-year, to Euro 1,042 million, while the Cost-to-Income ratio declined to 54.8% from 56.5% in the previous year.

Dear Shareholders,
Ladies and Gentlemen,
As a result of the pandemic, the mild recovery of the Greek economy in 2019 was disrupted and real GDP decreased in 2020 by 8.2% as the sectors most adversely affected were tourism, food services, culture, transport and retail trade.
However, the contraction of GDP in 2020 was smaller than expected, thanks to strong fiscal policy measures implemented by the Greek government at the onset of the pandemic. These measures moderated employment losses, enhanced business liquidity and preserved households' disposable income.
For 2021 and 2022, a strong economic recovery is expected as a result of both the resurgence of activity in tourism and retail trade, and also the unprecedented inflow of investment arising from the Next Generation EU funds – of which Greece is one of the largest beneficiaries. The expected investments are a unique opportunity for the transformation of the Greek productive model, so that it will be predicated less on consumption and driven more so by investment than was the norm in the past.
The speed of the recovery of the Greek economy in the next two years will depend on three factors. First, the progress of vaccinations in Greece and the rest of the world; second, the impact of the gradual unwinding of supportive fiscal measures; and finally, the speed of absorption and the extent of utilization of funds from the Next Generation EU.
The European Union has overcome its historical weaknesses by introducing an unprecedented program to boost investment in the most dynamic areas of contemporary economic activity. Making use of this program represents a unique opportunity for Greece to fill

the investment gap created over the past decade, while achieving an economic, technological and institutional transformation of the economy and public administration. The National Recovery and Resilience Plan, combined with the financial resources from the other European programs and structural funds, can help Greece revamp its economic model and pave the way for structural reforms.
Greek society as a whole must take decisive action to fully reap the benefits of this once-in-a-generation opportunity. Equally, the institutions involved – from the Public Administration, Businesses and the Banking System - must prove up to the task, taking on their share of the burden in this effort.
The growth dynamics of the coming years will be based on a higher proportion of investment funds rather than, as in the past, on an increase in consumer spending, which has led to an increase in public debt. Contrary to the Greek model of the past, the new European Union funds do not serve as allowances. The criteria on the basis of which European funds will be allocated are intended to drastically change the current structure of the economy, overturning the status quo. The orientation is shifting towards Exports, Research and Innovation, as well as to the prospect of Mergers and Acquisitions in order to increase the average size of Greek businesses, to make use of economies of scale and to strengthen the viability of businesses.

Dear Shareholders,
Ladies and Gentlemen,
The prospect of an end to the pandemic and the influx of unprecedented levels of external investment into the Greek economy through the Recovery and Resilience Facility and other European schemes, provides the opportunity for the Greek banking system to reinvent itself by funding long-term investment plans, by showing extroversion and by reinforcing competition within the sector.
Per our new strategic plan, in June 2021 we turned to our Shareholders and to the markets in order to raise additional capital of Euro 0.8 billion to support Alpha Bank's participation in the funding of the upcoming investments. The capital increase marked a decisive first step towards enhancing the Bank's growth prospects and reaffirmed our market-leading position while aligning with the broader efforts of the country to turn the page on the financial crisis. This decision was based on the thorough analysis of the economic environment but also on the understanding of the dynamics present in Greek society and in the business community which called for a change in the economic model of the country and a return to a sustainable growth path.
On the last day of June 2021, we successfully completed the first growth-oriented Share Capital Increase in the Greek banking system following the onset of the global economic crisis in 2008. 800,000,000 new ordinary shares were offered to institutional investors pursuant to a private placement outside of Greece and a public offering to retail investors and institutional investors in Greece. The Board of Directors of Alpha Bank set the offer price at Euro 1.00 per new share. The private placement was well oversubscribed with very strong support received from existing shareholders, global long-only institutional investors and FIG specialists. Existing shareholders were given priority allocation in line with their proportionate shareholding in Alpha Bank, whilst after exhausting priority allocations, new shares were subscribed by long-only accounts -who received approximately 77% of the offer shares in the private placement.
The capital enhancement is a key part of our new Strategic Plan, which will enable us, for the period 2021-2024, to:
• Participate fully in the disbursement of EU RRF funds, by consolidating our leading position in business investments.
• Improve our profitability, achieving a 10% Return on Equity.
• Strengthen our sources of revenue through strategic moves, such as our partnership with Generali and the repositioning of our international operations.
Above all, however, it will enable us, freed from the legacy of the past, to form a new Bank that will meet its Customers' changing needs and lead the efforts around the adoption of ESG criteria.
Alpha Bank's **Management and Employees** believe that the Bank's role cannot be limited to that of a conventional financial institution. We envisage Alpha Bank becoming **an active force for progress, leading the way**

in business development and in improving the lives of our fellow citizens, recognizing the demand, especially of the younger generations, for sustainability, transparency and robust corporate governance. We want our Bank to be a pillar for attracting and developing talent and, ultimately, a partner for change, on the side of those who want to move forward, who dare to set goals and to connect these with new opportunities and partnerships.

Dear Shareholders,
Ladies and Gentlemen,
This review should include a reference to the extensive social work of the Alpha Bank Group. As a firm, we focused on maintaining safe conditions to protect the health of our Personnel and Customers, we ensured the Branch Network could continue to operate fully and we enhanced our digital infrastructure so that our employees and Customers could carry out transactions safely and quickly. We played a leading role in the national effort to tackle the Covid-19 pandemic. We met the needs for medical and healthcare equipment of the Intensive Care Units of three reference hospitals in Greece. Specifically, we provided the Thoracic Diseases General Hospital "Sotiria" in Athens, the University General Hospital of Thessaloniki "AHEPA" and the General University Hospital of Larissa with technologically advanced medical equipment, as well as healthcare equipment, that was needed for the protection of doctors and the nursing personnel.
In addition, Alpha Bank sponsored the Elderly Support Program of Doctors of the World, which supports vulnerable citizens over the age of 60 living in the wider area of Athens who suffer from chronic diseases, live alone, lack income and do not receive assistance from relatives. The program "Together, for better health" took place for the seventh year, offering medical machinery and equipment to health centers in the Greek islands to address the pandemic and other medical needs. Since the launch of the Program in 2014, and by the end of 2020, more than 240,000 units of medical equipment, devices and pharmaceutical supplies have been donated to local health centers of 58 islands in Greece.
In the field of culture, it is worth mentioning that Alpha Bank, during 2020, remained a supporter of leading cultural institutions and events and continued the program "The defacements that hurt" for the eighth year running. On the occasion of the 200th anniversary of the Greek Revolution of 1821, the Program focused on the maintenance of statues and busts that depict heroes of 1821 in various areas of the city of Athens, while we are proud to participate in the large exhibition for the National Rebirth at the Benaki Museum.

Dear Shareholders,
Ladies and Gentlemen,
A plethora of strategic initiatives have been undertaken since the last ordinary General Meeting; this allows us to feel satisfied with what we have achieved, and optimistic about the future of our Bank.
We continue with the same dedication, with the same determination toward a single goal: the creation of value for our Shareholders, Customers and country.
The preservation of Alpha Bank's strong position during the unprecedented health crisis was **possible thanks to the dedication and professionalism shown by our Bank's employees;** for this, I extend them **a warm thank you.**
Finally, I would like to **thank all our Shareholders, in Greece and abroad,** for their support. Their strong participation in the Share Capital Increase and the extensive interest by prestigious investors confirmed their confidence in Alpha Bank's Strategic Plan and in the growth prospects for the Greek economy. They have put us in the driving seat of the national effort to modernize and grow the Greek economy, better positioning the Bank to achieve our ambitious goals so that soon we can repay them for the trust they placed in us over the years.

Athens, July 22, 2021

Vassilios E. Psaltis

SHARE

Alpha Bank has been listed on the Athens Stock Exchange since 1925 and is consistently classed as one of the largest companies in terms of market capitalization. At the end of 2020, the capitalization of the Bank stood at Euro 1,473 million and represented 5.04% and 29.94% of the capitalization of the Athens Stock Exchange General Index and Banking Index companies respectively, while the participation of its share in the FTSE/Athex Large Cap Index was 6.97%.

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

On 31.12.2020, the Bank's share capital stood at Euro 463,109,814.30 divided into 1,543,699,381 ordinary voting shares at a nominal value of Euro 0.30 per share. Out of these, 1,374,525,214 ordinary shares of the Bank are traded on the Athens Exchange, while the Hellenic Financial Stability Fund holds the remaining 169,174,167 ordinary, registered, voting, dematerialized shares or 11% of the total number of ordinary shares issued by the Bank.

The shares in circulation on 31.12.2020 were held by approximately 115,000 Individual and Institutional Investors. Specifically, on 31.12.2020, excluding the stake held by the Hellenic Financial Stability Fund, the Bank's shareholder base was composed of Individual Investors (16%) and Institutional Investors (84%).

The share's daily trading volume for 2020 amounted to an average of 9,119,370 shares per session, with an average daily value of transactions of Euro 6,535,263.

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

Following the book-building process, the Board of Directors of Alpha Bank set the offer price at Euro 1.00 per New Share. The gross proceeds from the shares offering are expected to reach Euro 800,000,000. The shares offering strengthens Alpha Bank's capital ratios, allowing the Bank to grow dynamically and take advantage of the attractive opportunities in the Greek market, unlocked by the EU Recovery and Resilience Facility.

KEY EVENTS IN 2020

The key corporate events of strategic importance for the Bank in 2020 are the following:

- On 11.2.2020, the Bank completed the establishment of its Branch in Luxembourg, and on 19.6.2020 the transfer of London Branch operations to the Branch in Luxembourg was completed.
- On 30.4.2020, in accordance with the requirements of article 10 of Law 3156/2003, the Bank completed the procedures for the securitization of receivables from loans or/and consumer, mortgage and corporate credits and in accordance with Law 3156/2003, transferred them to Special Purpose Entities, which are located in the Republic of Ireland. The aforementioned transaction consisted an integral part of Project Galaxy as was announced by the Bank in November 2019 in the context of its three-year Strategic Plan.
- On 1.6.2020, the Board of Directors resolved to commence the demerger process through the spin-off (hive down) of the banking activity sector by the establishment of a new entity, in accordance with the provisions of article 16 of Law 2515/1997, Article 54 par. 3, Article 57 par. 3 and articles 59 to 74 as well as article 140 of Law 4601/2019 and set 30.6. 2020 as the transformation balance sheet date of the hive down.

In the context of the hive down, the banking activity sector of the Bank (Demerged Entity) will be contributed to the new entity, which will be licensed as a credit institution and will be a 100% subsidiary of the Demerged Entity.

The Demerged Entity will retain activities, assets and liabilities, which are not related to the core banking activity and upon the completion of the demerger process, will cease to be a credit institution while its shares will remain listed on Athens Stock Exchange.

On 15 September 2020, the Board of Directors approved the draft split deed and its completion is subject to the required approval by the General Meeting of Shareholders of the Bank, as well as obtaining all necessary approvals from the competent authorities. The demerger was completed on 16.4.2021.

- On 26.6.2020, a portfolio of non-performing and performing loans with a gross book value of c. Euro 722 million was transferred from Alpha Bank Cyprus Ltd to the Group's subsidiary Alpha Credit Acquisition Company Limited.
- On 17.7.2020, Alpha Bank Romania and SSIF Alpha Finance Romania S.A. signed an agreement for the absorption of the business activity of the latter by Alpha Bank

Romania S.A. The transaction was completed on 5.10.2020.
• On 17.7.2020, the Bank completed the disposal of a pool of Greek SMEs Non-Performing Loans mainly secured by real estate assets ("Portfolio Neptune") of a total carrying amount before impairment of Euro 1.1 billion.
• On 22.7.2020, the Bank acquired the remaining share capital of Cepal Holdings S.A. and gained full control of the company, following the exercise of a put option on 1.7.2020, in accordance with the terms of the amended shareholder's agreement.
• On 2.11.2020, it was announced that two (2) binding offers from international investors were received in the context of the bidding process for the Galaxy NPL Securitization transaction and the sale of up to 100% of Cepal Holdings Single Member S.A. shares, while on 23.11.2020 it was announced that the Board of Directors of the Bank, at its meeting of 20.11.2020, assessed these binding offers and declared Davidson Kempner European Partners LLP as the preferred bidder. Agreement with Davidson Kempner on Project Galaxy was finalized and signed on 22.2.2021.
• On 11.11.2020, the sale of the Bank's participation to Mastercard Incorporated was completed.
• On 30.11.2020, the Bank signed the Business Transfer Agreement ("BTA") with Cepal Hellas Financial Services SMSA regarding the transfer (carve out) of the Non-Performing Exposures Retail and Wholesale Management Divisions of the Bank (NPE Unit).
The transfer of the Bank's NPE Unit was completed on 1.12.2020 upon payment of the consideration to the Bank. Starting from the same date, Cepal Hellas has taken over the servicing of the outstanding and future Non-Performing Exposures towards the Bank.
• On 30.11.2020, the Bank announced its participation to the 2nd Cycle of the Covid-19 Loan Guarantee Fund for Businesses of the Hellenic Development Bank, aiming to actively support Greek businesses to face the consequences of the health crisis.
• On 30.12.2020, the Board of Directors of the Bank awarded Stock Options Rights, under the Performance Incentive Program (PIP) for the financial years 2018 and 2019, to identified Material Risk Takers (MRTs) of the Bank and its Affiliated Companies. On 11.2.2021 following the exercise of the Stock Options Rights during the first Exercise Period, the Bank proceeded to the increase of its share capital by the amount of Euro 684,514.80 with payment in cash and the issuance of 2,281,716 new shares of a nominal value of Euro 0.30 each and an exercise price

of Euro 0.30 per share as well. As a result, the Bank's share capital currently amounts to Euro 463,794,329.10 divided into 1,545,981,097 common, registered shares with voting rights at a nominal value of Euro 0.30 each.

• On 31.12.2020, the Bank announced the conclusion of a new exclusive distribution agreement with Assicurazioni Generali ("Generali") for the sale of non-life and health insurance products through its distribution channels. The agreement will have an initial term of twenty years and will be initiated with the effectuation of the transfer of AXA business in Greece to Generali, under the previous agreement between the Bank and AXA.

• Within December 2020, the Bank proceeded with the reorganization of the key Group's subsidiaries, which entailed the grouping of similar business activities into the following three pillars:

Pillar I: Includes the domestic financial services companies, namely Alpha Ventures, Alpha Leasing, Alpha Asset Management M.F.M.C., Alpha Finance and ABC Factors. By the end of 2020, the Bank's subsidiary Alpha Holdings SMSA, which serves as the holding entity of Pillar I, acquired the shares of all the above-mentioned subsidiaries, following receipt of the respective regulatory approvals.

Pillar II: Includes the international financial services companies, namely the credit institutions Alpha Bank Romania SA, Alpha Bank Cyprus Ltd and Alpha Bank Albania SHA, along with the credit acquisition company Alpha Credit Acquisition Company Ltd. Following the receipt of the respective regulatory approvals, within December 2020, the Bank's subsidiary Alpha International Holdings SMSA, which serves as the holding entity of Pillar II, acquired the shares of all the above-mentioned companies, except for Alpha Bank Albania SHA's shares whose transfer was completed in January 2021.

Pillar III: Includes the real estate companies Alpha Investment Property Attikis SA, Emporiki Venture Capital Emerging Markets Ltd and Emporiki Venture Capital Developed Markets Ltd, which were transferred to the Bank's subsidiary, Alpha Group Investments Ltd by the end of 2020.

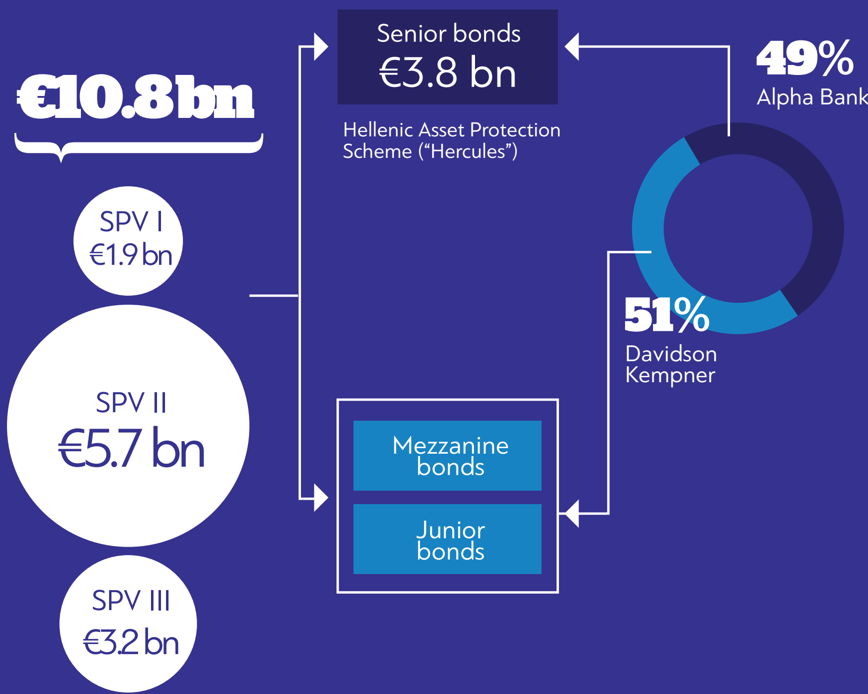
PROJECT GALAXY

A landmark transaction for Alpha Bank and the Greek banking system

In February 2021, Alpha Bank successfully completed the Galaxy Transaction, with the US company Davidson Kempner acquiring 80% of the loan servicing company Cepal Holdings and 51% of mezzanine and junior securitization notes within the Galaxy portfolio.

The Euro 10.8 billion Transaction is the second largest rated NPE securitization in Europe and the largest to ever be completed in Greece. It was launched in November 2019 and was completed within the timeframe set, despite the adverse conditions caused by the Covid-19 pandemic.

Project Galaxy is a landmark transaction, not only for Alpha Bank but for the Greek banking system overall, as it amounts to approximately 20% of the Non-Performing Loans ratio of the Greek banking system, while it was carried out after making full use of the "Hercules" Hellenic Asset Protection Scheme, with an increase of the Senior notes (Euro 3.8 billion).



Project Galaxy in numbers

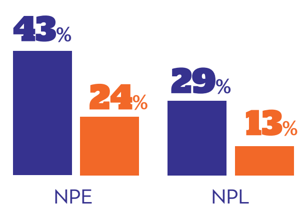
The largest rated NPE securitization to ever be completed in Greece.

The second largest NPE securitization in Europe.

A Euro **10.8** billion Transaction.

Galaxy amounts to approximately 20% of the Non-Performing Loans ratio of the banking system.

The NPE and NPL ratios in Greece are now down to 24% & 13% respectively, from 43% & 29% in September 2020.



The New Cepal is the largest servicing company in the Greek market

The New Cepal, under the guidance of Davidson Kempner, a strategic partner, is now the largest servicing company in the Greek market and manages the existing Retail and Wholesale Non-Performing Exposures as well as any future flows of similar assets and early collections.

80% Davidson Kempner

20% Alpha Bank

New CEPAL

The value of New Cepal is estimated according to the agreement at **€267** million

The Personnel of New Cepal consists of approximately **1,100** Employees

The term of the SLA is **13** years with a right to extend

Over the past 3 years, the Bank has successfully decreased its NPE ratio by **65%** compared to the respective decrease by an average of **45%** for the other banks and a **71%** decrease of denounced NPEs (delays exceeding 90 days), compared to a respective amount of **42%** for the other ban

below **10**%

Alpha Bank is committed to bring down, in the medium term, its NPL and NPE ratio to below 10%, by the end of 2022.

Davidson Kempner Capital Management LP

- is a world renowned US-based investment company
- has more than 35 years of experience
- has over $34 billion in assets under management
- has more than 400 partners in offices around the world (New York, Philadelphia, London, Hong Kong and Dublin)

Project Galaxy Timeline

November 19 2019
Alpha Bank presents its 2020-2022 Strategic Plan, an important pillar of which is Project Galaxy.

March 2020
Temporary delay in the implementation of Project Galaxy, because of the Covid-19 pandemic. Nonetheless, preparatory work continues, in view of the process restarting.

April 24 2020
Transfer and securitization of claims from loans and other credits of consumer, housing and business credit to SPVs, established for that reason, as part of the preparations for the Galaxy Transaction.

June 1 2020
Approval of the initiation of the hive-down process by way of a spin off by the Alpha Bank Board of Directors and launch of the corporate transformation procedure.

June 30 2020
Alpha Bank restarts and accelerates Project Galaxy. The Bank announces it is proceeding with the acquisition of full ownership of Cepal with a view of subsequently disposing up to 100% of Cepal's shares to international investors.

July 1 2020
Alpha Bank announces that it has entered into a binding agreement for the disposal of a mixed pool of Non-Performing Loans to Greek SMEs secured by real estate assets (Neptune Portfolio), of a total on-balance sheet gross book value of Euro 1.1 billion, with Cepal undertaking the portfolio's transitional servicing.

July 23 2020
Alpha Bank acquires 100% of the shares of Cepal Holdings.

August 5 2020
Alpha Bank submits application under the "Hercules" Hellenic Asset Protection Scheme for the Euro 7.6 billion retail portfolio of Project Galaxy.

September 28 2020
Alpha Bank announces the launch of the process for the transfer of its NPE Management Operations (carve out) to Cepal.

October 30 2020
Alpha Bank receives two binding offers from international investors, as part of the Galaxy Transaction bidding process.

November 20 2020
Davidson Kempner European Partners LLP is declared preferred bidder for the Galaxy Transaction, following the evaluation of the binding offers.

December 1 2020
Completion of the carve out process of Alpha Bank's NPE management activity to its 100% subsidiary company providing management services for loan and credit receivables, Cepal Hellas S.M.S.A.

February 22 2021
Alpha Bank announces it has entered into a definitive agreement with Davidson Kempner over the Euro 10.8 billion Galaxy Transaction and the sale of 80% of Cepal Holdings.

April 16 2021
Completion of Corporate Transformation. Approval of the demerger by way of hive-down of the banking business sector of "ALPHA BANK SOCIETE ANONYME" and its transfer to a new credit institution.

April 19 2021
First day of operation for the New Alpha Bank and Alpha Services and Holdings.

TOGETHER
in the Digital Era

In 2020, Alpha Bank accelerated its digital transformation program, which is a key component of its Strategic Plan. The Covid-19 pandemic made even more imperative the provision of services and solutions to Customers through the Bank's alternative networks, focusing on flexibility and safety. Alpha Bank responded to the new circumstances and needs with innovative products.

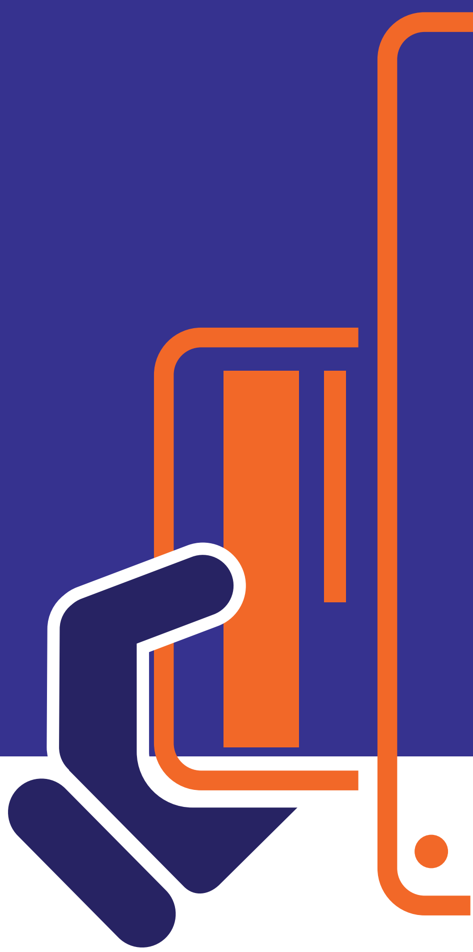
Committed to the principles of direct high-standard services and **ready to deliver modern solutions**, Alpha Bank continued to adjust its products and services, allowing users to **execute** most of their banking transactions remotely.

92%

Utilizing its wide range of digital channels, Alpha Bank received high levels of response from its Customers, as in 2020 **the percentage of cash transactions** made via digital networks (e-Banking, ATM and Automated Cash Transaction Centres - ACTCs) **was over 92%.**

Significant Events in 2020

- Enhanced presence of Alpha Bank in the segment of payments and digital wallets, with the launch of Apple Pay in the Greek market and the redesign of myAlpha Wallet
- Retail Onboarding - opening of a first account at Alpha Bank, in a few minutes, without visiting a Branch, through the myAlpha Mobile app
- Digital Business onboarding - Launch of banking cooperation remotely, without visiting a Branch, using Alpha Bank's website
- Allowing online registration of existing Business Customers with e-Banking
- Adding products of other Banks at Businesses' e-Banking
- Push Notifications for approving e-Banking and e-Commerce transactions



Online services for Individuals

In 2020, Alpha Bank continued to improve its electronic service experience, to ensure that all Individual Customers could carry out their transactions easily and, above all, safely.

e-Banking for Individuals

New user registrations with e-Banking increased by

24%

accounting for more than 300,000 new subscribers.

Of these

44% registered using Mobile Onboarding for the year 2020.

The number and value of transactions increased by

25%-11%

respectively for the year 2020.

The new **myAlpha Web for Individuals** was enriched with new functions such as:

- **online Password changes and Username reminders**
- **new features for cards management**
- **online certificates for use in the Asset Means Declarations (POTHEN ESCHES)**
- **loan payments and**
- **cards History renewing**
- **Push Notifications**
- **QR code**

The myAlpha Mobile app became even friendlier to the user through:

- **transactions' approval using biometrics**
- **more options for cards management**
- **opening of deposit account without visiting a Branch**

The use of the myAlpha Mobile app increased significantly in 2020:

2 out of 3 Digital Network users now use the mobile application on a monthly basis

1 out of 2 Active e-Banking subscribers use mainly myAlpha Mobile for viewing and processing their transactions.

70% increase in app logins

460,000 Customers use exclusively mobile Banking, up **by 62%** from 2019.

TOGETHER
in the Digital Era

Apple Pay

In April 2020, Alpha Bank became **the first Greek bank to allow Visa and Mastercard card holders to use the Apple Pay** service for fast and safe transactions in shops, applications and websites using iPhone, Apple Watch, iPad and Mac.

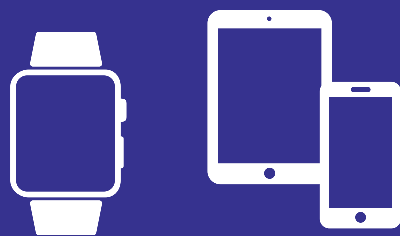
Usage statistics for Apple Pay (April 2020 – 31.3.2021)

160,000
cards - tokens

500,000
transactions per month

87%
of Customers perform at least 1 transaction per week

80%
of Customers are active e-Banking users (at least 1 login per week)



transaction value per month with an average transaction value of Euro 21

€10.4 million

In September 2020, Alpha Bank redesigned myAlpha Wallet. The renewed version of the app, which is available for free at the Google Play Store, ensures even faster, easier and safer transactions using Android devices, in a modern and user-friendly interface.

Redesign of myAlpha Wallet

Usage statistics for myAlpha Wallet (September 2020 – 31.3.2021)

57,000

users have downloaded the app from the Google Play Store

34,300

unique registered users

50,000

active cards-tokens

100,000

transactions per month

1.4

cards per Wallet

€2 million

transaction value per month with **an average transaction value of Euro 20**

65%

of all users perform **at least 1 transaction per month**

Products Acquired Online

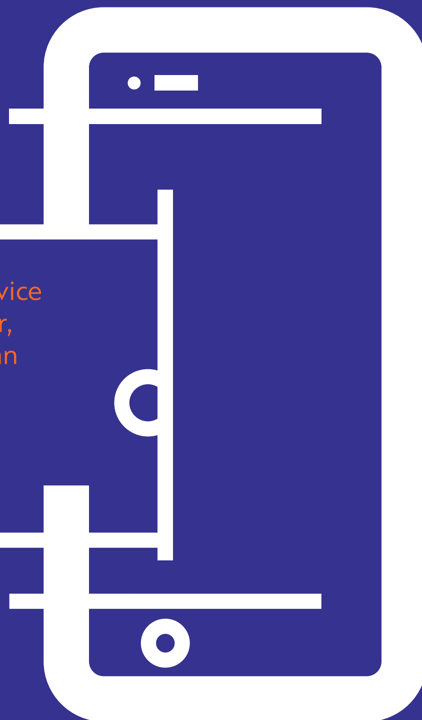
For yet another year, in 2020, Alpha Bank Customers chose to acquire banking products online, via myAlpha Web for Individuals.

27% **of Individuals' Time Deposits**

70% **of the new savings product "Alpha Save Smart" accounts**

19% **of debit cards**

Online Services for Businesses



In August 2020, Alpha Bank launched the new, innovative service **Digital Business Onboarding** for businesses. Through alpha.gr, businesses can submit all necessary documents online and plan the procedure for the legalization of their representation, without visiting a Branch. **Alpha Bank was the first in the Greek market to launch a fully online digital business onboarding service.**

e-Banking for Businesses

12% increase in Businesses subscribing to e-Banking in 2020

Alpha Bank continued to develop more digital solutions for businesses:

- submission of **Electronic Applications for Disbursement from their overdraft account** for Small Businesses
- **new possibility to register Companies online** for Sole Proprietorships and Enterprises with one Legal Representative
- **online Legalization of representation, updates on all transactions carried out at the Business' POS terminals and all the Business' accounts and cards with other Greek banks,** through myAlpha Web for Businesses.

Alpha e-Commerce

In 2020, Alpha e-Commerce marked a remarkable increase in cooperating businesses and transactions vs 2019:

- active businesses by **35%**
- card transactions by **78%**
- card transaction turnover by **27%**
- number of debiting transactions by **43%**
- turnover of debiting transactions by **38%**

MyAlpha Rendez-vous

Focusing on innovative service solutions to provide security and flexibility to its Customers, in 2020 Alpha Bank designed and **was the first to offer the "myAlpha Rendez-vous" service to the Greek market;** using this, Individuals and Business Customers can choose how they want to be served through the Bank's website:

- With physical presence at the Branch of their choice, without waiting
- By video call or
- By telephone call

92% of appointment requests are submitted by Individuals and 8% by Business.

82% of requests come from existing Alpha Bank Customers and 18% from new Customers.

72% of requests sought support via a meeting at a Branch, 23% over the telephone and 5% via video calls.

77% stated within a week (57% within 3 working days, and 20% in less than one week), when asked how soon an appointment is booked.

70% of our Customers stated "very satisfied" (rating us with 9 or 10) and another 13% stated "quite satisfied" from the service they received during the appointment

Indicatively, since the Service was launched, on 5.10.2020 and through to 25.4.2021, it received 144,000 requests for appointments concerning 114,000 Customers, while a significant increase was noted, from 3,400 appointments a week in its first month of operation (Oct. 2020) to 6,300 requests a week on average in April 2021.

Most appointments were held in Athens and other major urban centres.

The main issues for which Customers requested assistance concerned their accounts, various products and card and loan issues.

Distinctions in 2020

In 2020 once again, Alpha Bank received several distinctions for the innovative digital solutions it provides to its Customers.

- The **Digital Business Onboarding** service, which allows companies to launch their cooperation with Alpha Bank online, was awarded the **Gold Award** at the **"e-volution Awards 2021"**, in the category "User Interface"
- The **bizpay** service, the new app for managing corporate costs was awarded the **Gold Award** in the category **Business Process Re-engineering through** Mobile, at the **Mobile Excellence Awards 2020**
- **myAlpha Mobile** received the **Bronze Award** in the category **Usability for Mobile App Design and Development** at the **Mobile Excellence Awards 2020**
- The **e-Commerce** service received the **Silver Prize** in the category E-Banking Services and Digital Payments in which it participated in collaboration with **A.B. Vassilopoulos** at the **e-volution awards 2021**

Advertising for digital wallets

myAlpha Wallet

- **1,740** radio spots
- Digital promotion
  5 million impressions on all channels

Apple Pay

- **2,532** radio spots
- **23** advertisements in magazines and newspapers
- **33** million Digital promotion impressions on all channels
- **5** million views on YouTube

Advertising for digital products and services in 2020

Using the main motto **“myAlpha. Your digital Bank”** the public was informed via TV, radio, internet, Social Media posts, as well as through the Bank's communication channels and the Branch Network about its digital products.

- TV spots with 90% coverage of the target audience
- 4,411 radio spots
- Digital promotion (more than 14 million impressions on all channels and 550,000 views on YouTube)

Alpha Bank launched an advertising campaign on banking services offered via myAlpha Mobile application. With the motto **"You stay home. We stay with you"**, our Customers were informed about all the new functionalities of myAlpha Mobile which offer quick and easy service.

- TV spots with 90% coverage of the target audience
- 12 advertisements in newspapers & magazines
- Digital promotion (more than 16 million impressions on all channels and 2.3 million views on YouTube)
- Newsletters to more than 800,000 Customers

TOGETHER
for the recovery of the Greek economy

In 2020, a year marked by an unprecedented health crisis that led to an extensive turmoil of economic activity, **Alpha Bank actively supported the Greek economy and its Individual and Business Customers**, significantly contributing to the efforts for the recovery of the Greek Economy.

In 2020, the Bank financed the Greek economy mainly in the sectors of **manufacture, trade, transport, energy, green development and tourism.**

Alpha Bank actively promoted the participation of its Customers in Business financing programs, guaranteed by the Greek State, the Hellenic Development Bank and the European Union:

new loan disbursements of Euro 5.6 billion, i.e. a 60% increase on an annual basis, vs Euro 3.5 billion in 2019, the best performance since 2008

€5.6 billion

60%

increase vs 2019

€0.4 billion

through the business financing program "Entrepreneurship Fund II"

€1 billion

in new financing under the "State-Guaranteed" sponsored Program for Businesses.

Alpha Bank plays a leading role in the restart of the Greek entrepreneurship and economic growth

In 2020:

- **financed flagship projects and sustainability projects**
- **mobilized private funds**
- **provided consulting services for investments**

In the first quarter 2021:

- **new disbursements exceeding**

  €0.6 billion

- **one out of two Euros of financing provided by Alpha Bank concerned sectors affected by the pandemic**

22% **of new disbursements in Retail Trade**

18% **in Transport**

10% **in Tourism**

The remaining financing concerned the sector of Energy and Manufacture

Alpha Bank aspires to play a key role in the integration of ESG criteria

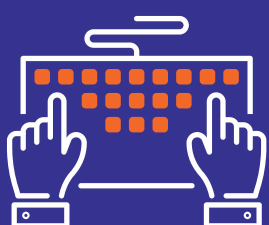
Alpha Bank closely monitors market needs and the opportunities arising for its Customers and adjusts its strategy accordingly. **For Small Businesses and Individuals,** the Bank designs loan products with a green footprint (e.g. discount loans "Exoikonomo Kat' Oikon") compatible with the requirements of RRF and at the same time easy to use and accessible to Customers.
For Large Business and Corporate Clients, Alpha Bank **identifies and helps mobilize entrepreneurship by dedicating the appropriate funds** and applying its **know-how** to complex loan solutions.
For investors, Alpha Bank designs and offers eco-friendly products and helps to further **educate and support its Customers,** while maintaining long-term **cooperation with leading companies of equipment and measurement for buildings energy improvement.**
Over the past five years, Alpha Bank has **financed a number of investments in Renewable Energy Sources (RES), Large Infrastructure projects and Public-Private Partnerships (PPPs), amounting to approx. Euro 1 billion,** confirming its leading position in these sectors, while in 2020 it granted loans for **new investments in wind and solar farms** and participated in organizing new financing.
Some flagship projects of recent years that act as catalysts for economic growth and help upgrade the urban environment are:

- Regional Airports
- Egnatia Odos
- Public Private Partnerships for School Buildings
- The Development Fund
- The Piraeus Tower project
- "Double Redevelopment" Project

RECOVERY AND RESILIENCE FACILITY (RRF):

a unique opportunity for the country's financial, technological and institutional transformation

For Alpha Bank, the utilization of funds from the Recovery and Resilience Facility **amounting to Euro 31 billion,** in conjunction with Euro 41 billion from the NSRF (amounting to Euro 72 billion), is a major opportunity, **as it is expected to additionally increase GDP by 1 to 1.2 points, while creating 180,000 – 200,000 working new positions.**
In this effort, the role of the Banks is crucial by ensuring the priorities of the program **(green economy, digital economy, extroversion, innovation and business growth),** by the proper credit assessment of investment plans, by consulting businesses in the design and implementation of their investment plans.



"The National Recovery and Resilience Plan and the utilization of EU funds amounting to Euro 72 billion, offer a unique opportunity, not only to overcome the shock caused by the pandemic, but above all to achieve an economic, technological and institutional transformation of the economy and public administration, leaving firmly behind the wrongs of the preceding, decade-long crisis.

The banking system is called to select the most sustainable and profitable investment plans, to mobilize private funds and, of course, to contribute to the shaping of the new ecosystem that will support our country's growth.

At Alpha Bank, we have been preparing for months and guided by our long-standing experience, we are fully ready to support landmark business initiatives, as we have done in the past. Our goal is to provide exceptional banking solutions as well as to contribute to a joint effort, so that all together, we can move forward!"

Vassilios Psaltis, CEO Alpha Bank

Communication actions for the support provided by Alpha Bank to Individual and Business Customers and corporate campaigns in 2020

7
TV campaigns

104
advertisements
in newspapers and magazines

5
radio campaigns

with
11,316
spots in total

151.6 million
total impressions in display campaigns and natives for Individuals and Businesses and corporate campaigns in 2020

40
posts
on Alpha Bank's pages
on Social Media

12
Press Releases

Newsletters to
5,000
Businesses - Customers

1

THE GREEK AND THE INTERNATIONAL ECONOMY IN 2020 AND THE OUTLOOK FOR 2021

1

THE GREEK AND THE INTERNATIONAL ECONOMY IN 2020 AND THE OUTLOOK FOR 2021

GREEK ECONOMY

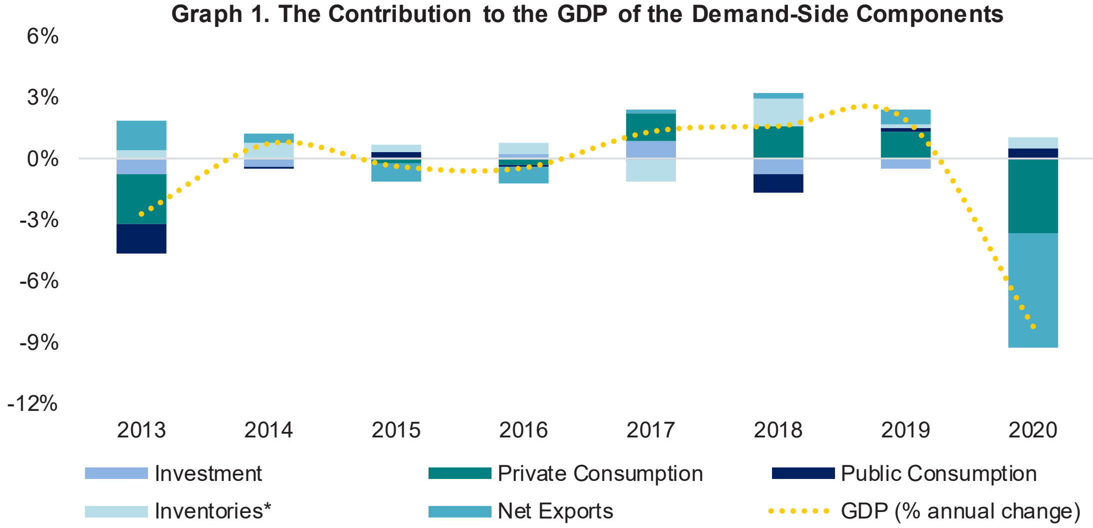
The outbreak of the Covid-19 pandemic and the associated generalized lockdowns have halted the recovery of the Greek economy that had begun in 2017. According to the available data published by ELSTAT, GDP in 2020 decreased by 8.2% on an annual basis (first estimate, non-seasonally adjusted data), compared to a corresponding increase of 1.9% in 2019, mainly driven by the decline in exports of services and private consumption (Graph 1). These developments are reflected also, on the drop of Gross Value Added (GVA), mainly of Tourism-Trade-Transport sector, as depicted in Graph 2. Furthermore, according to the seasonally adjusted data, in the fourth quarter of 2020, GDP fell by 7.9% on an annual basis while increased by 2.7% on a quarterly basis. The GDP fall in 2020 is the second largest since 2011, however it is expected to be shorter in duration, though exceeding the corresponding fall of the Eurozone (-6.6%, y-o-y).

For Greece, the pandemic crisis is characterized as a negative external-demand shock, mainly because of the relatively high dependence on inbound tourism, which has been partially compensated by a domestic-demand fiscal policy stimulus of Euro 24 billion in 2020. The strong fiscal impetus is expected to remain in place in 2021, continuing to support employment, disposable income and business liquidity.

Turning to the demand-side components of real GDP, net exports made the largest negative contribution to real GDP contraction in 2020 (-5.6 pps), as the decline in exports of goods and services (-21.7% y-o-y) outpaced the reduction of imports of goods and services (-6.8% y-o-y). Gross fixed capital formation declined marginally by 0.6% y-o-y in 2020.

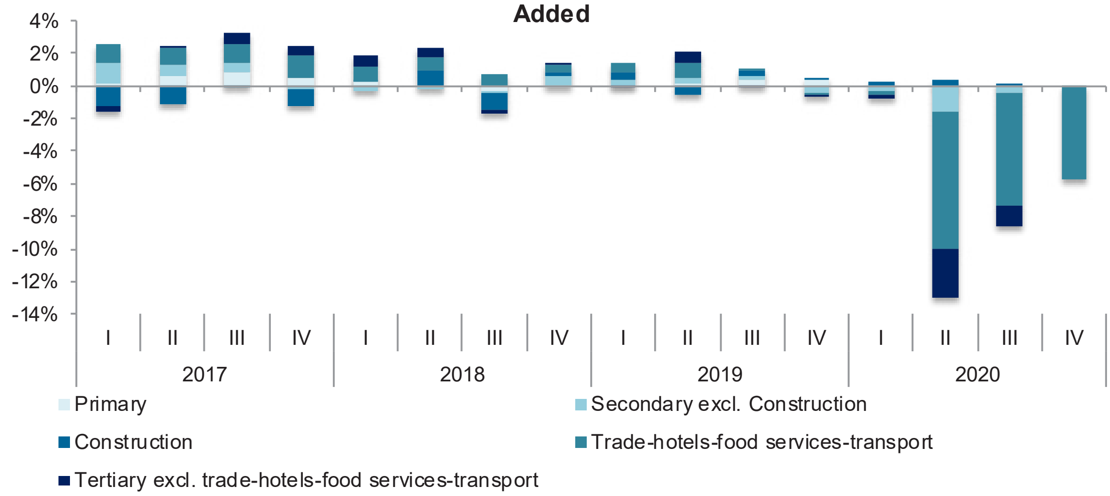
Private consumption decreased by 5.2% y-o-y, contributing negatively to the change in real GDP by 3.6 pps, though underpinned by the swift and sizeable fiscal policy response to the pandemic which supported employment and households' disposable income. The large fiscal stimulus is also reflected on the positive contribution of public consumption in 2020 (0.5 pps), which rose by 2.7% y-o-y.

Graph 1. The Contribution to the GDP of the Demand-Side Components



**Including Statistical Discrepancies*
Source: ELSTAT

Graph 2. Contributions of the Sectors to the Change in Gross Value Added



Source: ELSTAT

The upturn in economic activity during the summer months was interrupted by the resurgence of the Covid-19 pandemic in the autumn. The impact of the second nationwide lockdown on 2020 GDP was considerable -in line with other European countries- while the rebound in the next year due to the second wave of the pandemic is expected to be milder than initially forecast. The European Commission, the International Monetary Fund (IMF) and the Greek Ministry of Finance foresee an incomplete rebound in 2021.

More specifically, the European Commission (European Economic Forecast, Spring 2021) projects an incomplete recovery in 2021 (4.1%). Similarly, the latest projections by the IMF (World Economic Outlook, April 2021) foresee a partial rebound in 2021 (3.8%). The projections provided by the Greek Ministry of Finance, included in the State Budget 2021, are now envisaging a mild rebound in 2021 by 4.8%.

According to the ninth Enhanced Surveillance Report for

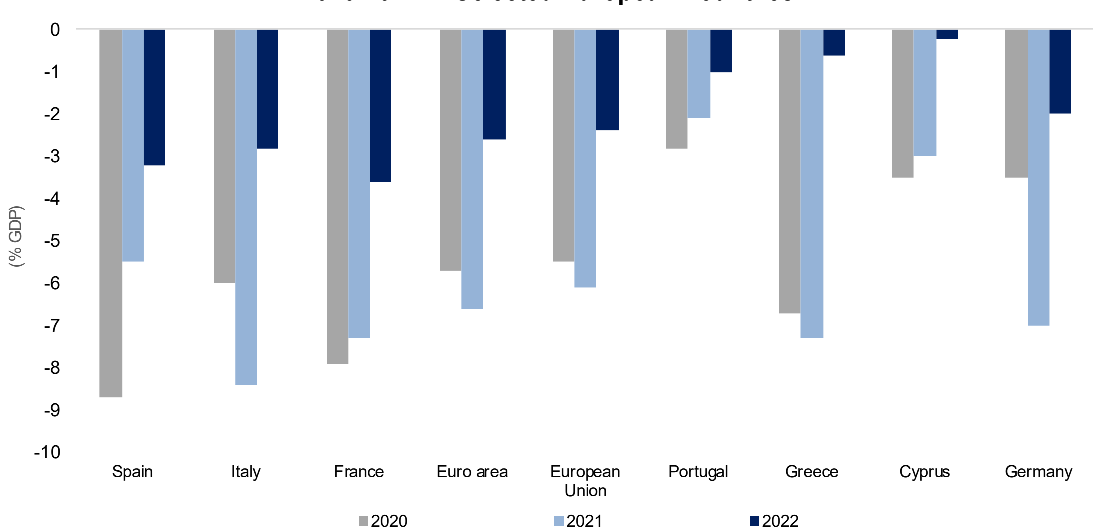
Greece of the European Commission (February 2021), the Greek authorities managed to progress well in a number of areas, including education, management of state assets, privatization projects and energy policy. Reforms continued also in other important areas. Public financial management reforms, including the public investment budget, have regained the much needed momentum, through progress made on the administrative, economic and functional budget classifications. The legislation for the human resources reform of the tax administration office was adopted and the reform remains on track for its full implementation until the next review. Public administration reforms have also been progressing as planned, including the adoption of a new legislation for faster and more efficient recruitment of civil servants. Overall, the report concludes that Greece has progressed well with the implementation of a number of reform commitments yet notes that reform momentum has slowed down, acknowledging the challenging circumstances caused by the pandemic.

Greek Government securities are eligible for purchase under the European Central Bank's (ECB) Pandemic Emergency Purchase Programme (PEPP), which contributes to the maintenance of low borrowing costs. In 2020, Greece has successfully tapped the international debt capital markets five times, four of which after the Covid-19 outbreak: in February, April, June, September and October, through a 15-year, a 7-year and a 10-year bond issuance, as well as though the re-openings of the 10-year and 15-year bonds, respectively, raising a total of Euro 12 billion.

At the beginning of the year, the international rating agency Fitch upgraded the debt of the Greek Economy to BB with positive prospects. Due to the pandemic crisis, however, both Fitch and S&P adjusted in April 2020 Greece's outlook from positive to stable, maintaining, however, the country's rating at the same level (S&P: BB-). In addition, in November 2020 the rating agency Moody's maintained Greece's outlook as stable, while adjusting the country's rating to Ba3 from B1. In parallel, the Athens Stock Exchange (ASE) General Index recorded a significant drop in 2020, by 11.7%, as containment measures weighed on investor sentiment, resulting in an increase in the degree of risk aversion.

On the fiscal front, the contraction of economic activity in 2020 and the measures implemented by the Greek Government in order to address the adverse impact of the pandemic, such as the suspension of VAT and social security contributions, the abolition of the solidarity tax in the private sector payable in 2021, the provision of special purpose compensation to the employees in sectors that have been severely affected by the pandemic, the support to the unemployed, etc., had a significant impact on the fiscal figures. According to the European Commission (European Economic Forecast, Spring 2021), the primary deficit of the General Government, under European System of Accounts terms, is estimated at 6.7% of GDP in 2020 and 7.3% of GDP in 2021, respectively (Graph 3). Following a steep increase in 2020 linked to the pandemic, General Government Gross Debt is estimated at 205.6% of GDP in 2020 and 208.8% in 2021.

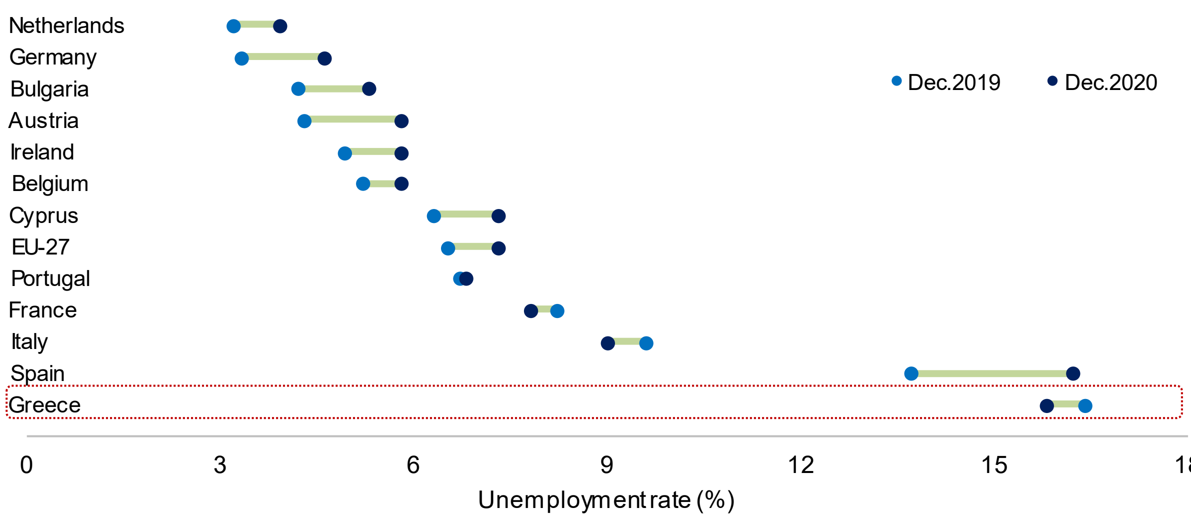
Graph 3. The Primary Balance of General Government* over the Period 2020-2022 in Selected European Countries



** Under European System of Accounts terms*
Source: European Commission (European Economic Forecast, Spring 2021)

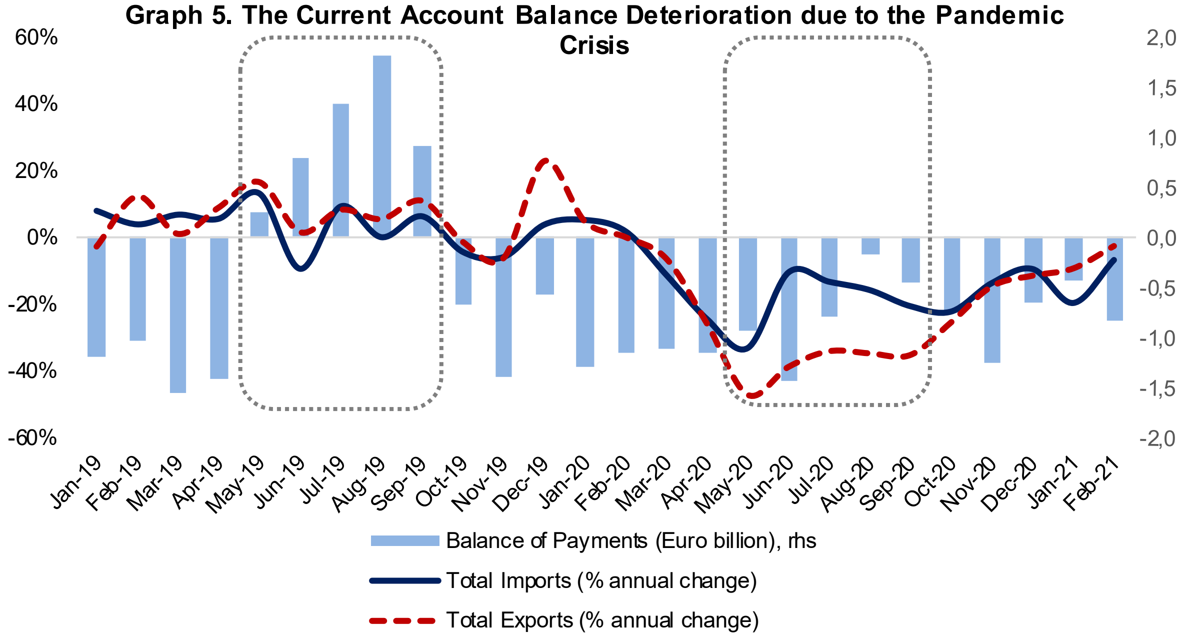
The Economic Sentiment Indicator (ESI) stood at 91.8 points in December 2020, recording a marginal increase, compared to the previous month (91.2 points), while it contracted significantly, compared to December 2019 (110.6 points). It is noted that in December, the ESI in the EU-27 increased by 2.8 points (89.5 points), on a monthly basis, while the corresponding index in the Eurozone increased by 2.7 points (90.4 points).
Inflation, based on the Harmonized Index of Consumer Prices (HICP), stood at -1.3% 2020, compared to 0.5% in 2019. According to the forecasts of the European Commission (European Economic Forecast, Spring 2021), HICP is expected to remain mildly negative in 2021, at -0.2% before gradually recovering in 2022 at 0.6%.
The unemployment rate stood at 16.3% in 2020. The number of unemployed decreased by 7.8%, in 2020, compared to 2019, while the number of employed persons also decreased by 0.9% or 142.2 thousand people. These developments led to a reduction in the workforce and a further increase in the economically inactive population. The imposition of the lockdown and the social distancing measures are directly related to the increase in the number of inactive population, since due to the Covid-19 pandemic, a part of the jobseeker population reported that they were not currently available for work and, therefore, in line with the definitions of the European Regulation, they are classified as inactive. According to the forecasts of the European Commission (European Economic Forecast, Spring 2021), the unemployment rate is estimated at 16.3% in 2021, before slightly declining to 16.1%, in 2022.
The current account balance recorded a deficit of Euro 11.2 billion in 2020, compared to a smaller deficit of Euro 2.7 billion, in 2019. The increase in the current account deficit is a result of a decline in the services surplus, which was partly offset by a Euro 4.3 billion drop in the balance of goods deficit, as well as an improvement -albeit milder- in the primary income balance.

Graph 4. Labour Market Developments and Pandemic



Source: Eurostat

Graph 5. The Current Account Balance Deterioration due to the Pandemic Crisis



Source: Bank of Greece

The Capital Adequacy ratio for the Greek banks (total banking system), on a consolidated basis, stood at 16.6% in December 2020, whereas the corresponding Common Equity Tier 1 (CET1) ratio reached 15% (Bank of Greece Governor's Annual Report 2020, April 2021).
Private sector deposits amounted to Euro 163.2 billion in December 2020, of which household deposits stood at Euro 126.3 billion and business deposits were equal to Euro 36.9 billion. The total deposits in the banking system (private sector and General Government deposits) amounted to Euro 173.7 billion in December 2020, recording an annual increase of 9.5%. The increase of "forced" savings (due to the lockdown), as well as the increase of "precautionary" savings (due to high uncertainty for the future) of the private sector, contributed to the expansion of the deposit base in 2020.
The outstanding amount of total credit granted to the private sector amounted to Euro 141.8 billion at the end of December 2020, while the annual rate of change stood at +3.5%. More specifically, the annual rate of credit to non-financial corporations stood at 10% in December 2020. According to the Monetary Policy Report (December 2020) of the Bank of Greece, credit expansion to non-financial corporations was supported by financing programs of the Hellenic Development Bank, with guarantees (from the "Covid-19 Business Guarantee Fund") and interest rate subsidy ("TEPIX II") and also by financing by the European Investment Bank. With regard to household credit, the annual rate of change of consumer and mortgage loans remained negative, showing however, signs of stabilization.
The management of non-performing loans (NPLs) further progressed in 2020. According to the data of the Bank of Greece (Governor's Annual Report 2020), NPLs amounted to Euro 47.4 billion at the end of December 2020, reduced by approximately Euro 21 billion compared to December 2019 and by around Euro 60 billion compared to March 2016, when the highest level of NPLs was recorded. The decline in the stock of NPLs during 2020 is mainly due to loans' sales and write-offs. Overall, the ratio of NPLs to total loans remains high (30.2% in December 2020). As for the structure of NPLs in absolute terms, more than half concerns business loans, about 1/3 mortgages and the rest consumer loans.

PROSPECTS FOR 2021

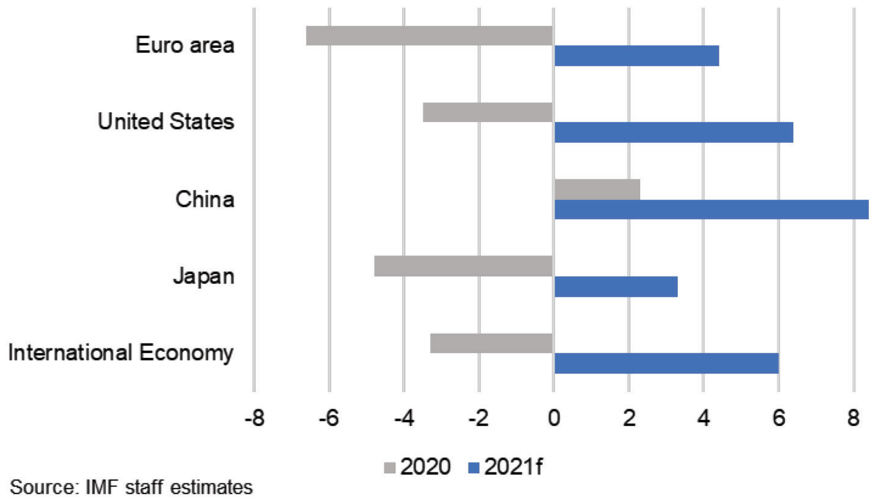
The key factors that are expected to determine economic activity in 2021 are: Firstly, the extent to which vaccination programs will facilitate travel and will boost private consumption, and secondly, the activation of the EU-27 Recovery Plan ("Next Generation EU", NGEU).

The speed and the effectiveness of the vaccination program -not only in Greece but also in the countries of origin of inbound tourists- is expected to liberate the next tourism season from social distancing and travel restrictions. As a result, the accommodation and food service sector is envisaged to underpin the economic recovery, contributing by almost 2 percentage points in 2021 GDP growth. In addition, this development could contribute, significantly, in the gradual decrease of the external payments deficit.
The access to the funds of the "Next Generation EU", from the second half of 2021, could significantly enhance the country's growth dynamics. The investments expected to be implemented will be mainly directed to green and digital transitions. Over the period 2021-2026, the Greek economy is expected to benefit from a total amount of Euro 30.9 billion, of which Euro 18.2 billion will take the form of grants and Euro 12.7 billion the form of loans with favorable terms. More specifically, in 2021, Greece is expected to receive approximately Euro 4 billion through the Recovery and Resilience Facility, of which Euro 2.35 billion in grants, as well as Euro 1.6 billion in loans.

INTERNATIONAL ECONOMY

In 2020, economic activity was catalytically affected by the outbreak of the Covid-19 pandemic. Although, at the beginning of the year, the world economy was in a fragile and sluggish recovery, there were no serious signs that the pace of economic growth would slow significantly. However, the emergence and rapid spread of coronavirus has reversed the growth prospects of the global economy, intensified uncertainty of economic developments and worsened sharply labor market conditions. The International Labour Organization (ILO Monitor 7th edition: Covid-19 and the World of Work, January 2021) estimates that, in 2020, labor income, worldwide, declined by 8.3%, compared with 2019 (before taking into account income support measures). This reduction corresponds to losses of 3.7 trillion US dollars. The spread of the Covid-19 pandemic led the world economy to the deepest recession in 74 years. Fiscal and monetary policy decision makers were being asked to manage a double shock both on the demand side, due to the sharp decline in private consumption and on the supply side, due to the disruption that had been caused in the supply chains. Additionally, this was the first time that so many and powerful economies on the planet had found themselves in «repression», as national governments have had to take measures to socially distance and suspend economic activity in order to limit the spread of the coronavirus. Many countries, in their effort to boost their national economies, have been forced to take exceptional fiscal measures in order to support their national health systems and to ensure employment and the continuation of entrepreneurship. At the same time, the major central banks, with their multiple interventions, focused on maintaining the accommodative monetary policy they adopted after the emergence of coronavirus. Undoubtedly, expansionary fiscal and monetary policy has helped alleviate, to some extent, the adverse effects of the pandemic crisis on the world economy in 2020. Maintaining the expansionary stance in 2021, amid a weakened international environment characterized by a high degree of uncertainty due to various economic and geopolitical risks, is a prerequisite for a faster recovery and return of economic activity to pre-pandemic levels.
Global GDP shrunk by 3.3%, in 2020 (IMF, World Economic Outlook, April 2021), from a 2.8% increase, in 2019. The weakening of international trade was significant, the volume of which, according to the International Monetary Fund, decreased by 8.5%, in 2020, due to the decline in both trade in goods and services. The IMF (World Economic Outlook, April 2021) predicts global GDP to increase by 6%, in 2021 (Graph 6), as the availability of vaccines against coronavirus, combined with supportive policies, will boost economic activity. However, GDP growth will be uneven among countries. The most important factor that is expected to affect the evolution of the world economy is vaccines' speedy distribution. Their rapid rollout worldwide and the vaccination of a sufficient number of citizens could give greater impetus to the economic recovery in 2021, especially in the second half of the year. On the contrary, delays in vaccines' distribution, coupled with new containment measures, due to the resurgence of the pandemic crisis, increase the risk of a negative impact on the global economy with more permanent features, such as business closures, and declining employment and incomes, undermining growth prospects.
Additional factors that could negatively affect the outlook of the global economy are the new US President's policy regarding the trade relationship with China, the further deterioration in US-Iran relations, geopolitical tensions in various parts of the world, climate change, digitization and the development of the UK's future trade relationship with the European Union.

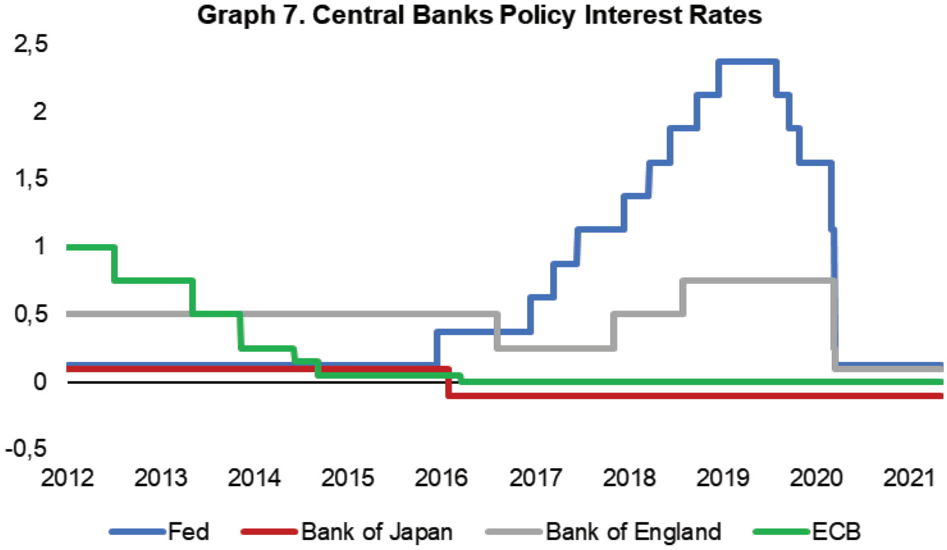
Graph 6. GDP (Annual percent change)



Source: IMF staff estimates

In 2020, GDP in the US shrank by 3.5%, while, according to the IMF (World Economic Outlook, April 2021), GDP is expected to recover by 6.4%, in 2021. Inflation fell from 1.8%, in 2019, to 1.2%, in 2020 and is estimated to rise to 2.3% in 2021. In addition, the unemployment rate, which before the outbreak of the pandemic crisis was at its lowest point in 50 years, rose from 3.7%, in 2019 to 8.1%, in 2020, while it de-escalated to 6.1%, in April 2021. The spread of the Covid-19 pandemic forced the Federal Reserve to cut its key interest rate, in March 2020, at 0-0.25% (Graph 7), in a coordinated move with the other G7 central banks. At the same time, the FED took measures to facilitate the flow of credit into the economy through securities purchases. In addition, at the end of March 2020, a fiscal package of 2.2 trillion dollars was approved, the largest in US history, in order to support businesses and households, while, in December 2020 and in March 2021 further fiscal support of 0.9 and 1.9 trillion dollars respectively, was approved. High expansionary monetary and fiscal policy, combined with limited spread of coronavirus, are expected to stimulate economic activity. It is noted that the US has been hardest hit by the pandemic crisis, both in number of cases and in human losses.

Graph 7. Central Banks Policy Interest Rates



Source: Bloomberg

China's GDP growth decelerated from 6% in 2019 to 2.3% in 2020, but was the only major economy that avoided recession, despite the fact that it was the first country that faced the negative effects of coronavirus. In 2021 China will lead the way, with strong economic growth of 8.4%, according to the IMF (World Economic Outlook, April 2021). The GDP in Japan shrunk by 4.9% in 2020, from a modest growth of 0.3% in 2019, recording a negative growth rate for the first time since 2011. However, GDP is expected to rebound by 3.3% in 2021 (IMF, World Economic Outlook, April 2021), as the economy will recover from the Covid-19 pandemic.

According to Eurostat, in the fourth quarter of 2020, based on seasonally adjusted data, GDP in the euro area (EA-19) shrank by 4.9%, on an annual basis, against a decrease of 4.1%, in the third quarter. Furthermore, GDP decreased by 14.6%, in the second quarter, which is the largest drop since the beginning of the survey data and by 3.3%, in the first quarter. The significant drop in GDP, in all quarters of 2020, demonstrates the catalytic effect on economic activity of the containment measures implemented by national governments, in their effort to limit the spread of Covid-19. The majority of Member States took social distancing measures, in the second half of March 2020, which eased gradually since May 2020. The resurgence, however, in the number of cases has forced governments to introduce new containment measures, in the period October-November 2020.

In 2020, GDP declined by 6.6%, whereas the IMF (World Economic Outlook, April 2021) forecasts a recovery of 4.4%, in 2021. Private consumption, investment, exports and imports recorded a significant decline, in 2020, while the contribution of public consumption to GDP was positive.

The European Central Bank (ECB) has adopted a highly expansionary monetary policy, implementing non-standard measures to support the national economies and the banking system of the Euro area. On March 18 2020, the ECB announced the implementation of an exceptional pandemic asset purchase program (Pandemic Emergency Purchase Programme-PEPP), totaling Euro 750 billion, in addition to the Euro 120 billion decided, on March 12 2020. However, this program was further strengthened, on June 4 2020, by the additional amount of Euro 600 billion and, on December 10 2020, with Euro 500 billion, with the result that total aid amounts to Euro 1.85 trillion, while extending its duration from the end of December 2020 which was originally planned until at least the end of March 2022. The amounts from the repayment of securities acquired under this program will be reinvested at least until the end of 2023. Alongside, net purchases under the asset purchase program (APP) will continue at a monthly pace of Euro 20 billion, while asset purchases under the APP will continue to run for as long as necessary to reinforce the accommodative impact of policy rates and to end shortly before key interest rates begin to rise. The quantitative easing (QE) interventions had a strong impact on government bond yields, as they declined to historically low levels, thus allowing the national governments to finance their fiscal packages with low cost. Moreover, a breather for small and medium-sized enterprises was the ability of banks to access liquidity on extremely favorable terms through TLTRO III (targeted longer-term refinancing operations), which offer the possibility of long-term loans to banks in exchange for increased lending to businesses and consumers in the Eurozone.

The European Commission has taken important initiatives to address the impact of the Covid-19 crisis. The adoption, in July 2020, of the "Next Generation EU" program, a Development Fund (or Recovery Fund) amounting to Euro 750 billion, with the aim of recovering and strengthening the resilience of the European economy after the pandemic crisis, through a combination of subsidies and loans to the Member States of the European Union, is an important step towards European integration. This program is part of the EU budget for the period 2021-2027, the total of which amounts to Euro 1.8 trillion, which constitutes the largest stimulus package ever financed through the EU budget. The disbursement of funds under the "Next Generation EU" program is expected to begin within the second half of 2021, with a significant portion of resources being directed to actions oriented towards green and digital transition.

In 2020, the UK experienced an unprecedented recession, as GDP contracted by 9.9%, confirming the Bank of England, which had predicted that the UK will experience the worst recession in 300 years. It is noted that the UK economy took one of the strongest blows among the world's major economies. In an effort to mitigate the negative effects of the pandemic crisis, the Central Bank of England has adopted a highly expansive monetary policy. In particular, it reduced its base rate to a historically low level of 0.10%, while strengthening the asset purchase program, which amounts to 895 billion pounds and is primarily focused on sovereign bond markets. With regard to 2021, the trade agreement with the European Union and the consequent removal of uncertainty, combined with the quick distribution of vaccines against Covid-19, are expected to have a positive effect on the UK economy. On the contrary, the introduction of strict restrictive measures from the beginning of January 2021 is expected to burden the GDP of the first quarter. The IMF (World Economic Outlook, April 2021) predicts GDP to increase by 5.3%, in 2021.

In 2020, GDP in Cyprus decreased by 5.1%, while the IMF (World Economic Outlook, April 2021) forecasts a recovery of 3%, in 2021. Tourism, private consumption and investment were more burdened by the Covid-19 pandemic, in 2020, while a significant increase in public spending was recorded. The blow to the economy due to reduced inbound travel, especially from the United Kingdom and Russia which are the main tourist markets, was a major one, as in 2019 the travel and tourism sector accounted for 13.8% of GDP, according to estimates from the World Travel and Tourism Council.
Romania's GDP, according to the available data from the Statistical Authority (INSEE), shrank by 3.9%, in 2020, recording a negative rate of change after a decade of strong economic growth. Private consumption declined sharply, while net exports had a negative contribution to GDP, as exports of goods and services declined more strongly than imports. On the contrary, the contribution of both public consumption and investment was positive, due to the increase in investment in construction. According to the IMF (World Economic Outlook, April 2021), GDP is expected to recover by 6%, in 2021.

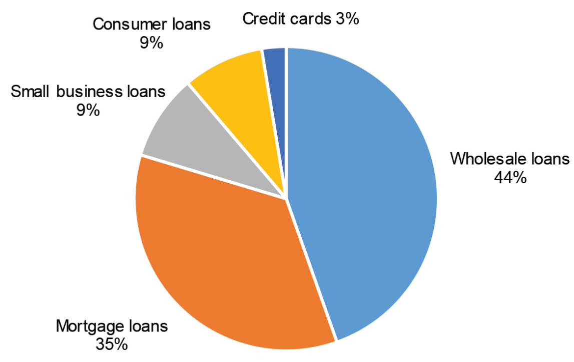
2

BUSINESS UNITS

2
BUSINESS UNITS

The Alpha Bank Group is one of the leading financial Groups in Greece and offers a wide range of quality financial products and services to individuals and businesses. On 31.12.2020, the market share in deposits stood at 22.3%. It is worth noting that the Group also has an extensive loan portfolio that covers all key activity sectors of the Greek Economy. In 2020, the market share in domestic business loans stood at 24.4%, thus making the Group one of the market leaders in terms of Greek enterprises' financing.
The Group offers a wide range of financial products and services, encompassing retail banking, medium-sized enterprises' and large corporations' banking, asset management and private banking, the distribution of insurance products, factoring, leasing, investment banking, brokerage and real estate management.
The Retail Banking Business Unit covers all Individuals-Customers of the Group, self-employed professionals and small as well as very small enterprises. The Wholesale Banking Business Unit includes partnering medium-sized enterprises and large corporations, enterprises with multinational activities and shipping companies.
In 2020, Group loans amounted to Euro 49.1 billion, out of which 44% were wholesale loans, 35% mortgage loans, 9% small business loans, 9% consumer loans and 3% credit cards.

Group Loans Breakdown 31.12.2020



In 2020, new loan disbursements increased to Euro 5.6 billion versus Euro 3.5 billion in 2019, out of which 94% concerned business loans and 6% concerned loans to individuals. New business loan disbursements were mainly allocated to sectors such as transportation, manufacturing, trade and energy.

New Group Loan Disbursements

Euro million	FY 2019	FY 2020	Δ y-o-y	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Individuals	312	318	+6	64	84	87	82
Businesses	3,206	5,299	+2,093	1,575	938	1,462	1,325
Total	**3,518**	**5,617**	**+2,099**	**1,639**	**1,022**	**1,549**	**1,407**

The Alpha Bank Group is present in Southeastern Europe via the Group Companies that operate in Cyprus, Romania and Albania. Moreover, the Group is present in Luxembourg through the Luxembourg Branch.

With regard to the entire banking system, the balance of loans in the private sector stood at Euro 141.8 billion at the end of 2020, with a positive annual growth rate of 3.5%. Of the total credit to the private sector, 52% concerned corporate loans, 33% mortgage loans, 10% consumer and other loans and 5% loans to self-employed professionals, including farmers and individual businesses.

Specifically, the balance of loans to businesses increased by 9.4%, on an annual basis and stood at Euro 73.1 billion in December 2020, while credit to non-financial corporations increased by 10.0%, on an annual basis. Regarding the evolution of loans to businesses per business sector, in December 2020, an increase on an annual basis was recorded in the loans to businesses operating in sectors such as agriculture, industry, trade, tourism, shipping, energy, storage and transport (excluding shipping), information and communication, real estate management, as well as credit to insurance companies. On the other hand, loans to businesses operating in the construction sector recorded a negative growth rate.

With regard to the evolution of loans to households, the negative annual growth rate stood at 2.5% in December 2020. Regarding each category of credit to households, the rate of reduction of mortgage loans in December 2020 stood at 2.7%, while the negative annual growth rate of consumer credit stood at 2.2%.

Finally, the positive annual growth rate of credit to self-employed professionals, farmers and individual businesses stood at 1.8% in December 2020.

RETAIL BANKING

HOUSING LOANS AND CONSUMER LOANS

During a year with unprecedented conditions and objective difficulties in social and financial level due to the Covid-19 pandemic, Alpha Bank has achieved considerable results in the area of Lending to Individuals.

Despite the wider decrease of the market balances in Lending to Individuals, the demand for Mortgage loans showed a remarkable increase.

The increase in new housing loan disbursements which has started two years ago, continued during 2020 with an increase of more than 70%. The increase is mainly due to targeted promotional campaigns, the activation of the Bank's Branch Network and the output of the external partners' network. The market share of the Bank's new disbursements new increased to 21% compared to 17% of 2019.

Regarding Consumer Lending, disbursements were stable in relation to 2019, due to the Covid-19 pandemic. The Bank's market share in new disbursements of consumer balances reached 20%.

During 2020, the Bank focused on the support of the affected due to the Covid-19 pandemic households by setting as a priority their facilitation of their monthly payments, in order for them to continue smoothly the payments of their loan obligations.

From the beginning of the pandemic, Alpha Bank provided the affected households the solution of suspension of their loan obligation installments for nine months, regarding both consumer and mortgage loans as well as credit cards. Simultaneously, Alpha Bank, having a sense of responsibility for the society and recognizing the difficult conditions,

offered a variety of alternative channels to its Customers for applying their payment facilitation requests without visiting a Branch. During 2020 more than 10,000 applications of suspension of Individuals' loans' instalments were processed.
Furthermore, Alpha Bank participated in the new State program ("GEFYRA"), which aimed to support the affected from the pandemic households. The program provides state financial support in the form of installments subsidization for a nine-month period, to loans for which the main residence of the debtor is provided as loan collateral. More than 100,000 Customers' requests were submitted for participating in the program.
Simultaneously, Alpha Bank by recognizing the need for the Customer to acquire a 1st residence and after the increased Customers' interest, extended the specialized package offer for the acquisition of a 1st residence. As a result of this, the Customers have the ability to acquire their own house with favorable terms of financing but also to benefit from privileges provided to all family members. Furthermore, during a period that human health in general is in the focus of attention in a dramatic way, the 1st Residence full package offer provides further benefits for the whole family by covering the medical needs of family's children plus Bonus Rewards.
Moreover, through the core housing program "Alpha Residence" the Bank covers all housing needs allowing the Customer to customize a variety of loan features, such as the interest rate and the loan duration, while also being able to use a Low Start period in order to enjoy a reduced installment for the first two years of the loan.
Furthermore, emphasis was given to competitive pricing of our mortgage products by offering to our Customers attractive floating rates and low fixed rates for loan duration up to 30 years.
In addition, the Bank within the context of providing "green" financing solutions to the Customers participated to the new scheme of the "Exoikonomo-Autonomo", a co-financed program of the Ministry of Environment and Energy, designed to provide motives to owners of residentials properties to improve the energy efficiency of their homes.
During the year 2020, the Bank received more than 2,000, applications for loans that belong to the category "Alpha Green Solutions" ("Energy Home, "Exoikonomo-Autonomo", "Consumer Loans") with new disbursements of c. Euro 15 million.
Finally, in the context of Bank's Digital Transformation Plan, different working groups were composed aiming to provide modern customer solutions by 2021, improving customer experience and responding to the technological Market demands.
In the Year of 2021, the Bank intends to maintain its top – tier market position in loans to Individuals by designing pioneering products adapted to the current economic conditions and offering high level quality digital services.

CARDS

Despite the adverse economic environment brought about by the advent of the pandemic during 2020, Alpha Bank cards maintained their strong position in the Greek market. The Bank has a large portfolio of payment cards with a total number of credit, debit and prepaid cards over 4 million. Continuing the upward trend of recent years, the turnover increased by 5% in 2020 and amounted to Euro 8 billion, representing a market share of about 25%.
The pandemic rapidly accelerated the transition to digital payments, at an unpredictable pace, as a result of a radical change in the way consumers make their purchases and payments. Contactless transactions showed impressive growth leading to significantly increased consumer interest in payments via smart devices. Recognizing this need, Alpha Bank was the first Greek bank to offer Apple Pay, the pioneering Apple service for iOS devices (iPhone, Apple Watch, etc.) to its Customers in April, which offers quick and easy payments in physical stores and online. During 2020, more than 100,000 Alpha Bank Cardholders activated Apple Pay to make seamless transactions, using biometrics, and without having to enter their PIN card on the POS. The last feature emerged as particularly important in the midst of the extraordinary health situation, as the Cardholder has no contact with the keyboard of the terminal.
Aiming at the further modernization of the Bank's services and the adaptation to the EU payment directives (PSD2), Alpha Bank upgraded the way e-commerce transactions are conducted and strengthened their security. More specifically, the Alpha Secure Web service was upgraded with the integration of Push Notifications, through myAlpha mobile, for easy and fast identification of the Cardholder. In addition, the Cardholder is informed in the same message regarding the details of the transaction to be approved, e.g. merchant, amount and the last digits of his card, for even greater security. Within 2020, the Alpha alerts service was upgraded, with the integration of the widely used and popular application "Viber", for even greater immediacy in updating the card transactions of our Customers.
In spite of the unfavorable financial environment of the year 2020, efforts were made to support the Bank's credit card products. An innovative and interactive e-learning card program has been developed, so that the entire Branch Network has direct access and an optimal understanding of the unique benefits of Alpha Bank cards and

how they respond to the evolving needs of each of our Customers. At the same time, the issuance of new credit cards was supported by targeted promotions with a reward of the Branch Network and double Welcome Bonus points for each new card. It is noted that, in the credit cards sector, the Bank still has a leading position, with a complete range of products and a market share in the year that reaches 40%.
Aiming at the continuous enrichment of the provided card products and the strengthening of the cooperation with leading groups of the market, the Bank proceeded to the creation of the new Luxury Kalogirou Mastercard credit card. The new co-branded product, designed in collaboration with the Fais group, offers particularly attractive benefits to its Holder, such as exclusive Bonus points redemption offers, comprehensive travel insurance and shopping protection program, gifts and surprises in collaboration with the Fais group, the possibility of private shopping, etc. It is also important to note the strengthening of the Bonus Reward Program, with the inclusion of new partners, such as Alpha Life and the collection of a significant number of points with the acquisition of insurance products, as well as the regular repetition of the successful "Bonus on Wednesdays" promotional activity. At the same time, new offers were designed, specially adapted to consumer habits as they were formed in the midst of the pandemic, such as the tenfold increase in Bonus points for e-commerce transactions during the first lockdown. The Bonus Program maintained the high number of redemptions of previous years, of around 2 million during 2020.
For 2021, the further development of digital channels for new cards sales, with an online and direct response to the requests of our Customers, is a priority. At the same time, the effort to develop digital wallets will continue along with the adaptation to PSD2, in order for our Customers to reap the maximum benefits of security and speed in their electronic transactions. It is also noted that the launch of new products and services for individuals and businesses has been planned and is in progress. These are expected to contribute to the further increase of turnover and offer our Customers unique competitive advantages.

MERCHANT ACQUIRING

In the merchant acquiring sector, the Bank has retained its leading market position in 2020, despite the conditions created by the Covid-19 pandemic and the resulting volume decrease in non-domestic cards transactions.
2020 has also been the first year that the Bank operated as an agent and not as an Acquirer of American Express® cards transactions, further to the decision of the International Card Scheme to undertake its proprietary cards acceptance in the country.
Last year, there has been a significant rise in the processing of domestic transactions carried out with cards issued by other Greek banks (+23%), as a result of the growth in volume of the e-commerce sector (+12%), and the successful renewal of important business cooperations.
On the whole, in spite of the conditions created by the pandemic, the Bank retained one the largest networks of cooperating merchants, with more than 190,000 points of sale and with the capacity to service all the main international card schemes (Visa, MasterCard®, American Express®, Diners Club and China Union Pay).
Moreover, Bonus remained throughout the year, the prime Loyalty Scheme in the Greek market.
The Program has offered support to its Bonus Partners with a number of promotional activities, especially during the months of the lockdown. In April and December, online purchases have been rewarded in the context of the program. "Bonus Wednesdays", in the fall and during Christmas time, sponsored the collection and redemption of points for all Partners. As a result, both businesses and cardholders were further reinforced.

CUSTOMER EXPERIENCE

In 2020, focusing on Customer Experience optimization was an integral part of how Alpha Bank reasserted its positive role in society during the coronavirus crisis. By addressing new Customer needs and concerns while improving its own efficiency and effectiveness, Alpha Bank constitutes a stabilizing force in a very challenging environment. Our excellent response to the pandemic has affected positively the strength of Customer relationship and led to the strengthening of the overall loyalty with Bank's Customers. In 2020, the increase of the Net Promoter Score by 6 percentage points, highlights the Bank's excellent response to meet Customers' needs and support, resulting in the strengthening of their positive perception and trust for the Bank.
In a wider environment of high expectations in terms of service, the purpose of Customer Experience (CX) is to set the Customer's experience as the key competitive advantage of the Bank, which concerns the continuous effort for optimizing the overall Customer experience, satisfying needs, in all service channels and segments, through simpler banking experiences and new innovative services and processes.
During 2020, Customer Experience Management was implemented in a methodical way, aiming at an omni channel and high-level Customer experience based on the following axes:

• Customer Experience Measurement

The systematic measurement and monitoring of the Customer experience was enriched both in terms of Customers' overall relationship with the Bank, as well as in terms of its interaction with various touchpoints using strong international Customer Experience metrics such as the Net Promoter Score (NPS), Customer Satisfaction (CSAT) and Customer Effort Score (CES). Customer Experience Division is responsible for monitoring the NPS, aiming to make a useful and reliable KPI for optimizing the Bank's strategic and business objectives and creating a Customer Centric Organization.
Combining NPS with various CX insights and complementary experience measurement indicators such as daily transactional NPS surveys and other Customer satisfaction surveys, the specific actions required to optimize Customer Experience are provided.
In 2020, the pilot end-to-end CX measurement system was introduced, as one of the key components in the Customer Experience strategy, as an integral part of its transformational workstreams.
• Customer Feedback
The organized data management of Customer feedback from all available communication platforms such as surveys, complaints, Customer service dept, social media, first line staff in Branches etc., and their actionable insights analysis. Customer opinion is the main source of understanding Customer needs and the improvements that arise are part of the "Voice of the Customer" program developed gradually by Customer Experience Division.
In 2020 the Customer Experience team analyzed the feedback from the experience of 60,000 Customers from various sources such as satisfaction surveys, daily surveys at 10 critical touch points (Web & Mobile Banking, ATMs, Cards etc.).
One of the most important sources that captures the "Customer Voice" is the analysis of complaints and comments from all available sources, which approached 80,000 cases. Customers' comments and suggestions are highly appreciated and the analysis of the data is exploited to meet their needs and implement actions for the improvement of their experience.
• User Experience
User Experience specialized methodologies implemented at digital channels redesigning and Alpha Bank's digital Customer journeys with feedback regarding usability and easiness in navigation.
• Customer Centricity
Implementation of actions for the adoption of a common vision and connection of all the Bank's departments to facilitate and develop a Customer-centric culture.

DEPOSIT PRODUCTS
2020 was marked by the Covid-19 pandemic crisis that negatively affected global economic activity. The domestic banking system's liquidity improved as a result of the steady increase of Business and Individuals deposits throughout the year. Total inflows of Euro 20.1 billion were recorded, a more than double increase compared to 2019 (Euro 8.6 billion). In contrast to the previous year where most of the increase resulted from Individuals' deposits (78%), 2020 inflows into Business accounts amounted to Euro 10.5 billion.
The significant improvement in liquidity is mainly attributed to fiscal measures, such as the subsidized programs to enhance the liquidity of Businesses and the postponement of tax and other obligations. Moreover, uncertainty about the evolution of the pandemic has led to a reduction in consumer spending and a boost in household savings.
Alpha Bank deposit balances significantly increased during 2020. In line with the market trend, the Bank's deposits increased steadily throughout the year, with the best performance being recorded in the last quarter. For one more year, the significant inflows contributed to the improvement of Bank's market share of deposits.
Alpha Bank's stable and long-term reliability, is a key factor in strengthening its deposit base. Its strong capital position as well as the high level of service provided both through the Branches and via digital networks are important factors enhancing the trust of its Customers.
Alpha Bank's priority is to cover Customer needs, providing integrated deposit options that are constantly expanding and adapting to market trends and conditions. Its strategic choice to provide products and services which do not require Customers at the Branch, proved to be significantly useful in a year that was marked by the effects of the pandemic. Products provided through myAlpha Web service such as "Alpha Online Term Deposit" and "Alpha Online Term Deposit with Bonus", despite the reduced demand for time deposits showed a significant increase, while balances of "Alpha Save Smart" savings account doubled.
Regarding deposit interest rates, the declining trend evidenced during the recent years, continued in 2020, further converging with the corresponding interest rates offered by other Euro area countries.

BANCASSURANCE
In 2020, Alpha Bank's Bancassurance maintained its dynamic trajectory of the last years and, despite the unprecedented conditions created by the spread of the pandemic witnessed significant growth in relation to the overall declining trend of the insurance industry.
The provision of bancassurance products constitutes a cen-

tral growth pillar for Alpha Bank. To achieve this strategic growth, Alpha Bank has chosen to cooperate with two strategic partners, AXA Insurance company in the field of general and health insurance, and Alpha Life in the field of pension – savings programs. To enrich its product offering, Alpha Bank, in 2020, launched two new programs.
«Business4all» is a particularly competitive program, offering complete insurance coverage, against multiple risks, for the proper and seamless functioning of the business, targeted to self-employed professionals and businesses.
«Alpha Exelixis Premium» is an investment program (Unit Linked) based on insurance, offered by AlphaLife Insurance Company S.A. It is a limited – edition program designed for Customers who wish to invest for the future and aim to achieve returns in the long term (over 10 years). The program invests in Alpha Bancassurance EE102 structured mutual fund, managed by Alpha Asset Management M.F.M.C., while offers life insurance coverage in case of an unexpected event.
Our ability to secure an exclusive partnership with Assicurazioni Generali ("Generali"), a leading insurance company both in the global and the domestic market, solidifies the successful trajectory of Bancassurance during the last years. This new partnership is expected to dynamically accelerate the achievement of the Bank's objectives while Generali's experience in technology and digital channels are both compatible with Alpha Bank's strategic goals of upgrading its level of customer service and of providing fast and seamless services throughout its network.

WHOLESALE BANKING

SMALL BUSINESS LOANS

Initiatives for small businesses

In 2020, Alpha Bank implemented an integrated strategic framework to support entrepreneurship and enhance the competitiveness of Small Businesses, promoting modern solutions, focused both on meeting the daily needs of Small Businesses and strengthening their growth prospects.
At the end of 2020, the total balance of loans to Small Businesses (with credit limits up to Euro 1 million) stood at Euro 5 billion.
In 2020, with regards to the Small Businesses segment, the Bank focused on:

• Expansion of the Cooperation Agreement with the Hellenic Development Bank (E.A.T.) formerly named E.T.E.AN. SA., for Subprograms 3 and 4 of the "Business Funding - Entrepreneurship Fund II" Action, aiming to co-invest resources of the Fund and the Bank and providing a full interest subsidy for two years to the creditor companies;
• Participation in the first two Cycles (A' and B') of the "Working Capital Guarantee Loan's Program", of the Hellenic Development Bank (E.A.T.), for SMEs and Large Corporates, managing the consequences of the Covid-19 pandemic.
• Expansion of the Cooperation Agreement with the European Investment Fund (E.I.F.), boosting the "COSME-LGF" and "COSME COVID-19 Sub-Window" Development Financing Tools, with the guarantee of the European Investment Fund.
• The signing of a new Cooperation Agreement with the European Investment Fund and the launch of the "EaSI Guarantee Programme" for Small Businesses.
• The preparation of new Development Financing Tools in cooperation with the European Investment Fund, for the support and development of SMEs.
• The development of the primary sector by promoting "Alpha Agricultural Entrepreneurship", thus responding to the challenges and the opportunities arising in the said sector.
• The adoption of measures aiming to support businesses affected by the Covid-19 pandemic, so as to return to normal operating activity the soonest possible.

Alpha Bank Gold Business Banking

"Alpha Bank Gold Business Banking" Service with its specialized banking advisors, remained committed to the immediate and uninterrupted service of its Customers, and the provision of banking consulting services, focusing not only on the most appropriate financial solutions, but also on the integration of new business development standards.
Despite the special conditions of the business environment due to the Covid-19 pandemic, in 2020 there was an increase of 4% in the number of members of the Service compared to 2019. Regarding the level of banking cooperation, Gold Business Customers deposits increased by 35%, while it is indicative that the members of the Service absorbed about 70% of new Guarantee/Development financing Programs in 2020 (increase of loans outstanding balances loans by 84% compared to 2019).
During the pandemic, the use of modern digital means of technology was strengthened, which enabled secured and flexible remote personalized Customer service and communication with specialized Banking Advisors, in order to ensure the accurate identification of their needs and diagnosis of their financial situation. At the same time, communication with Customers through the use of digital channels (~ 700,000 messages sent via email, viber, sms) was fully reinforced through the pandemic, so as to provide accurate information either about the available financial liquidity tools or the existing support measures.
Finally, in December 2020, the Bank, in cooperation with Mastercard®, offered exclusively for Gold Business mem-

bers, free webinars with topics covering the needs of businesses to adjust to the new circumstances.
In the first round of webinars, the presented thematic sections were "Digital Marketing" and "Effective Remote Selling". These webinars aimed to introduce participants to modern techniques and methods by investing in digital transformation of enterprises and the enhancement of customer experience.

Development programmes for small and medium-sized enterprises (SMEs)

Alpha Bank actively supports Greek entrepreneurship, by providing liquidity to SMEs, in order to enhance their competitiveness within the national and the international market.
Especially since in 2020, amid the Covid-19 pandemic, business activity was suspended, Alpha Bank stood by the companies using State and European Funds and other Programs to lift their liquidity.
In April 2020, the Bank under a newer agreement with the Hellenic Development Bank (E.A.T.), signed an Additional Cooperation Act amending the Joint Entrepreneurship Fund II "Business Funding - Entrepreneurship Fund II", as well as a new Sub-Program (3) for the provision of "working capital with interest subsidy" loans, with the aim of supporting the SMEs suffering the adverse effects of the spread of the Covid-19 pandemic.
Under this agreement, the total available budget of the Action amounted to Euro 1.3 billion (from Euro 915.75 million), while the co-investment relationship between Banks and E.A.T. in the Common Fund remained the same, with a ratio of participation and risk-sharing between TEPIX II and partner banks 1:1.5 (TEPIX II: Euro 516 million-40%, Banks: Euro 784 million-60%).
Until 31.12.2020 loan applications totaling Euro 466.72 million were approved, while the total amount of disbursements amounted to Euro 445 million, with a preferential interest rate reduced by 40% due to the interest-free participation of TEPIX II in the capital of each financing.
In October 2020, in order to unceasingly support companies suffering the opposing effects of the spread of Covid-19, a new Subprogram (4) was added to the Action "Business Funding - Entrepreneurship Fund II" and was made available by Alpha Bank to its business Customers. The new Subprogram 4 provided Working Capital loans with an 100% interest subsidy for a period of 2 years from E.A.T. and a 5% reduced interest rate for the remaining 3 years, due to the 5% interest-free participation of TEPIX II in the capital amount of the loan.
The total available budget of the Entrepreneurship Fund II Action has been increased to around Euro 2.3 billion. (Entrepreneurship Fund II: Euro 1.003 billion, Banks: Euro 1.297 billion), while the co-investment relationship between Banks and E.A.T., for Subprogram 4 was set at 1:19, i.e. 5% is covered by the Entrepreneurship Fund II (TEPIX II) and 95% by the Bank.
By 31.12.20120, applications totalling Euro 38.53 million were approved, while the total amount of disbursements of the Sub-Program amounted to Euro 32.20 million.
In June 2020 Alpha Bank, with the main objective of returning to normal business activity, participated in the new Action of the Hellenic Development Bank (E.A.T.) "Covid-19 Business Guarantee Fund". This Fund was set up to support entrepreneurship and meet the increased liquidity needs of companies due to the Covid-19 pandemic and consequent phenomena. In particular, it provided small, medium and large enterprises of the country, working capital to cover their operating costs and needs, with an 80% guarantee from the Covid-19 Enterprise Guarantee Fund, E.A.T.
Alpha Bank successfully participated in the 1st cycle of the Guarantee Fund (June-September 2020). A total of Euro 795.05 million of applications were approved, while the amount of disbursements amounted to Euro 786.47 million.
In addition, since November 2020 the Bank also actively participated in the Second Cycle of the Fund, with a new budget available, amounting to Euro 563.64 million, and a duration of disposal until 30.6.2021.
The second cycle of the Program emphasizes the support of medium-, small and micro-companies, nonetheless large enterprises can also participate with offshore companies, holding companies, financial sector enterprises, public bodies and their subsidiaries, OTA and their subsidiaries being excluded.
By 31.12.2020, applications totalling Euro 438.50 million were approved for the second cycle of the Program, while the total amount of disbursements amounted to Euro 217.47 million.
Throughout the year 2020, the provision of the COSME Guarantee Facility (LGF)/Direct Guarantee to SMEs continued ceaselessly. The Program will be available until 10.11.2022, with the Guarantee of the European Investment Fund (E.I.F.). As a result, the Bank provides increased liquidity to SMEs, with reduced collateral requirements and favorable pricing.
By 31.12.2020, approved applications amounted to Euro 549.82 million, while the total amount of disbursements of the Program was Euro 494 million.
Additionally, in November 2020, Alpha Bank entered into a new partnership with the European Investment Fund (E.I.F.) to make COSME COVID-19 Sub-Window available, with

the purpose to support SMEs suffering directly or indirectly, from the effects of the spread of the Covid-19 pandemic. The new Sub-Program with a total budget of Euro 100 million, available under the COSME LGF/Direct Guarantee, concerns exclusively financing of Working Capital up to Euro 150,000, with an 80% guarantee from the E.I.F.
The ending date for the allocation of the Sub-Program is 30.6.2021, and by 31.12.2020 the approved applications amounted to Euro 19.60 million, with a total disbursement amount of Euro 3 million.
Also in November 2020, the Bank amongst other actions to support Micro-Enterprises, actively joined the EaSI Microcredit Programme. The purpose of this Guarantee Program is to provide financing to Micro-Enterprises on preferential terms without obtaining collateral, due to the guarantee provided by the European Investment Fund (E.I.F.). The Program refers to companies in the process of establishment or development, with a turnover of less than Euro 2 million with fewer than 10 employees, providing credit up to Euro 25,000.
In the context of the availability of the EaSI Microcredit Guarantee Programme, which also provides specialized advisory guidance, Alpha Bank in collaboration with the "Perrotis College" of the American Agricultural School, offers to all companies numerous training programs, professional training and specialized support in agri-food entrepreneurship (process optimization, sales development, production improvement, development of new products and services, processing, standardization, rational resource management, etc.).
By 31.12.2020, applications totalling Euro 3 million were approved, while the total amount of disbursements amounted to Euro 0.30 million.
In May 2020, the INNOVFIN Guarantee Facility (HORIZON 2020) which provided capital access of Euro 100 million to innovative Small Mid-Caps, with favorable financing conditions and reduced collateral, due to the guarantee provided by the European Investment Fund, was completed. Throughout the Program, applications totalling Euro 99.37 million were approved, while the total amount of disbursements of the Program amounted to Euro 92.10 million on 31.12.2020.
To deal with the negative effects of the pandemic, Alpha Bank, in cooperation with the European Investment Fund, is negotiating the availability of new Guarantee Programs. The new Programs focus on key-sectors of activity for the Greek economy, aiming to provide liquidity to SMEs which invest in business development by implementing new investment plans to produce or develop new improved products, to adopt substantially differentiated processes or services to boost their productivity, their competitiveness and finally reducing the energy footprint of their business.
In 2020 the Bank assisted SMEs wanting to implement their approved investment projects in the Actions of the NSRF 2014-2020 and in the Schemes of Development Law 4399/2016, offering particularly favorable and flexible terms, specialized financial products, namely:
• Long-term investment purpose loans
• Short-term financing, against grant allocation
• Letters of Guarantee for receiving a grant advance.
Through all the above programs, Alpha Bank provides financing to eligible SMEs and contributes to the implementation of their investment and development plans to meet their working capital and credit requirement needs, with preferential pricing conditions. The Bank's objective is to enhance the quality entrepreneurship, the competitiveness and extroversion of the enterprises, referring to innovation and increase of added value.

Alpha Agricultural Entrepreneurship
During the year 2020, Alpha Bank continued to strongly support the development of the primary sector enriching the Product Line "Alpha Agricultural Entrepreneurship" and fully responded to challenges and opportunities by vigorously supporting entrepreneurship across the agri-food chain.
Alpha Bank, throughout the past year, despite the difficulties caused by the Covid-19 pandemic, has remained a valuable helper of the agri-food sector, supporting the production of agricultural products, the continuous upgrade of the level of food safety and quality, as well as the expansion of the export activity of the companies of the sector.
Moreover, by joining forces with the Perrotis College of the American Farm School, Alpha Bank enhances the competitiveness of agri-food businesses by providing specialized advisory services.
For the 6th consecutive year, the "Flexible Contractual Entrepreneurship Programs" operate successfully and constitute the most integrated banking programs regarding mediation and targeted funding both for individual farmers (farmers/stock farmers) and for processing/export/commercial enterprises associated with primary production. This type of financing constitutes a comprehensive proposal for servicing the agri-food sector and contributes to create partnerships between farmers-producers and businesses-buyers involved in agricultural production, while at the same time it contributes to the rationalization of agricultural production, the modernization of the transaction cycle and the creation of an extended network of agribusiness enterprises etc. thus strengthening the development of local markets.

With the "Flexible Contractual Entrepreneurship programs", the farmer/producer can cover high production costs, when they really need to do so, they are able to negotiate better purchase prices via a direct payback and improve the quality and quantity of the production ensuring its disposal at a pre-agreed price. Buyers, from their side, secure the liquidity that they need in order to purchase the required agricultural production and to pay farmers on time, building in this way healthy partnerships with the producers. At the same time, the farmer/ producer can expand to new markets by attracting new producers to the above-mentioned scheme.
A clear demonstration of the successful operation of the programs is the increase in the number of partner businesses, farmers and commercial agricultural supply enterprises that participate in the programs from all over the country.
Alpha Bank, in collaboration with the Ministry of Rural Development and Food, for another year, promoted the "Agro-Carta", yet another financing tool that enhanced the farmers' liquidity during the cultivation period of 2020, providing them with the opportunity to make advance payments on part of the agricultural aid (Basic and Green Subsidy) in order to meet their short-term working capital needs.
In particular, farmers can use their cards for the following:
• Purchases of agricultural supplies (seeds, pesticides, feeding stuffs, etc.) and fuels.
• Payment of bills for irrigation fees, agricultural tariff electricity, etc.
• Payment of social security contributions (Greek Agricultural Insurance Organization-ELGA, Unified Social Security Institution-EFKA, State and issuance of an insurance coupon for land workers.
• Coverage of Fees for the Agricultural Aid Application's submission.
• Cash withdrawals (up to a specified amount).
Alpha Bank, guided by the best service of agricultural needs, offers specialized financial solutions for the acquisition and modernization of the fixed assets of modern agricultural enterprises/farms.
In 2020, Alpha Bank, in collaboration with businesses under the responsibility of the Wholesale Banking Business Unit, which are also leaders in the domestic agricultural machinery sector, provided specialized financing solutions that cover requirements in fixed assets such as tractors, agricultural vehicles, etc., in order to implement investments that have been included in Actions of the Rural Development Program or have not been included in any development program.
These financing tools provide suitable repayment terms, taking into account the farmers' actual needs based on the capacity of their farm holdings as well as the seasonality of their cash flows depending on the cultivation period. With the programs, Alpha Bank provides support to farmers for the renewal of their agricultural equipment, the modernization of their agricultural and livestock raising farms as well as for the adoption of the best cultivation practices and infrastructure.
In addition to funding, Alpha Bank supports farmers and agricultural companies in various ways, by offering:
• The Deposit account "Alpha Premier Farmers" with a privileged interest rate for farmers who had declared this account as the one to be credited with their agricultural subsidy payments for 2020.
• Full set of specialized Agricultural Insurance Programs (insurance of crop production, agricultural vehicles, greenhouses etc.) to manage a large number of risks associated with the farm, ensuring its sustainability and development.
• The program "My Alpha POS" for partner businesses active in the trade of agricultural supplies, with privileged pricing for the acquisition of a POS terminal, low commissions for clearing card-based transactions and the "My Alpha POS Credit Line" option for Working Capital financing, depending on the amount of card-based transactions carried out with the terminal.

Other activities
During 2020, the Bank has served promptly and efficiently all requests for the settlement of Small Businesses import/ export transactions.
Since the beginning of the year and until 31.12.2020, the Bank has implemented 95,000 Small Businesses import/ export requests, amounting to over Euro 850 million.

Business support measures
In addition, the Bank sided with the companies affected by the bad weather "Ianos" (in September 2020) and the catastrophe in the affected areas of Evia (August 9, 2020), making special arrangements and facilities to service their loan obligations. Especially, in order to facilitate the repayment of business loans, the Bank provided the possibility of suspending installment payments for up to twelve months, to its Customers, Businesses, which are operating professionally in the affected areas and had suffered losses. With these actions, Alpha Bank participated in the initiative to support the affected that was announced by the Hellenic Banking Association, actively supporting local communities in their effort to overcome the critical situation and return to normal conditions as soon as possible.
In March 2020, the Bank participated in the Measure "Subsidizing Interest on Existing Loans for Small and Medium Enterprises Affected by the COVID-19 Pandemic Meas-

ures", through which the General Secretariat for Public Investment and PA of the Ministry of Development and Investments decided to strengthen Small and Medium-sized Enterprises (SMEs) affected by the Covid-19 pandemic. The Measure provided for the full coverage (subsidy) of the contractual interest (including the corresponding contribution of Law 128/75) of the business credits of the companies, for a period of 5 months and specifically from 1.4.2020 until 30.8.2020.
Until 31.12.2020, Alpha Bank subsidized the interest of a total of about 10,000 accounts, disbursing a total amount of Euro 50.20 million.

LARGE CORPORATIONS

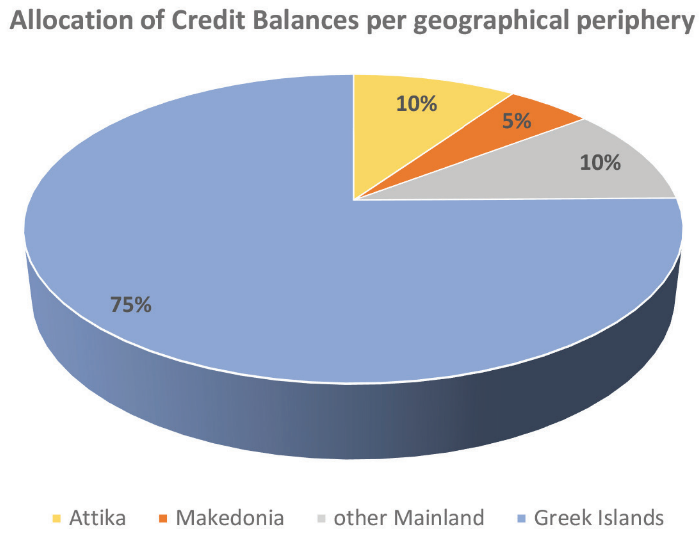
2020 proved to be a very challenging year worldwide due to the spread of the Covid-19 pandemic which had a negative impact on the economic activity of enterprises and households. Within this unique frame, the Bank continued to support and provide services for its Customers, by meeting their needs in a timely and effective manner, in line with the expected credit criteria. Drawing from the improved liquidity conditions, as well as the Support Measures put in place by the State (such as loans from the Hellenic Development Bank, the Hellenic Fund for Entrepreneurship & Development, etc.), the Bank's priority was to support its Customers so as to address the negative effects caused by the extraordinary event of the pandemic. In line with this, it provided on the one hand moratoria by re-profiling repayment schedules and /or extending loan liabilities and on the other hand new loan facilities, either short or long term ones, in order to enhance companies' liquidity. Moreover, it continued to support businesses' investment plans through the diligently structured financial proposals, either on a bilateral or on a syndicated basis.
At the end of 2020 the total balance of the Corporate Banking Division's loans amounted to Euro 4.5 billion, whilst the respective balance of letters of guarantee and letters of credit stood at Euro 1.6 billion. The lending market share remained at almost the same levels compared to the previous year, proving the Bank's active support to its Customers, the largest Greek enterprises in particular, and the Customers' confidence in the Bank.
As a result, the Bank was able to maintain a satisfactory profitability and the high quality of its lending portfolio. For the Bank, increasing fees deriving from ancillary business and the net interest income from asset-liability management is a permanent core strategic choice for its growth.
The Bank's main objectives are:

• To continue pursuing the effective management of its Customers' portfolio, in terms of income/profitability as well as in terms of mitigating credit and operational risk.
• To selectively develop lending and other financial business with Customers having an acceptable credit risk rating profile, active especially in export-oriented sectors as well as development projects and showing clear prospects for growth.
• To be active in all potential European and/or State Backed Projects under a dual scope: on the one hand be able to support large Greek Enterprises so as to address the extraordinary conditions faced by the pandemic and on the other hand facilitate the modernization of different sectors of Greek economy and reduce their environmental footprint.
• To provide tailor-made services to multinational Business Groups-Customers, which is a market segment presenting further business prospects.

HOSPITALITY AND ISLAND ENTERPRISES DIVISION

2020 was a special year for the Hospitality and Island Enterprises Division, as the Covid-19 pandemic had significant effects on the companies of the tourism sector and island economy, due to the long-lasting periods of suspension of the economic activity, the considerable restrictions on the operations of the companies and because of the periodic restrictions on travel in general.
The Hospitality and Island Enterprises Division played a key role in contributing to the effort of providing financial support to the companies, either through providing new loans (under the specific Covid-19 schemes of the Hellenic Development Bank and the Entrepreneurship Fund and via other loan products of the Bank as well) and through providing several payment facilitations to the loan portfolio throughout the financial year 2020 or even later (via principal deferrals under the Private Moratoria framework or even via other extended deferrals). It is noted that the loan portfolio increased by an amount of Euro 460 million during this year (of which, circa Euro 256 million related to loans under the specific guarantee scheme of the Hellenic Development Bank and under specific co-financing Covid-19 schemes of the Entrepreneurship Fund), with the total perimeter of payment facilitations (deferrals) reaching over an amount of Euro 100 million (referring to a loan portfolio amounting over Euro 900 million).
On 31.12.2020, the Hospitality and Island Enterprises Division presented a further extension of the number of companies under management, with the total balance of loans standing at Euro 2.01 billion, including letters of guarantee, letters of credit and lending to the Division's Customers by the Bank's Subsidiaries in Greece and abroad. The significant increase in the credit balances on an annual basis, proves the notable liquidity support provided to the companies, in order to cope with the temporary financial difficulties and/or even any medium-term effects caused following the pandemic.

CREDIT BALANCES OF HOSPITALITY AND ISLAND ENTERPRISES DIVISION



Given the fact that during 2021 the effects of the continuing pandemic on both the activity and the overall financial figures of tourism businesses are expected to become apparent again (compared to pre-Covid-19 levels), the Hospitality and Island Enterprises Division continues to closely monitor the needs of the businesses as well as the wider market situation, offering targeted products and solutions either via the existing loan products under the scheme of the Hellenic Development Bank and through other products of the Bank (which may be customized according to the specific needs), so as to continue to support the companies' liquidity needs and investment plans until the pandemic is overcome.

SHIPPING FINANCE

The Bank has been successfully involved in shipping finance since 1997, providing specialized products and services (fund transfers, branch operations, hedging solutions etc.) to Greek-owned ocean-going shipping companies and coastal shipping companies.

The Bank remains one of the main lenders of Greek shipping. New loans of approximately $850 million were provided to existing and new Customers in 2020 despite the Covid-19 pandemic, while the Bank received the award of "Shipping Financier of the year" in the annual Lloyd's List Greek Shipping Awards ceremony. The shipping loan portfolio stood at approximately Euro 2.2 billion on 31.12.2020, out of which approx. 50% referred to financings of bulk carriers, 30% of tankers with the remaining to involve container carriers, LNGs and coastal shipping.

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

LEASING

The total interest income for the Group Company Alpha Leasing S.A. stood, in 2020, at Euro 11.9 million, down by 23% compared to 2019 (Euro 15.5 million), mainly due to the selective deleveraging of the balance sheet and the settlement of debts related to existing leasing contracts. Nevertheless, the production of new contracts stood at Euro 88.4 million, versus Euro 52.9 million at the end of the previous year. The portfolio of accounts receivable from leasing agreements prior to impairment, amounted to Euro 578.1 million versus Euro 553.1 million at the end of 2019. Maintaining a strong coverage ratio led to a further increase in provisions for the impairment of bad debts by Euro 8.9 million (2019: Euro 13.4 million). Thus, total provisions were further strengthened, standing at the end of 2020 at Euro 195.4 million and accounting for 33.8% of the portfolio versus 33.7% in 2019 (Euro 186.5 million). Maintaining adequate provisions for credit risk and ensuring solid capital adequacy remain the Company's primary objectives, in order to effectively cope with the crisis. Alpha Leasing's strong capital base places it first in the leasing sector.

In this environment, the Company continued to actively manage its leasing contracts portfolio in 2020 as well,

focusing on finding solutions to immediately address the financial difficulties that Customers face through debt restructurings and settlements, while also obtaining additional collateral in order to protect the Shareholders' interests and the viability of its Customers' businesses. In addition, organizational, procedural and regulatory changes were introduced and promotional activities were carried out, despite the Company's 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

ABC Factors has been a member of the Factors Chain International (FCI) since 1995 and of the International Trade & Forfaiting Association (I.T.F.A.) since 2006, regarding forfaiting services. In addition, in 2009 it became a founding member of the Hellenic Factors Association (H.F.A.).
The outbreak of the Covid-19 pandemic had negative effects on the Businesses' turnover and respectively on the Factoring market (value of the assigned receivables). Within this economic environment the Company's turnover (volume of factored receivables) decreased by 18.07% in 2020 compared to 2019 and stood at Euro 3,953,380,078.94 (91% domestic, 9% international), sustaining the Company's dominant position in the Greek factoring services market.
During 2020 the average balance of discounted receivables decreased by 13.7% in 2020 compared to 2019, while the total balance of advances to Customers before impairment as at 31.12.2020 stood at Euro 420,993,236.72 decreased by 19.7% compared to 31.12.2019.
The Company maintained its profitability in 2020 with earnings before tax standing at Euro 11,196,434.90, decreased by 18.7% compared to 2019.
Non-performing receivables from Customers on 31.12.2020 decreased by 3.8%, compared to 31.12.2019 and stood at Euro 6,169,449.14.
Following the implementation of the Company's "Impairment Policy for Receivables from Customers" and the implementation of the new International Financial Reporting Standard (IFRS) 9 "Financial Instruments" (Regulation 2016/2067/22/22.11.2016) the percentage of impaired advances to Customers stood at 1.47%, of the total balance of advances to Customers through receivables discounting as at 31.12.2020 (Euro 6,200,666.75).
The main developments that had a major impact on the Company's activities during 2020 were the following:
1. The outbreak of the Covid-19 pandemic in Europe in the first quarter of 2020 in conjunction with the associated containment measures which were imposed by the government consisted a significant factor of uncertainty for the development of the macroeconomic figures while affected negatively the businesses' turnover.
2. The proper functioning of the Company and the smooth service to Customers, despite the imposed containment measures, and the minimization of possible operating risks due to the teleworking status.
3. The reassurance of a safe working environment for the Personnel by taking promptly the appropriate measures against Covid-19 transmission.
4. The Company's turnover reduction as a result of the Customers' reduced turnover, mainly those companies operating in sectors which were mostly affected from the containment measures against the Covid-19 health crisis.
5. The exclusion of factoring services from the state support schemes available to corporations.
6. The maintenance of the profitable return on assets due to the strong operating profitability achieved despite the Covid-19 implications.
7. The strategic co-operation with EBRD based on a credit line facility of Euro 20 million to finance SMEs.
8. The upgrading of the main software system of factoring aiming to productivity improvement and minimization of possible operating risks so that the compliance requirements are fully met by the Company.
The Company has established a framework of thorough and discreet management of all kinds of risks, based on best practices, the supervisory requirements. This framework is based on the common European legislation and the current system of common banking rules, principles and standards, is improving continuously over the time in order to be applied in a coherent and effective way in a daily conduct of the Company's activities making effective the corporate governance of the Company.
During 2020, the Company took all necessary and appropriate measures in order to protect itself against all types of financial risks. The main objective of the Company during 2020 was to maintain the high quality internal corporate governance and compliance within the regulatory and supervisory provisions for risk management.
Having as its main objective the implementation and continuous improvement of this framework, the Company placed great emphasis on minimizing its exposure to market risk (interest rate risk), credit and operational risk as well as liquidity risk and cash flow risk, all of which are monitored by the relevant competent Units.
The capital adequacy of the Company is supervised

by the Bank of Greece, to which reports are submitted in accordance with "Bank of Greece Governor's Act 2651/20.01.2012", which replaced "Bank of Greece Governor's Act 2640/18.1.2011".
Additionally, the minimum requirements for the capital adequacy ratios (Tier I and Total Capital Adequacy ratios) of the Company, are also determined in accordance with Bank of Greece Governor's Act.
The capital adequacy of factoring companies is measured in accordance with the "Bank of Greece Governor's Act 2622/ 21.12.2009", effective from January 1, 2010.
The capital adequacy ratio as at 31.12.2020 stands at 30.19%, well above the minimum threshold (8%), as provided for by the supervisory framework for factoring companies.
The Company offers the following services:
Domestic Factoring with Recourse
Domestic Factoring with Recourse is addressed to Sellers who are interested in a portfolio of services, such as instant financing through discounting trade receivables, credit assessment of buyers, as well as effective management and collection of accounts receivables.
Within this framework, the Seller assigns all the trade receivables from its buyers to ABC Factors, which in turn undertakes their management and collection, in line with the credit policy of the Supplier. In parallel, the Seller has the option to receive advances over eligible un-matured receivables.
Domestic Factoring without Recourse
In order to secure the performance of the company, in addition to the services exemplified in the section entitled "Domestic Factoring with Recourse", the Seller has the option to cover the credit risk through a Non-Recourse Factoring facility. Under this arrangement, ABC Factors will evaluate the assigned buyers for credit risk and approve respective credit limits to the Seller.
Reverse Factoring
Reverse Factoring is a tool for buyers to obtain extended credit terms from their suppliers. Under such an arrangement, ABC Factors will assess a credit limit and a maximum credit period for the buyer and, at the same time, it will provide the option to advance payments to suppliers for the excess credit period approved. The service is applicable for buyers with a high credit rating and a strong payment performance record.
Invoice Discounting
The service of Invoice Discounting is provided, under special conditions and prerequisites, to companies that have an organized collection system and control of their trade receivables and require only financing by discounting such receivables.
Accounts receivables Control, Management and Collection
This service is addressed to Sellers who do not have a need for discounting, but require management, accounting control and collection of their trade receivables, in order to release resources and enable the company to focus more on its core business. With the accurate and reliable support of ABC Factors, company operations are simplified, allowing companies to concentrate more on their growth objectives.
Import Factoring
ABC Factors assesses Greek importers and approves respective credit limits for the use of their suppliers, through the associated factors-members of Factors Chain International. Subsequently, ABC Factors manages the assignment and the collection process for -and on behalf of- the supplier.
Export Factoring
ABC Factors offers financing to export companies through the discounting of their credit trade receivables and effective management and collection of the assigned invoices, according to the agreed credit terms, combined with 100% credit coverage of the buyers. Through its extensive network of associated Factors, ABC Factors has the flexibility to adapt to the trading practices and the regulatory framework of each country, thus handling export transactions in the most efficient manner.
Forfaiting
Forfaiting is a tool of financing trade receivables without recourse, applicable for medium to long-term export transactions, whether recurring, or standalone.
Discounting under Forfaiting can be up to 100% of the present value of the transaction, less expenses. Since all risks associated with the payment of the transaction are transferred to ABC Factors (i.e. the credit risk, interest rate risk, currency risk), the discounting is subject to a thorough assessment of the obligor, as well as to the documentation to evidence the transaction and an acceptable means of payment, such as a letter of credit, promissory notes, bills of exchange etc. that specify the amount and the exact date of payment. Forfaiting is addressed to export companies and it offers flexibility in the formation of the credit policy of the exporter, without having to abide to the existing financing levels of the company.
The third wave of the Covid-19 pandemic in the first quarter of 2021 in Europe as well as in Greece in conjunction with the containment measures taken against the pandemic, consist a factor of uncertainty towards the performance of the expected macroeconomic figures as well as the businesses' ability to operate under the circumstances. The financial implications are related to a certain degree to the time period the health crisis will remain and differ-

entiate per the economy's sector according to their impact from the crisis.
The positive messages, however, from the progress of the vaccination programs allow us to consider that the advantages the Factoring products offer, will assist corporations towards their liquidity needs and plans of growth in the domestic as well as the international market (exports) in the second half of 2021.
The Strategic plans and prospects of ABC Factors for the year 2021 are the following:
1. Maintenance of the leading position in the sector as well as high profitability exploiting the opportunities in sectors of the Greek economy which consist the pillars of growth expecting the economy's resurgence in the second half of 2021.
2. Provision of high quality services to Customers supporting also their business plans.
3. Emphasis on the promotion of specialized products of Supply Chain Finance services (reverse factoring, non-recourse factoring, forfaiting) aiming to satisfy the multiple needs of the trading parts within the physical supply chain.
4. Expanding on sectors with prospects of growth such as energy, telecommunications (where the company has developed specialized products), trade of raw materials, and services to industrial and processing units.
5. Re-engineering of the Company's core system so called Proxima+ in order to expand on the services spectrum and the adoption of the Tesla Radious platform (interaction system with Customers and onboarding module) in order to achieve:
i. The digital transformation of the Company.
ii. The optimization and adjustment of services according to the changeable needs of the Customers.
iii. The digitization of the internal procedures as well as the Company's transactions.
iv. The improvement of the management of all risks related to the Company's transactions according to the international standards.
v. The achievement of economies of scale in conjunction with the improved services offered to the Customers.

INVESTMENT BANKING AND TREASURY MANAGEMENT

MUTUAL FUNDS

Assets under Management-Market share

In 2020, Alpha Mutual Funds' assets under management decreased by 5.4% and stood at Euro 1,522 million on 31.12.2020, compared to Euro 1,609 million on 31.12.2019, after huge fluctuations due to the pandemic. The reduction of assets on 31.12.2020 amounted to Euro 87 million which is mainly due to the negative balance of subscriptions and redemptions, as well as to the fall in securities prices occurred in the Greek stock market in contrast to the international. The Company's market share in the mutual fund sector decreased and stood at 18.8% compared to 20.5% in 2019 (Source: Hellenic Fund and Asset Management Association), due to the higher decline of assets under management compared to the competition. In the field of institutional portfolios, the assets under management, increased by 5.2%, mainly from new inflows of existing institutional Customers and stood at Euro 708 million, on 31.12.2020.
The total assets of mutual funds and institutional portfolios managed by the Company stands at Euro 2,229 million.

Revenues and Profitability

The Company's revenues from fees, pertaining to the management of mutual funds and institutional portfolios amounted to Euro 18.11 million, at approximately the same levels as of 2019. Accordingly, gross profit of the Company decreased by 1.0% to Euro 8.56 million compared to Euro 8.65 million in 2019. An extraordinary income derived from outperformance fees, amounting to Euro 800 thousand, contributed also to the improvement of the Company's profitability.

Main actions of the company

a. The Company enhanced its existing product offering in 2020 by creating the innovative "Alpha (LUX) Global Themes FoF EUR" mutual fund (Euro 21 million assets as of 31.12.2020) in Luxembourg, incorporating ESG criteria in the investment process. Furthermore, the company introduced a new mutual fund (Euro 20 million assets as of 31.12.2020) for the purpose of creating a bancassurance product in cooperation with AlphaLife Insurance Company S.A. and merged two existing Funds, the "ALPHA FoFs Commodities" and "ALPHA FoFs Silk Route Asia" due to partial overlapping of their investment purpose.
b. Constant brief of Alpha Mutual Funds at the Bank's sales network through presentations and supporting material, such as indicative portfolios with Alpha Mutual Funds, portfolio construction tools and market analysis.
c. With regards to the management of institutional portfolios, the Company has renewed its cooperation with institutional investors while after participating in a "Request for Proposal", the Company was selected to manage a new bond portfolio, amounting to approximately Euro 65 million.
d. In the context of the expansion of the distribution network of Alpha (LUX) Global Funds, the distribution agreements with Alpha Bank Cyprus Ltd, Alpha Bank Romania

and MFEX, the largest international investment product distribution platform, have been completed.
e. According to Morningstar's international methodology, three Alpha Mutual Funds (Alpha Global Allocation Balanced Classic, Alpha (LUX) Global Balanced FoF EUR and Alpha Global Blue Chips Equity) gained the highest rating among mutual funds in their respective categories of the global competition.

Alpha Mutual Funds and Returns
Alpha Asset Management M.F.M.C. with 30 years of investment performance and innovation in asset management, provides a product mix of 24 internationally recognized mutual funds that invest in the major markets worldwide, including emerging markets and sectors and provide high performance over time. Additionally, Alpha Asset Management M.F.M.C. has become a signatory of the United Nations-backed "Principles for Responsible Investments" initiative and actively supports the sustainable development of the economy with its investment approach.
Alpha Mutual Funds recorded remarkable returns and secured leading positions in their respective categories once again in 2020. The consistently high returns of Alpha Mutual Funds place them at the top of each category and rank them even internationally among the best mutual funds of similar investment policy.

Alpha Mutual Funds returns	2020	3-year period	5-year period
GREEK INVESTMENTS			
Alpha Greek Bond Fund Classic	11.5%	49.2%	**132.7%**
Alpha Greek Balanced Fund Classic	-0.2%	23.8%	**77.5%**
Alpha Aggressive Strategy Greek Equity Fund Classic	-9.0%	7.0%	**41.4%**
Alpha Blue Chips Greek Equity Fund Classic	-10.7%	3.3%	**37.3%**
Alpha Greek Corporate Bond Fund Classic	0.5%	11.0%	**30.3%**
INTERNATIONAL INVESTMENTS			
Alpha Cosmos Stars USA Equity Fund of Funds Classic	10.6%	38.3%	56.4%
Alpha Cosmos Stars Silk Route Asia Equity Fund of Funds Classic	12.8%	17.3%	47.2%
Alpha Global Blue Chips Equity Fund Classic	7.0%	31.3%	45.1%
Alpha Global Allocation Balanced Fund Classic	4.6%	18.7%	25.3%
Alpha (LUX) Global Balanced FoFs EUR	4.3%	13.3%	-
Alpha (LUX) Global Themes FoFs EUR	14.0%	-	-

Source: Hellenic Fund and Asset Management Association at 31.12.2020

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

Prospects and goals for 2021

2021 will also be a crucial year for our country, during which the domestic mutual fund market is expected to be significantly affected by the growth prospects of the global and Greek economy, with these expectations to be deferred due to the effects of the pandemic. However, the international environment of zero interest deposit rates will significantly increase demand of investment products. In this environment, the Alpha Mutual Funds sales target is increased at all networks. The primary objectives of the Company are the following:

• Accurate budget execution for 2021.
• Systematic promotion of Alpha Mutual Funds with continuous product presentations and updates on market developments at Alpha Bank's network all over Greece.
• Incorporation of ESG (Environmental, Social and Governance) criteria in the investment process of Alpha (LUX) Global Funds.
• The creation of new bancassurance products in cooperation with AlphaLife.
• The merger of «Alpha (LUX) Global Equity FoFs» and «Alpha (LUX) Global Themes FoFs» due to the overlapping of the investment purpose of these funds and in order to better meet investors' needs.
• Increased activity in the field of institutional investors' funds management.
• Creation of the new corporate website.
• Continuation of the promotion campaign of Alpha Asset Management M.F.M.C. and Alpha Mutual Funds.
• Upgrading of the valuation and portfolio transaction management platform (APX and MOXY).
• Upgrading the mutual funds accounting platform.

PRIVATE BANKING

Alpha Bank was awarded "Best Private Bank in Greece" for the third consecutive year at the "Global Private Banking Awards 2020" held annually by the internationally acclaimed publications "Professional Wealth Management (PWM)" and "The Banker" of the Financial Times Group.
This distinction is a recognition of the high quality of Alpha Bank's Private Banking services ('Alpha Private Bank'), which consistently enjoy the trust of the Bank's Customers as they are fully aligned with their personalized goals and needs. Furthermore, it highlights Alpha Bank's commitment to delivering quality services by incorporating new technologies and constantly improving Wealth Management Operations, even under the challenging circumstances created by the pandemic.
The Bank has been providing comprehensive portfolio management and banking services to high net worth Customers (Private Banking) since 1993. These services are provided through Alpha Private Bank Centers in Athens, Thessaloniki, Patra and Iraklion which are staffed by specialized and certified investment advisors.
Our Private Banking Customers have at their disposal a flexible series of services, which can also be combined to ensure the broadest possible coverage of investment needs:

• GEM Portfolio Management Services: The Bank assumes discretionary management of the Customer's portfolio.
• Portfolio Advisory Service: The Bank provides active management advice regarding the entire portfolio, whilst Customers may follow it at their discretion.
• Transactional Advisory Service: The Bank provides advice related to particular transaction, whilst Customers may follow it at their discretion.
• Execution only: The Bank executes the orders given by Customers wishing to manage their portfolios themselves.

In addition, the Private Banking Division's cooperation with the UK-based Group Company Alpha Bank London Ltd. as well as Societé Générale Private Banking in Luxembourg has resulted in a contemporary open architectural structure, allowing Customers to receive services from their Private Banker in Greece with execution and safekeeping abroad.
In line with the Group's corporate culture and in full compliance with the Markets in Financial Instruments Directive (MiFID), the services are provided after considering the amount to be invested, with a minimum portfolio size of Euro 300,000, as well as the Customer's investment goals (capital preservation, maximization of capital gain, volatility tolerance), based on time horizon, investment experience and known or estimated future cash flows, in consideration of the applicable tax framework at the Customer's country of residence.
In 2020, the Private Banking Division focused its efforts on the following priorities:

1. Improvement of Investment Services

a) Ensuring that we are fully operational during the pandemic and providing seamless service and assurance to Customers.
b) Dynamic promotion of GEM Portfolio Management Services.
c) Specialized investment support provided by the Portfo-

lio Advisor role, an executive delivering personalized asset management solutions jointly with the Private Banker, while taking into account the Bank's views on the money and capital markets.
d) Further establishing the cooperation with Societé Générale Private Banking.
e) Further improvement of Customer experience by incorporating the use of mobile devices throughout our Portfolio Management services facilitating direct and personalized communication with the Customer, as well as by implementing the e-signature functionality in our applications.
f) Enhancement of the InvestoR Electronic Platform with new functionalities providing flexibility and automation to the advisory investment process and full compliance with the MiFID II Regulatory Directive.
g) Gradual development of the loans portfolio.
h) Further utilization of the Alpha Private Bank Phone Service, providing swift and secure specialized banking services to Private Banking Customers during extended working hours, eliminating the need to visit an Alpha Bank Branch.

2. Funds under Management
As previously mentioned, despite adverse conditions due to the pandemic and the lockdown measures, we stayed in close contact with our Customers by initiating structured and intensive communication with them using the Bank's digital tools, thus, providing uninterrupted service, even remotely, as well as continuous and reliable information.
Our continuous contact with Customers during the pandemic, strengthened Customer trust and helped maintain stable transaction activity (+ 2% ytd).
Furthermore, we were able to respond to market volatility and complexity developed during this period thanks to the infrastructure we have developed for wealth management and investment advisory. The well diversified portfolios led to their swift recovery after the appearance of Covid-19 in Greece at the end of March. As a result of the above, the strengthening of relations with Customers and their trust in us during this period is reflected in our NPS score which increased significantly to 48.2 in 2020.
In this scope, the total Assets under Management increased by 3%, the total assets under GEM Discretionary Management by 36% while the total funds under Advisory management are close to 73% of the total funds under management.

3. Fees and Commissions
a) The income of the Private Banking Division rose by 2%.
b) The Return on Assets under Management amounts to 1.04% (excluding cash and product cost).

4. Operating costs
Operating costs remained at the same level while operational risk was reduced. At the same time, quality was assured with the consolidation of the Alpha Private Bank Centers Compliance Support Unit, established within the Private Banking Division, which has successfully assumed the centralized management of the supporting and auditing functions of the Alpha Private Bank Centers.
Furthermore, Key Risk Indicators (KRIs) have been applied in the monitoring and evaluation process of our Private Bankers to further reinforce our target for substantial reduction of operating costs while ensuring the quality of our Services.

5. Customer events
Due to the conditions developed by the pandemic, our live communication program which started in 2020 including investment presentations and physical events in various Greek cities, had to be adjusted. In this scope, the Private Banking Division proceeded with virtual events, video calls targeting specific Customer groups and one-on-one video calls.
The Private Banking Division constitutes a point of reference as regards in the domestic Advisory Services and Portfolio Management market, remaining strongly focused on innovation and with a customer-centric approach.
For the year 2021, the Division's objectives are the following:
• Digital transformation and redesign of the offering range, focusing on Customer Experience. Namely, the incorporation of mobile technologies is already in progress, aiming at a new simplified, more effective operating model for the provision of investment services, fully compliant with the MiFID II Regulatory Directive.
• Reinforcement of synergies with all Divisions of the Bank in order to enhance the experience of existing Private Banking Customers as well as to recommend the Private Banking Services to eligible Customers of the Bank, who currently do not benefit from such services.
• Further attraction of Customers with portfolios stationed abroad by providing advisory services through Alpha Private Bank in Greece and custody abroad.

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

The Corporate Finance Division also includes the Real Estate Investments activities. Real Estate Investments undertakes the management and operation of real estate assets acquired as a result of the enforcement of the respective securities under loan facility agreements of the Bank or the Group's subsidiaries. The aim of the Real Estate Investments team's management is to safeguard and maximize recovery value of those assets, as well as to secure their efficient and risk-fenced management through the establishment of Special Purpose Vehicle Companies (SPVs). Investment Banking Division ("IBD") acts in close collaboration with Alpha Real Estate Management and Investments S.A. (AREMI), Alpha Astika Akinita S.A. (AAA), as well as with its subsidiaries in South Eastern Europe and other external partners.

During 2020, the Bank continued providing financial advisory services in complex landmark privatization projects. HRADF's real estate portfolio privatization project as well as the Egnatia Motorway privatization through concession project remained in progress. Specifically, for the Egnatia Motorway privatization, the Bank has undertaken the role of exclusive financial advisor to HRADF. Furthermore, the Bank continued providing its financial advisory services to Hellenic Petroleum S.A., for the disposal of its 35% stake in DEPA Commercial and in DEPA Infrastructure, in accordance with the relevant tenders launched by HRADF. Especially for DEPA Commercial, Hellenic Petroleum S.A. is acting as both seller and buyer participating in the tender as one of the prequalified investors. Moreover, the Bank has undertaken the role of financial advisor to Hellenic Petroleum S.A. in the context of the sale of its 35% stake in DEPA International.

The Bank also completed landmark M&A transactions for large Customers in the private sector. More specifically, the Bank acted as financial advisor in the sale of Telekom Romania by OTE S.A. to Orange, providing a fairness opinion for the consideration offered in the context of the transaction, the signing of which occurred in 2020. Moreover, the Bank undertook the role of financial advisor for the Anglo-Dutch multinational Unilever for the sale of its tomato products branch, including the production unit. The transaction started in 2020, whereas the share purchase agreement was signed by the preferred bidder, Minerva, in 2021.

In the Capital Markets sector, the Bank was highly active in 2020, undertaking a role in both Share Capital Increases and Tender Offers, as well as Corporate Bond Issuances of listed companies. More specifically, the Bank undertook the role of Advisor for the share capital increases of Avax S.A., Premia Properties S.A., and P.G.Nikas S.A., which were completed in 2020. In addition, the Bank undertook the role of Advisor for a new share capital increase through asset contribution of Premia Properties S.A., which started in 2020 and was completed in 2021. Moreover, during 2020, the Bank was acting as Lead Co-Ordinator and Advisor, for the share capital increase and the transition of the shares of Epsilon Net S.A. from the alternative market of ATHEX to the Regulated Market of ATHEX. With regards to tender offers, the Bank undertook the role of financial advisor to the offeror, for Sterner Stenhus Greece AB's mandatory tender offer for the shares of Premia Properties S.A. Finally, we note that the Bank also actively participated in the corporate bond issuances of Lamda Development S.A. and OPAP S.A., acting as Lead Co-Ordinator and Bookrunner. The corporate bond market has been very active since 2017 attracting large investment appetite from retail and institutional investors, an interest that continues intensifying until today.

In 2020, the Corporate Finance Division agreed sales of real estate assets under management in Greece, Bulgaria and Romania of total transaction value of Euro 69 million. More specifically, it concluded the following transactions:

• Sale of an SPV holding a portfolio of prime commercial assets in Athens.

• Closing of sale of an SPV holding luxurious residences in Athens.

• Closing of a transaction fulfilling the disinvestment from a land plot of 47,000 sqm in Timisoara, Romania.

• Sale of an SPV holding a shopping center in Veliko Tarnovo, Bulgaria.

• Sale of residential and commercial properties in four residential projects in Bucharest fulfilling to a great extent the deleverage of the Bank's residential portfolio in Romania.

• Sale of a land plot of 79,000 sqm in Bucharest.

• Sale of a complex of 34 semi-finished maisonaittes in Athens.

• Sale of a prime commercial real estate asset in Athens.

In 2020, the Corporate Finance division successfully continued its activities as an Investment Banking Advisory and Real Estate Management arm of the Bank and expects further improvement of its market positioning in 2021, taking advantage of the various prospects that develop in its areas of activity.

TREASURY

Challenging 2020, marked by the wide spread of the Covid-19 pandemic, formed new living and working conditions for the worldwide population, jeopardized the lives and jobs of millions while transmitting increased volatility in the financial markets. Governments and central banks were forced to adopt unprecedented policy measures to address the effects of the pandemic and to support the relevant

markets and economies.
The European Central Bank undertook a number of initiatives, during 2020, such as the adjustment of the terms of the third series of targeted longer-term financing operations (TLTRO-III) along with the collateral easing measures for the participation in Eurosystem liquidity operations. In June 2020, Alpha Bank early repaid its TLTRO II, amounting to Euro 3.1 billion and raised Euro 11.9 billion through the new TLTRO-III program. The lending rate under TLTRO-III can reach, if certain thresholds are achieved, at -1% until June 2022 and -0.5% for the rest of the financing period. Increased financing from Eurosystem and efficient use of available collateral for liquidity purposes, resulted in the reduction of more expensive and volatile repo and reverse repo transactions. The aforementioned developments contributed to the significant reduction of the Bank's financing costs, the extension of the borrowing tenor and the improvement of the net interest income.
At the beginning of 2020, shortly before the outbreak of Covid-19 pandemic in Europe, Alpha Bank successfully carried out a Subordinated Lower Tier 2 Bond issuance, amounting to Euro 500 million with a 4.25% coupon. The coupon was the lowest paid, for similar type of debt during the last 13 years in Greece and almost half of where the relevant coupon stood for two domestic peers, in similar transactions performed a few months earlier. Investors' order book exceeded × 10 times, depicting the vote of confidence to the Bank's business plan, announced at the end of 2019. Alpha Bank strengthened and diversified its capital base, fully committed to cover the minimum required eligible liabilities (MREL) and abide to the regulatory thresholds within the predetermined time bands.
The abrupt change in working conditions, rendered more imperative than ever maintaining open lines of communication with counterparties and efficiently servicing the customer base. Committed to the aforementioned, Alpha Bank increased correspondent banking cooperation, effectively supporting the Branch network and ensuring smooth continuation of Customer transactions. The significant drop in payment flow along with the huge decline in trade challenged the global financial system. Despite the general negative trend, the Bank's fees from interbank payment flows were maintained, by concluding new agreements while revisiting existing ones, aiming at the improvement of revenues and the rationalization of expenses. At the same time, despite worldwide risk aversion trend, correspondent parties offered Alpha Bank improved pricing for trade transactions and increased credit lines for conducting unsecured trade operations.
2020 was marked as a year of increased volatility in Greek capital markets. The unprecedented economic turmoil created by the Covid-19 pandemic during the first quarter of the year, shocked markets and resulted to an impressive policy response from global central banks.
The introduction of the Pandemic Emergency Purchase Programme (PEPP) by the ECB, was a major instrument used to deal with the consequences of the pandemic. Stabilization of markets and rise of risk-on sentiment benefited domestic securities with bond yields dropping to all-time lows.
Throughout 2020 the Bank was very active in Greek Government bonds secondary trading, ranked third among Primary Dealers in the Electronic Secondary Securities Market (HDAT) regulated by the Bank of Greece. On the primary market, the Bank participated in numerous new issues of the Hellenic Republic with strong orders either for own account or on behalf of Customers. In addition, the Bank actively participated in PEPP operations providing competitive quotes to the Bank of Greece. On the international capital markets front, the Bank through its active and efficient management of portfolios, continued to be present on European government and investment grade corporate bond markets as well as on supranationals.
In terms of profitability, the significant rise in Greek bond prices, combined with the successful conclusion of GGBs' swap with the Hellenic Republic (December 2020), contributed to extremely high financial results. Similarly, significant financial gains were also achieved in 2020 from the actively managed European bonds portfolio despite the low interest rate environment.
Significant financial gains were also achieved in 2020, mainly through derivative transactions. New transactions and the efficient renegotiation of existing agreements have led to significant positive results. These transactions are carried out within predetermined market risk levels, according to limits and procedures that have been set and are monitored by the competent Units of the Bank.

STRUCTURED FINANCE

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

In 2020, the Structured Finance Division was actively involved in arranging new structured financings on a syndicated or a bilateral basis, along with other commercial banks, but also with international financial institutions in infrastructure and real estate projects, waste management and in the power sector, with a focus on renewable energy sources, thus affirming the Bank's dominant position in this sector.
In the field of advisory services, the Structured Finance Division acts as advisor to the Hellenic Republic Asset Development Fund (HRADF) for the privatization of the "Egnatia Odos" (motorway) through a concession agreement.
The Division's loan book increased to approximately Euro 1.75 billion.
On the basis of existing mandates pertaining the arrangement of financing for various projects, the volume and the performance of the loan portfolio are expected to increase in the following years, primarily driven by projects in the renewable energy sector, PPPs and the development of income properties.

BROKERAGE SERVICES

The Athens Stock Exchange's General Index fell by 12% in 2020, underperforming its major European peers. The banking sector had a negative impact on the market. Average daily trading volume for 2020 was shaped at Euro 65.0 million in 2020 compared to Euro 67.4 million in 2019 (source: Athens Stock Exchange).
The Bank is active in the brokerage sector via the Group Company Alpha Finance Investment Services S.A., which in 2020 ranked fifth in the list of the ATHEX Brokerage Members (6.07% market share), while its turnover rose by 33.8% and stood at Euro 9.9 million compared to Euro 7.4 million in 2019.
The Company provides retail and institutional investors with a comprehensive range of investment services, which include:

- Trading in the joint Athens and Cyprus Stock Exchange equities and Exchange Traded Funds (ETFs) platform and access to the Athens Exchange Derivatives Market.
- Trading in the international equities and derivatives markets via agents as well as via the "Alpha Global Trading" web-based service.
- Market making: Alpha Finance is one of the oldest Market Making firms in the Greek market being active in equities, derivatives (futures and options) and ETFs. Its operating model is based on cutting-edge technology and high degree of automation.

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

- ALPHATRADE: Provision of a complete range of online services accessible via the Customer Service, the mobile applications for iOS and Android-based devices, the automated Interactive Voice Response system as well as via the Company's website at www.alphafinance.gr.
- Financial Analyses: Timely provision of accurate information in the form of well-documented corporate, sector-specific and macroeconomic analyses.
- Transaction Clearing and Custody Services: Integrated transaction clearing and custody services for the domestic and the international equities and derivatives markets.

For 2021, 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.

SOUTHEASTERN EUROPE

On the back of restrictions in the response to the Covid-19 pandemic, in 2020, all Southeastern European countries where the Alpha Bank Group operates recorded a negative rate of change in economic activity. Overall, the average annual rate of change in the real GDP of the countries of Southeastern Europe stood at -4.1% in 2020, while economic activity is expected to recover in 2021.
The Alpha Bank Group has active Companies in three Southeastern European countries (Cyprus, Romania, Albania). As at 31.12.2020, the Group had a Network of 182 Branches and 2,953 Employees in these countries.
In 2020, the Group's outstanding loan balances in Southeastern Europe stood at Euro 6,196 million, making up 12.6% of the Group's total loans. Meanwhile, deposits reached Euro 5,222 million, accounting for 11.9% of the Group's total deposits.

Cyprus

Alpha Bank started operations in Cyprus in 1998 with the acquisition of Lombard Natwest Bank Ltd, a subsidiary of the NatWest Group in Cyprus. Through gradual equity purchases, Alpha Bank acquired full control of the acquired bank, which was later renamed Alpha Bank Cyprus Ltd. At the end of 2020, the Bank had a network of 17 Branches and 531 Employees.
Due to the Covid-19 pandemic and following the implementation of the Government Interest Rate Subsidy Plans for Housing and Business Loans, the Bank launched the "Alpha Subsidy Plus+" scheme to boost sales of housing loans. In addition, the Bank focused on promoting the use of alternative channels such as Mobile Banking, encouraging its Customers to make transactions from home, easily, quickly and safely.

For Small Enterprises, the Bank reviewed the pricing of its Business Loans to render them more attractive. Special emphasis was also placed on the training of Small Business Service Officers.

As regards cards, various projects regarding compliance issues and better customer service were completed. Cashback programs continued, with the aim of increasing the volume of transactions and thus revenues.

At the end of 2020, loans stood at Euro 3,271 million.

In 2020, Alpha Bank's communication policy continued to be outward-looking and dynamic. The Bank's products and services were promoted through promotional campaigns on major channels and stations, with digital actions, electronic advertisements on selected websites, information on the Bank's official website, one-way stickers on the Branch fronts, banners and videos at ATMs, as well as other promotional material.

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

The Wholesale Banking Division focused on developing the existing portfolio and on finding new healthy and profitable businesses, further penetrating the tourism, energy, trade and health sectors.

The Bank continued its intensive efforts to reduce non-performing exposures, in the framework of which it submitted a specific plan to the SSM in September 2020. The intended objectives of the plan have been achieved. One of the key parameters for achieving these objectives was the completion of the implementation of the "Retail Transformation Plan", which concerned structural changes in the management of non-performing Retail Banking loans. Meanwhile, in the first half of 2020, the Bank transferred a significant part of the retail/wholesale portfolio to a SPV of the Group, achieving a significant reduction of non-performing loans.

The Bank also managed its Customers who benefited from instalment suspension programs due to the Covid-19 pandemic. Management included, inter alia:

• Continuous communication to assess the current situation of the borrowers.

• Offering new facilitation programs, adapted to the new reality of the pandemic.

As part of the actions to achieve an increase in commissions, the Bank incorporated two new bancassurance products, "Alpha Feel Safe" and "Alpha Fire for Homes", while special emphasis was placed on the promotion of the investment/insurance plan "Alpha Life Plan". The renewed brokerage agreement with the cooperating insurance company Altius Insurance, which will generate increased commission revenues, also entered into force. At the same time, work has begun on the introduction of a new Unified Internet Platform, with a view to developing sales and monitoring Bancassurance operations.

Having developed its deposit base and in line with market trends, in 2020 the Bank proceeded to further reduce its deposit rates for time deposits, sight deposits and current accounts. In addition, negative interest rates were set for the first time on corporate deposit accounts. At the end of 2020, deposits stood at Euro 2,067 million.

In 2020, the Operations Division made significant improvements to services/ infrastructures/ systems in order to provide upgraded support to the Bank's Business Units, as follows:

• Establishment of an integrated workflow system for handling Retail Banking requests for new Customer credit facilities, featuring automated production of contractual documents.

• Creation of systems and infrastructure to offer Alpha Gold investment products.

• Implementation of changes to the Bank's systems and guidelines in order to adopt the new definition of "Default", which entered into force on 1.1.2021 based on instructions from the European Banking Authority.

• Redesign of the Bank's website, with improved functionalities and renewed banking content.

• Enrichment of the data in the Bank's Business Intelligence platform.

• Upgrading of networks by maximizing speeds and use of alternatives.

• Upgrading of the payroll system and interconnection with other systems.

To tackle the pandemic, the Operations Division implemented projects aimed at the smooth and seamless conduct of operations, including the preparation and implementation of pandemic Business Continuity Plans for all Bank Units, and the creation of teleworking infrastructure.

Alpha Bank Cyprus Ltd presented a high capital adequacy ratio in 2020, as the Common Equity Tier 1 ratio stood at 15.3%, with the Equity Tier I ratio and the Total Equity ratio at 19.5%, using transitional provisions.

Romania

Alpha Bank has been present in Romania since 1994, and is the first foreign bank to operate in the country. At the end of 2020, it had a Network of 131 Branches and 2,006 Employees.

In the business loan segment, in 2020, the impact of the Covid-19 pandemic on businesses led the Bank to intensify its efforts to remain in close contact with its Customers, in order to understand developments in their business and to implement relief instruments and government support

measures for small and medium-sized enterprises (IMM Invest Program). In the second half of the year, the Bank focused on increasing financing to existing Customers and selectively expanding its Customer base by attracting leading companies, with a focus on large corporations.
In particular, in the small and medium-sized enterprise segment, the Bank participated in the government program IMM Invest Romania and the APIA Subsidy Pre-financing program.
In the consumer loans and housing loans segments, the Bank participated in the government vehicle financing program Prima Masina and the government program Noua Casa respectively. The Bank also developed its cooperation with China Union Pay in the field of card acceptance.
At the end of 2020, loans stood at Euro 2,643 million.
During 2020, the Bank's deposit base was further strengthened by attracting deposits from the domestic and external markets. At the end of the year, deposits stood at Euro 2,644 million.
In 2020, the Bank added new mutual funds to the Alpha Gold Program.
At the same time, in 2020, the Bank installed multifunctional machines in 50% of its Branches and developed additional functions. In the infrastructure for payments via mobile phones (XPay Mobile Payments Readiness) the Bank's cards can be used in four digital wallets (FiTbit Pay, Garmin Pay, ApplePay, Google services).
In the leasing segment, the Alpha Bank Group has operated since 1998 through Alpha Leasing Romania IFN S.A., which provides its Customers with credit facilities.
In brokerage operations, the Alpha Bank Group has operated since 1994 through Alpha Finance Romania S.A., which offers share buying and selling services on the Romanian Stock Exchange and foreign markets, financial advisory services, public offering services, etc. In 2020, its operations and employees were transferred to Alpha Bank Romania.

Albania

Alpha Bank has been present in Albania since January 1998. Since 2012, it operates in the country through the Group Company Alpha Bank Albania SHA. At the end of 2020, Alpha Bank Albania SHA had a Network of 34 Branches and 416 Employees.
In 2020, in the business loan segment, Alpha Bank Albania SHA focused on increasing revenues and restructuring loans, while write-offs of Non-Performing Loans were within the 2020 budget. Its successful portfolio management meant that new Non-Performing Loans and Exposures were minimal. In the second half of the year, existing and new Customers, also, showed an increased interest in loans, while marketing actions were intensified and new credit lines were approved in all loan categories.
In the retail banking segment, during the Covid-19 pandemic, Alpha Bank Albania SHA developed various strategies and actions to ensure smooth communication with Customers and the uninterrupted operation of Branches.
In 2020, Alpha Bank Albania SHA also had a strong presence in the cards segment, with 5,490 credit cards and 34,512 debit cards. During the year, MasterCard was promoted as a new product in the card portfolio in terms of issuance and acceptance. The Visa Electron card was also transferred to the MasterCard Debit card. Finally, the Visa Credit card in Euro, which is the first credit card in a foreign currency, was also promoted.
At the end of 2020, loans stood at Euro 282 million.
Aiming to strengthen revenues from commissions and loans in 2020, the Bank:

- Boosted loan penetration rates with existing Customers, giving priority to best-rated Customers.
- Applied the adjustments of the approved credit policy to ensure a better market approach, in line with trends amongst its main competitors.
- Expanded its bancassurance operations, which include non-loan related products.
- Focused on the pricing strategy for its services.

During 2020, Alpha Bank Albania SHA conducted 4 promotions for the consumer loan "Alpha Realize Unsecured Consumer Loan", the promotion of the Mastercard Debit Card, which represents a new partnership, alternative communication channels as a safer way to conduct banking transactions during the Covid-19 pandemic and one corporate promotion.
2020 saw a boost in the deposit base of Alpha Bank Albania SHA - in particular in deposits by individuals; at year-end, deposits stood at Euro 512 million.
In 2020, the Bank promoted its e-Banking operations, which showed an upward trend in terms of both users and volume. It also developed alternative sales networks, such as the online application for opening and activating an account, the Alpha SMS service, direct credit and pre-applications for housing and consumer loans.
Alpha Bank Albania SHA presented sufficient capital adequacy and liquidity ratios in 2020, as its Capital Adequacy Ratio stood at 17.2% and its Liquidity Ratio at 34%.

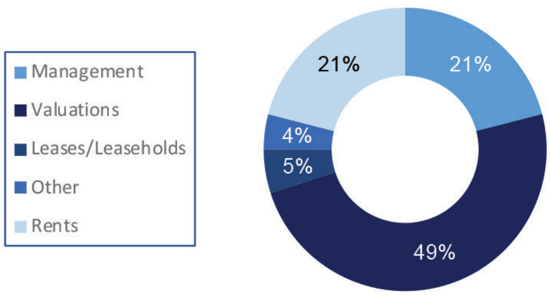
OTHER ACTIVITIES

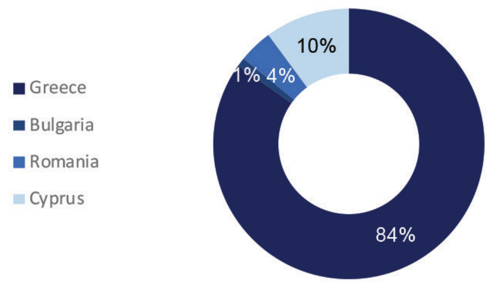
REAL ESTATE MANAGEMENT

Alpha Astika Akinita S.A.

Alpha Astika Akinita S.A., an Alpha Bank Group Company, is mainly dedicated to the management and gainful operation of real estate property owned by the company or third parties, the provision of consulting services on

relevant matters, the conduct of real estate and brokerage operations, the conduct of valuations for properties, electromechanical equipment and facilities for the Alpha Bank Group and third parties, as well as participation in businesses with the same or similar purposes.
As a real estate consultant, Alpha Astika Akinita S.A. is assigned with the management of most of the Group's properties in Greece and the coordination of activities for properties abroad, while it has also developed databases for all properties that are either used, leased out or rented by the Group in Southeastern Europe.
In this context, in 2020, Alpha Astika Akinita S.A. held 100% of the Group Companies: Alpha Real Estate Bulgaria E.O.O.D., Chardash Trading E.O.O.D., Alpha Real Estate Services S.R.L. and Alpha Real Estate Services L.L.C. The total consolidated assets of Alpha Astika Akinita Group for the full year 2020 stood at Euro 147 million, versus Euro 144 million in 2019, up by 2.2%. The Group's cash and cash equivalents for 2020 stood at Euro 79.9 million, versus Euro 78.3 million in 2019. In 2020, consolidated earnings before taxes stood at Euro 4.4 million versus Euro 4.2 million in 2019, while the respective operating income stood at Euro 15.2 million versus Euro 16.4 million in 2019.
The contribution of Alpha Astika Akinita to the Group's total revenue for 2020, by sector of activity and by country, is broken down as follows:





Following several years of remarkable growth, Alpha Astika Akinita S.A. now features a high-quality real estate portfolio, significant available funds and qualified staff. These, combined with its zero debt to banks, are prerequisites for addressing the current exceptionally adverse economic conditions.
In 2021, the company will continue operating in:
• The management of real estate purchases/sales, leaseholds/leases and of the relevant tax and insurance matters.
• The organization and control of valuations and certifications.
• The project management of major projects.
• The provision of consulting services for the above matters.

Alpha Real Estate Management & Investments S.A.
The Bank has completed the establishment of a central Real Estate Unit, through a specialized Company of the Group, Alpha Real Estate Management & Investments S.A. (September 2018). The scope of Alpha Real Estate Management & Investments S.A. ("AREMI") is to maintain the full overview of the REOs and collaterals in the Group balance sheet in order to support the Bank in achieving its NPE business plan targets as well as to apply an active asset management to all real estate owned assets from investment appraisal to final exit. In particular, when the Bank acquires the ownership of real estate properties after the management of NPEs, Alpha Real Estate Management and Investments S.A. is responsible for:
• Monitoring the repossession procedure (asset on-boarding) and following this the assets' assignment to the appropriate asset servicers within or outside of the Group.
• Monitoring and coordinating the assets' management.
• Monitoring and coordinating the assets' commercialization according to the Group's policy into force.
• Setting and monitoring appropriate Key Performance Indicators (KPIs) for the asset servicers.
As a result of the described activity, Alpha Real Estate Management and Investments completed the investment appraisal of more than 5,200 properties during 2020 which the Group considered acquiring. Moreover, in cooperation with the relevant divisions of the Group, the company optimized the onboarding process, leading to the properties' more efficient commercialization. Within the framework of the above strategy AREMI signed contracts with inter-

nal and external asset management channels responsible for the day to day management and sale of the Group's REO assets. In addition, the company coordinated with above channels the conclusion of sale agreements of either individual properties or asset portfolios with a book value of over Euro 110 million. AREMI also manages the Group's special purpose vehicles (SPVs) as well as continuously improves the existing structure of the Group's Real Estate portfolio contributing effectively to its strategic management.
During the year, AREMI maintained its market monitoring processes and market intelligence database, including market indicators, news, transactions and macroeconomic information. The company published internally (within Alpha Bank Group) on a quarterly basis reports covering key developments and KPIs in each real estate sector, as well as weekly summaries of real estate market news. Finally recognizing the need to enhance the monitoring of the Group's REO portfolio, AREMI continued the development of a property management system in cooperation with an external provider.

VENTURE CAPITAL, EQUITY FINANCING

For the fiscal year ended December 31, 2020, Alpha Ventures and Alpha Ventures Capital Management presented the following results:
· Alpha Ventures incurred losses before taxes of Euro 0.650 million. The losses mainly relate to its operating expenses, as for the year ended there was no income from investment activity.
· For its thirteenth fiscal year, Alpha Ventures Capital Management reported a loss of Euro 0.15 million, mainly attributable to the expenses incurred in the management of the ALPHA TANEO AKES fund, which is currently liquidating its investments.
In 2020, the investment activity of Alpha Ventures and Alpha Ventures Capital Management focused on the efficient management and liquidation of its investment portfolio. Despite the unprecedented recession caused by the Covid-19 pandemic, disinvestment continued, with proceeds from investment liquidations in 2020 reaching Euro 1.29 million. Two follow-on investments totaling Euro 1.33 million were made in start-up portfolio companies with significant growth prospects, as well as one in a newly created closed-end fund, which invests in Greek small and medium-sized companies in need of operational and capital restructuring.
In the broader environment, the Greek start-up ecosystem is constantly growing and maturing, achieving significant agreements and securing subsequent rounds of financing from foreign institutional investors, while the state is showing strong support for the ecosystem through targeted measures and actions.
For 2021, our investment policy will focus on three pillars:
• Strengthening our portfolio companies, through partnerships, to seize the business opportunities expected in the post-Covid-19 era, given the expressed policy targets of the EU and the Greek government.
• Liquidating our older holdings.
• Intensifying the search for investment opportunities in fintech and digital transformation.

3

OPERATING SEGMENT AND GEOGRAPHICAL SECTOR ANALYSIS

3
OPERATING SEGMENT AND GEOGRAPHICAL SECTOR ANALYSIS

a. Analysis by operating segment

(Amounts in Euro million)

	1.1.2020 - 31.12.2020						
	Retail Banking	**Corporate Banking**	**Asset Management / Insurance**	**Investment Banking / Treasury**	**Southeastern Europe**	**Other / Elimination Center**	**Group**
Net interest income	650.4	520.1	14.5	153.8	201.7	1.2	1,541.7
Net fee and commission income	110.6	106.8	51.9	32.1	34.1	(0.1)	335.4
Other income	61.8	(9.0)	4.5	610.1	19.2	27.9	714.5
Total income	**822.8**	**617.9**	**70.9**	**796.0**	**255.0**	**29.0**	**2,591.6**
Total expenses (excluding expenses for separation schemes)	**(566.3)**	**(166.1)**	**(38.1)**	**(30.2)**	**(254.6)**	**(76.5)**	**(1,131.8)**
Impairment losses and provisions to cover credit risk	(898.4)	(236.0)		(2.7)	(169.2)	0.1	(1,306.2)
Impairment losses on other financial instruments			(1.1)	(11.7)	(0.6)		(13.4)
Expenses for separation schemes						(26.0)	(26.0)
Profit/(losses) before income tax	**(641.9)**	**215.8**	**31.7**	**751.4**	**(169.4)**	**(73.4)**	**114.2**
Income tax							(10.0)
Profit/(losses) after income tax							**104.2**
Assets 31.12.2020	22,510.6	15,891.6	1,505.5	18,590.0	7,820.0	3,738.9	70,056.6
Liabilities 31.12.2020	28,664.2	8,379.2	2,504.3	16,071.1	5,915.3	189.4	61,723.5
Capital expenditure							
Depreciation and Amortization	(82.8)	(30.4)	(4.4)	(3.9)	(23.7)	(16.2)	(161.4)
Investments in associates and joint ventures						30,716	

	1.1.2019 - 31.12.2019*						
	Retail Banking	**Corporate Banking**	**Asset Management / Insurance**	**Investment Banking / Treasury**	**Southeastern Europe**	**Other / Elimination Center**	**Group**
Net interest income	679.0	519.4	13.8	122.4	210.3	2.4	1.547.3
Net fee and commission income	116.2	125.6	48.1	18.9	31.6	(0.3)	340.1
Other income	15.85	(43.10)	8.65	405.65	25.61	21.26	433.92
Total income	**811.01**	**601.86**	**70.47**	**546.87**	**267.73**	**23.38**	**2.321.32**
Total expenses (excluding expenses for separation schemes)	**(595.3)**	**(178.2)**	**(35.3)**	**(28.7)**	**(212.4)**	**(75.2)**	**(1,125.1)**
Impairment losses and provisions to cover credit risk	(559.6)	(322.8)	0.4	6.0	(114.4)		(990.4)
Expenses for separation schemes						(49.6)	(49.6)
Profit/(losses) before income tax	**(343.90)**	**100.79**	**35.58**	**524.19**	**(59.03)**	**(101.40)**	**156.22**
Income tax							(50.81)
Profit/(losses) after income tax							**105.41**
Assets 31.12.2019	21,840.9	14,884.7	1,411.0	13,964.3	7,955.5	3,401.2	63,457.6
Liabilities 31.12.2019	26,257.8	7,494.2	2,382.1	12,577.2	6,090.3	180.4	54,982.0
Capital expenditure	107.4	44.0	3.7	4.2	37.7	48.0	245.0
Depreciation and Amortization	(75.2)	(28.2)	(4.2)	(3.1)	(24.3)	(9.5)	(144.5)
Investments in associates and joint ventures						13,385	

* Certain figures of the previous year have been restated.

(Amounts in Euro thousand)

	31.12.2020			31.12.2019		
	Balance before allowance for expected credit losses	Allowance for expected credit losses	Balance after allowance for expected credit losses	Balance before allowance for expected credit losses	Allowance for expected credit losses	Balance after allowance for expected credit losses
Mortgages	6,840,339	1,920,069	4,920,270	7,164,613	(1,832,896)	5,331,717
Consumer Loans	2,844,517	1,650,657	1,193,861	2,985,867	(1,519,454)	1,466,413
Corporate Loans	8,121,832	3,965,965	4,155,867	7,847,306	(3,783,514)	4,063,792
Total	**17,806,689**	**7,536,690**	**10,269,999**	**17,997,786**	**(7,135,864)**	**10,861,922**

b. Analysis by geographical sector

(Amounts in Euro million)

	1.1.2020 - 31.12.2020		
	Greece	Other countries	Group
Net interest income	1,328.1	213.5	1,541.6
Net fee and commission income	298.7	36.6	335.3
Other income	695.0	19.4	714.4
Total income	**2,321.8**	**269.6**	**2,591.4**
Total expenses (excluding provision for separation scheme)	**(886.5)**	**(245.4)**	**(1.131,8)**
Impairment losses and provisions to cover credit risk	(1,136.9)	(169.2)	(1,306.1)
Impairment losses on other financial instruments	(12.8)	(0.6)	(13.4)
Expenses for separation schemes	0.4	(26.4)	(26.0)
Profit/(losses) before income tax	**286.1**	**(172.0)**	**114.1**
Income tax			(10.1)
Profit/(losses) after income tax	**286.1**	**(172.0)**	**103.9**
Non-current assets - 31.12.2020	1,604.5	363.5	1,968.0

(Amounts in Euro million)

	1.1.2019 - 31.12.2019*		
	Greece	Other countries	Group
Net interest income	1,322.9	224.4	1,547.3
Net fee and commission income	306.0	34.1	340.1
Other income	407.8	26.1	433.9
Total income	**2,036.7**	**284.6**	**2,321.3**
Total expenses (excluding provision for separation scheme)	**(893.4)**	**(231.7)**	**(1,125.1)**
Impairment losses and provisions to cover credit risk	(876.0)	(114.4)	(990.4)
Expenses for separation schemes	(49.6)		(49.6)
Profit/(losses) before income tax	**217.8**	**(61.5)**	**156.2**
Income tax			(50.8)
Profit/(losses) after income tax	**217.8**	**(61.5)**	**105.4**
Non-current assets - 31.12.2019	1,569.0	261.5	1,830.5

* Certain figures of the previous year have been restated.

4

DIGITAL TRANSFORMATION: ACHIEVEMENTS

4 DIGITAL TRANSFORMATION: ACHIEVEMENTS

DIGITAL TRANSFORMATION AND INNOVATION

Alpha Bank identified early on the opportunities and challenges posed by the new digital era and consequently began elaborating its digital transformation program since 2017. The implementation of the program includes both operational levers and innovation focused initiatives and has been a key activity in 2020.

The digital transformation program, which ultimately focuses on the Customer Experience enhancement, entails the further strengthening of the Bank's digital channels, the reinforcement of the necessary digital infrastructure as well as the redesign of the key customer journeys.

During the pandemic, Alpha Bank adjusted swiftly to the new reality through the extended use of already existing digital services as well as through the development of new services aimed at addressing new customer needs that were created through the lockdown.

Indeed, during this period, the percentage of transactions at the Branch level fell from 14% to 7%, whilst total e-banking transactions rose from 40% to 60%, recording an increase by 20 percentage points compared to the pre-Covid-19 period. At the same time, record high numbers were observed concerning new subscriptions as the number for March-April 2020 was double than that of January-February 2020. Electronic issuing of debit cards rose from <15% to almost 25%.

December 2020 was a critical month as the Bank offered its retail Customers the opportunity to open a new account, get a debit card and subscribe to e-Banking in a matter of minutes through myAlpha Mobile -the Bank's mobile banking app. It is a new and innovative service that offers improved customer experience. It is indicative that, in less than a months' time, there are more than 1,000 new Customers that used the app to subscribe.

The Bank was the first to launch the new Digital Business Onboarding service which offers business Customers the opportunity to start a banking relationship with the Bank without visiting a Branch. The new service concludes a series of innovative digital services for business Customers -such as the online document verification facility as well as the online subscription module for business Customers- that are all aimed at meeting business customer needs through online tools. The Digital Business Onboarding service was the Gold Award at the E-volution Awards 2021, under the category "User Interface".

Alpha Bank was the first of the Greek banks to offer its

Visa and Mastercard Customers the Garmin and Apple Pay services -a quick and easy way for contactless in-store payments, offering increased ease and security- through respective wallets. In addition, myAlpha Wallet, the Bank's own digital wallet has changed to become even easier to use for contactless in-store payments. Currently, all three wallets account for more than 150 thousand active users – a strong indication of Customer engagement and satisfaction.
In view of continuous efforts to offer a better banking experience for all, Alpha Bank activated the function of voice-guided transactions to support those with limited eyesight, at 102 ATMs at 84 Branches throughout the country. This service is offered for the first time in the Greek market and at such scale, thus offering the ability to Customers to withdraw money or find out their balance by connecting the earphones to the ATM.
Through the new myAlpha Rendez-vous application, the Bank presented a new, improved and easier way for scheduling a meeting with the Bank. It is a new service that targets further improvement of Customer satisfaction whilst respecting the increased pandemic concerns.
The Bank also launched a new function through which a Customer can receive and print an Asset Declaration certificate through e-Banking without visiting a Branch. The digital certificates are generated automatically with no further actions from the Customer.
Alpha Bank actively continued to pursue the development of an open innovation ecosystem, with its second digital innovation competition (i3), open exclusively to Bank staff. More than 150 applications were received from colleagues around Greece and 10 teams were than formulated that were mentored by 29 mentors to develop further their ideas. The competition concluded through a digital Pitch-Event which identified three winners.
FinQuest by Alpha Bank, aiming to identify innovative solutions in selected areas of interest, is looking to attract the interest of global fintech and start-up communities. This year's competition run for 4 months and attracted more than 70 participations from 13 different countries. 7 of them from 7 countries entered the acceleration where, with the support of mentors, the initial ideas were further developed. The Bank remains interested in innovative solutions from the national as well as international innovation ecosystem and offers the ability to promising solutions and startups to grow.

TRANSACTION MIGRATION

The Transaction Migration Program continued during 2020 and was completed with the integration of the last 38 Branches located in remote areas and islands of the country. The total number of Branches that participated in the Program was 387 (175 full support and 212 partial support), all over Greece.
At the end of 2020, upon the completion of the Program, the percentage of teller transactions migrated to digital channels increased to 77%. This result proves the success of the Program. It is notable that thanks to the Program, the Customers were trained in new automated ways of servicing which helped them with the adverse conditions that followed the Covid-19 pandemic outbreak, by choosing digital channels. It should be also highlighted that in 2020 active users of web banking and mobile banking increased by 18% and 45% respectively, compared to 2019.
The Transaction Migration Program proved that Customers TOGETHER with the assistance of Branch Employees, can be trained to adjust in the new era of autonomous services of digital transactions. At the same time, the Program succeeded in freeing up time from Branch Employees to allow them to focus on offering other value-added services.

MyAlpha Express Advisors Academy

In the scope of the Transaction Migration purposes -namely the enhancement of the digital familiarity of the Customers and the decrease of the workload of the Branch Employees- in collaboration with the Human Resources and the Branch Network Departments, more than 100 undergraduate Greek university students and High school graduates were employed in the Branches, during 2020. Young people aged 18 to 25 became myAlpha Express Advisors in the Bank's Branches by serving and training Customers in the use of digital channels (web banking, mobile banking, ATM, ACTC). The MyAlpha Express Advisor Academy aided the transactions' migration to digital channels through targeted Customer training. At the same time, it offered its participants a full experience of Branch operations, digital banking and a modern working environment.

5

OPERATIONAL SYSTEMS AND DISTRIBUTION CHANNELS

5 OPERATIONAL SYSTEMS AND DISTRIBUTION CHANNELS

OPERATIONS SYSTEMS AND IT PROJECTS

The IT Units set under the overview of CIO, are in the process of fulfilling the last year of the 4-year IT Strategy Plan (2016-2020). The IT Strategy's objective is to ensure the overall efficiency and cost-effective operation of IT Divisions to meet business needs, within the continuously changing economic, social and technological environment, as well as the ever-increasing demands of the Regulatory Authorities.

During 2020, the IT Divisions focused on the one hand on the operational and digital transformation of the Bank and on the other hand on meeting regulatory and supervisory requirements, as well as on the necessary adjustments required by the implementation of the Legislative Acts adopted by the Government, in order to limit the human and economic impact of the Covid-19 pandemic.

More specifically, the main projects during 2020 were the following:

• The implementation of the Bank's transformation through the separation of activities carried out by the NPL Division (Aries Program), by integrating them into its subsidiary, Cepal.

• The implementation of the Covid-19 adjustment measures program in Greece. As a result of the changes that were made under the Legislative Acts, regarding the softening of Covid-19 pandemic financial consequences, the IT Divisions have implemented a significant number of projects to support the economy.

Additionally, more than 10,000 requests regarding workstation and software support were managed to support the Business Continuity Process initiative activated by the Covid-19 pandemic.

• A significant contribution in the design and completion of major large-scale projects, including Galaxy (Loan Securitization), Neptune (sale of non-performing small and medium sized business Loans), Cost Control Framework, KYC Questionnaire, Olive Branch project (new Luxembourg Branch), the adaptation of the Bank's Information Systems (DWH-Data Marts/ABRS/Siglo/Syscon, etc) on the implementation since 1.1.2021 of the EBA Directives (GL/2026-07) on the new definition of default, the implementation of SEPA Instant Payments Service, etc.

• The architectural redesign, aiming primarily at drastically improving the time to market, while also improving the efficiency of the IT resources. The functionality (banking transactions and services) is provided using modern technologies and a 3-tier architecture:

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

ronment)
• The upgrade and/or replacement of critical hardware and system software which have reached their expected life-cycle and are no longer supported by their manufacturers, in order to minimize operational risk and ensure stability, reliability and security.
Additionally, the major Projects completed in 2020 included the following as well, per Business Unit:
• Customer Information Area / Business Intelligence and MIS Area
- Customer Journey / Retail Onboarding (ROB)
- Customer Journey / Business Onboarding (BOB)
- Branch Appointment Booking (myAlpha Rendez-vous)
- CRM - Loyalty Big Data Implementation
- Automation of the properties and assets certificate, which is available in a unified way both from the digital channels and from the Bank's Branch Network
• Core Banking Software Area and Deposit Products Area
- Enriched Customer Transaction Information
- A7 Mart - Addition of cheques information FINREP
- Implementation of software required for the submission of FINREP reporting to the European Central Bank
• Payment Systems Area
- Creation of a new AML Sanctions Infrastructure for 24x7 online screening of Incoming & Outgoing Instant Payments
- Core Banking System (CBS) – Deposits & Investments/ Credit Transfers
- Implementation of Universal Payment Confirmations, mandated by the SWIFT Organization
• Head Office Units
- Legal Services e-Management System (E-Pandektis)
• Credit operations / NPLs / NPEs
- Program 'Gefyra' / Law 4714
- Qualco Datafeed from Datamart
- New State's Platform for the management of Legal Decisions from Law 3869
- Unified Workflow for Customer-based Loan Settlement
- Collections & Recoveries for Whole Sale Projects (Arotron)
• Alternative Networks
- Loan payment via alternative channels in 24x7 availability
- New / redesign of MyAlphaWallet (VTS – MDES tokenization and Redesign of Mobile App)
- MyAlpha BackOffice tool – New backoffice application for alternative channels
- E-statements for mortgage and consumer loans
- AKAMAI Anti DDoS system for protection from Cyber-attacks
- Implementation of 3D secure mechanism including push notification
- PSD II APIs: Card Related Operations enhancements
- ERP APIs: First Production Deployment
• Investments
- Supply and installation of Business Intelligence module for Mutual Fund customers
- MIFID II Supervisory reporting of considerations for Sicav (Implementation of a mechanism for the calculation of management fees and trailer fees)
- E-Signature Private Banking Dealslips
• Treasury and Risk
- Re-engineering of Risk Rating ABRS system's supply via DWH
- Installation of Moody's CreditLens Risk Rating system for Corporate Customers
- Internal Fraud (EFDP) - Enterprise Fraud Detection Prevention - Phase 2
- Implementation of Large Banking Groups securities holdings supervisory reports (BoGGA 2678/2017)

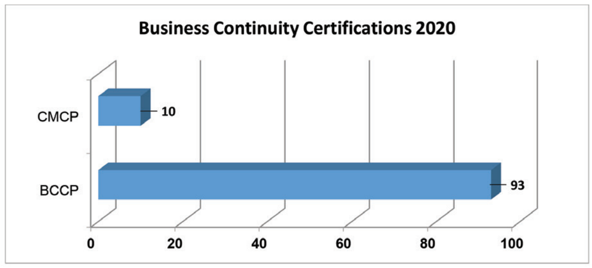
As part of the IT Service Management System procedures' adoption, all of the Bank's applications and systems were defined as IT Services. The Services are defined in terms of the building blocks which enable their operation and support, i.e. infrastructures, software, human resources and processes. The list of Services as well as the Service management processes (requests, changes, events etc.) are directly supported by the Service Management tool, which is used by all IT Units.
Additionally, the Project Management Division employs the Project & Portfolio Management (PPM) tool to manage the major IT projects.
Using this feature, in 2020, the IT Divisions processed 55,307 requests submitted by Bank's Business Units concerning system improvements, troubleshooting, requests of information and also initiated and/or completed 136 major projects. Regarding the Group Companies, a total of 8,229 requests concerning changes, improvements and troubleshooting were submitted and 26 major projects were completed.
Regarding process organization and optimization, the Bank's IT Divisions completed the following projects and activities in 2020:
- Certification to ISO 27001 Information Security Management (Bureau Veritas)
- Certification to ISO 22301 Business Continuity Management (TÜV Austria)
- Certification to ISO 20000 IT Service Management (Bureau Veritas)
- Certification to ISO 9001 Quality Management Systems (Bureau Veritas)
Additionally, the IT Divisions participated in projects and processed requests referring to the Bank's annual certification in accordance with the Payment Card Industry Data

Security Standard (PCI-DSS).
The IT Divisions offered vital assistance in collecting and reporting data as well as providing operational and technical support to the respective Bank's Divisions, during major audits and/or regulatory reporting in 2020, as follows:
- SSM - IT Risk self-assessment Questionnaire 2019
- Annual CPA Audit 2019 (Deloitte)
- BoG - ECB - Blue Book Regulation - Report Payment Statistics 2019
- Evaluation of the System of Internal Controls of Alpha Bank SA (BoGGA 2577/2016)
- Governor's Act (BoG 2651/20.01.2012)
At the same time, 9 internal and 4 follow-up audits were carried out in the IT Divisions by the Internal Audit Division. In regard to the overall systems and applications' improvement, the IT Divisions collaborated with the Internal Audit and the Market and Operational Risk Divisions to regularly review the status of the various improvement actions and projects, which have resulted from audits and Operational Risk Action Plans.

BUSINESS CONTINUITY

a. Certification of Critical Business Sectors

As part of the constant upgrade of the Business Continuity Management processes, in 2020, Alpha Bank S.A. and the following Group Companies proceeded with the renewal of their existing ISO 22301 (Business Continuity Management System) certification:
• Alpha Bank Romania S.A.
• Alpha Leasing S.A.
• Alpha Supporting Services S.A.
• Alpha Finance S.A.
The audit carried out by TÜV Austria as the Certification Body, confirmed the full compliance with the said Standard and the high level of knowledge, awareness and training of the Personnel, with regards to the business continuity procedures.
It should be noted that, in line with the best practices and methodologies, Alpha Bank has developed a uniform Business Continuity Management Framework, which applies to the entire Group and has obtained the ISO 22301 Group Certificate. The Framework is reviewed and updated annually in order to remain valid and efficient, and every year extensive functional tests and tabletop exercises are performed.
It is mentioned indicatively that in 2020 there were conducted within Alpha Bank Group 18 functional tests and 9 orientation and tabletop exercises, with the participation of 59 Business Units from Alpha Bank S.A. and 17 Units from the Group Companies.
Seeking to ensure the efficient implementation of this Framework, Alpha Bank, in collaboration with an internationally recognized institute in the business continuity industry, carried out training programs, as it had also done in previous years, through which 103 Bank and Group Officers (from 52 Units of the Bank and 1 Group Company) obtained the following Business Continuity certifications:
• Business Continuity Certified Planners (BCCP)
• Crisis Management Certified Planner (CMCP)



b. Actions against the Covid-19 pandemic

The Bank, from the beginning of 2020 was closely monitoring developments related to the Covid-19 pandemic, with a view to safeguarding the health and safety of Employees and Customers, so it acted promptly and effectively, ensuring continuity in operations, and providing seamless services to its Customers.
The response plan to the pandemic included, among other things, the following actions:
• Splitting teams from critical operations into different buildings: colleagues were isolated from each other to avoid exposing entire teams to the risk of simultaneous infection.
• Teleworking (Staff working from home): from the beginning of March, 2020, when the first Covid-19 cases in Greece were identified, at least initially 25% of the Bank's central services (head office) workforce was obliged to work from home, increasing to almost 100% on March 23, after the government announced the national lockdown. Similar approaches were applied also to the Group Companies abroad.
• Rotating Branch staff: physical access to Branches was restricted so that only half the Employees in each location were allowed in at any one time, with Branch Personnel rotating every 14 days.
• Leveraging technology to support distancing measures: Meetings and conferences were held via teleconferences and videoconferences.
• Communication with critical partners: Service providers and vendors were contacted to ensure they would be able to meet their contractual agreements.
• Use of alternative networks: Customers were directed

to alternative channels, such as web, mobile and phone banking, to reduce their visits to Branches.
All of the above demonstrate the Bank's ongoing commitment to the protection, to the maximum extent possible, of its Employees' health and safety and to the uninterrupted provision of services and information to its Customers and to the other stakeholders (e.g. Shareholders, business partners, suppliers, supervisory and State authorities etc.).

BRANCH NETWORK

Alpha Bank is successfully active in the Greek and the international banking markets through a total of 541 Branches and maintains a wide network of correspondent banks, both in Greece and abroad. At the end of 2020, the Alpha Bank Branch Network in Greece numbered 336 Branches and Customer Service Units (including five Business Centers and seven Alpha Private Bank Centers). The number of Branches in Greece was reduced by fifty-eight (58) Units compared to 31.12.2019, as a result of the merger of Alpha Bank Branches. Furthermore, in the context of a more effective management of Non-Performing Exposures, in 2020 the Bank operated twenty-two (22) Regional Retail NPE Workout Centers.
Correspondingly, the Group's International Network numbered 183 Branches, at the end of 2020, having a presence in Cyprus (Alpha Bank Cyprus Ltd: 17), in Romania (Alpha Bank Romania S.A.: 131), in Albania (Alpha Bank Albania SHA: 34) and in Luxembourg (Luxembourg Branch).
With a strong presence in both urban areas and the wider region, the Group's extensive Network allows the Bank to adapt to the ever-changing market conditions, to improve its Customer reach and to cater to the Customers' needs. In 2021, particular emphasis will be placed on further optimizing the Branch Network utilization and efficiency.

6
RISK MANAGEMENT

6 RISK MANAGEMENT

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

Risk management is essential to promote the Group's strategic, business and financial objectives, and forms an integral part of the business strategy-setting process, including the business planning process and the risk appetite policy, as it defines the maximum acceptable risk appetite regarding each type of risk. In the pursuit of its strategic business goals, the Alpha Bank Group adjusts the risk management framework regularly, to take into account new regulatory requirements, to improve the efficiency of its business activities and to ensure that risk management and the corresponding regulatory risk reports always comply with the relevant regulatory guidelines as well as with the principles of corporate governance.

The key risk categories for Alpha Bank include the following:

- Credit risk
- Market risk
- Liquidity risk
- Counterparty and country risk
- Operational risk

In order to ensure that the impact of the aforementioned risks on the Bank's and the Group's financial results, long-term strategic goals and reputation is minimized, the Group has developed mechanisms and procedures for the timely identification, measurement, monitoring and mitigation of risks as well as the assessment of their potential impact on the achievement of the objectives set.

Throughout 2020, the main objective of the Risk Management Unit was to adapt the Group's risk profile to its risk strategy, while maintaining a solid capital and liquidity position, against the backdrop of changing economic conditions, especially due to the extraordinary situation of the Covid-19 outbreak, and the continuously evolving regulatory environment.

In addition, the Bank acknowledging the potential implications of climate change in economic activity, which in turn affects the financial system, performed from October 2020 to January 2021 a self-assessment of its practices for the management of climate, environmental, social and governance risks considering the supervisory expectations for the management of these risks. The respective self-assessment was submitted to the ECB in February 2021. Currently the Bank is in the process to develop a comprehensive action plan, based on the gaps identified.

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

RISK APPETITE FRAMEWORK

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

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

The Group's risk strategy and risk management framework are organized according to the principles of three lines of defense, which have a decisive role in its effective operation.

In particular:

• The Business Units of retail, wholesale, and wealth banking and NPEs Remedial Management constitute the first line of defense and risk "ownership" which identifies and manages the risks that arise when conducting banking business.

• The risk management Unit and the compliance Unit constitute the second line of defense and they are independent from each other as well as from the first line of defense. Their function is complementary in conducting banking business of the first line in order to ensure the objectivity in the decision-making process, to measure the effectiveness of these decisions in terms of risk conditions and to comply with the existing legislative and institutional framework, by monitoring the internal regulations and ethical standards as well as the total view and evaluation of the total exposure of the Bank and the Group to risk, based on established guidelines.

• Internal Audit constitutes the third line of defense. As an independent function, it reports to the Audit Committee of the Board of Directors and audits the activities of the Bank and the Group, including the Risk Management function.

RISK MANAGEMENT GOVERNANCE

The Bank's Board of Directors ensures the Group's proper operation and organization. In accordance with the Corporate Governance Code, the Board of Directors is responsible for the approval of the risk strategy and the risk appetite of the Bank and the Group and the regular monitoring of their implementation, with the support of the Risk Management Committee.

Based on each risk appetite that it defines, the Board of Directors ensures that the levels of risk are well understood and communicated throughout the Group. The Board of Directors determines the risks that the Group may assume, the size of such risks, the limits on the Group's significant business operations and the basic principles for the calculation and measurement of these risks.

The Risk Management Committee convenes at least once a month and recommends the Board of Directors the approval of the Group's risk profile as well as the strategy on risk undertaking and risk and capital management. In accordance with the institutional framework, the Committee, taking into account the Bank's and the Group's business strategy and the sufficiency of the technical and human resources available, evaluates the adequacy and effectiveness of the risk management policies and procedures of the Bank and the Group, in terms of:

• The undertaking, monitoring and management of risks (market, credit, interest rate, liquidity, operational, concentration and other substantial risks) per category of transactions and Customers and per risk level (i.e. country, profession, activity).

• The determination of the applicable maximum risk appetite on an aggregate basis for each type of risk and the further allocation of each of these limits per country, sector, currency, business Unit, Large Exposures etc.

• Effective and timely formulation, proposal for approval to the Board of Directors and execution of the NPLs/NPEs strategy, taking into account their paramount importance as one of the single largest asset sources where a multitude of risk factors is combined.

• The establishment of stop-loss limits or of other corrective actions.

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

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

ORGANIZATIONAL STRUCTURE

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

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

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

CREDIT RISK

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

Credit risk management is conducted under the supervision of the Group's General Manager and Chief Risk Officer, by the Divisions that are responsible for setting the Group-wide credit risk appetite and policies, reviewing the approval and follow-up processes in the Business Units, conducting the quarterly process of calculating the impairment of credit exposures and monitoring and submitting regulatory and internal reports on the Group's consolidated credit portfolio, including the determination of portfolio limits for specific industries and countries. Dedicated departments develop credit rating and evaluation models in order to ensure that they are available for day-to-day credit processing at the Business Units and that they meet all regulatory and institutional requirements. The independent Risk Models Validation Division is responsible for validating the credit risk, market risk, interest rate risk, liquidity and operational risk models and methodologies.

Credit Risk Management Framework

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

The credit risk management framework evolves according to the following objectives:

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

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

During 2020, the Group acknowledging the potential Covid-19-induced risks on its asset quality and understanding that material risks may lie ahead stemming from the expiration of the Covid-19 general moratoria, has taken appropriate actions to ensure that risks are adequately reflected in all internal risk measurement and management processes. The Group has adapted its policies in order to identify, measure and monitor credit risk in the present Covid-19 environment. In that context, the Group has considered Covid-19 support measures, such as payment moratoria as well as new financing.

Main actions for reinforcing the credit risk management framework

Specifically, with main objective to further reinforce and improve the credit risk management framework the following actions have been implemented during 2020, grouped into three broad categories:

Actions addressing Covid-19 issues

• Update of Credit Policy Manuals for Wholesale Banking and Retail Banking in Greece and abroad, taking into account the supervisory guidelines for credit risk management issues, the Group's business strategy as well as the special circumstances due to the Covid-19 crisis. In that context, a Credit Policy has been developed, defining the criteria and conditions for the evaluation of new lending to enterprises and self-employed affected by the Covid-19 pandemic, while at the same time a special protection / action framework was developed to support enterprises and individuals affected by the Covid-19 pandemic, mainly concerning modifications to existing loan repayment schemes compliant with the European Banking Authority (EBA) Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the Covid-19 crisis (2020/02).

• Implementation of new financing initiatives in order to support borrowers with short-term liquidity constraints to mitigate the impact of the pandemic, based on the Bank's participation in broader government schemes.

On the Commercial side (which includes Corporates, SME and SBP), the Bank participates in government support programs for new lending targeted at corporates, medium and small businesses (Entrepreneurship Fund II "Working Capital facilities with interest subsidy by the Hellenic Development Bank", "Business Guarantee Fund Covid-19" Program of the Hellenic Development Bank).

The Bank also participates as an intermediary in other national and supranational enterprise development programs covering working capital and other credit lines (e.g. COSME and InnovFin loan guarantee facilities provided by the European Investment Fund, lending facilities in collaboration with the European Investment Bank and through NSRF 2014-2020).

These schemes allow the Bank to provide liquidity to performing borrowers at favorable financing terms, while taking on materially lower risk, thus containing the impact of the crisis on credit quality deterioration.

On the Retail side (which includes Mortgage, Consumer as well as SBP), both direct and indirect liquidity support measures have been announced by the government (government support scheme to subsidize the instalments of existing loans collateralized by a primary residence of borrowers affected by the Covid-19 crisis), in which the Bank actively participates.

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

• Update of the Credit Risk Early Warning Policy, in the context of the management actions implemented by the Bank's Business Units as well as the enrichment of the existing trigger events at borrower and portfolio level for borrowers affected by the Covid-19 pandemic crisis.

• Amendment of the Group Loan Impairment Policy, taking into consideration the EBA Guidelines "on legislative and non-legislative moratoria on loan repayments applied in the light of the Covid-19 crisis", to incorporate the Forbearance Classification, the Unlikeliness-to-pay (UTP) assessment and the identification of Default of exposures affected due to the Covid-19 effect.

• Development of a Methodological approach in order to regulate the measurement of the effects of the Covid-19 pandemic, on the expected cash flows of eligible borrowers for individual assessment, taking into account the impact of the pandemic on the risk profile of each business sector.

Actions due to the carve-out process

• Completion of the carve-out of the NPE platform and outsourcing of servicing to Cepal Hellas S.A., in the context of the Bank's Strategy Plan. From December 1, 2020, Cepal Hellas S.A. has undertaken the management of the Bank's existing and future non-performing and past due exposures.

• Update of the Bank's Credit and Arrears Committees structure, following the carve-out procedure and determination of delegation authorities to Cepal Hellas S.A. in the context of the non-performing exposures management.

• Update of the Wholesale Banking and Retail Banking Arrears and Forbearance Policies that include the policy rules and guidelines for the monitoring and management of announced exposures, as well as the framework of basic principles, rules and criteria governing the exposures

forbearance assessment.
• Update of the Group Write-off Policy regarding the write-off initiation and assessment process, due to the carve-out of the Bank's NPE platform and outsourcing of servicing to Cepal Hellas S.A.

Other actions and Programs
• Implementation and completion of a Program to ensure the Bank's compliance with the regulatory requirements deriving from the Guidelines on the application of the Definition of Default under Article 178 of Regulation (EU) No 575/2013 (EBA GL/2016/07). The Bank and the Group Companies are expected to adopt the new Definition of Default and the Materiality Threshold for credit obligations past due, as defined in the relevant European regulation applicable by January 1, 2021.
• Initiation of a Program for the compliance with the EBA Guidelines on loan origination and monitoring (EBA/GL/2020/06). The guidelines are applicable from June 30, 2021 and apply to institutions' internal governance arrangement and procedures in relation to credit-granting processes, and throughout the life cycle of credit facilities. Furthermore, these guidelines apply to the risk management practices, policies, processes and procedures for loan origination and monitoring of performing exposures, and their integration into the risk management frameworks.
• Establishment of the Concentration Risk and Credit Threshold Policy which includes the principles and procedures that the Bank follows so as to manage the concentration risk, at Sector and Borrower/ Group of Borrowers level. Credit risk limits are set and monitored, defining the Bank's Credit Risk Appetite, for its aggregate credit risk, as well as for portfolios with shared credit risk characteristics, sub-portfolios and individual borrowers/ group of borrowers.
• Update of the Group Loan Collateral Policy, in order to enhance the collateral, and especially property, revaluation framework.
• Update of the Group credit risk models development Framework to align with the current regulatory expectations and international practices.
• Development, re-development and calibration of the credit risk models in order to ensure the accuracy of the estimations and the alignment with the current regulatory requirements.
• Development of the Group IRRBB validation Policy and validation of the Interest rate risk in the Banking book methodologies used in Internal Capital Adequacy Assessment Process ICAAP.
• Periodic stress test exercises as a tool for assessing the impact of various macroeconomic scenarios on business strategy formulation, business decisions and the Group's capital position. Crisis simulation exercises are conducted in accordance with the requirements of the supervisory framework and constitute a key component of the Group's credit risk management strategy.
• Validation of the Credit Risk Models, based on the approved time plan and the principles described in the "Credit Risk Models Validation Framework".
• Ongoing validation of the risk models in order to ensure their accuracy, reliability, stability and predictive capacity. More specifically:

- Validation of the market risk internal model and compliance with the Targeted Review of Internal Models (TRIM) recommendations.
- In line with the Liquidity Validation Policy, a regular internal review has been performed on risk quantitative models and stress testing assumptions used for internal liquidity risk management, in the framework of the Internal Liquidity Adequacy Assessment Process (ILAAP) and Recovery Plan.
- Operational risk model validation, used in the framework of the Pillar II Internal Capital Adequacy Assessment Process (ICAAP).
- Validation of internal prediction Net Fee and Commission Income (NFCI) models, for the purposes of the European Banking Authority (EBA) stress test exercise.
- Validation of methods underlying the computation of counterparty credit risk measures and valuation adjustments (Bilateral Credit Valuation Adjustment - BCVA) for OTC derivatives.
• Development of a unified Individual Impairment Methodology, determining the methodological tools to be used by the participating Units in the individual impairment process in order to estimate the expected cash flows of eligible borrowers for individual assessment.

Additionally, in order to enhance and develop the internal credit risk management system, the following actions are in progress:
• Continuous upgrade of databases for performing statistical tests in the Group's credit risk rating models.
• Upgrade and automation of the aforementioned process in relation to the Wholesale and Retail banking by using specialized statistical software.
• Reinforcing the completeness and quality control mechanism of crucial fields of Wholesale and Retail Credit for monitoring, measuring and controlling credit risk.
• A project for the transition from the existing Rating Systems to the new Group Credit Rating Platform.

Loans and advances to Customers

At the end of 2020, the Non-Performing Loans of the Group reached Euro 14.6 billion and the Non-Performing Loans Ratio stood at 29.8% compared to Euro 14.7 billion and 30.1% respectively at the end of 2019.

At the end of 2020, the Non-Performing Exposures (NPEs) of the Group reached Euro 20.9 billion and the Non-Performing Exposures Ratio stood at 42.5% compared to Euro 21.8 billion and 44.8% respectively at the end of 2019.

The Group Total Provisions Stock reached Euro 9.7 billion at the end of December 2020 and the Non-Performing Loans Coverage Ratio stood at 66.7%, compared to 64.6% in 2019, while the cash coverage for NPEs stood at 46.6%, compared to 43.4% in 2019.

On 31.12.2020, the Group's forborne outstanding loans stood at Euro 16.75 billion with a total collateral value of Euro 10.4 billion.

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

TABLE 1
LOANS BY IFRS 9 STAGE (PAST DUE AND NOT PAST DUE)
(IN EURO THOUSAND)

	Loans measured at fair value through profit or loss (FVPL)					
	Not past due	Past due	Net carrying amount	Value of collateral	Not past due	Past due
Retail lending	0	0	0	0	7,116,252	307,666
Mortgage	0	0	0	0	5,052,326	253,965
Consumer	0	0	0	0	663,648	38,989
Credit cards	0	0	0	0	745,794	8,646
Small business	0	0	0	0	654,485	6,065
Corporate lending	240,402	80,480	320,882	252,848	12,805,361	187,701
Large	240,163	75,654	315,817	252,570	7,969,212	57,684
SME's	239	4,826	5,065	278	4,836,149	130,017
Public sector	0	0	0	0	78,127	747
Greece	0	0	0	0	42,296	747
Other Countries	0	0	0	0	35,830	0
Total	240,402	80,480	320,882	252,848	19,999,740	496,114

	Stage 3				
	Not past due	Past due	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount
Retail lending	2,003,394	8,507,050	10,510,445	4,472,441	6,038,004
Mortgage	1,130,210	4,699,193	5,829,402	1,991,503	3,837,899
Consumer	349,630	1,444,680	1,794,310	1,111,188	683,122
Credit cards	12,701	217,423	230,124	142,800	87,323
Small business	510,854	2,145,755	2,656,609	1,226,950	1,429,659
Corporate lending	1,353,729	3,698,267	5,051,996	2,497,120	2,554,876
Large	625,345	1,636,518	2,261,863	1,053,738	1,208,125
SME's	728,384	2,061,748	2,790,133	1,443,382	1,346,751
Public sector	920	884	1,804	746	1,058
Greece	920	884	1,804	746	1,058
Other Countries	0	0	0	0	0
Total	3,358,044	12,206,201	15,564,245	6,970,307	8,593,938

31.12.2020							
Loans measured at amortised cost							
Stage 1			Stage 2				
Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount	Not past due	Past due	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount
7,423,918	25,957	7,397,961	3,781,710	648,187	4,429,897	290,114	4,139,783
5,306,291	4,309	5,301,982	2,421,601	507,996	2,929,597	116,168	2,813,428
702,637	6,443	696,194	427,169	65,561	492,730	82,957	409,772
754,441	11,453	742,988	109,225	45,364	154,589	32,762	121,827
660,549	3,753	656,797	823,715	29,267	852,982	58,226	794,756
12,993,063	69,138	12,923,924	1,682,975	107,571	1,790,546	51,636	1,738,909
8,026,896	48,886	7,978,010	1,171,031	60,940	1,231,971	38,053	1,193,919
4,966,167	20,252	4,945,915	511,943	46,631	558,574	13,584	544,991
78,873	465	78,408	339	146	485	18	467
43,043	253	42,790	0	146	146	0	146
35,830	212	35,619	339	0	339	18	321
20,495,854	95,560	20,400,294	5,465,024	755,905	6,220,928	341,768	5,879,160

31.12.2020						
Loans measured at amortised cost						
Purchased or originated credit impaired loans (POCI)					Total net carrying amount at amortises cost	Value of collateral
Not past due	Past due	Carrying amount (before provision for impairment losses)	Expected credit losses	Net carrying amount		
1,618,635	3,446,943	5,065,578	1,668,277	3,397,302	20,973,049	17,672,580
1,004,276	1,938,229	2,942,506	716,276	2,226,230	14,179,540	13,928,450
405,250	791,618	1,196,868	519,782	677,086	2,466,174	1,120,501
2,534	41,119	43,653	31,560	12,092	964,230	14,305
206,575	675,977	882,552	400,659	481,893	3,363,105	2,609,323
415,883	641,185	1,057,068	535,669	521,400	17,739,110	13,462,572
305,012	171,070	476,083	156,822	319,261	10,699,314	7,970,331
110,870	470,115	580,985	378,846	202,139	7,039,795	5,492,241
0	59	59	54	4	79,938	43,902
0	59	59	54	4	43,998	36,659
0	0	0	0	0	35,940	7,243
2,034,518	4,088,187	6,122,705	2,204,000	3,918,706	38,792,097	31,179,054

TABLE 2
AGEING ANALYSIS OF LOANS BY IFRS 9 STAGE AND PRODUCT LINE OF LOANS

(IN EURO THOUSAND)

	31.12.2020								
	Loans measured at fair value through profit or loss (FVPL)								
	Retail lending				Corporate lending		Public sector		Total
	Mortgage loans	Consumer	Credit cards	Small business	Large corporate	SME's	Greece	Other countries	
Current	0	0	0	0	240,163	239	0	0	240,402
1 - 30 days	0	0	0	0	15,683	0	0	0	15,683
31 - 60 days	0	0	0	0	0	4,343	0	0	4,343
61 - 90 days	0	0	0	0	0	0	0	0	0
91 - 180 days	0	0	0	0	0	0	0	0	0
181 - 360 days	0	0	0	0	1,807	0	0	0	1,807
> 360 days	0	0	0	0	58,164	483	0	0	58,648
Total	**0**	**0**	**0**	**0**	**315,817**	**5,065**	**0**	**0**	**320,882**
Value of collaterals	0	0	0	0	252,570	278	0	0	252,848

	31.12.2020									
	Loans measured at amortised cost									
	Retail lending									
	Mortgage loans					Consumer				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
Current	5,048,677	2,323,193	984,031	909,939	9,265,839	658,033	354,475	200,027	323,652	1,536,187
1 - 30 days	253,306	274,815	154,218	111,178	793,516	38,160	32,186	25,467	14,477	110,290
31 - 60 days	0	112,873	96,136	56,196	265,205	0	14,125	17,797	9,305	41,227
61 - 90 days	0	102,547	189,690	100,640	392,877	0	8,987	8,697	4,410	22,094
91 - 180 days	0	0	83,993	23,767	107,761	0	0	24,977	8,057	33,034
181 - 360 days	0	0	99,062	35,591	134,653	0	0	38,566	8,909	47,475
> 360 days	0	0	2,230,769	988,920	3,219,689	0	0	367,591	308,277	675,867
Total	**5,301,982**	**2,813,428**	**3,837,899**	**2,226,230**	**14,179,540**	**696,194**	**409,772**	**683,122**	**677,086**	**2,466,174**
Value of collaterals	4,996,702	2,600,966	4,079,225	2,251,556	13,928,450	229,858	108,132	310,310	472,201	1,120,501

	31.12.2020									
	Loans measured at amortised cost									
	Retail lending									
	Credit cards					Small business				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
Current	734,688	87,247	6,515	1,772	830,221	650,845	767,345	421,802	178,954	2,018,946
1 - 30 days	8,300	24,141	1,144	315	33,900	5,952	19,601	11,702	3,913	41,169
31 - 60 days	0	6,839	2,957	366	10,163	0	5,179	10,823	3,345	19,348
61 - 90 days	0	3,599	2,400	233	6,233	0	2,630	6,496	1,876	11,002
91 - 180 days	0	0	4,213	159	4,372	0	0	14,405	1,629	16,034
181 - 360 days	0	0	20,441	1,949	22,390	0	0	14,862	1,823	16,685
> 360 days	0	0	49,653	7,299	56,952	0	0	949,569	290,353	1,239,922
Total	**742,988**	**121,827**	**87,323**	**12,092**	**964,230**	**656,797**	**794,756**	**1,429,659**	**481,893**	**3,363,105**
Value of collaterals	1,722	67	12,482	35	14,305	384,285	552,326	1,292,925	379,788	2,609,323

	31.12.2020									
	Loans measured at amortised cost									
	Corporate lending									
	Large corporate					SME's				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
Current	7,920,488	1,133,821	436,520	260,265	9,751,094	4,817,542	499,679	534,088	64,228	5,915,537
1 - 30 days	57,522	33,386	139,181	17,056	247,145	128,361	36,880	202,547	13,469	381,256
31 - 60 days	0	18,102	2,250	0	20,352	12	5,217	29,097	3,920	38,246
61 - 90 days	0	8,610	20,393	0	29,003	0	3,215	27,495	2,473	33,183
91 - 180 days	0	0	14,461	0	14,461	0	0	41,779	1,926	43,705
181 - 360 days	0	0	101,841	0	101,841	0	0	23,565	2,041	25,606
> 360 days	0	0	493,481	41,940	535,420	0	0	488,180	114,082	602,262
Total	**7,978,010**	**1,193,919**	**1,208,125**	**319,261**	**10,699,314**	**4,945,915**	**544,991**	**1,346,751**	**202,139**	**7,039,795**
Value of collaterals	5,268,379	969,808	1,442,660	289,484	7,970,331	3,211,503	461,111	1,592,038	227,589	5,492,241

	31.12.2020									
	Loans measured at amortised cost									
	Public sector									
	Greece					Other countries				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
Current	42,044	0	724	0	42,768	35,619	321	0	0	35,940
1 - 30 days	746	0	0	0	746	0	0	0	0	0
31 - 60 days	0	0	0	0	0	0	0	0	0	0
61 - 90 days	0	146	0	0	146	0	0	0	0	0
91 - 180 days	0	0	0	0	0	0	0	0	0	0
181 - 360 days	0	0	0	0	0	0	0	0	0	0
> 360 days	0	0	333	4	338	0	0	0	0	0
Total	**42,790**	**146**	**1,058**	**4**	**43,998**	**35,619**	**321**	**0**	**0**	**35,940**
Value of collaterals	35,743	146	770	0	36,659	6,904	339	0	0	7,243

MARKET RISK

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

1. Trading Book

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

• Maintain market risk within the limits, in line with the Group's risk appetite
• Reduce the risk of fraud or regulatory non-compliance by prescribing sound methodologies
• Ensure adequate controls to prevent significant losses
• Facilitate efficient decision-making by quantifying where possible the probabilities of failing to achieve earnings or other targets

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

In order to calculate the one-day VaR for the Bank's trading book, historical data of two years and a 99% confidence level are used. Table 3 shows the VaR calculated for the

TABLE 3
TRADING BOOK VAR

	2020					2019
(in Euro)	Foreign Exchange Risk	Interest Rate Risk	Price Risk	Covariance	Total	Total
31 December	2,669,548	4,212,418	13,943	-2,243,487	4,652,422	3,133,774
Average daily value (annual)	2,334,525	4,294,868	21,693	-1,987,989	4,663,097	2,415,129
Maximum daily value (annual)	2,782,449	4,985,643	0	-2,130,660	5,637,432	3,226,695
Minimum daily value (annual)	1,786,471	3,317,572	38,585	-2,011,525	3,131,103	1,727,585

Bank's trading book during 2020. The Group Companies have very low exposure and limits for the trading book and, consequently, market risk exposure is immaterial.
In addition to applying the VaR methodology for the measurement of the trading book's market risk, the book's behavior is also tested against hypothetical changes in market parameters (scenarios) and extreme parameter changes noted in the past (stress-testing).
In 2008, the Bank of Greece validated the internal model used and further approved its application to calculate the trading book capital requirements. Since 31.12.2011, stressed VaR has been calculated along with VaR, in order to estimate capital requirements for general market risk. Following the incorporation of Emporiki Bank's positions in the Bank's portfolios during 2013, the Bank of Greece revalidated the application of the internal model by Alpha Bank, in order to measure the market risk capital requirements. In 2018, the Bank's internal model was subjected to Targeted Review of Internal Models (TRIM) by the Single Supervisory Mechanism focusing on procedures, the market risk management framework and the capital requirement calculation.
As part of the financial risk management policy implemented by the Assets-Liabilities Management Committee (ALCo), maximum exposure stop-loss and VaR limits have been set for products comprising trading and investment positions, taking into account the current Group needs and market conditions.
The Bank uses a dedicated system to monitor and examine in real time the exposure and stop-loss limits of the Athens trading and investment positions regarding the corresponding limit utilization and limit excess. The local Risk Management Units monitor the investment limits set for the corresponding Units abroad, on a daily and intra-day basis. The relevant results are consolidated on a daily basis in order to examine the utilization and excess of the Group investment limits. The corresponding VaR limits are monitored and examined on a daily basis as well.
The Bank uses a dedicated system to provide the risk and return analysis in scope of the Bank's compliance with Regulation (EU) No 2017/653 on Key Information Documents for Packaged Retail and Insurance-based Investment Products (PRIIPs KIDs).
During 2020, the Group risk tolerance and risk capacity for banking book bond portfolios were reviewed in order to accommodate business needs and the increased bond price volatility observed in the markets. During March 2020, four overshootings were identified in the context of the market risk internal model's backtesting and were communicated to the regulatory authorities. Following the further analysis that was provided, permission was granted to exclude these overshootings from the calculation of the addend for the purpose of own funds requirements calculation for market risk, because they were due to the advent of the Covid-19 outbreak and the ensuing high market volatility.

2. Banking Book Financial Risks

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

a. Exchange rate risk

The General Management sets limits on the open foreign exchange position for the total position as well as for each currency. The total position is calculated by adding the current position for the balance sheet items to the forward position held on derivatives (Table 4).

TABLE 4
FOREIGN EXCHANGE POSITION OF ALPHA BANK GROUP 31.12.2020

(in Euro million)	USD	GBP	CHF	JPY	RON	RSD	Other FC	EUR	Total
Assets	2,431.7	583.7	977.8	18.4	1,889.1	0.1	292.1	63,863.8	70,056.7
Liabilities	2,282.8	280.4	416.1	4.4	1,310.9	0.0	427.9	57,001.0	61,723.5
Net Balance Sheet Position	148.9	303.3	561.6	14.0	578.2	0.1	-135.7	6,862.8	8,333.2
Derivatives Forward Foreign Exchange Position	-106.5	-279.5	-256.3	-14.0	-475.0	0.0	182.5	933.6	-15.1
Total Foreign Exchange Position	42.4	23.8	305.3	0.1	103.2	0.1	46.7	7,796.4	8,318.0

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

b. Interest rate risk

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

• Gap risk arises from the term structure of banking book instruments and describes the risk arising from the timing of instruments' rate changes.

• Basis risk describes the impact of relative changes in interest rates for financial instruments that have similar tenors but are priced using different interest rates indices (bases).

• Option risk arises from option derivative positions or from optional elements embedded in a bank's assets, liabilities and/or off-balance sheet items, where the Bank or the Customer can alter the level and timing of the cash flows.

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

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

• Gap analysis for each currency

• Stress Scenario analysis for each currency.

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

Table 5 presents the Interest Rate Gap Analysis of the Group balance sheet as of 31.12.2020.

TABLE 5
ALPHA BANK GROUP
INTEREST RATE GAP ANALYSIS 31.12.2020

(in Euro million)	< 1 Month	1 to 3 Months	3 to 6 months	6 to 12 months	1 to 5 Years	> 5 Years	Non-Interest bearing	Total
Assets	24,835.8	8,681.7	4,109.6	1,881.6	11,748.7	9,397.9	9,405.7	70,061.0
Liabilities	12,833.1	6,606.6	4,255.6	4,510.9	25,298.3	6,424.3	1,794.7	61,723.5
Equity	0.0	0.0	0.0	0.0	0.0	0.0	8,337.5	8,337.5
Total Liabilities and Equity	12,833.1	6,606.6	4,255.6	4,510.9	25,298.3	6,424.3	10,132.1	70,061.0
Gap	12,002.7	2,075.2	-146.0	-2,629.3	-13,549.7	2,973.6	-726.5	0.0
Cumulative Gap	12,002.7	14,077.9	13,931.9	11,302.6	-2,247.1	726.5	0.0	0.0

TABLE 6
NET INTEREST INCOME AND EQUITY SENSITIVITY

(in Euro million)

Interest rate changes scenarios (parallel yield curve shift)	Net Interest Income Sensitivity (for one year period)	Equity Sensitivity
Parallel shift of +200bps	31	240
Parallel shift of -200bps	-73	1,180
Steepening	-47	-211
Flattening	-7	566
Short Rates Up	27	398
Short Rates Down	-85	-33
Long Rates Up	-4	-148
Longt Rates Down	0	607

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

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

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

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

Table 6 presents the change on both the NII and EVE, following the implementation of the stress scenarios on the market yield curves, as of 31.12.2020.

During 2020, the interest rate risk of the banking portfolio remained at low levels without any limits being exceeded in terms of Net Interest Income and Economic Value of Equity. Furthermore, the limited use of the Economic Value Limit of each Group Company did not realize any limit breach.

The system used for IRRBB analysis is Fiserv Data Management and Risk Manager system with Market & Operational Risk Division to have its operational responsibility. During 2020, Alpha Bank finalized the User Acceptance Test of the system upgraded version which is on production from January 2021 data. Furthermore, the automated process of inclusion foreign Subsidiaries was completed for Alpha Bank Cyprus & SPV's. The UAT is still in progress for Alpha Bank Romania, while it is expected to be finished till the Q2 2021 with the support of the IT Applications Division. This will result in better data quality for the subsidiaries due to the automated incorporation of their data into the aforementioned system.

The analysis of the Balance Sheet in the upgraded Assets and Liabilities risk monitoring application is still with regard to the loan differentiation by distinguishing those that are measured at amortized cost and those that are measured at fair value through profit and loss, according to IFRS 9 and the respective risk parameters (perimeter, yield curves, discount spread). The banking portfolio net interest income and fair value are estimated based on the EBA Guidelines on the management of interest rate risk arising from non-trading book activities (July 2018) with the aim of monitoring the short-term and the medium-to-long-term interest rate risk in terms of Earning at Risk (EaR) and Economic Value of Equity (EVE). IRRBB stress scenarios results are implemented, monitored and presented, on a monthly basis, to the Risk Management Committee as well as to the Assets-Liabilities Management Committee.

LIQUIDITY RISK

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

During 2020, the deposit gathering campaigns during the year for the offer of new improved products have led to an increase of Customer deposits both at Bank and at Group level. Thus, on 31.12.2020 the Bank's deposits increased by Euro 3.61 billion, almost 10.49% compared to 31.12.2019. Correspondingly, the Group's deposits increased by 8.9% (Euro 3.59 billion). The above amounts include Greek Government deposits, which decreased from Euro 0.9 billion on 31.12.2019 to Euro 0.4 billion on 31.12.2020.

On 7.4.2020 and on 22.4.2020, the European Central Bank announced a broad set of policy measures, in order to mitigate the economic impact of the coronavirus pandemic. Among these measures was the waiver to accept Greek sovereign debt instruments as collateral in Eurosystem credit operations. Greek Treasury Bills and Greek Government Bonds, are eligible to be used as collateral for ECB financing, even though they do not meet minimum ECB rating requirements. According to the ECB, this measure recognizes the recent progress achieved by the Hellenic Republic and the Greek banking system from the economic fallout of the pandemic, and helps funding access across the Euro area.

Alpha Bank participated in the TLTRO program which provides long term funding at -1% interest rate. The Bank's financing from the Eurosystem, which stood at Euro 11.9 billion on 31.12.2020, significantly increased compared to 31.12.2019. This increased access to ECB funding, led to a decrease of the more expensive interbank repurchase agreements (repos) by Euro 5.84 billion. Through the TLTRO, the Bank managed to increase the duration of its funding.

During 2020, the Bank reviewed, in the context of Pillar II requirements, both the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP). Furthermore, in the second semester of 2019, the Bank reviewed the policies and procedures of the Recovery Plan, along with the policies and procedures of the liquidity stress test scenarios. At the same time, all the Bank Subsidiaries have reviewed both the Contingency Funding Plans and the Recovery Plans.

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

The interbank financing (short, medium to long-term) and the Early Warning Indicators of the Bank and of the Group Companies are monitored on a daily basis, with reports and checks, in order to capture daily variations.

Stress tests are conducted monthly and sometimes more frequently for liquidity purposes, in order to assess potential outflows (contractual or contingent). The purpose of this process is to determine the level of the immediate

TABLE 7
ALPHA BANK GROUP
LIQUIDITY GAP ANALYSIS 31.12.2020

(in Euro million)	< 1 Month	1 to 3 Months	3 to 6 months	6 to 12 months	> 1 Year	Total
Assets	18,686.8	1,576.6	1,948.0	6,745.9	41,103.7	70,061.0
Liabilities	10,128.3	6,393.0	4,493.0	4,888.7	35,820.6	61,723.5
Equity	0.0	0.0	0.0	0.0	8,337.5	8,337.5
Total Liabilities and Equity	10,128.3	6,393.0	4,493.0	4,888.7	44,158.1	70,061.0
Gap	8,558.6	-4,816.4	-2,545.0	1,857.2	-3,054.4	0.0
Cumulative Gap	8,558.6	3,742.2	1,197.2	3,054.4	0.0	0.0

liquidity available in order to cover the Bank's needs. These exercises are carried out in accordance with the approved Liquidity Buffer and Liquidity Stress Scenarios Policy of the Group.
An important liquidity risk monitoring tool that Alpha Bank employs on a monthly basis is the Liquidity Gap Analysis for each currency to which it is exposed at Bank and Group level. According to the Liquidity Gap Analysis, cash flows arising from all assets and liabilities are estimated and allocated into time buckets based on their maturity date, with the exception of the accounts without contractual maturity (e.g. demand Customer deposits, rollover working capital loans etc.) which are allocated to time buckets according to a statistical model that takes into consideration the behavioral analysis of the respective accounts. Table 7 presents the Liquidity Gap Analysis at Group level as of 31.12.2020.

COUNTERPARTY AND COUNTRY RISK

Counterparty risk is the risk of a counterparty defaulting before the final settlement of all existing transactions' cash flows against the Group. An economic loss would occur if the portfolio of transactions with the counterparty had a positive economic value to the Group at the time of the counterparty's default.
Country risk is the collection of risks associated with investing in a country. Risk per country may either be direct (including exposure to the Central Government, public utility companies, local authorities and the Central Bank), indirect (referring to funding Group Units' operations in the country) or related to the country's banking and private sector.
The monitoring and the examination of counterparty limit utilization and limit excess are carried out in real time using a dedicated system for the Bank, Alpha Bank London Ltd and Alpha Bank Romania S.A. As far as the other Group Companies are concerned, it is carried out on a daily basis.
Country risk is monitored across all countries where the Group operates, irrespective of whether it has an actual presence. Furthermore, according to the relevant policies and procedures, certain interbank counterparty and country factors, e.g. credit rating, bond credit spread, etc., are monitored on a regular basis, since their change may trigger the review of the corresponding limits.
Derivatives transactions with Customers are taken into account when considering the total exposure against them and the establishment of credit limits per Customer. The corresponding limits for derivatives transactions are monitored and examined on a regular basis for the limit utilization and any limit excess.
The Bank uses a dedicated system in order to quantify the credit valuation adjustment for the derivatives portfolio (Bilateral Credit Valuation Adjustment - BCVA). The methodology applied is Monte Carlo simulation, which takes into consideration market observable data, such as Credit Default Swap (CDS) spreads or the output of the Bank's internal models. The credit valuation adjustment for the derivatives portfolio is performed on a monthly basis and affects the fair value of the transactions. According to best practices, the BCVA model is validated by an independent Bank unit.
The system used for BCVA calculation is also used to calculate the Potential Future Exposure for Customer derivatives, which depends on the derivative's type, their nominal value and the remaining time to maturity.
The Bank uses a dedicated system to measure the Expected Credit Loss (ECL) for Treasury Products on a daily basis.
During 2020, the counterparty credit manual for treasury positions and country risk exposure manual was updated. Furthermore, a dedicated counterparty credit manual was developed regarding exposure towards the Hellenic Republic and Related Parties in order to address business needs and regulatory requirements.

OPERATIONAL RISK

Operational risk is the risk of loss from inadequate or failed internal processes and IT systems, people (intentionally or unintentionally) and external events. Operational risk also includes legal risk.
The Group has adopted the Standardized Approach for the operational risk capital calculation and fulfills all quality requirements set therein. In particular, for the effective management of operational risk, the Group has adopted and implements an appropriate Operational Risk Framework, which pertains to the following issues:
• The collection and management of operational risk events, including lawsuits filed against the Group.
• The operational risk identification and assessment, performed through various operational risk assessment processes.
• The operational Key Risk Indicators' (KRIs) development and monitoring.
• The operational risk reporting.
• The introduction of operational risk mitigation techniques, which concern the implementation of action plans that improve the current internal control system as well as the purchase of Insurance Policies against specific risks.
• The coordination of the management of specific insurance policies, namely the Bankers Blanket Bond (Crime Bond and Civil Liability), the Directors and Officers (including the Run Off Policy) and the Cyber Risk policy.
• The calculation of capital requirements for operational risk.
The Framework is continuously reviewed and various initia-

tives have been introduced aiming at its improvement. It is supported by an appropriate organizational structure with clear roles and responsibilities under the core assumption that the prime responsibility for operational risk management remains with all the Units of the Bank and the Group Companies.
During 2020, the Group progressed the project for the establishment of a new Operational Risk system infrastructure. The management of Operational Risk Events, as well as all other Operational Risk areas (Risk Assessments, Controls monitoring via Key Risk Indicators, Action Plans, Model Risk Assessment, etc.) will be managed and monitored by the new system upon its completion.
The Group finalized its Model Risk Framework, performed a Model Risk Assessment and further improved the Operational Risk Appetite Framework through the introduction of additional Key Risk Indicators for the monitoring of Conduct, Compliance and Fraud Risk.
All Policy and Procedures manuals were updated. Furthermore, the composition and functions of the Operational Risk and Internal Control Committee was performed and a subsequent Act issued.
Additional improvements in the Operational Risk Framework are scheduled to take place within 2021 through the further enhancements of assessments' methodologies and automation of control monitoring mechanisms, namely the Key Risk Indicators and the Action Plans.

7
CAPITAL ADEQUACY

7 CAPITAL ADEQUACY

CAPITAL ADEQUACY RATIOS

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

• Pillar I, which specifies the calculation of minimum capital requirements. The Bank submits to the SSM, through the Bank of Greece, the reports pertaining to its capital requirements on a solo and a consolidated basis, in accordance with the Implementing Technical Standards developed by the European Banking Authority (EBA).

• Pillar II, which sets the principles, criteria and processes required to assess capital adequacy and the risk management systems of credit institutions.

• Pillar III, which aims at increasing transparency and market discipline and sets the requirements concerning the disclosure of key information regarding the exposure of financial institutions to fundamental risks as well as the disclosure of the processes applied to manage the said risks.

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

The Capital Adequacy Ratio compares the Group's regulatory capital with the risks assumed by the Group (Risk Weighted Assets). Regulatory capital includes Common Equity Tier 1 (CET1) capital (share capital, reserves, minority interests), additional Tier 1 capital (hybrid securities) and supplementary Tier 2 capital (subordinated debt). Risk Weighted Assets include the credit risk of the banking book, the market risk of the trading book and operational risk.

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

• Besides the 8% Capital Adequacy Ratio limit, there are limits of 4.5% for the Common Equity Tier 1 (CET1) ratio and 6% for the Tier 1 ratio.

• The maintenance of capital buffers additional to the Common Equity Capital is required. In particular:

• A capital conservation buffer of 2.5%.

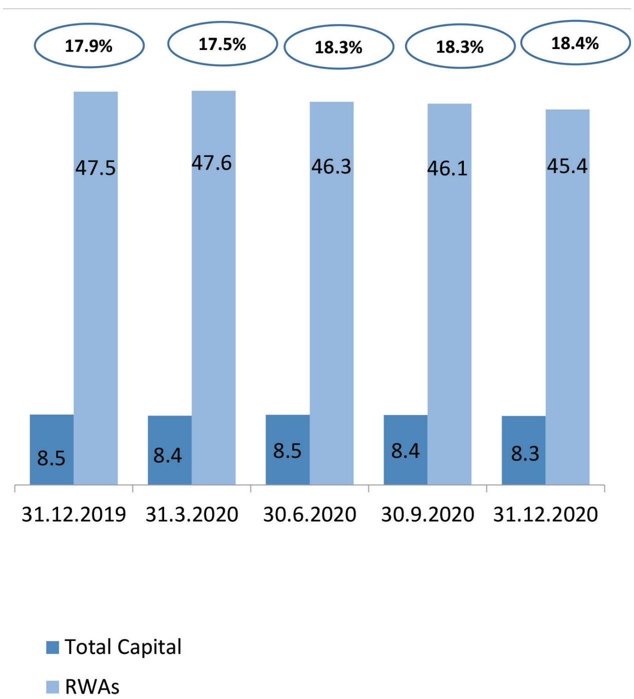
• The Bank of Greece through Executive Committee Acts set the following capital buffers:

- A countercyclical capital buffer rate for the year 2020 standing at "zero per cent".
- Another Systemically Important Institution (O-SII) buffer standing at 0.5% for 2020, which will gradually rise to "one percent" (1%) until 1.1.2023.

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

Capital Adequacy Ratios	31.12.2020	31.12.2019
CET 1 Ratio	17.3%	17.9%
Tier 1 Ratio	17.3%	17.9%
Capital Adequacy Ratio (Tier 1 + Tier 2)	**18.4%**	**17.9%**

The above ratios include the audited year end profits.



On 28 December 2020, the ECB informed Alpha Bank that since January 31, 2021 the minimum limit for the Overall Capital Requirement (OCR) remains unchanged from 2020 at 14%. The OCR is composed by the minimum own funds requirements (8%), according to article 92(1) of the CRR, the additional Pillar II own funds requirements (P2R), according to article 16(2) (a) of the Regulation 1024/2013/EU which corresponds to 3%, and the combined buffer requirements (CBR), according to article 128(6) of the Directive 2013/36/EU which correspond to 3%. The above minimum ratio should be maintained on a phase-in basis under applicable transitional rules of the CRR/CRD IV, at all times.

On February 13 2020, Alpha Bank issued a Euro 500 million, Tier 2 bond with 10-year maturity callable after 5 years at a yield of 4.25%, listed on the Luxembourg Stock Exchange.

On March 4 2021, Alpha Bank placed a Euro 500 million, Tier 2 bond aiming to maintain strong capital ratios and ample buffers over requirements. The subordinated bond has a 10.25-year maturity and is callable anytime between year 5 and year 5.25 with a coupon of 5.5%. The bond is listed on the Luxembourg Stock Exchange – EuroMTF Market.

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

As per the announced regulatory measures by the European Banking Authority (EBA) and the ECB, in view of the Covid-19 outbreak, it was decided that European banking institutions can temporarily deviate from the minimum capital regulatory thresholds.

Both the ECB and the SSM took measures, to tackle the Covid-19 pandemic, in order for them to continue to finance the economy and fulfil their role.

Specifically, on March12, the ECB and the EBA announced the following relaxation of measures for the minimum capital requirements for Banks in the Eurozone:

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

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

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

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

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

STRESS TEST

The EU-wide stress test is primarily focused on the assessment of the impact of risk drivers on the solvency of banks. Banks are required to stress a common set of risks (credit risk -including securitizations- market risk and counterparty credit risk, operational risk -including conduct risk). The EU-Stress Test is a biannual exercise. However due to the outbreak of the Covid-19 (Coronavirus) and its global spread, the EBA decided to postpone until 2021 the EU-wide Stress Test Exercise of 2020 to allow banks to focus on and ensure continuity of their core operations.

For 2020, the EBA carried out an additional EU-wide transparency exercise in order to provide updated information on banks' exposures and asset quality to market participants. On 21.12.2020, the SSM announced that the EU-wide Stress Test is to be launched in January 29 2021 and its results will be published at the end of July 2021.

Liquidity

The Group calculates the Liquidity Coverage Ratio and Net Stable Funding Ratio on a monthly and quarterly basis respectively as defined by Regulation (EU) 575/2013. Both ratios (LCR and NSFR) exceeded the minimum acceptable supervisory threshold (100%) with Liquidity Coverage Ratio reaching 151%. This is attributed to the increase in Customer deposits, improved access to interbank markets, the issuance of Tier 2 bonds in February 2020 as well as, the increase in long-term lending through the Eurosystem (TLTRO-III).

More specifically, during 2020 in liabilities side the balance of Liabilities to Credit Institutions amounted to Euro 13.1 billion, increased by Euro 2.8 billion or by 27.7% compared to 31.12.2019, as within the year 2020 the Bank subscribed to the ECB's Targeted Long Term Refinancing Operations (TLTRO III) raising funding of Euro 11.9 billion with three-year maturities, and replaced its previous funding from the Eurosystem while reducing its repo funding. Customer deposits amounted to Euro 43.8 billion, increased by Euro 3.5 billion or by 8.6% compared to 31.12.2019. In addition, during 2020, the Bank issued under the Euro Medium Term Note Program a subordinated debt of nominal value Euro 0.5 billion.

8

CYBERSECURITY AND INFORMATION SECURITY-PERSONAL DATA PROTECTION

8

CYBERSECURITY AND INFORMATION SECURITY-PERSONAL DATA PROTECTION

CYBERSECURITY AND INFORMATION SECURITY

The Cybersecurity and Information Security Division (CISD) is responsible for the development, implementation, maintenance and monitoring of the Cybersecurity and information security Policy, principles, processes and mechanisms, as well as the management of Cybersecurity and Information Security at Group level in accordance with the Group's operational objectives and the regulatory framework.
The Division manages the organization, projects and infrastructure that are required for the efficient and effective management of the Group's Cybersecurity and Information Security posture.
In 2020, the Cybersecurity and Information Security Division completed its initial three-year Strategic Plan (2018-2020), which was based on a formal Cybersecurity Maturity Assessment process. This process produced the current maturity score in 17 Security Domains/areas and set the target score for the three-year period, which was also the main driver for the strategic projects and initiatives to achieve this target score. The projects/initiatives were designed to introduce new, adapt or improve on existing functions, processes and technologies so as to improve the overall Cybersecurity maturity and posture, while achieving alignment with the Business Strategy. The Plan covered Governance, Organizational and Technical areas and implementation is monitored and reported to the Audit, Risk and Executive Committees.
The Division continues to use the same methodology for maturity assessment, however with a new model which is more granular (32 Security Domains) and is supported by a software platform with continuous updates for peer benchmarking as well as the current threat landscape. This model is used for the 2021-2023 Cybersecurity Strategic Plan.
In 2020, the Division participated and/or managed 41 Initiatives and Projects as part of the 2018-2020 Strategic Plan and handled 119,899 requests for various Cyber-related services.
CISD covered the information security aspects for Corporate Transformation projects, the de-merger (hive-down) and the transfer of the banking business sector to a new 100% subsidiary credit institution, as well as the carve-out process of the Bank's NPE Management Operations to Cepal. In addition, CISD participated in Strategic IT projects, including activities required to cover business requirements and regulatory/supervisory requirements. Due to Covid-19 physical attendance restrictions, the CISD was instrumental in the implementation of the required Teleworking environment and the expanded online presence of the Bank.
From a Governance and Compliance standpoint, the Division extended its ISO27001 certification scope to include

IT Operations resulting in a successful re-certification (Bureau Veritas). A significant consolidation effort was completed for mutual alignment with the ISO20000 IT Service Management System processes to include Cybersecurity functions and collaboration. The Division was also audited and re-certified according to the ISO22301 Standard (TÜV Austria) for Business Continuity Management. Targeted updates of Group Cybersecurity and Information Security Framework as well as the respective Cyber Awareness Program were also implemented.
For a second consecutive year Alpha Bank's Cybersecurity Incident Response Team (CSIRT) has been very effective in identifying, analyzing, containing and/or mitigating threats as well as monitoring the overall threat landscape. AB-CSIRT was audited and certified as a full member of the global Forum of Incident Response and Security Teams (FIRST), an acclaimed global community of Incident Response Teams.
The Division is also a full member of the Financial Services Information Sharing and Analysis Center (FS-ISAC), which greatly enhances CSIRT updates with the latest events and threat trends specifically for the financial sector. Finally, the CSIRT's Incident Response Platform was migrated to the Bank's newly developed Enterprise GRC Platform.
As regards to Cyber Infrastructure and Operations, significant improvements were implemented including upgrades/replacements of critical infrastructure and operational software. Significant expansions and upgrades were performed to effectively support remote work as well as similar upgrades to infrastructure for the Group Subsidiaries.
Identity and Access Management (IAM) projects have also been implemented to improve the IAM processes and integrate new applications.

Major projects completed as part of the 2018-2020 Cyber Strategy

Governance, Compliance and Strategy

Targeted updates of the Group Cybersecurity Framework policies and processes to adjust to regulatory, operational, and technical changes, including provisions for Covid-19 and the adoption of new technologies and Services.
Employee awareness and training is a critical and continuous activity to achieve a high level of familiarization with good practices as well as the identification and reaction to Cybersecurity risks. In addition to the program for the induction of Employees on Cybersecurity Framework principles, a sophisticated Cybersecurity Awareness Program is implemented and supported by an online platform. Training content is role-based, updated regularly to maintain its relevancy and progressive.
Staff notifications were further intensified in 2020 in light of the significant expansion of Teleworking caused by the Covid-19 restrictions. Similarly, Customer awareness efforts regarding current threats and increased fraud risks were significantly increased utilizing all channels of communication including e-mail, the Bank's website, e-Banking platforms, and Social Media.
IT personnel attended specific training on Cybersecurity including sessions on secure development lifecycle and, all IT senior staff, attended Information Security training as part of the ISO27001 scope expansion.
The Division concluded the necessary activities for the successful audit and re-certification of the combined ISO27001 and ISO20000 Management Systems as well as ISO22301. In addition, the Division has participated in the information collection and processing for expanded as well as new regulatory reports.
Review and development of the Cybersecurity Insurance Policy as part of the annual Bankers Blanket Bond (BBB) renewal.

Cybersecurity Risk

The development and evolution of the Cyber Risk Methodology is performed internally and is aligned with Group Operational Risk Policy as well as international standards and frameworks (ISO 27001-27005, ISF, PCI-DSS, CobIT, NIST). Assessments are further enhanced with information from data classification and security evaluations including Penetration Tests and Vulnerability Assessments.
The Cyber Risk Section directly supports Business Units and Group Subsidiaries in conducting Information Classification and Information Security Risk Assessments (ISRA), as well as conducting the critical coordination and monitoring of the execution of improvements and resolution of deviations.
The Division actively participated in the design of the new GRC (Governance-Risk-Compliance) Platform, which includes Cyber Risk and Incident Response Operations data. Continuous and real-time identification of Cybersecurity vulnerabilities for critical systems of the Bank is performed via the installation, configuration, and monitoring of dedicated agents on the corresponding infrastructure.
The Cyber Architecture and Risk Assessment methodologies were updated to support Cloud Services assessments and a new evaluation questionnaire for Cybersecurity design and Cybersecurity risks regarding new projects (RfI/RfP) was developed.
The Risk Management Section performed security assessments and improvement actions on the security of critical systems, infrastructures, and procedures for the Group. Activities included Risk Assessments, Penetration Tests, Vulnerability Assessments and Vendor Risk Assessments.

Cybersecurity Architecture

The Architecture Section evaluated 43 IT projects (new projects and major changes to existing ones) for their secure-by-design and secure-by-default characteristics, conformance to the Group's Cybersecurity Framework, and adherence to Information Security standards and best practices.

The Section developed Cybersecurity evaluation criteria for Cloud Services as well as key Cybersecurity parameters and design characteristics for new technologies.

The Section facilitated the Cybersecurity assessment and design for critical projects with more flexible and efficient methods, significantly reducing the required time and without compromising the required level of security.

A Cybersecurity Architecture Framework for the efficient evaluation and adoption of technologies and applications/systems was also finalized and incorporated to the ISO27001 Management System.

Threat and Incident Management

Following a detailed and successful audit, Alpha Bank's Cybersecurity Incident Response Team (AB-CSIRT) was certified as a member of the Forum of Incident Response and Security Teams (FIRST), a global forum of CSIRT teams. FIRST members include all major organizations covering all the significant industries worldwide (Tech, Telco, Financial, Industry and Governmental). FIRST members are appraised for the organization, completeness and quality of actions regarding the identification and response to Cyber threats. Members collaborate on a daily basis and exchange critical information and know-how on current Cyber threats, both on the Internet and in specific areas such as Banking. Alpha Bank is the only Greek commercial organization and the only Greek Bank with FIRST membership.

In 2020 the Division also became a full member of the Financial Services Information Sharing and Analysis Center (FS-ISAC) to exchange threat-related information with over 7,000 member organizations. FS-ISAC aims to reduce Cybersecurity risks by providing collective knowledge and threat analysis for the global financial system.

The Alpha Bank CSIRT, continues to utilize threat intelligence services and developed the processes for collecting and processing the information, which can provide early warning regarding current and future threats.

Cybersecurity Infrastructure-Operations

Cybersecurity Operations perform critical tactical activities and run projects to achieve the necessary level of security. In 2020, the Operations Section performed replacements, upgrades and improvements of critical Cybersecurity Infrastructures, including a major Database Firewall upgrade, IDS/IPS, the on-site anti-DDoS, and the SIEM platform.

The Cyber Operations Section was actively involved in the design and implementation of solutions for the Bank and Group to cover increased security requirements, especially in the areas of Digital Transformation and Teleworking.

Major security implementations were streamlined to cover design and operational considerations for future deployment of Cloud Services and Containerization in cooperation with IT.

Security controls were deployed to enforce Cyber policies for the use of M365 Services. At the same time, the Section had extensive design responsibilities in the preparation of the framework to support future expansion of Cloud Services.

A similar design stream was implemented for the design and application of the necessary controls regarding the secure adoption of Containers and the DevSecOps model.

The Section was instrumental in the successful execution of major projects including the expanded Teleworking services and Digital Services for Customers due to Covid-19, and the implementation/integration of Cybersecurity infrastructure for the new Luxembourg Branch.

Integration of Cybersecurity Operation tasks with the Service Management platform (HPSM) was enhanced to automate the request process and make it more efficient, effective and measurable.

Identity and Access Management (IAM)

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

Internally developed tools that automate the request implementation process have been deployed, to optimize response times. Users also receive automatic awareness messages regarding the acceptable use of e-mail, Internet and Teleworking.

An IAM solution for Group Subsidiaries was evaluated and selected to cover operational needs as well as compliance to regulatory requirements.

An extensive quality check including implementation and testing of necessary modifications has been performed on the IDM platform to verify and optimize its operational state.

Operationally, the IAM Section performed further developments and improvements of the existing IDM system including the development of interfaces to optimize application integration, the optimization of the application onboarding mechanism, the notification mechanism optimization including awareness related notifications and updated reports for user access review by business owners.

Supporting Projects and other activities
The Division facilitated the Cybersecurity assessment and design for critical projects including HR, Digital and e-banking products and Services with more flexible and efficient methods significantly reducing the required completion time without compromising the required level of security. In addition, the evaluation of outsourcing activities as regards to Cybersecurity requirements as well as GDPR technical and organizational measures was optimized.
The Division also provided direct support to Group Subsidiaries regarding Cybersecurity and Information Security issues.
The Bank (Cybersecurity and IT) is a partner in the EU Horizon2020 FINSEC project.
A continuous evaluation of Cyber Security technologies is performed (including Proof of Concept activities) to identify and assess new technologies and investments that can improve the Cybersecurity posture and User Customer experience.

Main areas of focus/activities and projects for 2021
Main areas of focus for Cybersecurity:
-Alignment with the Bank Business Strategy and corresponding IT and Digital Transformation projects and Operations.
-Adjustment to Regulatory and legal requirements.
-Successful conclusion of the planned Initiatives, Projects and tasks to achieve the target Maturity Level that has been set in the Cyber Strategic Plan 2021-2023.
Continuous evaluation of the maturity level (for the Bank and Subsidiaries) is critical for the efficient and effective operation of Cybersecurity within the Group. Continuing and improving the approach adopted in 2018, the Division is using a new model to enhance and improve Cybersecurity Maturity Assessment and the consequent Strategic Plan. This model is more granular, providing optimized monitoring and focus as well as insight to the current threat landscape and Cyber risks to adjust maturity scores. Importantly, the model provides peer data which allows critical comparative analysis and adjustments to keep strategic goals within the wider operational context.
Current trends and targeted KPIs provide closer monitoring of Cybersecurity strategy implementation, while KPIs and metrics per security area will be employed for assessing annual performance.
The same methodology and model have also been extended to foreign Subsidiaries, to implement a unified approach for the evaluation of Cyber maturity and provide an individual as well as a Group Cyber view.
At the Organizational-Process level, the planned projects include:
- Combined ISO27001 and ISO20000 annual audit and re-certification (Bureau Veritas) for Cybersecurity and IT processes and operations.
- Annual audit and re-certification according to the ISO22301 BCM Standard (TÜV Austria).
- Support for the certification of the Bank as a Level 1 Service Provider and as a Level 4 Merchant, according to PCI-DSS.
- Audit and certification for the SWIFT Customer Security Program.

Main Projects and Activities
Cybersecurity Governance
Targeted updates of the Group Cybersecurity and Information Security Framework policies, processes and guides to adjust to regulatory, operational and technical changes (including Core and General Technological Security Standards, Cloud Services Evaluation Methodology, Critical Supplier Security Resilience Assessment Methodology).
Design and implementation of a metric-based model in order to assess the adoption and efficiency of the Cybersecurity and Information Security framework.

Cybersecurity Awareness
Enhancement and expansion of the Cybersecurity Awareness Program initiated in 2020 for Employees and Customers.

Cyber Risk
Further optimization of the Cyber Risk Assessment methodology, to provide an overall Risk posture as well as quantification of risks with monetary values using the FAIR methodology. This will provide more accurate risk mitigation provisions, efficient technology investments, as well as rationalization of related costs.
Correlation of Risk Assessment results with Incident and Threat Management results. Expansion of the current functionality and correlation between the identified risks and security events with associated KRIs.

Threat Management
Planning and execution of Cyber exercises including technical and table-top, scenario-based activities.
Further optimization of the incident management process that includes the filtering and prioritization of various threat intelligence feeds and cooperation with external entities within the Financial sector and Cyber communities.

Identity and Access Management
Further development and enhancement of Identity and Access Management strategy. IDM platform coverage will continue to expand its scope and its operation is planned to be improved with the addition of new functionalities. In addition, evaluation of new methods/approaches and technologies for the optimization of IAM is planned.

Implementation of the selected Identity Management System for Group Subsidiaries
Evaluation and proposal of the appropriate solution for enhancing user authentication methods on Bank devices.

Architecture
Further development of the Cybersecurity Architecture Framework within the tactical activities of mapping the existing IT and Cybersecurity landscape, identification of areas of improvement, design for further enhancements/ improvements.
Development of the Cloud Reference Architecture and Requirements Model in cooperation with IT. The model will serve as the main evaluation tool to determine the technical, security, operational and financial feasibility of deploying solutions to the Cloud.

Secure Software Development Lifecycle (SDLC)
Modeling of activities to support the evaluation and adoption of new technologies introduced by IT and combined effort to incorporate common processes and tools to support SDLC within DevSecOps. Cybersecurity processes will include the direct presence and support of the development teams by Cybersecurity engineers/testers.

Cloud Services
Further development, design, deployment and configuration improvements of security controls for Cloud productivity tools as well as monitoring tools for related Services. Gradual activation of productivity services following extensive testing and the successful completion of the verification process.

Cybersecurity Infrastructure
Upgrades to the security infrastructure and Cybersecurity Services including new releases, licenses, replacements and new services.
Implementation of new security mechanisms including enhanced e-mail defense mechanisms and deployment of complementary solutions to the existing core services.

PERSONAL DATA PROTECTION

Alpha Bank implements the General Data Protection Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of Natural Persons with regard to the processing of their Personal Data, (hereinafter GDPR) which entered in force on May 25, 2018.
The GDPR is applied on a Group-wide basis with such spectrum of application comprising all its Bank institutions and Subsidiaries, operating within the European Economic Area, who process personal data.[1] For the scope of the aforementioned, a Group-wide unified framework consisting of generic Policy, procedures as well as methodology, is adopted, encompassing minimum deviations deriving from local legal/regulatory and business requirements, applicable in foreign countries, where the Group operates.
The Bank acknowledges the protection of Natural Persons' Personal Data as a key priority and to that end collects, records, manages, discloses and processes such Data within the course of its business activities according to the legislative framework in force. For the optimum coordination of all pertinent actions regarding Personal Data Protection, the Organization has appointed a Group Data Protection Officer (GDPO), who directly reports the Bank's level of compliance with the foreseen legal and compliance requirements to the General Management of the Bank as well as to the Audit Committee of the Board of Directors.
For the scope of notifying Natural Persons on the processing of their Personal Data by Alpha Bank's competent Units or third parties, acting on the Bank's behalf, a document entitled "Notification on the Processing of Personal Data" is delivered to the Customer upon initiation of their contractual (or pre-contractual) relationship with the Bank. The said document is uploaded/ available in a prominent position at Alpha Bank's website and includes all information, which are deemed necessary for the Natural Person to be aware of, such as the purposes for processing their Personal Data, the sources of collection, data recipients, data retention period, the rights of data subjects and the manner to exercise them, as well as contact details of Alpha Bank's competent Units.
In addition to the above General Notification, focused/specific Notification is provided to Natural Persons about the processing of their Personal Data conducted for products and services available via digital networks, or for services offered, based on innovative technologies, in the course of the Bank's digital transformation.
Furthermore, during 2020, the Organization has proceeded with a series of coordinated actions, for further enhancing GDPR implementation by the Bank and Group Subsidiaries. Such actions are indicatively mentioned, as follows:
• The review and updating of the Bank's Record of Processing Activities including already existing operations that were anew verified and enriched by additional operations

[1] More specifically, the Group level application of GDPR covers, apart from Alpha Bank S.A., all its Banking institutions namely Alpha Bank Romania S.A., Alpha Bank Cyprus Ltd and Alpha Bank London Ltd, as well as its 16 largest Group Subsidiaries within the European Economic Area.

that do involve personal data processing.
• The updating of Data Protection Impact Assessments associated to existing operations involving personal data processing as well as the conduct of Data Protection Impact Assessments in relation to new operations whenever a type of processing is likely to result in a high risk to the rights and freedoms of Data Subjects. Moreover, the development and implementation of pertinent action plans concerning the appropriate technical and organizational measures aiming to mitigate risks emerging from the aforementioned personal data processing.
• The periodic risk assessment of third parties/vendors, providers or collaborating Companies according to GPPR foreseen requirements for assessing any risks that may emerge from personal data processing performed by the aforementioned third parties on behalf of the Bank.
• Obtaining and effectively managing - via appropriate infrastructure- the Data Subject's consent, if deemed necessary, for the processing of their personal data in conjunction with the option to withdraw such consent.
• The alignment with GDPR foreseen requirements for Group Banking Institutions and Greek Subsidiaries' websites regarding the personal data processing of said websites' visitors.
Furthermore, the Organization optimizes already existing procedures and applications with the scope of further enhancing data protection framework. Such actions are summarized below:
• The development and launch of a dedicated IT solution for all Group Banking Institutions aiming to provide systemic support to Record of Processing Activities which serves as the most critical tool for monitoring the implementation of GDPR. The high-level parameterization of said solution in conjunction to the implemented interfaces with other pertinent applications does ensure data quality and simultaneously reduce the relevant operational risk.
• The development of a dedicated IT solution aiming to provide systemic support on Data Protection Impact Assessment, on periodic review of third parties / vendors, providers or collaborating Companies, as well as on Personal Data Breach Management. The mentioned solutions are expected to be implemented within H1 2021 for all Group Banking Institutions.
• The adoption of Key Risk Indicators (KRIs) for measuring the Bank's level of compliance with GDPR requirements as well as the definition of Key Performance Indicators (KPIs) for assessing the efficiency of the Data Protection Framework along with its main elements' (Policy, Procedures and applications/ systems).
• The expansion and fulfillment of the appropriate technical measures applied to all IT systems of the Bank, involved in Personal Data processing thus aiming to further strengthen the Organization's Information Security level (indicatively anonymization/ pseudonymization, Identity access management, etc.).
Always acknowledging the human factor's crucial contribution in all spectrums of its activities, the Organization continued to undertake certain actions for raising its Employees' awareness level on personal data protection, as follows:
• Updating the GDPR distance learning /training program on issues related to the protection of personal data, addressed to the Personnel of the Bank and the Subsidiaries in Greece.
• Constant updating of the micro-site dedicated to GDPR, appearing within the Bank's intranet portal, thus serving as a permanent reference point for the entire Personnel, during the working hours.
It should be further noted that Alpha Bank is already certified under ISO/IEC 27001:2013 for Security Information and under ISO/IEC 22301:2012 for Business Continuity. Both certifications are renewed annually, and apparently indicate the importance that the Bank acknowledges to its Customers' and collaborators' personal data.
Personal data, entrusted to the Bank, by its Customers, constitute a major asset for the Organization, therefore their continuous and effective protection is regarded as of utmost importance. Under this approach as stated above, Alpha Bank steadily adheres to the main GDPR principles, namely:
• Lawfulness, fairness, transparency, and purpose limitation in terms of data processing
• Minimization, accuracy, and storage period limitation in terms of data use
• Safeguarding confidentiality, integrity and availability in terms of data security

9

CORPORATE GOVERNANCE

9
CORPORATE GOVERNANCE

CORPORATE GOVERNANCE CODE

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

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

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

During 2020, it revised the Corporate Governance Code and policies pertaining to corporate governance, in order for them to be fully aligned with the current regulatory framework and with the most recent best practices of corporate governance, including more stringent criteria for the determination of Non-Executive Independent Members.

2020 Highlights

Update of Corporate Governance Documents

The Bank updated the following documents:

- The Corporate Governance Code
- The Suitability and Nomination Policy for the Members of the Board of Directors and Key Function Holders

- The Suitability and Nomination Process for the Members of the Board of Directors
- The Diversity Policy
- The Induction and Training Policy for the Members of the Board of Directors
- The Senior Executives Severance Payment Policy
- The Remuneration Policy for Alpha Bank and the other Group Companies
- The Benefits and Corporate Expenses Policy for Alpha Bank and the other Group Companies
- The Expenses Policy for the Non-Executive Members of the Board of Directors

Remuneration Report
The Bank drew up the Remuneration Report, as per the provisions of article 112 of Law 4548/2018, which reflects the full year 2019 implementation of the Remuneration Policy that was introduced as per the provisions of articles 110 and 111 of Law 4548/2018 (implementing the relevant provisions of the Shareholders Rights Directive II).

Changes in the composition of the Board of Directors and in the Management
The Board of Directors, at its meeting held on 25.6.2020, elected as Members of the Board of Directors of the Bank Mr. Dimitris C. Tsitsiragos, in replacement of Mr. Demetrios P. Mantzounis, Non-Executive Member, who resigned on 31.12.2019 and Ms. Elanor R. Hardwick, in replacement of Mr. George C. Aronis, Executive Member, who resigned on 31.1.2020. The tenure of each elected Member has been set from 2.7.2020 until the expiration of the remainder of the tenure of the Member whom he/she replaces.
Mr. Dimitris C. Tsitsiragos and Ms. Elanor R. Hardwick, who fulfill the independence conditions and criteria according to the applicable legal and regulatory framework, have been appointed Non-Executive Independent Members of the Board of Directors of the Bank by the General Meeting of Shareholders held on 31.7.2020.
Additionally, at the Board of Directors meeting held on 26.11.2020, Mr. Artemios Ch. Theodoridis notified his resignation from the position of General Manager of Non-Performing Loans and Treasury Management with effect as of 1.12.2020, in order to assume, as of the same date, the position of the Executive Chair of Cepal, while retaining his role as Member of the Board of Directors of the Bank. The said resignation took place in the context of the transfer of the Bank's Non-Performing Exposures servicing business to Cepal, which materialized on 1.12.2020.
In light of the Strategic Plan and the governance structure approved by the Board of Directors in November 2019, Mr. Spyros N. Filaretos was appointed General Manager – Growth and Innovation as of 1.12.2020 and Mr. Stefanos N. Mytilinaios was appointed General Manager – Chief Operating Officer as well as Member of the Executive Committee as of 1.12.2020.

New structure of the Management Committees
A new structure of the Management Committees of the Bank was introduced in order for the Bank to strengthen its organizational effectiveness and to facilitate executive decision-making, while maintaining strong risk management. Further to the above, the Charters of the Management Committees, as below, were redrafted in order to reflect the new structure and responsibilities of the Committees:
- Operational Risk and Internal Control Committee
- Credit Risk Committee
- Troubled Assets Committee
- Assets-Liabilities Management Committee (ALCo)
- REO Committee I
- Cost Control Committee
- Credit Committee I
- Arrears Committee I

Transfer of the Bank's NPE Management Activities to Cepal
The Bank, in the context of the implementation of its Strategic Plan, announced on 1.12.2020 the completion of the carve-out process of its NPE management activity to Cepal Hellas S.M.S.A. ("Cepal"), its 100% subsidiary Company providing management services for loan and credit receivables.
The transfer of the NPE Management Operations to Cepal is a key pillar of Project Galaxy, the Bank's large securitization transaction.
The transfer of the Employees of the Bank's NPE Management Operations to Cepal was implemented in accordance with the applicable law (Presidential Decree No 178) and in full respect of their salary and insurance rights as well as the additional benefits they currently enjoy.

Demerger Deed by way of hive-down with the incorporation of a new company
The Bank informed the investors that, in the context of the implementation of its Strategic Plan announced on 19.11.2019, the Board of Directors, at its meeting held on 15.9.2020, approved the Draft Demerger Deed by way of hive-down with the incorporation of a new company, pursuant to article 16 of Law 2515/1997, par. 3 of article 54, par. 3 of article 57 and articles 59-74 (inclusive) and 140 of Law 4601/2019, as in force.

Corporate Governance at Group level
During 2020, the Bank conducted a review of Corporate

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

Communication with Shareholders, Investor Roadshows and Corporate Governance Meetings

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

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

BOARD OF DIRECTORS AND COMMITTEES

Composition of the Board of Directors

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

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

In 2020, the Board of Directors convened twenty-one (21) times. The average participation rate of the Members of the Board of Directors in the meetings stood at 98% (based on the composition of the Board of Directors on 31.12.2020).

Board of Directors Composition 2020

Profile of the Board of Directors and Committee Membership for the year 2020

Board of Directors		Gender	Age	Tenure	Term ends	Committees			
						Audit	Risk Management	Remuneration	Corporate Governance and Nominations
Chair (Non-Executive Member)									
Vasileios T. Rapanos		M	73	6	2022	-	-	-	-
Executive Members									
Vassilios E. Psaltis	CEO	M	52	2	2022	-	-	-	-
Spyros N. Filaretos	General Manager	M	62	15	2022	-	-	-	-
George C. Aronis[1]		M	63	9	2022	-	-	-	-
Non-Executive Members									
Efthimios O. Vidalis		M	66	6	2022	M	-	-	M
Artemios Ch. Theodoridis[2]		M	61	15	2022	-	-	-	-
Non-Executive Independent Members									
Dimitris C. Tsitsiragos		M	57	6 months	2022		M	M	
Jean L. Cheval		M	71	2	2022	-	M	M	-
Carolyn G. Dittmeier		F	64	3	2022	C	-	-	M
Richard R. Gildea		M	68	4	2022	-	M	C	-
Elanor R. Hardwick		F	47	6 months	2022	M	-	-	M
Shahzad A. Shahbaz		M	60	6	2022	-	-	-	C
Jan A. Vanhevel		M	72	4	2022	M	C	-	-
Non-Executive Member (pursuant to the provisions of Law 3864/2010)									
Johannes Herman Frederik G. Umbgrove		M	59	2	2022	M	M	M	M

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

[1] Member of the Board of Directors until 31.1.2020
[2] Executive Member until 1.12.2020 and Non-Executive Member as of 1.12.2020

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

External Evaluation of the Board of Directors
The Board of Directors, in accordance with the Corporate Governance Code and the Policy for the Annual Evaluation of the Alpha Bank Board of Directors it has adopted, assesses on an annual basis its effectiveness as well as that of its Committees. Every three years, the Board of Directors may appoint an external consultant to conduct these assessments.
The overall evaluation of the Board of Directors and its Committees, for the year 2019, was conducted by Nestor Advisors Limited, a London-based corporate governance consulting firm, with the assistance of the Corporate Governance and Nominations Committee. The Individual Evaluation of the Members of the Board of Directors was conducted by the Chair of the Board of Directors.
During 2020, further to the aforementioned evaluation of the Board of Directors, a reassessment of the Board Members' collective suitability in terms of knowledge, skills and experience based on the Joint ESMA/EBA Guidelines on "the assessment of the suitability of members of the management body and key function holders" (the "Joint ESMA/EBA Guidelines") was conducted with the support of the Corporate Governance and Nominations Committee.

Induction and Training Programs for the Members of the Board of Directors
The Bank offers to the new Members of the Board of Directors an induction program on Legal and Regulatory requirements, Corporate Governance principles, Risk Management, Internal Audit, Compliance, Capital Adequacy, Financial and Accounting Services, Information Technology and Security, and Strategic Planning as well as the possibility for relevant informative sessions.
During 2020 and in accordance with the Induction and Training Policy for the Members of the Board of Directors, an Induction Program for the new Members of the Board of Directors, Mr. Dimitris C. Tsitsiragos and Ms. Elanor R. Hardwick, took place. During this Induction Program the new Members also met with the Chair of the Board of Directors, the CEO, General Managers, Executive General Managers and the Secretary of the Board of Directors.
Additionally, the Bank provides continuous informative sessions to the Members of the Board of Directors in order to update them on current issues of the banking market and on the regulatory developments in the financial sector. The Bank also provides its Board Members with the opportunity to participate in training and education sessions offered by external institutions. Upon request by any Member, the Bank may offer tailor-made programs to further enhance the Members' knowledge and competences.

COMMITTEES OF THE BOARD OF DIRECTORS

Audit Committee
The Board of Directors, at its meeting held on 23.11.1995, resolved on the establishment of an Audit Committee for Alpha Bank and the Group Companies. The Audit Committee of the Bank currently constitutes a Committee of the Board of Directors and the Members were appointed by a resolution of the Annual Ordinary General Meeting of Shareholders of 31.7.2020.
The specific duties and responsibilities of the Audit Committee are set out in its Charter, which is posted on the Bank's website (https://www.alpha.gr/en/group/corporate-governance/commitees).

Chair:	Carolyn G. Dittmeier
Number of Members:	5
Number of meetings in 2020:	13
Average participation rate of the Members:	97.5% (based on the Committee's composition on 31.12.2020)

Audit Committee Composition

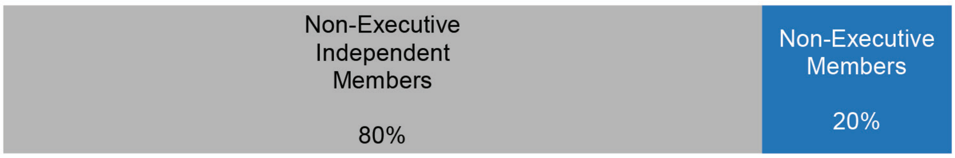
(Based on the composition of the Audit Committee on 31.12.2020)

During 2020 the main activities of the Committee, among others, were the following:
The Committee:
• Evaluated the following annual reports for the year 2019 which were submitted to the Bank of Greece:
- the Regulatory Compliance Report,
- the evaluation of the adequacy and effectiveness of the Anti-Money Laundering and Combating the Financing of Terrorism Policy,
- the evaluation of the adequacy and effectiveness of the Internal Control System of the Alpha Bank Group by the Internal Audit Division,
- the Independent Assessment Report regarding the custody of Alpha Bank Customer assets.
• Reviewed the report conducted by an external auditor for the "Evaluation of the System of Internal Controls of Alpha Bank and the Group for the years 2017-2019", in accordance with the Bank of Greece Governor's Act 2577/2006 and submitted it to the Bank of Greece. The Committee was also informed of the external auditor's report on the External Quality Assessment (EQA) of the Internal Audit Division.
• Was informed of the monthly and the quarterly activity reports of the Internal Audit Division and the Compliance Division, based on the annual plans previously endorsed by the Committee.
• Was informed about the re-assessment of the annual audit plan of the Internal Audit Division, in light of the Covid-19 pandemic, and reviewed the incorporation therein of newly-emerged risks, following a risk-based approach. In the context of the Covid-19 pandemic, the Bank adjusted its way of operations in order to ensure business continuity, to comply with emergency state requirements and to ensure the safety of its Personnel. The Internal Audit Division assessed the emerging risks and the impact on the Bank's control environment and responded with new audits and adjustments to the Group Annual Audit Plan, in accordance with the respective standards. In particular, the Internal Audit Division successfully performed a mid-year high-level risk assessment in order to incorporate the emerging risks of Covid-19.
• Reviewed the general evaluation conducted by a well-known advisory firm regarding the compliance perimeter and the overall scope of activities.
• Submitted to the Board of Directors for approval the fees of Deloitte Certified Public Accountants S.A. and of SOL S.A. for the statutory audit of the Financial Statements of the Bank and the Group Companies for the year 2020.
• Reviewed the annual Financial Statements preparation for the Bank and the Group for the year 2019 as well as the quarterly Financial Statements of the Group and the semi-annual Financial Statements for the Bank and the Group for the year 2020, prior to their submission to the Board of Directors for approval.
• Monitored the impact of the Covid-19 pandemic on the Financial Statements of the Bank and the Group as well as on the quarterly progress reports of the Internal Audit Division and of the Compliance Division.
• Was informed of the impact of Covid-19 on operational risk.
• Performed the oversight of the Statutory Certified Auditors' (Deloitte) activity, performance and independence and reviewed the Statutory Certified Auditors' Audit Plan for 2020.
• Monitored the independence of statutory auditors, in accordance with the laws in force, and, in particular, as regards the provision of non-audit services to the Bank and the Group.
• Monitored the procedure followed for the drafting of the Non-Financial Report and the Corporate Responsibility Report.
• Supervised the selection process of the new Head of Internal Audit and assisted the Remuneration Committee regarding her remuneration.
• Reviewed the organization, independence and capacity of the Internal Audit Division and the Compliance Division.
• Was updated on the Whistleblowing Committee meetings.
• Acquired a full understanding of the Risk Management Unit through the participation of some of its Members in the Risk Management Committee and reviewed the operational risk reports with regard to the relevant impact on the Internal Control System.
Regarding the Subsidiaries, the Committee:
• Met on a regular basis with the Subsidiaries' Audit Committees and reviewed their Annual and Semi-Annual Activity Reports regarding the fulfillment of their responsibilities.

Risk Management Committee
The Board of Directors, at its meeting held on 19.9.2006, resolved on the establishment of a Risk Management Committee for Alpha Bank and the Group Companies. The Members of the current Risk Management Committee of the Bank were appointed by a resolution of the Annual Ordinary General Meeting of Shareholders of 31.7.2020. The specific duties and responsibilities of the Risk Management Committee are set out in its Charter, which is posted on the Bank's website (https://www.alpha.gr/en/group/corporate-governance/commitees).

Chair:	Jan A. Vanhevel
Number of Members:	5
Number of meetings in 2020:	12
Average participation rate of the Members:	95% (based on the Committee's composition on 31.12.2020)

Risk Management Committee Composition



(Based on the composition of the Risk Management Committee on 31.12.2020)

During 2020 the main activities of the Committee, among others, were the following:
The Committee:
• Endorsed and proposed to the Board of Directors the approval of:
- the new Lending Policy for the businesses affected by the Covid-19 pandemic
- the updated Group Loan Impairment Policy and the new Group Loan Default Classification Policy.
• Was informed of the loans eligible for payment moratoria due to the Covid-19 pandemic and implementations thereof.
• Was updated on the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP) submission to the Single Supervisory Mechanism (SSM).
• Was updated on the Supervisory Review and Evaluation Process (SREP) results and the SREP Action Plan.
• Was informed of the Group Recovery Plan Assessment by the European Central Bank (ECB).
• Was informed of the Group Resolution Plan as well as of the Single Resolution Board (SRB) Action Plan and Working Priorities.
• Was updated on the Group's activity in terms of Real Estate Owned (REO) properties.
• Reviewed the implementation of the carve-out of the Wholesale and Retail Non-Performing Loans (NPLs) to CEPAL.
• Reviewed the Letters on the "Operational Capacity to Deal with Distressed Debtors in the Context of the Covid-19 Pandemic" as well as on the "Coordinated statement on operational resilience" and on the "Identification and Measurement of Credit Risk in the Context of the Covid-19 Pandemic" sent by Mr. A. Enria, Chair of the Supervisory Board of the ECB.
Regarding the Subsidiaries, the Committee reviewed:
• the 2019 Annual and the 2020 Semi-Annual Activity Reports prepared by the Risk Management Committees of the Subsidiaries.

Remuneration Committee
The Board of Directors, at its meeting held on 23.11.1995, resolved on the establishment of a Remuneration Committee for Alpha Bank. At the Board of Directors meeting held on 31.5.2012, the Committee's responsibilities were expanded to cover the Group Companies. The Members of the current Remuneration Committee of the Bank were appointed by a resolution of the Annual Ordinary General Meeting of Shareholders of 31.7.2020.
The specific duties and responsibilities of the Remuneration Committee are set out in its Charter, which is posted on the Bank's website (https://www.alpha.gr/en/group/corporate-governance/commitees).

Chair:	Richard R. Gildea
Number of Members:	4
Number of meetings in 2020:	12
Average participation rate of the Members:	96% (based on the Committee's composition on 31.12.2020)

Remuneration Committee Composition

(Based on the composition of the Remuneration Committee on 31.12.2020)

During 2020 the main activities of the Committee, among others, were the following:
The Committee:
• Reviewed and proposed to the Board of Directors the approval of:
- the Senior Executives Severance Payment Policy
- the amendment to the Savings Plan for Senior Executives of the Bank
- the Remuneration Policy for Alpha Bank and the other Group Companies
- the Benefits and Corporate Expenses Policy for Alpha Bank and the other Group Companies
- the Expenses Policy for the Non-Executive Members of the Board of Directors
• Endorsed, as part of the material to be submitted to the Ordinary General Meeting of Shareholders, the Remuneration Report as per Law 4548/2018.
• Endorsed and recommended to the Board of Directors the approval of the Stock Options Plan Regulation.
• Endorsed and recommended to the Board of Directors the approval of the 2019 Sales Incentive Program Bonus Allocation to Branch Employees as well as the 2020 Sales Incentive Program Bonus Pool Allocation.
• Endorsed and recommended to the Board of Directors the approval of the 2019 Performance Incentive Program Bonus Allocation to Division Employees.
• Reviewed the 2019 Performance Evaluation of the Bank's Senior Executives and Key Function Holders as well as the 2020 Evaluation Scorecards of the General Managers and of the Key Function Holders.
Regarding the Subsidiaries, the Committee reviewed:
• the Annual Activity Reports for the year 2019 of the Remuneration Committees of Subsidiaries.
• the annual remuneration amounts of the Non-Executive Members of the Boards of Directors of Subsidiaries for the year 2019.

Corporate Governance and Nominations Committee
The Board of Directors, at its meeting held on 27.6.2014, resolved on the establishment of a Corporate Governance and Nominations Committee for Alpha Bank and the Group Companies. The Members of the current Corporate Governance and Nominations Committee of the Bank were appointed by a resolution of the Annual Ordinary General Meeting of Shareholders of 31.7.2020.
The specific duties and responsibilities of the Corporate Governance and Nominations Committee are set out in its Charter, which is posted on the Bank's website (https://www.alpha.gr/en/group/corporate-governance/commitees).

Chair:	Shahzad A. Shahbaz
Number of Members:	5
Number of meetings in 2020:	11
Average participation rate of the Members:	100% (based on the Committee's composition on 31.12.2020)

Corporate Governance and Nominations Committee Composition

(Based on the composition of the Corporate Governance and Nominations Committee on 31.12.2020)

During 2020 the main activities of the Committee, among others, were the following:
The Committee:
• Reviewed and proposed to the Board of Directors the approval of:
- the Corporate Governance Code,
- the Suitability and Nomination Policy for the Members of the Board of Directors and Key Function Holders,
- the Suitability and Nomination Process for the Members of the Board of Directors,
- the Diversity Policy,
- the Induction and Training Policy for the Members of the Board of Directors,
- the Corporate Governance Statement for the year 2019.
• Recommended to the Board of Directors the appointment of Mr. Dimitris C. Tsitsiragos and Ms. Elanor R. Hardwick.
• Proposed to the Board of Directors the approval of a new structure of the Management Committees.
• Proposed to the Board of Directors the appointment of Ms. Anastasia C. Sakellariou as General Manager – Chief Transformation Officer and of Mr. Stefanos N. Mytilinaios as General Manager – Chief Operating Officer (COO) as well as their appointment as Members of the Executive Committee.
• Recommended to the Board of Directors the approval of changes to the Organizational Chart of the Bank.

Regarding the Subsidiaries, the Committee reviewed:
• the 2019 Annual and the 2020 Semi-Annual Activity Reports of the Subsidiaries' Nomination Committees and Boards of Directors.
• the composition of the Subsidiaries' Boards of Directors and their Committees.

Management Committees
Executive Committee

In accordance with Law 4548/2018, the Board of Directors has established as of 2.12.2019 an Executive Committee. The Executive Committee acts as a collective corporate body of the Bank. The Committee's powers and authorities are determined by way of a CEO Act, delegating powers and authorities to the Committee.
The indicative main responsibilities of the Committee include but are not limited to the following:
The Committee:
• prepares the strategy, business plan and annual Budget of the Bank and the Group for submission to and approval by the Board of Directors as well as the annual and quarterly Financial Statements;
• decides on and manages the capital allocation to the Business Units;
• prepares the Internal Capital Adequacy Assessment Process (ICAAP) Report and the Internal Liquidity Adequacy Assessment Process (ILAAP) Report;

• monitors the performance of each Business Unit and Subsidiary of the Bank against the Budget and ensures that corrective measures are taken;
• reviews and approves the policies of the Bank, informing the Board of Directors accordingly;
• approves and manages any collective program proposed by the Human Resources Division for the Personnel and ensures the adequacy of Resolution Planning governance, process and systems;
• is responsible for the implementation of the overall risk strategy, including the institution's risk appetite and its risk management framework, an adequate and effective internal governance and internal control framework, the selection and suitability assessment process for Key Function Holders, the amounts, types and distribution of both internal capital and regulatory capital and the targets for the liquidity management of the Bank.

The composition of the Executive Committee of the Bank as of 1.12.2020 is as follows:

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

General Manager-level Management Committees

1. Operational Risk and Internal Control Committee
Frequency: At least quarterly
The Committee:
• takes cognizance of and decides upon issues related to Operational Risk and the Internal Control Framework.

2. Credit Risk Committee
Frequency: Every month
The Committee:
• assesses the adequacy and efficiency of the credit risk management policy and procedures of the Bank and the Group and plans the required corrective actions.

3. Troubled Assets Committee
Frequency: At least quarterly
The Committee:
• formulates, evaluates and approves the Wholesale and the Retail Banking NPE management strategy.

4. Assets-Liabilities Management Committee (ALCo)
Frequency: Once a fortnight
The Committee:
• Decides on matters regarding the management of Asset-Liability and cash management issues, i.e. liquidity, hedging strategy, capital structure, proposals for new products/services or modification of existing products/services, products pricing, portfolios, etc.
• Assesses financial risks and decides on the risk hedging strategy and actions.

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

6. Cost Control Committee
Frequency: Once a fortnight
The Committee:
• approves the cost control policies;
• validates the proposed CapEx/OpEx budget prior to its submission to the Executive Committee for approval and the formulation proposal for the projects portfolio;
• examines and approves expense requests/projects' costs within the Committees' limits;
• reviews the cost evolution versus the Budget as well as mitigation actions in case of overruns;
• evaluates proposals on cost containment initiatives;
• assesses options to promote the Bank's cost-efficient operation and
• validates cost allocation rules among the Bank's Business Units.

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

8. Arrears Committee I
Frequency: At least once a week
The Committee:
• decides on Customers' requests under the management of the Arrears Units in Greece and in the countries where the Group operates, regarding the following portfolios:
- Wholesale Banking – Greece
- Retail Banking – Greece
- Wholesale Banking – International Network

INTERNAL AUDIT

In order to protect the Bank's assets and safeguard its Shareholders' and Customers' interests, an Internal Control System is in place, which includes control and auditing mechanisms and procedures that cover all its activities on a continuous basis and contribute to its effective and secure operation.
The audit methods are risk-based and a specialized internal audit project management software is used. These allow for organizing, executing and evaluating the audit process, as well as for compiling MIS reports at Group level. In every country where the Group conducts business, there is an Internal Audit Unit that applies the same methodol-

ogy and standards and reports to the Internal Audit Unit of the parent Company.
In 2020, the Internal Audit Units carried out audits at the Branches as well as 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 audit results and the internal auditor's opinion on the adequacy and effectiveness of the Internal Control System.

REGULATORY COMPLIANCE

The Bank identifies, evaluates, and manages risks it may be exposed to, due to failure to comply with the applicable regulatory framework (compliance risk). To this end, the Compliance function records the legal and regulatory obligations of the Group and assesses the level of compliance. When deviations are identified, implications are promptly evaluated, and mitigating measures are implemented, so that interests of the Customers and the Shareholders are protected, along with the Bank's reputation.
In 2020 the Compliance Division established an "Ethics and Transparency" department in order to further enhance monitoring and compliance with the provisions of the following Bank's Policies: Related Parties' Transactions, Anti-bribery and Corruption, Whistleblowing, Conflict of Interest, and the Code of Ethics.
As far as Alpha Bank's Related Parties' transactions, monitoring was enhanced, and respective controls were deployed for all types of transactions stipulated in the corresponding Policy, resulting in a radical increase of the awareness level.
The "Anti-Bribery and Corruption" Policy which came into force in 2020, applies to all activities and operations of the Group and is addressed to all Employees, including Management, Customers, and Third Parties. The purpose of the Policy is to define standards and principles aiming to prevent bribery and corruption, as well as to adopt best practices pursuant to the provisions of the regulatory framework. The Group has adopted a zero-tolerance approach towards all forms of bribery and corruption.
In cooperation with the Asset and Liability Management Division, a Policy for the Development of a New or the Modification of an Existing Product/Service was issued, aiming to ensure that the Bank's practices are aligned with the European Banking Authority's respective guidelines. The Policy sets out the principles and procedures that must be adopted by the Group's competent Units in order to design a new or to modify, remove or replace an existing product or service, so as for all risks to be effectively mitigated, both for the Bank and the Group Companies, as well as for the Customers.
Furthermore, within 2020 and in the context of Whistleblowing Policy and Procedures, Compliance Division received 8 new whistleblowing reports, through various means (dedicated e-mail, phone number, post etc.). The Whistleblowing Committee convened 5 times during the year and has fully reviewed all reports submitted, updating the Audit Committee accordingly.
Following the decision to establish a distinct Market Abuse Prevention Policy, the Compliance Division proceeded with the required actions aiming at strengthening compliance procedures with the provisions of Regulation 596/2014 on "Market Abuse" (Market Abuse Regulation), as well as adopting best practices for monitoring the transactions of Stock Options' Beneficiaries.
As far as compliance with the MIFID II regulatory framework is concerned, the application of new periodic controls continued, in parallel with the monitoring of the existing ones, while remote audits of the supervisory authorities were carried out and useful conclusions were drawn. The results of the monitoring were particularly positive since the level of Bank officers' awareness remains high-leveled and the underline framework of policies and procedures is considered sufficient. Furthermore, controls for managing and monitoring inducements were established in accordance with the provisions of L.4514/2018, as well as of the EU Delegating Regulation 593/2017.
Pursuant to the enactment of L. 4714/2020 "Tax interventions and Incorporation of Directive 2018/822 EU" (DAC6), the Compliance Division launched and coordinated a relevant project, including the retrospective control and evaluation of transactions of the previous two years. In addition, the obligations deriving from the Law were communicated to the Group Companies and Units involved and the establishment of procedures for the identification, evaluation and reporting to the national tax authority of cross-border aggressive tax planning arrangements, was initiated.
The Compliance Division actively participated in working groups, conferences and forums on Sustainable Development and Banking organized by the Hellenic Bank Association, the Athex Group, Global Sustain etc., as well as in relevant projects ran within the Bank concerning Environmental, Social and Governance issues, such as the ECB's guide on climate related environmental risks gap analysis, the Sustainable Finance Disclosure Regulation, the Taxonomy Regulation etc.
The deployment of key performance and risk indicators (KPIs/KRIs) with regards to Customer Conduct Risk was further enhanced, in order to better address respective risks arising and to apply appropriate remedial actions.
In the context of the Bank's Digital Transformation, representatives of the Compliance Division participated in the

following related projects:
• MyAlpha VideoBanking service, which aims to remotely perform the electronic identification of the Customer and to receive orders so that Branch Officers can execute specific transactions.
• The "Remote Collaboration Platform Project" aiming at the establishment of a remote process for the execution of Customers' transactions.
• The Retail onboarding project consisting of the following key objectives:
- Development of the operational efficiency of individual Customer onboarding.
- Digital Customer verification and account opening (via web and mobile).
• The Business onboarding project aiming at establishing an electronic flow for the legalization process for businesses (i.e., KYC requirements, companies' legal documentation list, legal entities' documents automated processing etc.).
In addition, throughout 2020, the Compliance Division provided support to the Branch Network and the Business Divisions by issuing relevant opinions and advisory notes, reviewing, and opining upon procedure manuals, internal processes, and products/services, in this respect ensuring adherence to the current regulatory framework.
To this extent, the Compliance Division participated actively in the Bank's outsourcing activities competent working group, which aims to assess and perform a gap analysis of the Outsourcing Policy against the EBA Guidelines on Outsourcing activities.
Moreover, in 2020 aiming at the effective monitoring and management of compliance risk, the timely and consistent adaptation of the Bank to new laws and regulations, as well as the inception of an adequate and effective compliance control environment in both the Bank and the Group companies, the following actions were implemented:
• The design and implementation of targeted training programs for Bank Officers and Employees, in order to raise awareness on the obligations arising from compliance risk, to ensure the implementation of regulatory compliance principles and to increase their awareness on relevant issues.
• The participation of Compliance Division Executives as trainees to accredited educational programs on Compliance, AML/CFT and Bank Secrecy related issues, intended to further expand subject-matter knowledge and skillsets.
• In light of the Covid-19 outbreak, the successful transition into functioning under remote access thus ensuring normal and smooth continuation of the Division's activities.
• The active participation and coordination for the generation of the Systematic Internalizer RTS 23 report, in accordance with the Implementing Regulation EU 565/2017.
• The participation in the project of integrating reporting obligations to a Transactions Repository, in accordance with the provisions of Regulation EU 2365/2015 "on transparency of securities financing and re-use transactions" - (Securities Financing Transactions Regulation).
• The analysis of business requirements for the generation of the Settlement Internalizer report, in accordance with CSDR Regulation (EU) no. 909/2014 "on improving securities settlement in the European Union and central securities depositories".
• The review of the Policy on the implementation of the FATCA Framework.
• The update of the FATCA Manual, incorporating legal entities' categorization procedures.
• The timely submission of the Bank's reports to supervisory Authorities.
• The amendment of the AML Group Policy in order to align with the provisions introduced by the AMLD4 and the corresponding Greek Law 4557/2018.
• The development of a systematic Risk Assessment framework, which allows the quantitative evaluation of the compliance risk exposure across the Bank, by introducing new widely used indicators and metrics.
• The launch of the "AML Enhancement Program", aiming to strengthen AML-KYC controls, processes, and policy.
• The design and launch of the "KYC Questionnaire" for both individuals and legal entities. The questionnaire is expected to elevate KYC controls at Customers' on-boarding, as well as during the span of the business relationship.
• The design of Customers' Periodic Review process, providing the opportunity to assess and update pertinent information in the KYC Profile and to analyze Customer activity on a pre-established basis.
• The design of a new Customer Risk Rating (CRR) methodology to function as the criterion for determining Customer's periodic review schedule and the level of the due diligence required.
• The continuous evaluation of the effectiveness of the Siron AML system in terms of the efficiency of existing scenarios and the design of new scenarios based upon the transaction triggers, in order for the Bank to be fully compliant with the existing regulatory framework.
• The upgrade of the "Siron AML System" to the latest version (v. '18), including all four (4) Siron Modules (Siron KYC, Siron AML, Siron RAS, Siron Embargo). The new version incorporates a 6-year advancement in respective technology and the automation in a series of functions that would enable the user to identify suspicious transactions and handle them in a more efficient manner. Furthermore, in terms of scenarios implementation, they are now designed based on red flags indicated by FATF, EU, as well as best practices.
• The systematic review and reassessment of Customers'

transactional activity in order to ensure that transactions performed are in accordance with the Customer's profile and Know Your Customer (KYC) records.

• The introduction, in 2020, of an online test addressed to 276 AML Officers across the Bank, aiming to update and re-assess their comprehension on current AML/CFT developments.

• The submission of files concerning services or products to the Bank of Greece, in order to assess the Money Laundering (ML) and Terrorist Financing (TF) risk for 2019 and the first half of 2020, in compliance with the Bank of Greece Governor's Act 2651/2012.

• The participation in working groups organized by the Hellenic Bank Association regarding:

- The latest updates on the Greek Law 4557/2018 (AMLD4).
- The exchange of information between the competent authorities, in the context of Law 4557/2018.
- The presentation for the e-KYC platform designed by the Ministry of Digital Governance.

• The participation in working groups of the Ministry of Finance, with the involvement of key stakeholders (BoG and other systemic Banks), regarding the e-Gov KYC Project.

• The participation in a meeting with representatives of the Council of Europe, in the context of the evaluation of the country regarding its effectiveness on the implementation of the 4th AML EU Directive. The AML/CFT Unit provided feedback regarding the measures taken by the Bank to address the obligations arising from the AMLD4 provisions, covering mainly the following topics: risk assessment, customer due diligence process, cooperation with F.I.U., suspicious transactions reporting and beneficial ownership transparency.

• In the context of the supervision and monitoring of Group Subsidiary Companies, the Group Compliance Division has implemented the following measures:

- Launched monthly virtual meetings with the Compliance Officers of the Subsidiaries.
- Reviewed the material related to Compliance and AML issues, prepared by the local Compliance office before its submission to the Audit Committee of the Subsidiary.
- Reviewed the annual Compliance Program proposed (Procedures, Policies and Manuals) prior to its endorsement for approval, in order to ensure alignment with the Group's respective Policies and Procedures.

• The implementation of due diligence measures to correspondent Banks holding nostro accounts in various currencies.

• The reassessment of the overall existing Correspondent Banking Relationships.

• The processing of a large number of cases regarding the provision of information to supervisory, tax, judicial and other Authorities as well as Individuals.

• The freeze of Customer property assets in compliance with judicial and financial Authorities' orders.

• The introduction of a new remote-control process (on a quarterly basis) to the Branch Network, in order to identify potential breaches and enhance the monitoring of the procedure followed against requests for information submitted by third parties (Authorities or Customers).

• The development of a risk-based approach for Bank Secrecy Section by establishing risk assessment methodology/tools and developing respective KRIs.

• The design and implementation of regular training seminars to Bank Employees in order to safeguard banking secrecy and professional confidentiality.

• The implementation of new flexible internal procedures in order to relieve the Branch Network and to ensure Customer and Staff safety.

• The update of the Compliance Division microsite regarding Bank Secrecy issues at the Bank's Intranet.

• The provision of guidelines to the Branch Network on handling Customers and third-party requests pertaining to the disclosure of bank secrecy.

The main objectives for 2021 are the implementation of uniform regulatory compliance policy and procedures in the entire Group in order to achieve complete and ongoing compliance in an ever-changing regulatory environment. The Compliance Division's priority is the smooth and productive cooperation with the Regulatory Authorities at national as well as European level, in order to secure Customer interests and cater to their needs, as well as to further protect the Bank from money laundering and terrorist financing risks, through the set-up and operation of two new Units responsible for performing Transactions Monitoring and Periodic Reviews, the implementation of a new score-based model for the Customer Risk Rating and the continuous education and AML training of Branch Employees.

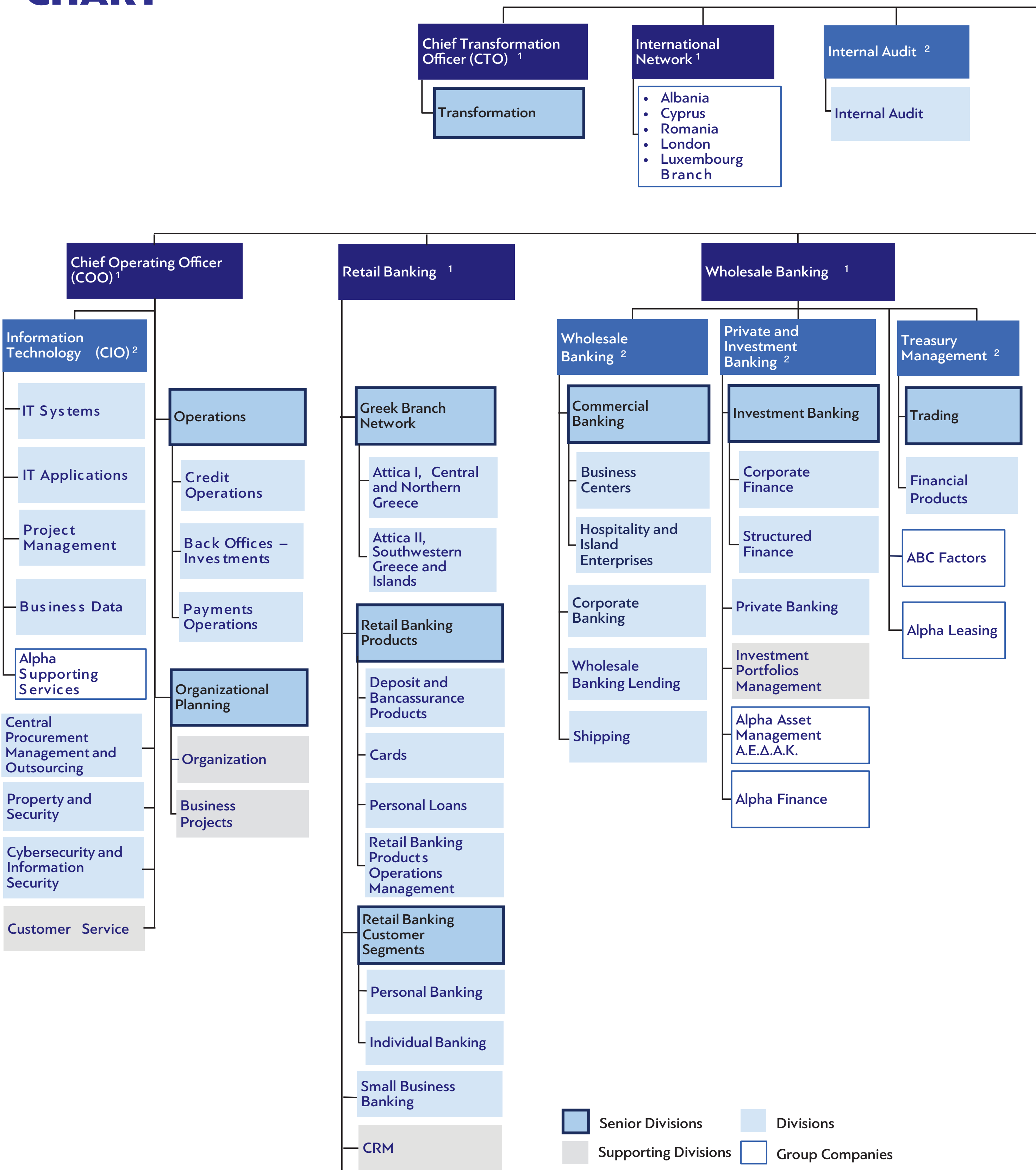
Concluding, a significant amount of the Compliance Division efforts will focus on:

• Further increasing Compliance Awareness.

• Enhancing control mechanisms in order to have a full view regarding the Bank's compliance level.

• Enhancing monitoring of the Group Companies, through the harmonization of their compliance programs with the ones set by the Group, the assessment of progress of their annual objectives or audit findings, as well as the review of their Policy manuals.

ORGANIZATIONAL CHART



[1] General Manager and member of the Executive Committee
[2] Executive General Manager

Chief Executive Officer (CEO)

- CEO' s Office
- Economic Research
- Marketing and Communication
  - Marketing and Public Relations
  - Corporate Communications
- Chief Human Resources Officer (CHRO) [2]
  - Human Resources Strategy and Reward
  - Human Resources Operations
- Chief Financial Officer (CFO) [1]
  - Strategy [2]
    - Strategic Planning
    - Corporate Development
    - Alpha Real Estate Management and Investments
    - Alpha Astika Akinita
    - Alpha Ventures
  - Investor and Analyst Relations
  - Analysis and Performance Management
    - Budgeting and Controlling
    - MIS
  - Capital Management and Banking Supervision
    - Supervisory Issues Management
    - Capital Instruments and Securitizations
  - NPEs Remedial Management [2]
    - Non-Performing Exposures Strategy, Recovery and Monitoring
  - Accounting and Tax
    - Accounting
    - Tax
    - Treasury Middle Office
    - Accounting Policies and Financial Control
  - Asset Liability Management
- Chief Risk Officer (CRO) [1]
  - Credit Control
    - Credit Risk Policy and Control
    - Credit Risk Methodologies
    - Credit Risk Cost Assessment
  - Credit Risk Data and Analysis
    - Credit Risk Data Management
    - Credit Risk Analysis
  - Market and Operational Risk
  - Risk Models Validation
  - Wholesale Credit
  - Credit Workout
  - Retail Credit
- Chief Legal and Governance Officer [1]
  - Compliance [2]
    - Compliance
  - Legal Services
    - Banking Operations Legal Support
    - Judicial Proceedings
  - Secretariat of the BoD
  - Group Data Protection Officer
- Growth and Innovation [1]
  - Chief Digital Officer [2]
    - Digital Banking
      - Digital Networks
      - Digital Transformation and Innovation
  - Customer Experience

Effective Date : 13.5.2021
(General Management Act No 27A/13.5.2021)

10

FINANCIAL STATEMENTS

10. FINANCIAL STATEMENTS

Group Financial Statements as at 31.12.2020

Consolidated Income Statement

(Amounts in Euro thousand)

	From 1 January to	
	31.12.2020	**31.12.2019***
Interest and similar income	2,073,382	2,109,035
Interest expense and similar charges	(531,745)	(561,767)
Net interest income	1,541,637	1,547,268
Fee and commission income	388,688	432,022
Commission expense	(53,361)	(91,893)
Net fee and commission income	335,327	340,129
Dividend income	2,958	1,072
Gains less losses on derecognition of financial assets measured at amortized cost	173,202	(16,054)
Gains less losses on financial transactions	516,771	425,652
Other income	22,496	35,851
Total other income	715,427	446,521
Total income	**2,592,391**	**2,333,918**
Staff costs	(459,519)	(459,938)
Expenses for separation schemes	(26,214)	(49,615)
General administrative expenses	(471,729)	(474,645)
Depreciation and amortization	(161,397)	(144,532)
Other expenses	(38,939)	(45,946)
Total expenses before impairment losses and provisions to cover credit risk	**(1,157,798)**	**(1,174,675)**
Impairment losses and provisions to cover credit risk	(1,319,511)	(990,415)
Share of profit/(loss) of associates and joint ventures	(1,014)	(12,603)
Profit/(loss) before income tax	**114,068**	**156,225**
Income tax	(10,123)	(50,814)
Profit/(loss) for the year	**103,945**	**105,411**
Profit/(loss) attributable to:		
Equity holders of the Bank	**103,737**	**105,296**
Non-controlling interests	208	115
Earnings/(losses) per share		
Basic (€ per share)	0.0672	0.0682
Diluted (€ per share)	0.0672	0.0682

* Certain figures of the previous year have been restated.

Consolidated Statement of Comprehensive Income

(Amounts in Euro thousand)

	From 1 January to	
	31.12.2020	**31.12.2019***
Profit/(loss) for the year, recognized in the Income Statement	**103,945**	**105,411**
Other comprehensive income		
Items that may be reclassified subsequently to the Income Statement		
Net change in reserve of investment securities' measured at fair value through other comprehensive income	(363,946)	523,929
Net change in cash flow hedge reserve	20,841	(130,463)
Foreign currency translation net of investment hedges of foreign operations	(2,951)	(1,486)
Income tax	95,551	(114,779)
Items that may be reclassified to the Income Statement	**(250,505)**	**277,201**
Items that will not be reclassified to the Income Statement		
Premeasurement of defined benefit liability/(asset)	(2,814)	(11,325)
Gains/(losses) from investments in equity securities measured at fair value through other comprehensive income	3,619	(20,355)
Income tax	686	9,437
Items that will not be reclassified to the Income Statement	**1,491**	**(22,243)**
Other comprehensive income, after income tax	(249,014)	254,958
Total comprehensive income for the year	**(145,069)**	**360,369**
Total comprehensive income for the year attributable to:		
Equity holders of the Bank	(145,267)	360,261
Non controlling interests	198	108

*Certain figures of the previous year have been restated.

Consolidated Balance Sheet

(Amounts in Euro thousand)

	31.12.2020	31.12.2019*
ASSETS		
Cash and balances with central banks	7,467,316	2,028,335
Due from banks	2,741,547	3,332,690
Trading securities	30,014	18,751
Derivative financial assets	1,267,083	1,009,193
Loans and advances to Customers	39,380,002	39,266,269
Investment securities		
- Measured at fair value through other comprehensive income	6,577,698	7,519,930
- Measured at amortized cost	3,335,733	1,070,730
- Measured at fair value through profit or loss	137,675	93,110
Investments in associates and joint ventures	30,716	13,385
Investment property	569,876	485,836
Property, plant and equipment	796,331	852,332
Goodwill and other intangible assets	601,818	492,346
Deferred tax assets	5,292,612	5,174,297
Other assets	1,587,943	1,536,898
	69,816,364	**62,894,102**
Assets classified as held for sale	240,343	563,519
Total Assets	**70,056,707**	**63,457,621**
LIABILITIES		
Due to banks	13,106,681	10,261,283
Derivative financial liabilities	1,768,357	1,446,915
Due to Customers	43,830,940	40,364,284
Debt securities in issue and other borrowed funds	1,222,869	1,088,693
Liabilities for current income tax and other taxes	70,141	39,873
Deferred tax liabilities	34,679	31,865
Employee defined benefit obligations	94,386	90,932
Other liabilities	891,580	1,057,844
Provisions	703,630	599,541
	61,723,263	**54,981,230**
Liabilities related to assets classified as held for sale	251	801
Total Liabilities	**61,723,514**	**54,982,031**
EQUITY		
Equity attributable to holders of the Bank		
Share capital	463,110	463,110
Share premium	10,801,029	10,801,029
Reserves	492,791	739,676
Amounts directly recognized in equity and associated with assets classified as held for sale		(122)
Retained earnings	(3.467.818)	(3,572,126)
	8,289,112	**8,431,567**
Non-controlling interests	29,382	28,951
Hybrid securities	14,699	15,072
Total Equity	**8,333,193**	**8,475,590**
Total Liabilities and Equity	**70,056,707**	**63,457,621**

* Certain figures of the previous year have been restated.

Consolidated Statement of Changes in Equity

(Amounts in Euro thousand)

	Share capital	Share premium	Reserves	Amounts recognized directly in Equity related to assets held for sale	Retained earnings*	Total	Non-controlling interests	Hybrid securities	Total
Balance 1.1.2019	**463,110**	**10,801,029**	**460,025**	**(122)**	**(3,652,777)**	**8,071,265**	**28,814**	**15,107**	**8,115,186**
Changes for the year 1.1 - 31.12.2019									
Profit/(loss) for the year, after income tax					105,296	**105,296**	115		**105,411**
Other comprehensive income for the year, after income tax			277,208		(22,243)	**254,965**	(7)		**254,958**
Total comprehensive income for the year	**-**	**-**	**277,208**	**-**	**83,053**	**360,261**	**108**	**-**	**360,369**
Acquisitions/Disposals/Share capital increase and other changes of ownership interests in subsidiaries						**-**	29		**29**
Appropriation of reserves			2,443		(2,443)	**-**			
(Purchases), (redemption)/sales of hybrid securities, after income tax								(35)	**(35)**
Other					41	41			41
Balance 31.12.2019	**463,110**	**10,801,029**	**739,676**	**(122)**	**(3,572,126)**	**8,431,567**	**28,951**	**15,072**	**8,475,590**

*Certain figures of the previous year have been restated.

(Amounts in Euro thousand)

	Share capital	Share premium	Reserves	Amounts recognized directly in Equity related to assets held for sale	Retained earnings	Total	Non-controlling interests	Hybrid securities	Total
Balance 1.1.2020	**463,110**	**10,801,029**	**739,676**	**(122)**	**(3,572,126)**	**8,431,567**	**28,951**	**15,072**	**8,475,590**
Changes for the year 1.1 - 31.12.2020									
Profit/(loss) for the year, after income tax					103,737	**103,737**	208		**103,945**
Other comprehensive income for the year, after income tax			(250,495)		1,491	**(249,004)**	(10)		**(249,014)**
Transfer of reserves related to the valuation of shares measured at fair value through other comprehensive income			(122)	122		**-**			**-**
Total comprehensive income for the year	**-**	**-**	**(250,617)**	**122**	**105,228**	**(145,267)**	**198**	**-**	**(145,069)**
Acquisitions, Disposals, Share capital increase and other changes of ownership interests in subsidiaries						**-**	223		**223**
Valuation reserve of employee stock option program			1,667			**1,667**			**1,667**
Appropriation of reserves			2,067		(2,067)	**-**	10		**10**
(Purchases), (redemption)/sales of hybrid securities, after income tax						**-**		(373)	**(373)**
Expenses for share capital increase					74	**74**			**74**
Other			(2)		1,073	**1,071**			**1,071**
Balance 31.12.2020	**463,110**	**10,801,029**	**492,791**	**-**	**(3,467,818)**	**8,289,112**	**29,382**	**14,699**	**8,333,193**

Consolidated Statement of Cash Flows

(Amounts in Euro thousand)

	From 1 January to	
	31.12.2020	**31.12.2019***
Cash flows from operating activities		
Profit/(loss) before income tax	114,068	156,225
Adjustments of profit/(loss) before income tax for:		
Depreciation, impairment, write-offs and net result from disposal of property, plant and equipment	105,708	98,646
Amortization, impairment, write-offs of intangible assets	74,333	63,068
Impairment losses on financial assets and other provisions	1,386,448	1,106,872
Gains less losses on derecognition of financial assets measured at amortized cost	(173,202)	16,054
Fair value (gains)/losses on financial assets measured at fair value through profit or loss	90,590	25,247
(Gains)/losses from investing activities	(722,133)	(563,060)
(Gains)/losses from financing activities	49,415	39,860
Share of (profit)/loss of associates and joint ventures	1,014	12,603
	926,241	**955,515**
Net (increase)/decrease in assets relating to operating activities:		
Due from banks	(259,266)	182,394
Trading securities and derivative financial instruments	(957)	(91,485)
Loans and advances to Customers	(1,532,877)	(459,334)
Other assets	310,269	(115,621)
Net increase/(decrease) in liabilities relating to operating activities:		
Due to banks	2,845,398	(195,077)
Due to Customers	3,466,656	1,627,638
Other liabilities	(146,215)	(123,486)
Net cash flows from operating activities before income tax	**5,609,249**	**1,780,544**
Income tax paid	(2,313)	(27,743)
Net cash flows from operating activities	**5,606,936**	**1,752,801**
Cash flows from investing activities		
Acquisition of a subsidiary	(41,967)	
Investments in associates and joint ventures	(15,978)	(2,794)
Proceeds from disposals of subsidiaries	15,403	118,186
Dividends received	2,958	1,072
Acquisitions of investment property, property, plant and equipment and intangible assets	(159,681)	(244,770)
Disposals of investment property, property, plant and equipment and intangible assets	6,695	54,029
Interest received from investment securities	209,046	169,076
Purchases of Greek Government Treasury Bills	(1,111,102)	(464,596)
Proceeds from disposal and redemption of Greek Government Treasury Bills	615,629	1,061,524
Purchases of investment securities (excluding Greek Government Treasury Bills)	(6,827,505)	(6,436,552)
Disposals/maturities of investment securities (excluding Greek Government Treasury Bills)	6,235,740	5,064,161
Net cash flows from investing activities	**(1,070,762)**	**(680,664)**
Cash flows from financing activities		
Issuance of debt securities in issue and other borrowed funds	495,363	416,906
Interest paid on debt securities in issue and other borrowed funds	(391,666)	(281,492)
Repayments of debt securities in issue and other borrowed funds	(17,367)	(24,620)
Finance lease payments	(42,765)	(39,746)
Net cash flows from financing activities	**43,565**	**71,048**
Effect of foreign exchange changes on cash and cash equivalents	8,833	11,999
Net increase/(decrease) in cash flows	**4,588,572**	**1,155,184**
Cash and cash equivalents at the beginning of the year	3,402,328	2,247,144
Cash and cash equivalents at the end of the year	**7,990,900**	**3,402,328**

*Certain figures of the previous year have been restated.

Bank Financial Statements as at 31.12.2020

Income Statement

(Amounts in Euro thousand)

	From 1 January to	
	31.12.2020	**31.12.2019***
Interest and similar income	1,806,416	1,825,251
Interest expense and similar charges	(501,044)	(528,761)
Net interest income	1,305,372	1,296,490
Fee and commission income	325,358	369,809
Commission expense	(44,484)	(80,888)
Net fee and commission income	280,874	288,921
Dividend income	10,726	23,760
Gains less losses on derecognition of financial assets measured at amortized cost	178,205	(16,421)
Gains less losses on financial transactions	410,718	322,556
Other income	18,819	16,813
Total other income	618,468	346,708
Total income	**2,204,714**	**1,932,119**
Staff costs	(334,317)	(346,199)
Expenses for separation schemes	-	(49,615)
General administrative expenses	(369,272)	(378,298)
Depreciation and amortization	(128,902)	(109,419)
Other expenses	(15,983)	(33,007)
Total expenses before impairment losses and provisions to cover credit risk	**(848,474)**	**(916,538)**
Impairment losses and provisions to cover credit risk	(1,142,715)	(924,799)
Profit/(loss) before income tax	**213,525**	**90,782**
Income tax	(75,128)	(29,851)
Profit/(loss) for the year	**138,397**	**60,931**
Earnings/(losses) per share		
Basic (€ per share)	0.0897	0.0395
Diluted (€ per share)	0.0897	0.0395

*Certain figures of the previous year have been restated.

Statement of Comprehensive Income

(Amounts in Euro thousand)

	From 1 January to	
	31.12.2020	**31.12.2019***
Profit/(loss) for the year, recognized in the Income Statement	**138,397**	**60,931**
Other comprehensive income		
Items that may be reclassified subsequently to the Income Statement		
Net change in reserve of investment securities measured at fair value through other comprehensive income	(363,393)	475,994
Net change in cash flow hedge reserve	20,841	(130,454)
Income tax	99,340	(100,206)
Items that may be reclassified to the Income Statement	**(243,212)**	**245,334**
Items that will not be reclassified to the Income Statement		
Premeasurement of defined benefit liability/ (asset)	(3,242)	(10,931)
Gains/(losses) from investments in equity securities measured at fair value through other comprehensive income	4,064	(20,121)
Income tax	(239)	9,005
Items that will not be reclassified to the Income Statement	**583**	**(22,047)**
Other comprehensive income, after income tax	(242,629)	223,287
Total comprehensive income for the year	**(104,232)**	**284,218**

*Certain figures of the previous year have been restated.

Balance Sheet

(Amounts in Euro thousand)

	31.12.2020	31.12.2019*
ASSETS		
Cash and balances with central banks	6,682,232	1,201,807
Due from banks	2,630,190	3,332,938
Trading securities	29,418	18,647
Derivative financial assets	1,272,924	1,024,484
Loans and advances to Customers	35,280,807	34,854,802
Investment securities		
- Measured at fair value through other comprehensive income	5,170,579	6,194,015
- Measured at fair value through profit or loss	218,317	217,512
- Measured at amortized cost	3,160,121	1,070,730
Investments in subsidiaries, associates and joint ventures	2,488,619	919,757
Investment property	46,659	39,679
Property, plant and equipment	642,381	697,459
Goodwill and other intangible assets	473,458	448,165
Deferred tax assets	5,277,158	5,233,082
Other assets	1,373,114	1,356,278
	64,745,977	**56,609,355**
Assets classified as held for sale	274,773	1,371,837
Total Assets	**65,020,750**	**57,981,192**
LIABILITIES		
Due to banks	13,333,799	10,754,495
Derivative financial liabilities	1,769,222	1,447,703
Due to Customers	39,535,086	35,541,466
Debt securities in issue and other borrowed funds	1,048,536	882,566
Liabilities for current income tax and other taxes	64,296	24,887
Employee defined benefit obligations	84,899	87,395
Other liabilities	990,529	934,559
Provisions	189,499	200,746
Total Liabilities	**57,015,866**	**49,873,817**
EQUITY		
Share capital	463,110	463,110
Share premium	10,801,029	10,801,029
Reserves	326,893	568,438
Retained earnings	(3,586,148)	(3,725,202)
Total Equity	**8,004,884**	**8,107,375**
Total Liabilities and Equity	**65,020,750**	**57,981,192**

*Certain figures of the previous year have been restated.

Statement of Changes in Equity

(Amounts in Euro thousand)

	Share capital	Share premium	Reserves	Retained earnings*	Total
Balance 31.12.2018	**463,110**	**10,801,029**	**323,104**	**(3,736,156)**	**7,851,087**
Impact of initial application of IFRS 16				(27,930)	(27,930)
Balance 1.1.2019	**463,110**	**10,801,029**	**323,104**	**(3,764,086)**	**7,823,157**
Changes for the year 1.1 - 31.12.2019					
Profit/(loss) for the year, after income tax				60,931	60,931
Other comprehensive income for the year, after income tax			245,334	(22,047)	223,287
Total comprehensive income for the year	**-**	**-**	**245,334**	**38,884**	**284,218**
Balance 31.12.2019	**463,110**	**10,801,029**	**568,438**	**(3,725,202)**	**8,107,375**

*Certain figures of the previous year have been restated.

(Amounts in Euro thousand)

	Share capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2020	**463,110**	**10,801,029**	**568,438**	**(3,725,202)**	**8,107,375**
Changes for the year 1.1 - 31.12.2020					
Profit/(loss) for the year, after income tax				138,397	138,397
Other comprehensive income for the year, after income tax			(243,212)	583	(242,629)
Total comprehensive income for the year	**-**	**-**	**(243,212)**	**138,980**	**(104,232)**
Employee stock option reserve			1,667		1,667
Share capital increase expenses				74	74
Balance 31.12.2020	**463,110**	**10,801,029**	**326,893**	**(3,586,148)**	**8,004,884**

Statement of Cash Flows

(Amounts in Euro thousand)

	From 1 January to	
	31.12.2020	**31.12.2019***
Cash flows from operating activities		
Profit / (Loss) before income tax	213,525	90,782
Adjustments of profit / (loss) before income tax for:		
Depreciation, impairment, write-offs of property, plant and equipment	64,253	61,692
Amortization, impairment, write-offs of intangible assets	66,298	54,778
Impairment losses on financial assets and other provisions	1,124,416	1,029,846
Gains less losses on derecognition of financial assets measured at amortized cost	(178,205)	16,421
Fair value (gains)/losses on financial assets measured at fair value through profit or loss	82,895	(21,564)
Impairment of investments	180,872	86,973
Net (gain)/loss from investing activities	(732,568)	(499,656)
Net (gain)/loss from financing activities	46,036	35,667
	867,522	854,939
Net (increase)/decrease in assets relating to operating activities:		
Due from banks	(250,064)	349,522
Trading securities and derivative financial instruments	(18,928)	(103,678)
Loans and advances to Customers	(1,318,315)	(613,088)
Other assets	167,220	(99,381)
Net increase/(decrease) in liabilities relating to operating activities:		
Due to banks	2,579,305	65,082
Due to Customers	3,993,804	2,049,247
Other liabilities	(160,275)	(123,302)
Net cash flows from operating activities before income tax	**5,860,269**	**2,379,341**
Income tax paid		
Net cash flows from operating activities	**5,860,269**	**2,379,341**
Cash flows from investing activities		
Investments in subsidiaries, associates and joint ventures	(1,925,361)	(109,007)
Proceeds from disposals of subsidiaries, associates and joint ventures	1,020,046	62,108
Proceeds from the carve out of the Non Performing Exposures Unit	240,000	
Dividends received	10,726	23,760
Acquisitions of investment property, property, plant and equipment and intangible assets	(134,149)	(147,677)
Disposals of investment property, property, plant and equipment and intangible assets	2,749	24,364
Interest received from investment securities	164,085	128,577
Purchases of Greek Government Treasury Bills	(1,140,765)	(469,700)
Proceeds from disposal and redemption of Greek Government Treasury Bills	616,629	1,063,418
Purchases of investment securities (excluding Greek Government Treasury Bills)	(5,779,451)	(5,404,623)
Disposals/maturities of investment securities (excluding Greek Government Treasury Bills)	5,498,736	3,979,802
Net cash flows from investing activities	**(1,426,755)**	**(848,978)**
Cash flows from financing activities		
Issuance of debt securities in issue and other borrowed funds	559,410	218,849
Interest paid on debt securities in issue and other borrowed funds	(16,141)	(11,970)
Repayments of debt securities in issue and other borrowed funds	(419,617)	(170,332)
Finance lease payments	(30,340)	(31,168)
Net cash flows from financing activities	**93,312**	**5,379**
Effect of foreign exchange changes on cash and cash equivalents	119	1,733
Net increase/(decrease) in cash flows	**4,526,945**	**1,537,475**
Cash and cash equivalents at the beginning of the year	**2,540,198**	**1,002,723**
Cash and cash equivalents at the end of the year	**7,067,143**	**2,540,198**

*Certain figures of the previous year have been restated.

10. FINANCIAL STATEMENTS

NOTES

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