

Alpha Bank

Consolidated Pillar III Disclosures,
31 December 2020



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List of Abbreviations

Abbreviation	Definition
ACM	Ambit Capital Manager
ALCo	Assets-Liabilities Management Committee
BoD	Board of Directors
BoG	Bank of Greece
Bps	Basis Point
BRRD	Bank Recovery and Resolution Directive
CAR	Capital Adequacy Ratios
CBR	Combined Buffers Requirements
CCF	Credit Conversion Factor
CCP	Code of Civil Procedure
CCR	Counterparty Credit Risk
CCyB	Countercyclical Capital Buffer
CDS	Credit Default Swaps
CET1	Common Equity Tier 1
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CRD	Capital Requirements Directive
CRE	Commercial Real Estate
CRM	Credit Risk Mitigation
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSA	Credit Support Annex
CVA	Credit Valuation Adjustment
DTA	Deferred Tax Assets
EAD	Exposure at Default
EBA	European Banking Authority
ECAI	External Credit Assessment Institutions
ECB	European Central Bank
ECL	Expected Credit Loss
ELA	Emergency Liquidity Assistance
EU	European Union
FRTB	Fundamental Review of the Trading Book
FTP	Fund Transfer Pricing mechanism
FVTOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FX	Foreign Exchange
GDP	Gross Domestic product
GL	Guidelines
GMRA	Global Master Repurchase Agreement
KPI	Key Performance Indicator
KRI	Key Risk Indicator
LAS	Liquidity Adequacy Statements
LCR	Liquidity Coverage Ratio
LGD	Loss given default
LTV	Loan to Value
HDIGF	Hellenic Deposit and Investment Guarantee Fund
IAS	International Accounting Standards
ICAAP	Internal Capital Adequacy Assessment Process
ICS	Internal Control System
ILAAP	Internal Liquidity Adequacy Assessment Process



IFRS	International Financial Reporting Standards
IMA	Internal Model Approach
IRB	Internal Ratings Based (approach)
IRRBB	Interest Rate Risk in the Banking Book
ISDA	International Swap and Derivatives Association
IT	Information Technology
MREL	Minimum Requirement for Eligible Liabilities
NCA	National Competent Authorities
NPE	Non-Performing Exposure
NPL	Non-Performing Loan
NRA	National Resolution Authorities
NSFR	Net Stable Funding Ratio
OCR	Overall Capital Requirement
O-SII	Other Systemically Important Institution
OTC	Over the Counter
P2R	Pillar 2 Requirement
PD	Probability of default
POCI	Purchased or Originated Credit Impaired
RAF	Risk Appetite Framework
RAS	Risk Appetite Statement
RCSA	Risk Control Self – Assessment
RRE	Residential Real Estate
RemCo	Remuneration Committee
RWA	Risk Weighted Assets
SA	Standardized Approach
SFTs	Securities Financing Transactions
SME	Small & Medium Enterprises
SPPI	Solely Payments of Principle and Interest
SRB	Single Resolution Board
SREP	Supervisory Review and Evaluation Process
SRM	Single Resolution Mechanism
SSM	Single Supervisory Mechanism
STA	Standardized Approach
SVaR	Stressed Value at Risk
TAC	Troubled Assets Committee
TC	Total Capital
TSCR	Total SREP Capital Requirements
UTP	Unlikely to Pay
VaR	Value at Risk



1. Introduction

1.1. General Information

Alpha Bank is one of the leading banks of the Greek privately owned banking sector and constitutes a consistent point of reference in the Greek banking system for more than 140 years. The Bank offers a wide range of high-quality financial products and services, including retail banking, SMEs and corporate banking, asset management and private banking, distribution of insurance products, investment banking, brokerage and real estate management.

The Parent Company of the Group, Alpha Bank, which was founded in 1879 by John F. Kostopoulos, has its headquarters at 40 Stadiou Street, Athens, and is registered in the Register of Companies with number 6066/06/B/86/05. The Bank is subject to the Greek banking and accounting law and regulation and is supervised by the European Central Bank (ECB) and the Single Supervisory Mechanism (SSM).

Alpha Bank is active in the Greek and international banking market, with presence in the United Kingdom, Cyprus, Albania, and Romania and Luxemburg.



2 Pillar III Disclosures Overview

2.1 Background and Structure of Pillar III Disclosures

Alpha Bank's Pillar III Report is prepared in accordance with disclosure requirements as laid down in Part Eight of the "Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms" (Capital Requirements Regulation, or "CRR") and the "Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms" (Capital Requirements Directive IV, or "CRD IV").

The present Report is structured under 15 chapters and 5 Appendices. The 1st chapter provides an overview of Group's performance for 2020. Chapter 2 describes the Alpha Bank Group background as well as the Pillar III Disclosures background, an overview of regulatory framework and significant developments within 2020 as well as an overview of the Group's Corporate Governance. The 3rd chapter provides information on the scope of application of the regulatory framework and the relevant differences with accounting scope of consolidation.

Chapters 4 and 5 provide full information on capital and leverage, including quantitative information on Alpha Bank Group capital base and capital requirements.

Chapters 6 - 14 describe the Group's risk management framework, and provide detailed information on credit risk, market risk, counterparty credit risk, operational risk, liquidity risk, as well as asset encumbrance.

Chapter 15 contains information on Group's remuneration policy.

The appendices include a listing of BoD Committees' composition and terms of reference, the CVs of the Members of the Board of Directors as well as the difference of scope of consolidation per entity of the Group, the Terms and conditions of Tier 2 Instruments and Group organisational chart.

2.1.1 Disclosures enhancements

In January 2015, the Basel Committee on Banking Supervision (BCBS) published the Revised Pillar III Disclosure Requirements, followed by the publication, in December 2016, of the EBA Final Guidelines on disclosure requirements. These Guidelines provide banks with guidance in attaining compliance with the CRR and with the Basel Committee, and are effective from 31 December 2017. Alpha Bank incorporated the enhancements to the extent possible.

In December 2018 EBA published guidelines that specify the common content and uniform disclosure formats for the information on NPEs, forbore exposures and foreclosed assets that credit institutions should disclose. Proportionality is embedded in the guidelines based on two criteria – the significance of the credit institution and the level of NPEs – and there is a set of templates that needs to be disclosed only by significant credit institutions with a gross NPL ratio of 5% or above.

Following the outbreak of the COVID-19 pandemic and the response of governments across the globe and in the EU states by implementing measures to support borrowers, additional reporting and disclosures requirements were introduced on 2 June 2020. The specific requirements take into account the Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis (date of publication 2 April 2020).



2.1.2 Approval and publication

In accordance with the Group's internal governance framework, a "Pillar III Disclosures Policy" has been developed and implemented that ensures consistent and continuous compliance with the disclosure requirements of the regulatory framework (CRR 575/2013, article 431(3)) and best practices.

The adopted policy sets the minimum content of public disclosures presented.

The Bank with the aim to apply, at all times, best practices and cover any new regulatory requirements, revises its disclosure policy on an annual basis or when deemed necessary and updates the extent and type of information provided at each disclosure date accordingly.

The Bank publishes the Pillar III report via its website, within the applicable deadlines. The data included in this report may be different than the respective accounting data, mainly due to differences between the regulatory and the accounting scope of consolidation and/or differences in the definitions used. However, the Group's financial statements, used together with Pillar III disclosures, complement market participants' information and enhance transparency.

The disclosures included in this report were verified and approved internally in line with the Disclosures policy which is approved by the Board. Business units attest to the accuracy of their data submissions. Consistency checks and reconciliations are performed with accounting and regulatory data. The information in this report is subject to the same level of internal control processes as the information provided by the Group for its financial reporting.

2.2 Supervision and Regulatory Framework

Single Supervisory Mechanism (SSM)

Since November 2014, Alpha Bank has been assessed as "Other Systemically Important Institution" (O-SII) and, as such, is directly supervised by the ECB in accordance with the SSM framework.

The SSM is a system of financial supervision composed of the ECB and national competent authorities (NCAs)

The applicable banking regulatory framework in the European Union, the Basel 3 capital framework, was implemented by the "Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms" (Capital Requirements Regulation, or "CRR") published on June 27, 2013, in combination with the "Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms" (Capital Requirements Directive 4, or "CRD 4") published on June 27, 2013 that has been transposed into the Greek legislative framework by the Law 4261/2014. The framework on prudential requirements and prudential supervision is effective from 1st January 2014.

The aforementioned framework sets the minimum own funds requirements as follows:

- 4.5% for the Common Equity Tier I ratio (CET I)
- 6% for the Tier I ratio
- 8% for the Total Capital Adequacy ratio

The maintenance of capital buffers additional to the CET I capital are required. In particular:

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

- Countercyclical capital buffer equal to “zero percent” (0%) for 2020
- Other systemically important institutions (O-SII) buffer, which will gradually rise to “one percent” (1%) from 1.1.2019 to 1.1.2023. For 2020, the O-SII buffer stands at 0.5%.

Supervisory Review and Evaluation Process (SREP)

According to Council Regulation 1024/2013, ECB conducts annually a Supervisory Review and Evaluation Process (SREP) to assess the risk profiles of the institutions under its remit. This process evaluates the:

- Sustainability and viability of business model
- Adequacy of governance and risk management
- Assessment of risk to capital and
- Assessment of risks to liquidity and funding

Following the assessment the ECB determines the minimum capital requirements and sets qualitative requirements to each of the banking institutions.

On 10 December 2019, the ECB informed Alpha Bank that since 1st January 2020 the minimum limit for the Overall Capital Requirement (OCR) is 14%, increased by 0.25%, due to the gradual increase of the O-SII buffer. The OCR also includes the Pillar 2 requirement (P2R) of 3.0%.

For 2021, the minimum limit for the Overall Capital Requirement (OCR) remains unchanged from 2020 at 14% in accordance with a decision that was notified to the Bank on 28 December 2020.

Measures taken for the banks to tackle Covid-19 pandemic during 2020

Capital Measures

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

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

- Banks are temporarily allowed to operate below the level of capital defined by the Capital Conservation Buffer and the Countercyclical Buffer. In addition, on 28 July 2020, the ECB announced through a press release that financial institutions are allowed to operate below the aforementioned thresholds at least up to the end of 2022.
- Furthermore, the change expected in January 2021 under CRD V regarding the composition of the Pillar 2 requirement (P2R) buffer was brought forward allowing the (P2R) to be covered by Additional Tier 1 (AT1) capital by 18.75% and Tier 2 (T2) capital by 25% and not only by CET 1.
- In addition, ECB expects that banks will use the positive effects of these measures to support the economy and therefore it expects that banks will not to pay dividends or buy back shares during COVID-19 pandemic, at least until 1 October 2020. In addition, banks are not expected to increase variable remuneration.

The European Commission decided to revise the existing regulatory framework by bringing forward regulations (a.k.a. CRR 'quick fix') that would normally take effect come with the CRR2/CRDV framework, as well as to 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.

In 26 June 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 1 January 2022 and 1 January 2023 respectively. This decision is in the context of the response to Covid19 pandemic in order to mitigate the subsequent financial impact.

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

Other measures

In addition to the above measures, the ECB announced that it will apply individual measures for banks examined on a case-by-case basis, such as adjusting timetables, processes, and deadlines, possible rescheduling on-site inspections and extending deadlines for the implementation of remediation actions stemming from recent on-site inspections and internal model investigations.

ECB also extended deadlines for certain non-critical supervisory measures and data requests.

In the light of the operational pressure on banks, the ECB and the European Banking Authority decided to postpone the 2020 EBA EU-wide stress test, while banks were asked to review their business continuity plans and consider what actions could be taken to enhance preparedness to minimise the potential adverse effects of the spread of the coronavirus.

Further to the above, other measures employed by the ECB relate to supervisory flexibility regarding the treatment of non-performing loans (NPLs), allowing banks to fully benefit from guarantees and moratoriums put in place by public authorities to tackle the pandemic. Supervisors announced that they will also deploy full flexibility when discussing with banks the implementation of NPL reduction strategies, taking into account the extraordinary market conditions.

Single Resolution Mechanism (SRM)

The Single Resolution Mechanism (SRM) implements the EU-wide Bank Recovery and Resolution Directive (BRRD – see next paragraph) in the euro area. The Single Resolution Board (SRB) in cooperation with the National Resolution Authorities (NRAs), are responsible for the design of the specific resolution strategy of each institution which, among others, includes the resolution actions that could be executed following adequate preparation.

Recovery and Resolution

The European Bank Recovery and Resolution Directive (2014/59/EU – “BRRD”), which is part of the Single Rulebook, establishes a framework for the recovery and resolution of credit institutions and investment firms. The Directive introduced a set of common rules to deal with banking crises across the EU and the orderly recovery and resolution of financial institutions, with the aim to avoid significant adverse effects on financial stability and to ensure that shareholders and creditors (including unsecured depositors) will share the burden in case of a potential recapitalization and/or liquidation. The Directive was transposed into the Greek legislation with Law 4335/2015.

Among other topics, the Directive requires Member States to ensure that institutions prepare and regularly update a Recovery Plan setting out the measures that may be taken to restore their financial position following a significant deterioration thereof. The recovery plan addresses, amongst other aspects, various types of recovery measures that a credit institution may adopt in order to maintain or restore its financial position following a significant deterioration, a framework of recovery indicators that determines the areas in which such measures could be implemented, as well as a set of hypothetical scenarios of instability affecting either the institution alone or the entire financial system and which are used to assess the feasibility of the recovery measures being considered.

The Group develops its Recovery Plan on an annual basis, taking into consideration applicable EU Regulations and Directives, national laws, relevant Regulatory Technical Standards (RTS) and Guidelines published by the European Banking Authority (EBA) as well as reports published by the European Central Bank (ECB) on lessons learnt and best practices.

The BRRD also established the framework to create a Single Resolution Mechanism (SRM), the second pillar of the European Banking Union, which was subsequently developed through Regulation EU 806/2014 (SRMR). Under the SRM, the Single Resolution Board (SRB) in cooperation with the National Resolution Authorities (NRAs) are responsible for the design of the specific resolution strategy for each credit institution which, among others, includes the resolution actions that could be executed following adequate preparation. These authorities also draw up the Resolution Plan for credit institutions, which cooperate by providing the necessary information.

Following a legislative reform in November 2016 (“banking reform package”), the regulatory framework applicable to recovery and resolution topics has been amended, introducing the following updates:

- Regulation (EU) 2019/876 of the European Parliament and of the Council amending the Capital Requirements Regulation as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (CRR 2). The CRR II has entered into force in 27 June 2019.
- Regulation (EU) 2019/877 of the European Parliament and of the Council amending Regulation (EU) No 806/2014 as regards loss-absorbing and recapitalization capacity for credit institutions and investment firms (known as “SRMR2”), applicable from 28 December 2020.
- Directive (EU) 2019/879 of the European Parliament and of the Council amending Directive 2014/59/EU on loss-absorbing and recapitalisation capacity of credit institutions and investment firms (known as “BRRD2”). The Directive is expected to be transposed into Greek law within 2021.

On 3 August 2020, the final document on the reporting and disclosure of MREL and TLAC (“ITS on disclosure and reporting of MREL and TLAC”) was published, which implements the changes introduced by BRRD2. Although not yet published in the OJEU, the application date of the reporting requirements is 30 June 2021, while the application date for disclosure requirements varies between those for the TLAC (once the ITS entries into force) and those for MREL (1 January 2024 at the earliest).

Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

Banks in the European Union are also required to meet at all times a minimum requirement for own funds and eligible liabilities (“MREL”) which ensures that banks have sufficient loss absorbing capacity in resolution to avoid recourse to taxpayers’ money. Relevant laws are the Single Resolution Mechanism Regulation (“SRMR”) and the Bank Recovery and Resolution Directive (“BRRD”) as implemented through Law 4335/2015 in the Greek legal framework.

MREL is determined by the competent resolution authorities on a case-by-case basis, depending on the respective preferred resolution strategy. Guidance is provided through the MREL policy published by the SRB on 20 May 2020, which incorporates the criteria set out in BRRD2/CRR2 and establishes new transition periods (Intermediate target in 2022 and final target in 2024).

In the case of Alpha Bank, MREL is determined by the Single Resolution Board (“SRB”). While there is no statutory minimum level of MREL, the SRM Regulation and the BRRD set out criteria which the resolution authority must consider when determining the relevant required level of MREL.

Other Regulatory Restrictions

Group’s significant restrictions regarding the use of assets or the settlement of obligations, are those imposed by the regulatory framework in which foreign subsidiaries, supervised for their capital adequacy and liquidity, mainly operate. In particular, the regulatory authorities request, where appropriate and depending on the nature of the company, the compliance with specific thresholds, as for example the maintenance of a specific level of capital buffers and/or liquid assets, the limitation of the exposure to other Group companies and the compliance with specific ratios.

2.3 Significant Developments

2.3.1 NPE Plan & Project Galaxy

NPE Plan (Update)

The submission of the Bank’s NPE plan for the period 2020-2022 which was due in March 31, 2020, was postponed for 6 months in the face of the Covid-19 pandemic.

On September 2020, the Bank submitted an updated NPE Business Plan for the period H2 2020 – 2022 incorporating Covid-19 impact in its projections according to the latest requirement from SSM. Galaxy transaction as well as actions taken by the Bank to mitigate the deterioration of portfolio quality caused by the pandemic will contribute towards the projected reduction.

An updated NPE reduction plan for the period 2021-2023 will be submitted to the SSM by H1 2021.

Project Galaxy

One of the key pillars of the Bank’s Strategy is the de-risking of its Balance Sheet, putting capital to work with a view to improve its asset quality and normalize the cost of risk.

Alpha Bank planned a frontloading of its efforts through a large securitization transaction of c. Euro 10.8 billion GBV, of both retail and wholesale NPEs, known as project Galaxy, making use of the Hellenic Asset Protection Scheme for the retained senior tranche of Euro 3.8 billion. Despite the difficulties faced due to the persistence of the COVID-19 pandemic, the transaction closing is estimated for Q2 2021.

In parallel with the securitization transaction, the sale of the servicing platform to an independent entity is also planned, in order to support Project Galaxy and enhance business model efficiency. The servicer, new CEPAL, is expected to manage a total of Euro 29 billion of NPEs from Alpha Bank and third parties, including an exclusivity agreement with Alpha Bank to manage its remaining NPEs.

Finally, the Hive Down, which is a key enabler to this whole endeavor, entails a corporate reorganization structure allowing for a much better risk profile in terms of asset quality. This process was completed in April 2021.

The above actions will result in an improved quality of retained NPE portfolio that will act as a key component of the value creation strategy while maintaining strong capital ratios and enhance buffers above requirements

2.3.2 Capital Issuances

On February 13th 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 4th 2021, Alpha Bank placed a Euro 500 million Tier 2 bond aiming to maintain strong capital ratios and ample buffers over the minimum capital 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.

2.3.3 EU-Wide 2021 Stress test

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 securitisations – 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 COVID – 19 (Coronavirus) and its global spread, 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 additional EU-wide transparency exercise in order to provide updated information on banks' exposures and asset quality to market participants.

On 29. January 2021 the European Banking Authority (EBA) launched the 2021 EU-wide Stress Test. This year's Stress Test will provide valuable input for assessing the resilience of the European banking sector. The results of the exercise are expected to be published by 31 July 2021.

2.4 Overview of Alpha Bank Group Corporate Governance

The Board of Directors has the overall responsibility for directing and controlling the Bank and the Group, including guiding the strategy and ensuring balanced risk-taking to promote soundness and safety. The overall Corporate Governance framework is included in the Board of Directors Annual Report as at 31.12.2020.

The Board of Directors regularly examines corporate governance issues and during 2020 it revised the Corporate Governance Code and policies pertaining to corporate governance in order for them to be fully aligned with the relevant regulatory framework and with the most recent best practices of corporate governance.

During 2020, the Bank conducted a review of Corporate Governance Documents adopted by Subsidiaries. This analysis ensured that the Subsidiaries' Corporate Governance Codes, the Charters of Board of Directors' Committees and Policies relevant to the Corporate Governance practices were fully aligned with the legal and the regulatory requirements, EBA guidelines and best practices as well as with Alpha Bank's corporate governance practices, while taking into consideration the local regulatory framework.

Alpha Bank has adopted the Suitability and Nomination Policy for the Members of the Board of Directors and Key Function Holders (the "Policy") which sets the principles and the framework for the selection, appointment and re-appointment of Members of the Board of Directors as well as the criteria to be used in the assessment.

It also addresses the appointment and re-appointment of the Key Function Holders of Alpha Bank, i.e. the Chief Financial Officer, the Chief Risk Officer, the Head of Internal Audit Division and the Head of the Compliance Division.

The Policy complies with the legislative and regulatory framework in force, including the relevant Joint ESMA and EBA Guidelines on “the assessment of the suitability of members of the management body and key function holders” as well as with European best practices in corporate governance. It also meets the requirements stipulated in the Relationship Framework Agreement (RFA) signed between the Bank and the Hellenic Financial Stability Fund (HFSF).

The objectives of the Policy are to:

- Set general principles that provide guidance to the Corporate Governance and Nominations Committee (the “CGNC”) and its Chair on selecting, vetting and proposing candidates to the Board of Directors.
- Set criteria for the selection and suitability assessment of Board of Directors candidates.
- Set criteria for the assessment of the ongoing individual suitability of the Members of the Board of Directors as well as the collective suitability of the Board of Directors.
- Set criteria for the selection and the appointment of Key Function Holders.
- Establish a transparent, effective and time-efficient suitability and nomination process.
- The Policy is approved by the Board of Directors and reviewed annually by the Corporate Governance and Nomination Committee.

The CGNC will not propose candidates which it deems not suitable to become Members of the Board of Directors according to the criteria set out in the Policy. Suitability is determined in relation to the Policy’s criteria for candidates (fit and proper and general suitability) and current composition needs. For the purposes of the Policy, it is defined as the degree to which an individual is deemed to have good reputation and to have, individually and collectively with other individuals, adequate knowledge, skills and experience to perform his/her duties. Suitability also covers the honesty, integrity and independence of mind of each individual and his or her ability to commit sufficient time to perform his or her duties.

In order to be considered as a suitable candidate by the Board and its CGNC, prospective nominees must: meet the fit and proper requirements, meet individual and collective suitability requirements, have no systematic conflict of interests with the Bank, be able to devote sufficient time to the Board of Directors. All nominees must submit a declaration that they meet the relevant requirements.

On 31.12.2020 the Board of Directors of the Bank was consisted of thirteen Members with the following breakdown:

- Two Executive Members
- Four Non-Executive Members
- Seven Non-Executive Independent Members

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. A.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 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 new Strategic Plan and the governance structure approved by the Board of Directors in November 2019, Mr. S.N. Filaretos was appointed General Manager – Growth and Innovation as of 1.12.2020 and Mr. S.N. Mytilinaios was appointed General Manager – Chief Operating Officer as well as Member of the Executive Committee as of 1.12.2020.

Furthermore, a new structure of the Management Committees of the Bank was introduced in order the Bank to strengthen its organizational effectiveness and to facilitate executive decision-making, while maintaining strong risk management. The Charters of the Management Committees were redrafted in order to reflect the new structure and responsibilities of the Committees.

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.

The main highlights of the overall evaluation for the year 2019 are the following:

- The Board of Directors' overall score has increased considerably compared to 2018 and 2017
- The effectiveness of the Committees of the Board of Directors is the highest scoring area, showing a significant improvement compared to 2018.

Additionally, the Corporate Governance and Nominations Committee ascertained that the current composition of all the Committees of the Board of Directors, namely the Audit Committee, the Risk Management Committee, the Remuneration Committee and the Corporate Governance and Nominations Committee, meets the requirements of the regulatory framework, is consistent with the principles of Corporate Governance of the Bank and contributes to the effective and smooth operation of the Committees and the Bank.

The composition of the Board of Directors reflects the knowledge, skills and experience necessary to fulfill its responsibilities. This entails that the Board of Directors collectively has an appropriate understanding of those areas for which the Members are collectively accountable and the skills to effectively manage and oversee the Bank.

While the Executive Members have a high level of managerial skills, the Non-Executive Members have sufficient management skills to organize the Board of Directors' tasks effectively and to be able to understand and challenge the management practices applied and the decisions taken by the Executive Members.

The Corporate Governance and Nominations Committee also ascertained that the Members of the Board of Directors represent different business sectors as well as different geographical areas and are acknowledged for their character, integrity, ability of leadership, management, thought and constructive collective operation in a team environment as well as for their financial knowledge and other professional and business experience. The level of experience and knowledge of all the Members of the Board of Directors and its Committees was evaluated by the Board of Directors as very high, while their work was evaluated as extremely effective.

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.

In this context and for the purposes of preparing the assessment of the collective suitability, each Member of the Board of Directors conducted an Individual Self-Assessment based on the criteria listed in the Joint ESMA/EBA Guidelines. The Chair of the Board of Directors completed the Collective Suitability Matrix of the Joint ESMA/EBA Guidelines based on the Individual Self Assessments and examining, among others, the areas of governance, risk management, compliance, audit, management, strategy, decision-making and past experience, as suggested by the said Guidelines.

Based on the approved Collective Suitability Matrix, the Board of Directors resolved that in order to enhance the collective suitability of the Board, emphasis should be given on continuous training and informative sessions.

An overview of the CVs of the Members of the Board of Directors is presented in Appendix 2.

The Members of the Board of Directors comply with the stipulations of article 83 of Law 4261/2014 on the combination of directorships as they do not hold more than one of the following combinations of directorships at the same time: (a) One Executive directorship and two Non-Executive directorships; (b) Four Non-Executive directorships, excluding directorships in organisations which do not pursue predominantly commercial objectives (e.g. non-profit, charities). Executive or Non-Executive directorships held within the same group are regarded as one directorship.

The Committees of the Board of Directors are the following:

- Audit Committee
- Risk Management Committee
- Remuneration Committee
- Corporate Governance and Nominations Committee

A more detailed analysis of the Committees and terms of reference as well as description of the Diversity Policy applied to management, administration and supervision bodies are presented in Appendix 1.



3 Accounting and Regulatory consolidation

3.1 Consolidation for financial reporting purposes

The consolidated financial statements include the parent company Alpha Bank, its subsidiaries, associates, and joint ventures. The financial statements of the entities that are used to prepare the consolidated financial statements have been prepared as at 31.12.2020 and the accounting policies applied in their preparation, when necessary, were adjusted to ensure consistency with the Group accounting policies.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group considers the following factors, in assessing control:

- Power over the investee,
- Exposure or rights to variable returns from its involvement with the investee, and
- Ability to use its power over the investee to affect the amount of the investor's return.

In cases of structured entities where the voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements (i.e. securitization vehicles or mutual funds), the Group assesses the existence of control based on the following:

- The purpose of the entity and the contractual rights of the parties involved,
- The risks to which the investee was designed to be exposed, the risks it was designed to pass on to the parties involved with the investee and the degree of exposure of the Group to those risks,
- Indication of a special relationship with the entity, which suggests that the Group has more than a passive interest in the investee.

Furthermore, regarding the structured entities that are managed by the Group, the Group assesses if it acts as principal or an agent based on the extent of its decision – making authority over the entity's activities, the rights of third parties and the degree of its exposure to variability of returns due to its involvement with the entity.

The Group, based on the above criteria, controls structured entities established for the securitization of loan portfolios.

Associates

Associates are entities over which the Group has significant influence but not control.

Significant influence is generally presumed to exist when the Group holds, directly or indirectly, more than 20% of the share capital of the company concerned without having control or joint control, unless the ownership of more than 20% does not ensure significant influence, e.g. due to lack of representation of the Group in the company's Board of Directors or due to the Group's non-participation in the policy making process.

Investments in associates are accounted for by the equity method of accounting consolidation.

Joint Ventures

The Group applies IFRS 11 for the accounting treatment of interests in joint arrangements. All joint arrangements in which the Group participates and has joint control are joint ventures, which are accounted for by using the equity method.



A more detailed description of the financial principles applied for consolidation is mentioned in the Group Annual Financial Reports, whereas a detailed list of all Group subsidiaries, associates and joint ventures, as well as the Group's ownership interest in them is provided in note 40 of the Group Annual Financial Report as of 31.12.2020.

3.2 Consolidation for regulatory purposes

Consolidation for regulatory purposes follows the principles set by the law 4261/2014 and the regulatory framework (CRR 575/2013).

The regulatory consolidation is conducted in accordance with the accounting consolidation, with the exception of the following cases:

- Companies that do not belong to the financial sector are consolidated through the equity method;
- Insurance and reinsurance companies that are not deducted from CET 1 are risk weighted at 250% and
- Significant investments in financial sector entities where participation does not exceed the 10% threshold are not deducted from CET 1 and are risk weighted at 250%.

A full list of Alpha Bank Group's subsidiaries and associates is included in Appendix III.

3.3 Reconciliation between accounting and regulatory consolidation

The following table provides a reconciliation of the consolidated balance sheet as at 31 December 2020 on an accounting basis (as presented on p.91 of the Group's Annual Report 31 December 2020) to the consolidated balance sheet under the regulatory scope of consolidation.

Table 1a: EU L11 – Differences between accounting and regulatory scopes of consolidation and the mapping of financial statement categories with regulatory risk categories as of 31.12.2020 (in Euro million)

	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items				
			Subject to credit risk framework	Subject to CCR framework	Subject to securitisation framework	Subject to market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and balances at central banks	7,467	7,467	7,467	-	-	-	-
Loans and advances to credit institution	2,742	2,742	2,501	240	-	-	-
Financial Assets at FV through PL	30	30	-	-	-	30	-
Derivative financial instruments	1,267	1,268	-	1,268	-	-	-
Loans and advances to customers	39,380	39,381	39,381	-	-	-	-
Investment securities	10,051	9,424	9,408	-	11	5	-
Of which: FVOCI	6,578	6,016	6,015	-	1	-	-
Of which: FVPTL (SPPI fail)	138	72	57	-	10	5	-
Of which: measured at amortized cost	3,336	3,336	3,336	-	-	-	-
Investments in associates and joint ventures	31	137	137	-	-	-	-
Investment property	570	570	570	-	-	-	-
Property, plant and equipment	796	795	795	-	-	-	-
Goodwill and other intangible assets	602	563	150	-	-	-	413
Deferred tax assets	5,293	5,292	4,272	-	-	-	1,020
of which deferred tax assets that rely on future profitability	11	11	-	-	-	-	11
of which deferred tax credit	3,030	3,030	3,030	-	-	-	-
of which deferred tax assets arising from temporary differences	2,250	2,250	1,242	-	-	-	1,009
Other assets	1,588	1,569	1,568	-	-	-	-
Held for Sale	240	240	240	-	-	-	-
Total Assets	70,057	69,478	66,490	1,508	11	35	1,433
Liabilities							
Due to banks	13,107	13,107	-	525	-	-	-
Derivative financial liabilities	1,768	1,768	-	1,743	-	-	-
Due to customers (including debt securities in issue)	43,831	43,860	-	14	-	-	-
Debt securities in issue held by institutional investors and other borrowed funds	1,223	1,231	-	-	-	-	-
Liabilities for current income tax and other taxes	70	68	-	-	-	-	-
Deferred tax liabilities	35	18	-	-	-	-	-
Other liabilities	986	988	-	-	-	-	-
Provisions	704	181	-	-	-	-	-
Total Liabilities	61,724	61,221	-	2,282	-	-	-

Table 1b: EU L1 – Differences between accounting and regulatory scopes of consolidation and the mapping of financial statement categories with regulatory risk categories as of 31.12.2019 (in Euro million)

	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items				
			Subject to credit risk framework	Subject to CCR framework	Subject to securitisation framework	Subject to market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and balances at central banks	2,028	2,028	2,028	-	-	-	-
Loans and advances to credit institution	3,333	3,333	2,168	1,165	-	-	-
Financial Assets at FV through PL	19	19	-	-	-	19	-
Derivative financial instruments	1,009	1,020	-	1,008	-	12	-
Loans and advances to customers	39,266	39,267	39,267	-	-	-	-
Investment securities	8,684	8,151	8,140	-	11	-	-
Of which: FVOCI	7,557	7,050	7,049	-	1	-	-
Of which: FVPTL (SPPI fail)	56	31	21	-	10	-	-
Of which: measured at amortized cost	1,071	1,071	1,071	-	-	-	-
Investments in associates and joint ventures	13	121	121	-	-	-	-
Investment property	486	486	486	-	-	-	-
Property, plant and equipment	852	850	850	-	-	-	-
Goodwill and other intangible assets	492	456	-	-	-	-	456
Deferred tax assets	5,174	5,174	4,508	-	-	-	666
of which deferred tax assets that rely on future profitability	12	12	-	-	-	-	12
of which deferred tax credit	3,167	3,167	3,167	-	-	-	-
of which deferred tax assets arising from temporary differences	1,995	1,995	1,342	-	-	-	654
Other assets	1,537	1,526	1,526	-	-	-	-
Held for Sale	564	564	564	-	-	-	-
Total Assets	63,458	62,994	59,657	2,173	11	30	1,122
Liabilities							
Due to banks	10,261	10,261	-	6,275	-	-	-
Derivative financial liabilities	1,447	1,447	-	1,414	-	-	-
Due to customers (including debt securities in issue)	40,364	40,394	-	1	-	-	-
Debt securities in issue held by institutional investors and other borrowed funds	1,089	1,089	-	-	-	-	-
Liabilities for current income tax and other taxes	40	38	-	-	-	-	-
Deferred tax liabilities	32	8	-	-	-	-	-
Other liabilities	1,150	1,153	-	-	-	-	-
Provisions	600	194	-	-	-	-	-
Total Liabilities	54,982	54,584	-	7,690	-	-	-

The following table provides a reconciliation between the consolidated regulatory balance sheet to the Exposure at Default (EAD) for items subject to the frameworks for credit risk, CCR, securitisation and market risk. The assets carrying value does not include the amount of the intangible assets.

Table 2a: EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements as of 31.12.2020 (in Euro million)					
	Total	Items subject to			
		Credit risk framework	CCR framework	Securitisation framework	Market risk framework
Assets carrying value amount under the scope of regulatory consolidation	68,044	66,490	1,508	11	35
Liabilities carrying value amount under the regulatory scope of consolidation	2,282	-	2,282	-	-
Total net amount under the regulatory scope of consolidation	65,762	66,490	- 774	11	35
Off-balance-sheet amounts	7,964	872	-	-	-
Differences in valuations	-	-	-	-	-
Differences due to different netting rules, other than those already included in row 2	2,282	-	2,282	-	-
Differences due to consideration of provisions	-	-	-	-	-
Differences due to prudential filters	1,737	-	1,737	-	-
Exposure amounts considered for regulatory purposes	77,746	67,362	3,246	11	35

Table 2b: EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements as of 31.12.2019 (in Euro million)					
	Total	Items subject to			
		Credit risk framework	CCR framework	Securitisation framework	Market risk framework
Assets carrying value amount under the scope of regulatory consolidation	61,872	59,657	2,173	11	30
Liabilities carrying value amount under the regulatory scope of consolidation	7,690	-	7,690	-	-
Total net amount under the regulatory scope of consolidation	54,182	59,657	- 5,517	11	30
Off-balance-sheet amounts	7,464	871	-	-	-
Differences in valuations	-	-	-	-	-
Differences due to different netting rules, other than those already included in row 2	7,690	-	7,690	-	-
Differences due to consideration of provisions	-	-	-	-	-
Differences due to prudential filters	7,053	-	7,053	-	-
Exposure amounts considered for regulatory purposes	76,388	60,528	9,226	11	30

4 Capital Management

The Capital Strategy of the Group commits to maintain sound capital adequacy both from economic and regulatory perspective. It aims at monitoring and adjusting the Group's capital levels, taking into consideration capital markets' demand and supply, in an effort to achieve the optimal balance between the economic and regulatory considerations.

Alpha Bank remains focused on the efficient implementation of its Strategic Plan and the deleveraging of the NPEs according to its NPE Plan for 2020-2022.

Main elements impacting Asset Quality, Capital and Liquidity

- The strong capital position was further enhanced by the successful issuance in February 2020 of 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. At the end of December 2020, Total Capital Adequacy Ratio (CAR) stands at 18.4% with capital buffer standing at Euro 3.1 billion vs. minimum OCR threshold (post relaxation measures including O-SII at 0.5%).
- At the end of December 2020, the Group's Tangible Equity Book Value amounted to Euro 7.7 billion.
- The Loan to Deposit Ratio (LDR) at the end of December 2020 declined to 90% from 96% the previous quarter, while the Group's Liquidity Coverage Ratio (LCR) reached 150%, far exceeding the regulatory threshold.
- The TLTRO III participation stood at Euro 11.9 billion, expected to provide a substantial improvement to funding cost.
- The Group NPE cash coverage stands at 50% and in Greece at 48% and the Group NPL coverage ratio stands at 85%, while total coverage including collateral is at 127%.
- The Core PPI performance stood at Euro 859 million, improved by 3.4% y-o-y, driven by resilient core revenues and improved operational efficiencies.
- The Pre-Provision Income stood at Euro 1,434 million in 2020, up by 25% y-o-y.
- The impairment losses on Loans stood at Euro 1,306 million vs. Euro 995 million last year, or 3.3% over net loans, materially affected by Euro 283 million of impairments to account for the anticipated Covid-19 impact and further NPE management actions.
- The profit after tax stood at Euro 104 million in 2020 versus Euro 105 million in 2019, unaffected despite the Covid-19 pandemic,

4.1 Capital Ratios

The Capital Adequacy Ratio is the result of the Group's regulatory capital (own funds) over its Risk-Weighted Assets (RWAs). Regulatory capital includes CET1 capital (share capital, reserves, and minority interests), additional Tier 1 capital (hybrid securities) and Tier 2 capital (subordinated debt). RWAs include the credit risk of the banking book, the market risk of the trading book, the operational risk, the counterparty credit risk/CCR and credit valuation adjustment/CVA.

At the end of December 2020, Alpha Bank's CET1 stood at Euro 7.8 billion, RWAs amounted to Euro 45.4 billion resulting in a CET1 ratio of 17.3%, down by 64 bps y-o-y, mainly due to the decrease in FVOCI revaluation reserve and the application of IFRS9 transitional arrangements for 2020.

Deferred Tax Assets (DTAs) at the end of December 2020 stood at Euro 5.3 billion with the eligible amount to be converted to tax credit claims at Euro 3.0 billion.

Table 3a: Capital Adequacy Ratios (%)		(in Euro million)
Capital Type	31.12.2020	30.9.2020
CET1	7,827	7,909
Tier 1 Capital	7,830	7,912
Tier 2 Capital	512	512
Total Regulatory Capital for C.A.R. calculation	8,342	8,424
Risk Weighted Assets	45,369	46,054
Capital Ratios		
CET1 Ratio	17.3%	17.2%
Tier 1 Ratio	17.3%	17.2%
Capital Adequacy Ratio (Tier 1 + Tier 2)	18.4%	18.3%

The above-mentioned ratios include the audited year-end profits. The following table presents the capital ratios if the period profits were not included:

Table 3b: Capital Ratios without profits for FY 2020		31.12.2020
CET1 Ratio		17.1%
Tier 1 Ratio		17.1%
Capital Adequacy Ratio (Tier 1 + Tier 2)		18.2%

4.2 IFRS 9 Capital Impact

On December 12, 2017 the EU adopted Regulation No 2395/2017 of the European Parliament and of the Council amending EU Regulation 575/2013, as regards transitional arrangements to mitigate the impact of the introduction of IFRS 9 on regulatory capital and leverage ratios. The new Regulation inserts a new article 473a in CRR 575/2013 which introduces a 5-year transitional period which allows banks to add to the CET1 ratio the post-tax amount of the difference in provisions that resulted from the transition to the IFRS 9 in relation to the provisions that have been recognized at 31.12.2017 in accordance with IAS 39 ("Static" amount). The weighting factors were set per year at 0.95 in 2018, 0.85 in 2019, 0.7 in 2020, 0.5 in 2021 and 0.25 in 2022.

On June 24, 2020 as a response to the COVID-19 pandemic the EU adopted Regulation No 2020/873 of the European Parliament and of the Council amending Regulations (EU) No 575/2013 and (EU) 2019/876. The Regulation introduced a new 5-year transitional period for the impairment losses that occurred due to the COVID-19 pandemic. According to the revised 473a article, institutions are allowed to fully add back to their CET 1 capital any increase in the expected credit loss provisions that they recognize in 2020 and 2021 for their financial assets that are not credit-impaired and new transitional factors introduced for the remaining period. The weighting factors were set at 1.00 for the first two years (2020 and 2021), 0.75 in 2022, 0.5 in 2023 and 0.25 in 2024.

Alpha Bank has decided to make use of Article 473a of the above Regulation and applies the transitional provisions for the calculation of Capital Adequacy on both a standalone and consolidated basis.

The table below shows a comparison of own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9.

Table 4: Comparison of own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS *					
(in Euro million)					
Available capital (amounts)	31.12.2020	30.9.2020	30.6.2020	31.3.2020	31.12.2019
Common Equity Tier 1 (CET1) capital	7,827	7,909	7,941	7,840	8,495
CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6,554	6,564	6,592	6,567	6,943
Tier 1 capital	7,830	7,912	7,944	7,843	8,499
Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6,554	6,564	6,592	6,567	6,943
Total capital	8,342	8,424	8,456	8,354	8,510
Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7,069	7,078	7,107	7,081	6,958
Risk-weighted assets (amounts)					
Total Risk-weighted assets	45,369	46,054	46,289	47,617	47,483
Total Risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	44,254	44,866	45,098	46,876	46,600
Capital ratios					
Common Equity Tier 1 ratio (%)	17.3%	17.2%	17.2%	16.5%	17.9%
CET1 ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.8%	14.6%	14.6%	14.0%	14.9%
Tier 1 ratio (%)	17.3%	17.2%	17.2%	16.5%	17.9%
Tier 1 ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.8%	14.6%	14.6%	14.0%	14.9%
Total ratio (%)	18.4%	18.3%	18.3%	17.5%	17.9%
Total ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.0%	15.8%	15.8%	15.1%	14.9%
Leverage ratio					
Leverage ratio total exposure measure	61,765	62,678	67,430	66,030	63,386
Leverage ratio	12.7%	12.6%	11.8%	11.9%	13.2%
Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10.8%	10.7%	9.9%	10.1%	11.0%

* The above figures include the period results



4.3 Capital Buffers

The countercyclical capital buffer (CCyB) is a CRD IV instrument, designed to help counter pro-cyclicality in the financial system. Credit institutions are required to set aside additional CET 1 capital during periods of excessive credit growth. This will help maintain the supply of credit and dampen the downswing of the financial cycle. The main purpose of the CCyB is to increase the banks' resilience in good times to absorb potential losses that could arise in a downturn and to support the continued supply of credit to the real economy. For 2020 Bank of Greece, as National Competent Authority, set the countercyclical buffer at 0%. CCyB is also set at currently 0% in all other countries in which Alpha Bank has significant exposures. Total Risk exposure amount in the following tables includes General Credit (excluding CCR) and Securitization exposures.

Table 5a: Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer as of 31.12.2020 (in Euro million)

Countries	General credit exposures	Trading book exposures		Securitisation exposures	Own funds requirements				Own funds requirements weights	Counter-cyclical capital buffer rate
	Exposure value for SA	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for SA	of which: General credit exposures	of which: Trading book exposures	of which: Securitisation exposures	Total		
Bulgaria	55	-	-	-	3	-	-	3	0.001	0.5%
Czech Republic	0	-	-	-	0	-	-	0	0.000	0.5%
Hong Kong	0	-	-	-	0	-	-	0	0.000	1.0%
Luxembourg	40	-	-	-	3	-	-	3	0.001	0.3%
Norway	1	-	-	-	0	-	-	0	0.000	1.0%
Slovakia	0	-	-	-	0	-	-	0	0.000	1.0%
Other	44,662	-	-	11	2,707	-	10	2,717	0.997	0.0%
Total	44,759	-	-	11	2,714	-	10	2,724	1.000	0.0%

Table 5b: Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer as of 31.12.2019 (in Euro million)

Countries	General credit exposures	Trading book exposures		Securitisation exposures	Own funds requirements				Own funds requirements weights	Counter-cyclical capital buffer rate
	Exposure value for SA	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for SA	of which: General credit exposures	of which: Trading book exposures	of which: Securitisation exposures	Total		
United Kingdom	1,156	-	-	-	69	-	-	69	0.024	1.0%
Bulgaria	64	-	-	-	4	-	-	4	0.001	0.5%
Ireland	27	-	-	-	2	-	-	2	0.001	1.0%
France	13	-	-	-	1	-	-	1	0.000	0.3%
Denmark	3	-	-	-	0	-	-	0	0.000	1.0%
Sweden	2	-	-	-	0	-	-	0	0.000	2.5%
Other	43,158	-	-	11	2,799	-	10	2,809	0.973	0.0%
Total	44,422	-	-	11	2,876	-	10	2,886	1.000	0.0%



	Amount
Total risk exposure amount	45,347
Institution specific countercyclical capital buffer rate	0.00%
Institution specific countercyclical capital buffer requirement	0.45

4.4 Own Funds

The Bank's share capital on 31.12.2020 amounts to Euro 463,109,812 divided by 1,543,699,381 ordinary, registered, with voting rights shares with nominal value of Euro 0.30 and a share premium of Euro 10,801,028,962. Further analysis on the share capital and share premium is provided in notes 34 and 35 of the Annual Financial Report of 2020, respectively.

Additional Tier I capital mainly consists of hybrid securities. Following the tender offers of 2012, 2013 and 2015, the remaining amount is very limited standing at Euro 2.9 million.

Tier II capital consists of:

- Subordinated debt according to Art 62 of CRR 575/2013
- The portion of hybrid instruments transferred from AT1 to Tier II capital, according to transitional provisions.

As of 31.12.2020, Tier II eligible capital stands at Euro 512 million.

Further details of the characteristics consisting Tier I and Tier II capital are provided in note 29viii and 38 of the Group Annual Financial Report of 2020.

Furthermore, for the full implementation of the provisions of the CRR 575/2013, depending on the different type of adjustments concerned, a transitional period of five (5) to ten (10) years is applicable.



4.4.1 Own Funds structure

The following table presents the analysis of Own funds structure:

Table 7: Own funds structure		(in Euro million)		
Type	31.12.2020 *	31.12.2020	30.9.2020	
Share capital	463	463	463	
Share premium	10,801	10,801	10,801	
Retained earnings and Other Reserves	- 2,916	- 2,916	- 2,831	
<i>o/w FVOCI reserves</i>	169	169	257	
Adjustments due to IFRS 9 transitional adjustments	1,115	1,115	1,188	
Minority interest (transitional)	0	0	0	
PVA	- 9	- 9	- 9	
Common equity tier 1 capital before regulatory adjustments	9,454	9,454	9,612	
Period Profit	-	89	135	
Intangible assets	- 413	- 413	- 541	
DTA amortization	- 1,295	- 1,286	- 1,280	
Irrevocable payment Commitment	- 16	- 16	- 16	
Regulatory adjustments applied to common equity tier 1 due to insufficient additional tier 1 and tier 2 to cover deductions	-	-	-	
Total regulatory adjustments to common equity tier 1	- 1,724	- 1,627	- 1,703	
Common equity tier 1 capital (CET1) (1)	7,730	7,827	7,909	
Hybrid instruments	15	15	15	
Additional Tier I before regulatory adjustments	15	15	15	
Hybrid instruments transitional	- 12	- 12	- 12	
(-) Goodwill/Intangible investments	-	-	-	
<i>of which deductible from Additional Tier I</i>	- 12	- 12	- 12	
<i>of which deductible from CET1</i>	-	-	-	
Total regulatory adjustments to additional Tier I	- 12	- 12	- 12	
Additional Tier I	3	3	3	
Tier I Capital (CET1 + AT1)	7,733	7,830	7,912	
Subordinated loan	500	500	500	
Hybrid instruments (transitional)	12	12	12	
Tier II capital before regulatory adjustments	512	512	512	
Total regulatory adjustments to Tier II	-	-	-	
Tier II capital	512	512	512	
Total Capital (TC = Tier I + Tier II)	8,245	8,342	8,424	
Total RWA	45,347	45,369	46,054	
Common equity tier 1 Ratio	17.1%	17.3%	17.2%	
Tier I Ratio	17.1%	17.3%	17.2%	
Capital Adequacy Ratio (Tier I + Tier II)	18.2%	18.4%	18.3%	

* Without including the audited year end profits of Euro 89 million



4.5 Capital requirements under Pillar I

The Group calculates and reports to the designated authorities its capital requirements (Pillar I RWAs) according to the provisions of the CRR and implementing the Technical Standards developed by the EBA on a solo and consolidated basis.

The approaches adopted for the calculation of the capital requirements under Pillar I (advanced or standardized methodologies) are determined by the general policy of the Group in conjunction with factors such as the nature and type of risks the Group undertakes, the level and complexity of the Group's business and other factors such as the degree of readiness of the information and software systems.

Capital Requirements are calculated using the following approaches:

- **Credit Risk:** The Group follows the Standardized Approach (STA). The advanced method is used for the valuation of financial collateral. The calculation of the credit risk weighted assets (RWAs) and capital requirements of the Bank and the Group is performed in accordance with the current regulatory framework, and is supported by a specialized centralized IT system Ambit Capital Manager (ACM), which processes the granular data of the Bank and its Subsidiaries. The system is also used for the calculation of credit risk capital requirements of the Subsidiaries according to their local regulatory framework. It also supports the production of various regulatory reports on solo and consolidated basis (e.g. Large Exposures, IP Losses).
- **Operational Risk:** The Group follows the Standardized Approach (STA).
- **Market Risk:** A Value at Risk (VaR) model developed at a bank level for the significant exposures and approved by the Bank of Greece. Additionally, the Bank uses the Standardized approach to calculate Market Risk for the remaining, non-significant exposures.

The objectives of the Group's capital management policy are to ensure that the Group has sufficient capital to cover the risks of its business, to support its strategy and to comply with regulatory capital requirements, at all times.

The capital adequacy requirements set by the SSM / ECB and economic capital, are used by the Group as the basis for its capital management. The Group seeks to maintain sufficient capital to ensure that these requirements are met.

The minimum capital requirements under Pillar I are calculated as 8% of RWA. RWAs are calculated by applying the IFRS 9 five-year phase-in period. The Euro 45.3 billion are decomposed into: Euro 40.4 billion from Credit Risk, which represents approx. 89% of total capital requirements, Euro 1.7 billion from Market Risk and Euro 3.2 billion from Operational Risk. During 2020, the total risk weighted assets reduction exceeded Euro 2 billion, mainly due to the positive impact from the adoption of Regulation (EU) 2020/873 (CRR "quick fix") and the increase in the loan provisions.

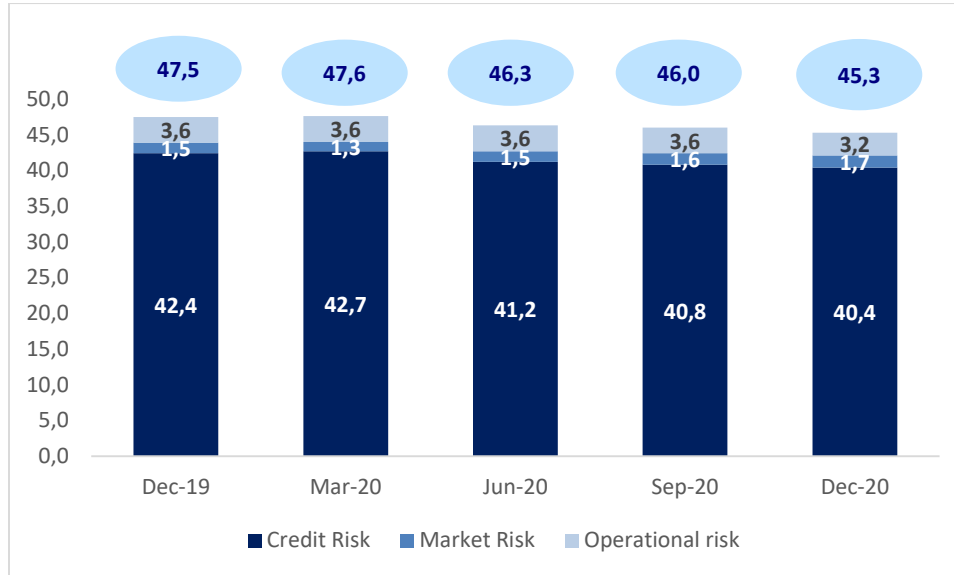
The following table summarizes the RWAs and minimum capital requirements by risk type.

Table 8: EU OV1 – Overview of RWAs		(in Euro million)	
Risk Category	RWAs		Minimum capital requirements
	31.12.2020	30.9.2020	31.12.2020
Credit risk (excluding CCR)	37,865	38,395	3,029
Of which the standardised approach	37,865	38,395	3,029
CCR	315	251	25
Of which mark to market	259	200	21
Of which risk exposure amount for contributions to the default fund of a CCP	-	-	-
Of which CVA	55	51	4
Settlement risk	-	-	-
Securitisation exposures in the banking book (after the cap)	127	120	10
Of which standardised approach	127	120	10
Market risk	1,686	1,579	135
Of which the standardised approach	127	73	10
Of which IMA	1,560	1,506	125
Large exposures	-	-	-
Operational risk	3,205	3,557	256
Of which basic indicator approach	-	-	-
Of which standardised approach	3,205	3,557	256
Amounts below the thresholds for deduction (subject to 250% risk weight)	2,149	2,119	172
Total	45,347	46,021	3,628

The figures above are calculated according to the reporting submissions to the regulator.

The participations in insurance undertakings which are not deducted from CET1, as they do not exceed the 10% threshold of the CET1 capital before certain deductions are presented in the table below:

Table 9: EU INS1 – Non-deducted participations in insurance undertakings		(in Euro million)
31.12.2020	Value	
Holdings of own funds instruments of a financial sector entity where the institution has a significant investment not deducted from own funds (before risk-weighting)	68	
Total RWAs	170	



4.6 Internal Capital Adequacy Assessment Process (ICAAP)

The ICAAP process is an integral part of the Internal Control System (ICS) of the Group. It is aligned with the best practices and the general principles and requirements set by the regulatory Framework, including the guidelines provided by SSM and/ or EBA, which allows for:

- The identification, analysis, monitoring and the overall assessment of risks
- The improvement of various systems/ procedures/ policies related to the assessment and management of risks
- The estimation of the necessary level of Internal Capital required for the coverage of all risks and
- Capital planning taking also into consideration the Group's Risk appetite and business/strategic plan in a forward looking assessment

As a process, ICAAP is a constant, ongoing and recurring set of actions / streams that are carried out as part of the day to day operation of the Group. The related report is updated at least annually, or at a more frequent basis, whenever there is a change considered material.

The Group identifies the following key components of the ICAAP process:

1. Risk Identification and Materiality Assessment Process, which consists of:
 - a. An annual review of the Risk Inventory comprising of an extensive list of risks within supervisory and Alpha Bank perspective.
 - b. Materiality assessment of the identified risk types, after having carved out the non-relevant to the Group risks, based on quantitative / qualitative criteria.
 - c. A display of all material risks in the Group's Risk Registry, presenting their severity before and after controlling and mitigating actions.



2. Capital Adequacy Assessment, that involves the quantification of internal capital for the risk types that are identified as material. For the determination of the internal capital requirements, the Group uses the Pillar I regulatory capital as a starting point taking also into account additional capital where required by using more sophisticated methodologies and definitions. Internal capital requirements under Pillar II represent more accurately the risk profile of Alpha Bank Group, since it covers a wider range of risks and utilizes more sophisticated and risk sensitive approaches. In addition to the above process which coincides with the calendarization of the annual submission of the ICAAP to the supervisory authorities, Pillar II calculations are performed on a quarterly basis according to supervisory expectations.
3. Capital Planning and Stress Testing, that involves the forward-looking view and assessment of risks, evolution of available capital and capital requirements, under baseline and alternative adverse scenarios, as well as considering a reverse stress scenario.
4. Monitoring and reporting of ICAAP results that involves the on-going and regular monitoring of key ICAAP metrics and relevant reporting to appropriate committees, in line with the ICAAP governance framework.

Considering the multi-year plan on ICAAP and the relevant ECB guidelines in particular, the following overarching principles are defined with respect to the ICAAP setup and implementation by the Group:

- The Board of Directors has the overall responsibility of the ICAAP implementation with a clear and transparent assignment of responsibilities to the Risk Management Committee and Senior Management members.
- ICAAP is an integral part of the management framework of the Bank. The ICAAP is integrated into the business, decision-making and risk management processes of the Group, and is consistent and coherent throughout the Group.
- The ICAAP contributes to the continuity of the Bank by ensuring its capital adequacy from different but complementary perspectives (e.g. the economic perspective and the normative perspective).
 - Under the economic perspective, the Group ensures that any risks that may affect its capital position are adequately covered by internal capital in line with its internal capital adequacy concept. Under this perspective, the institution's assessment covers the full universe of risks that may have a material impact on its capital position, taking into account fair value considerations for its current assets, liabilities and risks.
 - The normative perspective is an assessment of the institution's ability to fulfil all of its capital-related regulatory and supervisory requirements and demands, and to cope with other external financial constraints on an ongoing basis. The capital plan is comprised of baseline and adverse scenarios and covers a forward-looking horizon of at least three years. The Group also conducts reverse stress testing, as per regulatory requirements, leveraging on the outcome of the adverse scenario.
 - Both perspectives mutually inform each other and are integrated into all material business activities and decisions.
- ICAAP assumptions and risk quantification methodologies are proportionate, consistent and thoroughly validated.
- Regular stress testing ensures capital adequacy in adverse circumstances.



4.7 Internal Liquidity Adequacy Assessment Process (ILAAP)

The ILAAP is an integral part of the Group's Internal Control System (ICS) and is aligned with the general principles and requirements set by the relevant Regulatory Framework (2013/36/EU, article 86 and EBA/GL/2016/10, Guidelines on ICAAP and ILAAP information collected for SREP purposes).

Following the aforementioned guidelines, the ILAAP report analyses the following areas:

- Key elements of liquidity risk management and ILAAP Framework: Description of the risk appetite framework for liquidity and funding risks is presented, and its integration with ILAAP. Moreover, a comprehensive description of the Group's policies regarding funds transfers pricing, liquidity stress testing, asset encumbrance and intraday liquidity is provided.
- Alpha Bank's Group Background Overview: The Group's key balance sheet figures and liquidity profile is presented.
- The Group's forward looking liquidity & funding position under the normative perspective is presented under baseline and adverse scenarios (3-year projection of balance sheet figures and liquidity risk metrics).
- The Group's forward looking liquidity & funding position under the economic perspective is presented (liquidity buffer evolution under a short term systemic, idiosyncratic and combined shock)
- Quality assurance and validation of liquidity stress testing

A statement of the level of appropriateness of the liquidity risk management mechanisms and the results of ILAAP, are included as part of the Internal Liquidity Adequacy Assessment Process (ILAAP) approved by the Board of Directors in June 2020.



5 Leverage

The leverage ratio, which is defined as Tier 1 capital divided by total exposure, is a binding requirement from the beginning of 2020. The 'risk of excessive leverage' means the risk that results from an institution's vulnerability due to leverage or contingent leverage that may require unintended corrective measures to its business plan, including distressed selling of assets which might result in losses or in valuation adjustments to its remaining assets.

The level of the leverage ratio with reference date 31.12.2020 on consolidated basis was 12.52%, according to the transitional definition of Tier 1 capital, significantly exceeding the 3% minimum applicable regulatory threshold, implying that the Bank is not taking on excessive leverage risk.

It is noted, that following ECB's decision 2020/1306, the Bank has temporarily excluded from the total exposure measure, certain exposures to central banks, in view of the Covid-19 pandemic.

In the table below, the Group's leverage ratio with reference date 31.12.2020 is presented:

Table 10a: Summary reconciliation of accounting assets and leverage ratio exposures		(in Euro million)
	31.12.2020	30.6.2020
Total assets as per published financial statements	70,057	68,622
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	- 578	- 500
Adjustments for derivative financial instruments 5	- 161	124
Adjustment for securities financing transactions (SFTs)	63	176
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	1,429	1,379
Other adjustments	- 9,052	- 2,380
Leverage ratio total exposure measure	61,757	67,421

Table 10b: Leverage ratio common disclosure		(in Euro million)
On-balance sheet exposures (excluding derivatives and SFTs)	CRR leverage ratio exposures	CRR leverage ratio exposures
	31.12.2020	30.6.2020
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	66,473	64,824
(Asset amounts deducted in determining Tier 1 capital)	1,104	905
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	67,577	65,729
Derivative exposures		
Replacement cost associated with all derivatives transactions (i.e.: net of eligible cash variation margin)	883	1,059
Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method)	224	193
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	- 1,582	- 1,604
Total derivatives exposures (sum of lines 4 to 10)	- 474	- 353
SFT exposures		
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	240	490
Counterparty credit risk exposure for SFT assets	63	176
Total securities financing transaction exposures (sum of lines 12 to 15a)	303	666
Other off-balance sheet exposures		
Off-balance sheet exposures at gross notional amount	7,842	7,532
(Adjustments for conversion to credit equivalent amounts)	- 6,413	- 6,153
Other off-balance sheet exposures (sum of lines 17 and 18)	1,429	1,379
Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)		
(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	-	-
(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	- 7,077	-
Capital and total exposure measure		
Tier 1 capital	7,733	7,848
Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	61,757	67,421
Leverage ratio		
Leverage ratio	12.5%	11.6%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank exposures)	11.2%	-
Choice on transitional arrangements and amount of derecognised fiduciary items		
Choice on transitional arrangements for the definition of the capital measure	Transitional	Transitional
Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013	-	-

**Table 10c: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)
(in Euro million)**

	CRR leverage ratio exposures	
	31.12.2020	30.6.2020
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	57,814	63,219
Banking book exposures, of which:	57,814	63,219
Exposures treated as sovereigns	11,925	17,449
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	1,213	1,240
Institutions	3,187	2,940
Secured by mortgages of immovable properties	13,996	14,237
Retail exposures	3,860	3,476
Corporate	10,264	9,500
Exposures in default	11,616	12,394
Other exposures (e.g.: equity, securitisations, and other non-credit obligation assets)	1,752	1,985

Alpha Bank monitors and submits to the regulatory authorities the leverage ratio, as defined in Regulation (EU) No 2015/62 of October 10th 2014, on a quarterly basis and monitors the level and the factors that affect the ratio.



6 General Information on Risk Management

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

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

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

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

6.1 Risk Management Framework and Principles

The Group has established a comprehensive risk management framework, which is improving continuously over time and takes into account the common European legislation and banking system rules, the regulatory principles and supervisory guidance and the best international practices. This risk management framework is implemented in the course of day-to-day business enabling corporate governance to remain effective.

The Group's focus throughout 2020 was to maintain the highest operating standards, ensure compliance with regulatory risk rules and retain confidence in the conduct of its business activities through sound provision of sustainable financial services.

The Group Risk Management Framework, as a structural part of the Group's corporate and risk governance framework, is based upon the following guiding principles:

- Development of a sound Group risk culture that incorporates risk awareness, risk taking and risk management and control in the decisions of management and employees during the day-to-day activities considering their impact on the risks they assume.
- Definition of the Group's risk appetite framework (RAF), which is articulated via the risk appetite statement (RAS) and establishes the individual and aggregate levels and types of risk that the Bank is willing to assume in advance of and in order to achieve its strategic business activities within its risk capacity.
- Definition of the Group risk policy that is adherent to the RAS and is supported by appropriate control procedures and processes.
- Development of the processes to ensure that all material risks and associated risk concentrations are identified, measured, limited, controlled, mitigated and reported on a timely and comprehensive basis.
- Monitoring of risk limits with alignment with the Group's business goals.
- Transparency promoted through clear communication lines.



- Active role of contributing staff in Risk Management. The staff is equipped with all the necessary skills and means which are necessary for effective Risk Management and understands its roles and responsibilities related to the Group Risk Management Framework.
- Full documentation of all processes related to risk identification, measurement, monitoring, reporting and control/mitigation.
- Providing adequate information to Group and Business Unit Management.

6.1.1 Risk Appetite Framework (RAF)

The RAF constitutes a major component in the Bank's overall approach to the risk and capital strategy, including policies, processes, controls and systems through which risk appetite is established, communicated throughout the Bank and monitored. The RAF includes the risk appetite statement (RAS), risk limits and an outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF, ensuring the alignment of the Bank's corporate and business strategy, the financial and capital planning and the risk management framework. The Risk Appetite is the core tool for better aligning overall corporate strategy, capital allocation, and risk. The Senior Management of the Bank defines and recommends the Risk Appetite at Group level, taking into consideration the business strategy, business plan, risk management framework/_culture and internal capital adequacy assessment. At this stage, strategic objectives are translated into risk appetite qualitative statements and risk appetite quantitative measures (Key Risk Indicators_-_KRIs). The Risk Management Committee reviews and recommends annually to the Board of Directors for approval the Group's RAF and statement, ensuring alignment with the Group's strategic objectives and capital allocation. Overall, Risk Appetite sets out the level of risk that the BoD is willing to take in pursuit of its business objectives.

The effective expression of Risk Appetite aids the Group in running its business by providing guidance on acceptable levels of risk while pursuing strategic objectives, thus providing a significant link in achieving the most efficient balance between risk and return.

Successful implementation of RAF depends upon effective interactions between the Board, Senior Management, CFO and CRO, risk management and operating business.

6.1.2 Risk Governance Structure

The Group has set a robust internal governance framework, which includes a transparent organizational structure, a management body that is responsible for proper risk management processes and for strong internal control system and ensures that the Group holds sufficient capital to meet both its own funds requirements and its internal capital targets.

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 the Group's effective operation. They provide a clear set of rules and standards to be applied to a cohesive operating model, one that provides a framework for the articulation of accountabilities and responsibilities for managing risk across the Group.

In particular:

- The Business Units of retail, wholesale, 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. This includes assessing and reporting of their exposures for identifying the relevant risks, taking into account the Bank's approved risk appetite, as well as its policies, procedures, controls and limits.



- The second line of defense consists of the Risk Management function and other relevant functions, independent from the first line of defense. These functions complement the business lines' risk activities through monitoring and reporting responsibilities. They are responsible for overseeing the Bank's and the Group's risk-taking activities for the individual risk assessment and the aggregation of risk. The second line of defense, also, includes the independent Compliance function. The Compliance function, among other things, monitors compliance with laws, corporate governance rules, regulations, codes and policies of the Bank and the Group. The BoD approves the compliance policies that are communicated internally. The function ensures compliance with the policies and reports to the senior management and the BoD on how the Bank and the Group manage their compliance risk.
- Internal Audit constitutes the third line of defense. Internal Audit is an independent function, reporting to the Audit Committee of the Board of Directors and audits the activities of the Bank and the Group, including the Risk Management function.

The Board of Directors and the Risk Management Committee of the Bank, presented in chapter 2.4 and in the Appendix I of the Pillar III report, as well as the Management Committees of the Bank have separate and distinct roles in providing the final and ultimate levels of defense, ensuring the effective implementation of the group-wide risk management Framework and policies within the Group.

Management Committees

1. 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.



2. General Manager-level Management Committees

2.1 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.

2.2 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.

2.3 Troubled Assets Committee

Frequency: At least quarterly

The Committee formulates, evaluates and approves the Wholesale and the Retail Banking NPE management strategy.

2.4 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.

2.5 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.

2.6 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.

2.7 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.

2.8 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 and
- Wholesale Banking – International Network

Group Risk Management Unit

The Group Risk Management Unit is assigned with the responsibility of implementing the Group Risk Management Framework, according to the directions of the Risk Management Committee and operates independently from any executing processes.

Furthermore, the risk management functions that provide an overarching risk control framework for a more comprehensive and effective identification and handling of all risk types linked to the Group's risk appetite are supported by the following Committees: the Assets-Liabilities Committee, the Credit Risk Committee and the Operational Risk Committee.

Under the supervision of the General Manager – Group Chief Risk Officer, the following Risk Management Divisions operate within the Group and are assigned with the responsibility of implementing the risk management framework:



- 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
- Market and Operational Risk Division
- Risk Models Validation Division
- Wholesale Credit Division
- Credit Workout Division
- Retail Credit Division

The General Manager - Chief Risk Officer report on a regular and ad hoc basis to the Assets-Liabilities Management Committee (ALCo), the Credit Risk Committee, the Operational Risk Committee, the Risk Management Committee and the Board of Directors of the Bank.

6.1.3 Firm-wide Risk Management Framework

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 ECB and the Bank of Greece, as well as, the competent authority that participates in the SSM, act as the Bank's and the Group's primary supervisor to monitor their compliance with the Greek and the European banking legislations, within the supervisory regulations as well as with the Basel III (CRR/CRD) framework.

The risk management programmes of the Group subsidiaries conform in all material respects to the Bank's risk management Framework.

Within this firm-wide risk governance and management Framework, each Risk and Credit Unit of the International Network adapts its risk management Framework and policy to the local regulatory and legal requirements while, at the same time, being coherent with those of the Bank, as established in the risk governance framework.

The Group Credit Policies and Procedures take into account the prevailing institutional framework set by legislation, regulations, ministerial decrees/decisions, etc. and along with the internally defined and established key risk principles and guidelines, they ensure that credit facilities are granted soundly and managed properly and that promote a unified approach on how business financing should be conducted.

To this end, dedicated regional Risk and Credit Division Managers of the International Network have been appointed to establish the enterprise risk management coverage and have a direct reporting line into the Group Chief Risk Officer.

The Group Risk Governance ensures its independency from the front office/business units as depicted in the organisational chart of Alpha Bank, shown in the Appendix IV.



6.1.4 Risk Management Policies

The Group Risk Strategy has a structured and documented Group Risk and Capital Strategy in place that is perceived within the organization as an integrated business model that incorporates all the risk management processes, policies, procedures and methodologies adopted and implemented throughout the institution. The Group Risk Strategy objective is to provide a coherent and structured approach towards identifying, assessing and managing risk. It is based on the Risk Policies & Procedures defined by the Risk Management Committee and approved by the Board of Directors. These Policies & Procedures are applied by all members of the Group, taking into account the local regulatory requirements.

- Risk Policies & Procedures include all central rules of conduct for handling risks and are set out in specific Manuals for each risk. These are reviewed regularly and adapted whenever necessary by the RMU of the Group and approved by the Group Risk Management Committee. The approved Policies are the following:
 - Credit Risk Management Policy
 - Market Risk Management Policy
 - Operational Risk Management Policy and
 - Assets-Liability Risk Management Policy
- The guiding principles are effectively communicated to all organizational levels in order to build a uniform understanding of risk management objectives.
- Internal Audit is responsible for providing an independent review of the integrity of the overall risk management processes and ensuring the appropriateness and effectiveness of the controls applied.

In the pursuit of the Group's strategic business goals, the risk management framework and the relevant policies, procedure and systems are reviewed on a regular basis, to ensure that risk management and regulatory risk reporting are always compliant with the relevant regulatory guidelines as well as with the principles of corporate governance.

6.2 Stress Testing

Performing stress tests constitutes a key risk management tool, fully integrated into core risk reporting and capital and liquidity planning at the Bank and Group level, which provides indications of the capital required to absorb losses under the assumption of specific extreme hypothetical scenarios. Stress tests are conducted according to the requirements of the regulatory framework and constitute a fundamental parameter of the Group's Enterprise Risk Management strategy, with the aim of assessing the impact of business decisions on the Group's capital position. Furthermore, the Bank's and the Group's Regulatory Credit Framework and the Credit Risk Management Framework include the institutional and regulatory requirements related to the effective management of loans in arrears and of Non-Performing Loans, including the new requirements and the definitions set out in the supervisory framework.

7 Credit Risk

7.1 General information

Credit risk arises from the potential weakness of borrowers' or counterparties' to repay their debts as they arise from their loan obligations to the Group. The primary objective of the Group's strategy for the credit risk management in order to achieve the maximization of the adjusted to risk performance risk is the continuous, timely and systematic monitoring of the loan portfolio and the maintenance of the credit risks within the framework of acceptable overall risk limits. At the same time, the conduct of daily business within a clearly defined framework of granting credit is ensured. The framework of the Group's credit risk management is developed based on a series of credit policy procedures, systems and models for measuring, monitoring and validating credit risk. These models are subject to an ongoing review process. This happens in order to ensure full compliance with the current institutional and regulatory framework as well as the international best practices and their adaptation to the requirements of respective economic conditions and to the nature and extent of the Group's business.

The Credit Risk Appetite expresses the level of credit risk that the Bank is willing to assume in order to achieve the business objectives and the expected risk-adjusted return, as defined by a set of minimum quantitative metrics and qualitative standards.

The Credit Risk Appetite is amongst the key contributors in the business planning process, promoting the appropriate alignment of corporate strategy, capital allocation and risk. Top-down risk appetite serves as the limit for risk-taking for the bottom-up planning from the business functions. Risk Limits and policies are calibrated to the credit risk appetite.

The Group identifies and assesses existing and potential risks inherent in any product or activity as the basis for effective credit risk management. The identification, analysis and control of credit risk are achieved through a safety net of internal procedures, policies and controls. The Group uses internal rating/ scoring systems for its portfolios, in order to evaluate and classify both performing and non-performing relationships. Internal rating/scoring systems and the resulting parameters are validated by the Risk Models Validation Division and the countries' local respective Unit on a regular basis, as part of the Group's internal assessment process. Furthermore there are in place sets of reporting tools and frameworks which are used on regular intervals (daily, weekly, fortnight, monthly, quarterly and yearly), assisting the network and the management to identify early in some cases, or in due time in some other potential threats, risky portfolio sections and problematic relationships. These are employed on solo and group wide basis. The results of risk identification and assessment are reported by the countries' local Risk Management Units to the Group Risk Management Units which consolidate the results and submit them to the Credit Risk Committee. The results are incorporated in the overall credit risk policy, procedures and limit setting process. The overall process is further aided by the implementation of an appropriate organizational structure with clearly defined roles and responsibilities for its Personnel and Business Units, in order to manage all kinds of credit risk-bearing activities.

Alpha Bank has prepared its operational and system infrastructure in line with the requirements of the Internal Ratings Based approach for credit risk and the International Financial Reporting Standard (IFRS) 9. Alpha Bank's current credit risk management framework consists of a set of governance rules, policies and procedures, as well as rating/scoring systems, covering the whole range of the Bank's portfolio, and is under continuous review and enhancement so as to:

- Include any updates issued by the regulatory authorities
- Take into consideration the macroeconomic and political environment
- Facilitate the portfolio management and the decision making processes



- Contribute to preventing any potential negative effects in the Bank's and Group's financial results.

With main scope to further strengthen 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 arising 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 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 subsidise the instalments of existing loans collateralized by a primary residence of borrowers affected by the Covid-19 crisis), in which the Bank actively participate.

- 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 Unlikelihood-to-pay (UTP) assessment and the identification of Default of exposures affected due to COVID-19 effect.
- Development of a Methodological approach in order to regulate the measurement of the effects of 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, in the context of the Bank's Strategy Plan. From the December 1st, 2020, Cepal 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 in the context of the non-performing exposures management.
- Issuance 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.

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 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 the 1st of January 2021.
- Design and implementation of a Program for the incorporation of the EBA Guidelines on loan origination and monitoring (EBA/GL/2020/06). The guidelines are applicable from 30 June 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.
- 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, the following actions are in progress in order to enhance and develop the internal system of credit risk management:

- 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 of the credit risk.
- A project for the transition from the existing Rating Systems to the new Group Credit Rating Platform.

7.2 Credit Risk Management Function

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

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

The Credit Risk Committee of the Bank has an oversight of the credit risk activities and the implementation of relevant strategy. The Committee is responsible for the evaluation of the adequacy and the effectiveness of policies and procedures of Group credit risk management regarding credit risk taking, monitoring and management by business line, geographic area, product activity, sector etc., as well as approving recommendation on necessary structural mitigating actions. The Committee approves the Credit policies for Wholesale and Retail Banking - as well as initially - approves the Impairment Policy and Write-Off Policy which is subsequently submitted to the Board of Directors for final approval through the Risk Management Committee. The basic responsibilities of the Committee are:

- Approval and monitoring of the Bank's and Group's Credit Risk Appetite.



- Regular review and update of the Group credit risk policies as per the Bank's Credit Risk Appetite.
- Periodical review of the development of credit risk by sector and geographic area and concentration risk where the Group operates.
- Overview of the reports of the Risk Management Units submitted to the Board of Directors and the Risk Management Committee.
- Overview of the Troubled Assets Committee's reports.
- Overview of the progress against annual targets submitted through the Business Plan to the Single Supervisory Mechanism (SSM), in the framework of the management of NPEs and NPLs.
- Approval of Wholesale and Retail Credit Policy Manuals
- Approval of the Group Credit Risk Policies as well as the Group Credit Monitoring Framework
- Initial approval of the Group Loan Impairment Policy and the Group Write-off Policy
- Approval of the Group's Write-offs
- Approval of the development and update of the Credit Risk Models and the relevant Governance Framework for the Credit Risk Model Management policy. Notification of the validation results for the credit risk measurement models. Approval of the ECL Methodology
- Approval of the quarterly provisions Notification of the most important findings resulting from the conduct of credit reviews by the Credit Control Division. The Committee may request from the competent Units or Group Companies specific timetable of compliance with the relevant recommendations.
- Evaluation of the results derived from expected losses audits performed by the Regulatory authorities of the countries where the Group operates
- Notification on the strategy for management of arrears, arrears procedures regulations and the Group's arrears Committees, approved by the Troubled Assets Committee. In any case, the Committee may recommend adjustments to the arrears management strategy taking into account the Bank's Business Plan for the reduction of non-performing exposures as well as the current macroeconomic conditions in the Greek economy.
- Review of the results derived by the Stress Tests
- Evaluation of important findings included in the reviews that are performed by internal or external auditors related to the credit policy and credit risk management.
- Review of the results and decision on required actions on issues stemming from external evaluation processes including SREP, SRB, SSM Audits, EBA Stress Tests.
- Review of financial and Risk monitoring and reporting issues (e.g. Pillar III disclosures, IFRS9 reports, Impairment).
- Notification and review of the progress of projects related to supervisory guidelines (e.g. new definition of default, provisioning calendar) as well as important projects for the Bank related to Credit Risk.

The members of the Credit Risk Committee are the following:

- Chief Executive Officer (Chairman of the Committee);



- General Manager–Chief Risk Officer;
- General Manager–Chief Financial Officer;
- General Manager – Wholesale Banking
- General Manager – Retail Banking

For credit risk issues concerning the Countries where the Group operates, the General Manager - International Network also participates in the Committee.

In the Committee also participate as Members without voting rights:

- Manager of the Credit Control Division;
- Manager of the Credit Risk Data and Analysis Division;
- Manager of the Capital Management and Banking Supervision Division;
- Manager of the Accounting and Tax Division; and
- Manager of the Analysis and Performance Management Division

Credit approval process

The Bank, following best international practices and taking into account the prevailing institutional framework set by legislation, regulations, ministerial decrees/decisions, etc, has established a robust credit risk framework, where the key principles and guidelines, the procedures and actions followed and the responsibilities of all related Units and Officers are clearly defined based on the four eyes principle.

Within this context, all credit proposals are prepared by the Business Units, are reviewed by the Credit Units and are subsequently forwarded for assessment and final decision to the respective Credit Committee based on the total credit exposure, the borrower risk rating, the provided collaterals and the environmental and social risk evaluation.

Wholesale Banking Credit Committees

The Wholesale Credit Committees with escalating credit approval levels, mainly review and evaluate credit requests for companies/ group of companies under the competence of Wholesale Banking Units with performing exposures or/and for companies with non-performing exposures, provided that the relevant approval has been given by the Unlikelihood to pay Review Committee and based on specific criteria and conditions set out in the Wholesale Banking Credit Policy.

The Credit Committees according to their approval authority level are divided into the following categories:

- Wholesale Banking Credit Committee I
- Wholesale Banking Credit Committee II
- Wholesale Banking Credit Committee III
- Wholesale Banking Credit Committee IV
- Wholesale Banking Credit Committees V

Wholesale Banking Arrears Committees

The Wholesale Banking Arrears Committees review and evaluate requests of debtors with non-performing exposures under the competence of the NPEs Strategy, Recovery and Monitoring Division.

The Arrears Committees are divided into the following categories:

- Wholesale Banking Arrears Committee I
- Wholesale Banking Arrears Committee II



7.3 Credit Quality of Exposures

Definitions

The following definitions of exposures are provided:

1. Performing exposures

An exposure is considered as performing when the following criteria are met:

- The exposure is less than 90 days past due;
- No legal actions have been undertaken against the exposure;
- No unlikelihood to pay is reported on its credit obligation; The exposure is not classified as impaired;

Or

- The exposure is classified as forborne performing exposure, as defined in the aforementioned commission Implementing Regulation (EU) 2015/227 of 9 January 2015.

2. Past Due Exposures

An Exposure is past due if the counterparty's credit obligation is materially more than one day past due (the amount due is considered as the sum of the principal, interests and charges / commissions at the account level).

3. Non – Performing Exposures

An exposure is considered as non-performing when at least one of the following criteria apply at the time of the credit risk rating assessment:

- The exposure is more than 90 days past due (NPL); The amount due exceeds Euro 100 for Retail Exposures or Euro 500 for Wholesale Exposures and the amount due exceeds 1% of the total on balance sheet exposures. In particular, for overdraft facilities, an exposure is past due after having exceeded its approved limit.
- Legal actions have been undertaken by the Bank – Legal (NPL)
- The exposure is classified as Forborne Non – Performing Exposure, as defined in the Implementing Regulation (EU) 227/9.1.2015.
- It is assessed as Unlikely to Pay (UTP).

When a Wholesale Banking borrower has an exposure that is more than 90 days past due and the amount of this exposure exceeds 20% of total exposures of the borrower, then all exposures of the borrower are considered as non-performing (Pulling Effect).

4. Forborne Exposures

An exposure is considered as Forborne if there is a significant modification of initial contractual terms by granting more favorable terms (Concession) or partial or total refinancing of current outstanding debts (Refinancing) to Borrowers with Financial Difficulty.



Financial Difficulty is defined as the situation where the borrowers are unable to comply or are about to face difficulties in servicing their credit obligations as per the current loan repayment schedule due to the worsening of their financial status. Forborne exposures incorporate denounced loans and advances amounting to €4.2bn as at 31.12.2020, that were forborne prior to denouncement.

According to the EBA Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis (EBA/GL/2020/15 and EBA/GL/2020/02), exposures that have received payment holidays as a result of COVID-19 are not subject to automatic classification to forborne to the extent that the measures provided are applied to a wide range of product and/or customer categories (as opposed to being tailored to the specific situations of individual debtors).

The aforementioned treatment of forbearance is – in consistence with the regulatory guidance – applied only when the following conditions are met:

- The moratoria are general, i.e. they are not creditor-specific, as the duration of the conditions are standardized for all debtors. That said, specific products may be provided to broader borrower categories. Similar payment relief measures are taken by other Greek banks.
- The measures provide solely for amendments to the payment schedule over a pre-determined, limited period of time, and do not alter other loan terms and conditions, such as interest rates.
- There is no material loss on the exposure in Net Present Value terms.
- The moratoria do not apply to new loan contracts granted after the date the moratoria were announced.
- The moratoria were launched in response to the COVID-19 pandemic apply until 31 March 2021, and their total duration do not exceed 9 months.
- The creditworthiness of the borrower is not estimated to be significantly affected by the Covid-19 crisis in long term.

5. Unlikelihood to Pay

An exposure is flagged as **“Unlikely To Pay”** (UTP) when it is less than 90 days past due and the Bank assesses that the borrower is unlikely to fully meet his credit obligations without the liquidation of collateral, regardless the existence of any past due amount or the number of days past due, with the exception of the cases of collaterals that are part of the production and trade chain of the borrower (e.g. properties for Real Estate companies, corporate shares for Holding companies).

For wholesale Banking, the procedure is distinguished in two pillars: (a) Events are determined which when occur the exposure is identified as Non-Performing (Hard UTP Triggers) without any assessment needed by any Credit Committee, (b) Triggers are determined which when occur, the borrower should be assessed by the relative Wholesale Banking Credit Committee to decide if the borrower’s exposures should be identified as Non-Performing or not (Soft UTP Triggers). This assessment takes place when reviewing borrower’s credit limits depending on its credit ratings and in accordance with Wholesale Banking Credit Manual. If a borrower is flagged as UTP, then his credit risk rating should be D (Default) according to Bank’s rating system or Default for Borrowers assessed using Slotting Models. If a borrower flagged as UTP belongs to a group of companies, then the group should also be assessed by the competent Credit Committee for the existence or not of UTP trigger.

The Group accounts for the COVID-19 impact on each borrower’s ability to pay through consideration of deteriorating financials / income, market information (e.g. sector trends, loan exposures to other banks), early warning triggers, etc.



According to the EBA Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis (EBA/GL/2020/15 and EBA/GL/2020/02), the identification of past due amounts is based on the revised payment schedule. Institutions shall perform a UTP assessment, prioritizing exposures with past due balances in relation to the revised payment schedule.

In this context, the UTP assessment for the COVID-19 perimeter is based on the following principles:

- If an exposure is already classified as NPE at the time of application of the COVID-19 measures (e.g. payment moratorium), such classification is retained.
- The application of Hard UTP criteria (automatic classification to NPE) and Soft UTP criteria (subject to assessment by the competent Credit Committee) is performed according to the existing procedures, where the assessment is based upon the revised payment schedule under the COVID-19 moratoria. The evaluation of the Soft UTP criteria is based on reasonable supportable information with focus on the post-moratoria period, considering all measures taken and the potential impact on borrowers' creditworthiness.
- The probation period of exposures classified as forborne before the pandemic that are part of the COVID-19 moratoria shall be adjusted based on the duration of the enacted measures. Also, for the COVID-19 moratoria perimeter, the probation period of exposures already classified as NPE before the pandemic freezes (i.e. no curing from Stage 3 to Stage 2) over the duration of the moratoria period.

For Wholesale Banking exposures the following Hard UTP Triggers exist:

- Denouncement of loan agreement
- Liquidation of collaterals and initiation of foreclosure measures by the Bank when the borrower does not have operational cash flows for the repayment of his debt obligations (excluding e.g. checks).
- Legal actions, sale or judicial sale in order to collect the claim (e.g. foreclosure instead of debt collection).
- Withdrawal of a license of particular importance in companies that require public authorisation to carry out their activities such as banks and insurance companies. The same applies for technical and construction companies, telecommunications companies, pharmaceutical, mining, transport, food, chemical, petroleum, recycle, media etc.
- Refinancing/Extensions of loans whose lifetime exceeds the economic lifetime of the funded investment.
- There are strong indications that the borrower is unable to meet his debt obligations (e.g. termination of business).
- Fraud cases
- Excess of the minimum acceptable Loan to Value (LTV), as depicted contractually, for loans collateralised with securities, e.g. bonds, shares etc (Margin Financing).
- Disappearance of an active market for the debtor's financial instruments, hold by the Group.
- Write-off because of default
- Debt Forgiveness with or without forbearance (conditional or not) at least for the first 12 months since the debt forgiveness.



- The credit institution or the leader of consortium starts bankruptcy/insolvency proceedings (application for insolvency).
- A credit event is declared under the International Swaps and Derivatives Association - ISDA).
- Out-of-court settlement/negotiation between Banks and Borrower for settlement / debt repayment of borrowers that are under bankruptcy proceedings (application for the bankruptcy).
- The borrower has requested to enter into bankruptcy or insolvency status (application for bankruptcy).
- A Bank has initiated bankruptcy or insolvency proceedings (application for bankruptcy).

Additionally, for Wholesale Banking exposures the following Soft UTP Triggers exist:

- Exposures that were modified by providing a 'balloon' payment while the initial terms of the loan agreement did not include this repayment method, as well as exposures that the initial terms of the loan agreement included 'balloon' payment and were modified by including an increase of the "balloon" amount and simultaneously by reducing the current installment.
- Multiple modifications in the same exposure.
- Deterioration of the leverage ratio (Debt to Equity).
- An exposure was purchased or sold with deep discount that reflects the low credit quality of the borrower.
- The debt service coverage ratio indicates that debt is not viable.
- 5 Years Credit Default Swaps (CDS) above 1.000 bps in the last 12 months.
- Loss of an important customer or lessee representing a significant percentage of entity's turnover or the total property income, respectively.
- A turnover decrease resulting in a significant reduction of cash flows.
- An affiliated customer, which represents a significant percentage of entity's turnover, has applied for bankruptcy.
- An external auditor report with restrictions or reservations that results to significant deterioration of key financial ratios of the borrower and to worsened estimated future cash flows of the borrower.
- It is expected that an exposure with repayment at maturity or a due installment cannot be refinanced under current market conditions.
- Disappearance of an active market for the debtor's financial instruments, not hold by the Bank.
- The borrower has breached the financial terms of the loan agreement.
- There is significant deterioration of the borrower's sector activity prospects.
- Adverse changes in the ownership structure or the management of the company or serious administrative problems.
- A third party (excluding Banks) has started bankruptcy or insolvency proceedings (application for Bankruptcy).
- Overdue payments to Tax Authorities and Social Security Funds.

For Retail Banking the procedure is distinguished in two pillars:

- a. Events are determined which when occur the exposure is identified as Non-Performing (Hard UTP Triggers) without any assessment needed by any Retail Banking Credit Committee,
- b. Triggers are determined which when occur, the borrower should be assessed by the competent Retail Banking Non-Performing Unit to decide if the borrower's exposures should be assessed as Non-Performing or not (Soft UTP **Triggers**).

This assessment takes place at the date of a forbearance request. If an exposure is flagged as UTP, then it should be classified as Non-Performing in the systems of the Group's companies.

COVID-19 modifications, either public or private moratoria, should not be considered as a UTP trigger event. However, where the moratorium applies to exposures that were already classified as defaulted at the moment of the application of the moratorium, this classification will be maintained.

For exposures of the Covid-19 moratoria perimeter both Hard UTP and Soft criteria are assessed according to the existing process.

For Retail Banking exposures the following Hard UTP Triggers exist:

- A trial date has been set for filing for Bankruptcy L.3869/2010
- Fraud has been confirmed at the expense of the Bank.
- The borrower has passed away.
- Multiple forbearances for the same exposure within a 12 months' time period.
- An out-of-court settlement / negotiation is underway between banks and borrower for settlement / repayment of debts of borrowers who are under bankruptcy proceedings (application for bankruptcy).
- Denouncement of loan agreement.
- Collaterals liquidation and foreclosure procedures have been initiated by the Bank in case the borrower cannot repay its debt obligations with the existing operating cash flows (excluding e.g. checks).
- Legal actions, sale or forced sale actions have been initiated in order to collect the debt (e.g. foreclosure measures against debt collection).
- Debt Forgiveness with or without forbearance (conditional or not), at least for the first 12 months since the debt forgiveness.

Additionally, for Retail Banking exposures the following Soft UTP Triggers exist:

- Multiple forbearances in the same exposure
- The borrower has other exposures in the Bank in default.
- The borrower is unemployed.
- The borrower has applied for bankruptcy or insolvency (application for bankruptcy).
- The borrower is the sole owner of a company with exposures in default and for which he has provided personal guarantees.

It is noted that the Group has adopted the new Definition of Default that applies from 1.1.2021, according to the EBA guideline (Article 178 of Regulation (EU) No 575/2013), adjusting its Policies and updating the Hard και Soft UTP triggers by implementing new ones for both the Retail and Wholesale Banking Portfolios, such as Diminished Financial obligations (NPV Loss), Sale of Credit Obligations, Default to Subsidiaries.

6. Curing of Non – Performing Exposures

For the Curing of a Non-Performing Exposure and reclassification as Performing Exposure, any concerns for the ability of the borrower to meet its contractual obligations should have been eliminated (Absence of Concern).

In general, all the exit criteria are met according to the aforementioned European Commission Implementing Regulation 2018/1627 of 9 October 2018 amending Implementing Regulation (EU) No. 680/2014 of the Commission and Executive Committee Acts of Bank of Greece E.C.A. 42 / 30.05.2014 and modifications thereof E.C.A. 47 / 02.09.2015, 102 / 30.08.2016 and 136 / 2.4.2018.

7. Default Exposures

An exposure is considered as Default when the criteria specified by the definition of Non – Performing Exposures are met

8. Credit Impaired Exposures

An exposure is considered as Credit Impaired when the criteria specified by the definition of Non-Performing Exposures are met.

Expected Credit Loss Estimation Methodology for Wholesale and Retail Banking

The Group, at each reporting date, recognizes a provision for expected credit losses on loans and advances to customers not measured at fair value through profit or loss as well as for off-balance sheet exposures (letters of guarantee, letters of credit, and undrawn loan commitments).

The Loan Impairment Methodology is common and applicable for both the Wholesale and Retail Banking Portfolios.

Default definition

The Group has adopted as default definition for accounting purposes, non-performing exposures (NPE) as defined in the Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014.

The definition of Non-Performing Exposures is consistently used to develop models for estimating credit risk parameters (Probability of Default, Loss Given Default, Exposure at Default).

In addition, the definition of default is consistent with the one used for internal credit risk management purposes.

Portfolio Classification in Stages based on the Credit Risk (Staging)

Following an exposure's initial recognition, classification to Stages based on its credit risk characteristics. The classification of loans in stages is based on the changes of the credit quality compared to the initial recognition.

Upon initial recognition of an exposure, the Group must determine whether this exposure is considered as credit impaired (Credit Impaired at Initial Recognition).

The POCl category (Purchased or Originated Credit Impaired, POCl) includes the following:

- Exposures that at the time of purchase (Purchased) meet the criteria of non-performing exposures.



- Exposures that as per accounting rules are derecognised and a new exposure is recognised and for which the following apply (Originated): if the exposure was classified as impaired (hence NPE) prior to derecognition, the new exposure will continue to maintain this classification and it will be classified as POCI.
- Concerning the POCI exposures, the expected credit losses calculated are the lifetime losses.

For exposures not classified as POCI, the classification in stages is performed as follows:

- The Stage 1 includes performing credit exposures that have no significant increase in credit risk since the initial recognition date. The expected credit losses calculated are based on the probability of default within the next 12 months and the assessment is carried out on a collective basis with the exception of borrowers assessed on an individual basis
- The Stage 2 includes credit exposures with significant increase in credit risk since the initial recognition date but which are not non-performing. The expected credit losses calculated are lifetime credit losses and the assessment is carried out on a collective basis with the exception of borrowers assessed on an individual basis.
- The Stage 3 includes the non-performing / default exposures. The expected credit losses calculated are the lifetime losses and the assessment is performed on a collective or individual basis.

All possible movements between Stages of credit risk are presented below:

- An exposure which has been classified in Stage 1 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the credit risk has not deteriorated and the exposure is still performing, or in Stage 2, if the exposure is still performing but the credit risk has deteriorated, or in Stage 3 if the exposure is non-performing/default.
- An exposure which has been classified in Stage 2 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the exposure is performing and does not meet any of the criteria of “Significant increase in credit risk” and in particular, for case of Forborne Performing exposure, if the exit criteria from the 2-years’ probation period are met. It could also remain in Stage 2, if the credit risk has not substantially changed, or be transferred to Stage 3, if the exposure is non-performing/default.
- An exposure which has been classified in Stage 3 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the exposure is performing and does not meet any of the criteria of “Significant increase in credit risk”, or transferred in Stage 2, if it is no longer considered as non-performing, or remain in Stage 3, if it is still nonperforming/ default.

The Group does not make use of the exemption provided by the standard for low credit risk exposures.

For classification purposes, for wholesale banking revolving exposures, initial recognition date is the date of the most recent credit assessment reflecting the annual thorough credit risk review practice of the Bank.

Especially for exposures affected by Covid-19, post model adjustments (PMAs) could be used in order to reflect risks and other uncertainties that are not included in the underlying credit loss measurement methodology (ECL models), taking into consideration that:

- Probability of Default is the primary indicator in order to determine deterioration since initial recognition.
- PD Models are not designed to cater for the economic circumstances that currently exist.



Significant Increase in Credit Risk

For the timely identification of significant increase in credit risk for an Exposure after the initial recognition (SICR) leading to the calculation of lifetime credit losses of the exposure instead of twelve months credit losses, the risk of default at the reference date is compared to the risk of default at the initial recognition date for all Performing Exposures, including those with no days past due (Delinquencies).

The assessment for deciding if an exposure shows significant increase in credit risk or not is based on the following three types of Indicators:

- **Quantitative Indicators:** They refer to the use of quantitative information and specifically to the comparison between the probability of default (PD) at the reference date and the probability of default at the initial recognition date. The assessment of significant increase in credit risk takes into account the absolute increase of PD between the reporting and the initial recognition date (which can range between 3 and 5 percentage point depending on the asset class of the loans) as well as the relative increase of PD between the reporting and the initial recognition date (doubling or tripling of PD, depending on asset class of the loan) For Wholesale exposures obligor rating is also taken into consideration. Absolute and relative thresholds determining the significant increase between reporting and initial recognition date are validated on an annual basis, in order to ensure a robust statistical discriminatory power.
- **Qualitative Indicators:** They refer to use of qualitative information which is not necessarily depicted in the probability of default, such as the assessment of an exposure as performing forborne (“FPL” within 2 years’ probation period according to EBA ITS) or as exposure with Financial Difficulty. Additional qualitative indicators for the Wholesale Banking portfolios and the Retail Banking portfolios are included in Early Warning Policy. According to the abovementioned policy and as per the assessment performed, an exposure may be considered to show significant increase in credit risk. Especially for Specialized Lending portfolios additional qualitative indicators are identified.
- **Backstop Indicators:** In addition to the above, and with a view to addressing cases where there is no evidence of significant credit risk deterioration based on the quantitative and qualitative indicators, exposures over 30 days past due are considered by definition to show a significant increase in credit risk.

Expected Credit Loss estimation

Exposures assessed on individual basis (Individual Assessment)

The Expected Credit Losses calculation is carried out either on an individual basis, taking into account the significance of the exposure, the fact that certain exposures do not share common credit risk characteristics and the existence or not of sufficient historical data, or on a collective basis.

For companies where the corporate guarantee from the parent company represent 100% of the exposure of the companies, or for other important interdependencies between group of companies, the assessment may be performed at a group level.

Regarding the exposures to Companies, with at least one Non-Performing Exposure, they are individually assessed they exceed the limits set by each Company of the Group (following the permission/approval of the Bank). All other exposures to Companies are collectively assessed.

Specifically for the Bank, exposures to Companies assessed on an individual basis are the following:

- Borrowers with at least one Non-Performing Exposure who’s Customer General Limit in the Bank exceeds the amount of Euro 1.5 million.



- Borrowers of the Shipping Division and the Structured Finance Division with at least one Non-Performing Exposure, regardless the Customer General Limit in the Bank.
- Exposures that do not share common risk characteristics or for which no relevant historical data that enables a collective analysis is available.

Any remaining exposure to Companies is assessed collectively.

Non-Performing Exposures (NPEs) to Individuals are individually assessed, if the exposures of retail banking customers exceed the defined limits according to each Group Company. All other exposures to Individuals are collectively assessed.

Specifically for the Bank, Exposures to Individuals are assessed individually, if they are Non-Performing Exposures (NPE) and if the following threshold, per portfolio, applies:

- Consumer Loans: Accounts of Consumer Credit Borrowers with total on balance exposures over Euro 500 thousand.
- Housing Loans: Accounts of Mortgage Credit Borrowers with total on balance exposures over Euro 2 million.

Any remaining exposure to individuals is assessed collectively.

Exposures assessed on collective basis (Collective Assessment)

Collective Assessment applies to credit exposures which are not assessed individually, i.e. exposures classified in Stage 1 and Stage 2 as well as non-performing exposures that do not meet the above criteria for individual assessment, after having been categorised based on similar credit risk characteristics by portfolio. For the classification of credit facilities into groups with similar credit risk characteristics, the followings are considered:

- Staging according to Credit Risk
- Type of Product
- Days Past Due
- Time in default
- Indication of unlikeliness to pay
- Modification of contractual terms for borrowers showing financial difficulty (Forbearance Measures)
- Modification Type
- Existence of collateral taking into account the type and Loan to Value ratio
- Existence of Greek State Guarantee
- Partial Write-Off
- Credit Risk Rating
- Activity Sector
- Assets held for sale

The groupings are reviewed on a regular basis to ensure that each group is comprised of homogenous exposures.

Calculation of expected credit losses

Expected Credit Losses are updated at each reporting date to reflect the changes in the credit risk since initial recognition and thus provide timely information on expected credit losses.

The measurement of expected credit losses is made as follows:

- For financial assets, a credit loss is the present value of the difference between:
 - a. the contractual cash flows and
 - b. the cash flows that the Group expects to receive
- For undrawn loan commitments, Expected Credit Losses are equal to the present value of the difference between:
 - a. the contractual cash flows that will be due if the holder of the loan commitment is drawn down and
 - b. the cash flows that the Group expects to receive if this amount is disbursed.
- For letters of guarantee and letters of credit, the loss is equal to the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder.

Incorporation of forward-looking information

The Group calculates Expected Credit Losses based on the weighted probability of three alternative scenarios. More specifically, the Economic Research Division produces forecasts for the possible evolution of macroeconomic variables that affect the level of Expected Credit Losses of loan portfolios under a baseline and under two alternative macroeconomic scenarios (an upside and an adverse one) and also produces the cumulative probabilities associated with these scenarios.

The macroeconomic variables affecting the level of expected credit losses are the Gross Domestic product (GDP), the unemployment rate and forward looking prices of residential and commercial real estates.

Especially for the Bank, the yearly average for the period 2021-2024 of macroeconomic variables affecting both the Probability of Default and the expected Loss Given Default for the calculation of expected credit losses as at 31.12.2020 are the following:

Table 11: Macroeconomic Variables as of 2021-2024			
	Adverse scenario	Base scenario	Upside scenario
Real GDP growth	1,7%	3,6%	5,6%
Unemployment rate	16,1%	14,3%	12,4%
Change in Residential Real Estate prices (RRE)	1,0%	3,2%	5,4%
Change in Commercial Real Estate prices (CRE)	2,0%	3,8%	5,7%

The production of baseline scenario, supported by a consistent economic description, constitutes the most likely scenario according to the current economic conditions and the Group's basic assessment of the course of the economy.

The cumulative probabilities of the macroeconomic scenarios for the Greek economy indicate that the economy performs better or worse than forecasts of the baseline scenario and the alternative scenarios, i.e. the upside and downside scenario. For each one of the alternative scenarios, the expected credit loss is calculated and weighted against the probability of each scenario in order to calculate the weighted expected credit loss.

The cumulative probability assigned to the base scenario is 60%, while cumulative probability assigned to the adverse and upside scenario is 20% for each of the scenario.

If the assigned cumulative probability of the adverse scenario was increased from 20% to 40%, Expected Credit Losses would increase by Euro 78.2 million as at 31.12.2020 (31.12.2019: Euro 84.0 million). If the assigned cumulative probability of the upside scenario was increased from 20% to 40%, Expected Credit Losses would decrease by Euro by € 78.4 million as at 31.12.2020 (31.12.2019: Euro 83.9 million).

Credit risk parameters

Calculation of Expected Credit Loss is based on the following credit risk parameters which are developed parameters, through internal statistical models based on historical data:

- **Probability of Default (PD):**

- **Wholesale portfolio**

- It is an estimate of the probability of a debtor to default over a specific time horizon.

- For assessing the probability of default, the credit risk rating models assess a series of parameters that can be grouped as follows:

- Financial Analysis: The Borrower's Financial Capacity (Liquidity Indicators, Debt to Revenue etc.)
 - Competitor's analysis: the borrower's comparative position in the market in which operates, mainly in relation to its competitors (mainly applicable to debtors of Wholesale Banking)
 - Current and historical debtor's behavioural data either towards the Bank or towards third parties (delinquencies, repayment behavior, etc.), and
 - Qualitative characteristics of the debtor (strong and sound management, management succession, appropriate facilities and equipment, etc.).

- Regarding Specialized Lending the Probability to Default is estimated on facility level based on dedicated expert-based models.

- **Retail portfolio**

- It is an estimate of the probability of an account to default over a specific time horizon.

- For assessing the probability of default, credit risk behavioural models have been developed which assess a series of parameters that can be grouped as follows:

- Qualitative data: Activity Sector, Number of Employees, Company Type
 - Loan characteristics: product applied for, loan term, loan amount, or financing purpose;
 - Behavioral data: payments during latest period of time, delinquencies (i.e. overdue amount, bucket etc), exposure, transaction type, credit limit usage.

- Credit Risk Models/ Ratings constitute the main input in order to determine the probability of default. The Group uses statistical models in order to analyze the collected data and make estimates of the remaining probability of default over the life of the exposures and how they will evolve over time based, among other things, on macroeconomic variables.

- **Exposure at default (EAD):** Exposure at Default is an estimate of the amount of the exposure at the time of the default taking into account: (a) expected changes in the exposure after the reporting date, including principal and interest payments; (b) the expected use of credit limits and (c) accrued interest. The approved credit limits that have not been fully disbursed represent a potential credit exposure and are converted into a credit exposure equal to the approved undrawn credit limit multiplied by a Credit Conversion Factor (CCF). The Credit Conversion factor of credit exposure is calculated based on statistical models. The maximum period for which credit losses are calculated is the remaining contractual maturity of a financial instrument unless the Group has the legal right to recall the financial instrument earlier. In particular, for Credit Cards and revolving exposures to individuals, the maximum period is set at three years, while for revolving loans to Small Businesses, the corresponding maturity is set at four years. Regarding Wholesale Banking revolving exposures, the period is set to one year, given the thorough credit review performed at least once a year. If the residual maturity of the revolving exposures classified in Stage 2 was increased by one year, Expected Credit Losses would increase by €5,2 million as at 31.12.2020.

The Group uses EAD models that reflect the characteristics of the portfolios.

- **Loss given default (LGD):** Loss given default is an estimate of the loss that will occur if the default occurs at a given time. It is based on the difference between the contractual cash flows due and those expected to be received, including the liquidation of collaterals, the probability of cure and the probability to modify which are both based on historical data .

For unsecured loans, the estimated expected losses at the time of the default, take into account expected recovery rates which vary throughout the recovery period as well as the probability of curing and the probability to modify.

Expected recoveries from tangible collaterals take into account the following inputs: the most recent valuation (updated within the year) for the market value of the collateral, the time required for the liquidation or sale of the tangible collateral (ranging between 1 to 4 years depending on the legal action status of the loan), the expected market value at liquidation /sale date based on the evolution of RRE/ CRE indices for the next 4 years, the expected recoveries through foreclosure process or sale as derived from historical data obtained for foreclosures and sales of collateral. Last, the recovery rate of the group is adjusted to reflect value of preferential claims. Expected cash flows are discounted using the original effective interest rate.

Last, for exposures secured with tangible collaterals, the LGD may vary following changes of macroeconomic scenarios.

- **Management overlays:** Management overlays refer to temporary adjustments applied to allowance for expected credit losses, in the context of the preparation of financial statements in order to incorporate recent developments and information. The Group implements a robust governance framework to review and support the management, calculation and application of these adjustments. The Group's governance framework requires such adjustments to be well documented, controlled and appropriately approved. For 2020, management overlays incorporated the estimated impact from loan portfolio sales scenarios. For the calculation of the impact, the Group took into account any factors that may delay the realization of the sales and the progress of the conditions for the completion of the sales.

Undrawn commitments

According to IFRS 9, these contracts fall within the scope for expected credit losses recognition.



In estimating the expected credit losses over the life of an undrawn loan commitment, the Group assesses the expected part of the loan commitment that will be used throughout its expected life.

Inherent Model Risk

The Group recognizing the inherent model risk, derived from the model complexity and aggregated model risk, has adopted a Model Risk management framework which includes the principles of credit risk models development policy and risk models validation framework. In this context, the independent Risk Models Validation division validates all credit risk models used for the calculation of IFRS9 expected credit losses.

Governance

The Credit Risk Committee is responsible for approving the Expected Credit Losses as well as the methodologies developed by the Group for calculating the expected credit loss (ECL Methodology) for loan portfolio.

The Board of Directors approves the Group Loan Impairment Policy through the Risk Management Committee.

Credit risk measurement systems

In order to effectively manage credit risk, the Group has developed specific methodologies and credit risk measurement systems in accordance with regulatory and Basel II requirements while incorporating banking industry best practices. These methodologies and systems are continuously evolving to provide the Business Units with timely and effective support in the decision making process and to avoid possible adverse consequences for the Group.

New Definition of Default

In the context of alignment with the regulatory guidelines, the Group adopts the new Definition of Default that applies from 1 January 2021.

The main changes introduced by the new Definition of Default are presented as follows:

- Additional “Unlikelihood to Pay” trigger events such as Diminished Financial obligations (NPV Loss), Sale of Credit Obligations, Default to Subsidiaries.
- Change on the way of counting of Days Past Due meaning that hereafter the counting will be based on the existence of consecutive days of material past due.
- An additional three-month probation period from the moment the obligor is no longer materially past due and no indication of Unlikelihood to Pay occurs.

The Group has decided since 2018 to align Default, NPE and IFRS9 “Credit Impaired” perimeter. Additionally, the adoption of the new Definition of Default as at the time of the first implementation, namely at 1.1.2021, did not induce any impact on the Bank’s financial figures.

Definition

A Default event is considered to have occurred, regarding a particular Borrower, when at least one of the following criteria has taken place:

- Past Due Criterion

The Borrower is past due more than 90 consecutive days on any material amount of the credit obligation(s).

Particularly, for Alpha Bank Greece, exposures at Alpha Leasing and ABC Factors are taken into consideration at the calculation of the Past Due Criterion.

- Unlikelihood to Pay (UTP) Criterion

The Group considers that the Borrower is unlikely to pay its credit obligations without recourse by the Bank to actions such as realizing security.

Additionally, the Default classification and the EBA classification should be aligned and thus any FNPL or NPL exposure is considered as Defaulted.

For Retail exposures, the above specified definition of Default is applied at the level of an individual credit facility.

For Non-Retail exposures, the definition of Default is applied at the obligor level meaning that when at least one of the above specified criteria are met, the Obligor is considered as Defaulted. The Past Due Criterion is applied both at facility and at obligor level for exposures classified as Non-Retail, in order to be able to identify exposures for which the Past Due Criterion is satisfied at facility level, but not at obligor level.

Total and average amount of exposures net of impairments and before any credit risk mitigation (CRM) and any credit conversion factor (CCF) (on and off-Balance-Sheet) by regulatory exposure class as of 31.12.2020 are displayed in the following table:

Table 12a: EU CRB-B – Total and average net amount of exposures as of 31.12.2020		(in Euro million)
	Net value of exposures at the end of the period	Average net exposures over the period
Central governments or central banks	19,193	17,288
Regional governments or local authorities	28	30
Public sector entities	639	637
Multilateral development banks	210	222
International organisations	341	339
Institutions	3,803	3,676
Corporates	14,063	13,832
<i>Of which: SMEs</i>	5,994	4,612
Retail	6,760	6,131
<i>Of which: SMEs</i>	2,336	1,560
Secured by mortgages on immovable property	14,115	14,245
<i>Of which: SMEs</i>	4,110	4,329
Exposures in default	11,866	12,667
Items associated with particularly high risk	222	225
Covered bonds	-	128
Collective investments undertakings	7	6
Equity exposures	260	373
Other exposures	3,960	3,601
Total	75,467	73,399

Table 12b: EU CRB-B – Total and average net amount of exposures as of 31.12.2019		(in Euro million)
	Net value of exposures at the end of the period	Average net exposures over the period
Central governments or central banks	13,124	12,350
Regional governments or local authorities	32	35
Public sector entities	635	637
Multilateral development banks	249	323
International organisations	304	478
Institutions	3,200	3,148
Corporates	12,743	12,438
<i>Of which: SMEs</i>	2,191	2,214
Retail	5,813	5,783
<i>Of which: SMEs</i>	1,113	1,059
Secured by mortgages on immovable property	14,189	14,249
<i>Of which: SMEs</i>	4,167	3,809
Exposures in default	14,055	14,584
Items associated with particularly high risk	235	244
Covered bonds	171	170
Collective investments undertakings	8	7
Equity exposures	744	566
Other exposures	2,493	2,411
Total	67,994	67,425

Under CRD IV a geographical analysis of credit exposures is required based on exposures in the member states in which the institution has been authorised and member states or third countries in which institutions carry out activities through a branch or subsidiary. The Group's primary market is Greece.

Table 13a: EU CRB-C – Geographical breakdown of exposures as of 31.12.2020						(in Euro million)
Net Values						
Exposure Class	Greece	United Kingdom	Romania	Cyprus	Other Countries	Total
Central governments or central banks	16,189	-	702	569	1,733	19,193
Regional governments or local authorities	27	-	1	-	-	28
Public sector entities	639	-	0	-	-	639
Multilateral development banks	-	-	-	-	210	210
International organisations	-	-	-	-	341	341
Institutions	769	1,266	151	1	1,616	3,803
Corporates	10,872	390	381	284	2,135	14,063
Retail	5,953	10	587	175	36	6,760
Secured by mortgages on immovable property	11,065	464	1,822	448	316	14,115
Exposures in default	10,506	263	62	798	237	11,866
Items associated with particularly high risk	10	-	104	107	0	222
Covered bonds	-	-	-	-	-	-
Collective investments undertakings	7	-	-	-	-	7
Equity exposures	251	0	4	5	-	260
Other exposures	3,440	8	189	284	39	3,960
Total	59,728	2,400	4,005	2,671	6,663	75,467

Table 13b: EU CRB-C – Geographical breakdown of exposures as of 31.12.2019						(in Euro million)
Net Values						
Exposure Class	Greece	United Kingdom	Romania	Cyprus	Other Countries	Total
Central governments or central banks	10,359	-	731	454	1,580	13,124
Regional governments or local authorities	31	-	2	-	-	32
Public sector entities	635	-	-	-	-	635
Multilateral development banks	-	-	-	-	249	249
International organisations	-	-	-	-	304	304
Institutions	769	1,230	143	52	1,007	3,200
Corporates	9,810	297	346	221	2,068	12,743
Retail	5,131	4	486	162	30	5,813
Secured by mortgages on immovable property	11,058	503	1,892	420	316	14,189
Exposures in default	12,262	381	118	1,058	235	14,055
Items associated with particularly high risk	10	-	107	118	0	235
Covered bonds	171	-	-	-	-	171
Collective investments undertakings	8	-	-	-	-	8
Equity exposures	731	0	4	9	-	744
Other exposures	2,192	9	127	126	39	2,493
Total	53,167	2,423	3,956	2,620	5,828	67,994

The industry classification in the below table is based on the activity of the immediate counterparty at 31.12.2020. Exposures include on and off-Balance-Sheet exposures less allowances/impairments.

Table 14a: EU CRB-D – Concentration of exposures by industry or counterparty types as of 31.12.2020										(in Euro million)
Exposure Class	Manufacturing	Electricity, gas, steam and air conditioning supply	Construction	Wholesale and retail trade	Transport and storage	Accommodation and food service activities	Real estate activities	Other sectors ⁽¹⁾	Not stated ⁽²⁾	Total
Central governments or central banks	-	-	-	-	-	-	-	35	19,159	19,193
Regional governments or local authorities	-	-	-	-	-	-	-	28	-	28
Public sector entities	1	-	-	-	-	-	-	3	635	639
Multilateral development banks	-	-	-	-	-	-	-	-	210	210
International organisations	-	-	-	-	-	-	-	-	341	341
Institutions	0	-	-	1	-	-	-	645	3,156	3,803
Corporates	2,175	1,320	1,063	1,853	2,591	642	344	3,402	673	14,063
Retail	259	31	142	584	83	137	14	5,510	-	6,760
Secured by mortgages on immovable property	1,096	54	473	1,111	177	1,231	998	8,958	17	14,115
Exposures in default	1,074	3	757	1,710	250	451	302	7,319	-	11,866
Items associated with particularly high risk	-	-	213	-	-	-	5	-	3	222
Covered bonds	-	-	-	-	-	-	-	-	-	-
Collective investments undertakings	-	-	-	-	-	-	-	-	7	7
Equity exposures	-	-	-	-	-	-	-	-	260	260
Other exposures	-	-	-	-	-	-	-	-	3,960	3,960
Total	4,605	1,408	2,649	5,260	3,101	2,461	1,664	25,899	28,421	75,467

Table 14b: EU CRB-D – Concentration of exposures by industry or counterparty types as of 31.12.2019
(in Euro million)

Exposure Class	Manufacturing	Electricity, gas, steam and air conditioning supply	Construction	Wholesale and retail trade	Transport and storage	Accommodation and food service activities	Real estate activities	Other sectors ⁽¹⁾	Not stated ⁽²⁾	Total
Central governments or central banks	-	-	-	-	-	-	-	46	13,078	13,124
Regional governments or local authorities	-	-	-	-	-	-	-	32	-	32
Public sector entities	-	-	-	-	-	-	-	-	635	635
Multilateral development banks	-	-	-	-	-	-	-	-	249	249
International organisations	-	-	-	-	-	-	-	-	304	304
Institutions	-	-	-	-	-	-	-	686	2,514	3,200
Corporates	2,096	1,016	1,384	1,522	2,295	399	338	3,323	370	12,743
Retail	181	17	113	447	54	71	11	4,919	-	5,813
Secured by mortgages on immovable property	1,197	60	475	1,092	131	1,174	987	9,073	-	14,189
Exposures in default	1,273	12	943	2,034	270	505	348	8,669	-	14,055
Items associated with particularly high risk	-	-	225	-	-	-	7	-	3	235
Covered bonds	-	-	-	-	-	-	-	-	171	171
Collective investments undertakings	-	-	-	-	-	-	-	-	8	8
Equity exposures	-	-	-	-	-	-	-	-	744	744
Other exposures	-	-	-	-	-	-	-	-	2,493	2,493
Total	4,747	1,105	3,140	5,095	2,750	2,149	1,691	26,748	20,569	67,995

⁽¹⁾ Other sectors/ counterparties includes Agriculture, Forestry and fishing, Mining and quarrying, water supply, Information and Communication, Professional, scientific and technical activities, Administrative and support service activities, Public administration and defense, compulsory social security, Education, Human health services and social work activities, Arts, entertainment and recreation as well as Mortgages, Consumer Loans & Cards.

⁽²⁾ "Not stated" includes all exposures to Institutions & Central Banks, Bonds portfolio and Other Assets (Premises, DTA/DTC, and Equity).



The following table presents the Credit risk exposures by contractual residual maturity as of 31.12.2020, including on Balance Sheet exposures less allowances/impairments.

Table 15a: EU CRB-E – Maturity of exposures as of 31.12.2020							(in Euro million)
Exposure Class	Net exposure value						
	On demand	<= 1 year	>1 year <= 5 years	>5 years	No stated maturity ⁽¹⁾	Total	
Central governments or central banks	7,077	1,506	1,833	4,127	4,459	19,003	
Regional governments or local authorities	-	0	5	22	-	27	
Public sector entities	-	-	0	-	635	635	
Multilateral development banks	-	53	157	-	-	210	
International organisations	-	-	245	96	-	341	
Institutions	0	2,664	365	159	-	3,187	
Corporates	77	2,110	5,341	2,736	-	10,264	
Retail	89	303	2,050	1,417	-	3,860	
Secured by mortgages on immovable property	31	898	1,755	11,313	-	13,996	
Exposures in default	5,673	536	856	4,551	-	11,616	
Items associated with particularly high risk	2	1	92	123	3	222	
Covered bonds	-	-	-	-	-	-	
Collective investments undertakings	-	-	-	-	7	7	
Equity exposures	-	-	-	-	260	260	
Other exposures	387	-	-	-	3,573	3,960	
Total	13,337	8,071	12,698	24,544	8,939	67,588	

Table 15b: EU CRB-E – Maturity of exposures as of 31.12.2019 (in Euro million)						
Exposure Class	Net exposure value					
	On demand	<= 1 year	>1 year <= 5 years	>5 years	No stated maturity ⁽¹⁾	Total
Central governments or central banks	1,590	700	1,951	4,011	4,680	12,932
Regional governments or local authorities	-	0	7	25	-	32
Public sector entities	-	-	0	-	635	635
Multilateral development banks	-	57	192	-	-	249
International organisations	-	-	245	60	-	304
Institutions	0	2,221	307	14	-	2,542
Corporates	80	1,889	4,223	2,697	-	8,889
Retail	99	319	1,694	1,436	-	3,549
Secured by mortgages on immovable property	31	1,008	2,175	10,842	-	14,056
Exposures in default	6,502	876	1,141	5,251	-	13,770
Items associated with particularly high risk	3	4	197	28	3	235
Covered bonds	-	171	-	-	-	171
Collective investments undertakings	-	-	-	-	8	8
Equity exposures	-	-	-	-	744	744
Other exposures	419	-	-	-	2,073	2,493
Total	8,725	7,247	12,130	24,363	8,142	60,608

⁽¹⁾The category "No stated maturity" includes exposures included in Other Assets (Premises, DTA/DTC, and Equity).

The table below presents gross carrying values of credit risk exposures and specific credit risk adjustments, accumulated write-offs (for the period) and credit risk adjustment charges in the period.

Exposure Class	Gross carrying values of		Specific credit risk adjustment ⁽¹⁾	Write-offs	Impairment charge	Net Values
	Defaulted exposures	Non-defaulted exposures				
Central governments or central banks	-	19,209	16	-	-	19,193
Regional governments or local authorities	-	28	0	-	-	28
Public sector entities (2)	-	639	0	-	-	639
Multilateral development banks	-	210	0	-	-	210
International organisations	-	341	0	-	-	341
Institutions	-	3,810	7	-	-	3,803
Corporates	-	14,124	62	1	-	14,063
<i>Of which: SMEs</i>	-	6,023	29	-	-	5,994
Retail	-	6,970	210	7	-	6,760
<i>Of which: SMEs</i>	-	2,365	29	-	-	2,336
Secured by mortgages on immovable property	-	14,345	230	9	-	14,115
<i>Of which: SMEs</i>	-	4,190	80	-	-	4,110
Exposures in default	21,278	-	9,411	1,001	-	11,866
Items associated with particularly high risk	12	215	6	-	-	222
Covered bonds	-	-	-	-	-	-
Collective investments undertakings	-	7	-	-	-	7
Equity exposures	-	260	-	-	-	260
Other exposures	-	3,960	-	-	-	3,960
Total	21,290	64,119	9,942	1,019	-	75,467
<i>Of which: Loans</i>	20,968	30,741	9,833	1,019	-	41,876
<i>Of which: Debt securities</i>	-	9,432	23	-	-	9,409
<i>Of which: Off-balance-sheet exposures</i>	322	7,642	85	-	-	7,879

⁽¹⁾ Specific credit risk adjustment after the application of IFRS9 transitional arrangements set by Regulation (EU) 2395/2017.

Exposure Class	Gross carrying values of		Specific credit risk adjustment ⁽¹⁾	Write-offs	Impairment charge	Net Values
	Defaulted exposures	Non-defaulted exposures				
Central governments or central banks	-	17,672	32	-	-	17,640
Regional governments or local authorities	-	30	0	-	-	30
Public sector entities (2)	-	636	0	-	-	636
Multilateral development banks	-	234	0	-	-	234
International organisations	-	340	0	-	-	340
Institutions	-	3,557	2	-	-	3,554
Corporates	-	13,615	78	-	-	13,537
<i>Of which: SMEs</i>	-	4,912	35	-	-	4,877
Retail	-	6,099	247	5	-	5,852
<i>Of which: SMEs</i>	-	1,324	32	-	-	1,292
Secured by mortgages on immovable property	-	14,539	217	6	-	14,322
<i>Of which: SMEs</i>	-	4,688	86	-	-	4,602
Exposures in default	21,592	-	8,938	638	-	12,654
Items associated with particularly high risk	9	222	5	-	-	227
Covered bonds	-	170	0	-	-	170
Collective investments undertakings	-	6	-	-	-	6
Equity exposures	-	255	-	-	-	255
Other exposures	-	4,124	-	-	-	4,124
Total	21,601	61,499	9,519	649	-	73,581
<i>Of which: Loans</i>	21,269	30,014	9,398	649	-	41,885
<i>Of which: Debt securities</i>	-	9,358	35	-	-	9,323
<i>Of which: Off-balance-sheet exposures</i>	332	7,319	86	-	-	7,565

⁽¹⁾ Specific credit risk adjustment after the application of IFRS9 transitional arrangements set by Regulation (EU) 2395/2017.

The following table shows the total exposure amounts of the above table broken down by significant industry or counterparty type.

Table 17a: Credit quality of loans and advances to non-financial corporations by industry as of 31.12.2020 (in Euro million)						
	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which loans and advances subject to impairment		
			Of which defaulted			
Agriculture, forestry and fishing	488	238	238	488	98	-
Mining and quarrying	109	51	51	109	32	-
Manufacturing	5,364	2,087	2,087	5,348	1,083	-
Electricity, gas, steam and air conditioning supply	1,228	7	7	1,228	9	-
Water supply	45	8	8	45	5	-
Construction	2,513	1,374	1,374	2,513	791	-
Wholesale and retail trade	6,548	3,435	3,435	6,524	1,786	19
Transport and storage	3,235	445	445	3,006	162	43
Accommodation and food service activities	2,668	690	690	2,668	261	-
Information and communication	284	141	141	282	80	1
Financial and insurance activities	0	-	-	0	-	-
Real estate activities	1,817	472	472	1,720	148	24
Professional, scientific and technical activities	445	109	109	445	53	-
Administrative and support service activities	489	156	156	489	85	-
Public administration and defence, compulsory social security	1	0	0	1	0	-
Education	89	41	41	89	14	-
Human health services and social work activities	203	63	63	203	36	-
Arts, entertainment and recreation	326	137	137	326	81	-
Other services	547	196	196	504	149	3
Total	26,401	9,649	9,649	25,990	4,872	90

**Table 17b: Credit quality of loans and advances to non-financial corporations by industry as of 30.6.2020
(in Euro million)**

	Gross carrying amount			Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	Of which non-performing	Of which defaulted				
Agriculture, forestry and fishing	394	238	238	394	99	-
Mining and quarrying	121	50	50	121	31	-
Manufacturing	5,334	2,079	2,079	5,318	1,042	-
Electricity, gas, steam and air conditioning supply	1,143	28	28	1,143	25	-
Water supply	46	8	8	46	4	-
Construction	2,650	1,395	1,395	2,650	777	-
Wholesale and retail trade	6,333	3,449	3,449	6,309	1,727	19
Transport and storage	3,131	441	441	2,883	143	35
Accommodation and food service activities	2,420	667	667	2,420	246	-
Information and communication	266	140	140	264	74	1
Financial and insurance activities	0	-	-	0	-	-
Real estate activities	1,903	483	483	1,808	156	22
Professional, scientific and technical activities	393	109	109	393	50	-
Administrative and support service activities	461	157	157	461	83	-
Public administration and defence, compulsory social security	1	0	0	1	0	-
Education	82	41	41	82	14	-
Human health services and social work activities	177	62	62	177	34	-
Arts, entertainment and recreation	430	133	133	430	73	-
Other services	477	182	182	474	192	3
Total	25,762	9,661	9,661	25,374	4,770	81

The following table presents the credit quality of the Group's exposures broken down by significant geographical area.

Table 18a: Quality of non-performing exposures by geography as of 31.12.2020 (in Euro million)							
	Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which subject to impairment			
			Of which defaulted				
On-balance-sheet exposures	68,359	20,971	20,971	67,935	9,752		91
Greece	52,091	18,010	18,010	51,886	8,172		37
United Kingdom	2,751	741	741	2,741	471		-
Romania	3,383	186	186	3,343	126		21
Cyprus	2,982	1,592	1,592	2,982	806		-
Other countries	7,151	443	443	6,983	177		33
Off-balance-sheet exposures	7,970	336	336			91	
Greece	7,172	319	319			78	
United Kingdom	54	3	3			0	
Romania	494	4	4			5	
Cyprus	209	10	10			8	
Other countries	41	0	0			0	
Total	76,329	21,308	21,308	67,935	9,752	91	91

Table 18b: Quality of non-performing exposures by geography as of 30.6.2020							(in Euro million)
	Gross carrying/nominal amount			Of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	Of which non-performing		Of which defaulted				
On-balance-sheet exposures	66,394	21,264	21,264	65,994	9,351		81
Greece	50,214	18,107	18,107	50,051	7,731		37
United Kingdom	3,166	797	797	3,157	459		-
Romania	3,312	214	214	3,273	134		19
Cyprus	2,999	1,712	1,712	2,999	859		-
Other countries	6,703	434	434	6,513	169		25
Off-balance-sheet exposures	7,661	348	348			91	
Greece	6,941	325	325			78	
United Kingdom	30	4	4			0	
Romania	439	4	4			4	
Cyprus	217	14	14			9	
Other countries	33	0	0			0	
Total	74,055	21,611	21,611	65,994	9,351	91	81

The following tables provide an overview of the quality of forbearance.

Table 19a: Quality of forbearance as of 31.12.2020 (in Euro million)	
	Gross carrying amount of forborne exposures
Loans and advances that have been forborne more than twice	8,923
Non - performing forborne loans and advances that failed to meet the non - performing exit criteria	9,390

Table 19b: Quality of forbearance as of 31.12.2019 (in Euro million)	
	Gross carrying amount of forborne exposures
Loans and advances that have been forborne more than twice	9,087
Non - performing forborne loans and advances that failed to meet the non - performing exit criteria	6,818

The following tables provide an overview of the credit quality of forborne exposures.

Table 20a: Credit quality of forborne exposures as of 31.12.2020
(in Euro million)

	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
		Of which defaulted	Of which impaired					
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
Loans and advances	4,038	12,708	12,708	12,526	293	4,874	9,496	6,458
<i>Central banks</i>	-	-	-	-	-	-	-	-
<i>General governments</i>	-	1	1	1	-	0	0	0
<i>Credit institutions</i>	-	-	-	-	-	-	-	-
<i>Other financial corporations</i>	2	7	7	7	0	3	5	4
<i>Non-financial corporations</i>	1,075	5,169	5,169	4,986	67	2,118	3,256	2,486
<i>Households</i>	2,960	7,531	7,531	7,531	227	2,753	6,235	3,968
Debt securities	-	-	-	-	-	-	-	-
Loan commitments given	9	3	3	3	0	-	0	0
Total	4,046	12,711	12,711	12,529	293	4,874	9,497	6,458

Table 20b: Credit quality of forborne exposures as of 30.6.2020 *
(in Euro million)

	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted	Of which impaired				
Loans and advances	4,020	12,806	12,806	12,611	278	4,471	9,654	6,653
<i>Central banks</i>	-	-	-	-	-	-	-	-
<i>General governments</i>	-	4	4	4	-	0	0	0
<i>Credit institutions</i>	-	-	-	-	-	-	-	-
<i>Other financial corporations</i>	1	9	9	9	0	2	5	5
<i>Non-financial corporations</i>	1,115	5,160	5,160	4,969	75	1,984	3,357	2,565
<i>Households</i>	2,904	7,633	7,633	7,629	203	2,484	6,292	4,083
Debt securities	-	-	-	-	-	-	-	-
Loan commitments given	4	8	8	8	0	0	0	0
Total	4,024	12,813	12,813	12,618	278	4,471	9,655	6,653

* Cash balances at Central Banks and other demand deposits are reported under Loans and advances

Table 21a: Credit quality of performing and non-performing exposures by past due days as of 31.12.2020 (in Euro million)

	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 year ≤ 5 years	Past due > 5 year ≤ 7 years	Past due > 7 years	Of which defaulted
Cash balances at central banks and other demand deposits	9,819	9,819	-	70	-	-	-	-	-	-	70	70
Loans and advances	28,228	27,886	342	20,901	6,280	335	622	2,057	3,363	1,204	7,041	20,901
<i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>General governments</i>	79	79	0	2	1	-	-	0	0	-	1	2
<i>Credit institutions</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other financial corporations</i>	160	159	0	36	15	0	0	1	5	0	14	36
<i>Non-financial corporations</i>	16,752	16,707	45	9,649	3,207	125	288	868	1,295	416	3,451	9,649
<i>of which SMEs</i>	7,125	7,107	18	6,784	1,923	104	87	455	739	288	3,187	6,784
<i>Households</i>	11,237	10,940	297	11,215	3,058	210	335	1,187	2,062	788	3,575	11,215
Debt securities	9,341	9,341	-	-	-	-	-	-	-	-	-	-
<i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>General governments</i>	7,950	7,950	-	-	-	-	-	-	-	-	-	-
<i>Credit institutions</i>	689	689	-	-	-	-	-	-	-	-	-	-
<i>Other financial corporations</i>	34	34	-	-	-	-	-	-	-	-	-	-
<i>Non-financial corporations</i>	667	667	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	7,634			336								336
<i>Central banks</i>	-			-								-
<i>General governments</i>	194			-								-
<i>Credit institutions</i>	623			-								-
<i>Other financial corporations</i>	52			4								4
<i>Non-financial corporations</i>	5,062			332								332
<i>Households</i>	1,703			1								1
Total	55,021	47,046	342	21,308	6,280	335	622	2,057	3,363	1,204	7,111	21,308

Table 21b: Credit quality of performing and non-performing exposures by past due days as of 30.6.2020 * (in Euro million)

	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 year ≤ 5 years	Past due > 5 year ≤ 7 years	Past due > 7 years	Of which defaulted	
Loans and advances	35,864	35,444	420	21,264	6,494	555	838	2,072	3,011	1,366	6,927	21,264
<i>Central banks</i>	5,366	5,366	-	-	-	-	-	-	-	-	-	-
<i>General governments</i>	86	86	0	5	4	-	0	-	0	-	1	5
<i>Credit institutions</i>	2,936	2,936	-	70	-	-	-	-	-	-	70	70
<i>Other financial corporations</i>	197	197	0	29	8	0	1	1	5	4	10	29
<i>Non-financial corporations</i>	16,101	15,954	147	9,661	3,365	129	396	786	1,153	498	3,334	9,661
<i>of which SMEs</i>	6,282	6,187	95	6,676	1,849	119	142	489	656	318	3,103	6,676
<i>Households</i>	11,177	10,905	272	11,499	3,118	425	441	1,285	1,853	864	3,513	11,499
Debt securities	9,264	9,264	-	-	-	-	-	-	-	-	-	-
<i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>General governments</i>	8,048	8,048	-	-	-	-	-	-	-	-	-	-
<i>Credit institutions</i>	711	711	-	-	-	-	-	-	-	-	-	-
<i>Other financial corporations</i>	12	12	-	-	-	-	-	-	-	-	-	-
<i>Non-financial corporations</i>	493	493	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	7,313	-	-	348	-	-	-	-	-	-	-	348
<i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>General governments</i>	194	-	-	-	-	-	-	-	-	-	-	-
<i>Credit institutions</i>	596	-	-	-	-	-	-	-	-	-	-	-
<i>Other financial corporations</i>	48	-	-	4	-	-	-	-	-	-	-	4
<i>Non-financial corporations</i>	4,786	-	-	343	-	-	-	-	-	-	-	343
<i>Households</i>	1,689	-	-	1	-	-	-	-	-	-	-	1
Total	52,441	44,708	420	21,611	6,494	555	838	2,072	3,011	1,366	6,927	21,611

* Cash balances at Central Banks and other demand deposits are reported under Loans and advances

Table 22a: Performing and non-performing exposures and related provisions as of 31.12.2020 (in Euro million)

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
Cash balances at central banks and other demand deposits	9,819	9,819	-	70	-	70	-	-	-	70	-	70	-	-	-
Loans and advances	28,228	20,810	7,237	20,901	-	20,671	562	143	419	9,187	-	9,096	11,419	20,552	9,951
<i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>General governments</i>	79	79	0	2	-	2	0	0	0	1	-	1	1	72	1
<i>Credit institutions</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other financial corporations</i>	160	149	10	36	-	36	2	1	0	16	-	16	101	81	18
<i>Non-financial corporations</i>	16,752	13,744	2,826	9,649	-	9,419	239	119	120	4,724	-	4,634	7,780	11,809	4,088
<i>of which SMEs</i>	7,125	5,587	1,538	6,784	-	6,758	104	23	81	3,448	-	3,427	5,640	4,889	2,735
<i>Households</i>	11,237	6,838	4,400	11,215	-	11,214	321	22	299	4,446	-	4,446	3,537	8,590	5,845
Debt securities	9,341	9,300	28	-	-	-	23	23	0	-	-	-	-	-	-
<i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>General governments</i>	7,950	7,950	-	-	-	-	16	16	-	-	-	-	-	-	-
<i>Credit institutions</i>	689	687	-	-	-	-	5	5	-	-	-	-	-	-	-
<i>Other financial corporations</i>	34	24	-	-	-	-	0	0	-	-	-	-	-	-	-
<i>Non-financial corporations</i>	667	638	28	-	-	-	3	2	0	-	-	-	-	-	-
Off-balance-sheet exposures	7,634	7,150	484	336	-	336	17	8	9	75	-	75	-	1,252	59
<i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>General governments</i>	194	194	0	-	-	-	0	0	0	-	-	-	-	0	-
<i>Credit institutions</i>	623	608	15	-	-	-	1	1	0	-	-	-	-	-	-
<i>Other financial corporations</i>	52	51	0	4	-	4	0	0	0	0	-	0	-	3	0
<i>Non-financial corporations</i>	5,062	4,643	419	332	-	332	15	6	9	74	-	74	-	1,222	59
<i>Households</i>	1,703	1,653	50	1	-	1	1	1	0	0	-	0	-	28	0
Total	55,021	47,079	7,749	21,308	-	21,078	602	173	429	9,331	-	9,241	11,419	21,805	10,010

Table 22b: Performing and non-performing exposures and related provisions as of 30.6.2020 * (in Euro million)

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
	Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3				
Loans and advances	35,864	29,101	6,599	21,264	-	21,038	651	219	432	8,746	-	8,665	-	20,158	10,380
<i>Central banks</i>	5,366	5,366	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>General governments</i>	86	86	0	5	-	5	0	0	0	1	-	1	-	78	1
<i>Credit institutions</i>	2,936	2,936	-	70	-	70	0	0	-	70	-	70	-	-	-
<i>Other financial corporations</i>	197	173	24	29	-	29	2	1	0	16	-	16	-	157	11
<i>Non-financial corporations</i>	16,101	13,734	2,203	9,661	-	9,437	308	189	119	4,543	-	4,462	-	11,418	4,229
<i>of which SMEs</i>	6,282	4,946	1,336	6,676	-	6,650	116	22	93	3,269	-	3,249	-	4,393	2,767
<i>Households</i>	11,177	6,806	4,371	11,499	-	11,498	341	28	313	4,117	-	4,117	-	8,505	6,140
Debt securities	9,264	9,251	2	-	-	-	35	35	0	-	-	-	-	-	-
<i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>General governments</i>	8,048	8,048	-	-	-	-	31	31	-	-	-	-	-	-	-
<i>Credit institutions</i>	711	709	-	-	-	-	1	1	-	-	-	-	-	-	-
<i>Other financial corporations</i>	12	4	-	-	-	-	0	0	-	-	-	-	-	-	-
<i>Non-financial corporations</i>	493	490	2	-	-	-	2	2	0	-	-	-	-	-	-
Off-balance-sheet exposures	7,313	7,004	309	348	-	348	17	8	8	74	-	74	-	1,094	58
<i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>General governments</i>	194	194	-	-	-	-	0	0	-	-	-	-	-	0	-
<i>Credit institutions</i>	596	596	-	-	-	-	1	1	-	-	-	-	-	-	-
<i>Other financial corporations</i>	48	46	2	4	-	4	0	0	0	0	-	0	-	5	0
<i>Non-financial corporations</i>	4,786	4,520	266	343	-	343	15	7	8	74	-	74	-	1,066	58
<i>Households</i>	1,689	1,647	42	1	-	1	1	1	0	0	-	0	-	23	0
Total	52,441	45,355	6,910	21,611	-	21,386	703	262	441	8,820	-	8,739	-	21,252	10,438

* Cash balances at Central Banks and other demand deposits are reported under Loans and advances

The table 23a shows the movement in the provision on Loans and Advances to customers, Loan Commitments and financial guarantee contracts, Debt Securities and Due from Banks, during the period from 30 June 2020 to 31 December 2020.

Table 23a: EU CR2-A – Changes in the stock of general and specific risk adjustments		(in Euro million)
	Accumulated specific credit risk adjustment	
Opening balance 30.6.2020	9,442	
Increases due to amounts set aside for estimated loan losses during the period	811	
Decreases due to amounts taken against accumulated credit risk adjustments	- 401	
Impact of exchange rate differences	- 21	
Business combinations, including acquisitions and disposals of subsidiaries	-	
Reclassification to assets held for sale	-	
Change in present value of the impairment losses	-	
Other adjustments	10	
Closing balance 31.12.2020	9,843	
Recoveries of previously written-off amounts recorded directly to the statement of profit or loss	- 16	
Amounts written-off directly to the statement of profit or loss	-	

The table 23b shows the movement in the provision on Loans and Advances to customers, Loan Commitments and financial guarantee contracts, Debt Securities and Due from Banks, during the period from 01 January 2020 to 30 June 2020

Table 23b: EU CR2-A – Changes in the stock of general and specific risk adjustments		(in Euro million)
	Accumulated specific credit risk adjustment	
Opening balance 1.1.2020	9,568	
Increases due to amounts set aside for estimated loan losses during the period	513	
Decreases due to amounts taken against accumulated credit risk adjustments	- 650	
Impact of exchange rate differences	8	
Business combinations, including acquisitions and disposals of subsidiaries	-	
Reclassification to assets held for sale	1	
Change in present value of the impairment losses	-	
Other adjustments	2	
Closing balance 30.6.2020	9,442	
Recoveries of previously written-off amounts recorded directly to the statement of profit or loss	- 10	
Amounts written-off directly to the statement of profit or loss	-	

The table 24 shows the changes in stock of defaulted and impaired loans.

Table 24a: Changes in the stock of non-performing loans and advances as of 31.12.2020 (in Euro million)		
	Gross carrying amount	Related net accumulated recoveries
Initial stock of non-performing loans and advances	21,827	
Inflows to non-performing portfolios	2,018	
Outflows from non-performing portfolios	- 2,944	
Outflow to performing portfolio	- 1,143	
Outflow due to loan repayment, partial or total	- 493	
Outflow due to collateral liquidation	- 219	67
Outflow due to taking possession of collateral	- 257	113
Outflow due to sale of instruments	- 10	0
Outflow due to risk transfer	-	-
Outflow due to write-off	- 709	
Outflow due to other situations	- 113	
Outflow due to reclassification as held for sale	- 0	
Final stock of non-performing loans and advances	20,901	

**Table 24b: Changes in the stock of non-performing loans and advances as of 31.12.2019*
(in Euro million)**

	Gross carrying amount	Related net accumulated recoveries
Initial stock of non-performing loans and advances	25,744	
Inflows to non-performing portfolios	2,912	
Outflows from non-performing portfolios	- 6,759	
Outflow to performing portfolio	- 1,454	
Outflow due to loan repayment, partial or total	- 575	
Outflow due to collateral liquidation	- 345	- 103
Outflow due to taking possession of collateral	- 433	- 169
Outflow due to sale of instruments	- 159	- 49
Outflow due to risk transfer	-	-
Outflow due to write-off	- 1,748	
Outflow due to other situations	- 162	
Outflow due to reclassification as held for sale	- 1,883	
Final stock of non-performing loans and advances	21,897	

* Cash balances at Central Banks and other demand deposits are reported under Loans and advances

7.4 Banks' use of external credit ratings under the standardised approach

Alpha Bank Group uses the available credit ratings from Moody's Investors Service, Standard & Poor's Ratings Services and Fitch Ratings, which have been approved from Bank of Greece as eligible External Credit Assessment Institutions (ECAIs) for the use of their credit ratings in regulatory capital calculation (Decision 250/25.9.2007). Credit ratings of the above rating agencies are used, where available, for all Group portfolios.

The asset classes for which ECAIs ratings are used are the following:

- Exposures to Central Governments and Central Banks
- Exposures to Financial Institutions
- Exposures to Multilateral Development Banks
- Exposures to International Organizations
- Exposures to Corporates
- Exposures in the form of covered bonds

For all other asset classes, credit quality bands are assigned to the corresponding risk weights per exposure type, as described in detail in CRR 575/2013.

Credit ratings are assigned to credit quality bands. Then, credit quality bands are assigned to the corresponding risk weights per portfolio type, as described in detail in CRR 575/2013.

Table 25: Assignment of the credit ratings of the eligible ECAI's to credit quality steps

Credit Quality Band	Standard & Poor's Ratings Service	Moody's Investor Services	Fitch Ratings
1	AAA to AA-	Aaa to Aa3	AAA to AA-
2	A+ to A-	A1 to A3	A+ to A-
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-
4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-
5	B+ to B-	B1 to B3	B+ to B-
6	CCC+ and below	Caa1 and below	CCC+ and below

If for a specific exposure there are two available ratings then the rating leading to the higher risk weight is selected. In case, that there are more than two available ratings, initially the two ratings leading to the lower risk weights are chosen and then from the aforesaid two choices is selected the one corresponding to the higher risk weight.

Exposures to counterparties, for which a credit assessment by a nominated ECAI is not available, shall be assigned a risk weight according to the procedure described to the respective articles of the CRR 575/2013.

Under Standardised approach, credit risk is measured by applying risk weights outlined in CRD IV based on the exposure class to which the exposure is allocated. The following tables outline the Standardised exposure classes by CRD IV prescribed risk weight. Exposures subject to Counterparty Credit Risk are not included in the table.

Table 26a: EU CR5 - Standardized approach as of 31.12.2020
(in Euro million)

Exposure classes	Risk Weight															Total	Of which unrated
	0%	2%	4%	10%	20%	25%	35%	50%	70%	75%	100%	150%	250%	370%	1250%		
Central governments or central banks	15,605	-	-	-	3	-	-	0	-	-	3,169	-	791	-	-	19,568	11,700
Regional government or local authorities	-	-	-	-	27	-	-	-	-	-	-	-	-	-	-	27	27
Public sector entities	799	-	-	-	0	-	-	-	-	-	636	-	-	-	-	1,435	1,435
Multilateral development banks	428	-	-	-	-	-	-	-	-	-	-	-	-	-	-	428	218
International organisations	341	-	-	-	-	-	-	-	-	-	-	-	-	-	-	341	-
Institutions	51	-	-	-	817	-	-	390	-	-	57	62	-	-	-	1,377	341
Corporates	-	-	-	-	-	-	-	61	-	-	9,791	48	-	-	-	9,900	9,383
Retail	0	-	-	-	-	-	-	-	-	3,360	-	-	-	-	-	3,360	3,360
Secured by mortgages on immovable property	0	-	-	-	-	-	7,295	4,117	-	1,239	1,128	-	-	-	-	13,778	13,778
Exposures in default	0	-	-	-	-	-	-	-	-	-	10,294	1,162	-	-	-	11,456	11,456
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	200	-	-	-	200	200
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective investments undertakings	-	-	-	-	-	-	-	-	-	-	7	-	-	-	-	7	7
Equity	-	-	-	-	-	-	-	-	-	-	192	-	68	-	-	260	260
Other items	410	-	-	-	-	-	-	-	-	-	3,550	-	-	-	-	3,960	3,960
Total	17,634	-	-	-	848	-	7,295	4,567	-	4,599	28,824	1,471	860	-	-	66,097	56,125

Table 26b: EU CR5 - Standardized approach as of 30.6.2020

(in Euro million)

Exposure classes	Risk Weight															Total	Of which unrated
	0%	2%	4%	10%	20%	25%	35%	50%	70%	75%	100%	150%	250%	370%	1250%		
Central governments or central banks	13,966	-	-	-	4	-	-	0	-	-	3,244	-	793	-	-	18,008	10,163
Regional government or local authorities	-	-	-	-	30	-	-	-	-	-	-	-	-	-	-	30	30
Public sector entities	-	-	-	-	338	-	-	-	-	-	298	-	-	-	-	636	636
Multilateral development banks	461	-	-	-	-	-	-	-	-	-	-	-	-	-	-	461	227
International organisations	340	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340	-
Institutions	9	-	-	-	727	-	-	342	-	-	57	1	-	-	-	1,136	466
Corporates	-	-	-	-	-	-	-	24	-	-	9,740	44	-	-	-	9,808	9,445
Retail	-	-	-	-	-	-	-	-	-	3,168	-	-	-	-	-	3,168	3,168
Secured by mortgages on immovable property	-	-	-	-	-	-	7,251	4,215	-	1,277	1,261	-	-	-	-	14,004	14,004
Exposures in default	-	-	-	-	-	-	-	-	-	-	10,913	1,302	-	-	-	12,215	12,215
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	204	-	-	-	204	204
Covered bonds	-	-	-	-	170	-	-	-	-	-	-	-	-	-	-	170	-
Collective investments undertakings	-	-	-	-	-	-	-	-	-	-	6	-	-	-	-	6	6
Equity	-	-	-	-	-	-	-	-	-	-	197	-	58	-	-	255	255
Other items	369	-	-	-	-	-	-	-	-	-	3,755	-	-	-	-	4,124	4,124
Total	15,145	-	-	-	1,268	-	7,251	4,581	-	4,444	29,471	1,551	851	-	-	64,563	54,941



7.5 Credit risk mitigation

Credit risk mitigation techniques reduce exposure value and expected loss. According to CRR 575/2013, only specific types of credit risk mitigation are eligible for capital adequacy calculation purposes.

Moreover, the Bank of Greece sets additional criteria which should be satisfied during the collateral management process (market value monitoring, insurance, legal validity) and the terms and conditions of the relevant agreements.

7.5.1 Collateral valuation and management policies and procedures

Collateral can be used in order to mitigate the Credit Risk created to a financial instrument in case a customer or counterparty fails to meet his contractual obligations.

Collaterals are holdings or rights of every type provided to the Bank by its debtors or third parties to be used as additional funding sources in case of claim liquidation.

The main collateral types held for retail customers are mortgages, cash, mutual funds and sovereign securities (repos, bonds). Additionally, in case of real estate loans maximum Loan to Value (LTV: loan amount to property commercial value) limits have been set, depending upon loan purpose and collateral. The amount the customer contributes to the asset being financed is a very important factor during the loan approval process since it directly affects customer's repayment ability.

In case the debtor is a private individual, the Group seeks to have her/him insured against death and severe injuries.

As far as wholesale customers are concerned, loan repayment depends upon the viability and growth perspectives of the company, the servicing ability of the company and its owners, the circumstances prevailing at the sectors and markets they are active in, as well as unexpected factors, positively or negatively affecting their operation.

In order to assess an acceptable value for collateral, the Bank calculates the value based on the potential proceeds that could arise if and when this collateral is liquidated. This estimation is referred to as the acceptable guaranteed value of the collaterals provided to the Bank for the determination of which the quality of the assets as well as their market value are taken into account. In this way, the ratio of acceptable guaranteed values is determined for each type of collateral, those are expressed as a percentage of their market value, nominal or weighted value, depending on the type of collateral. Depending on the type of collateral, the assessments of the value of collateral is carried out by partners (Appraisers), with the necessary expertise and specialisation. The selection of the appraiser is subject to specific criteria, while their performance is assessed on an ongoing basis.

Especially for tangible collaterals, the Bank entrusts independent qualified appraisers who have the necessary qualifications, ability and experience in evaluation (as defined in the article 208 paragraph 3 of the EU Regulation No 575/2013).

According to the Bank's Credit Policy, the existence and the valuation of both pledged collateral and mortgaged property are closely monitored. Depending on the right or the underlying asset on which a pledge is registered, the periodic revaluation frequency varies from one month to one year.

In addition to the review of collateral values, the Bank also validates such collateral values on an annual basis. On a regular basis and through proper sampling, the Bank performs audits for the procedures of implementation of the Bank's Loan Collateral Policy and audits (back-testing) for the verification of property valuations. Audits are based on indices and individual assessments in order to ensure the proper collateral valuation is captured in the Bank's core systems and controls are in place for the Bank's relevant committee reviews and approvals.

Regarding the rest of the companies of Alpha Bank Group, apart from the general principles applying to the Group as a whole, additional clauses also exist. To specify, as far as leasing contracts are concerned, apart from the leased property, Alpha Leasing might request additional collateral. Moreover, Factoring customers are subject to collateral limits depending upon debtor's creditworthiness and reexamined according to the Bank's Policy regarding loans to corporate customers.

7.5.2 Description of the main collateral types

Collateral used to mitigate risk, both for mortgage and other lending is diversified. The main types of guarantors are corporates, individuals, financial institutions and sovereigns. Their creditworthiness is assessed on a case by-case basis.

There are two broad categories of collateral: Contractual collaterals – guarantees and tangible collaterals.

Guarantees are the most common collateral type of the first category. A guarantee is a legally enforceable relationship between the Bank and the borrower, through which the guarantor assumes the responsibility of paying the debt. It is documented and presupposes the existence of another legally enforceable relationship between the Bank and the borrower (loan).

The provided guarantees are usually found in the banking practice into: Personal Guarantee, Corporate Guarantee, Credit Institutions Guarantee, Greek State Guarantee, Guarantee of EAT (Hellenic Development Bank, Guarantee Programs of the European Investment Fund (EIF), Letter of Comfort. The most common types of tangible collateral are: mortgages on real estate properties and pledges on commodities, deposits and cheques or claims and receivables.

Tangible collateral value is estimated on a regular basis, at least annually, except for cases where the contract foresees something different, in cases of known changes on the property or in the business process, or in cases there are urban planning changes or other considerable factors;; in case of exceptional/unforeseen events, additional valuation can take place. In case of significant negative changes at collateral values, the Bank seeks to restore the loan to collateral value ratio to the desired levels. The initial valuations of a real estate property, provided as collateral, are carried out through on-site appraisals and internal property inspections to further improve the effect of credit risk mitigation, the Bank requests that all mortgages are covered by an insurance contract and the compensation is assigned to the Bank. The same might apply, on a case-by-case basis, on other physical collaterals as well.

The following table presents the exposure value covered through eligible collateral and guarantees / credit derivatives for each asset class, based on regulatory standards while it also shows the volume of unsecured and secured exposures. Secured exposures are limited to those exposures against which eligible collateral which meets CRR definitions is held and has been used in the calculation of the Group's capital requirements. Haircuts are applied consistent with CRR requirements.

Exposures where the Group nets derivative mark-to-market positions with certain interbank counterparties against cash collateral placed and received with those counterparties under CSA agreements are excluded. For cash collateral held against derivative exposures refer to the counterparty credit risk section.

Table 27a: EU CR3 – CRM techniques – Overview as of 31.12.2020					(In Euro million)
	Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
Total Loans	11,628	27,746	19,300	1,588	-
Total debt securities	9,306	-	-	-	-
Total exposures	20,934	27,746	19,300	1,588	-
of which defaulted	1,931	9,694	7,411	180	-

Table 27b: EU CR3 – CRM techniques – Overview as of 30.6.2020					(In Euro million)
	Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
Total Loans	11,820	27,616	19,643	792	-
Total debt securities	9,219	-	-	-	-
Total exposures	21,039	27,616	19,643	792	-
of which defaulted	2,122	10,272	7,696	197	-

The table below presents the Standardised exposure classes on two different bases, before CCF and CRM and after CCF and CRM, as at 31.12.2020, excluding exposures subject to Counterparty Credit Risk.

Table 28a: EU CR4 - Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects as of 31.12.2020 (in Euro million)						
Exposure classes	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	On-Balance-sheet amount	Off-Balance-Sheet amount	On-Balance-Sheet amount	Off-Balance-Sheet amount	RWAs	RWA density
Central governments or central banks	19,003	191	19,568	0	5,148	26.3%
Regional government or local authorities	27	1	27	0	5	20.0%
Public sector entities	635	3	1,434	1	636	44.3%
Multilateral development banks	210	-	428	-	-	0.0%
International organisations	341	-	341	-	-	0.0%
Institutions	3,187	616	1,366	11	508	36.9%
Corporates	10,264	3,798	9,226	674	8,922	90.1%
Retail	3,860	2,900	3,276	84	2,346	69.8%
Secured by mortgages on immovable property	13,996	119	13,743	35	6,193	45.0%
Exposures in default	11,616	250	11,389	67	12,037	105.1%
Items associated with particularly high risk	222	-	200	-	299	150.0%
Covered bonds	-	-	-	-	-	0.0%
Collective investment undertakings	7	-	7	-	7	100.0%
Equity	260	-	260	-	363	139.2%
Other items	3,960	-	3,960	-	3,550	89.6%
Total	67,588	7,879	65,225	872	40,014	60.5%

Table 28b: EU CR4 - Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects as of 30.6.2020 (in Euro million)

Exposure classes	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	On-Balance-sheet amount	Off-Balance-Sheet amount	On-Balance-Sheet amount	Off-Balance-Sheet amount	RWAs	RWA density
Central governments or central banks	17,449	191	18,008	0	5,229	29.0%
Regional government or local authorities	30	1	29	0	6	20.0%
Public sector entities	636	0	636	0	365	57.5%
Multilateral development banks	234	-	461	0	-	0.0%
International organisations	340	-	340	-	-	0.0%
Institutions	2,940	615	1,124	12	375	33.0%
Corporates	9,500	4,037	9,096	712	8,979	91.5%
Retail	3,476	2,376	3,073	94	2,223	70.2%
Secured by mortgages on immovable property	14,237	85	13,984	20	6,368	45.5%
Exposures in default	12,394	260	12,146	69	12,866	105.3%
Items associated with particularly high risk	227	-	204	-	306	150.0%
Covered bonds	170	-	170	-	34	20.0%
Collective investment undertakings	6	-	6	-	6	100.0%
Equity	255	-	255	-	342	134.0%
Other items	4,124	-	4,124	-	3,755	91.1%
Total	66,016	7,565	63,657	906	40,854	63.3%

7.6 Concentration Risk on Collaterals

Collaterals are received both for Wholesale and Retail lending in order to mitigate credit risk that may arise from the obligor's inability to fulfill his contractual obligations. Collaterals include all kind of assets and rights which are made available to the Bank either by their debtors or by third parties, in order to be used as complementary liquidity sources of relative loans. The mitigation tools applied by the Bank include two broad categories: intangible and tangible collaterals.

For credit exposures, the most commonly accepted collaterals for credit risk mitigation purposes are real estate assets. Usually, consumer loans are not collateralised, except for car loans where the Bank retains ownership until full loan repayment and some cash collateralized loans. Mortgage loans are fully collateralised with residential real estate properties. Business loans are mainly collateralized with commercial and residential real estate properties.

For treasury transactions the risk due to collaterals is immaterial. For derivative interbank transactions the Bank signed CSA agreements with exchange of cash collateral. For Repo / Reverse Repo transactions the Bank signed GMRA agreements.

Table 29a: Collateral valuation - Loans and advances as of 31.12.2020
(in Euro million)

	Loans and advances											
	Performing			Non-performing exposures								
			Of which: past due > 30 days ≤ 90 days	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days							
					Of which: past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 year ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years		
Gross carrying amount	49,129	28,228	342	20,901	6,280	14,621	335	622	2,057	3,363	1,204	7,041
<i>Of which secured</i>	38,826	22,176	299	16,650	5,206	11,444	234	456	1,383	2,591	1,022	5,757
<i>Of which secured with immovable property</i>	30,497	15,192	268	15,304	4,702	10,603	220	443	1,247	2,430	967	5,295
<i>Of which instruments with LTV higher than 60% and lower or equal to 80%</i>	3,525	2,667		857	427	430						
<i>Of which instruments with LTV higher than 80% and lower or equal to 100%</i>	6,709	3,973		2,737	1,039	1,698						
<i>Of which instruments with LTV higher than 100%</i>	15,514	4,654		10,860	2,838	8,022						
Accumulated impairment for secured assets	6,453	268	9	6,185	1,038	5,147	58	169	575	1,146	474	2,725
Collateral												
<i>Of which value capped at the value of exposure</i>	27,905	18,263	241	9,642	3,770	5,872	156	279	765	1,341	528	2,804
<i>Of which immovable property</i>	21,575	12,931	227	8,645	3,313	5,332	154	272	653	1,254	488	2,512
Financial guarantees received	2,598	2,290	30	309	109	199	14	9	31	56	13	78
Accumulated partial write - off	11,419	669	2	10,751	1,920	8,830	80	99	600	1,942	583	5,527

Table 29b: Collateral valuation - Loans and advances as of 31.12.2019*
(in Euro million)

	Loans and advances											
	Performing			Non-performing exposures								
			Of which: past due > 30 days ≤ 90 days	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days							
					Of which: past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 year ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years		
Gross carrying amount	53,724	31,826	811	21,897	7,178	14,649	838	825	1,672	2,871	1,599	6,915
<i>Of which secured</i>	38,743	21,384	734	17,359	5,629	11,729	612	623	1,130	2,392	1,395	5,577
<i>Of which secured with immovable property</i>	31,163	15,188	656	15,975	5,050	10,924	575	588	1,041	2,251	1,314	5,155
<i>Of which instruments with LTV higher than 60% and lower or equal to 80%</i>	3,286	2,466		820	379	441						
<i>Of which instruments with LTV higher than 80% and lower or equal to 100%</i>	6,542	3,779		2,763	1,044	1,719						
<i>Of which instruments with LTV higher than 100%</i>	16,990	5,370		11,620	3,275	8,344						
Accumulated impairment for secured assets	6,238	261	23	5,977	1,131	4,846	180	199	446	963	604	2,454
Collateral												
<i>Of which value capped at the value of exposure</i>	28,412	18,154	626	10,258	3,993	6,264	376	389	605	1,318	732	2,844
<i>Of which immovable property</i>	21,864	12,679	535	9,185	3,419	5,766	354	368	571	1,223	690	2,561
Financial guarantees received	1,896	1,565	21	332	111	221	24	8	25	59	27	76

* Cash balances at Central Banks and other demand deposits are reported under Loans and advances

The table below presents the Standardised exposure classes on two different bases, before CCF and CRM and after CCF and CRM, as at 31.12.2020, excluding exposures subject to Counterparty Credit Risk.

Table 30a: Collateral obtained by taking possession and execution processes as of 31.12.2020 (in Euro million)		
	Collateral obtained by taking possession	
	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)	48	- 12
Other than PP&E	1,137	- 227
Residential immovable property	333	- 32
Commercial immovable property	798	- 195
Movable property (auto, shipping, etc.)	0	-
Equity and debt instruments	6	-
Other	-	-
Total	1,185	- 239

Table 30b: Collateral obtained by taking possession and execution processes as of 30.6.2020 (in Euro million)		
	Collateral obtained by taking possession	
	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)	44	- 10
Other than PP&E	1,063	- 199
Residential immovable property	317	- 23
Commercial immovable property	742	- 176
Movable property (auto, shipping, etc.)	0	-
Equity and debt instruments	4	- 0
Other	-	-
Total	1,107	- 209

The table below presents the Standardised exposure classes on two different bases, before CCF and CRM and after CCF and CRM, as at 31.12.2020, excluding exposures subject to Counterparty Credit Risk.

Table 31a: Collateral obtained by taking possession and execution processes-vintage breakdown as of 31.12.2020
(in Euro million)

	Debt balance reduction		Total collateral obtained by taking possession		Foreclosed ≤ 2 years		Foreclosed > 2 years ≤ 5 years		Foreclosed > 5 years		Of which non-current assets held-for-sale	
	Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
Collateral obtained by taking possession classified as PP&E	9	-	48	- 12								
Collateral obtained by taking possession other than that classified as PP&E	721	- 74	1,137	- 227	361	- 15	240	- 32	536	- 179	110	- 64
<i>Residential immovable property</i>	217	-	333	- 32	196	- 12	63	- 6	74	- 14	6	- 1
<i>Commercial immovable property</i>	428	-	798	- 195	159	- 3	177	- 26	462	- 165	105	- 63
<i>Movable property (auto, shipping, etc.)</i>	-	-	0	-	-	-	-	-	0	-	-	-
<i>Equity and debt instruments</i>	76	- 74	6	-	6	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-
Total	730	- 74	1,185	- 239	361	- 15	240	- 32	536	- 179	110	- 64

Table 31b: Collateral obtained by taking possession and execution processes-vintage breakdown as of 31.12.2019

(in Euro million)

	Debt balance reduction		Total collateral obtained by taking possession		Foreclosed ≤ 2 years		Foreclosed > 2 years ≤ 5 years		Foreclosed > 5 years		Of which non-current assets held-for-sale	
	Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
Collateral obtained by taking possession classified as PP&E	7	-	47	- 11								
Collateral obtained by taking possession other than that classified as PP&E	625	- 71	992	- 206	293	- 13	219	- 28	479	- 166	147	- 74
<i>Residential immovable property</i>	161	-	271	- 22	154	- 3	46	- 4	70	- 15	32	- 2
<i>Commercial immovable property</i>	391	-	716	- 184	135	- 10	173	- 23	408	- 151	114	- 71
<i>Movable property (auto, shipping, etc.)</i>	-	-	1	- 0	-	-	-	-	1	- 0	-	-
<i>Equity and debt instruments</i>	73	- 71	4	-	4	- 0	-	-	-	- 0	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-
Total	632	- 71	1,038	- 217	293	- 13	219	- 28	479	- 166	147	- 74



7.7 Additional Credit Risk reporting due to COVID-19

In response to the need to address negative economic consequences of COVID-19 pandemic, the European Union (EU) and Member States have introduced a wide range of mitigating measures to support the real economy and the financial sector.

On 2 April 2020, the EBA published Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis which clarifies a set of criteria and conditions under which such measures do not trigger forbearance classification of loans and advances, and sets out their further prudential treatment in this context.

The supportive measures provided by the Bank (“Covid measures”) were the following:

For Medium and Large corporates operating in sectors or areas affected by the Covid-19 crisis and provided that they were performing (less than 90 days past due) as at February 28, 2020:

- Payment holiday for capital installments due from 1.3.2020 to 31.12.2020 to the end of the loan or distribution among the remaining installments.
- Installments that include interest and capital due from 1.3.2020 to 31.12.2020, could be distributed equally among the remaining installments of the loan.
- Extension of existing payment moratoria after 31.12.2020 and up to an overall length of 9 months, applicable before 31.3.2021.
- Capitalization of interest accrued until 31.12.2020 or another date as decided.
- Extension of the obligation to recycle revolving loans until 31.12.2020.
- Possibility of replacing post-dated checks, received as collateral, with other checks from the same issuer of a later date, after an updated creditworthiness control.
- For businesses with no payment moratoria during 2020, that were performing (less than 90 days past due) as at 30.11.2020, new payment holiday limited to a total period of 9 months, may be offered, applicable before 31.3.2021.

For Small businesses and self-employed operating in sectors or areas affected by the Covid-19 crisis and provided that they were performing (less than 90 days past due) as at February 28, 2020:

- Payment holiday for capital installments due from 1.3.2020 to 31.12.2020 at the end of the loan.
- For borrowers with fixed term loans possibility to capitalized installments due until 31.12.2020 or another date as decided.
- For businesses with no payment moratoria during 2020, that were performing (less than 90 days past due) as at 30.11.2020, new payment holiday limited to a total period of 9 months, may be offered, applicable before 31.03.2021.
- Extension of the obligation to recycle revolving loans until 31.12.2020.
- Possibility of replacing post-dated checks received as collateral, with other checks from the same issuer of a later date, after an updated creditworthiness control.

For individuals that faced limitation or decrease in their income because they belong to sectors that are affected, and which have fixed term loans (consumer and mortgage), credit cards and open personal loans with less than 90 days past due as at February 28, 2020:

- Payment holiday of the installments due or the minimum amount due for cards and open personal loans until 31.12.2020.
- For individuals with no payment moratoria during 2020, that were performing (less than 90 days past due) as at 30.11.2020, new payment holiday limited to a total period of 9 months, may be offered, applicable before 31.3.2021.

- Capitalization of the contractual interest, during the suspension period, as well as any expenses (e.g. insurance premiums), in the balance of the loan on due dates.

The EBA compliant moratoria on loan repayments that were applied in light of the COVID-19 crisis, in accordance with EBA/GL/2020/02, have all been expired as of 31.12.2020. To this end and in accordance with the provisions of the EBA/GL/2020/07 (Background and Rationale, par. 16) the Bank does not disclose information in Template 1 "Information on loans and advances subject to legislative and non-legislative moratoria for the 31.12.2020 reference date.

Moreover, the Bank actively participates in every effort planned and coordinated by the Greek Government, either through the competent Ministries or through the Hellenic Development Bank and its Funds (i.e. TEPIX) as well as other European institutions to support the Greek economy (European Investment Fund, COSME etc.).

The table provides an overview of the volume of loans and advances subject to legislative and non-legislative moratoria in accordance with EBA/GL/2020/02 by residual maturity of these moratoria:

Table 32: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria (in Euro million)									
	Number of obligors	Gross carrying amount							
			Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
					<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
<i>Loans and advances for which moratorium was offered</i>	194,618	11,449							
Loans and advances subject to moratorium (granted)	148,716	9,411	1,164	9,411	0	0	0	0	0
<i>of which: Households</i>		5,113	512	5,113	0	0	0	0	0
<i>of which: Collateralised by residential immovable property</i>		4,065	442	4,065	0	0	0	0	0
<i>of which: Non-financial corporations</i>		4,266	636	4,266	0	0	0	0	0
<i>of which: Small and Medium-sized Enterprises</i>		2,627	62	2,627	0	0	0	0	0
<i>of which: Collateralised by commercial immovable property</i>		2,713	540	2,713	0	0	0	0	0

The table provides an overview of the stock of newly originated loans and advances subject to public guarantee schemes introduced in response to COVID-19 crisis:

Table 33: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis (in Euro million)				
	Gross carrying amount	Maximum amount of the guarantee that can be considered	Gross carrying amount	
			of which: forborne	Inflows to non-performing exposures
		Public guarantees received		
Newly originated loans and advances subject to public guarantee schemes	1,041	0	837	8
of which: Households	0			0
of which: Collateralised by residential immovable property	0			0
of which: Non-financial corporations	1,040	0	837	8
of which: Small and Medium-sized Enterprises	729			8
of which: Collateralised by commercial immovable property	5			0



8 Counterparty credit risk (CCR)

Counterparty credit risk is the risk of default of a counterparty before the final settlement of all existing transactions' cash flows. An economic loss would occur if the portfolio of transactions with the counterparty has a positive economic value to the Group at the time of counterparty default. According to CRR 575/2013 the term transaction refers to:

- Over the counter (OTC) derivative transactions, such as FX or interest rate derivative transactions
- Repurchase transactions, securities or commodities lending or borrowing transactions or margin lending transactions
- Long settlement transactions

Alpha Bank Group only has the first two types of transactions.

The exposures generating counterparty credit risk are monitored on a daily basis. The Group has set limits per counterparty group, per counterparty and per product.

In order to reduce counterparty credit risk exposure, Alpha Bank Group uses two types of bilateral contracts as far as financial products transactions of financial institutions are concerned, which are:

- ISDA (International Swap and Derivatives Association): defines the general terms governing the conduct of bilateral contracts on derivatives, such as FX Swaps, Interest Rate Swaps, Cross Currency Swaps, etc. CSA (Credit Support Annex), which is an annex to ISDA, defines the conditions under which collateral is exchanged in the context of these derivatives transactions.
- GMRA (Global Master Repurchase Agreement): defines the terms for conducting transactions of interbank lending backed by securities and defines the conditions under which collateral is exchanged in the context of these transactions e.g. Repurchase Agreement, Securities Lending, Collateralized Loan.

Under these contracts (ISDA & CSA, GMRA) contracting parties are obliged to exchange any negative valuation that concerns the sum of all the underlying transactions. Consequently Alpha Bank Group exchanges required collateral as mentioned in the contracts and therefore the existing counterparty credit risk is minimized.

The amount of collateral required is calculated on a regular basis and agreed between counterparties. For transactions that are governed by these contracts, the risk of loss for the Alpha Bank Group is the potential difference between the current value of the collateral and the market value of transactions. As a result, frequent settlement of any difference with collateral exchange eliminates the risk of losses due to counterparty credit risk.

As far as repos and reverse repos are concerned, where Alpha Bank Group exchanges securities for cash for a specific period of time, they are included in counterparty limits as they involve counterparty credit risk. The maximum potential loss of the Group is capped by the difference between the market value of securities held (or assigned) and the respective interbank transaction. Through GMRA Contracts, the aforementioned risk is minimized with the exchange of required collateral.

As far as the derivative transactions with other (non-financial institution) counterparties are concerned, the resulting risk exposure is taken into account as part of the Credit exposure against the customer according to the Credit Policy in force.

Following recent regulatory initiatives designed to reduce systemic risk in the banking system, Alpha Bank Group is directing qualifying OTC derivatives to be cleared through Central Counterparties (CCPs).

Alpha Bank Group has adopted the Mark to Market Method, according to which, as described in article 274, section 3 of CRR 575/2013, the exposure value of each contract is calculated as the sum of the current replacement cost of the contract, given it is positive, and the potential future exposure. The potential future exposure is estimated after multiplying the nominal value with a weight, the size of which depends upon the contractual remaining maturity and the underlying asset.

According to CRR 575/2013 Article 381, financial institutions are required to calculate the own funds requirements for Credit Valuation Adjustment (CVA Risk).

The CVA reflects the current market value of the counterparty credit risk to the institution. Own Funds requirements for CVA risk, are calculated for all derivative transactions with financial institutions all OTC derivative instruments but excluding credit derivatives.

Wrong-way risk is the risk that occurs when a counterparty's exposures are adversely correlated with its credit quality. There are two types of wrong-way risk.

- General wrong-way risk occurs when the probability of counterparty default is positively correlated with general risk factors, for example, where a counterparty is resident and/or incorporated in a higher-risk country and seeks to sell a nondomestic currency in exchange for its home currency.
- Specific wrong-way risk occurs in self-referencing transactions. These are transactions in which exposure is driven by capital or financing instruments issued by the counterparty and occurs where exposure from Alpha Bank's perspective materially increases as the value of the counterparty's capital or financing instruments referenced in the contract decreases.

Alpha Bank uses a range of tools to monitor and control wrong-way risk, including requiring the business to obtain prior approval before undertaking wrong-way risk transactions.

A credit rating downgrade clause in a Master Agreement or a credit rating downgrade threshold clause in a CSA is designed to trigger an action if the credit rating of the affected party falls below specified level. These actions may include the requirement to pay or receive collateral.

The tables below reflect the Group's counterparty credit exposures, including the impact of netting and collateral. Current credit exposures consist of the replacement cost of contracts together with potential future credit exposure.

Approach	Notional	Replacement cost/current market value	Potential future credit exposure	EEPE	Multiplier	EAD post CRM	RWAs
Mark to market		- 504	402			1,107	194
Financial collateral comprehensive method (for SFTs)						138	65

Table 34b: EU CCR1 - Analysis of CCR exposure by approach as of 30.6.2020							(in Euro million)
Approach	Notional	Replacement cost/current market value	Potential future credit exposure	EEPE	Multiplier	EAD post CRM	RWAs
Mark to market		- 490	381			1,081	197
Financial collateral comprehensive method (for SFTs)						186	37

According to CRR 575/2013 Article 381, financial institutions are required to calculate the own funds requirements for Credit Valuation Adjustment (CVA Risk).

The CVA reflects the current market value of the counterparty credit risk to the institution. Own Funds requirements for CVA risk, are calculated for all derivative transactions with financial institutions all OTC derivative instruments excluding credit derivatives.

In order to calculate CVA, Alpha Bank incorporates the Standardized methodology according to article 384 of CRR 575/2013. Value at Risk is calculated with a 99% confidence interval and with one-year risk horizon.

The most important factors that influence the capital requirements of CVA are the Weight of the counterparty, the real notional-weighted maturity, the contribution of the exposures to the counterparties as well as the number of the counterparties of the portfolio.

Table 35: EU CCR2 - CVA capital charge					(in Euro million)
	31.12.2020		30.6.2020		
	Exposure value	RWAs	Exposure value	RWAs	
All portfolios subject to the standardised method	56	55	52	55	
Total subject to the CVA capital charge	56	55	52	55	

Table 36: EU CCR8 - Exposures to CCPs					(in Euro million)
	31.12.2020		30.6.2020		
	EAD post CRM	RWAs	EAD post CRM	RWAs	
Exposures to non-QCCPs (total)					
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	59	0	50	0	
(iv) Netting sets where cross-product netting has been approved	59	0	50	0	

The table below present the CCR exposures by regulatory portfolio and risk:

Table 37a: EU CCR3 - Standardized approach – CCR exposures by regulatory portfolio and risk as of 31.12.2020 (in Euro million)

Exposure classes	Risk Weight										Total	Of which unrated
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%		
Central governments or central banks	788	-	-	-	-	-	-	-	-	-	788	-
Institutions	-	59	-	-	97	44	-	-	-	6	205	32
Corporates	-	-	-	-	-	-	-	-	250	-	250	224
Retail	-	-	-	-	-	-	-	1	-	-	1	-
Total	788	59	-	-	97	44	-	1	250	6	1,244	256

Table 37b: EU CCR3 - Standardized approach – CCR exposures by regulatory portfolio and risk as of 30.6.2020 (in Euro million)

Exposure classes	Risk Weight										Total	Of which unrated
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%		
Central governments or central banks	767	-	-	-	-	-	-	-	-	-	767	-
Institutions	-	50	-	-	199	33	-	-	-	6	288	44
Corporates	-	-	-	-	-	-	-	-	212	-	212	212
Retail	-	-	-	-	-	-	-	0	-	-	0	0
Total	767	50	-	-	199	33	-	0	212	6	1,268	256

The following tables present the impact of collateral and netting on exposure values as well as the composition of the respective collateral.

Table 38a: EU CCR5-A - Impact of netting and collateral held on exposure values as of 31.12.2020 (in Euro million)

	Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure
Derivatives	1,105	397	709	1	1,107
SFTs	1,171	-	1,171	1,164	138
Cross-product netting	1,105	397	708	1	1,105
Total	2,276	397	1,879	1,164	1,244

	Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure
Derivatives	1,280	410	871	171	1,081
SFTs	1,899	-	1,899	1,897	186
Cross-product netting	1,279	410	870	171	1,078
Total	3,179	410	2,770	2,067	1,268

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash	0	1	170	1,461	1,164	-
Sovereign debt	-	900	-	-	-	-
Total	0	901	170	1,461	1,164	-

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash	0	171	198	1,416	1,897	-
Sovereign debt	-	860	-	-	-	-
Total	0	1,031	198	1,416	1,897	-

As of 31.12.2020, there was no outstanding exposure to credit derivatives transactions bought or sold.



9 Market Risk

9.1 Market Risk Management Framework

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, stock exchange indices, equities and commodities.

Market risk management is conducted in accordance with policies and procedures that have been developed and are implemented by all Group companies.

The Group Risk Management Committee is responsible for supporting and supervising the Market Risk management framework and ensuring the application of all the necessary measures to identify, estimate, monitor and control this type of risk. Group ALCO is responsible for approving the guidelines and the strategy as far as Market Risk is concerned. The Treasury and Balance Sheet Management Committee is responsible for structuring proposals for decisions on Treasury and Asset Liability Management issues to be made by the Group ALCO, or exceptionally by the Group Executive Committee, if immediate decision-making is required.

Market Risk is controlled through the establishment and implementation of a well-structured set of limits, according to the Group Market Risk Appetite while satisfying the relevant customer needs.

Alpha Bank calculates Value at Risk (VaR) for internal risk management purposes since 1999. In 2008, the Bank of Greece validated the Bank's internal model for VaR and approved its application for the calculation of capital requirements for general market risk on a solo level in accordance to the Bank of Greece Governor's Acts 2577/2006 and 2591/2007. From the end of 2011 and in accordance to the Bank of Greece Governor's Act 2646/093093.2011, the Bank became compliant with Basel 2.5 and Stressed VaR was estimated together with VaR for the calculation of capital. After the acquisition of Emporiki Bank in 2013, and following the approval of the Bank of Greece, Alpha Bank applied the internal model on a consolidated basis for the combined trading books for general market risk.

The VaR methodology applied is historical simulation, using a 99% percentile, one tailed confidence interval, a historical observation period of 2 years un-weighted data and a 1 and 10-day holding period. 10 day VaR is calculated with a 10 day horizon and a 1 day fixed step (overlapping periods). Calculation of the value-at-risk value is performed on a daily basis using full valuation across all risk factors and positions. Market and position data are updated on a daily basis. The model uses a mixed approach when applying variations in market rates and prices. For Interest rate and credit spread market risk factors absolute change is performed, while relative changes are used for FX, volatility and equity. The VaR methodology used is the same both for regulatory VaR and internal risk management VaR, with the only difference being that credit spread risk is not addressed for regulatory purposes.

9.2 IMA approach for market risk

For the purpose of the calculation of the own fund requirements for the general market risk according to Article 365 the Capital Requirements Regulation (CRR) ((EU) No 575/2013), institutions are expected to calculate at least weekly a "stressed value at risk" of the current Trading book. Historical data is used from a continuous 12-month period of financial stress relevant to the Bank's portfolio. The Stressed Period is reviewed at least annually and the authorities are notified of any changes accordingly. The Stressed VaR methodology is based on the current VaR methodology. All risk factors included in the regulatory VaR model are considered in the Stressed VaR model. The Bank computes the Stressed VaR measure on a daily basis, to coincide with the VaR periodicity.

Since December 2019, the stress period used by the Bank is January 2016 – December 2016. The selection of the stress period is based on the assessment of the most volatile period in recent history.

The risk categories covered by Alpha Bank's regulatory internal model are general risk of equity instruments, general risk of debt instruments, foreign exchange risk and commodities risk.

The own fund requirements under the IMA at 31.12.2020 are displayed in the following table:

Table 40: EU MR2-A – Market risk under the IMA			(in Euro million)	
	31.12.2020		30.6.2020	
	RWAs	Capital requirements	RWAs	Capital requirements
VaR (higher of values a and b)	529	42	399	32
Previous day's VaR (Article 365(1) of the CRR (VaRt-1))	135	11	138	11
Average of the daily VaR (Article 365(1)) of the CRR on each of the preceding 60 business days (VaRavg) x multiplication factor (mc) in accordance with Article 366 of the CRR	529	42	399	32
SVaR (higher of values a and b)	1,030	82	935	75
Latest SVaR (Article 365(2) of the CRR (SVaRt-1))	261	21	285	23
Average of the SVaR (Article 365(2) of the CRR) during the preceding 60 business days (SVaRavg) x multiplication factor (ms) (Article 366 of the CRR)	1,030	82	935	75
Total	1,559	125	1,334	107

A flow statement explaining the variations in the market RWAs is displayed in the following table:

Table 41a: EU MR2-B – RWA flow statements of market risk exposures under the IMA				(in Euro million)
	VaR	SVaR	Total RWAs	Total capital requirements
RWAs at 30.9.2020	504	1,002	1,506	120
<i>Regulatory adjustment ⁽¹⁾</i>	357	715	1,073	86
RWAs at the previous quarter-end (end of the day)	146	287	433	35
Movement in risk levels	- 15	- 32	- 47	- 4
Bond Prices Movements	4	7	10	1
Other	0	-	0	0
RWAs at 31.12.2020 (end of the day)	135	261	396	32
<i>Regulatory adjustment ⁽¹⁾</i>	395	769	1,164	93
RWAs at 31.12.2020	529	1,030	1,560	125

⁽¹⁾ The regulatory adjustment takes into account the Bank's multiplier in terms of the Internal Model which is embedded in the calculation of the RWAs.

	VaR	SVaR	Total RWAs	Total capital requirements
RWAs at 30.6.2020	399	935	1,334	107
<i>Regulatory adjustment ⁽¹⁾</i>	261	650	911	73
RWAs at the previous quarter-end (end of the day)	138	285	423	34
Movement in risk levels	4	- 3	1	0
Bond Prices Movements	5	5	10	1
Other	- 0	-	- 0	- 0
RWAs at 30.9.2020 (end of the day)	146	287	433	35
<i>Regulatory adjustment ⁽¹⁾</i>	357	715	1,073	86
RWAs at 30.9.2020	504	1,002	1,506	120

⁽¹⁾ The regulatory adjustment takes into account the Bank's multiplier in terms of the Internal Model which is embedded in the calculation of the RWAs.

In order to investigate any extreme market situations, market risk stress tests are performed on the banking and trading book portfolios. Stress Tests are performed by creating scenarios ('what if' hypothesis) to estimate the losses that may occur on the positions from potential unfavorable substantial movements/shocks in the market and in order to identify potential concentration risk within the portfolios.

Stress Tests may be carried out at any time on any position; however, they are carried out on a regular basis at the end of every month on the banking and trading book portfolios as well as in the context of ICAAP and the results are reported to the Risk Management Committee, ALCO, and Treasury and Balance Sheet Management Committees.

Typical stress scenarios consider the following changes in risk factors:

Interest rates:

+/-200bp (up/down) parallel movement

+50bp (0 to 1 year); +150bp (1 to 5 years); + 300bp (5-10 years); (up – steepening)

-0bp (0 to 1 year); -100bp (1 to 5 years); -200bp (5-10 years); (down – flattening)

FX rates:

+/- 30% against EUR (worst case - depending on the overall position of the portfolio)

Prices (e.g. equities and indices):

+/-30% (depending on the portfolio position)

Volatilities:

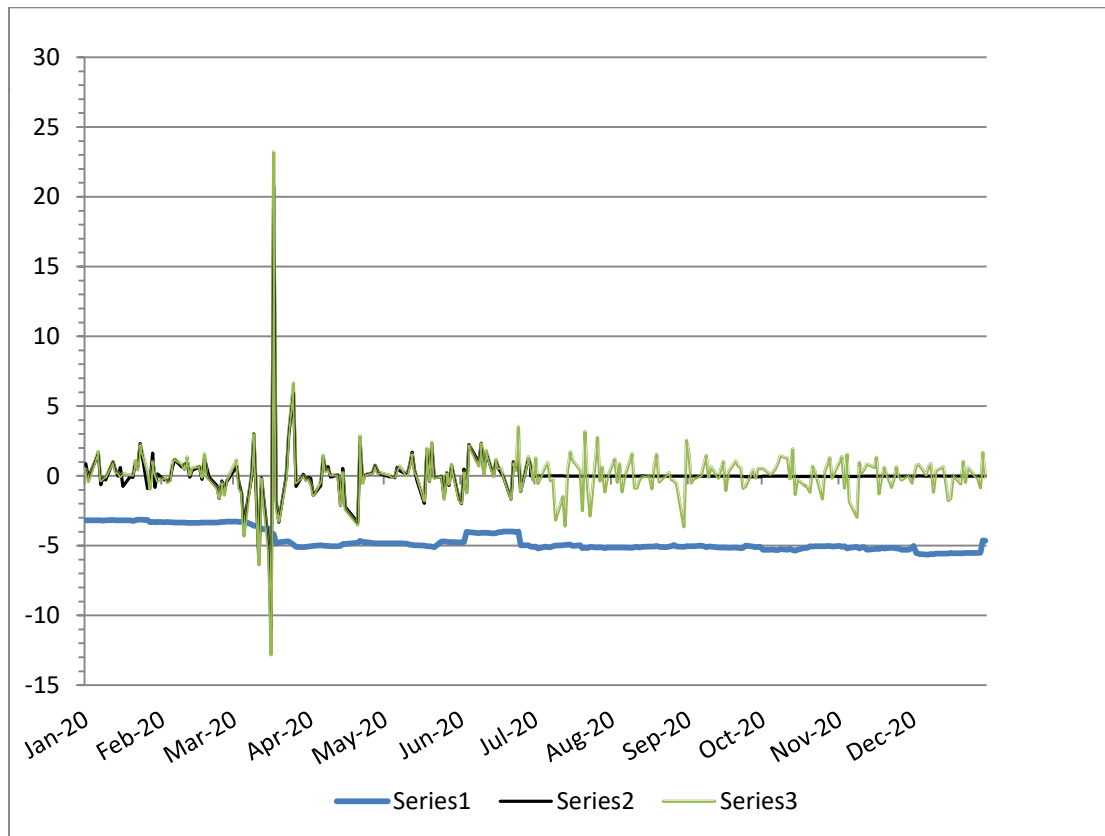
-/+ 50% (depending on the portfolio position)

VaR and SVaR values as estimated during 2020 for the Bank trading portfolio, including the FX position due to participations, are given in the following table:

Table 42: EU MR3 – IMA values for trading portfolios		(in Euro million)
	31.12.2020	30.6.2020
VaR (10 day 99%)	Value	Value
Maximum value	13	11
Average value	12	8
Minimum value	11	6
Period end	11	11
SVaR (10 day 99%)	Value	Value
Maximum value	24	23
Average value	23	22
Minimum value	21	19
Period end	21	23

Additionally, VaR model validation (back testing) is performed on a daily basis. Both actual and hypothetical back testing is conducted in order to comply with the regulatory requirements. In terms of the hypothetical back testing process the daily VaR at a 99% confidence level is compared to the buy-and-hold profit and loss, i.e. the profit and loss impact if the trading portfolio is held constant at the end of the day and re-priced the following day considering the daily change in the underlying risk factors, excluding realized trading revenue, net interest, fees and commissions. Moreover, actual back testing is performed by comparing the daily VaR at 99% confidence interval with the actual daily profit/loss of the Bank's trading portfolio excluding net interest, fees and commissions. In both tests, based on a 99% confidence level of the VaR model, the losses would be expected to exceed the VaR of the portfolio two to three days in any one year. Periods of unstable market conditions could increase the number of back testing exceptions.

A comparison between the results of estimates from the regulatory VaR model with both hypothetical and actual trading outcomes is presented in the following graph:

Table 43: EU MR4 – Comparison of VaR estimates with gains/losses


Four overshootings were observed during March 2020, communicated to SSM and permission was granted to exclude them from the calculation of the addend for the purpose of own funds requirements calculations for market risk due to the exceptional circumstances of the Covid-19 pandemic.

Alpha Bank Group is in compliance with Bank of Greece requirements regarding the systems and controls through which the requirement for the provision of accurate and reliable valuation results is satisfied with, as described in Appendix VII of Directive 2591/20.8.2007.

9.3 Standardized approach for market risk

Capital charges for specific risk on a solo basis are calculated with the Standardized approach. Alpha Bank Group uses also the Standardized approach for the measurement of market risk exposure and capital requirements for all its subsidiaries.

The following table summarizes the capital requirements for market risk per risk factor based on Standardized approach at 31.12.2020.

Table 44: EU MR1 – Market risk under the standardised approach		(in Euro million)		
	31.12.2020		30.6.2020	
	RWAs	Capital requirements	RWAs	Capital requirements
Outright products				
Interest rate risk (general and specific)	-	-	-	-
Equity risk (general and specific)	5	0	0	0
Foreign exchange risk	2	0	4	0
Commodity risk	119	10	123	10
Options				
Simplified approach	-	-	-	-
Delta-plus method	0	0	-	-
Scenario approach	-	-	-	-
Securitisation (specific risk)	-	-	-	-
Total	127	10	127	10

10 Operational Risk

10.1 Definition and objectives

The Group acknowledges the need for managing the operational risk that stems from its business activities, as well as the need for holding adequate capital, in order to absorb potential losses related with this type of risk.

According to the Group's Policy which is based on both industry practices and regulatory requirements, Operational Risk is defined as the risk of financial and qualitative impacts resulting from inadequate or failed internal processes, IT systems, people (intentionally or unintentionally) and external events. The definition includes Legal Risk.

The calculation of capital requirements for operational risk is performed in accordance with the Standardized Approach of the Capital Requirements Regulation 575/2013. Specifically, the Group's gross operating income for 2018, 2019 and 2020 is split into eight business lines.

The Gross Income for operational risk capital requirements is defined as the sum of the following elements:

- Interest receivable and similar income (used as one of the components for the calculation of Net Interest Income)
- Interest payable and similar charges (used as one of the components for the calculation of Net Interest Income)
- Income from shares and other variable or fixed yield securities (used as one of the components for the calculation of Net Interest Income)
- Commissions/ Fees receivable
- Commissions/ Fees payable
- Net profit or loss on financial operations
- Other operating income

It is noted that elements 1, 2 and 3 mentioned above comprise the main inputs for the calculation of Net Interest Income (NII) which is one of the main profit drivers related to core banking activities.

Therefore, the Gross Income definition is as follows:

Gross Income = NII + Net Commissions + Net profit or loss on financial operations + Other operating income.

The capital requirements for operational risk are the average, over these three years, of the risk-weighted gross income. According to Regulation (EU) No 575/2013, the risk weighted gross income is calculated each year across the eight (8) business lines by using specific beta factors.

In particular, the respective capital charges on a Group basis at 31.12.2020 are presented in the following table:

Table 45a: Capital Charges for Operational Risk			(in Euro million)
	Average 2018 - 2020	Business line beta	Capital Requirements 31.12.2020
Capital Requirements for Operational Risk	-	-	256
Basic Approach Indicator	-	0	-
Standardised Approach	1,953	-	256
<i>For the Standardised Approach:</i>	-	-	-
Corporate Finance	- 13	0	- 2
Trading & Sales	- 14	0	- 2
Retail Brokerage	23	0	3
Commercial Banking	731	0	110
Retail Banking	1,088	0	131
Payments and Settlement	25	0	4
Agency Services	8	0	1
Asset Management	106	0	13

Table 45b: Capital Charges for Operational Risk			(in Euro million)
	Average 2017- 2019	Business line beta	Capital Requirements 31.12.2019
Capital Requirements for Operational Risk	-	-	285
Basic Approach Indicator	-	0	-
Standardised Approach	2,144	-	285
<i>For the Standardised Approach:</i>	-	-	-
Corporate Finance	- 1	0	- 0
Trading & Sales	13	0	2
Retail Brokerage	27	0	3
Commercial Banking	842	0	126
Retail Banking	1,135	0	136
Payments and Settlement	18	0	3
Agency Services	7	0	1
Asset Management	103	0	12

10.2 Operational Risk Framework

The Group complies with the qualitative criteria required for this approach. Within this context and in order to achieve effective operational risk management, the Group has adopted and implemented an Operational Risk Framework which focuses on the following areas:

- Operational risk events management and collection, including management of Lawsuits filed against the Group



- Operational risk identification and assessment, through a risk and control self-assessment process as well as other assessment techniques such as Model Risk Assessments, Outsourcing Assessments, etc.
- Definition and monitoring of Key Risk Indicators
- Operational Risk Reporting
- Operational risk mitigation approaches, including both the implementation of Action Plans that improve the existing internal control environment as well as Insurance Policies covering specific types of events and impacts.
- The calculation of capital requirements for operational risk

The Framework is continuously reviewed and various initiatives have been introduced in order to improve it. It is supported by an appropriate organizational structure with clear roles and responsibilities under the core assumption that the prime responsibility for operational risk management remains with the organizational units throughout the Group. The operational risk organizational structure complies with all regulatory requirements and is aligned with the Group's risk culture. This structure includes three lines of defense and interaction with corporate governance, ensuring the coverage of all operational risks and the involvement of the Group's senior management in managing operational risk. Below are described the roles and responsibilities of the Group's committees and units that ensure proper implementation of the operational risk framework:

- Operational Risk and Internal Control Committee, which is delegated by the Risk Management Committee to supervise operational risk management activities. Operational Risk and Internal Control Committees are also established in the Group Companies.
- Group Operational Risk Unit and Operational Risk Units in the Group Companies. The Group Operational Risk Unit develops the appropriate tools, processes, procedures and techniques relevant to operational risk management, monitors the implementation of appropriate action plans for its mitigation at Group level and submits reports to the relevant Committees and Senior Management of the Group. The Group Companies' Operational Risk Units implement the operational risk framework at the Company and local level and ensure its compliance with the national laws and regulations. In addition to the above, the Risk Units of the Banking Entities have the responsibility to co-ordinate and support the implementation of the operational risk framework by the other Group Companies of the same jurisdiction, in accordance with the guidelines provided by the Group Operational Risk Unit.
- Bank Units and Group Company Units, which manage their operational risks and are responsible for the implementation of the Operational Risk Policy. In addition to their own operational risks, some Units may be delegated to manage or have an oversight role in specific areas of operational risk (e.g. Compliance Units, Cybersecurity and Information Security Units, Physical Security Units, and Business Continuity Plan Units). All Units appoint an Operational Risk Coordinator i.e. an Officer with experience and knowledge of the Unit's operations and activities and has the seniority to work closely with other Officers of the Unit. The coordinator is appointed by the Manager and is mainly responsible for providing information and support, raising awareness among the Delegates of the Unit on operational risk issues and participating actively in the implementation of the operational risk management processes/actions within the Unit.
- Internal Audit Unit, which provides an independent review of the integrity, appropriateness and effectiveness of the overall risk management process. In addition, it provides assurance that the internal controls and operational risk mitigation practices implemented by the Units are sufficient and appropriate for the type and complexity of risk-taking activities.

Additionally, the Group's Operational Risk Management Policy adheres to the following principles:



- **Applicability:** The Operational Risk Management Policy is applied to all levels within the Group. Certain modifications may be required at country level in compliance with the local regulatory environment.
- **Accountability:** The Bank and Group Company Units are responsible for managing their operational risk in line with the operational risk management policy. To this extent, they are the owners of the operational risks associated with their activities and they are supported by the Operational Risk Units in the identification, assessment, monitoring and mitigation of their risks.
- **Compliance:** The Group Operational Risk Unit ensures that the Group adheres to the regulatory requirements set by the Group's Regulators. The Operational Risk Units of the Group Companies ensure compliance with the regulatory requirements applicable in their jurisdiction.
- **Transparency and Information Dissemination:** Operational Risk Management is an integral part of the Group's activities. Identification and management of operational risk are performed so as to maintain a constant flow of information and enhance the decision-making process. Transparency and information dissemination is supported by appropriate tools so that Operational Risk Units can generate and provide adequate reports.
- **Risk Mitigation and Transfer:** The Group's primary defenses against operational risk are its policies, procedures and internal controls. The Group provides its employees with training on operational risk issues, in order to increase their awareness and understanding of operational risks. In addition, insurance policies are used for the partial transfer of certain types of operational risk.
-

10.3 Operational risk measurement and assessment

The Group has implemented an internal methodology based on the Advanced Measurement Approach (AMA) for Operational Risk Management as well as for Pillar II purposes. This entailed the development of a robust internal calculation model as well as the enhancement of existing policies, procedures and systems for operational risk management through specific Operational Risk Management Initiatives:

The following initiatives have been completed during 2020:

- a) The update of various acts, circulars and manuals in order to be fully compliant with the revised Operational Risk Management Policy.
- b) Issuance of the Group's Model Risk Management Framework as well as of the Model Risk Assessment Methodology.
- c) New RAF Indicators were introduced.

The Group will continue its initiatives towards the reinforcement of its Operational Risk Management Framework, the main objectives of which, for 2020 – 2021, are as follows:

- a) Enhancement of Systems and Infrastructure, through the implementation of an advanced Operational Risk Platform, including the migration from the current system.
- b) Enhancement of the operational risk assessment methodology and general improvement of monitoring techniques and models as well as the operational risk Typology.
- c) Further increase of KRIs across all Bank Units as well as the improvement of the existing KRIs framework, including the introduction of thresholds.
- d) Development of an Internal Control Validation Methodology for the testing of the efficiency of internal controls as a second line of defense.



- e) Development of the Group's ICT Risk Management Framework in compliance with EBA requirements.

Finally, the Group has established a Business Continuity Management System (BCMS) Framework, which ensures that the business processes continue in the event of a disaster or serious incident. BCMS was certified in 2012 with BS25999 at the Bank level, and in 2013 with ISO22301, expanding also the certification scope to specific Group Companies. Currently the following Group Companies are certified with ISO22301:

- Alpha Bank SA (Parent Company)
- Alpha Bank Romania
- Alpha Leasing
- Alpha Finance
- Alpha Supporting Services

Apart from the procedures that have been developed, which require the system to be internally audited at least twice per year, the BCMS is subject to regular external audits by the several delegated authorities and bodies. Additionally, annual exercises and testing (functional tests, disaster tests, etc.) are conducted in order to ensure that the Business Continuity Plan will be effective in case the need arises.



11 Equity exposures not included in the trading book

Alpha Bank Group equity exposures that are not included in the trading book are equity exposures measured either at fair value through profit or loss or at fair value through other comprehensive income.

Equity exposures measured at fair value through profit or loss

This category is measured at fair value. Changes in fair value are recognized directly in profit or loss.

Equity exposures measured at fair value through other comprehensive income

In this category are classified equity instruments that are neither held for trading nor contingent consideration recognised by an acquirer in a business combination and that Group decides, at initial recognition, to measure at fair value through other comprehensive income. This decision is irrevocable. With the exception of dividends, which are directly recognized in profit or loss, all other gains and losses arising from those instruments are directly recognized in other comprehensive income and are not reclassified to profit or loss. For those equity instruments there is no impairment assessment

Fair value measurement

The fair value of shares measured both at fair value through other comprehensive income and at fair value through profit or loss and which are quoted in active markets is determined on the basis of the quoted prices. For those not quoted in an active market, fair value is determined, where possible, using valuation techniques and taking into consideration the particular facts and circumstances of the shares' issuers.

Table 46: Equity exposures not included in the trading book		(in Euro million)
Type	Book value 31.12.2020	Book value 31.12.2019
Listed	18	16
Non-listed	82	76
Total	100	92

The net amount of unrealized gains in the Group's equity as at 31 December 2020 is Euro 19 million.



12 Interest Rate Risk in the Banking Book

12.1 Definition

IRRBB refers to the current or prospective risk to the bank's capital and earnings arising from adverse movements in interest rates that affect the bank's book positions.

There are three main sub-types of IRRBB according to Basel Committee on Banking Supervision (BCBS) standards issued in July 2018. Specifically:

- **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) i.e.: an asset priced off Euribor funded by a liability priced off Treasury
- **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.

12.2 Interest Rate Risk Framework

Alpha Group aims to maximize its profitability in line with its risk appetite and business objectives. Therefore, it recognizes the need to provide a sound framework for the identification, estimation, monitoring, controlling and reporting of interest rate and foreign exchange risks in the Banking Book, in a consistent manner across the Group. In 2016, Alpha Bank has been self-assessed as Level 3 bank in the classification set out by EBA on Interest Rate Risk in the Banking Book (IRRBB).

Interest rate risk management for the Banking Book is performed on a monthly basis and according to Asset and Liability Management Policies & Procedures which have been adopted at Group level.

Interest rate and Foreign Exchange risk management for the Banking Book is performed through effective and timely identification and the estimation of their effects on Alpha Group's earnings and economic value.

12.3 Interest Rate Risk Identification and Assessment

For interest rate risk assessment and monitoring the following estimation techniques in line with EBA guidelines are used:

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

When performing Interest Rate Static Gap Analysis, 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 (such as revolving loans or savings and sight deposits), are allocated into time buckets according to a specific statistical model, as well as qualitative and quantitative business analysis. Alpha Group Interest Rate Gap Analysis results at 31.12.2020 are presented in the table below:

Table 47a: Interest Rate Gap Analysis as of 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	24,836	8,682	4,110	1,882	11,749	9,398	9,406	70,061
Liabilities	12,833	6,607	4,256	4,511	25,298	6,424	1,795	61,724
Equity	-	-	-	-	-	-	8,337	8,337
Total Liabilities and Equity	12,833	6,607	4,256	4,511	25,298	6,424	10,132	70,061
Gap	12,003	2,075	- 146	- 2,629	- 13,550	2,974	- 726	-
Cumulative Gap	12,003	14,078	13,932	11,303	- 2,247	726	-	-

Table 47b: Interest Rate Gap Analysis as of 31.12.2019 *								(in Euro million)
	<1 Month	1 to 3 Months	3 to 6 months	6 to 12 months	1 to 5 Years	> 5 Years	Non-Interest bearing	Total
Assets	18,945	9,167	3,000	2,018	12,601	8,686	9,040	63,458
Liabilities	17,348	6,111	5,532	6,809	11,915	5,445	1,821	54,982
Equity	-	-	-	-	-	-	8,476	8,476
Total Liabilities and Equity	17,348	6,111	5,532	6,809	11,915	5,445	10,296	63,458
Gap	1,597	3,056	- 2,532	- 4,791	686	3,240	- 1,256	-
Cumulative Gap	1,597	4,653	2,121	- 2,670	- 1,984	1,256	-	-

* The above figures are reported under the accounting scope of consolidation

12.4 Interest Rate Risk Statement

There are two complementary methods of measuring the potential impact of IRRBB:

- Changes in expected earnings (Δ NII) &
- Changes in economic value of equity (Δ EVE).

Based on the Interest Rate Gap, a sensitivity analysis under stress test conditions with regards to the Net Interest Income (NII) is examined on a monthly basis. During 2019, Alpha Bank in line with new regulatory requirements set up a set of stress scenarios based on EBA guidelines (EBA/GL/2018/02) on the management of interest rate risk arising from non-trading activities and BIS instructions regarding Interest Rate in the banking book.

Interest Rate Risk Stress Scenarios

The stress tests which are performed by Group Risk Management Unit/ALM Risk on a monthly basis cover both regulatory requirements and internal needs. The stress scenarios imply the parallel movement, the steepening as well as the flattening of the yield curve by either changing the short-term rates or the long-term rates or both. These scenarios are applied to IRRBB exposures in each currency for which the bank has material positions. Specifically, Group ALM Risk performs six regulatory interest rate shocks for IRRBB measurement purposes according to EBA Guidelines (EBA/GL/2018/02):



- Parallel shock up (+200bps)
- Parallel shock down (-200bps)
- 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, Group ALM Risk implements additional interest rate shocks for internal purposes:

- Parallel shock up (+25bps);
- Parallel shock down (-25bps);
- Parallel shock up (+50bps);
- Parallel shock down (-50bps);
- Parallel shock up (+100bps);
- Parallel shock down (-100bps);
- Long rates shock up
- Long rates shock down
- Basis Risk shock.

Moreover, the supervisory outlier test shocks are applied to the IRRBB measurement on a monthly basis under the responsibility of Group ALM Risk. They include the standard outlier test shock, i.e. a sudden parallel shift of the yield curve equal to 200bp (upwards and downwards) and four additional interest rate shocks consisting of:

- Parallel shock up (+200bp);
- Parallel shock down (-200bp);
- Short rates shock up;
- Short rates shock down;
- Steepener shock (short rates down and long rates up); and
- Flattener shock (short rates up and long rates down).

ALCo is responsible for approving and reviewing stress test scenarios for their appropriateness on an annual basis. Group Risk Management Unit/ALM Risk is in charge to calculate the impact of the stress scenarios on forecasted earnings as well as on economic value by incorporating assumptions relating to Alpha Group's business developments, customer behavior and future market developments.

The results of the sensitivity analysis with regards to the Net Interest Income (NII) and Economic Value (EV) under stress test conditions are the following:

Table 48a: Sensitivity Analysis - Group Alpha Bank as of 31.12.2020		(in Euro million)
Interest rate changes scenarios (yield curve parallel shift)	Net interest income sensitivity (1 year period)	
-200bps	-72.73	
+200 bps	30.96	

Table 48b: Sensitivity Analysis - Group Alpha Bank as of 31.12.2019		(in Euro million)
Interest rate changes scenarios (yield curve parallel shift)	Net interest income sensitivity (1 year period)	
-200bps	- 73.87	
+200 bps	+ 4.77	

12.5 Interest Rate Risk Monitoring

Alpha Bank Group has adopted an adequate, timely and accurate information system in order to monitor and report risk in line with its policies and regulatory requirements.

Group ALM and countries' local Treasuries are responsible for managing Alpha Group's positions in compliance with any established limits and escalating any significant issues with respect to the Group's interest rate and foreign exchange positions to Group ALCO and local ALCOs respectively. In addition, Group ALM Unit provides support and input to Group ALCO, regarding Alpha Group's balance sheet management issues.

The Group Risk Management Unit /Asset Liability Risk Management consolidate the information received from countries' local Risk Management Units and communicate a summary report to Group ALCO.

According to BIS standards concerning interest rate limits on banking book, Alpha Bank implements limits on consolidated basis in terms of both economic value and earnings.

13 Liquidity Risk

Definition

Liquidity is the risk arising from the Group's inability to meet its obligations as they become due, or fund new business, without incurring substantial losses as well as the inability to manage unplanned contraction or changes in funding sources. Liquidity risk also arises from the Group's failure to recognize or address changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value. Liquidity risk is also a Balance Sheet risk, since it may arise from banking book activities.

Structure

Alpha Bank has set a well-defined organizational structure for the Bank and the Group, with clear roles and responsibilities for the relevant staff and Business Units, concerning all types of ALM activities, including liquidity risk management.

The Risk Management Committee has assigned the overall responsibility for liquidity risk management to the Group ALCO, which oversees the operations of the relevant business units.

Liquidity Management

Liquidity management is performed through the timely identification of liquidity needs, identification of all available sources to cover these needs, and obtaining liquidity through the most cost-effective way for the Group. Details regarding liquidity risk and funding structure of the Group are included in note 43.3 of the Group Annual Financial Report 2020.

The most important areas under constant monitoring are static liquidity gap, funding structure, evolution and relevant cost, loan-to-deposits ratio, loan disbursements, collateral status, evolution of maturity mismatches and funding needs under stress test conditions.

Both Bank and Subsidiaries monitor closely the evolution of short and long term funding. Respective reports are produced on a daily basis. Furthermore, special attention is given to the monitoring of Liquidity assets and other balance sheet assets that can be used for additional funding.

The Group has also developed a Contingency Funding Plan as well as a Recovery Plan along with a respective Early Warning Indicators scheme and its corresponding limits, in order to identify liquidity issues and monitor liquidity or funding risk. The Group Risk Management Unit and the countries' local Risk Management Units monitor these indicators against their established limits and report any limit breaches to the appropriate levels of management.

In addition to that, for the monitoring of liquidity risk, stress tests are performed frequently, in order to evaluate the impact of potential adverse market conditions on Bank's and Subsidiaries' Liquidity. These stress tests are performed according to the approved Group's policy for "Liquidity Buffer and Liquidity Stress Scenarios".



Liquidity Coverage Ratio (LCR)

The LCR refers to the proportion of the high-quality liquid assets held by financial institutions, to ensure their ability to meet their short-term net cash flows, over a 30-day stress period. The LCR became mandatory on 1 October 2015. The regulatory limit established is 100%.

The Bank monitors and reports the LCR on an individual and on consolidated basis. The LCR disclosures of the Pillar III report refer to the consolidated figures.

As of December 2020 the Group LCR stood at 150%. The liquidity buffer stood at EUR 7.7 billion on 31.12.2020, increased by EUR 3.7 billion since 31.12.2019.

The increase is mainly attributed to the following events:

- The customers' deposits that amounted to € 43.8 bn on 31 December 2020, up by €3.5 billion compared to 31.12.2019.
- The increase of HQLAs by Euro 841 million, driven by the Tier 2 issuance of € 500 million in February 2020
- The ECB collateral eligibility relaxation measures.

The following table provides a breakdown of the LCR as of 31 December 2020, in accordance with Article 435 of the Regulation (EU) No 575/2013 and the respective guidelines on LCR disclosure (EBA/GL/2017/01).

The figures are calculated as simple averages of end-of-month observations of the Group LCR.



Table 49: EU LIQ1 - Liquidity Coverage Ratio (LCR)		(in Euro million)							
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	31.12.2020	30.9.2020	30.6.2020	31.3.2020	31.12.2020	30.9.2020	30.6.2020	31.3.2020
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					5.820	4.817	3.964	3.195
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	30.225	27.028	24.101	21.137	1.661	1.532	1.429	1.349
3	<i>Stable deposits</i>	17.442	17.235	17.190	16.981	872	862	860	849
4	<i>Less stable deposits</i>	6.889	5.787	4.827	4.155	788	669	569	499
5	Unsecured wholesale funding	7.421	7.238	7.076	7.019	3.368	3.248	3.100	2.969
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	182	182	502	951	45	46	126	238
7	<i>Non-operational deposits (all counterparties)</i>	7.221	7.056	6.574	6.069	3.305	3.203	2.975	2.732
8	<i>Unsecured debt</i>	18	0	0	0	18	0	0	0
9	<i>Secured wholesale funding</i>					233	290	401	658
10	Additional requirements	376	371	352	305	253	253	242	207
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	242	242	232	198	242	242	232	198
12	<i>Outflows related to loss of funding on debt products</i>	0	0	0	0	0	0	0	0
13	<i>Credit and liquidity facilities</i>	133	128	120	107	11	11	10	9
14	Other contractual funding obligations	567	616	656	655	518	554	580	572
15	Other contingent funding obligations	7.305	7.209	6.446	4.903	376	371	329	249
16	TOTAL CASH OUTFLOWS					6.410	6.248	6.081	6.005
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	118	118	209	101	0	0	0	0
18	Inflows from fully performing exposures	558	525	503	509	279	263	251	258
19	Other cash inflows	1.862	1.877	1.845	1.853	886	863	814	798
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					0	0	0	0
EU-19b	(Excess inflows from a related specialised credit institution)					0	0	0	0
20	TOTAL CASH INFLOWS	2.538	2.520	2.557	2.463	1.165	1.125	1.066	1.056
EU-20a	<i>Fully exempt inflows</i>	0	0	0	0	0	0	0	0
EU-20b	<i>Inflows subject to 90% cap</i>	0	0	0	0	0	0	0	0
EU-20c	<i>Inflows subject to 75% cap</i>	2.420	2.402	2.348	2.365	1.165	1.125	1.066	1.056
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					5.820	4.817	3.954	3.185
22	TOTAL NET CASH OUTFLOWS					5.246	5.123	5.015	4.948
23	LIQUIDITY COVERAGE RATIO					112%	94%	78%	65%



Net Stable Funding Ratio (NSFR)

The NSFR ratio relates the Bank's available stable funding to its required stable funding and it should be equal to at least 100%. The ratio is calculated in accordance with the Regulation (EU) 2019/876 of the European Parliament and of the Council, of 20 May 2019, which enters into force in June 2021. The limit of 100 % becomes mandatory from that date onwards.

The ratio has a large weighting in (more stable) customer deposits in the Group's funding structure and limited use of wholesale markets for short-term funding. This provides a balanced funding structure, which results in an NSFR of 109% at the end of 2020.



14 Encumbered and Unencumbered Assets

Information on Group Asset Encumbrance

The Group is funded through unsecured and secured funding lines. Secured funding lines may involve encumbrance of (a) the assets of the Group, (b) any collateral received by the Group and (c) own debt instruments issued and held by the Group.

The Group adopts and applies the following definition for asset encumbrance, in line with EBA regulatory guidelines:

“An asset is encumbered if it has been pledged or subject to any form of arrangement to secure, collateralise or credit enhance any on-Balance Sheet or off-Balance Sheet transactions from which they cannot be freely withdrawn.”

Assets pledged that are subject to any restrictions in withdrawal, such as assets that require prior approval before withdrawal or replacement by other assets, should be considered encumbered”.

Asset encumbrance is an integral part of Group’s liquidity, funding and collateral management process. In this context, asset encumbrance risk management framework incorporates and adopts the overarching principles of the Group’s Risk Management Framework as well as the Group’s Risk Appetite Framework.

The overall Group’s encumbrance through 2020 has increased, mainly attributable to the overall significant increase of ECB collateral, due to the Bank’s participation in TLTRO mechanism since Q2 2020. Deposits’ inflow was also positive this year, but its effect on the encumbrance of the Group was not that significant.

Given the nature and source of funding or transaction that require Group’s assets to be encumbered, the Group utilises collateral agreements with the respective counterparties, where the terms and conditions clearly stipulate the Group’s and the counterparty’s rights and obligations on collateral posted. Where relevant, widely accepted market standardised agreements are utilized, such as GMRAs, ISDAs and CSAs in the relevant transactions that these apply.

Throughout 2020, Central Bank funding has increased significantly as described above, impacting negatively interbank repos funding. Derivative transactions have followed a slightly ascending path, while funding stemming from securitizations has been terminated.

In accordance with the Group’s business model and the nature and scale of activities it undertakes, the Group mainly identifies the following sources of asset encumbrance, prioritized by matching liability amount throughout 2020:

- **Funding from Central Bank:** This source of secured funding comprises ECB lending facilities and requires the Group to provide eligible collateral to Central Bank
- **Derivative transactions directly with counterparties or through clearing systems:** Collateral is placed by the Group for the market value of derivative transactions or as margin to the clearing system
- **Covered Bonds issuances:** This source of secured funding involves the segregation of the cover pool under Greek Covered Bond Law
- **Lending through repurchase contracts/agreements in the interbank market:** This source of secured funding involves repo transactions in the interbank market



- **Securitisation issuances:** This source of secured funding involves the transfer of underlying assets (loans) to a securitization vehicle

For each source of funding that generates asset encumbrance, the Group identifies the assets that are encumbered.

The main asset categories that were encumbered throughout 2020, prioritized by the median of their carrying amount, are the following:

- Debt securities issued by general governments (Marketable Assets)
- Wholesale Loan Portfolio (Non marketable assets)
- Retail Loan Portfolio (Non marketable assets)
- Loans on demand (Marketable Assets)
- Debt securities issued by credit institutions (Marketable Assets)
- Debt securities issued by non-financial corporations (Marketable Assets)

The majority of asset encumbrance is coming from the assets of the Bank. The main secured funding transaction on a subsidiary level is the Covered Bond issued by Alpha Bank Romania.

The median of assets that were not considered encumberable throughout 2020 amounted to 13.4% of the Group Assets and mainly include tangible assets, such as investment property, intangibles, tax assets, non-current assets and disposal groups classified as held for sale. The relevant percentage for 2019 was 14.3%.

At a Group level, the median of collateral received utilized for ECB funding as well as for repo transactions for 2020 was € 0.9bio, whereas the Group did not use as collateral any own securities issued and held by the Group (other than ABSs and Covered Bonds).

For 2020, the overall overcollateralization of secured liabilities of the Group (including collateral received) was at the level of 26.2%, with an average haircut of c. 20.8%. The respective percentages for 2019 were 35% and 25.9% respectively.

Further details regarding asset pledged can be found in note 37 "*Contingent Liabilities and Commitments*" par. e "*Assets Pledged*" of the published annual report of the Group for the period from 01.01. - 31.12.2020.

Table 50a – Encumbered and Unencumbered Assets as of 31.12.2020 (in Euro million)

	Carrying amount of encumbered assets		Fair Value of encumbered assets		Carrying amount of unencumbered assets		Carrying amount of unencumbered assets	
		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
Assets of the reporting institution	17,895	8,490	-	-	49,866	7,554	-	-
Equity instruments	-	-	-	-	98	-	-	-
Debt securities	7,654	7,220	7,757	7,324	1,674	1,250	1,685	1,254
of which: covered bonds	133	31	133	31	6	6	6	6
of which: asset-backed securities	-	-	-	-	10	-	10	-
of which: issued by general governments	6,934	6,933	7,037	7,036	1,123	1,123	1,128	1,128
of which: issued by financial corporations	440	62	440	62	280	77	283	77
of which: issued by non-financial corporations	277	248	277	249	284	49	286	49
Other assets	10,241	1,270	-	-	48,094	6,305	-	-
of which	-	-	-	-	-	-	-	-

Table 50b – Encumbered and Unencumbered Assets as of 31.12.2019 (in Euro million)

	Carrying amount of encumbered assets		Fair Value of encumbered assets		Carrying amount of unencumbered assets		Carrying amount of unencumbered assets	
		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
Assets of the reporting institution	15,514	6,558	-	-	46,407	8,571	-	-
Equity instruments	-	-	-	-	101	-	-	-
Debt securities	5,690	5,463	5,693	1,403	5,466	1,921	1,924	1,407
of which: covered bonds	138	31	138	3	32	31	32	3
of which: asset-backed securities	-	-	-	-	10	-	10	-
of which: issued by general governments	5,348	5,338	5,351	1,299	5,341	1,385	1,388	1,302
of which: issued by financial corporations	270	39	270	93	403	39	403	93
of which: issued by non-financial corporations	134	109	134	-	140	109	140	-
Other assets	9,824	1,095	-	-	44,386	3,105	-	-
of which	-	-	-	-	-	-	-	-



Table 51a – Collateral Received as of 31.12.2020			(in Euro million)	
	Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
			Fair value of collateral received or own debt securities issued available for encumbrance	
		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
Collateral received by the reporting instrument	880	692	402	239
Loans on demand	-	-	-	-
Equity instruments	-	-	-	-
Debt securities	880	692	402	239
of which: covered bonds	-	-	-	-
of which: asset-backed securities	-	-	-	-
of which: issued by general governments	726	726	300	300
of which: issued by financial corporations	-	-	-	-
of which: issued by non-financial corporations	-	-	-	-
Loans and advances other than loans on demand	-	-	-	-
Other collaterals received	-	-	-	-
of which:	-	-	-	-
Own debt securities issued other than own covered bonds or asset-backed securities	-	-	-	-
Own covered bonds and asset-backed securities issued but not yet pledged			2,124	-
TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	18,775	9,182		



Table 51b - Collateral Received as of 31.12.2019			(in Euro million)	
	Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
			Fair value of collateral received or own debt securities issued available for encumbrance	
		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
Collateral received by the reporting instrument	982	669	579	114
Loans on demand	-	-	-	-
Equity instruments	-	-	-	-
Debt securities	982	669	579	114
of which: covered bonds	-	-	-	-
of which: asset-backed securities	-	-	-	-
of which: issued by general governments	643	332	345	19
of which: issued by financial corporations	357	357	95	93
of which: issued by non-financial corporations	-	-	-	-
Loans and advances other than loans on demand	-	-	-	-
Other collaterals received	-	-	-	-
of which:	-	-	-	-
Own debt securities issued other than own covered bonds or asset-backed securities	-	-	-	-
Own covered bonds and asset-backed securities issued but not yet pledged			2,039	-
TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	16,496	7,227		



Table 52a – Sources of Encumbrance as of 31.12.2020			(in Euro million)
	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered	
Carrying amount of selected financial liabilities	14,996	18,608	
of which	-	-	

Table 52b - Sources of Encumbrance as of 31.12.2019			(in Euro million)
	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered	
Carrying amount of selected financial liabilities	11,890	16,453	
of which	-	-	



15 Remuneration Policy

Alpha Bank has established a Remuneration Policy, which is applied within the Bank and the Group, and is in accordance with the Corporate Governance principles.

The Remuneration Policy:

- Complies with the values, the business strategy and targets and with the long-term best interests of the Bank and the other Group Companies.
- Motivates personnel for exceptional results within the framework of the performance management system, and at the same time discourages excessive assumption of risk and minimizes situations that do not comply with the sound and consistent risk management
- Seeks to align remuneration with sound performance criteria and existing market dynamics

In order to comply with the regulatory requirements as far as the disclosures regarding Group's Remuneration Policy are concerned, the Bank intends to circulate a separate Remuneration report which will at least include the basic principles of the Remuneration Policy for all staff, the composition of remuneration, the principles of variable remuneration as well as relevant information for the Identified Staff. The specific report will be available in the Bank's site (www.alpha.gr) by the end of H1 2021.



16 Appendix

16.1 Appendix I – Analysis of the Board Committees composition and terms of reference as well as description of the Diversity Policy applied to management, administration and supervision bodies

The Board of Directors may establish permanent or ad hoc Committees to assist in the discharge of its responsibilities, facilitate its operations and effectively support its decision-making. The Committees have an advisory role but may also assume delegated authorities, as determined by the Board. Each Committee has its dedicated Charter prescribing its composition, tenure, functioning and responsibilities. Four Committees operate at Board level, namely the Audit Committee, the Risk Management Committee, the Remuneration Committee and the Corporate Governance and Nominations Committee. Each Committee consists of no less than three Members and shall be deemed in quorum when at least three Members are present, whether physically or by teleconference.

The Members of the Committees are appointed by the Board of Directors, following recommendations by the Corporate Governance and Nominations Committee. The Committees consist of Non-Executive Members. They may be assisted in their work by other persons, including external advisors.

The major focus of the Committees is placed on the oversight and diligence of policies, practices and procedures within their specific area of mandate, in the preparation of draft resolutions to be approved by the Board of Directors and in the submission of relevant briefings, reports, key information and recommendations to the Board. The Committees report regularly to the Board of Directors about their work.

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 operates in accordance with all applicable laws and regulations.

The Audit Committee of the Bank currently constitutes a Committee of the Board of Directors and the Members were appointed by resolution of the Annual Ordinary General Meeting of Shareholders of 31.7.2020.

The Audit Committee comprises five Members, out of whom three are Non-Executive Independent Members. The Chair of the Committee should be appointed by its Members and is a Non-Executive Independent Member of the Board of Directors who has the required expertise and experience to oversee the audit, accounting and financial policies and processes within the remit of the Committee. The Members of the Committee should collectively possess adequate knowledge of the banking sector and in general the required knowledge, skills and experience to adequately discharge the Committee's responsibilities

The main responsibilities of the Audit Committee include but are not limited to those presented below.

The Audit Committee:

- Performs the oversight of the financial reporting processes and procedures for drawing up the Annual and the Interim financial statements of the Bank and the Group.
- Reviews the quarterly financial statements of the Bank and of the Group, together with the annual Statutory Auditors' Report and the Board of Directors' Annual Report prior to their submission to the Board of Directors for approval.



- Oversees the establishment of accounting policies and focuses on the compliance with the accounting principles and practices.
- Monitors and assesses, on an annual basis, the adequacy, effectiveness and efficiency of the Internal Control System of the Bank and the Group.
- Assists the Board of Directors in ensuring the independent, objective and effective conduct of internal and external audits of the Bank.
- Assists the Board of Directors in overseeing the effectiveness and performance of the Internal Audit Division and the Compliance Division of the Bank.
- Reviews the activity and performance of the Statutory Certified Auditors of the Bank and the Group on a regular basis.
- Is responsible for the procedure pertaining to the selection of the Statutory Certified Auditor of the Bank and the Group and makes recommendations to the Board of Directors on the appointment or dismissal, rotation, tenure and remuneration of the Statutory Certified Auditors, according to the relevant regulatory and legal provisions.
- Monitors the independence of the Statutory Certified Auditors in accordance with the applicable laws, a procedure which includes reviewing, inter alia, the provision by them of Non-Audit Services to the Bank and the Group. In relation to this, the Committee examines or approves all proposals regarding the provision by the Statutory Certified Auditor of Non-Audit Services to the Bank and the Group, based on the relevant Bank policy that the Audit Committee oversees and recommends to the Board of Directors for approval.

The Chair of the Audit Committee regularly informs the Board of Directors of the work of the Committee. The Chair also submits to the Board of Directors a formal report on the work of the Committee during the year.

The Committee convenes monthly in general, adding meetings on an as-needed basis and may invite any Member of the Management or Executive as well as external auditors to attend its meetings.

In 2020, the Committee convened thirteen times and the Members' participation rate in the meetings stood at 97.5% (based on the composition of the Audit Committee on 31.12.2020).

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

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 Risk Management Committee operates in accordance with all applicable laws and regulations.

The Members of the current Risk Management Committee of the Bank were appointed by resolution of the Annual Ordinary General Meeting of Shareholders of 31.7.2020.

The Risk Management Committee comprises five Members, out of whom four are Non-Executive Independent Members. One of the Independent Members is appointed Chair of the Committee. The Members of the Committee should have prior experience in the financial services sector and, individually and collectively, appropriate knowledge, skills and expertise concerning risk management and control practices. At least one Member of the Committee should be familiar with the NPE/NPL management framework, policies, practices and procedures. At least one Member (the NPL Expert) should have solid risk and capital management experience as well as familiarity with the local and the international regulatory framework.

The main responsibilities of the Risk Management Committee include but are not limited to those presented below.

The Risk Management Committee:

- Assists the Board of Directors in promoting a sound risk culture at all levels throughout the Bank and the Group, fostering risk awareness and encouraging open communication and challenge across the Organization.
- Assists the Board of Directors in monitoring the achievement of objectives in risk management, especially in the areas of NPEs and capital ratio.
- Reviews and recommends to the Board of Directors for approval the risk and capital management strategy.
- Reviews and recommends annually to the Board of Directors for approval the Group's risk appetite framework and statement, ensuring alignment with the Group's strategic objectives and capital allocation. In this context, the Committee sets the Bank's risk capacity, portfolio limits and tolerance in all key areas of the Bank's activity.
- Determines the principles which govern risk management across the Bank and the Group in terms of the identification, measurement, monitoring, control, and mitigation of risks.
- Evaluates on an annual basis or more frequently, if necessary, the appropriateness of risk identification and measurement systems, methodologies and models, including the capacity of the Bank's IT infrastructure to record, report, aggregate and process risk-related information.
- Reviews regularly, at least annually, the Group's ICAAP/ILAAP and related target ratios and recommends their approval to the Board of Directors.
- Assesses the overall effectiveness of capital planning, allocation processes and systems, and the allocation of capital requirements to risk types.
- Keeps itself informed on recent regulatory developments, emerging supervisory expectations, the results of supervisory requests and the Supervisory Review and Evaluation Process (SREP) conclusions.
- Reviews and recommends to the Board of Directors for approval the Group's Risk Policies

The Chair of the Risk Management Committee regularly informs the Board of Directors of the work of the Committee. The Chair also submits to the Board of Directors a formal report on the work of the Committee during the year.

The Committee convenes at least once a month and may invite any Member of the Management or Executive to attend its meetings.

In 2020, the Committee convened twelve times and the Members' participation rate in the meetings stood at 95% (based on the composition of the Risk Management Committee on 31.12.2020).

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

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 on 31.5.2012, the Committee's responsibilities were expanded to cover the Group Companies. The Committee operates in accordance with all applicable laws and regulations.

The Members of the current Remuneration Committee of the Bank were appointed by resolution of the Annual Ordinary General Meeting of Shareholders of 31.7.2020.

The Remuneration Committee comprises four Members, out of whom three are Non-Executive Independent Members. One of the Independent Members is appointed Chair of the Committee. The Members of the Committee have adequate knowledge, skills and experience concerning remuneration policies and practices as well as concerning the incentives and risks that can arise therefrom. At least one Member of the Committee should have sufficient professional experience in risk management.

The main responsibilities of the Remuneration Committee include but are not limited to those presented below.

The Remuneration Committee:

- Assists the Board of Directors in ensuring that the Remuneration Policies are consistent with the values, culture, business strategy, risk appetite and strategic objectives of the Bank and the Group.
- Provides its support and advice to the Non-Executive Members of the Board of Directors on the design of the Remuneration Policies for the Bank and the Group Companies according to the relevant legislative and regulatory provisions.
- Recommends to the Non-Executive Members the remuneration of the Members of the Board of Directors.
- Reviews and advises on fixed salaries, benefits and the total compensation within the Bank.
- Reviews the variable remuneration framework. Advises on variable remuneration schemes, where these are permitted, for Personnel and Executives across the Bank and the Group, and proposes the total envelope for variable remuneration across the Bank and the Group.
- Oversees the evaluation process for Senior Executives and Key Function Holders, ensuring that it is implemented adequately and in accordance with the provisions of the Bank's respective Policy.

The Chair of the Remuneration Committee regularly informs the Board of Directors of the work of the Committee. The Chair also submits to the Board of Directors a formal report on the work of the Committee during the year.

The Committee convenes at least quarterly per year and may invite any Member of the Management or Executive to attend its meetings.

In 2020, the Committee convened twelve times and the Members' participation rate in the meetings stood at 96% (based on the composition of the Remuneration Committee on 31.12.2020).



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

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 Committee operates in accordance with all applicable laws and regulations.

The Members of the current Corporate Governance and Nominations Committee of the Bank were appointed by resolution of the Annual Ordinary General Meeting of Shareholders of 31.7.2020.

The Corporate Governance and Nominations Committee comprises five Members, out of whom three are Non-Executive Independent Members. One of the Independent Members is appointed Chair of the Committee. The Members of the Committee collectively possess the required knowledge, skills and experience relating to the business of the Bank to assess the appropriate composition of the Board of Directors and, among others, the selection process and suitability requirements to adequately discharge the Committee's responsibilities..

The main responsibilities of the Corporate Governance and Nominations Committee include but are not limited to those presented below.

The Corporate Governance and Nominations Committee:

- Ensures that the corporate governance principles of the Bank and the Group, as embedded in the Corporate Governance Code of the Bank, as well as the implementation of these principles reflect the legislation in force, regulatory expectations and international corporate governance best practices.
- Regularly reviews the Corporate Governance Code of the Bank and makes appropriate recommendations to the Board of Directors on its update.
- Facilitates the regular review of the Charters of Board Committees, in consultation with the relevant Committees, by providing input to each Committee in order to ensure that the Charters remain fit-for-purpose and align with the Bank's Corporate Governance Code as well as with corporate governance best practices.
- Assists the Board of Directors in establishing the conditions required for effective succession and continuity in the Board of Directors.
- Develops and regularly reviews the selection criteria and the appointment process for the Members of the Board of Directors.
- Identifies and recommends for the approval of the Board of Directors candidates to fill vacancies, evaluates the balance of knowledge, skills, diversity and experience of the Board of Directors and prepares a description of the roles and capabilities for a particular appointment and assesses the time commitment expected.
- Assesses periodically, and at least annually, the structure, size, composition and performance of the Board of Directors and makes recommendations to the Board of Directors with regard to any changes.



- Assesses periodically, and at least annually, the knowledge, skills and experience of each Member of the Board of Directors and of the Board of Directors collectively and reports to the Board of Directors accordingly.
- Oversees the design and implementation of the induction program for the new Members of the Board of Directors as well as the ongoing knowledge and skills development for Members that support the effective discharge of their responsibilities.

The Chair of the Corporate Governance and Nominations Committee regularly informs the Board of Directors of the work of the Committee. The Chair also submits to the Board of Directors a formal report on the work of the Committee during the year.

The Committee convenes at least quarterly per year and may invite any Member of the Management or Executive to attend its meetings.

In 2020, the Committee convened eleven times and the Members' participation rate in the meetings stood at 100% (based on the composition of the Corporate Governance and Nominations Committee on 31.12.2020).

The specific duties and responsibilities of the Corporate Governance and Nominations Committee are determined in its Charter, which is posted on the Bank's website (<https://www.alpha.gr/el/omilos/etairiki-diakubernisi/sumboulia-kai-epitropes>).

Composition of the Board of Directors and the Board of Directors' Committees for the year 2020

Board of Directors		Committees			
		Audit	Risk Management	Remuneration	Corporate Governance and Nominations
Chair (Non-Executive Member)					
Vasileios T. Rapanos		-	-	-	-
Executive Members					
Vassilios E. Psaltis	CEO	-	-	-	-
Spyros N. Filaretos	General Manager	-	-	-	-
George C. Aronis ¹		-	-	-	-
Non-Executive Members					
Efthimios O. Vidalis		M	-	-	M
Artemios Ch. Theodoridis ²		-	-	-	-
Non-Executive Independent Members					
Dimitris C. Tsitsiragos		-	M	M	-
Jean L. Cheval		-	M	M	-
Carolyn G. Dittmeier		C	-	-	M
Richard R. Gildea		-	M	C	-
Elanor R. Hardwick		M	-	-	M
Shahzad A. Shahbaz		-	-	-	C
Jan A. Vanhevel		M	C	-	-
Non-Executive Member (pursuant to the provisions of Law 3864/2010)					
Johannes Herman Frederik G. Umbgrove		M	M	M	M
C: Chair M: Member -: The Member does not participate in this Committee					
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					

Description of the Diversity Policy applied to the Members of the Board of Directors and Employees

Alpha Bank has adopted the Diversity Policy that sets the principles and the approach for the achievement of diversity in both the Board of Directors and the Employees in accordance with the legislative and regulatory framework in force, including the relevant Joint ESMA and EBA Guidelines on “the assessment of the suitability of members of the management body and key function holders”, as well as with European best practices in corporate governance.

The objectives of the Policy are to support and promote diversity as well as to engage a broad set of qualities and competences when recruiting Members of the Board of Directors and Employees, to achieve a variety of views and experiences and to facilitate independent opinions.

1. Board of Directors

Taking into account the existing framework, the Bank embraces the benefits of having a diverse Board of Directors. It recognizes that diversity can help achieve maximum team performance and effectiveness, enhance innovation and creativity and promote critical thinking and team cooperation within the Board. In this context, a diversified Board of Directors fosters constructive challenge and discussion on the basis of different points of view. It can help improve decision-making regarding strategies and risk-taking by encompassing a broader range of views, opinions, experience, perception, values and backgrounds. It reduces the phenomena of “group think” and “herd behavior”.

A truly diverse Board of Directors allows and makes good use of differences in skills, regional and industry experience, background, abilities, qualifications, professional training, gender and other distinctions between the Members. All Board appointments at Alpha Bank are made on merit in the context of the skills, experience, knowledge and independence which the Board as a whole requires in order to be effective.

At least the following diversity aspects shall be taken into consideration for all Board appointments, without prejudice to the legislative and regulatory framework and to the Suitability and Nomination Policy for the Members of the Board of Directors and Key Function Holders:

- **Educational and professional background, skills and knowledge as well as experience** in accordance with the Suitability and Nomination Policy for the Members of the Board of Directors and Key Function Holders.
- **Gender:** The Bank strives to enhance gender diversity in its Board of Directors and Senior Management.
- **Age:** the same applies to age, as the time period in which a person has grown up influences his or her values and risk culture.
- **Geographical provenance:** the region where a person has gained a cultural, educational or professional background. Diversity regarding geographical provenance improves the experience of the Board of Directors with regard to the business activities pursued in a business area and enables the Board of Directors to better take into account the cultural values and the legal and market specificities relevant to those areas.



The Board of Directors' actual target in relation to the female gender representation on the Board is to reach at least 30% in the next three years, while always considering industry trends and best practices. The Corporate Governance and Nominations Committee has informed the Board of Directors accordingly and has made the achievement of the said target a priority when nominating candidates.

All the candidates for the Board of Directors are assessed on the basis of the same criteria, irrespective of gender, since the eligible Members for the Board of Directors must fulfil all the conditions set in relation to their qualifications. In this context, men and women have equal opportunities to be nominated under the condition that they fulfil all the other prerequisites. The Bank does not nominate Members to the Board of Directors with the sole purpose of increasing diversity to the detriment of the functioning and suitability of the Board of Directors collectively or at the expense of the suitability of individual Members of the Board of Directors.

2. Employees

To Alpha Bank, the provision of equal opportunities for employment and advancement to all its Employees is not merely a legal obligation, but also a cornerstone of its Human Resources policy. This Policy is incorporated in the Human Resources management procedures and practices and ensures the implementation thereof in every country where the Bank is present.

Seeking to implement gender equality in action and to address the issue of the low percentage of women in positions of responsibility, issues which are typical of the Greek labor market, the Bank takes a number of measures which help its Employees balance their professional and family life, while also promoting equitable treatment and merit-based Personnel advancement, with equal advancement opportunities for female Employees.

The Bank applies a uniform, gender-neutral salary policy to all categories of Personnel.

The Bank respects and defends the diversity of its Employees irrespective of gender, age, nationality, political and religious convictions or any other discrimination. Further to the above-mentioned principles, the Bank recognizes the need for diversity pertaining to skills, background, knowledge and experience in order to facilitate constructive discussion and independent thinking. It ensures top-quality work conditions and opportunities for advancement that are based on merit and equitable treatment. It offers fair remuneration, based on contracts which are in agreement with the conditions of the corresponding national labor market and ensures compliance with the respective national regulations, inter alia, on minimum pay, working hours and the granting of leave.

Further to the above, the Bank defends human rights and opposes all forms of child, forced or compulsory labor. The Bank respects employee rights and is committed to safeguarding them fully, in accordance with the national and the European Union Law and the Conventions of the International Labor Organization.



Employees in Management positions * as of 31.12.2020:

Table 53: Age Breakdown as of 31.12.2020					
Gender	26-40	41-50	51+	Total	Percentage
Male	30	196	161	387	63.1%
Female	10	131	85	226	36.9%
Total:	40	327	246	613	100.0%
Percentage %	6.5%	53.3%	40.1%	100.0%	

Table 54: Employees Educational Background		
Educational level	Breakdown as of 31.12.2020	Percentage %
Postgraduate Studies (Master's, PhD)	289	47.1%
Tertiary Education (graduates of Universities or Technological Education Institutes)	174	28.4%
High School (Lyceum) graduates	150	24.5%
Total	613	100.0%

*Management positions are defined as the positions from Branch Manager and above.

The percentage and number of Employees in managerial positions per educational level point out that Employees in managerial positions holding postgraduate degrees represent in 2020 the highest percentage, i.e. 47%.



16.2 Appendix II - CVs of the Members of the Board of Directors

Chair

Vasileios T. Rapanos (Non-Executive Member)

Year of birth: 1947

Nationality: Hellenic

He is Professor Emeritus at the Faculty of Economics of the University of Athens and has been an Ordinary Member of the Academy of Athens since 2016. He studied Business Administration at the Athens School of Economics and Business (1975) and holds a Master's in Economics from Lakehead University, Canada (1977) and a PhD from Queen's University, Canada. He was Deputy Governor and Governor of the Mortgage Bank (1995-1998), Chairman of the Board of Directors of the Hellenic Telecommunications Organization (1998-2000), Chairman of the Council of Economic Advisors at the Ministry of Economy and Finance (2000-2004), member of the Board of Directors of the Public Debt Management Agency (PDMA) (2000-2004) as well as Chairman of the Board of Directors of the National Bank of Greece and of the Hellenic Bank Association (2009-2012). He has been the Chair of the Board of Directors of the Bank since May 2014.

Executive Members

CEO

Vassilios E. Psaltis

Year of birth: 1968

Nationality: Hellenic

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

General Manager

Spyros N. Filaretos

Year of birth: 1958

Nationality: Hellenic

He studied Economics at the University of Manchester and at the University of Sussex. He joined the Bank in 1985. He was appointed Executive General Manager in 1997 and General Manager in 2005. From October 2009 to November 2020 he served as Chief Operating Officer (COO). In December 2020 he was appointed General Manager – Growth and Innovation. He has been a Member of the Board of Directors of the Bank since 2005.

Non-Executive Members

Efthimios O. Vidalis

Year of birth: 1954

Nationality: Hellenic



He holds a BA in Government from Harvard University and an MBA from the Harvard Graduate School of Business Administration. He held several leadership positions for almost 20 years at Owens Corning, where he served as President of the Global Composites and Insulation Business Units. He joined S&B Industrial Minerals S.A. in 1998 as Chief Operating Officer (1998-2001), became the first non-family Chief Executive Officer (2001-2011) and served on the Board of Directors for 15 years. He was a member of the Board of Directors of Future Pipe Industries (Dubai, U.A.E.) from 2008 to 2019, Chairman of the Board of Directors of the Greek Mining Enterprises Association (2005-2009) and member of the Board of Directors of the Hellenic Federation of Enterprises (SEV) from 2006 to 2016, where he served as Vice Chairman (2010-2014) and as Secretary General (2014-2016). Furthermore, he is the founder of the SEV Business Council for Sustainable Development and was the Chairman thereof from 2008 to 2016. He was elected President of the Executive Committee of SEV during the Annual General Meeting, held in June 2020. He is a non-executive member of the Board of Directors of Titan Cement Company S.A. and Fairfield-Maxwell Ltd (U.S.A.). He has been a Member of the Board of Directors of the Bank since May 2014. He is a Member of the Audit Committee and of the Corporate Governance and Nominations Committee.

Artemios Ch. Theodoridis

Year of birth: 1959

Nationality: Hellenic

He studied Economics at the Athens University of Economics and Business and holds an MBA from the University of Chicago. He joined the Bank as Executive General Manager in 2002 and was appointed General Manager in 2005. From 2017 to November 2020, he supervised the Non-Performing Loans and the Treasury Management Business Units. In December 2020, he stepped down from the Management of the Bank and joined Cepal as Executive Chair. He has been a Member of the Board of Directors of the Bank since 2005.

Non-Executive Independent Members

Dimitris C. Tsitsiragos

Year of birth: 1963

Nationality: Hellenic



He holds a BA in Economics from Rutgers University and an MBA from the George Washington University. He completed the World Bank Group Executive Development Program at the Harvard Business School. He spent 28 years at the International Finance Corporation (IFC) – World Bank Group. He held progressive positions in the Oil, Gas and Mining and in the Central and Eastern Europe Departments, including the positions of Manager, Oil and Gas, and Manager, Manufacturing and Services, based in Washington, D.C., USA (1989-2002). Furthermore, he held director positions for South Asia (India), Global Manufacturing and Services (Washington, D.C.) and Middle East, North Africa and Southern Europe (Cairo, Egypt), overseeing IFC's global and regional investment operations (2002-2011). In 2011, he was promoted to Vice President, EMENA region (Istanbul, Turkey) and in 2014 he was appointed Vice President Investments/Operations (Istanbul/Washington). He currently sits on the Board of Directors of Titan Cement International and serves as a Senior Advisor, Emerging Markets at Pacific Investment Management Company (PIMCO) in London, UK. He previously served as a non-executive independent Board member at the Infrastructure Development Finance Company (IDFC), India and at the Commercial Bank of Ceylon (CBC), Sri Lanka. He has been a Member of the Board of Directors of the Bank since July 2020. He is a Member of the Risk Management Committee and of the Remuneration Committee.

Jean L. Cheval

Year of birth: 1949

Nationality: French

He studied Engineering at the École Centrale des Arts et Manufactures, while he holds a DES (Diplôme d'Études Spécialisées) in Economics (1974) from the University of Paris I. Additionally he holds a DEA (Diplôme d'Études Approfondies) in Statistics and a DEA in Applied Mathematics from the University of Paris VI. After starting his career at BIPE (Bureau d'Information et de Prévisions Économiques), he served in the French public sector (1978-1983) and then worked at Banque Indosuez-Crédit Agricole (1983-2001), wherein he held various senior management positions, including the positions of Chief Economist, Head of Corporate Planning and Head of Asset-based Finance and subsequently he became General Manager. He served as Chairman and CEO of the Banque Audi France (2002-2005) as well as Chairman of the Banque Audi Suisse (2002-2004). Furthermore, he served as Head of France at the Bank of Scotland (2005-2009). As of 2009 he has been working at Natixis in various senior management positions, such as Head of the Structured Asset Finance Department and Head of Finance and Risk, second "Dirigeant effectif" of Natixis, alongside the CEO. He is currently a member of the Board of Directors of EFG-Hermès, Egypt, Chairman of the Steering Committee of Natixis Algérie and Chairman of the Natixis Foundation for Research and Innovation. He has been a Member of the Board of Directors of the Bank since June 2018. He is a Member of the Risk Management Committee and of the Remuneration Committee.

Carolyn G. Dittmeier

Year of birth: 1956

Nationality: Italian and US



She holds a BSc in Economics from the Wharton School of the University of Pennsylvania. She is a Statutory Auditor, a Certified Public Accountant (CPA), a Certified Internal Auditor (CIA) and a Certified Risk Management Assurance (CRMA) professional, focusing on the audit and risk management sectors. Additionally, she has obtained a Qualification in Internal Audit Leadership (QIAL). She commenced her career in the US at the auditing and consulting firm Peat Marwick & Mitchell (now KPMG) where she reached the position of Audit Manager, and subsequently assumed managerial responsibilities in the Montedison Group as Financial Controller and later as Head of Internal Audit. In 1999, she launched the practice of corporate governance services in KPMG Italy. Subsequently, she took on the role of Chief Internal Audit Executive of the Poste Italiane Group (2002-2014). She has carried out various professional and academic activities focusing on risk and control governance and has written two books. She was Vice Chair (2013-2014) and Director of the Institute of Internal Auditors (2007-2014), Chair of the European Confederation of Institutes of Internal Auditing (2011-2012) and Chair of the Italian Association of Internal Auditors (2004-2010). Furthermore, she served as Independent Director and Chair of the Risk and Control Committee of Autogrill SpA (2012-2017) as well as of Italmobiliare SpA (2014-2017). Since 2014 she has been Chair of the Board of Statutory Auditors of Assicurazioni Generali SpA and a member of the Boards and/or the Audit Committees of some non-financial companies (Moncler, Illycaffè). She has been a Member of the Board of Directors of the Bank since January 2017 and is currently Chair of the Audit Committee and a Member of the Corporate Governance and Nominations Committee.

Richard R. Gildea

Year of birth: 1952

Nationality: British

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

Elanor R. Hardwick

Year of birth: 1973

Nationality: British



She holds an MA (Cantab) from the University of Cambridge and an MBA from the Harvard Business School. She commenced her career in 1995 at the UK Government's Department of Trade and Industry, focusing on the Communications and Information Industries policy, and subsequently held roles as a strategy consultant with Booz Allen Hamilton's Tech, Media and Telco practice and with the Institutional Equity Division of Morgan Stanley. Since 2005, she has held various roles, including Global Head of Professional Publishing and Global Head of Strategy, Investment Advisory at Thomson Reuters (now Refinitiv). Afterwards, she joined the team founding FinTech startup Credit Benchmark, becoming its CEO (2012-2016). Then, she served as Head of Innovation at Deutsche Bank (2016-2018) and as Chief Digital Officer at UBS (2019-2020). Since 2018 she has served as a non-executive member of the Board of Directors of specialty (re)insurer Axis Capital, while she is also a member of the Risk Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. She is a non-executive member of the Board of Directors of Itiviti Group AB and as of January 2021 she is an external member of the Audit Committee of the University of Cambridge. She has been a Member of the Board of Directors of the Bank since July 2020. She is a Member of the Audit Committee and of the Corporate Governance and Nominations Committee.

Shahzad A. Shahbaz

Year of birth: 1960

Nationality: British

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

Jan A. Vanhevel

Year of birth: 1948

Nationality: Belgian

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



Non-Executive Member (Pursuant to the provisions of Law 3864/2010)

Johannes Herman Frederik G. Umbgrove

Year of birth: 1961

Nationality: Dutch

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



16.3 Appendix III – Group’s subsidiaries and associates

The following tables list Alpha Bank Group’s subsidiaries and associates, according to the consolidation method followed for regulatory purposes.

Table 55: EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)						
Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Equity method	Solo Consolidation	Risk weighed at 250 %	
Alpha Bank London Ltd	Full consolidation	x				Credit institution
Alpha Bank Cyprus Ltd	Full consolidation	x				Credit institution
Alpha Bank Romania S.A.	Full consolidation	x				Credit institution
Alpha Bank Albania SH.A.	Full consolidation	x				Credit institution
Alpha Leasing A.E.	Full consolidation	x				Financial corporations other than credit institutions
Alpha Leasing Romania IFN S.A.	Full consolidation	x				Financial corporations other than credit institutions
ABC Factors A.E.	Full consolidation	x				Financial corporations other than credit institutions
CEPAL Hellas Holdings S.A.	Full consolidation	x				Financial corporations other than credit institutions
Alpha Finance A.E.P.E.Y.	Full consolidation	x				Financial corporations other than credit institutions
SSIF Alpha Finance Romania S.A.	Full consolidation	x				Financial corporations other than credit institutions
Alpha Ventures A.E.	Full consolidation	x				Financial corporations other than credit institutions
ALPHA Ventures Capital Management - AKES	Full consolidation	x				Financial corporations other than credit institutions
Emporiki Ventures Capital Developed Markets Ltd	Full consolidation	x				Financial corporations other than credit institutions
Emporiki Ventures Capital Emerging Markets Ltd	Full consolidation	x				Financial corporations other than credit institutions

Table 55: EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Equity method	Solo Consolidation	Risk weighed at 250 %	
Alpha Asset Management A.E.D.A.K.	Full consolidation	x				Financial corporations other than credit institutions
ABL Independent Financial Advisers Ltd	Full consolidation				x	Financial corporations other than credit institutions
ALPHA Insurance Agents A.E.	Full consolidation		x			Non-financial corporations
Alpha Insurance Brokers S.R.L.	Full consolidation		x			Non-financial corporations
Alphalife A.A.E.Z.	Full consolidation				x	Financial corporations other than credit institutions
Alpha Astika Akinita A.E.	Full consolidation	x				Non-financial corporations
Emporiki Development&Real Estate management A.E.	Full consolidation	x				Non-financial corporations
Alpha Real Estates Management and Investments S.A.	Full consolidation	x				Financial corporations other than credit institutions
Alpha Real Estate Bulgaria E.O.O.D.	Full consolidation	x				Non-financial corporations
Chardash Trading E.O.O.D.	Full consolidation	x				Non-financial corporations
Alpha Real Estate Services S.R.L.	Full consolidation	x				Non-financial corporations
Alpha Investment Property Attikis A.E.	Full consolidation	x				Non-financial corporations
Alpha Investment Property Attikis II A.E.	Full consolidation	x				Non-financial corporations
AGI-RRE Participations 1 S.R.L.	Full consolidation	x				Non-financial corporations
Stockfort Ltd	Full consolidation	x				Financial corporations other than credit institutions
Romfelt Real Estate S.A.	Full consolidation	x				Non-financial corporations
AGI-RRE Zeus S.R.L.	Full consolidation	x				Non-financial corporations
AGI-RRE Poseidon S.R.L.	Full consolidation	x				Non-financial corporations

Table 55: EU L13 – Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Equity method	Solo Consolidation	Risk weighed at 250 %	
AGI-RRE Hera S.R.L.	Full consolidation	x				Non-financial corporations
Alpha Real Estate Services LLC	Full consolidation	x				Non-financial corporations
AGI-BRE Participations 2 E.O.O.D.	Full consolidation	x				Non-financial corporations
AGI-BRE Participations 2BG E.O.O.D.	Full consolidation	x				Non-financial corporations
AGI-BRE Participations 4 E.O.O.D.	Full consolidation	x				Non-financial corporations
APE Fixed Assets A.E.	Full consolidation	x				Non-financial corporations
AGI-RRE Cleopatra S.R.L.	Full consolidation	x				Non-financial corporations
SC Carmel Residential S.R.L.	Full consolidation	x				Non-financial corporations
Alpha Investment Property Neas Kifissias S.A.	Full consolidation	x				Non-financial corporations
Alpha Investment Property Kallirois S.A.	Full consolidation	x				Non-financial corporations
AGI-Cypre Tochni Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypre Mazotos Ltd	Full consolidation	x				Non-financial corporations
Alpha Investment Property Levadias S.A.	Full consolidation	x				Non-financial corporations
Asmita Gardens S.R.L.	Full consolidation	x				Non-financial corporations
Alpha Investment Property Kefalariou S.A.	Full consolidation	x				Non-financial corporations
Cubic Center Development S.A.	Full consolidation	x				Non-financial corporations
Alpha Investment Property Neas Erythraias S.A.	Full consolidation	x				Non-financial corporations
AGI-SRE Participations 1 D.O.O.	Full consolidation	x				Non-financial corporations
Alpha Investment Property Spaton S.A	Full consolidation	x				Non-financial corporations
TH Top Hotels S.R.L.	Full consolidation		x			Non-financial corporations

Table 55: EU L13 – Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Equity method	Solo Consolidation	Risk weighed at 250 %	
Alpha Investment Property Kallitheas S.A.	Full consolidation	x				Non-financial corporations
Kestrel Enterprise E.O.O.D.	Full consolidation	x				Non-financial corporations
Alpha Investment Property Irakleiou S.A.	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 2 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 4 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 5 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 6 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 8 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 7 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 9 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 10 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 11 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 12 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 13 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 14 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 15 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 16 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 17 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 18 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 19 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 20 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré RES Pafos Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré P&F Nicosia Ltd	Full consolidation	x				Non-financial corporations
ABC RE P1 Ltd	Full consolidation	x				Non-financial corporations
ABC RE P2 Ltd	Full consolidation	x				Non-financial corporations

Table 55: EU L13 – Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Equity method	Solo Consolidation	Risk weighed at 250 %	
ABC RE P3 Ltd	Full consolidation	x				Non-financial corporations
ABC RE L2 Ltd	Full consolidation	x				Non-financial corporations
ABC RE P4 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cyprе RES Nicosia Ltd	Full consolidation	x				Non-financial corporations
AGI-Cyprе P&F Limassol Ltd	Full consolidation	x				Non-financial corporations
AGI-Cyprе Property 21 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cyprе Property 22 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cyprе Property 23 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cyprе Property 24 Ltd	Full consolidation	x				Non-financial corporations
ABC RE L3 Ltd	Full consolidation	x				Non-financial corporations
ABC RE P&F Limassol Ltd	Full consolidation	x				Non-financial corporations
AGI-Cyprе Property 25 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cyprе Property 26 Ltd	Full consolidation	x				Non-financial corporations
ABC RE COM Pafos Ltd	Full consolidation	x				Non-financial corporations
ABC RE RES Larnaca Ltd	Full consolidation	x				Non-financial corporations
AGI-Cyprе P&F Pafos Ltd	Full consolidation	x				Non-financial corporations
AGI Cyprе Property 27 Ltd	Full consolidation	x				Non-financial corporations
ABC RE L4 Ltd	Full consolidation	x				Non-financial corporations
ABC RE L5 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cyprе Property 28 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cyprе Property 29 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cyprе Property 30 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cyprе COM Pafos Ltd	Full consolidation	x				Non-financial corporations
AEP Industrial Property M.A.E	Full consolidation	x				Non-financial corporations
AGI-Cyprе Property 31 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cyprе Property 32 Ltd	Full consolidation	x				Non-financial corporations

Table 55: EU L13 – Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Equity method	Solo Consolidation	Risk weighed at 250 %	
AGI-Cypré Property 33 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypré Property 34 Ltd	Full consolidation	x				Non-financial corporations
Alpha Group Real Estate Ltd	Full consolidation	x				Financial corporations other than credit institutions
ABC RE P&F Pafos Ltd	Full consolidation	x				Non-financial corporations
ABC RE P&F Nicosia Ltd	Full consolidation	x				Non-financial corporations
ABC RE RES Nicosia Ltd	Full consolidation	x				Non-financial corporations
Fierton Ltd	Full consolidation	x				Non-financial corporations
AIP Industrial Assets Rog S.M.S.A.	Full consolidation	x				Non-financial corporations
AIP Attica Residential Assets I S.M.S.A.	Full consolidation	x				Non-financial corporations
AIP Thessaloniki Residential Assets S.M.S.A.	Full consolidation	x				Non-financial corporations
AIP Cretan Residential Assets S.M.S.A.	Full consolidation	x				Non-financial corporations
AIP Aegean Residential Assets S.M.S.A.	Full consolidation	x				Non-financial corporations
AIP Ionian Residential Assets S.M.S.A.	Full consolidation	x				Non-financial corporations
AIP Attica Commercial Assets S.M.S.A.	Full consolidation	x				Non-financial corporations
AIP Thessaloniki Commercial Assets S.M.S.A.	Full consolidation	x				Non-financial corporations
AIP Commercial Assets Rog S.M.S.A.	Full consolidation	x				Non-financial corporations
AIP Attica Retail Assets I S.M.S.A.	Full consolidation	x				Non-financial corporations
AIP Attica Retail Assets II S.M.S.A.	Full consolidation	x				Non-financial corporations
AIP Attica Residential Assets II S.M.S.A.	Full consolidation	x				Non-financial corporations
AIP Retail Assets Rog S.M.S.A.	Full consolidation	x				Non-financial corporations

Table 55: EU L13 – Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Equity method	Solo Consolidation	Risk weighed at 250 %	
AIP Land II S.M.S.A.	Full consolidation	x				Non-financial corporations
ABC RE P6 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypr Property 35 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypr P&F Larnaca Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypr Property 37 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypr RES Ammochostos Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypr Property 36 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypr Property 38 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypr RES Larnaca Ltd	Full consolidation	x				Non-financial corporations
ABC RE P7 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypr Property 42 Ltd	Full consolidation	x				Non-financial corporations
ABC RE P&F Larnaca Ltd	Full consolidation	x				Non-financial corporations
Krigeo Holdings Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypr Property 43 Ltd	Full consolidation	x				Non-financial corporations
AGI-Cypr Property 44 Ltd	Full consolidation	x				Non-financial corporations
AGI-CYPRE PROPERTY 40 LTD	Full consolidation	x				Non-financial corporations
ABC RE RES AMMOCHOSTOS LIMITED	Full consolidation	x				Non-financial corporations
ABC RE RES PAPHOS LIMITED	Full consolidation	x				Non-financial corporations
SAPAVA LIMITED	Full consolidation	x				Non-financial corporations
AGI-CYPRE PROPERTY 46 LIMITED	Full consolidation	x				Non-financial corporations
AGI-CYPRE PROPERTY 47 LIMITED	Full consolidation	x				Non-financial corporations
AGI-CYPRE PROPERTY 48 LIMITED	Full consolidation	x				Non-financial corporations
ALPHA CREDIT PROPERTY 1 LIMITED	Full consolidation	x				Non-financial corporations

Table 55: EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Equity method	Solo Consolidation	Risk weighed at 250 %	
OFFICE PARK I SRL	Full consolidation	x				Non-financial corporations
Alpha Credit Group Plc	Full consolidation	x				Financial corporations other than credit institutions
Alpha Group Jersey Ltd	Full consolidation	x				Financial corporations other than credit institutions
Alpha Group Investments Ltd	Full consolidation	x				Financial corporations other than credit institutions
Ionian Equity Participations Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-BRE Participations 1 Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-RRE Participations 1 Ltd	Full consolidation	x				Financial corporations other than credit institutions
Alpha Group Ltd	Full consolidation	x				Financial corporations other than credit institutions
Katanalotika Plc	Full consolidation	x				Financial corporations other than credit institutions
Epihiro Plc	Full consolidation	x				Financial corporations other than credit institutions
Irida Plc	Full consolidation	x				Financial corporations other than credit institutions
Pisti 2010-1 Plc	Full consolidation	x				Financial corporations other than credit institutions
Alpha Shipping Finance Ltd	Full consolidation	x				Financial corporations other than credit institutions
Alpha Proodos DAC	Full consolidation	x				Non-financial corporations

Table 55: EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Equity method	Solo Consolidation	Risk weighed at 250 %	
Alpha Quantum DAC	Full consolidation	x				Financial corporations other than credit institutions
AGI-RRE Athena Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-RRE Poseidon Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-RRE Hera Ltd	Full consolidation	x				Financial corporations other than credit institutions
Umera Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-BRE Participations 2 Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-BRE Participations 3 Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-BRE Participations 4 Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-RRE Ares Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-RRE Venus Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-RRE Artemis Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-BRE Participations 5 Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-RRE Cleopatra Ltd	Full consolidation	x				Financial corporations other than credit institutions

Table 55: EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Equity method	Solo Consolidation	Risk weighed at 250 %	
AGI-RRE Hermes Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-RRE Arsinoe Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-SRE Ariadni Ltd	Full consolidation	x				Financial corporations other than credit institutions
Zerelda Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-Cypre Evagoras Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-Cypre Tersefanou Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-Cypre Ermis Ltd	Full consolidation	x				Financial corporations other than credit institutions
AGI-SRE Participations 1 Ltd	Full consolidation	x				Financial corporations other than credit institutions
Alpha Credit Acquisition Company Ltd	Full consolidation	x				Financial corporations other than credit institutions
Alpha International Holding Company S.A.	Full consolidation	x				Financial corporations other than credit institutions
AGI-Cypre Property 45 Ltd	Full consolidation	x				Financial corporations other than credit institutions
REOCO ORION X M.A.E.	Full consolidation	x				Non-financial corporations
REOCO GALAXY II M.A.E.	Full consolidation	x				Non-financial corporations
REOCO GALAXY IV M.A.E.	Full consolidation	x				Non-financial corporations

Table 55: EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Equity method	Solo Consolidation	Risk weighed at 250 %	
ORION X SECURITISATION DESIGNATED ACTIVITY COMPANY	Full consolidation	x				Non-financial corporations
GALAXY II FUNDING DESIGNATED ACTIVITY COMPANY	Full consolidation	x				Non-financial corporations
GALAXY III FUNDING DESIGNATED ACTIVITY COMPANY	Full consolidation	x				Non-financial corporations
GALAXY IV FUNDING DESIGNATED ACTIVITY COMPANY	Full consolidation	x				Non-financial corporations
Alpha International Holdings S.M.S.A	Full consolidation	x				Non-financial corporations
Alpha Bank London Nominees Ltd	Full consolidation				x	Financial corporations other than credit institutions
Alpha Trustees Ltd	Full consolidation	x				Financial corporations other than credit institutions
KAFE Alpha A.E.	Full consolidation		x			Non-financial corporations
Alpha Supporting Services A.E.	Full consolidation		x			Non-financial corporations
Real Car Rental A.E.	Full consolidation		x			Non-financial corporations
Emporiki Management A.E.	Full consolidation	x				Non-financial corporations
Alpha Bank Debt Notification Services S.A.	Full consolidation		x			Non-financial corporations
APE Commercial Property A.E.	Equity method		x			Financial corporations other than credit institutions
APE Investment Property A.E	Equity method		x			Financial corporations other than credit institutions
Alpha TANE0 A.K.E.S.	Equity method		x			Financial corporations other than credit institutions

Table 55: EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Equity method	Solo Consolidation	Risk weighed at 250 %	
Rosequeens Properties Ltd	Equity method		x			Financial corporations other than credit institutions
Panarae Saturn LP	Equity method		x			Financial corporations other than credit institutions
Alpha Investment Property Commercial Stores S.A.	Equity method		x			Non-financial corporations
AEDEP Thessalias and Steras Ellados	Equity method		x			Non-financial corporations
ALC Novelle Investments Ltd	Equity method				x	Financial corporations other than credit institutions
Banking Information Systems A.E.	Equity method		x			Non-financial corporations
Propindex AEΔA	Equity method		x			Non-financial corporations
Olganos A.E.	Equity method		x			Non-financial corporations
Alpha Investment Property Eleona A.E.	Equity method		x			Non-financial corporations
Famar S.A.	Equity method		x			Non-financial corporations
Perigenis Business Properties Societe Anonyme	Equity method		x			Non-financial corporations
ACARTA CONSTRUCT SRL	Full consolidation	x				Non-financial corporations
AGI-CYPRE COM NICOSIA LIMITED	Full consolidation	x				Financial corporations other than credit institutions
AGI-CYPRE PROPERTY 49 LIMITED	Full consolidation	x				Financial corporations other than credit institutions
AGI-CYPRE PROPERTY 50 LIMITED	Full consolidation	x				Financial corporations other than credit institutions
AGI-CYPRE COM LARNACA LIMITED	Full consolidation	x				Financial corporations other than credit institutions

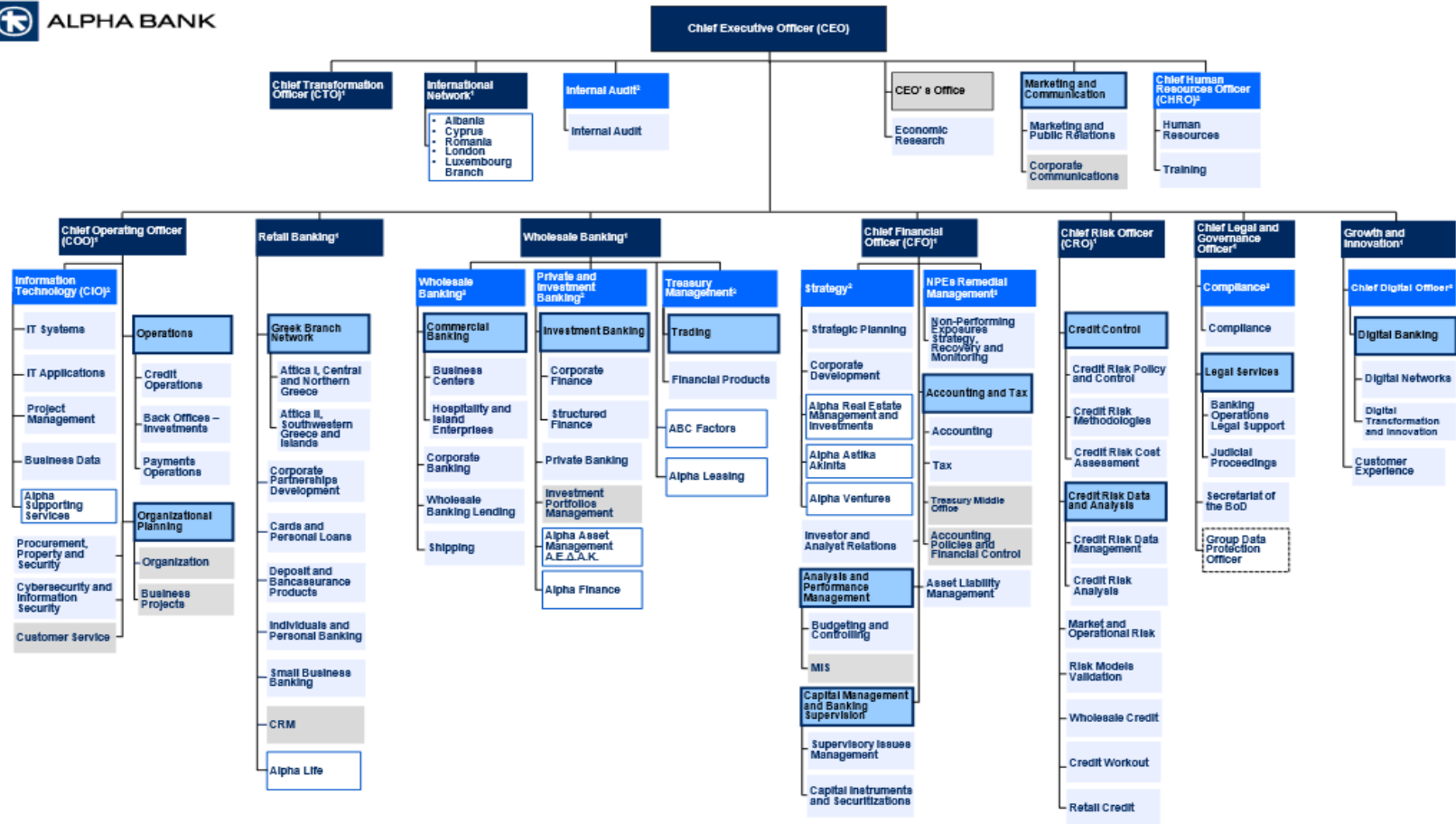


16.4 Appendix IV – Terms and conditions of Tier 2 instruments

Template 56: EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments		
1	Issuer	Alpha Bank S.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2111230285
2a	Public or private placement	public
3	Governing law(s) of the instrument	English law, except for status, subordination, waiver of set-off, acknowledgement of Statutory Loss Absorption Powers and provisions, relating to Noteholders Agent (Greek law)
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A
	<i>Regulatory treatment</i>	
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2 Capital
5	Post-transitional CRR rules	Tier 2 Capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Debt instrument - Art. 62 CRR
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	500.000.000
9	Nominal amount of instrument	500.000.000
EU-9a	Issue price	100 per cent. of the Aggregate Nominal Amount
EU-9b	Redemption price	100 per cent. of their nominal amount
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	13 February 2020
12	Perpetual or dated	dated
13	Original maturity date	13 February 2030
14	Issuer call subject to prior supervisory approval	applicable
15	Optional call date, contingent call dates and redemption amount	13 February 2025 - One time call option. The Issuer may elect to redeem all, but not some only, of the Notes on 13 February 2025 (Year 5) at par together with any accrued and unpaid interest thereon, subject to certain conditions including (but not limited to) prior regulatory approval.
16	Subsequent call dates, if applicable	N/A
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Fixed coupon
18	Coupon rate and any related index	From (and including) the Issue Date to (but excluding) 13 February 2025 (Year 5): Fixed rate of 4.250% p.a. The Reset Date is 13 February 2025. Reset Reference Rate is the then prevailing 5-year mid-swap rate (Reuters screen "ICESWAP2") and reset margin is 4.504%, payable annually in arrear on each Interest Payment Date from (and including) 13 February 2026 to (and including) the Maturity Date.
19	Existence of a dividend stopper	N/A
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory
21	Existence of step up or other incentive to redeem	No step up or other incentive to redeem
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately superior instrument)	Direct, unsecured, subordinated obligations ranking pari passu without any preference among themselves. Subordinated to Senior Creditors of the Issuer (including subordinated creditors whose claims rank, or are expressed to rank, in priority to claims of holders of the Notes).
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
	Link to the full term and conditions of the instrument (signposting)	https://www.bourse.lu/security/XS2111230285/301952

(1) Insert 'N/A' if the question is not applicable

16.5 Appendix V – Organizational Chart



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

■ Senior Divisions ■ Divisions
■ Supporting Divisions ■ Group Companies