

Alpha Bank

2014 ECB Comprehensive Assessment Overview

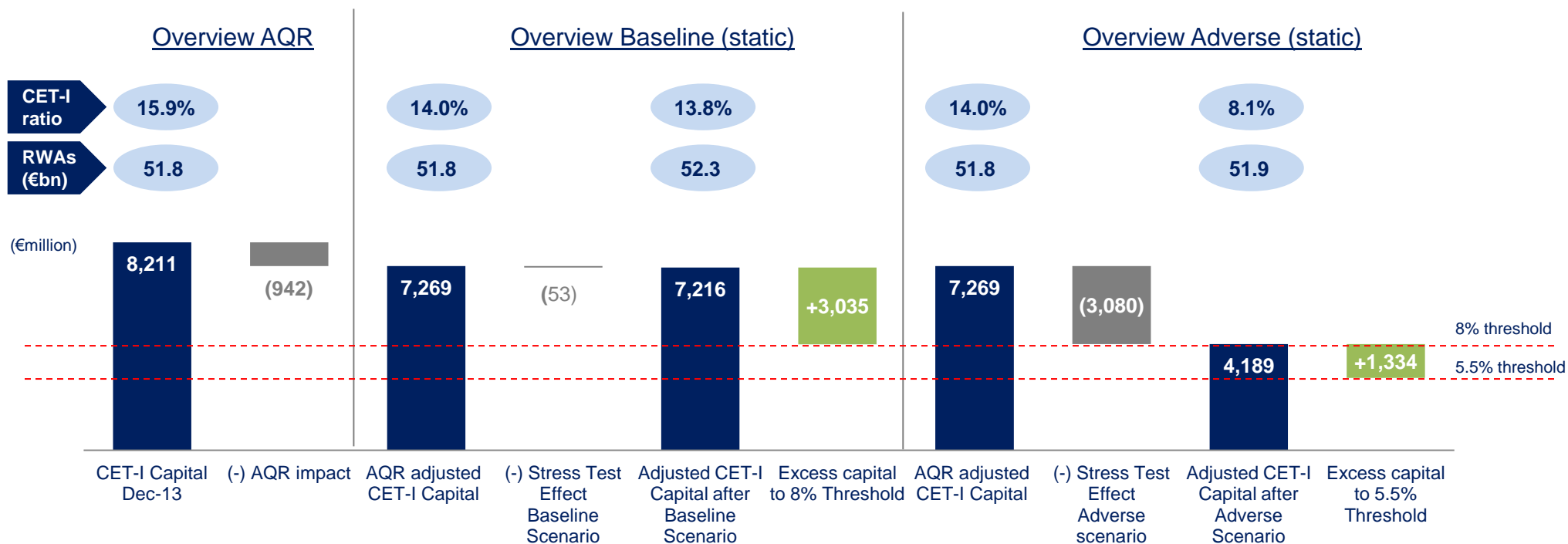
October 26, 2014

Successful Completion of the Comprehensive Assessment under the Static Assumptions with Strong Capital Buffers

Alpha Bank Comprehensive Assessment results summary (static assumptions)

Scenario	Common Equity Tier I (CET-I) capital		Hurdle rates	Excess capital to threshold	
	%	€mn	%	%	€mn
Baseline	13.8%	7,216	8.0%	+5.8%	+3,035
Adverse	8.1%	4,189	5.5%	+2.6%	+1,334

- ECB Comprehensive Assessment producing excess capital of €1.3bn to €3.0bn as of Dec-13, before further €1.4bn actions year-to-date
- The Comprehensive Assessment is composed of the sum of:
 - AQR impact
 - Stress Test (ST) impact (including impact of Join Up with AQR)
- Asset Quality Review has low impact on capital levels with c.180bps impact on CET-I ratio

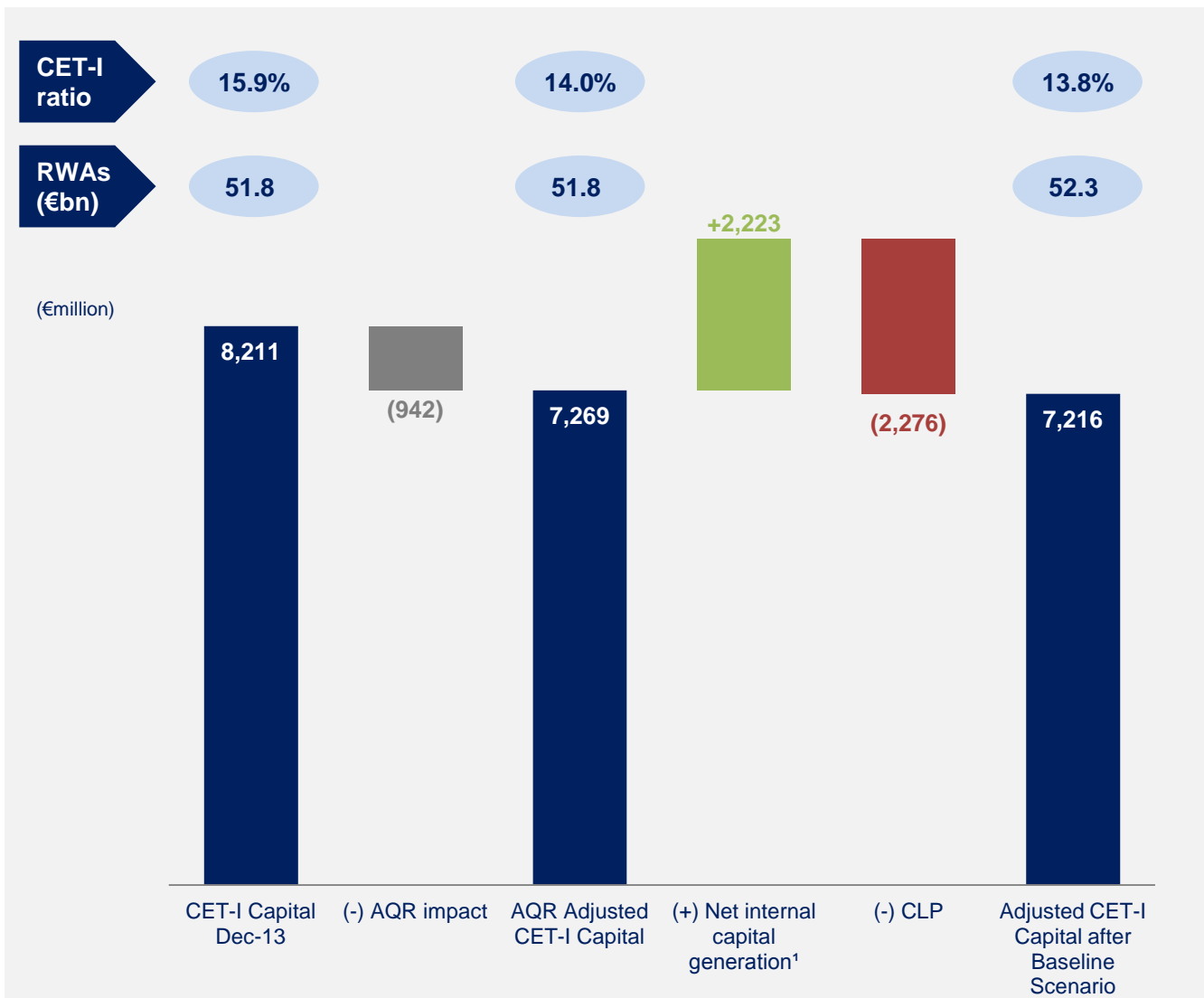


Note: Reported Dec-13 CET-I and RWA (starting point) based on ECB, Basel 3 adjusted, figures used in the Comprehensive Assessment

The Static Baseline Analysis leaves Alpha Bank with a resulting 13.8% CET-I ratio



Baseline scenario analysis (static assumptions)

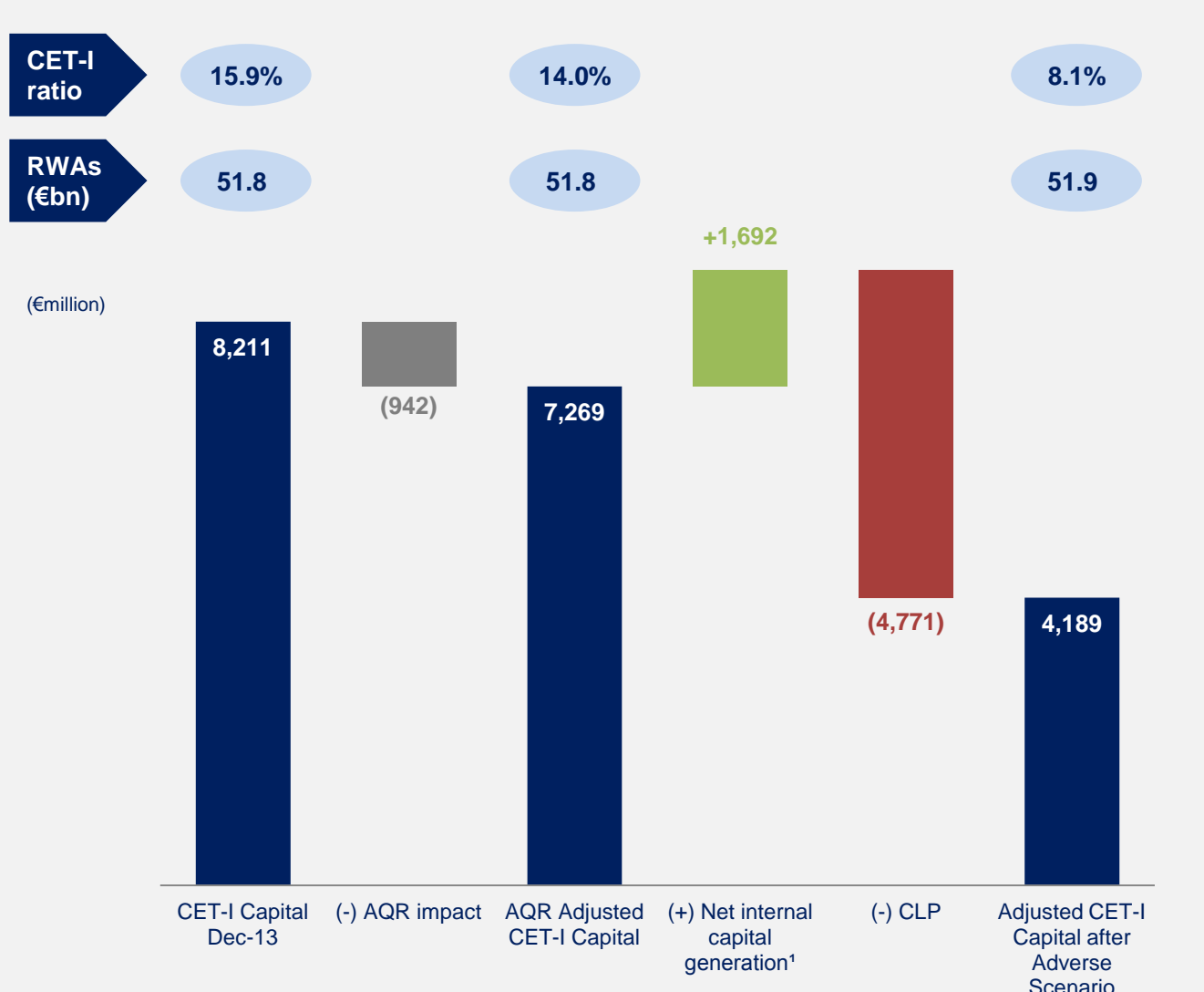


- Strong 13.8% Common Equity Tier I ratio assuming a static baseline analysis
- Overall impact limited to the negative AQR impact with capital generation off-setting the expected credit losses
- Common Equity Tier I capital post AQR, Stress Test (including join-up impact with AQR) still ahead north of €7 billion
- Alpha Bank’s capital structure is characterized by:
 - High share of tangible equity as a percentage of total capital base
 - Low leverage
 - Conservative allocation of capital for Credit RWA due to standardized approach
 - Immaterial amount of minority interests and low intangibles
 - Effectively no insurance risk

Note: AQR impact is post tax, ST includes Join Up impact with AQR; ¹ Includes PPI 2014-2016 of €3,000mn and other measures (AFS revaluation impact, DTA)
 Note2: Reported Dec-13 CET-I and RWA (starting point) based on ECB, Basel 3 adjusted, figures used in the Comprehensive Assessment

While the Static Adverse Scenario Analysis results in a pro-forma 8.1% CET-I ratio, still well above the ECB 5.5% Hurdle Rate by a Comfortable Margin

Adverse scenario analysis (static assumptions)



- Common Equity Tier I ratio in the static adverse scenario at 8.1% against the 5.5% threshold, even before any capital actions apart from internal capital generation after Dec-13 are included
- With conservative assumptions on internal capital generation and credit losses, Alpha Bank still manages to pass the 5.5% hurdle rate for adverse scenario with a comfortable margin
- Ultimate Common Equity Tier I capital exceeds, after conservative adverse scenario assumptions, €4 billion

Note: AQR impact is post tax, ST includes Join Up impact with AQR; ¹ Includes PPI 2014-2016 of €2,366mn and other measures (AFS revaluation impact, DTA)
 Note2: Reported Dec-13 CET-I and RWA (starting point) based on ECB, Basel 3 adjusted, figures used in the Comprehensive Assessment

Overall Alpha Bank Successfully Completes Comprehensive Assessment with Significant Buffers in both Static and Dynamic Assumptions

Alpha Bank Comprehensive Assessment results summary

€ million	Reported Dec-13	Static		Dynamic	
		Baseline Dec-16	Adverse Dec-16	Baseline Dec-15 ⁽¹⁾	Adverse Dec-16
CET-I	8,211	7,216	4,189	7,694	5,013
RWA	51,754	52,261	51,918	57,764	59,316
CET-I ratio	15.9%	13.8%	8.1%	13.3%	8.5%
Hurdle rates		8.0%	5.5%	8.0%	5.5%
Excess capital		+3,035	+1,334	+3,073	+1,750

- Results include cumulative impact of:
 - Results of the Asset Quality Review (AQR)
 - Stress Test (ST) impact (including impact of Join Up with AQR)

- Under the static assumptions, Alpha Bank has a pro forma CET-I ratio of 13.8% implying excess capital of €3,035mn as per the baseline scenario and pro forma CET-I ratio of 8.1% implying excess capital of €1,334mn as per the adverse scenario

Note: Reported Dec-13 CET-I and RWA (starting point) based on ECB, Basel 3 adjusted, figures used in the Comprehensive Assessment
⁽¹⁾ as final outcome is considered the lowest capital level over the 3-year period i.e. 31/12/2015

Static Assumptions do not include Number of Developments with Direct Capital Impact on Alpha Bank incurred during 6M'14

Description of developments with direct capital impact realized post December 31, 2013

	€ million
Additional buffer from actions completed during 6M'14 and not included in the Comprehensive Assessment	+1,443
▼	
Capital increase and repayment as capital surplus	+260
Capital increase	+1,200
Preference shares repayment	(940)
New DTA recognition and DTA to tax credit conversion as capital buffers	+1,060
New DTA recognition in 6M'14	+420
Transformation of DTA to tax credit ¹	+640
6M'14 PPI over-performance vs. stress test²	+123

- Static ECB Comprehensive Assessment assumptions do not include number of developments already realised by Alpha Bank during the 6M'14
- These developments include
 - The net capital increase and preference share repayment impact
 - New DTA recognition in H1'14
 - DTA to tax credit conversion
 - Outperformance during 6M'14 vs. Stress test assumptions
- Overall positive impact exceeds €1.4 billion above and beyond any static capital buffer of the Comprehensive Assessment

¹ Based on law 4302/2014

² Based on €578mn realized PPI during H1'14 and €910mn FY'14 static assumptions adverse scenario PPI (€455mn assumed in H1'14 for illustrative purposes)

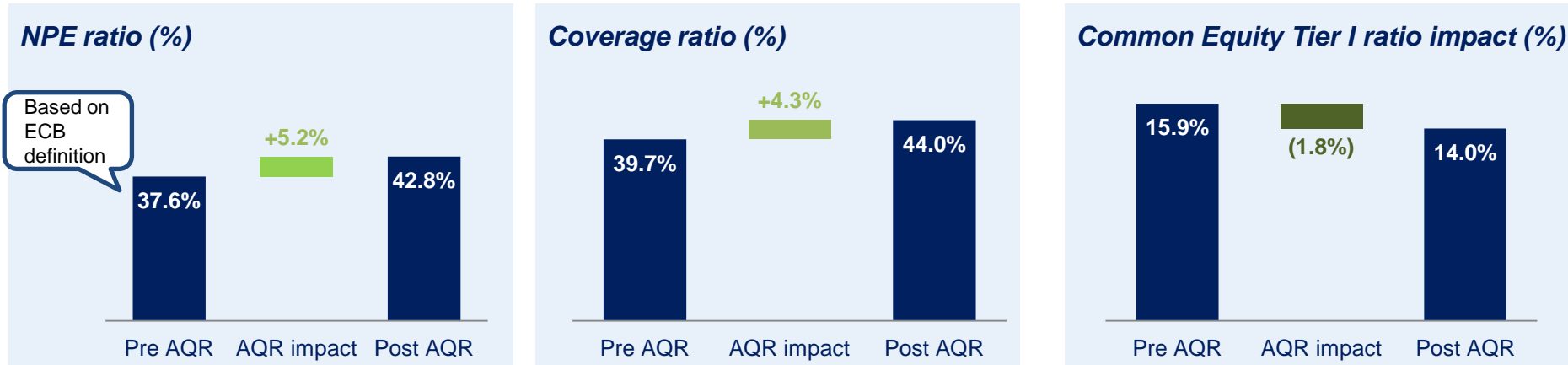
AQR adjustments summary

	NPE ratio ¹		
	Pre AQR	AQR impact	Post AQR
Corporate exposures	35.0%	+8.5%	43.5%
Retail exposures	40.5%	+1.4%	41.9%
<i>o.w. Residential Real Estate exposures</i>	32.0%	+1.8%	33.9%
Total	37.6%	+5.2%	42.8%
	Coverage ratio		
	Pre AQR	AQR impact	Post AQR
Corporate exposures	46.4%	+4.5%	50.9%
Retail exposures	33.4%	+4.0%	37.4%
<i>o.w. Residential Real Estate exposures</i>	22.4%	+6.6%	29.0%
Total	39.7%	+4.3%	44.0%

- Asset Quality Review resulted in limited adjustments to the Alpha Bank pre AQR figures
- The NPE ratio, increased from 37.6% to 42.8%, while coverage on the AQR adjusted NPEs increased from 39.7% to 44.0%, based on the ECB AQR perimeter
- Nearly 35% of the total AQR impact from extrapolation method
- Across segments coverage ratio increased c.4.5% on corporate exposures and c.6.6% on residential real estate exposures

¹ Based on the ECB AQR perimeter

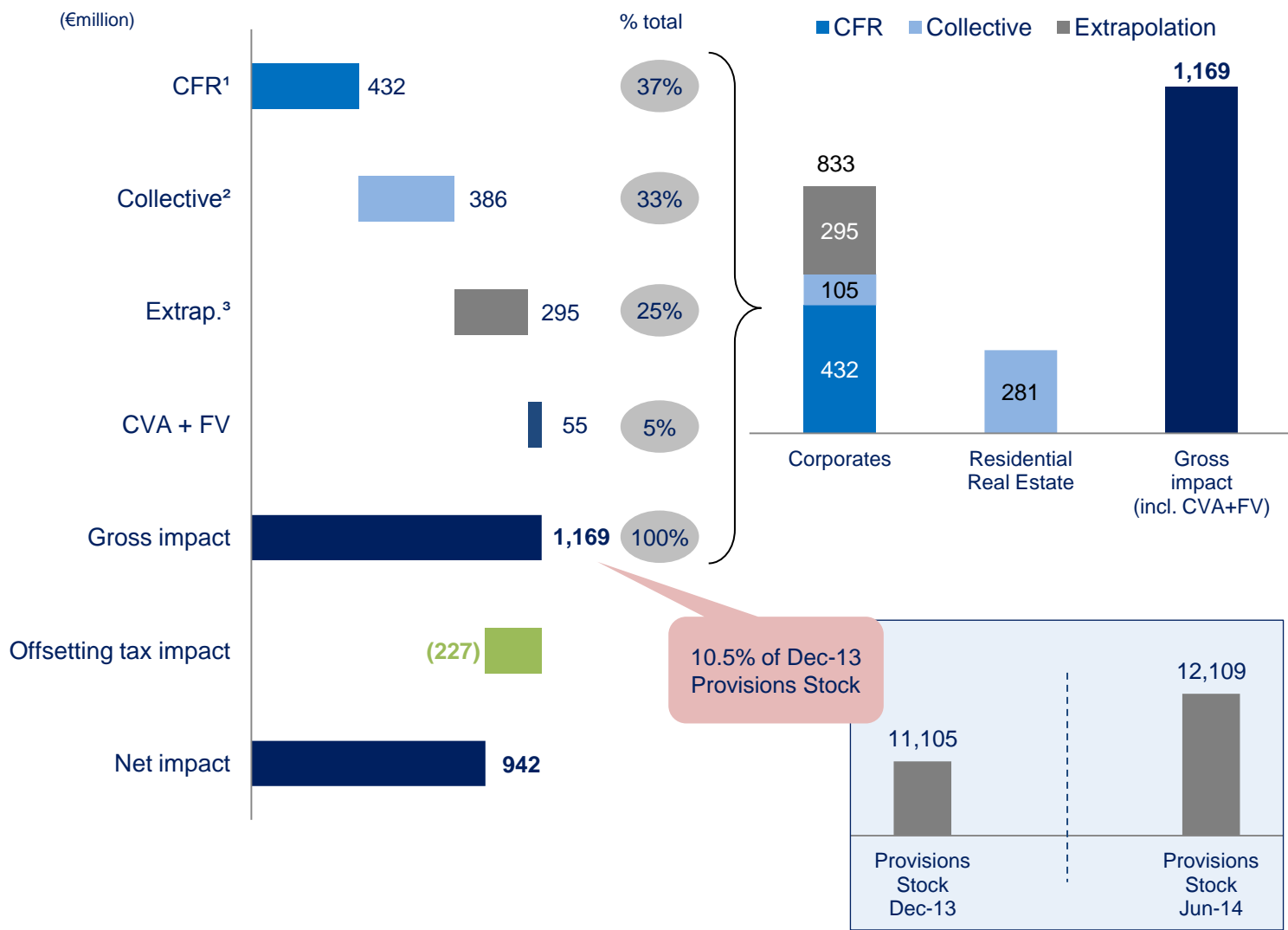
Alpha Bank Asset Quality Review (AQR) impact



Note: Coverage ratios displayed cover only the exposure that was marked as non-performing pre-AQR. Therefore exposures that were newly reclassified to NPE during the AQR are NOT included in the calculation

Ultimately the AQR adjustments had a 1.8% impact to the pre AQR CET I ratio

AQR adjustments breakdown by source and by type



- Adjustments to NPEs and provisions confirmed consistent asset quality practices of Alpha Bank
- Largest bucket of provisions from credit file reviews (sample reviews) representing 37% of total gross impact
- Credit file reviews and CFR extrapolation on unsampled portfolios mainly stemming from corporate exposures
- Even under the conservative AQR assumptions, the €1.2bn provision adjustments brings limited impact to the static Common Equity Tier I ratio

¹ CFR (Credit File Review); ² Challenger Model recalibration; ³ CFR extrapolation on unsampled portfolios

Appendix

EBA macroeconomic assumptions

Macroeconomic Factors in %	Baseline			Adverse		
	2014	2015	2016	2014	2015	2016
Real GDP growth	0.6	2.9	3.7	-1.6	-0.6	1.2
Inflation	-0.6	0.2	1.1	-1.0	-0.9	-0.7
Unemployment ratio	26.0	24.0	19.5	26.5	25.3	21.6
Residential Property Price	-7.7	-3.7	-1.2	-11.1	-9.9	-7.9
Commercial Property Price	-3.7	-0.8	0.6	-5.9	-4.5	-3.5