ALPHA SERVICES AND HOLDINGS

Q2 2023 Results

Press Release

Key Financial metrics

	H1 2023	Q2
Reported profit after income tax	€302.6mn	€191.4mn
Normalized[1] profit after tax	€357mn	€195mn
Normalized[1] Return on tangible book value (RoTBV)	12.0%	13.1%
Fully-loaded Common Equity Tier 1[2] (CET1%)	13.6%	13.6%
Tangible Book Value per Share	€2.59	€2.59

Key takeaways

- Normalised[1] ROTE at 13.1%
- Strong capital generation year to date with capital ratios now exceeding Management target. FL CET1 at 13.4%, up 109bps q/q on 71bp of organic capital generation and 56bp from the conclusion of NPE transactions and a synthetic securitization as well as taking into account dividend accrual; Pro forma for remaining RWA relief FL CET1[2] stands at 13.6% and Total Capital ratio at 18%.
- Performing loan balances up by €0.4bn q/q to €31.5bn, up +3% y/y; underpinnings for loan growth remain solid in the medium term.
- Customer deposits up €1.6bn q/q to €51.8bn driven by Businesses; AuMs +0.3bn q/q. Time deposits at 25% of domestic deposit base, +3pp q/q with deposit beta evolving in line with benign sector trends.
- Further de-risking of the Balance sheet through the completion of Projects "Sky" and "Hermes" of a total gross book value of c.€3bn, previously in the Held-for-Sale. NPE ratio at 7.6%, stable q/q, reflecting benign asset quality flows and pipeline of curings. NPE stock at €3bn with 85% in secured loans, mostly retail. Cash coverage at 40%.
- Senior Preferred issuance in June 2023 (€500mn 6NC5, 6.875% coupon) further diversifies funding sources and builds the capital stack. MREL ratio post issuance at 24.34%, implying a surplus of 4.4% or €0.6bn over January 1, 2023 non-binding target.
- Q2 Normalized profit after tax of International operations grew 21% q/q and 65% y/y.

Summary trends

- Net Interest Income growth continued, albeit at a slower pace of +3% q/q on a recurring basis, driven by higher income from loans and securities on higher rates, offsetting the increase in deposit costs. NIM at 2.3%. First half net interest income up +48.5% y/y.
- Net Fee & Commission income at €97.1mn, +10.5% q/q on growth in business credit related fees and cards & payments on the back of higher levels of activity. H1 2023 recurring fees up 10.7% y/y, on a like for like basis excluding Merchant acquiring business.
- Recurring OPEX at €240.4mn, +3% higher q/q, mainly due to property tax and insurance costs as well as reflecting higher IT investment. H1 2023 recurring OPEX up 0.9%[3] y/y.
- Core PPI up by +7.5% q/q, on higher top line and improved fee performance. H1 2023 Core PPI up +78.6%, driven by strong Core Income increase (+30.5% y/y) and improving costs (-2.6% y/y), supporting the outlook for 2023.
- Cost of Risk at 76bps in Q2 with underlying impairments of €60.7mn and NPE servicing fees of €12.8mn, below 2023 guidance, reflecting benign asset quality flows.
- Normalised Profit After Tax of €195mn in Q2 2023, is Reported Profit /(Loss) After Tax of €191mn excluding (a) non-recurring Operating Expenses of €12mn, (b) NPA transactions impact of €5mn and €3mn tax charge related to the above.

"We are now fully focused on our fundamental task of supporting Greek businesses and households"

"In the first half of 2023 we have shown solid progress towards our ambitious targets. Normalized profits of €357 million are up 78% year-on-year, and 20% quarter-on-quarter, on the back of solid operating trends.

Top line growth continues to dominate the picture as tailwinds from higher rates are further strengthened by our active commercial policy framework. We are growing our asset side in a sustainable way, whilst remaining disciplined on pricing, and our strong franchise allows us to increase our liability side with the use of moderate pricing. Fees and commissions are on an upward trend as we see higher levels of activity and further growth in investment products. Costs remain well contained as our efficiency drive continues to generate improvements in our operational performance, with the cost-income ratio at 44%, our lowest since the onset of the Greek crisis.

We continue to strengthen the resilience of our balance sheet and we have achieved an impressive €1 billion buildup of regulatory capital through a combination of strong organic capital generation and a series of well-timed transactions. Following on from our inaugural AT1 issuance in February, we successfully closed two milestone NPE transactions (projects Sky and Hermes) and a synthetic securitization that further enhanced our capital and liquidity profile. The completion of a €500 million senior preferred bond issuance further strengthened our MREL buffers and is testament to our market acumen and unequivocal commitment to expand and diversify our funding base.

Looking ahead, on the back of strong operating momentum in the first half in Greece and the other countries we operate, we are upgrading our profitability guidance for 2023, targeting a return on tangible book value well in excess of 11% (from 10% before), compared to the 7.5% delivered in 2022. We approach the future with a renewed sense of optimism and excitement, as we are determined in executing our Plan.

Increasing competitiveness and a strong boost of private and public investment are pushing Greece's growth to more than 2.5% this year, well above the EU average. This is the context in which we set out the future direction of the Group at our Investor Day in June, as we unveiled our strategy for 2023-2025 that will create value by building on our key strengths, notably the substantial value of the Alpha Bank franchise and its competitive advantage in serving profitable client segments.

We remain cognizant of our corporate responsibility to support the communities we operate in. Our flagship program "Together, for better Health" supports fellow citizens in remote areas by providing them equal access to health services. The social impact of the program, as has been recently measured in the latest area we implemented it, was a tenfold of the investment we provided. In addition, we continue to co-finance the state-sponsored "My Home" housing program for young people and we issued more than 1.2 million cards in the context of financial aid programs. At the same time, holders of €3.8bn of mortgages are participating in our reward program, significantly limiting the impact from the continuing increase in interest rates.

Our relentless commitment to the execution of our strategy has ensured we are firmly on track to resume the payment of dividends from 2023 profits, subject to the normal regulatory approval, and I reiterate our intention to increase the amount of capital we plan to return to investors in the coming years. We are now fully focused on our fundamental task to support Greek people and businesses in the move towards economic sustainability and green transition. This is in full alignment with our newly released Purpose to "Enable progress in life and business for a better tomorrow." We are determined to lead the recovery and transformation of the Greek economy for the benefit of our shareholders and our stakeholders."

Vassilios Psaltis, CEO

Key Financial Data

P&L | Group (€mn)	H1 2023	H1 2022	YoY (%)	Q2 2023	Q1 2023	QoQ (%)
Net Interest Income	863.7	581.6	48.5%	440.1	423.6	3.9%
Net fee & commission income	185.0	204.3	(9.4%)	97.1	87.9	10.5%
Income from financial operations	43.2	108.5	(60.2%)	28.9	14.3	...
Other income	23.0	35.3	(35.0%)	13.0	9.9	31.1%
Core banking income	1,048.7	785.9	33.5%	537.2	511.5	5.0%
Operating Income	**1,114.9**	**929.7**	**19.9%**	**579.1**	**535.8**	**8.1%**
Core Operating Income	**1,071.7**	**821.2**	**30.5%**	**550.2**	**521.5**	**5.5%**
Staff Costs	(190.9)	(188.3)	1.4%	(94.7)	(96.2)	(1.6%)
General Administrative Expenses[3]	(200.5)	(218.9)	(8.4%)	(103.6)	(96.9)	7.0%
Depreciation & Amortization	(82.3)	(79.2)	3.9%	(42.1)	(40.2)	4.7%
Recurring Operating Expenses	**(473.8)**	**(486.4)**	**(2.6%)**	**(240.4)**	**(233.3)**	**3.0%**
Excluded items[4]	(50.0)	2.7	...	(11.5)	(38.4)	(70.0%)
Total Operating Expenses	**(523.7)**	**(483.7)**	**8.3%**	**(252.0)**	**(271.8)**	**(7.3%)**
Core Pre-Provision Income	**597.9**	**334.8**	**78.6%**	**309.8**	**288.1**	**7.5%**
Pre-Provision Income	**591.1**	**446.0**	**32.5%**	**327.1**	**264.0**	**23.9%**
Impairment Losses	(145.3)	(139.9)	3.9%	(73.4)	(71.9)	2.2%
Other Impairment Losses	(10.2)	5.8	...	(2.9)	(7.2)	(59.8%)
Profit/ (Loss) Before Income Tax	**435.6**	**311.8**	**39.7%**	**250.8**	**184.9**	**35.7%**
Income Tax	(114.8)	(79.0)	45.4%	(64.6)	(50.2)	28.6%
Profit/ (Loss) after income tax	**320.8**	**232.9**	**37.8%**	**186.2**	**134.6**	**38.3%**
Impact from NPA transactions[5]	(18.2)	(215.2)	...	5.2	(23.5)	...
Discontinued operations and other	0.0	220.9	...	0.0	0.0	...
Profit/ (Loss) After Income Tax	**302.6**	**238.6**	**26.8%**	**191.4**	**111.2**	**72.2%**
Normalised[6] Profit After Tax	**357**	**201**	**77.7%**	**195**	**162**	**20.3%**

Balance Sheet | Group	30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2022	YoY (%)
Total Assets	72,921	73,704	77,406	75,782	73,406	(0.7%)
Net Loans	38,681	38,230	38,858	38,098	37,787	2.4%
Securities	15,502	14,651	13,096	12,395	10,957	41.5%
Deposits	51,795	50,229	50,094	48,496	46,850	10.6%
Shareholders' Equity	6,577	6,372	6,181	6,138	6,091	8.0%
Tangible Book Value	6,073	5,859	5,715	5,671	5,613	8.2%

Key Ratios | Group	H1 2023	Q1 2023	FY 2022	9M 2022	H1 2022
Profitability					
Net Interest Margin (NIM)	2.3%	2.2%	1.7%	1.6%	1.6%
Cost to Income Ratio (Recurring)	44.1%	44.7%	54.8%	56.3%	59.2%
Capital					
FL CET1[2]	13.6%	12.8%	12.5%	12.1%	11.7%
FL Total Capital Ratio[2]	18.0%	17.1%	16.8%	15.2%	14.7%
Liquidity					
Loan to Deposit Ratio (LDR)	75%	76%	78%	79%	81%
LCR	176%	164%	161%	161%	163%
Asset Quality					
Non-Performing Loans (NPLs)	1,493	1,517	1,656	1,737	1,671
Non-Performing Exposures (NPEs)	3,009	2,980	3,116	3,214	3,233
NPL ratio (%)	3.8%	3.9%	4.1%	4.3%	4.2%
NPE ratio (%)	7.6%	7.6%	7.8%	8.0%	8.2%

Business Update

Persistent inflationary pressures have significantly altered the interest rate environment, leading to an increase in borrowing costs and a tightening of credit conditions. The receipt of significant stimulus packages, the strengthening of FDI alongside high levels of bank liquidity and the anticipated sovereign upgrade to investment grade should significantly soften or even reverse the impact on Greece, underpinning its relative economic resilience.

At the Investor Day in June, Alpha Bank unveiled its future strategic direction for 2023-2025 and provided a revised set of targets for creating value and empowering growth. Year-to-date, delivery on the Bank's business plan targets has come at pace, with improving core profitability benefiting from an expanding top line, a firm focus on cost efficiency notwithstanding inflationary pressures, a stronger balance sheet, healthy capital generation and further progress towards meeting our MREL targets. Improved operating trends amidst a favorable interest rate environment have led to an upgrade of the 2023 profitability guidance to over 11%, (from 10%). The Bank will continue on this trajectory of generating profitable growth and accelerating value creation for its shareholders.

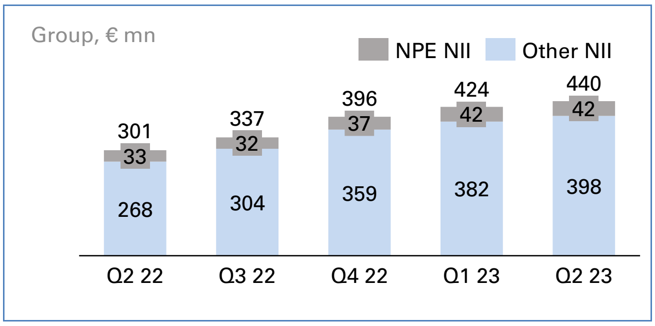
Profitability

Higher rates fuel top line growth; CoR at 76bps in Q2

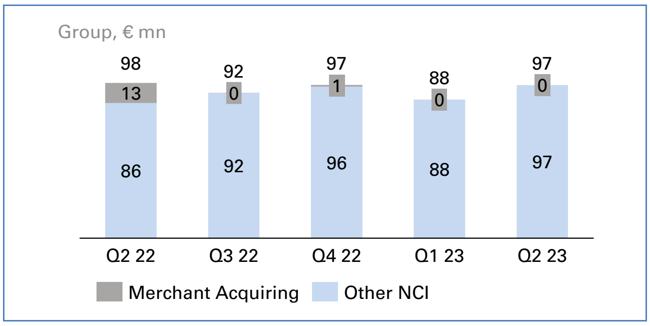
Operating trends drive improvement in main components of recurring profits

- Net interest income expansion continued, up by +3.9% or 3% on a recurring basis, on the back of higher rates and increased income from securities, with improved quality as the contribution of NPEs fell to 10% from 12% a year ago; First half NII up by 48.5% y/y.
- Fees and commissions expanded to €97.1mn vs. to €87.9mn in the previous quarter, driven by a recovery of business credit related fees and a higher contribution from cards & payments.
- Recurring operating expenses up by 3% on higher property tax and insurance costs as well as a higher depreciation charge primarily on intangible assets. First half recuring costs[3] +0.9% higher on the back of investments and inflationary pressures.
- Cost of Risk excluding transactions at 76bps in Q2 reflecting de-risked portfolio and benign trends in asset quality.

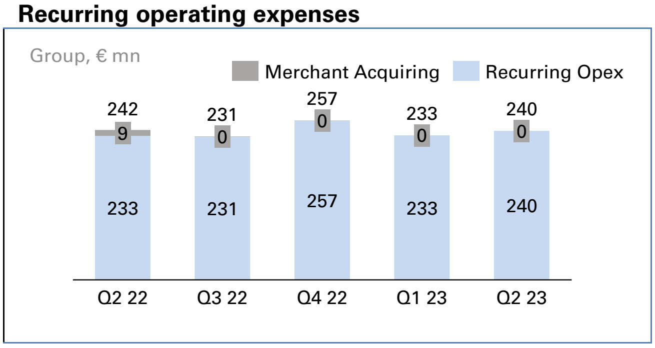
Net interest income



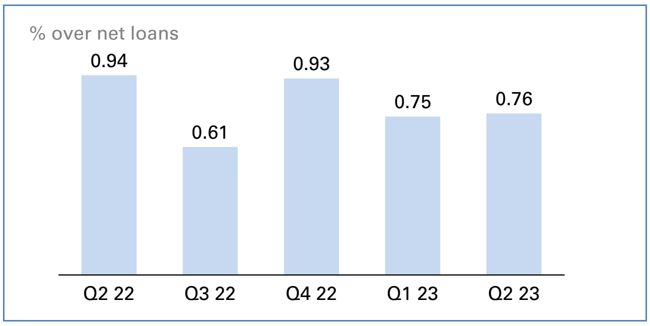
Net fee and commission income



Recurring operating expenses

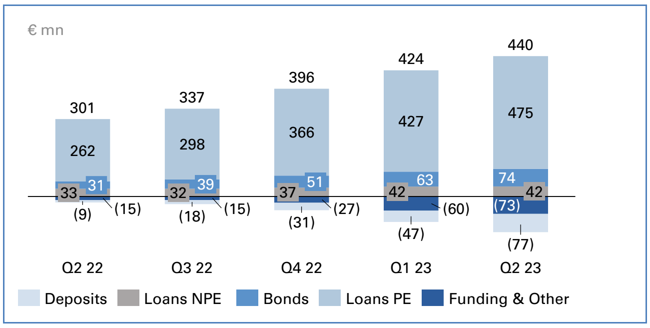


Cost of risk

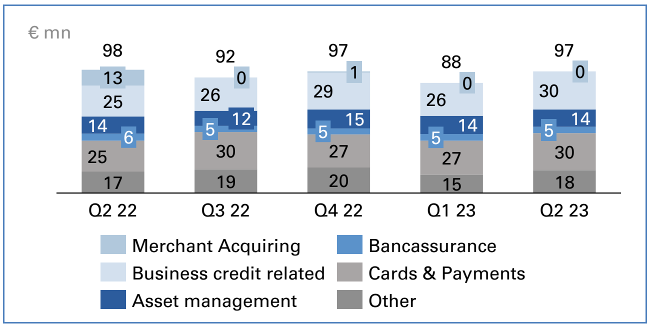


Core banking income up +5% q/q

NII decomposition



Net F&C Income decomposition



Further top line growth (+3.9% q/q)

Net Interest Income rose by €16.5mn, or +3.9% q/q to €440.1mn. The headline performance in Q2 was positively impacted by a €4.7mn calendar days' effect versus Q1. On a recurring base, NII increased by +2.7%, driven by higher income from loans and securities, offsetting the increase in deposit costs, while funding costs remained flat q/q as the increased cost of repos offset the higher income from deposits at the ECB. NIM was up by 10bps q/q to 2.3%.

Business credit and cards & payments fees drive 10.5% q/q growth.

Net fee and commission income stood at €97.1mn, up by 10.5% q/q or €9.2mn, on higher loan generated fees, reflecting a recovery in the Bank's new disbursements alongside a higher contribution from cards & payments. H1 recurring fees up by 10.7% y/y on a like for like basis excluding Merchant acquiring business, driven by higher business credit related fees as well as increased contribution from cards and Asset Management.

Income from financial operations came in at 28.9mn, benefitting from gains attributed to the valuation of derivatives and gains from FX differences.

Other income stood in at €13mn in Q2 2023.

Recurring OPEX witnessed an uptick in Q2 (+3% q/q), mainly on inflationary pressures

Recurring Operating expenses increased by 3% q/q, or €7mn, to €240.4mn, due to higher property tax, insurance costs as well as an increased depreciation charge primarily on intangible assets.

Total Operating Expenses stood at €252mn, down by 7.3%, driven by lower non-recurring costs ("excluded items") of €11.5mn vs €38.4mn in Q1 2023, related to the cost of the Voluntary Separation Scheme (VSS) completed in Q1 2023. H1 recurring costs were up +0.9% on IT investments and inflationary pressures.

Cost of Risk reflects resilience of the NPE book

The **underlying loan impairment** charge stood at €60.7mn, up from €58.7mn in the previous quarter. **Servicing fees** amounted to €12.8mn vs. €13.3mn in the previous quarter.

Excluding the impact of transactions, **Cost of Risk** in Q2 2023 stood at 76bps over net loans (including servicing fees) vs. 75bps in the previous quarter. Cost of Risk including the impact of transactions stood at 81bps, out of which 5bps related to NPE transactions, vs. 119bps in the previous quarter.

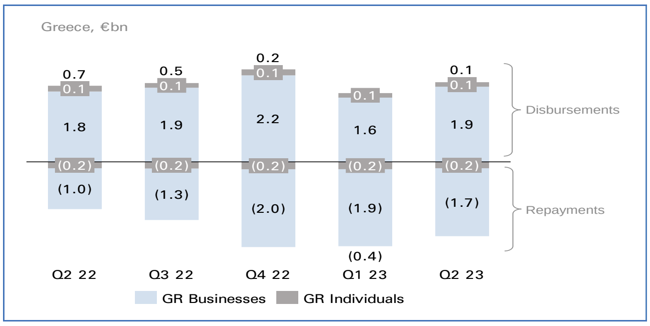
The **impact of NPA Transactions**[4] was positive at €5.2mn, impacted by gains of €8mn associated with Project "Sky", vs. a €23.5mn charge in Q1 2023.

Other impairment losses in Q2 2023 amounted to €2.9mn.

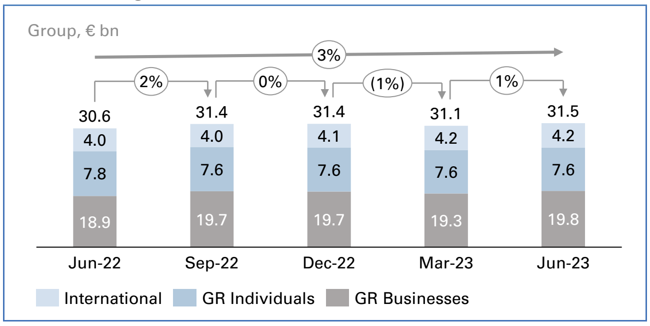
Balance Sheet Highlights

Performing loan portfolio up +1% q/q

Net credit expansion



Performing loan book expansion



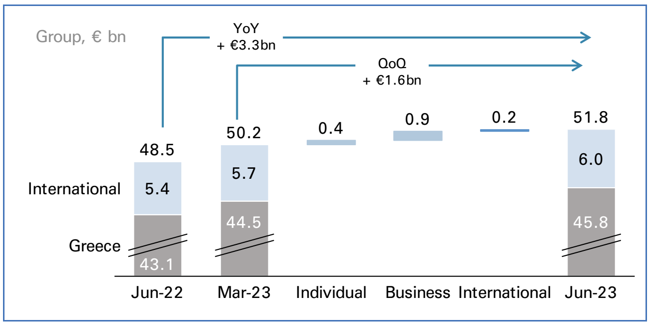
New disbursements in Greece increased to €2bn in Q2, allocated to key sectors including trade, transportation, energy, manufacturing and tourism. Note that the gross loan figure includes €5.2bn of retained senior notes associated with the Galaxy and Cosmos NPE securitizations.

The Group's **performing loan book** (excluding the Galaxy and Cosmos senior notes) expanded in Q2 to €31.5bn (+1% q/q), reflecting the pickup of new loan originations and a slowdown in repayments. On a yearly basis, performing loans expanded by 3% with 6% growth in Greek Business loans and 5% in International, while loans to Greek Individuals were down -3%.

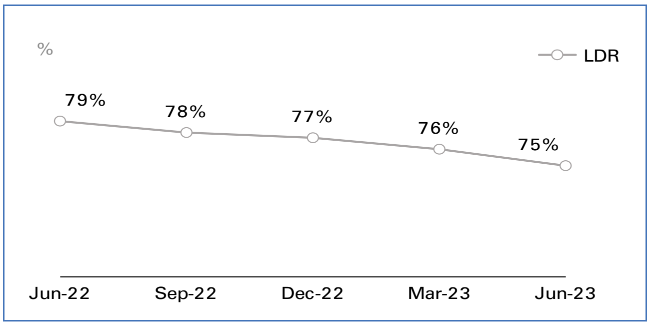
Net credit expansion in Greece stood at €0.1bn reflecting improved credit demand mainly from businesses whereas the uptick in repayments witnessed in the previous two quarters dissipated. Disbursements expected to grow in the coming quarters on the back of a healthy pipeline.

Customer deposits up +€1.6bn q/q

Deposits evolution



Group LDR



The Group's deposit base increased by €1.6 bn q/q to €51.8bn, reflecting higher term deposits from both businesses and households. On an annual basis, the Group's deposit base expanded by €3.3bn.

Time deposits trended up, accounting for 25% of the domestic deposit base. The cost of time deposits increased to 1.86%, including the impact of USD time deposits, vs. 1.14% in the previous quarter. As of the second quarter, the total stock of deposits had a beta of 13% with the euro deposit beta at 9%, driven by the slow migration to time deposits and a higher Euribor rate.

Comfortable liquidity metrics

Following the repayment of a further €4bn of TLTRO funding in June 2023, the Group's **TLTRO funding** was reduced to €5bn at the end of Q2. The Bank's blended funding cost stood at 118bps in the quarter, up from 90bps in Q1 2023, mainly attributable to the higher cost of deposits.

The Group's strong liquidity profile is evidenced by the net **Loan-to-Deposit** ratio of 75%, the Group's LCR increased to 176% vs. 164% in the previous, far exceeding regulatory thresholds. In June, the Bank successfully completed a €500mn senior preferred issuance, further diversifying its funding sources and building-up its MREL capital stack.

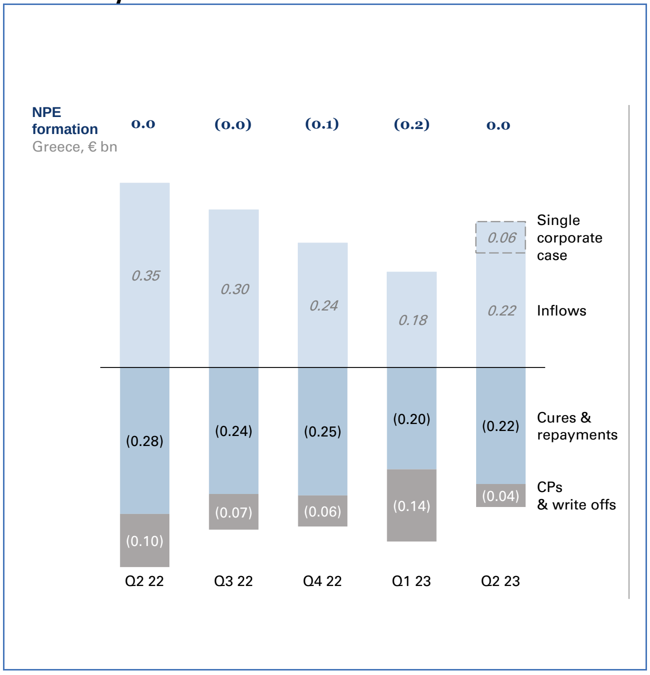
Asset Quality

NPE ratio flat q/q

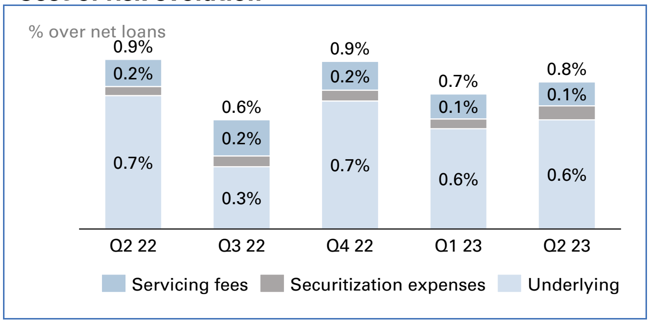
The **NPE stock in Greece** remained flat at €2.8bn, as higher inflows mainly attributed to a single corporate exposure were fully offset by robust curing activity and repayments. The **NPE ratio** at the Group level remained stable at 7.6%.

In Q2 2022, two large transactions with a total gross book value of c.€3bn (Hermes and Sky), previously in the Held-for-Sale have been completed, further de risking our NPE plan.

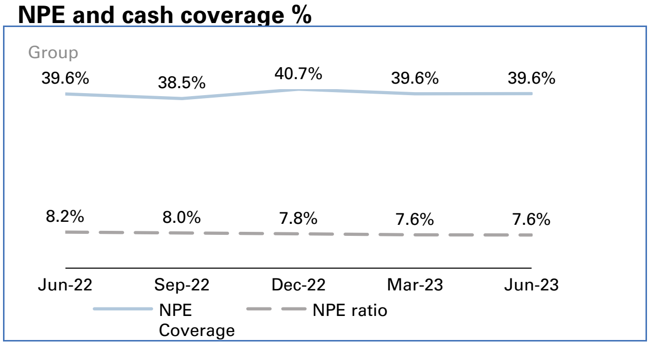
Quarterly NPE Formation



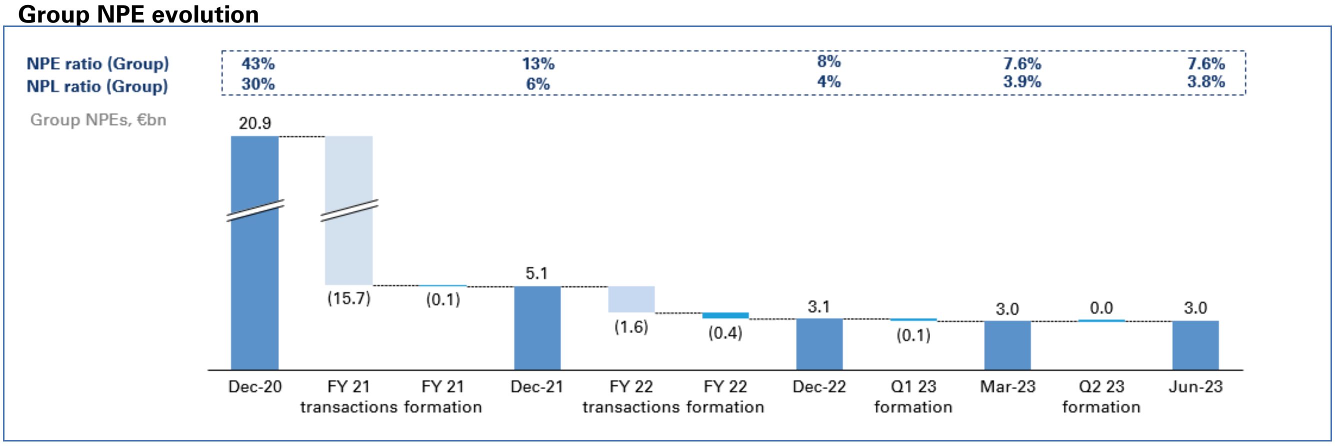
Cost of risk evolution



NPE and cash coverage %



Group NPE evolution



Group NPE Coverage reflects underlying asset mix

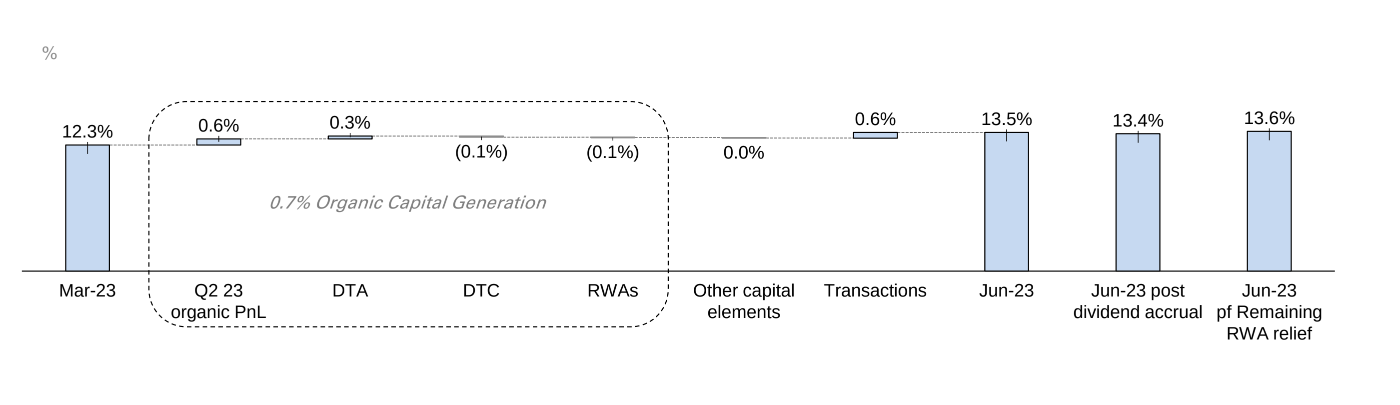
The **Group's NPE cash coverage** stood at 40% at the end of Q2, while total coverage including collateral reached 111%. The **Group NPL coverage ratio** reached 80%, while total coverage including collateral reached 144%.

The coverage ratio reflects the underlying asset mix, with a high bias towards retail secured exposures and a large portion consisting of paying customers. Out of the €3bn stock of NPEs for the Group, more than half are mortgages (50% of stock), with a significant portion of Forborne exposures less than 90dpd (45% stock or €1.4bn).

Capital

FL CET 1 at 13.6%[2] exceeding management target

Capital evolution (q/q)



The Group's **Fully Loaded CET 1 Capital** base stood at €4.3bn, resulting in a Fully Loaded CET 1 ratio of 13.5%, or 13.4% post dividend accrual, up by 109bps q/q. The move was primarily attributable to a 71bps positive contribution from organic capital generation and 56bps positive impact from the conclusion of two NPE transactions and a synthetic securitisation. Accounting for the remaining RWA relief stemming from the Bank's NPE transactions, the Group's FL CET 1 Ratio stands higher at 13.6%, with a further benefit of c20bps from planned synthetic securitizations envisaged for 2023.

The respective **Fully Loaded Total Capital Ratio** stands higher 18.0% in June 2023, when factoring the aforementioned RWA relief from transactions.

International operations

The international operations posted a normalised net profit of €33mn, up from €27mn in the preceding quarter and €20mn in Q2 2022. Net interest income was up by 10% in Q2, with net fee and commission income increasing by 3%. Recurring operating expenses declined by 6% q/q due to the annual cost contribution to the Resolution and Deposit Guarantee fund of Romania that was registered in the first quarter. Impairments amounted to €2m for the quarter versus a reversal of €2mn in the previous quarter. Net loans were flat at €4.2bn (+0.3%), while deposits expanded to €6bn.

In H1 2023, Normalised Net Profit reached €61mn compared to €21mn a year ago with a strong increase in net interest income (+63%) stemming from higher rates and a significant improvement in operational efficiency (cost-income down by 26p.p. y/y), contributing 17% to Group profits and generating an ROCET1[7] of 32%.

Athens, August 9, 2023

Alternative Performance Measures ("APMs")

Reference number	Terms	Definitions	Relevance of the metric	Abbreviation
1	Accumulated Provisions and FV adjustments	Sum of Provision for impairment losses for loans and advances to customers, the Provision for impairment losses for the total amount of off balance sheet items exposed to credit risk as disclosed in the Consolidated Financial Statements of the reported period, and the Fair Value Adjustments (10).	Standard banking terminology	LLR
2	Core Banking Income	Sum of Net interest income and Net fee and commission income as derived from the Consolidated Financial Statements of the reported period.	Profitability metric	
3	Core deposits	Sum of "Current accounts", "Savings accounts" and "Cheques payable", as derived from the Consolidated Financial Statements of the reported period, taking into account the impact from any potential restatement.	Standard banking terminology	Core depos
4	Core Operating Income	Operating Income (35) less Income from financial operations (18) less management adjustments on operating income for the corresponding period.	Profitability metric	
5	Core Pre-Provision Income	Core Operating Income (4) for the period less Recurring Operating Expenses (45) for the period.	Profitability metric	Core PPI
6	Cost of Risk	Impairment losses (14) for the period divided by the average Net Loans of the relevant period. Average balances is defined as the arithmetic average of balance at the end of the period and at the end of the previous period.	Asset quality metric	(Underlyin g) CoR
7	Cost/Assets	Recurring Operating Expenses (45) for the period (annualized) divided by Total Assets (18).	Efficiency metric	
8	Deposits	The figure equals Due to customers as derived from the Consolidated Balance Sheet of the reported period.	Standard banking terminology	
9	Extraordinary costs	Management adjustments on operating expenses, that do not relate to other PnL items.		
10	Fair Value adjustments	The item corresponds to the accumulated Fair Value adjustments for non-performing exposures measured at Fair Value Through P&L (FVTPL).	Standard banking terminology	FV adj.
11	Fully-Loaded Common Equity Tier 1 ratio	Common Equity Tier 1 regulatory capital as defined by Regulation No 575/2013 (Full implementation of Basel 3) divided by total Risk Weighted Assets.	Regulatory metric of capital strength	FL CET 1 ratio
12	Gross Loans	The item corresponds to Loans and advances to customers, as reported in the Consolidated Balance Sheet of the reported period, gross of the Accumulated Provisions and FV adjustments (1) excluding the accumulated provision for impairment losses on off balance sheet items, as disclosed in the Consolidated Financial Statements of the reported period.	Standard banking terminology	
13	Impact from NPA transactions	Management adjustments to income and expense items as a result of NPE/NPA exposures transactions.	Asset quality metric	
14	Impairment losses	Impairment losses on loans (16) excluding impairment losses on transactions (17).	Asset quality metric	
15	Impairment losses of which Underlying	Impairment losses (14) excluding Loans servicing fees as disclosed in the Consolidated Financial Statements of the reported period.	Asset quality metric	
16	Impairment losses on loans	Impairment losses and provisions to cover credit risk on Loans and advances to customers and related expenses as derived from the Consolidated Financial Statements of the reported period, taking into account the impact from any potential restatement, less management adjustments on impairment losses on loans for the corresponding period. Management adjustments on impairment losses on loans include events that do not occur with a certain frequency, and events that are directly affected by the current market conditions and/or present significant variation between the reporting periods.	Standard banking terminology	LLP
17	Impairment losses on transactions	Represent the impact of incorporating sale scenario in the estimation of expected credit losses.	Asset quality metric	
18	"Income from financial operations" or "Trading Income"	Sum of Gains less losses on derecognition of financial assets measured at amortized cost and Gains less losses on financial transactions, as derived from the Consolidated Income Statement of the reported period, less management adjustments on trading income for the corresponding period. Management adjustments on trading income include events that do not occur with a certain frequency, and events that are directly affected by the current market conditions and/or present significant variation between the reporting periods.	Standard banking terminology	
19	Income tax	The figure equals Income tax as disclosed in the Consolidated Financial Statements of the reported period, less management adjustments on income tax for the corresponding period. Management adjustments on income tax include events that do not occur with a certain frequency, and events that are directly affected by the current market conditions and/or present significant variation between the reporting periods.	Standard banking terminology	
20	Leverage Ratio	This metric is calculated as Tier 1 divided by Total Assets (52).	Standard banking terminology	
21	Loan to Deposit ratio	Net Loans (23) divided by Deposits (8) at the end of the reported period.	Liquidity metric	LDR or L/D ratio
22	Net Interest Margin	Net interest income for the period (annualized) divided by the average Total Assets (52) of the relevant period. Average balance is defined as the arithmetic average of balance at the end of the period and at the end of the previous relevant period.	Profitability metric	NIM
23	Net Loans	Loans and advances to customers as derived from the Consolidated Balance Sheet of the reported period.	Standard banking terminology	
24	Non Performing Exposure Coverage	Accumulated Provisions and FV adjustments (1) plus CET 1 deductions used to cover calendar provisioning shortfall divided by NPEs (27) at the end of the reference period.	Asset quality metric	NPE (cash) coverage
25	Non Performing Exposure ratio	NPEs (27) divided by Gross Loans (12) at the end of the reference period.	Asset quality metric	NPE ratio
26	Non Performing Exposure Total Coverage	Accumulated Provisions and FV adjustments (1) plus the value of the NPE collateral, plus CET 1 deductions used to cover calendar provisioning shortfall divided by NPEs (27) at the end of the reported period.	Asset quality metric	NPE Total coverage
27	Non Performing Exposures	Non-performing exposures (27) are defined according to EBA ITS on forbearance and Non Performing Exposures as exposures that satisfy either or both of the following criteria: a) material exposures which are more than 90 days past-due b) The debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due.	Asset quality metric	NPEs
28	Non Performing Exposures Collateral Coverage	Value of the NPE collateral divided by NPEs (27) at the end of the reference period.	Asset quality metric	NPE collateral Coverage
29	Non Performing Loan Collateral Coverage	Value of collateral received for Non Performing Loans (27) divided by NPLs (33) at the end of the reference period.	Asset quality metric	NPL collateral Coverage

30	Non Performing Loan Coverage	Accumulated Provisions and FV adjustments (1) plus CET 1 deductions used to cover calendar provisioning shortfall divided by NPLs (33) at the end of the reference period.	Asset quality metric	NPL (cash) Coverage
31	Non Performing Loan ratio	NPLs (33) divided by Gross Loans (12) at the end of the reference period.	Asset quality metric	NPL ratio
32	Non Performing Loan Total Coverage	Accumulated Provisions and FV adjustments (1) plus the value of the NPL collateral, plus CET 1 deductions used to cover calendar provisioning shortfall divided by NPLs (Non Performing Loans) at the end of the reference period.	Asset quality metric	NPL Total Coverage
33	Non Performing Loans	Non Performing Loans (33) are Gross loans (12) that are more than 90 days past-due.	Asset quality metric	NPLs
34	Normalised Net Profit after (income) tax	Normalised profits between financial year 2022 and 2021 are not comparable due to initiation of a new normalized profits procedure effective since 1.1.2022 which does not exclude specific accounts such as the trading gains account and is based on specific principles and criteria. Main Income and expense items that are excluded for purposes of the normalized profit calculation are listed below: 1. Transformation related: a. Transformation Costs and related Expenses b. Expenses and Gains/Losses due to Non-Core Assets' Divestiture c. Expenses/Gains/Losses as a result of NPE/NPA exposures transactions' 2. Other non-recurring related: a. Expenses/Losses due to non anticipated operational risk b. Expenses/Losses due to non anticipated legal disputes c. Expenses/Gains/Losses due to short-term effect of non-anticipated and extraordinary events with significant economic impact d. Non-recurring HR/Social Security related benefits/expenses e. Impairment expenses related to owned used [and inventory] real estate assets f. Initial (one off) impact from the adoption of new or amended IFRS g. Tax related one-off expenses and gains/losses 3. Income Taxes Applied on the Aforementioned Transactions.	Profitability metric	Normalised Net PAT
35	Operating Income	Sum of Net interest income, Net fee and commission income, Gains less losses on derecognition of financial assets measured at amortized cost, Gains less losses on financial transactions, Other income, Share of profit/(loss) of associates and joint ventures, as derived from the Consolidated Income Statement of the reported period, taking into account the impact from any potential restatement.	Standard banking terminology	
36	Other (operating) income	Sum of Dividend income, Other income, Share of profit/(loss) of associates and joint ventures, insurance revenue/(expenses) and financial income/(expenses) from insurance contracts as derived for the Consolidated Income Statements of the reported period, taking into account the impact from any potential restatement.	Standard banking terminology	
37	Other impairment losses	Impairment losses and provisions to cover credit risk on other financial instruments as derived for the Consolidated Financial Statements of the reported period.	Standard banking terminology	
38	PPI/Average Assets	Pre-Provision Income for the period (39) (annualized) divided by Average Total Assets (52) of the relevant period. Average balance is defined as the arithmetic average of balance at the end of the period and at the end of the previous relevant period.	Profitability metric	
39	Pre-Provision Income	Operating Income (35) for the period less Total Operating Expenses (53) for the period.	Profitability metric	PPI
40	Profit/ (Loss) before income tax	Operating Income (35) for the period less Total Operating Expenses (53) plus Impairment losses on loans (16), plus Other impairments.	Profitability metric	
41	Profit/ (Loss) after income tax from continuing operations	Profit/ (Loss) before income tax (40) for the period less Income tax (19) for the period	Profitability metric	
42	Profit/ (Loss) after income tax from discontinued operations	The figure equals Net profit/(loss) for the period after income tax, from Discontinued operations as disclosed in Consolidated Income Statement of the reported period, less management adjustments. Management adjustments on operating expenses include events that do not occur with a certain frequency, and events that are directly affected by the current market conditions and/or present significant variation between the reporting periods.	Profitability metric	
43	Profit/ (Loss) attributable to shareholders	Profit/ (Loss) after income tax from continuing operations (41) for the period, less Impact from NPA transactions (13), plus Profit/ (Loss) after income tax from discontinued operations (42), plus Non-controlling interests as disclosed in Consolidated Income Statement of the reported period.	Profitability metric	
44	Cost to Income ratio	Recurring Operating Expenses (45) for the period divided by Core Operating Income (4) for the period.	Efficiency metric	C/I ratio
45	Recurring Operating Expenses	Total Operating Expenses (53) less management adjustments on operating expenses. Management adjustments on operating expenses include events that do not occur with a certain frequency, and events that are directly affected by the current market conditions and/or present significant variation between the reporting periods.	Efficiency metric	Recurring OPEX
46	Return on Equity	Net profit/(loss) attributable to: Equity holders of the Bank (annualized), as disclosed in Consolidated Income Statement divided by the Average balance of Equity attributable to holders of the Company, as disclosed in the Consolidated Balance sheet at the reported date, taking into account the impact from any potential restatement. Average balance is defined as the arithmetic average of the balance at the end of the period and at the end of the previous relevant period.	Profitability metric	RoE
47	"Return on Tangible Book Value" or "Return on Tangible Equity"	Net profit/(loss) attributable to: Equity holders of the Bank (annualized), as disclosed in Consolidated Income Statement divided by the Average balance of Tangible Book Value (50). Average balance is defined as the arithmetic average of the balance at the end of the period and at the end of the previous relevant period.	Profitability metric	RoTBV or RoTE
48	RWA Density	Risk Weighted Assets divided by Total Assets (52) of the relevant period.	Standard banking terminology	
49	Securities	Sum of Investment securities and Trading securities, as defined in the consolidated Balance Sheet of the reported period.	Standard banking terminology	
50	Tangible Book Value or Tangible Equity	Total Equity excluding the sum of Goodwill and other intangible assets, Non-controlling interests, Additional Tier 1 capital, and Hybrid securities. All terms disclosed in the Consolidated Balance sheet at the reported date, taking into account the impact from any potential restatement.	Standard banking terminology	TBV or TE
51	Tangible Book Value per share	Tangible Book Value (50) divided by the outstanding number of shares.	Valuation metric	TBV/share
52	Total Assets	Total Assets (52) as derived from the Consolidated Balance Sheet of the reported period, taking into account the impact from any potential restatement.	Standard banking terminology	TA
53	Total Operating Expenses	Sum of Staff costs, Voluntary exit scheme program expenses, General administrative expenses, Depreciation and amortization, Other expenses as derived from the Consolidated Income Statement of the reported period taking into account the impact from any potential restatement.	Standard banking terminology	Total OPEX

P&L | Group (€mn)	Bridge between Fin. Statements & APMs			Bridge between APMs & Normalized profit		
Q2 2023	Accounting	Delta	APMs	APMs	Delta	Normalized
Net Interest Income	440		440	440		440
Net fee & commission income	97		97	97		97
Income from financial operations	35	(6)	29	29		29
Other income	13	0	13	13	(0)	13
Operating Income	**585**		**579**	**579**		**579**
Staff costs	(99)	4	(95)	(95)		(95)
General Administrative Expenses	(108)	4	(104)	(104)		(104)
Depreciation & Amortization	(42)		(42)	(42)		(42)
Recurring Operating Expenses			**(240)**	**(240)**		**(240)**
Excluded items		(12)	(12)	(12)	12	0
Total Operating Expenses	**(248)**		**(252)**	**(252)**		**(240)**
Core Pre-Provision Income			**310**	**310**		**309**
Pre-Provision Income			**327**	**327**		**338**
Impairment Losses on Loans	**(78)**	**4**	**(73)**	**(73)**		**(73)**
o/w Underlying			*(53)*	*(53)*		*(53)*
o/w servicing fees			*(13)*	*(13)*		*(13)*
o/w securitization expenses			*(7)*	*(7)*		*(7)*
o/w Covid			*0*	*0*		*0*
Other Impairment Losses	(3)		(3)	(3)		(3)
Share of Profit/(Loss) of associates and JVs	0	(0)		0	0	0
Profit/ (Loss) Before Income Tax	**256**		**251**	**251**		**262**
Income Tax	(65)	(0)	(65)	(65)	(3)	(68)
Profit/ (Loss) after income tax	**191**		**186**	**186**		**195**
Impact from NPA transactions		5	5	5	(5)	0
Discontinued operations and other	0	0	0	0	0	0
Profit/ (Loss) after income tax	**191**	0	**191**	**191**	**3**	**195**

[1] Normalised Profit After Tax of €195mn in Q2 2023, is Reported Profit /(Loss) After Tax of €191mn excluding (a) non-recurring Operating Expenses of €12mn, (b) NPA transactions impact of €5mn and €3mn tax charge related to the above. Normalised profits of 2022 and 2021 are not comparable due to initiation of a new normalised profits policy since 1.1.2022.
[2] Pro-forma for remaining RWA relief from NPA transactions including mainly Skyline, Solar and Leasing.
[3] Excluding Merchant acquiring.
[4] In Q2 2023, Excluded items of €12mn mainly related to: €7mn expense due to non-anticipated operational legal disputes, €3.9mn cost of 2023 VSS and reversal of previous program, €0.6mn expense related to Transformation Programme Costs, €0.9mn CEPAL related deferred expense and €0.9mn reversal of expenses due to non-anticipated operational risk events.
[5] In Q2 2023, impact from NPA transactions includes €4mn transaction related losses, €1mn impairment of Skyline, €8mn trading gains from Sky, €1mn trading losses from Hermes, as well as tax charge related to the above.
[6] Detailed reference on normalised profits is available at the APMs section.
[7] Return on FL CET1 employed capital at 13% management target.

About Alpha Services and Holdings

Alpha Services and Holdings S.A. (under the distinctive title Alpha Services and Holdings) is a financial holdings company, listed on the Athens Stock Exchange, and the parent company of the banking institution "ALPHA BANK S.A.".

Subsequent to the corporate transformation that took place in April 2021, the banking operations were hived-down to a new wholly owned banking subsidiary (Alpha Bank S.A.).

Alpha Bank S.A. is 100% subsidiary of Alpha Services and Holdings S.A. and one of the leading Groups of the financial sector in Greece which was founded in 1879 by J.F. Costopoulos. 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, the distribution of insurance products, investment banking, brokerage and real estate management.

https://www.alphaholdings.gr/en/investor-relations

Enquiries

Alpha Services and Holdings	FGS Global
Iason Kepaptsoglou	Edward Simpkins
Manager, Investor Relations Division	Tel. +44 207 251 3801
E-mail: ir@alphaholdings.gr	
Tel: +30 210 326 2271, +30 210 326 2274	

Disclaimer