ALPHA SERVICES AND HOLDINGS

Q4 2023 Results

Press Release

Key Financial metrics

	FY 2023	Q4
Reported profit after income tax	€611.3mn	€120.7mn
Normalized[1] profit after tax	€780.4mn	€215.8mn
Normalized[1] Return on tangible book value (RoTBV)	12.9%	14.3%
Fully-loaded Common Equity Tier 1(CET1%)	14.3%	14.3%
Tangible Book Value per Share	€2.74	€2.74

Key takeaways

- 2023 Normalised ROTBV[2] at 12.9%, EPS[2] at €0.32, +237bp in FL CET1% y/y.
- Net credit expansion of €1.1bn in Q4 with €2.8bn record high disbursements, driving 2023 growth to 5% on a like-for-like basis.
- Customer deposits +3% y/y and flat q/q on a like-for-like basis; AuMs +€0.8bn q/q or +37.2% y/y. Time deposits at 25% of domestic deposit base, stable q/q, with deposit beta evolving slower than expected.
- NPE ratio at 6%, down 180bps y/y, reflecting robust curing activity and benign asset quality flows alongside the reclassification to HFS of Project "Gaia", whereas pro forma for the reclassification of our Romanian operations, the NPE ratio stood at 5.8%. Underlying CoR in line with guidance, cash coverage pick-up continued.
- Strong capital generation with FL CET1 and Total Capital ratios rising y/y by +237bps and +376bps, respectively. The reported CET1 ratio of 14.3% includes a dividend accrual of 38bps for the entire year of 2023, subject to regulatory approval. Pro forma for remaining RWA relief FL CET1 stands at 15.9%[3] and Total Capital ratio at 20.7%[3]. FL CET1 up 60bps q/q with 27bps of organic capital generation, 34bps positive impact from transactions and 8bps of dividend accrual.

Summary trends

- Net Interest Income up +41% y/y and +1% q/q on higher rates and increased contribution from securities.
- Fees & Commission income up +8.1% y/y excluding Merchant acquiring, driven by cards and payments alongside growth in Asset Management and Bancassurance. Q4 down -1.6% q/q to €99.2mn, on seasonally lower cards and payments activity, partly offset by business credit related fees on the back of robust loan origination.
- Recurring OPEX -4.6% better y/y at €817.5mn, mainly reflecting lower Single Resolution fund (SRF) contributions; -5.9% q/q. C/I down by c.15pp vs 2022 at 39.5%.
- FY 2023 Core PPI up +74.6%, driven by strong Core Banking Income increase (+31.5% y/y). Core PPI up by +3.6% q/q, on higher top line and improved operational efficiency.
- For 2023, underlying CoR came inline with guidance, highlighting relatively benign asset quality flows. Cost of Risk at 96bps in Q4, reflecting Management actions and cost of synthetic securitization.
- Normalised Profit After Tax of €215.8mn in Q4 2023, is Reported Profit /(Loss) After Tax of €120.7mn excluding (a) non recurring Operating Expenses of €5mn, (b) NPA transactions impact of €109mn, (c) €22mn on other adjustments and tax charge related to the above.

As a Bank, and as a nation, we have turned a corner and made an emphatic pivot to growth

"2023 was a year of robust delivery for Alpha Bank as we successfully met each one of our targets. Thanks to our relentless focus on execution, we have made substantial progress against the strategic pillars laid out in our Investor Day last year and even exceeded guidance around profitability, capital and the NPE ratio.

In 2023, Net Interest Income grew significantly, as we benefitted from positive dynamics in the interest rate environment and a strong contribution from our securities portfolio. New disbursements reached a record high of €2.8 billion in Q4, leading to an annual 5% growth for our performing loan book.

We once again delivered a meaningful 200bp reduction in our NPE ratio, further normalizing asset quality, whilst our prudent approach to capital management has resulted in our CET-1 ratio rising to 15.9% when accounting for the upcoming transactions we have agreed.

The decisive actions we have taken in 2023 have accelerated and de-risked key elements of our strategic plan, with the roll out of our new service model in Retail, an expanded offering in Wealth and higher product penetration in Wholesale. Our strategic partnership with UniCredit has unlocked the profitability potential of our International business whilst creating upside potential for the rest of the Group.

While the geopolitical environment remains uncertain, the outlook for Greece is undeniably positive. The Greek economy grew at a significantly faster rate than the Eurozone average in 2023 as GDP increased by 2%, and we see this trend continuing through to 2025. The return of Greece to investment grade status last year underscored the remarkable turnaround in investor confidence in the Greek economy. We have witnessed this transformation firsthand through the landmark transaction and strategic partnership we agreed with UniCredit in October 2023, marking the first investment by a large European bank into the Greek banking system since the financial crisis.

As a Bank, and as a nation, we have turned a corner and made an emphatic pivot to growth. Over the past 12 months we have improved profitability while maintaining cost discipline, securing a stronger balance sheet and enabling healthy capital generation. We have achieved this through a resolute focus on delivering sustainable value for our shareholders, and we are proud to have enabled the proposed resumption of dividend payments from the profits accrued in this financial year."

Vassilios Psaltis, CEO

Key Financial Data

P&L | Group (€mn)	FY 2023	FY 2022	YoY (%)	Q4 2023	Q3 2023	QoQ (%)
Net Interest Income	1,653.5	1,173.8	40.9%	438.7	434.7	0.9%
Net fee & commission income	372.5	367.1	1.5%	99.2	100.9	(1.6%)
Core banking income	**2,025.9**	**1,540.9**	**31.5%**	**537.9**	**535.6**	**0.4%**
Income from financial operations	39.5	189.9	(79.2%)	20.6	(13.0)	...
Other income	43.2	33.4	29.5%	9.7	12.0	(18.8%)
Operating Income	**2,108.6**	**1,764.1**	**19.5%**	**568.2**	**534.5**	**6.3%**
Core Operating Income	**2,069.1**	**1,574.3**	**31.4%**	**547.6**	**547.5**	**0.0%**
Staff Costs	(333.3)	(328.2)	1.6%	(83.7)	(85.0)	(1.5%)
General Administrative Expenses[3]	(326.7)	(386.4)	(15.4%)	(68.9)	(80.9)	(14.8%)
Depreciation & Amortization	(157.4)	(142.7)	10.3%	(41.8)	(40.7)	2.8%
Recurring Operating Expenses	**(817.5)**	**(857.2)**	**(4.6%)**	**(194.5)**	**(206.6)**	**(5.9%)**
Excluded items[4]	0.4	0.5	(28.5%)	5.4	0.0	...
Total Operating Expenses	**(817.1)**	**(856.7)**	**(4.6%)**	**(189.1)**	**(206.6)**	**(8.5%)**
Core Pre-Provision Income	**1,251.7**	**717.0**	**74.6%**	**353.1**	**340.9**	**3.6%**
Pre-Provision Income	**1,291.6**	**907.4**	**42.3%**	**379.1**	**327.9**	**15.6%**
Impairment Losses on loans	(308.3)	(291.4)	*5.8%*	(90.0)	(72.8)	*23.6%*
Other items[5]	(6.7)	15.5	...	(13.5)	9.9	...
Profit/ (Loss) Before Income Tax	**976.5**	**631.5**	*54.6%*	**275.6**	**264.9**	*4.0%*
Income Tax	(279.0)	(206.7)	*35.0%*	(79.4)	(74.5)	*6.6%*
Profit/ (Loss) after income tax	**697.5**	**424.9**	*64.2%*	**196.2**	**190.4**	*3.0%*
Impact from NPA transactions[6] discontinued operations and other adjustments	(86.2)	(56.5)	*52.7%*	(75.5)	(2.3)	...
Profit/ (Loss) After Income Tax	**611.3**	**368.4**	***65.9%***	**120.7**	**188.1**	***(35.8%)***
Normalised[7] Profit After Tax	**780.4**	**398.4**	***95.9%***	**215.8**	**208.1**	***3.7%***

Balance Sheet | Group	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022	YoY (%)
Total Assets	73,663	74,392	72,921	73,704	78,011	*(5.6%)*
Net Loans	36,161	38,799	38,681	38,230	38,748	*(6.7%)*
Securities	16,052	16,196	15,502	14,651	13,474	*19.1%*
Deposits	48,449	52,331	51,795	50,229	50,761	*(4.6%)*
Shareholders' Equity	6,905	6,739	6,577	6,372	6,245	*10.6%*
Tangible Book Value	6,438	6,240	6,073	5,859	5,770	*11.6%*

Key Ratios | Group	FY 2023	9M 2023	H1 2023	Q1 2023	FY 2022
Profitability					
Net Interest Margin (NIM)	2.2%	2.1%	2.1%	2.0%	1.6%
Cost to Income Ratio (Recurring)	39.5%	40.9%	42.7%	43.3%	54.5%
Capital					
FL CET1	14.3%	13.7%	13.4%	12.3%	11.9%
FL Total Capital Ratio	18.6%	18.0%	17.7%	16.4%	14.9%
Liquidity					
Loan to Deposit Ratio (LDR)	75%	74%	75%	76%	76%
LCR	191%	188%	183%	163%	161%
Asset Quality					
Non-Performing Loans (NPLs)	1,147	1,443	1,493	1,517	1,656
Non-Performing Exposures (NPEs)	2,240	2,865	3,009	2,980	3,116
NPL ratio (%)	3.1%	3.6%	3.8%	3.9%	4.1%
NPE ratio (%)	6.0%	7.2%	7.6%	7.6%	7.8%

Business Update

The Greek economy sustained its growth premium in 2023, supported by an increase in investment, private and public consumption, employment gains and another record tourist season. The achievement of investment-grade status for the Greek sovereign confirmed the multifaceted progress made in recent years, marking an important milestone for the country and the banking sector and signaling its positive medium term prospects.

In 2023, the Bank has exceeded its guidance. An expanding top line on benign retail funding costs, growth in fees and a firm focus on cost efficiency have delivered solid earnings growth and higher levels of profitability. This has come alongside a strengthening of the balance sheet, substantial capital generation and maintenance of sector-leading capital ratios well above management targets, paving the way for the resumption of dividend distributions, subject to regulatory approval.

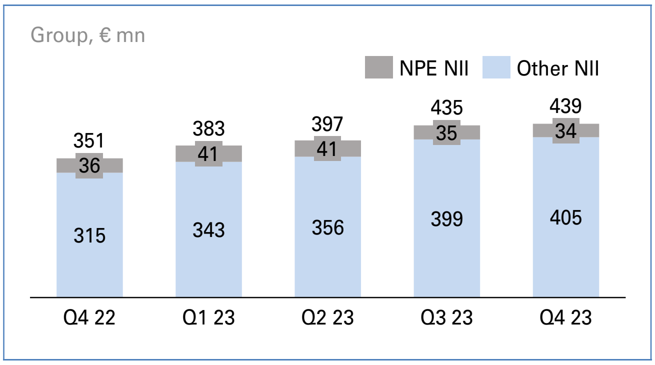
Our strategic initiatives, our franchise positioning and the active management of our balance sheet are expected to continue to yield improving results over the coming years. Earnings are expected to grow, with EPS exceeding €0.35 in 2026. Profitability is expected to expand to c.14%[2] over the next three years. Our balance sheet will strengthen further with capital buffers expanding and asset quality converging with the EU average. Our resolve and ability to deliver shareholder value has strengthened.

Profitability

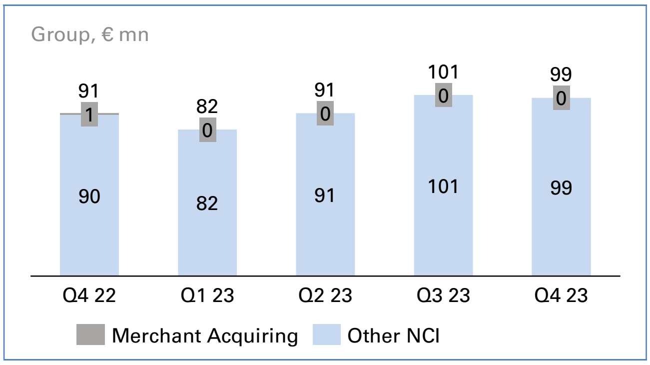
Top line benefitting from higher rates and increased contribution from securities; CoR at 96bps in Q4

- Net Interest Income up +1% q/q and +41% y/y on higher rates and increased contribution from securities.
- Fees and commissions income down 1.6% q/q on seasonally lower cards and payments activity. FY 2023 recurring fees up +8.1% y/y driven by cards and payments.
- Recurring operating expenses -5.9% better q/q and -4.6% y/y on lower deposit guarantee fund contributions. Underlying flat y/y in line with guidance.
- Cost of Risk at 96bps in Q4, reflecting Management actions and higher securitization balances. Full year Cost of Risk in line with guidance on relatively benign asset quality flows.

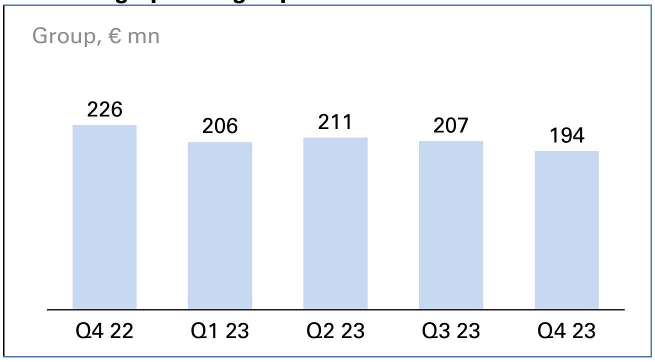
Net interest income



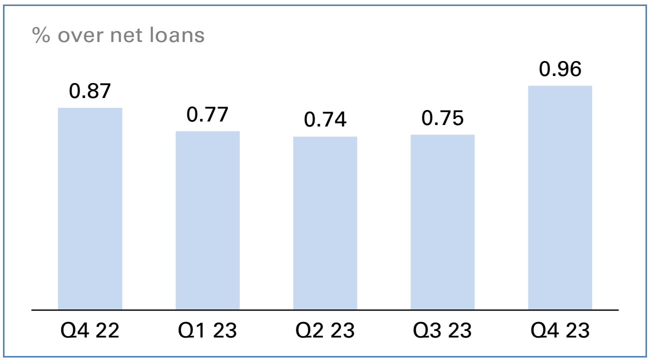
Net fee and commission income



Recurring operating expenses

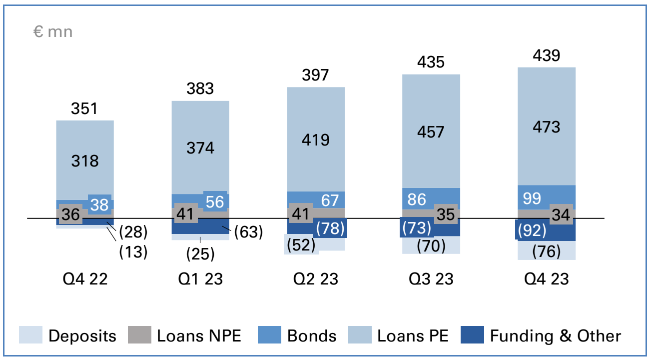


Cost of risk

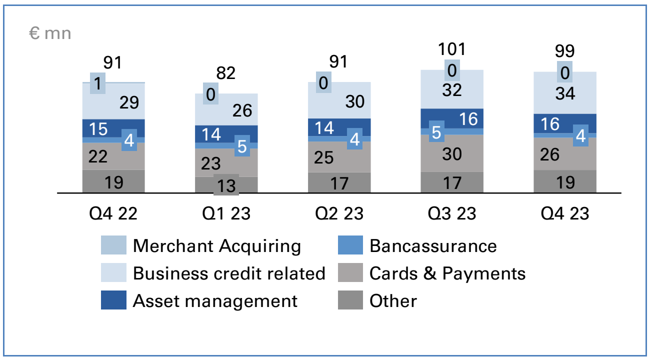


Core banking income effectively flat q/q (+0.4%)

NII decomposition



Net F&C Income decomposition



NII performance benefitting from rates and securities contribution

Net Interest Income rose by 1% q/q to €438.7mn, benefitting from higher rates, loan volumes and an increased contribution from securities, offsetting higher ECB funding costs and higher cost of deposits. Full year NII rose by +41% y/y on similar drivers and despite incremental wholesale funding costs on the back of MREL issuance.

Robust yearly performance of fee income (+8%) on stronger cards and payments activity

Fees and commissions income stood at €99.2mn, down -1.6% q/q, on seasonally lower cards and payments activity, partly offset by business credit related fees on the back of robust loan origination in Q4. In FY 2023, recurring fees excluding Merchant acquiring were up +8.1% y/y, driven by cards and payments alongside growth in Asset Management and Bancassurance.

Income from financial operations came in at €20.6mn in Q4, mainly attributed to the increased valuation of our investment securities portfolio and gains from FX differences, with the annual contribution at €39.5mn.

Other income stood at €9.7mn in Q4 2023 and €43.2m for the year.

Recurring OPEX down 5.9% q/q

Recurring operating expenses fell 5.9% q/q to €194.5mn mainly reflecting a write back related to the Single Resolution fund (SRF) contributions alongside lower staff costs, more than offsetting a higher depreciation charge relating to intangible assets. On an annual basis, recurring OPEX was down 4.6% at €817.5mn on the back of lower general expenses. Active cost management, capacity releases from the Bank's transformation and savings from renegotiations with key suppliers, property related and NPA management costs reduction have allowed the Bank to offset increased investments in HR and IT, as well as to fund growth in its International Operations.

Total Operating Expenses at €189.1mn decreased by 8.5% q/q, with 2023 down 4.6% y/y, both due to better Recurring expenses.

Cost of Risk at 96bps

The **underlying loan impairment** charge stood at €64.5mn in the quarter, versus €49.7 in Q3 on management actions. **Servicing fees** amounted to €12.4mn, essentially flat vs. €12.9mn in Q3, with **securitization expenses** at €12.2mn vs. €10.3mn on account of an increased balance of synthetic securitizations, adding 26bps to CET1 through €800mn RWA reductions.

Excluding the impact of transactions, the **Cost of Risk** in Q4 2023 stood at 96bps over net loans vs. 75bps in the previous quarter while, including the impact of transactions, it stood at 214bps, with 118bps related to NPE transactions vs. 5bps in Q3.

On a yearly basis, CoR was relatively stable at 81bps (+5bps y/y).

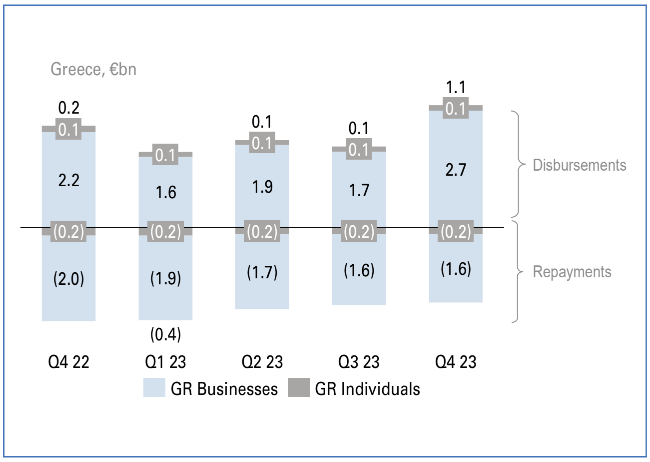
The total **impact of NPA Transactions**[4] stood at €109.1mn in the quarter, out of which €83.2mn related to Project "Gaia", a €0.5bn mortgage NPA portfolio, that has been reclassified to Held For Sale in Q4.

Other impairment losses in Q4 2023 amounted to €0.6mn.

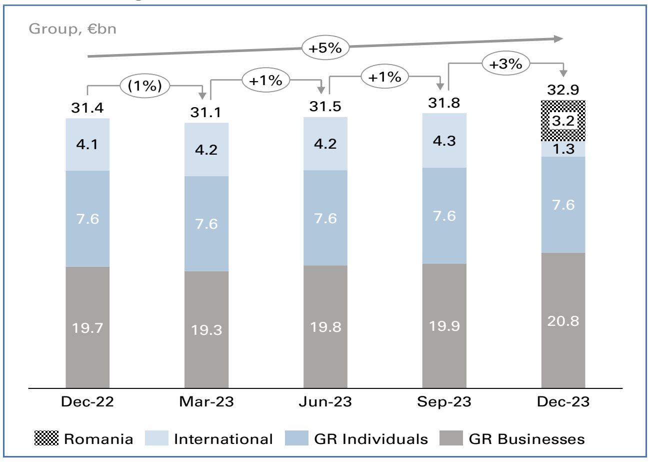
Balance Sheet Highlights

New record high in disbursements of €2.8bn in Q4

Net credit expansion



Performing loan book expansion



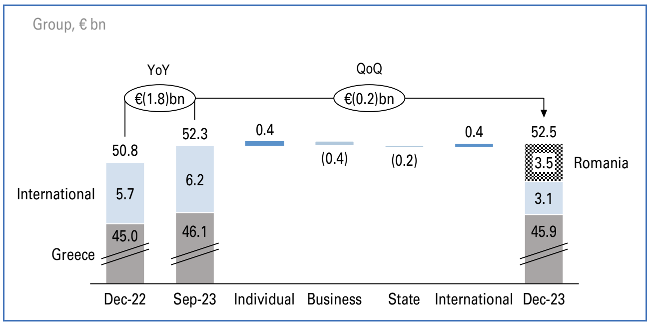
New disbursements in Greece stood at €2.8bn in the quarter, allocated to key sectors including trade, tourism, utilities, transportation and manufacturing. Note that the gross loan figure includes €5.2bn of retained senior notes associated with the Galaxy and Cosmos NPE securitizations.

On a headline basis, mainly due to the reclassification of Alpha Bank Romania to HFS, the Group's performing loan book stood at €29.7bn (-7% q/q or €2.2bn and -6% on a yearly basis). The Group's **performing loan book** (excluding the Galaxy and Cosmos senior notes) grew by +3.4% q/q to €32.9bn (+4.8% y/y), reflecting the pickup of new loan originations in Greece from corporates and a stable pace in repayments, which has de-escalated in the second half.

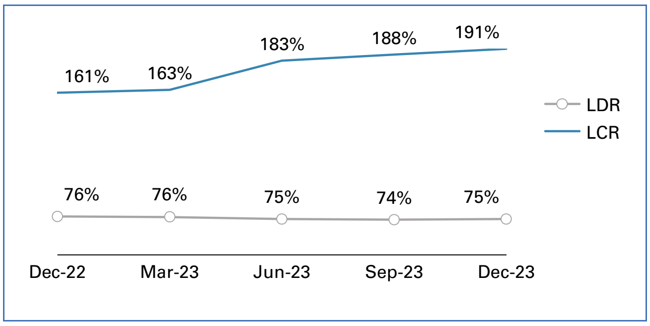
Net credit expansion in Greece stood at €1.1bn in Q4 (+€0.9bn y/y), driven by a high level of disbursements in wholesale credit.

Liquidity further strengthened in the quarter, LCR at 191%; Domestic Time deposits mix stable q/q

Deposits evolution



Group LCR & LDR



On a headline basis, the Group's deposit base decreased by €3.9 bn q/q (or by €2.3bn on a yearly basis) to €48.4bn, reflecting the reclassification to "Held for Sale" of Alpha Bank Romania and Alpha Life (-€4.1bn negative impact). The Group's deposit base remained effectively flat q/q at €52.5bn, up by 0.4% or €0.2bn.

The migration to time deposits remained slow, with time deposits excluding the state accounting for 25% of the domestic deposit base and stable vs. Q3. At a Group level, the percentage of time deposits decreased by 3p.p. as the discontinued businesses have a higher proportion of time deposits (c.72%) The cost of time deposits increased to 2.29%, including the impact of USD time deposits, vs. 2.19% in the previous quarter. As of the fourth quarter, the total stock of domestic deposits had a beta of 15%, stable q/q, with the euro deposit beta flat at 12%, reflecting the slow migration to time deposits and a higher Euribor rate.

Comfortable liquidity metrics

The Group's **TLTRO funding** stood at €5bn at the end of Q4, stable q/q. The Bank's blended funding cost stood at 140bps in the quarter, up from 128bps in Q3 2023, mainly attributable to the higher cost of deposits and wholesale funding.

The Group's strong liquidity profile is evidenced by the net Loan-to-Deposit ratio of 75%, while the Group's LCR increased to 191% vs. 188% in the previous quarter, far exceeding regulatory thresholds and management targets.

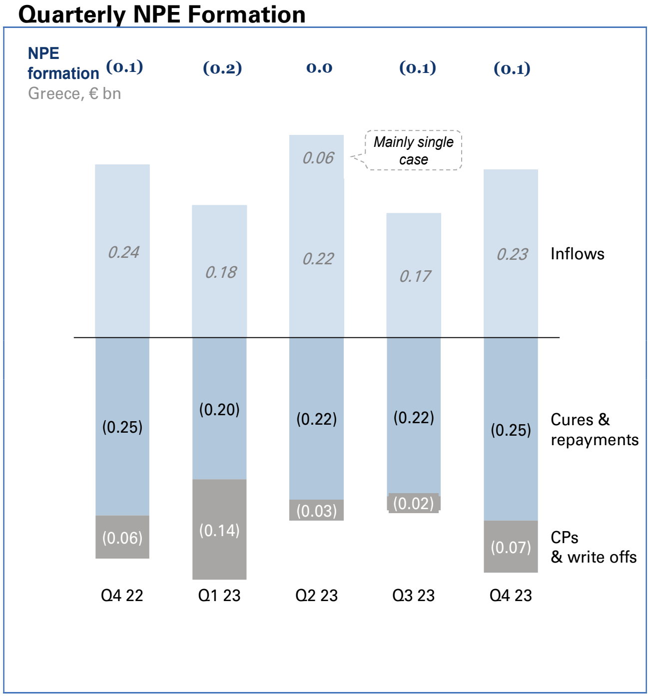
In February 2024, the Bank successfully completed a €400mn senior preferred issuance, further diversifying funding sources and building-up MREL capital stack. The issuance adds to the series of successful bond issues of €3.3bn issued by the Bank over the last three years.

Asset Quality

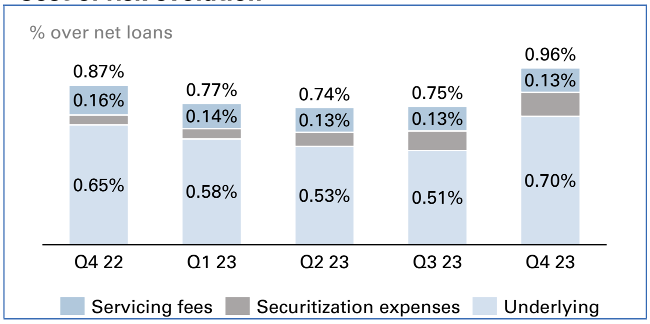
Group NPE ratio at 6%, down 120bps q/q; Coverage increased to 45%

On an underlying basis, **NPE formation in Greece** was negative (-€0.1bn), as slightly higher inflows were more than offset by stronger curings and repayments. In Q4 2023, the **NPE stock** was reduced by €0.6bn q/q to €2.2bn, driven by the reclassification to HFS of NPE portfolios mainly related to the "Gaia" transaction totalling €0.5bn. As a result, the **NPE ratio** contracted to 6.0%, down by 120bps versus Q3, whereas, pro forma for the reclassification of our Romanian operations, the NPE ratio stood at 5.8%.

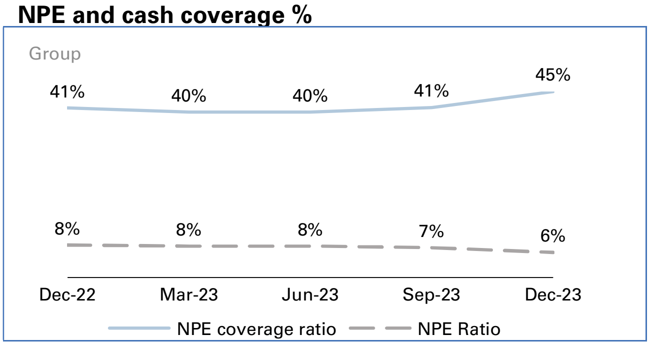
Quarterly NPE Formation



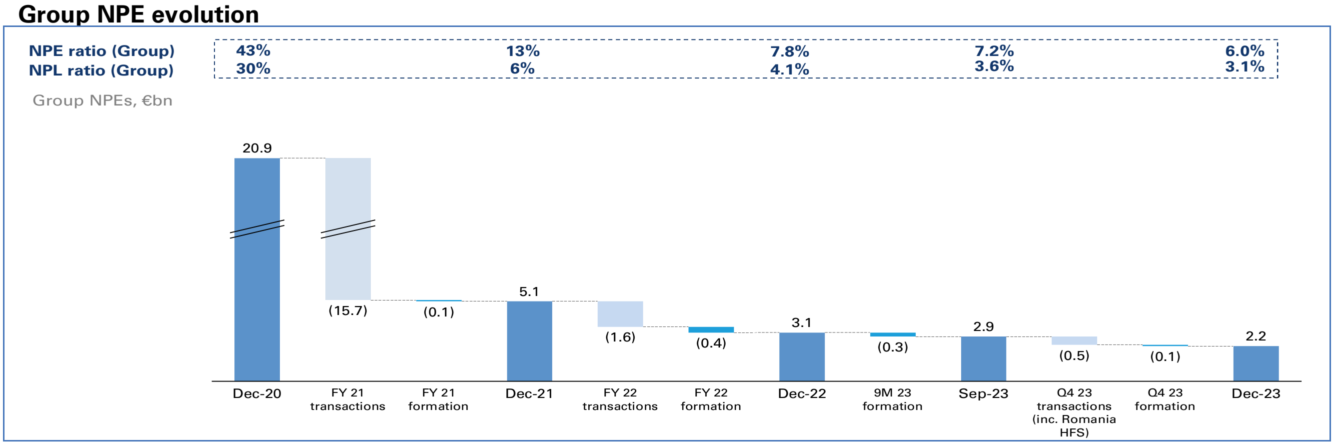
Cost of risk evolution



NPE and cash coverage %



Group NPE evolution



Group NPE Coverage increased to 45%

The **Group's NPE cash coverage** increased to 47% at the end of Q4, while total coverage including collateral reached 115%. Pro-forma for the reclassification of Alpha Bank Romania, the above ratios stand at 45% and 115% respectively.

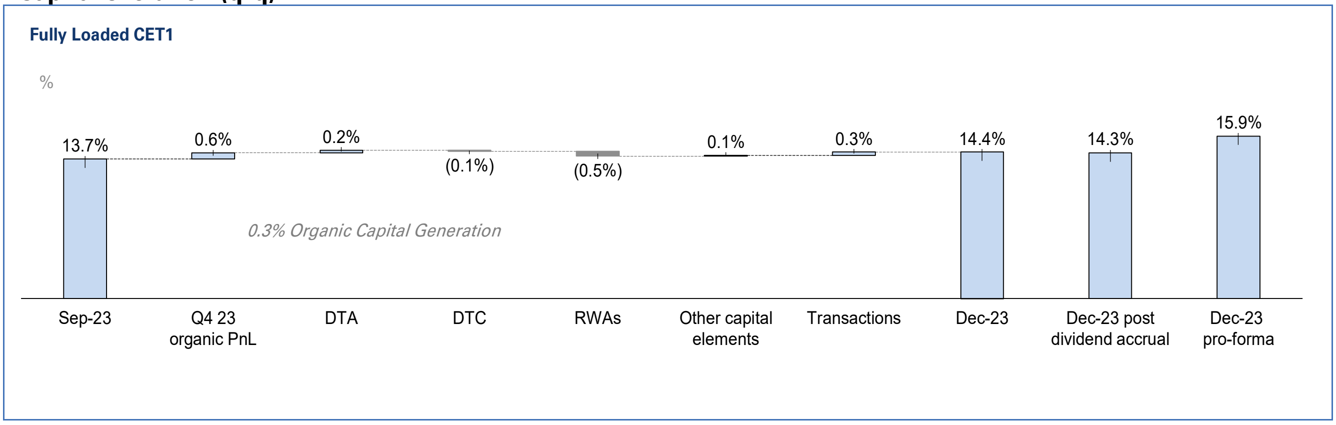
The Group NPL coverage ratio reached 90%, while total coverage including collateral reached 150%, whereas pro forma for the reclassification of Romania, the aforementioned ratios stand at 87% and 156% respectively.

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 €2.2bn stock of NPEs for the Group, the largest part are mortgages (43% of stock), with a significant portion of Forborne exposures less than 90dpd (45% stock or €1bn).

Capital

Organic capital generation at 0.3% in Q4 and 2.2% in 2023; FLCET1 at 14.3%

Capital evolution (q/q)



The Group's **Fully Loaded CET 1 Capital** base stood at €4.6bn, resulting in a Fully Loaded CET1 ratio of 14.4%, or 14.3% post dividend accrual (of 8bps), up by 68bps q/q. The move was primarily attributable to a 27bps positive contribution from organic capital generation and 34bps positive impact from transactions o/w c26bps attributable to a synthetic securitization completed in Q4 2023. The reported CET1 ratio includes a dividend accrual of 38bps for the entire year of 2023, to support a payout of c.20% on profits. Accounting for the remaining RWA relief stemming from the Bank's planned transactions, the Group's FL CET 1 Ratio stands higher at 15.9%[3].

The respective **Fully Loaded Total Capital Ratio** stands higher at 18.6% in December 2023, or pro forma for remaining RWA relief FL Total Capital[3] stands at 20.7%.

International operations

The international operations posted a normalised net profit of €30mn, down from €35mn in the previous quarter, following increased impairments in Q4 as well as a slight decrease in PAT from discontinued operations relating to the reclassification our Romanian subsidiary. Net interest income was effectively flat q/q, with net fee and commission income increasing by 8%. Recurring operating expenses decreased by 7% q/q mainly due to lower staff costs from our Cypriot subsidiary. Impairments amounted to €6mn for the quarter versus €3mn in the previous quarter. Net loans stood at €1.3bn, while deposits stood at €3.1bn following the deconsolidation of our Romanian subsidiary.

In FY 2023, Normalised Net Profit reached €140mn compared to €71mn a year ago with a strong increase in net interest income (+119%) stemming from higher rates and a significant improvement in operational efficiency (cost-income down by 34p.p. y/y), contributing 17% to Group profits and generating an ROCET1[8] of 33%. More specifically, for Cyprus, Normalised Net Profit stood at €63mn in 2023 vs €16mn a year ago, whereas for Romania it stood at €69mn vs €51mn a year ago.

Athens, March 7, 2024

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 (36) less Income from financial operations (19) 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 (47) 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	(Underlying) CoR
7	Cost/Assets	Recurring Operating Expenses (47) for the period (annualised) divided by Total Assets (19).	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.	Standard banking terminology	
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 and Commision expenses for credit protection 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	Impairments & Gains/(Losses) on financial instruments, fixed assets and equity investments	Sum of Impairment losses of fixed assets and equity investments ,Gains/(Losses) on disposal of fixed assets and equity investments and Impairment losses, provisions to cover credit risk on other financial instruments as derived from the Consolidated Income Statement of the reported period, less management adjustments on Impairments & Gains/(Losses) on fixed assets and equity investments. Management adjustments on Impairments & Gains/(Losses) on financial instruments, fixed assets and equity investments 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 from financial operations" or "Trading Income"	Sum of Gains less losses on derecognition of financial assets measured at amortised 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	
20	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	
21	Leverage Ratio	This metric is calculated as Tier 1 capital divided by Total Assets (54).	Standard banking terminology	
22	Loan to Deposit ratio	Net Loans (24) divided by Deposits (8) at the end of the reported period.	Liquidity metric	LDR or L/D ratio
23	Net Interest Margin	Net interest income for the period (annualised) divided by the average Total Assets (54) 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
24	Net Loans	Loans and advances to customers as derived from the Consolidated Balance Sheet of the reported period.	Standard banking terminology	
25	Non Performing Exposure Coverage	Accumulated Provisions and FV adjustments (1) plus CET 1 deductions used to cover calendar provisioning shortfall divided by NPEs (28) at the end of the reference period.	Asset quality metric	NPE (cash) coverage
26	Non Performing Exposure ratio	NPEs (28) divided by Gross Loans (12) at the end of the reference period.	Asset quality metric	NPE ratio
27	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 (28) at the end of the reported period.	Asset quality metric	NPE Total coverage
28	Non Performing Exposures	Non-performing exposures (28) 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

29	Non Performing Exposures Collateral Coverage	Value of the NPE collateral divided by NPEs (28) at the end of the reference period.	Asset quality metric	NPE collateral Coverage
30	Non Performing Loan Collateral Coverage	Value of collateral received for Non Performing Loans (28) divided by NPLs (34) at the end of the reference period.	Asset quality metric	NPL collateral Coverage
31	Non Performing Loan Coverage	Accumulated Provisions and FV adjustments (1) plus CET 1 deductions used to cover calendar provisioning shortfall divided by NPLs (34) at the end of the reference period.	Asset quality metric	NPL (cash) Coverage
32	Non Performing Loan ratio	NPLs (34) divided by Gross Loans (12) at the end of the reference period.	Asset quality metric	NPL ratio
33	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
34	Non Performing Loans	Non Performing Loans (34) are Gross loans (12) that are more than 90 days past-due.	Asset quality metric	NPLs
35	Normalised Net Profit after (income) tax	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
36	Operating Income	Sum of Net interest income, Net fee and commission income, Gains less losses on derecognition of financial assets measured at amortised cost, Gains less losses on financial transactions and Other income, as derived from the Consolidated Income Statement of the reported period, taking into account the impact from any potential restatement.	Standard banking terminology	
37	Other (operating) income	Sum of Dividend income, Other incomeand 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	
38	Other adjustments	Include management adjustments for events that 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 and are not reflected in other lines in Income Statement.		
39	Other items	Sum of Impairment losses of fixed assets and equity investments, Gains/(Losses) on disposal of fixed assets and equity investments, Impairment losses, provisions to cover credit risk on other financial instruments, Provisions and transformation costs and Share of profit/(loss) of associates and joint ventures as derived from the Consolidated Financial Statements of the reported period, taking into account the impact from any potential restatement, less management adjustments on other items for the corresponding period. Management adjustments on other items 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	
40	PPI/Average Assets	Pre-Provision Income for the period (41) (annualised) divided by Average Total Assets (54) 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	
41	Pre-Provision Income	Operating Income (36) for the period less Total Operating Expenses (55) for the period.	Profitability metric	PPI
42	Profit/ (Loss) before income tax	Operating Income (36) for the period less Total Operating Expenses (55) plus Impairment losses on loans (16), plus Other items (39)	Profitability metric	
43	Profit/ (Loss) after income tax from continuing operations	Profit/ (Loss) before income tax (42) for the period less Income tax (20) for the period	Profitability metric	
44	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	
45	Profit/ (Loss) attributable to shareholders	Profit/ (Loss) after income tax from continuing operations (43) for the period, plus Impact from NPA transactions (13), plus Profit/ (Loss) after income tax from discontinued operations (44), plus Other adjustments (38), plus Non-controlling interests as disclosed in Consolidated Income Statement of the reported period.	Profitability metric	
46	Recurring Cost to Income ratio	Recurring Operating Expenses (47) for the period divided by Core Operating Income (4) for the period.	Efficiency metric	C/I ratio
47	Recurring Operating Expenses	Total Operating Expenses (55) 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
48	Return on Equity	Net profit/(loss) attributable to: Equity holders of the Bank (annualised), 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
49	"Return on Tangible Book Value" or "Return on Tangible Equity"	Net profit/(loss) attributable to: Equity holders of the Bank (annualised), as disclosed in Consolidated Income Statement divided by the Average balance of Tangible Book Value (52). 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
50	RWA Density	Risk Weighted Assets divided by Total Assets (54) of the relevant period.	Standard banking terminology	
51	Securities	Sum of Investment securities and Trading securities, as defined in the consolidated Balance sheet of the reported period.	Standard banking terminology	
52	Tangible Book Value or Tangible Equity	Total Equity excluding the sum of Goodwill and other intangible assets, Non-controlling interests and Additional Tier 1 capital & 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
53	Tangible Book Value per share	Tangible Book Value (52) divided by the outstanding number of shares.	Valuation metric	TBV/share
54	Total Assets	Total Assets (54) as derived from the Consolidated Balance Sheet of the reported period, taking into account the impact from any potential restatement.	Standard banking terminology	TA
55	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		
Q4 2023	Accounting	Delta	APMs	APMs	Delta	Normalized
Net Interest Income	439		439	439		439
Net fee & commission income	99		99	99		99
Trading income	37	(16)	21	21		21
Other income	10		10	10		10
Operating Income	**584**		**568**	**568**		**568**
Staff costs	(83)	(0)	(84)	(84)		(84)
General Administrative Expenses	(64)	(5)	(69)	(69)		(69)
Depreciation & Amortization	(42)		(42)	(42)		(42)
Recurring Operating Expenses			**(194)**	**(194)**		**(194)**
Extraordinary		5	5	5	(5)	0
Total Operating Expenses	**(189)**		**(189)**	**(189)**		**(194)**
Core Pre-Provision Income			**353**	**353**		**353**
Pre-Provision Income			**379**	**379**		**374**
Impairment Losses	**(200)**	**110**	**(90)**	**(90)**		**(90)**
o/w Underlying			(65)	(65)		(65)
o/w servicing fees			(12)	(12)		(12)
o/w securitization expenses			(12)	(12)		(12)
o/w Covid			0	0		0
Other impairments	(1)		(1)	(1)		(1)
Impairment losses of fixed assets and equity investments	(21)	11	(11)	(11)		(11)
Gains/(Losses) on disposal of fixed assets and equity investments	(10)	9	(2)	(2)		(2)
Provisions and transformation costs	(7)	6	(1)	(1)		(1)
Share of Profit/(Loss) of associates and JVs	0		0	0		0
Profit/ (Loss) Before Income Tax	**156**		**276**	**276**		**270**
Income Tax	(46)	(33)	(79)	(79)	2	(78)
Profit/ (Loss) after income tax	**109**		**196**	**196**		**192**
Impact from NPA transactions, discontinued operations & other adjustments	11	(87)	(75)	(75)	99	23
Reported Profit/ (Loss) after income tax	**121**	**(0)**	**121**	**121**	**95**	**216**

P&L | Group (€mn)	Bridge between Fin. Statements & APMs			Bridge between APMs & Normalized profit		
FY 2023	Accounting	Delta	APMs	APMs	Delta	Normalized
Net Interest Income	1,653		1,653	1,653		1,653
Net fee & commission income	372		372	372		372
Trading income	53	(14)	39	39		39
Other income	43		43	43		43
Operating Income	**2,123**		**2,109**	**2,109**		**2,109**
Staff costs	(333)	(0)	(333)	(333)		(333)
General Administrative Expenses	(327)	0	(327)	(327)		(327)
Depreciation & Amortization	(157)		(157)	(157)		(157)
Recurring Operating Expenses			**(817)**	**(817)**		**(817)**
Extraordinary		0	0	0	(0)	0
Total Operating Expenses	**(817)**		**(817)**	**(817)**		**(817)**
Core Pre-Provision Income			**1,252**	**1,252**		**1,252**
Pre-Provision Income			**1,292**	**1,292**		**1,291**
Impairment Losses	**(470)**	**162**	**(308)**	**(308)**		**(308)**
o/w Underlying			(222)	(222)		(222)
o/w servicing fees			(51)	(51)		(51)
o/w securitization expenses			(35)	(35)		(35)
o/w Covid			0	0		0
Other impairments	3		3	3		3
Impairment losses of fixed assets and equity investments	(19)	8	(11)	(11)		(11)
Gains/(Losses) on disposal of fixed assets and equity investments	3	(1)	2	2		2
Provisions and transformation costs	(50)	48	(2)	(2)		(2)
Share of Profit/(Loss) of associates and JVs	1		1	1		1
Profit/ (Loss) Before Income Tax	**773**		**977**	**977**		**976**
Income Tax	(233)	(46)	(279)	(279)	0	(279)
Profit/ (Loss) after income tax	**540**		**698**	**698**		**697**
Impact from NPA transactions, discontinued operations & other adjustments	71	(157)	(86)	(86)	169	83
Reported Profit/ (Loss) after income tax	**611**	**0**	**611**	**611**	**169**	**780**

[1] Normalised Profit After Tax of €215.8mn in Q4 2023, is Reported Profit /(Loss) After Tax of €121mn excluding (a) non recurring Operating Expenses of €5mn, (b) NPA transactions impact of €109mn, (c) €22mn on other adjustments and tax charge related to the above. Normalised Profit After Tax of €780.4mn in FY 2023, is Reported Profit /(Loss) After Tax of €611mn excluding (a) non recurring Operating Expenses of €0.4mn, (b) NPA transactions impact of €125mn, (c) €32mn on other adjustments and tax charge related to the above.

[2] Figures are calculated after deduction of AT1 coupon payments; Based on normalized profit after tax.

[3] Pro-forma for remaining RWA relief from NPA transactions including mainly Skyline and Gaia, as well as the impact from the transaction with UniCredit and the pending synthetic securitization.

[4] In Q4 2023, Excluded items of €5mn mainly related to extraordinary provision on G&As.

[5] In Q4 2023, "other items" include the sum of: Other impairments of -€0.6mn, Impairment losses of fixed assets and equity investments of -€7.7mn, Gains/(Losses) on disposal of fixed assets and equity investments of -€1.6mn, Provisions and transformation costs -€1mn and Share of profits of associates and Joint ventures €0.3mn. For the FY 2023, "other items" include: a reverse in other impairments of €2.7mn, Impairment losses of fixed assets and equity investments of -€8.3mn, Gains/(Losses) on disposal of fixed assets and equity investments of €2.4mn, Provisions and transformation costs -€1.5mn and Share of profits of associates and Joint ventures €0.9mn.

[6] Q4 2023 impact from NPA transactions of €109.1mn, includes €110.3mn impairment losses on loans, o/w €83.2mn impairment of Gaia, €13.8mn impairment of Avramar, €4.7mn impairment of Sky, €5.3mn impairment of Solar, €3.1mn impairment of Leasing, €0.1mn impairment of Hermes and Cell respectively and €0.03 impairment of Regency, Impairment losses of fixed assets and equity investments of €10.9mn for impairments of investment properties related to Skyline transaction, Losses on disposal of fixed assets and participations of €15.5mn, o/w €3mn and €12.5mn related to projects Skyline and Sky respectively, trading losses of €6.7mn related to Hermes, Neptune and Light transactions as well as tax charge related to the above.

[7] Detailed reference on normalised profits is available in the APMs section.

[8] 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

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