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BEST BANK IN GREECE
EUROMONEY AWARDS FOR EXCELLENCE 2020

Press Release

H1 2020 Results: Strong Pre-Provision Income, up by 9%, absorbing higher impairments on Covid-19

Profit After Tax of Euro 86.6 million; Total CAD at 18.3%

Significant progress made towards completing the largest-ever Greek securitisation of Euro 10.8[1] billion, targeting to reduce the Bank's NPLs in Greece by more than 60%, to 13% over total loans

Alpha Bank's CEO, Vassilios Psaltis stated:

"During this unprecedented health crisis, we have mobilised our entire business to support our Customers. In Greece we have provided Euro 4.7 billion of repayment moratoria and disbursed loans in excess of Euro 3.5 billion year to date to our performing customers, utilising state sponsored and guaranteed loan programs. With capital adequacy of 18.3% and a sound liquidity position, our ability to provide credit is testament to our solid financial position which we have put to work to support the economy in these challenging times.

Our commitment to our Strategic Plan, announced in November 2019, was evidenced by the successful re-launch in June of Project Galaxy, the largest ever Greek NPE securitisation, amounting to Euro 10.8 billion. Our comprehensive preparation, which continued during the lockdown period, allows us to have already reached significant milestones such as receiving the Hellenic Asset Protection Scheme compliant pre-rating for the largest part of the portfolio, applying for the HAPS guarantee and thus locking-in the relevant cost, as well as attracting high quality investors in the final round of the process. We feel confident that upon the successful conclusion of the transaction, we will reduce our Greek NPL ratio to 13% with a manageable impact of 250 to 280 basis points to our capital adequacy ratio.

Operationally, our Bank has taken a conservative view, taking an additional Euro 234 million of Covid-19 related impairments in the first half of the year. This is comfortably offset by our strong pre-provision income of Euro 645.5 million, as we have made good progress in re-instating our revenue profile and continued to extract operational efficiencies.

The transformation of our Bank is making strong progress under the leadership of our revamped senior team. One key area of focus has been the ongoing work on our digital transformation, which has been positively received by our Customers, making more than 90% of their financial transactions via digital means, as well as enabling our Employees to service Customers in a more flexible manner. I want to thank all our Employees for their hard work and commitment throughout this very difficult period. Our resilient performance and financial position give us scope to manage this situation together and overcome the challenges that lie ahead."

[1] The amount of Euro 10.8 billion refers to the aggregate Gross Book Value as of the cut-off date of each respective SPV.

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Main Highlights

Alpha Bank on-track to complete Project Galaxy, the largest securitisation in Greece

- Key milestones of Galaxy timetable already reached; application under HAPS for a Guarantee by the Greek State on the Senior notes of an amount up to Euro 3 billion for securitisations of Euro 7.6 billion gross book value has been submitted. Application for the remaining GBV of Euro 3.2 billion securitisation, to follow shortly.
- Full control of Cepal, the first independent servicing company in Greece, acquired in July 2020.
- Increased visibility of Galaxy's capital impact, expected to range between 250-280bps on Total CAD ratio.
- Post Galaxy, Alpha Bank's NPL ratio in Greece down to 13%[1] over total loans, while the NPE ratio is reduced to 24%[1]. On a Group level, NPL ratio to be reduced to 17% and NPE ratio to 27%.

Alpha Bank remains focused on supporting its Customers during Covid-19 Crisis

- New disbursements in Greece of Euro 3.5 billion year-to-date providing significant support to the economy.
- Payment moratoria extended to our performing corporate and retail Customers in Greece amounted to Euro 4.7 billion in H1 2020.
- Bank participation in the "State Guaranteed" Sponsored Program for Businesses, with loan approvals of Euro 0.8 billion and disbursements year-to-date of Euro 0.2 billion and new lending to SMEs of Euro 0.2 billion (out of approved total Euro 0.4 billion) through the "Entrepreneurship Fund II" Business Program. In H2 2020, with the already approved credits and further usage of State Support programs, loan disbursements from the state support facilities are expected to reach Euro 2 billion.
- Private sector deposits up by Euro 1.4 billion in H1 2020 and Euro 2.5 billion y-o-y.
- Acceleration of digital transformation due to Covid-19, as we registered circa 185K new e-banking subscribers in H1 2020 while the share of new e-banking subscribers through mobile on-boarding (without visiting a Branch) more than doubled y-o-y to 52.4%.

H1 2020 Financial Performance Exhibits Solid Operating Trends

- Despite the adverse conditions due to the Covid-19 outbreak, Core Pre-Provision Income in H1 2020 increased by 7.9% y-o-y, driven by improved core revenue performance and operational efficiencies; in Q2 2020, Core PPI amounted to Euro 217.3 million vs. Euro 229.6 million in the previous quarter.
- Pre-Provision Income generation of Euro 645.5 million in H1 2020, up by 8.7% y-o-y, or 3.3% over Net Loans on an annualised basis, allows for the absorption of increased impairment losses in the 1st half of 2020.
- Impairment losses on loans in H1 2020 at Euro 568.1 million vs. Euro 488.5 million last year, or 2.9% over net loans, materially affected by additional impairments of circa 234 million recognised by the Bank to account for the anticipated Covid-19 impact.
- Despite Covid-19 headwinds, Profit After Tax stands at Euro 86.6 million in H1 2020 vs. Euro 86.8 million over the same period in 2019.

Capital, Risk and Liquidity Position

- Robust capital position, with Total CAD ratio at 18.3%, up by 0.7% q-o-q, with capital buffer standing at Euro 3.1 billion vs. minimum OCR threshold. At the end of June 2020, the Group's Tangible Equity Book Value amounted to Euro 7.8 billion, the highest among Greek Banks.
- Liquidity profile improved further in H1 2020 with Group deposits up by Euro 0.5 billion; Our Loan to Deposit Ratio at the end of June 2020 declined to 96% from 102% the previous year, while the Group's Liquidity Coverage Ratio (LCR) stood at 112.5%.
- TLTRO III participation of Euro 11.9 billion leads to a substantial improvement of funding cost.
- Despite the temporary halt in liquidations and repayments due to Covid-19, our NPE stock in Greece contracted by Euro 0.1 billion in Q2 2020; Group NPEs contracted by Euro 3.5 billion y-o-y.

[1] Pro-forma ratios are as of 30.6.2020 taking into account the senior notes.

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KEY FINANCIAL DATA

(in Euro million)	Six months ending (YoY)			Quarter ending (QoQ)		
	30.06.2020	30.06.2019	YoY (%)	30.06.2020	31.03.2020	QoQ (%)
Net Interest Income	771.9	777.0	*(0.7%)*	390.7	381.2	*2.5%*
Net fee & commission income	166.7	151.4	*10.1%*	77.5	89.2	*(13.1%)*
Income from financial operations	214.3	197.5	…	128.6	85.7	…
Other income	12.5	11.8	…	2.6	9.9	…
Operating Income	1,165.3	1,137.7	*2.4%*	599.3	566.0	*5.9%*
Core Operating Income	**951.0**	**940.2**	***1.2%***	**470.7**	**480.3**	***(2.0%)***
Staff Costs	(213.7)	(229.2)	*(6.8%)*	(106.7)	(107.0)	*(0.3%)*
General Administrative Expenses	(214.5)	(224.7)	*(4.5%)*	(108.4)	(106.1)	*2.2%*
Depreciation & Amortisation	(75.9)	(71.9)	*5.5%*	(38.4)	(37.5)	*2.2%*
Recurring Operating Expenses[1]	**(504.1)**	**(525.9)**	***(4.1%)***	**(253.5)**	**(250.6)**	***1.1%***
Extraordinary costs	(15.7)	(17.8)	…	(7.4)	(8.3)	…
Total Operating Expenses	**(519.8)**	**(543.7)**	***(4.4%)***	**(260.8)**	**(259.0)**	***0.7%***
Core Pre-Provision Income	**446.9**	**414.3**	***7.9%***	**217.3**	**229.6**	***(5.4%)***
Pre-Provision Income	**645.5**	**594.0**	***8.7%***	**338.5**	**307.1**	***10.2%***
Impairment Losses on loans	(568.1)	(488.5)	*16.3%*	(260.6)	(307.4)	*(15.2%)*
Other Impairment Losses	(12.7)	13.6	…	(3.7)	(9.0)	
Profit/ (Loss) Before Income Tax	**64.8**	**119.1**	**…**	**74.2**	**(9.4)**	**…**
Income Tax	21.9	(32.2)	…	23.4	(1.5)	…
Profit/ (Loss) After Income Tax	**86.7**	**86.9**	**…**	**97.5**	**(10.9)**	**…**
Profit/ (Loss) After Tax attributable to Equity owners of the Bank	**86.6**	**86.8**	**…**	**97.5**	**(10.9)**	**…**

	30.06.2020	30.06.2019		30.06.2020	31.03.2020	
Net Interest Margin (NIM)	2.3%	2.5%		2.3%	2.3%	
Cost to Income Ratio (Recurring)	53.0%	55.9%		53.8%	52.2%	
Common Equity Tier 1 (CET1)	17.2%	17.8%		17.2%	16.5%	
Total Capital (Total CAD)	18.3%	17.8%		18.3%	17.5%	
Loan to Deposit Ratio (LDR)	96%	102%		96%	95%	

	30.06.2020	31.03.2020	31.12.2019	30.09.2019	30.06.2019	YoY (%)
Total Assets	68,622	66,632	63,458	62,725	62,964	*9.0%*
Net Loans	39,428	39,767	39,266	39,451	39,913	*(1.2%)*
Securities	9,907	9,058	8,703	8,475	8,095	*22.4%*
Deposits	40,868	41,894	40,364	39,612	39,263	*4.1%*
Equity	8,357	8,236	8,432	8,527	8,389	*(0.4%)*
Tangible Book Value	7,835	7,714	7,939	8,050	7,919	*(1.1%)*

[1] 2019 comparative figures have been restated due to reclassification of Extraordinary cost items to Recurring Staff Costs.

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Key Developments and Performance Overview

Covid-19 has interrupted the export-driven recovery while the unprecedented fiscal stimulus along with the forthcoming EU recovery funds is expected to further support internal demand and investment

The outbreak of the Covid-19 pandemic and the associated containment measures have set back the recovery of the Greek economy. However, the contraction in domestic economic activity in the first quarter of 2020 was milder than in other European economies. Real GDP fell by 0.9% on an annual basis, driven by a decline in private consumption and investment. Residential property prices retained their recovery dynamics in Q1 2020, rising by 6.9% on an annual basis.

The economic downturn is expected to be deeper in the second quarter of 2020. The stringent lockdown measures implemented across the country in April had adverse effects across all economic sectors, particularly on those related to transport, tourism and recreational activities. In addition, the impact of the lockdown measures, along with the elevated uncertainty about future income and employment prospects, translated into a sharp drop in consumer spending and a shift towards higher household savings.

Following the gradual lifting of containment measures in early May, economic activity is expected to recover progressively, supported by a swift and sizeable fiscal policy response which is expected to mitigate the negative impact of the pandemic on domestic demand. Greece will also benefit from the EC Recovery Plan of Euro 750 billion ("Next Generation EU"), with the allocated amount estimated at around Euro 32 billion - of which about Euro 19.5 billion will be in the form of grants and about Euro 12.5 billion in the form of loans - substantially improving the medium-term prospects of the Greek economy. The country will claim an additional c. Euro 40 billion from the EU budget (EU cohesion funds) over the next seven years, with the total support for Greece exceeding Euro 72 billion.

Key milestones of Galaxy securitisation timetable already achieved leading to increased visibility on capital envelope requirements

Alpha Bank has progressed with the implementation of its **Galaxy NPE Securitisation transaction,** a core pillar of its Strategy announced in November 2019. Galaxy consists of three NPE securitisations under the code names Orion ("SPV I"), Galaxy II ("SPV II") and Galaxy IV ("SPV IV") with a total gross book value of circa Euro10.8 billion. To this end, significant progress has already been made across all main workstreams. On July 3, 2020, the Bank received non-binding offers (NBOs), showing strong demand from international investors with significant experience in NPE acquisition and servicing, and is currently holding advanced discussions with preferred bidders with a view to receiving binding offers at the beginning of Q4 2020, in order to proceed with formal closing before year-end. Additionally, the Bank initiated the hive-down process on June 1, 2020, while, it has filed a submission for the HAPS Guarantee and SRT approval in early August for both SPV I &II with gross book value of Euro 1.9 billion and Euro 5.7 billion respectively, securing successfully HAPS pricing levels for both SPVs. In parallel, other key milestones of the transaction timetable have also been concluded, including the acquisition of full ownership of Cepal, while a preliminary credit rating for SPV I & II senior notes by an international rating agency is already granted. In addition, Cepal's Management team has been further strengthened with the addition of Senior Executives from the Bank while the carve-out of the Bank's NPE Management Unit into Cepal is anticipated to be completed within Q4 2020.

As a result, Alpha Bank now has increased visibility on the economics of the transaction with an estimated **capital impact** on Total CAD ratio to **range between 250-280bps**, lower versus the initial estimate.

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Post de-risking of B/S sheet, Alpha Bank's NPL ratio in Greece down to 13% over total loans

The completion of Project Galaxy will deliver a material improvement in the Bank's asset quality, as the remaining portfolio will feature 62% fewer NPL exposures, a 65% reduction in denounced loans and a 75% decrease in retail exposures under Law 3869. Post completion of Galaxy, Alpha Bank 's NPL ratio in Greece is materially reduced to 13%, whereas its NPE ratio goes down to 24%. On a Group level, NPL ratio edges to 17% and NPE ratio to 27%. This frontloaded de-risking of the balance sheet, will allow Alpha Bank to normalise its cost of risk and continue its transformation plan towards its stated profitability targets.

Covid-19 accelerated digitalisation resulting in increased digital sales penetration

During the Covid-19 lockdown, technology and digital banking have been instrumental in changing customer behavior. To this end, Alpha Bank has been actively pursuing the migration of its Customers to digital channels. At the same time, our Customers have been highly responsive to conduct transactions electronically and engaging remotely. As a result, the share of financial transactions performed through digital networks reached 91% in H1 2020 versus 85.5% a year ago. Additionally, new e-banking subscribers stood at 185,000 in H1 2020, while the share of new e-banking subscribers through mobile onboarding (without visiting a Branch) more than doubled to 52.4% vs. 23.3% in H1 2019. Usage of mobile banking continued to exhibit steady growth, as active users increased by 51% to 687K, while financial transactions performed through mobile banking registered an annual increase of circa 66%, reaching over 5.5 million in H1 2020. Moreover, as contactless transactions become more important than ever, **Alpha Bank is the only Greek bank currently offering Apple Pay to its Customers.** Notably, Apple Pay users reached more than 65,000 in less than five months of operations, with respective transactions exceeding 400,000 on a monthly basis. The accelerated migration to digital banking is expected to facilitate our transformation to a more efficient and leaner operating model.

Further strengthened capital base with Total CAD at 18.3% providing a buffer of Euro 3.1 billion vs. minimum OCR threshold

At the end of June 2020, Alpha Bank's **Transitional Common Equity Tier 1 (CET1)** stood at Euro 7.9 billion, resulting in a CET1 ratio of 17.2%, up by 0.7%q-o-q, supported mainly by quarterly profitability, as well as decreased Credit Risk as a result of the amendments of the Capital Requirements Regulation (CRR) due to Covid-19.

The Group's **Fully Loaded Basel III CET 1** stands at 14.6%, 0.6% higher vs. Q1 2020 level. **Total CAD** came to 18.3% at the end of H1 2020, providing a buffer of Euro 3.1 billion over our Overall Capital Requirement (OCR) of 11.5%. Tangible Equity at the end of June 2020 was the highest among Greek banks, at Euro 7.8 billion. Tangible Book Value per Share stood at Euro 5.1.

RWAs at the end of June 2020, amounting to Euro 46.3 billion, down by 2.8% q-o-q or Euro 1.3 billion, as a result of lower credit risk contribution, which is attributed to the implementation of ECB's CRR proposed amendments.

New financing in Greece of Euro 3.5 billion year-to-date, supporting our Customers

Alpha Bank remains committed to actively supporting the Greek economy as it considers the restoration of normal economic activity a national priority. Year-to-date, **new loan disbursements** in Greece reached Euro 3.5 billion, distributed to sectors such as manufacturing, trade, transportation and logistics, tourism and real estate. The Bank is proactively supporting its Business Customers to help them access funding programs sponsored by the Greek Government, the Greek Development Bank and the European Union. In fact, in the "Entrepreneurship Fund II" program, Alpha Bank managed to secure the largest volume of liquidity for its business Customers among Greek banks. To this end, Euro 0.2 billion was disbursed y-t-d (out of approved total Euro 0.4 billion). Moreover, the Bank participated in the "State Guaranteed" Sponsored Program for Businesses, by providing so far financing of Euro 0.2 billion (out of approved total c.Euro 0.8 billion). In H2' 2020, with the already approved credits and further usage of State Support programs, loan disbursements from the aforementioned facilities are expected to reach c. Euro 2 billion.

Gross loans of the Group amounted to Euro 48.8 billion as of the end of June 2020, down by Euro 0.3 billion q-o-q. Loan balances in Greece stood at Euro 42 billion, down by Euro 0.2 billion q-o-q.

Liquidity profile continued to improve with Group deposit inflows of Euro 0.5 billion since end-2019

In H1 2020, our **Group deposit base** recorded inflows of Euro 0.5 billion. Deposit **balances in Greece** increased by Euro 0.5 billion since year-end 2019, to Euro 35 billion, as inflows from both households and businesses offset a decrease in State deposits. Private sector deposits up by Euro 1.4 billion in H1 2020. **Deposits in SEE** stood at Euro 5.3 billion at the end of June 2020.

TLTRO III participation of Euro 11.9 billion leads to a substantial improvement of funding cost

At the end of June 2020, **Eurosystem funding** increased to Euro 11.9 billion, from Euro 3.9 billion at the end of Q1 2020, reflecting the full utilisation of our TLTRO borrowing allowance. Currently, 17% of our Balance Sheet is funded via the European Central Bank vs 6% in Q1 2020. Collateral easing measures implemented by ECB enabled us to reduce the repo portfolio while increasing ECB financing and benefit from the significantly lower funding terms under TLTRO III. The Bank’s repo portfolio amounted to Euro 1.4 billion at the end of June 2020 vs. Euro 6.5 billion in March 2020.

The **Group’s Loan to Deposit Ratio** at the end of June 2020 declined to 96%, from 102% the previous year, and for Greece down to 98% from 104% at the end of June 2019. Moreover, the Group’s Liquidity Coverage Ratio (LCR) stood at 112.5% at the end June 2020.

NII in Q2 2020 positively affected by reduced funding costs

In Q2 2020, **Net Interest Income** stood at Euro 390.7 million, up by 2.5% q-o-q or Euro 9.5 million, positively affected by the repricing of time deposits, improved funding mix and cost, as well as higher contribution from loans stemming from increased disbursements at the end of March.

More specifically, on the liability side, time deposit rates in Q2 2020 declined to 28bps versus 35bps in the previous quarter and vs. 56bps at the end of H1 2019. Moreover, wholesale funding cost substantially improved in Q2 2020 on the back of the increased reliance on ECB’s TLTRO facility as well as the decrease of our repo portfolio, positively impacting NII by Euro 3.3 million.

On the other hand, on the asset side, despite a slight reduction in lending yields, higher average loan balances - most of which materialised in the end of the first quarter - benefited NII by Euro 1.3 million. Moreover, interest contribution from our bond portfolio stood at Euro 0.8 million, supported by new placements which more than offset lower yields in Greek sovereign securities. Net Interest Margin remained stable q-o-q at 2.3%.

The expected cost savings on the funding cost, arising from the use of ECB’s TLTRO facility and our swift response to Covid-19, including the healthy origination of new loans as well as the participation to state support schemes, is expected to continue to support our NII in the coming quarters.

Fee and Commission income in Q2 2020, dropped by 13.1% q-o-q, reflecting the impact of Covid-19 on retail banking and asset management

In Q2 2020, **Net fee and commission income** dropped by 13.1% q-o-q or Euro 11.7 million to Euro 77.5 million, primarily reflecting a decreased contribution from asset management and loan commissions that were highly impacted by lower volume of transactions and issuance of bond loans due to the Covid-19 pandemic crisis. However, in H1 2020, **net fee and commission income** stood at Euro 166.7 million, a yearly increase of 10.1%, mostly attributed to a higher contribution from cards, asset gathering and bancassurance.

In Q2 2020, **income from financial operations** amounted to Euro 128.6 million, mostly as a result of gains realisation from our Greek Government Bonds portfolio. Total trading income for H1 2020 reached Euro 214.3 million vs. Euro 197.5 million in H1 2019. **Other income** stood at Euro 12.5 million.

Recurring OPEX further reduced, down by 3.4% y-o-y, leading to improved operational efficiency

Recurring operating expenses for the Group continued to decline, down by 4.1% y-o-y or Euro 21.8 million to Euro 504.1 million, primarily as a result of lower Staff Costs due to headcount reduction and reduced General Expenses. As a result, the corresponding Cost to Income ratio declined to 53% vs. 55.9% a year ago, improving operational efficiency. In Greece, Recurring Operating Expenses declined by 6.5% y-o-y to Euro 400.9 million.

In H1 2020, **Personnel expenses** amounted to Euro 213.7 million, down by 6.8% y-o-y, due to the impact of the Voluntary Separation Scheme (VSS) implemented in our operations in Greece during 2019. Group headcount was reduced from 11,295 in June 2019 to 10,509 Employees at the end of June 2020 (-7% y-o-y).

General expenses declined by 4.5% y-o-y to Euro 214.5 million, reflecting lower NPL remedial management costs and reduced marketing expenses. In H1 2020, the **depreciation** charge stood at Euro 75.9 million, up by 5.5% year-on-year.

The **Group Network**, as at the end of June 2020, declined to a total of 549 Branches from 606 a year ago, as a result of the ongoing platform rationalisation in Greece. Despite the decrease in Branches, year-to-date productivity on a per Branch level has improved with higher retail loan disbursements as well as an increased market share in deposits.

The Bank is committed to the 10% OPEX reduction we announced in our Strategy Update in November through further rationalisation of our Branch Network while we explore areas for additional cost savings such as Branches' and Head-quarters' expenses optimisation, projects reprioritisation and further improvement of cost efficiency via the work-from-home operating model.

Group NPEs down by Euro 3.5 billion y-o-y

Our **NPE stock in Greece** contracted by Euro 0.1 billion q-o-q to Euro 18.3 billion at the end of Q2 2020, with the rate of contraction being affected negatively by reduced curings, liquidations and a slowdown in collection activity due to the Covid-19 lockdown.

The **NPE ratio** for the Group at the end of June 2020 stood at 43.5%, while NPE Coverage increased to 44.4%. Total coverage stands at 101.3%.

NPL balances in Greece declined by Euro 1.6 billion y-o-y, to Euro 12.3 billion in June 2020.

At the end of June 2020, the **Group NPL ratio** stood at 30.2%, down from 32.7% a year ago. The NPL coverage ratio stood at 64%, while total coverage including collateral came to 117%.

Group impairment impacted by Covid-19 provisions

In Q2 2020, **impairment losses on loans** stood at Euro 260.6 million vs. Euro 307.4 million in the previous quarter. To account for the change of forward - looking macro parameters used in the models to calculate expected losses under IFRS9, the Bank recognised in Q2 2020 incremental Covid-19 related impairments of Euro 114 million, on top of the preemptive Covid-19 provisions booked in Q1 2020 of Euro 120 million. As a result, **impairment losses on loans and advances** reached Euro 568.1 million, or 2.9% over net loans in H1 2020 with Covid-19 related provisions of Euro 234 million.

In Q2 2020, **CoR** stood at 2.6% over net loans vs. 3.1% in the previous quarter. Excluding the impact of Covid-19, CoR in the second quarter stood at 1.5% over net loans. **Other impairment losses** registered at Euro 12.7 million in Q2 2020.

At the end of June 2020, **accumulated provisions** for the Group amounted to Euro 9.4 billion, while for Greece specifically this stood at Euro 7.9 billion.

Operations in SEE

In **SEE**, our **Operating Income** for H1 2020 amounted to Euro 126.1 million, down by 3.2% y-o-y negatively affected by a pressure in Net Interest Income on the back of lower Loan NII, as well as due to a reduction in local market interest rates. **Operating expenses**[1] came to Euro 98,2 million, up by 5% y-o-y, mainly driven by Euro 2.9 million from salary realignments in Romania and Cyprus in line with local collective labor agreement as well as driven by the reinstatement of Deposit Guarantee Fund contribution and higher REO and Covid-19 expenses in Cyprus. **Pre-Provision Income** stood at Euro 27.9 million, down by 23.9% y-o-y. In H1 2020, our SEE operations posted losses of Euro 36.9 million before Tax, driven from Cyprus mainly due to higher impairment charges linked with adverse CHF evolution impact and updated macro parameters related to Covid-19. In H1 2020, CoR stood at 2.5% over net loans.

The **Loan to Deposit Ratio in SEE** operations stood at 91% at the end of June 2020, down from 95% a year ago.

In **Cyprus**, the loan portfolio in H1 2020 amounted to Euro 3.4 billion (-12.3% y-o-y), with the decrease driven by NPE management actions, while deposit balances decreased by Euro 63 million y-o-y (-2.8% y-o-y) to Euro 2.2 billion. Total Revenues of Euro 49.3 million (-4.5% y-o-y) were registered for the period, driven largely by reduced loan volumes partially counterbalanced by the positive impact of deposit repricing as well as a rise in fees and commission income due to more efficient cross selling activities. Operating Expenses[1] came at Euro 36.2 million (+10.3% y-o-y), affected by the increase in Staff costs off the back of the collective agreement provision, increased health care contributions, and price index adjustment (cost of living allowance). Profit before Tax for the period stood at Euro -38.7 million and was negatively influenced by an impairment charge of Euro 51.7 million, including Euro 25.4 million one off costs attributed to CHF Foreign Exchange impact and impairments due to Covid-19.

In **Romania**, loan balances increased by Euro 23 million y-o-y to Euro 2.7 billion, while deposits amounted to Euro 2.6 billion, up by Euro 143 million y-o-y (+5.8% y-o-y) attributable to both inflows from businesses as well as households.
Total Revenues stood at Euro 67.5 million (-1.7% y-o-y) negatively affected by lower contribution of Property Management Operations on the back of real estate disposal.

Operating Expenses stood at Euro 52.9 million, effectively flat on a yearly basis, albeit salary adjustments, on the back of reduced General & Administrative costs. Profit before Tax for the quarter stood at Euro 2.1 million and was negatively influenced by an impairment charge of Euro 12.6 million, including Euro 8.5 million one off costs attributed to macro updated parameters due to Covid-19.

In **Albania,** loans stood at Euro 278 million (-5.8% y-o-y) while deposits amounted to Euro 499 million (-3.1% y-o-y). Total Revenues amounted to Euro 9.3 million and Operating Expenses stood at Euro 9.1 million, while the Albanian operations recorded losses before Tax for H1 2020 of Euro 0.4 million.

Athens, August 27, 2020

[1] Excluding Euro 4.4 million of one-off Expenses related to NPE Management costs in Cyprus.

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Glossary

Terms	Definitions	Relevance of the metric	Reference number	Abbreviation
Accumulated Provisions and FV adjustments	The item corresponds to (i) "the total amount of provision for credit risk that the Group has recognised and derive from contracts with customers", as disclosed in the Consolidated Financial Statements of the reported period and (ii) the Fair Value Adjustments.	Standard banking terminology	1	LLR
Impairment losses on loans	The figure equals "Impairment losses and provisions to cover credit risk on loans and advances to customers" as derived from the Consolidated Financial Statements of the reported period	Standard banking terminology	10	LLP
"Income from financial operations" or "Trading Income"	The figure is calculated as "Gains less losses on derecognition of financial assets measured at amortised cost" plus "Gains less losses on financial transactions and impairments on Group companies" as derived from the Consolidated Income Statement of the reported period.	Standard banking terminology	3	
Core Operating Income	Operating Income less Income from financial operations less management adjustments on operating income for the corresponding period. Management adjustments are: Euro -9.7 million related to Goodwill impairment of an associated company in Q1 19 and Euro 13.0 million related to Insurance company compensation in Q4 18.	Profitability metric	5=4-3	
Core Pre-Provision Income	Core Operating Income for the period less Recurring Operating Expenses for the period.	Profitability metric	5-7	Core PPI
Cost of Risk	Impairment losses on loans 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	10/9 (avg)	CoR
Deposits	The figure equals "Due to Customers" as derived from the Consolidated Balance Sheet of the reported period.	Standard banking terminology	8	
Extraordinary costs	The figure equals the management adjustments on operating expenses.	Standard banking terminology		
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.
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 (RWAs)	Regulatory metric of capital strength		FL CET 1 ratio
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", 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	2	
Loan to Deposit ratio	Net Loans divided by Deposits at the end of the reported period.	Liquidity metric	9/8	LDR or L/D ratio
Net Interest Margin	Net Interest Income for the period (annualised) and divided by the average Total Assets 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.	Profitability metric		NIM
Net Loans	The figure equals "Loans and advances to customers" as derived from the Consolidated Balance Sheet of the reported period.	Standard banking terminology	9	
Non Performing Exposures Collateral Coverage	Value of the NPE collateral divided by NPEs at the end of the reference period.	Asset quality metric	13	NPE collateral Coverage
Non Performing Exposure Coverage	Accumulated Provisions and FV adjustments divided by NPEs at the end of the reference period.	Asset quality metric	14=1/12	NPE (cash) coverage
Non Performing Exposure ratio	NPEs divided by Gross Loans at the end of the reference period.	Asset quality metric	12/2	NPE ratio
Non Performing Exposure Total Coverage	Accumulated Provisions and FV adjustment plus the value of the NPE collateral divided by NPEs at the end of the reported period. NPE Total coverage equals the sum of NPE coverage and NPE collateral coverage.	Asset quality metric	13+14	NPE Total coverage
Non Performing Exposures	Non-performing exposures 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	12	NPEs
Non Performing Loan Collateral Coverage	Value of collateral received for Non Performing Loans divided by NPLs at the end of the reference period.	Asset quality metric	16	NPL collateral Coverage
Non Performing Loan Coverage	Accumulated Provisions and FV adjustments divided by NPLs at the end of the reference period.	Asset quality metric	17=1/15	NPL (cash) Coverage
Non Performing Loan ratio	NPLs divided by Gross Loans at the end of the reference period.	Asset quality metric	15/2	NPL ratio
Non Performing Loan Total Coverage	Accumulated Provisions and FV adjustments plus the value of the NPL collateral divided by NPLs at the end of the reference period. NPL Total coverage equals the sum of NPL coverage and NPL collateral coverage.	Asset quality metric	16+17	NPL Total Coverage
Non Performing Loans	Non Performing Loans are Gross loans that are more than 90 days past-due.	Asset quality metric	15	NPLs
Operating Income	The figure is calculated as "Total Income" plus "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 as described in Note 32 of the Consolidated Financial Statements.	Standard banking terminology	4	
Other impairment losses	The figure equals "Impairment losses on other financial instruments" as derived for the Consolidated Financial Statements of the reported period.	Standard banking terminology		
Other Income	This item corresponds to the sum of "Dividend income", "Other income" and "Share of profit/(loss) of associates and joint ventures", as defined in the Consolidated Balance Sheet of the reported period.	Standard banking terminology		
Pre-Provision Income	Operating Income for the period less Total Operating Expenses for the period	Profitability metric	4-6	PPI
Recurring Cost to Income ratio	Recurring Operating Expenses for the period divided by Core Operating Income for the period.	Efficiency metric	7/5	C/I ratio
Recurring Operating Expenses	Total Operating Expenses 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, and are quoted in the appendix of the Financial Report.	Efficiency metric	7	Recurring OPEX
Securities	This item corresponds to the sum of "Investment securities" and "Trading securities", as defined in the Consolidated Balance Sheet of the reported period.	Standard banking terminology		
Shareholders' Equity	This item corresponds to "Equity attributable to equity owners of the Bank", as defined in the Consolidated Balance Sheet of the reported period.	Standard banking terminology		
Tangible Book Value (or Tangible Equity)	TBV (or TE) is the sum of "Total Equity" less "Goodwill and other intangible assets", less "Non-controlling interests" and less "hybrid securities", as defined in the Consolidated Balance sheet at the reported period.	Standard banking terminology		TBV or TE
Tangible Book Value (or Tangible Equity) per share	Tangible Book Value (or Tangible Equity) divided by the outstanding number of shares.	Valuation metric		TBV/share
Total Assets	The figure equals "Total Assets" as derived from the Consolidated Balance Sheet of the reported period taking into account the impact from any potential restatement, as described in Note 32 of the Consolidated Financial Statements.	Standard banking terminology	11	TA
Total Operating Expenses	The figure equals "Total expenses before impairment losses and provisions to cover credit risk" as derived from the Consolidated Income Statement of the reported period taking into account the impact from any potential restatement, as described in Note 32 of the Consolidated Financial Statements.	Standard banking terminology	6	Total OPEX

The Bank

The Alpha Bank Group is one of the leading Groups of the financial sector in Greece. The Group 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.

The Parent Company and main Bank of the Group is Alpha Bank, which was founded in 1879 by J.F. Costopoulos. Alpha Bank constitutes a consistent point of reference in the Greek banking system with one of the highest capital adequacy ratios in Europe.

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