ALPHA BANK

BEST BANK IN GREECE EUROMONEY AWARDS FOR EXCELLENCE 2020

Press Release

9M 2020 Results: Improved operational performance; Core Pre-Provision Income up by 4% y-o-y

Profit After Tax of Euro 130.4 million; Total CAD at 18.3%

Alpha Bank's CEO, Vassilios Psaltis stated:

"The pandemic continues to induce a significant level of volatility to the economy. Following the decision of our government to enter into a second nation-wide lockdown, relevant news-flow on the effe-tiveness of vaccines has provided significant underpinning to confidence. In these unprecedented circumstances, we held a steady course in our Project Galaxy, a Euro 10.8 billion NPE securitization, accompanied by the sale of our wholly owned servicer, Cepal Hellas. Despite a most challenging environment, we received two binding offers from international high-quality investors and we selected a preferred bidder, with a view to sign our transaction within the year. Shedding off these legacy assets will transform our balance sheet, as it will reduce our NPLs in Greece by 62%, to Euro 4.8 billion, within our envisaged capital envelope.

Our operational transformation and digitalisation are progressing well. The strong support to our Customers, through to October 2020, gets manifested by the outstanding repayment moratoria in Greece of Euro 4.2 billion and by the new loans of Euro 4.6 billion we provided them. Our sound liquidity and capital position, at 18.3%, empower us to play a leading role in supporting our Customers in achieving an early return to normal economic activity.

In the nine months, we managed to increase our core pre-provision income by 4% year-on-year, with a continuous focus on our cost base. This resilient performance allowed us to comfortably absorb loan impairments of Euro 737 million, of which circa 40% are Covid-related, thus delivering a profit of Euro 130 million, up by 42% year-on-year.

In these extremely challenging conditions, I want to thank our Employees for their commitment and all the hard work they are putting in to service our Customers so that we manage the current difficulties together and we position our Bank to come out as a clear winner from this crisis."

Main Highlights

Alpha Bank is nearing completion of Project Galaxy, the largest NPE securitisation in Greece

- Galaxy has entered the final stages of the transaction process; following an assessment of the binding offers received, Davidson Kempner European Partners LLP was declared as the preferred bidder. Finalization of the agreement is targeted by year-end, with the transaction completion, anticipated within Q1 2021.
- Post the acquisition of 100% of Cepal, the first independent servicing company in Greece, in July 2020, the Carve-out of Alpha Bank's NPE Management Unit onto CEPAL will have been completed by the end of this month, ensuring a seamless transition. Employees' acceptance of their voluntary transfer to CEPAL currently exceeds 90%.
- HAPS-compliant credit pre-ratings have been received and applications for the provision of guarantees by the Greek State, on Senior notes of an amount up to Euro 3.7 billion, have been submitted for Euro 10.8 billion gross book value, securing key financials of the Transaction.
- Post Galaxy, Alpha Bank's NPL ratio in Greece will be reduced to 13%[1] over total loans, while its NPE ratio will be reduced to 24%[1].

Alpha Bank remains focused on supporting its Customers throughout the pandemic

- Strong commitment to supporting the Greek economy through the provision of Euro 4.6 billion in new credit through to October 2020.
- In September 2020, outstanding moratoria extended to our performing corporate and retail Customers in Greece amounted to Euro 4.2 billion.
- Bank participation in the "State Guaranteed" Sponsored Program for Businesses, with disbursements of Euro 0.7 billion in the year-to-date and new lending to SMEs of Euro 0.4 billion through the "Entrepreneurship Fund II" Business Program.
- Private sector deposits up by Euro 0.8 billion in Q3 2020, mainly from Businesses.
- The acceleration of digital penetration witnessed in Q2 was sustained post lockdown; the Bank registered circa 260K new e-banking subscribers in 9M 2020, while the share of monetary transactions performed in Q3 2020 through digital channels remained elevated at 92.7%, stable q-o-q, as opposed to 87.3% a year ago.

Solid and resilient operating performance in 9M 2020 despite macro headwinds

- Strong Core PPI performance in 9M 2020 at Euro 656.9 million, up by 3.6% y-o-y, driven by resilient core revenues and improved operational efficiencies.
- Solid Pre-Provision Income generation of Euro 892.5 million in 9M 2020, up by 1.5% y-o-y or 3% over Net Loans on an annualised basis, allowed for the absorption of frontloaded impairments in 9M 2020.
- Impairment losses on loans in 9M 2020 of Euro 736.6 million vs. Euro 750 million last year, or 2.5% over net loans, materially affected by additional impairments of circa 287 million recognised by the Bank to account for the anticipated Covid-19 impact.
- Despite Covid-19 headwinds, Profit After Tax stood at Euro 130.4 million in 9M 2020 vs. Euro 91.6 million over the same period in 2019.

Capital, Risk and Liquidity Position

- Robust capital base, with Total CAD ratio at 18.3%, stable q-o-q, with capital buffer standing at Euro 3.4[2] billion vs. minimum OCR threshold. At the end of September 2020, the Group's Tangible Equity Book Value amounted to Euro 7.8 billion with the Leverage ratio standing at 12.4% vs. 11.6% in the previous quarter.
- Group deposits up by Euro 1.3 billion in the 9M 2020 period; Loan to Deposit Ratio at the end of September 2020 declined to 96% from 100% the previous year, while the Group's Liquidity Coverage Ratio (LCR) stood at 118.3%.
- TLTRO III participation at Euro 11.9 billion, expected to provide a substantial improvement to funding cost.
- Our NPE stock in Greece stood at Euro 18.3 billion, stable q-o-q due to the temporary halt in liquidations, lower curings and repayments. Group NPEs contracted by Euro 1.3 billion y-o-y.

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[1] Pro-forma ratios are as of 30.9.2020 taking into account the senior notes.
[2] Excluding OS-II 0.5% Buffer

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KEY FINANCIAL DATA

(in Euro million)	Nine months ending (YoY)			Quarter ending (QoQ)		
	30.09.2020	30.09.2019	YoY (%)	30.09.2020	30.06.2020	QoQ (%)
Net Interest Income	1,153.6	1,160.1	*(0.6%)*	381.8	390.7	*(2.3%)*
Net fee & commission income	251.5	247.0	*1.8%*	84.8	77.5	*9.5%*
Income from financial operations[1]	256.2	277.4	…	41.9	128.6	…
Other income	19.5	18.3	…	7.0	2.6	…
Operating Income	**1,680.9**	**1,702.8**	**(1.3%)**	**515.5**	**599.3**	**(14.0%)**
Core Operating Income	**1,424.6**	**1,425.4**	***(0.1%)***	**473.6**	**470.7**	***0.6%***
Staff Costs	(321.7)	(341.4)	*(5.8%)*	(108.0)	(106.7)	*1.2%*
General Administrative Expenses	(330.9)	(342.5)	*(3.4%)*	(116.4)	(108.4)	*7.4%*
Depreciation & Amortisation	(115.1)	(107.2)	*7.4%*	(39.2)	(38.4)	*2.3%*
Recurring Operating Expenses	**(767.7)**	**(791.2)**	***(3.0%)***	**(263.6)**	**(253.5)**	***4.0%***
Extraordinary costs	(20.6)	(32.4)	…	(5.0)	(7.4)	…
Total Operating Expenses[2]	**(788.4)**	**(823.6)**	***(4.3%)***	**(268.6)**	**(260.8)**	***3.0%***
Core Pre-Provision Income	**656.9**	**634.2**	***3.6%***	**210.0**	**217.3**	***(3.4%)***
Pre-Provision Income	**892.5**	**879.2**	***1.5%***	**247.0**	**338.5**	***(27.0%)***
Impairment Losses on loans	(736.6)	(750.0)	*(1.8%)*	(168.6)	(260.6)	*(35.3%)*
Other Impairment Losses	(14.7)	10.5	…	(2.0)	(3.7)	
Profit/ (Loss) Before Income Tax	**141.2**	**139.7**	***1.1%***	**76.4**	**74.2**	***3.1%***
Income Tax	(10.6)	(48.2)	…	(32.5)	23.4	…
Profit/ (Loss) After Income Tax	**130.6**	**91.5**	***42.7%***	**43.9**	**97.5**	***…***
Profit/ (Loss) After Tax attributable to Equity owners of the Bank	**130.4**	**91.6**	**42.4%**	**43.8**	**97.5**	**(55.0%)**
	30.09.2020	30.09.2019		30.09.2020	30.06.2020	
Net Interest Margin (NIM)	2.3%	2.5%		2.2%	2.3%	
Cost to Income Ratio (Recurring)	53.9%	55.5%		55.7%	53.8%	
Common Equity Tier 1 (CET1)	17.2%	18.0%		17.2%	17.2%	
Total Capital (Total CAD)	18.3%	18.1%		18.3%	18.3%	
Loan to Deposit Ratio (LDR)	96%	100%		96%	96%	
	30.09.2020	30.06.2020	31.03.2020	31.12.2019	30.09.2019	YoY (%)
Total Assets	68,565	68,622	66,632	63,458	62,725	*9.3%*
Net Loans	39,808	39,428	39,767	39,266	39,451	*0.9%*
Securities	10,473	9,907	9,058	8,703	8,475	*23.6%*
Deposits	41,657	40,868	41,894	40,364	39,612	*5.2%*
Equity	8,415	8,357	8,236	8,432	8,527	*(1.3%)*
Tangible Book Value	7,834	7,835	7,714	7,939	8,050	*(2.7%)*

[1] Trading Income in Q3 2020 includes Euro 14.3 million gain resulted from the valuation of fair value of CEPAL before the full acquisition of the Company's control.
[2] CEPAL's consolidation impacted Total Expenses by Euro 2.6 million.

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Key Developments and Performance Overview

Considerable impact from Covid-19 and National lockdown on 2020 GDP in line with rest of EU and milder rebound in 2021 amid second wave; optimism growing around economic upside of an effective vaccine and NGEU funds

The Greek economy experienced a historic recession in the second quarter with a 15.2% y-o-y decline in GDP due to the pandemic and the associated containment measures. Despite the sharp GDP contraction, the swift policy response supported employment. Residential property price growth dynamics remained resilient in the first half of 2020 with house prices rising by 5.4% y-o-y. The vulnerability of the Greek economy to shocks triggered by travel restrictions and social distancing measures is expected to determine the depth of the recession in the second half of the current year. More specifically, the trade balance is also expected to register a record decline in 2020, with net exports contributing negatively to GDP growth. Exports of services in particular are expected to remain well below their steady state as tourist arrivals are anticipated to only partially recover in 2021.

The new nationwide lockdown in November is expected to further weaken business activity and engender a GDP contraction for 2020 of around 10%, or even greater if there is an extension of the containment measures, also bringing down the GDP estimate for 2021. On the upside, as findings on the vaccine front seem enormously positive - and if the mass of the population is vaccinated quickly - then, thanks to the better outlook and the confidence it brings with it, a potentially virtuous circle could take effect next year. Economic activity in 2021 is expected to be supported by the additional fiscal measures, while earlier-than-expected funding from the Recovery and Resilience Facility may prove a solid ground for a strong upside. The budgetary costs of the crisis will continue accumulating, but the fiscal deficit is expected to narrow in 2021 and 2022.

Having declared a preferred bidder, the Galaxy securitisation has entered the final stages of the transaction process

Project Galaxy has entered the final stages of the transaction process, as the Bank following an assessment of the binding offers submitted in the context of the bidding process, declared Davidson Kempner European Partners LLP as the preferred bidder. The Bank is targeting the finalization of the agreement by year-end, with the transaction completion, following the receipt of all necessary approvals, anticipated within Q1 2021. To this end, further progress has been made across other important transaction workstreams. Applications submitted under HAPS that relate to the provision of guarantees, on Senior notes of an amount up to Euro 3.7 billion, by the Greek State for securitisations of Euro 10.8 billion Gross Book Value. In parallel, the Bank has received preliminary credit ratings for the senior notes of all three SPVs. Moreover, the carve-out of the Bank's NPE Management Unit onto CEPAL will have been completed by the end of this month, ensuring a seamless transition.

Post Galaxy, 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. More specifically, Alpha Bank's NPL ratio in Greece will be reduced to 13%, while its NPE ratio will fall to 24%. 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.

Following the first Covid-19 lockdown, Alpha Bank registered an unprecedented increase in digital sales penetration

During the Covid-19 lockdown, technology and digital banking were instrumental in accommodating the changing needs of Customers. To this end, the migration of Alpha Bank's Clientele to digital channels, which accelerated in the previous quarter, has been sustained post-lockdown. More specifically, the share of monetary transactions performed through digital channels remained elevated at 92.7%, stable q-o-q, as opposed to 87.3% a year ago. Additionally, new e-banking subscribers reached 260,000 year-to-date, while in 9M 2020 the share of new e-banking subscribers through mobile onboarding (without visiting a Branch) almost doubled to 46% vs. 24% in the same period in 2019.

Usage of mobile banking continued to exhibit steady growth as active users increased by 47% to 750K, while monetary transactions performed through mobile banking registered an annual increase of circa 66% in 9M 2020, reaching over 9 million. Moreover, as contactless transactions become more important than ever, Alpha Bank has actively promoted digital wallets including **Apple Pay** - the innovative payments application for iPhone devices that **Alpha Bank brought to the Greek market** in April 2020, the **new myAlpha Wallet** - a digital payments experience that Alpha Bank provides via Android, as well as the innovative **Garmin Pay** service for payments through smartwatches. Notably, active users of all digital wallets offered by the Bank exceeded 150,000 since launch, with respective transactions currently at almost 600K on a monthly basis. The accelerated migration to digital banking broadens our options to develop a more cost-efficient operating platform and is expected to facilitate our transformation to a more efficient and leaner operating model.

Strong capital base with Total CAD at 18.3% providing a buffer of Euro 3.4 billion vs. minimum OCR threshold

At the end of September 2020, Alpha Bank's **Transitional Common Equity Tier 1 (CET1)** stood at Euro 7.9 billion, resulting in a CET1 ratio of 17.2%, stable q-o-q, as the positive impact from the quarterly profitability, a decrease in Credit Risk and an improvement in FVOCI reserve, was fully offset by a rise in intangibles due to the acquisition of 100% stake in CEPAL. Capital ratios expected benefit of c. 30 bps, pro forma for the implementation of ECB's CRR proposed amendments on software intangibles.

The Group's **Fully Loaded Basel III CET 1** stood stable q-o-q at 14.6%. **Total CAD** came to 18.3% at the end of 9M 2020, providing a buffer of Euro 3.4. billion over our Overall Capital Requirement (OCR) of 11%[1]. **Tangible Equity** at the end of September 2020 stood at Euro 7.8 billion. Tangible Book Value per Share stood at Euro 5.1.

RWAs at the end of September 2020 amounted to Euro 46.1 billion, down by 0.5% q-o-q or Euro 0.2 billion, as a result of lower credit risk contribution due to the completion of Neptune and loan repayments.

Supporting our Customers with new financing in Greece through to October 2020 of Euro 4.6 billion

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 through to October 2020, **new loan disbursements** in Greece reached Euro 4.6 billion, distributed to sectors such as manufacturing, trade, transportation, energy and tourism. 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, the total disbursed amount stood at Euro 0.4 billion y-t-d. Moreover, the Bank participated in the "State Guaranteed" Sponsored Program for Businesses, by providing so far financing of Euro 0.7 billion. With further usage of State Support programs, loan disbursements are expected to exceed Euro 5 billion in 2020, vs. Euro 3.5 billion in 2019.

Gross loans of the Group amounted to Euro 49.1 billion as of the end of September 2020, up by Euro 0.4 billion q-o-q. Loan balances in Greece stood at Euro 42.5 billion, up by Euro 0.5 billion q-o-q.

[1] Excluding OS-II 0.5% Buffer.

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Group deposit inflows of Euro 1.3 billion since the end of 2019

In 9M 2020, our **Group deposit base** recorded inflows of Euro 1.3 billion. Deposit **balances in Greece** expanded by Euro 1.4 billion since year-end 2019, to Euro 35.8 billion, as inflows from both Households and Businesses exceeded a decrease in State deposits. In Q3 2020, private sector deposits increased by Euro 0.8 billion, with core deposits from Businesses accounting for the majority of inflows. **Deposits in SEE** stood at Euro 5.3 billion at the end of September 2020.

Comfortable liquidity metrics; further reduction on funding cost expected

At the end of September 2020, **Eurosystem funding** remained at Euro 11.9 billion, reflecting full utilisation of our TLTRO borrowing allowance. Blended funding cost in Q3 2020 stood at negative territory (-7bps) and is expected to trend lower as the Bank anticipates to benefit from the -1% interest rate, assuming fulfilment of the target set under TLTRO-III guidelines. The Bank's repo portfolio amounted to Euro 0.6 billion at the end of September 2020 vs. Euro 6.3 billion at the end of 2019.

At the end of September 2020, the **Group's Loan to Deposit Ratio** declined to 96%, from 100% the previous year, while the Group's Liquidity Coverage Ratio (LCR) increased above the regulatory threshold and reached the 118.3% level.

Resilient Net Interest Income Performance y-o-y despite the adverse conditions due to the Covid-19

Despite Covid-19 headwinds**, Net Interest Income** stood resilient y-o-y, at Euro 1,153.6 million vs. Euro 1,160.1 million in 9M 2019, as the lower income from loans, mainly due to spread pressure, was counterbalanced by the benefit from the lower wholesale funding and deposit cost.
In Q3 2020, **Net Interest Income** stood at Euro 381.8 million, down by 2% q-o-q due to the lower income from loans, reflecting the sale of Neptune portfolio and decreased average business loan balances as well as the adverse impact from market rates on deposits, though this was partially offset by the improved funding mix.

More specifically, on the asset side, lower average loan balances off the back of the Neptune transaction, repayments of business loans alongside a decrease in lending spreads, negatively impacted NII by Euro 9.5 million.
Negative effect from bonds and other of Euro 5.9 million was partly counterbalanced by the positive calendar days' effect.

On the liability side, more negative market rates outweighed lower deposit rates, leading to a negative impact on NII of Euro 3 million. Time deposit rates in Q3 2020 declined 8bps to 20bps versus the previous quarter and vs. 52bps in Q3 2019. Moreover, wholesale funding costs improved by Euro 5.1 million due to a shift to more favourable funding mix and lower rates.

Net Interest Margin reduced to 2.2%, vs. 2.3% in the previous quarter.

In Q3 2020, Fee and Commission income picked up by 9.5% q-o-q, reflecting the restoration of economic activity post first lockdown

In Q3 2020, **Net fee and commission income** picked up versus Q2 to Euro 84.8 million, up by 9.5% q-o-q or Euro 7.4 million, primarily attributable to an improved performance of card business as well as a result of an increased volume of bond loan issuances. In 9M 2020, **net fee and commission income** amounted to Euro 251.5 million, a yearly increase of 1.8%, supported by higher revenues from cards, increased fee generation from asset management and the enhanced contribution of investment banking, brokerage and bancassurance.

In Q3 2020, **income from financial operations** amounted to Euro 41.9 million, related mostly to gains realisation from the Greek Government Bonds portfolio while it also includes Euro 14.3 million gain resulted from the valuation at fair value of CEPAL before the full acquisition of the Company's control. Total Trading income for 9M 2020 reached Euro 256.2 million vs. Euro 277.4 million in 9M 2019. **Other income** for 9M 2020 stood at Euro 19.5 million.

Continued focus on cost containment, with Recurring OPEX down by 3% y-o-y, leading to improved operational efficiency

Recurring operating expenses for the Group continued to decline, down by 3% y-o-y or Euro 23.5 million to Euro 767.7 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 53.9% vs. 55.5% last year, improving operational efficiency. In Greece, Recurring Operating Expenses declined by 5.8% y-o-y to Euro 609.4 million.

In 9M 2020, **Personnel expenses** amounted to Euro 321.7 million, down by 5.8% y-o-y, mainly reflecting the impact from the Bank's headcount reduction due to the Voluntary Separation Scheme (VSS) implemented in our operations in Greece during 2019. Group headcount was reduced from 11,251 in September 2019 to 10,481 Employees at the end of September 2020 (-6.8% y-o-y).
In October 2020, the Bank has launched a Voluntary Separation Scheme (VSS) in its Cyprus operations, which is expected to lead to the gradual departure of more than 180 Employees, with an estimated annualized benefit upon full completion of circa Euro 10 million.

General expenses declined by 3.4% y-o-y to Euro 330.9 million, attributed to lower NPL remedial management costs as well as on the back of targeted initiatives to reduce third spend and marketing expenses. In 9M 2020, the **depreciation** charge stood at Euro 115.1 million, up by 7.4% year-on-year, mostly attributable to an intangible assets increase of Euro 91 million.

In Q3 2020, operating expenses included the impact of Euro 2.6 million due to the acquisition of 100% of CEPAL, which is now fully consolidated.

The **Group Network**, as at the end of September 2020, declined to a total of 536 Branches from 600 a year ago, as a result of the ongoing platform rationalization. As of September 2020 the number of Branches in Greece stood at 347. 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 remains focused on cost saving initiatives through further rationalisation of its Branch Network while it explores areas for additional cost savings such as Branches' and Headquarters' expenses optimisation, projects reprioritisation and further improvement of cost efficiency via the work-from-home operating model.

Group NPEs down by Euro 1.3 billion y-o-y

Our **NPE stock in Greece** contracted by Euro 0.9 billion y-o-y to Euro 18.3 billion at the end of Q3 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 September 2020 stood at 42.8%, while NPE Coverage increased to 44.8%. Total coverage stands at 101.7%.

NPL balances in Greece declined by Euro 0.4 billion y-o-y, recorded at Euro 12.5 billion in September 2020.
At the end of September 2020, the **Group NPL ratio** stood at 30%. The NPL coverage ratio stood at 64%, while total coverage including collateral came to 117%.

Group impairment in 9M 2020 impacted by Covid-19 provisions

In Q3 2020, **impairment losses on loans** stood at Euro 168.6 million vs. Euro 260.6 million in the previous quarter. On top of the preemptive Covid-19 provisions booked in the previous quarters of Euro 234 million, the Bank recognised in Q3 2020 incremental Covid-19 related impairments of Euro 53 million, in order to incorporate the possibility of change in estimated modifications due to the deterioration of the operating environment.
As a result, **impairment losses on loans and advances** reached Euro 736.6 million, or 2.5% over net loans in 9M 2020 with Covid-19 related provisions of Euro 287 million.

In Q3 2020, **CoR** stood at 1.7% over net loans vs. 2.7% in the previous quarter. Excluding the impact of Covid-19, CoR in the third quarter stood at 1.2% over net loans. **Other impairment losses** registered at Euro 14.7 million in 9M 2020.

At the end of September 2020, **accumulated provisions** for the Group amounted to Euro 9.4 billion, while for Greece specifically this stood at Euro 8 billion.

Operations in SEE

In **SEE**, our **Operating Income** for 9M 2020 amounted to Euro 190 million, down by 3.7% y-o-y, negatively affected by a pressure in Net Interest Income on the back of higher deposit volumes, as well as a decrease in other income due to lower asset sales and disposals versus the same period in 2019.
Operating expenses[1] came to Euro 146.8 million, up by 3% y-o-y, mainly driven by Euro 1.7 million from salary realignments in Romania and Cyprus as well as the reinstatement of Deposit Guarantee Fund contribution and higher NPE management fees due to the commencement of our collaboration with Do Value in Cyprus**. Pre-Provision Income** stood at Euro 43.3 million, down by 21.9% y-o-y. In 9M 2020, our SEE operations posted losses of Euro 11.5 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.

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

In **Cyprus**, the loan portfolio in 9M 2020 amounted to Euro 3.4 billion (-9.6% y-o-y), with the decrease driven by NPE management actions, while deposit balances decreased by Euro 68 million y-o-y (-3.1% y-o-y) to Euro 2.1 billion. Total Revenues decreased by 5.9% y-o-y to Euro 73.4 million, mainly driven by reduced loan volumes and partially counterbalanced by the positive impact of deposit repricing. Operating Expenses[1] came at Euro 56 million (+11% y-o-y), affected by the increase in Staff costs on the back of the collective agreement, the reinstatement of Deposit Guarantee Fund contribution and increased expenses for NPE management. Profit before Tax for the period stood at Euro -37.5 million and was negatively influenced by an impairment charge of Euro 54.9 million, including Euro 22.2 million one off costs attributed mainly to impairments on Covid-19.

In **Romania**, loan balances increased by Euro 15 million y-o-y to Euro 2.7 billion, while deposits amounted to Euro 2.6 billion, pointing to Euro 133 million annual increase (+5.4% y-o-y) attributable to inflows from both businesses and households.
Total Revenues stood at Euro 102.5 million (-1.7% y-o-y) negatively affected by lower contribution of Property Management Operations. Operating Expenses stood at Euro 77.4 million, down by 3% y-o-y, on the back of reduced G&As, driven mostly by lower marketing expenses. Profit before Tax for the 9M period stood at Euro 25.5 million and was positively affected by a large decrease in impairment charge, due to a reversal of c. Euro15 million as a result of a repayment of two NPE wholesale cases.

In **Albania,** loans stood at Euro 279 million (-6.7% y-o-y) while deposits amounted to Euro 510 million (-2.3% y-o-y). Total Revenues amounted to Euro 14.1 million and Operating Expenses stood at Euro 13.4 million, while the Albanian operations registered in 9M 2020 profit before Tax of Euro 0.4 million.

Athens, November 25, 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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