ALPHA SERVICES AND HOLDINGS

Press Release

Q1 2022 Results: Reported PAT at Euro 125.4 million; Normalised[1] Profit After Tax of Euro 134 million

Profit in line with our RoTBV target for 2022 with better quality of earnings; Alpha Bank's performance has been strong and financial results reveal the strengths of the Greek franchise

Alpha Bank's CEO, Vassilios Psaltis stated:

"Alpha Bank has enjoyed a strong start to the year demonstrating that the completion of the restructuring set out in our business plan is delivering sustainable profitability, healthy levels of capitalization, improved quality of earnings and growth across key metrics. We are on track to meet 2022 targets, while non-performing exposures, which declined to 12% in March, are expected to reach single digit level already in the second quarter.

Building upon our growth-oriented capital increase in 2021, Alpha Bank continued to increase lending to the Greek economy with a Euro 1 billion net expansion of credit on the back of Euro 2.4 billion of new disbursements in the quarter. Much of this effort was in support of businesses, highlighting the strength and the quality of our corporate franchise, delivering on preparatory work that has been unfolding over previous months. This momentum will continue throughout the year with a strong pipeline of large projects in the energy, hospitality and infrastructure sectors. This strong performance in loan origination is witnessed alongside resilient wealth management trends, generating fees of above Euro 100 million for the fourth quarter in a row, and further improvement of our cost base, underlining our best-in-class operational efficiency.

The war in Ukraine will undoubtedly have an impact on economic growth. Whilst challenges lie ahead, growth prospects for Greece remain robust for 2022 with an improving employment picture, a strong rebound in tourism and significant investment into the country. Thanks to our successful restructuring, Alpha Bank is now uniquely well placed to support Greece as it enters a new era of growth and development."

[1]Normalised Profit After Tax in Q1 2022, is Reported Profit /(Loss) After Tax of Euro 125.4 million, excluding Income from financial operations of Euro 80 million, Losses on derecognition of financial assets measured at amortised cost of Euro 2 million, Impairment Losses on loans of Euro 25 million, non-recurring Operating Expenses of Euro 8 million, Impact from NPA transactions of Euro 57 million and gains from discontinued operations of Euro 4 million.

Main Highlights

Commercial Activity in Q1 2022 highlights the consistent execution of the Business Plan

- In Q1 2022, Alpha Bank continued to build momentum on loan growth in line with its strategy; Sector-leading domestic performing loans expansion was sustained for a 2nd consecutive quarter, driven by a Euro 1 billion net expansion of credit towards businesses, demonstrating the strength of the corporate Franchise. On a Group basis, performing exposures were up by 4% q-o-q to Euro 29.7 billion (+Euro 1.1 billion).
- New disbursements in Greece of Euro 2.4 billion in Q1 2022 (Euro 1.6 billion in Q4), providing significant support to the Greek economy.
- The momentum behind expansion of the Loan book is expected to be sustained in the coming quarters, as the Bank has already secured a strong pipeline of large underwriting projects in Wholesale Banking credit in the energy, hospitality and infrastructure sectors.
- Continuous improvement in the Group's Balance sheet health: NPEs declined to 12% in March 2022, from 43% a year ago and is anticipated to reach the single digit level in Q2.
- Strong loan origination and resilience in wealth management generated Fees of Euro 108 million in Q1 2022, consistently above the Euro 100 million mark for a fourth consecutive quarter.
- Customer deposits retreated by Euro 0.1 billion q-o-q to Euro 46.9 billion, due to seasonality. Alpha Bank's strong and granular deposit profile should continue to fuel conversion into AUMs.

In Q1 2022, Alpha Bank successfully leveraged the benefits of its business model

- On a recurring basis (excluding the impact of NPE transactions, calendar days effect and the Q4 penalty for TLTRO-III reprofiling), Net Interest Income increased by1.2%, benefiting from the growth in loans and securities. Headline NII was 4.9% lower q-o-q at Euro 283.2 million, negatively impacted by NPE clean-up and increased funding costs.
- Alpha Bank continues to produce higher-quality net interest income with the contribution of NPEs to NII at circa 14% in Q1 2022, versus 33% a year ago.
- Acceleration in Net Fee & Commission income continued in Q1 2022(+3.5% q-o-q) despite seasonality, reflecting a sharp pick up in loan origination stemming from the Bank's participation in project financing.
- Despite headwinds on the top line, Core Operating Income was resilient (+0.5% q-o-q).
- Recurring expenses declined by 7.4% q-o-q, mainly off the back of lower third-party fees and marketing costs. On a yearly basis, recurring expenses improved by 4.9% due to lower Staff Costs. The Bank expects to further solidify its best-in-class operational efficiency as it will benefit from already locked-in incremental quarterly cost savings from transactions of circa Euro 18 million which will materialise post their conclusion.
- Core Pre-Provision Income generation stood at Euro 163.8 million, up by 15.2%, mainly driven by improved operational efficiencies.
- Pre-Provision Income at Euro 273.8 million vs. Euro 135.8 million in the previous quarter, due to strong trading gains and significantly lower "Excluded items".
- The underlying impairment charge amounted to Euro 35.6 million, from Euro 99.8 million in the previous quarter, reflecting the de-risked portfolio and improving trends in NPE flows, with the underlying[1] Cost of Risk at 38bps in the quarter. Servicing fees amounted to an additional Euro 14.9 million. Moreover, impact from transactions related impairments stood at 61bps[2], associated with provisions to account for the sale scenario of the Bank's remaining inorganic NPE actions for 2022.
- Q1 2022 Profit After Tax of Euro 125.4 million. Normalised[3] Profit After Tax stood at Euro 134 million.

[1]Excluding impairment losses allocated to portfolio transactions and of servicing fees to Cepal that were reclassified in Q3 2021 to Impairment Losses on Loans from General Administrative Expenses (G&As).
[2]In Q1 2022, Impairment losses allocated to portfolio transactions (included in Impact from NPA transactions) stood at Euro 57 million.
[3]Detailed reference on normalised profits is available at the APMs section.

Capital - Asset Quality and Liquidity Position

- Alpha Bank's capital position remains solid with the Transitional Total Capital Ratio standing at 16.3%, or 15.1% on a Fully Loaded basis, pro-forma for the RWA relief from signed NPE transactions and the capital impact from Project "Prometheus". The planned capital measures should more than offset the negative impact from impending NPE transactions.
- At the end of March 2022, the Group's Tangible Equity stood at Euro 5.6 billion.
- The Group NPE ratio contracted further to 12.2% from 42.8% a year ago. The execution of pending transactions in Q2 will facilitate the achievement of a single digit NPE ratio by mid-2022. The NPL ratio reached 6.6% at the end of March 2022.
- The NPE stock in Greece reduced to Euro 4.7 billion, with negative organic formation and individual loan sales (refinancing of individual exposures) contributing to the reduction of the stock by Euro 0.2 billion.
- Group NPE cash coverage increased to 48% and to 46% in Greece. Group NPL coverage ratio stood at 89% while total coverage including collateral stood at 141%.
- The Group's robust liquidity position is evidenced by the strong Liquidity Coverage Ratio (LCR) which stood at 174% at the end of Q1 2022, far exceeding the regulatory threshold, with the Loan to Deposit ratio at 81% versus 90% at the end of Q1 2021.
- ECB funding was flat at Euro 13 billion. The Bank's blended funding cost remained in negative territory in Q1 2022 (-5 bps).

KEY FINANCIAL DATA

(in Euro million)	Three months ending (YoY)[1]			Quarter ending (QoQ)		
	31.03.2022	31.03.2021	YoY (%)	31.03.2022	31.12.2021	QoQ (%)
Net Interest Income	283.2	396.3	*(28.5%)*	283.2	297.8	*(4.9%)*
Net fee & commission income	108.0	83.3	*29.6%*	108.0	104.3	*3.5%*
Income from financial operations	103.1	60.8	*69.6%*	103.1	24.7	…
Other income	17.4	11.0	*58.0%*	17.4	4.4	…
Operating Income	511.7	551.4	*(7.2%)*	511.7	431.2	*18.7%*
Core Operating Income	**408.6**	**490.6**	***(16.7%)***	**408.6**	**406.4**	***0.5%***
Staff Costs	(93.2)	(104.9)	*(11.2%)*	(93.2)	(99.5)	*(6.3%)*
General Administrative Expenses	(111.4)	(110.4)	*0.9%*	(111.4)	(124.4)	*(10.5%)*
Depreciation & Amortisation	(40.3)	(42.2)	*(4.6%)*	(40.3)	(40.4)	*(0.2%)*
Recurring Operating Expenses	**(244.8)**	**(257.5)**	***(4.9%)***	**(244.8)**	**(264.3)**	***(7.4%)***
Excluded items[2]	6.8	(153.0)	…	6.8	(31.0)	…
Total Operating Expenses	**(238.0)**	**(410.5)**	***(42.0%)***	**(238.0)**	**(295.3)**	***(19.4%)***
Core Pre-Provision Income	**163.8**	**233.1**	***(29.7%)***	**163.8**	**142.2**	***15.2%***
Pre-Provision Income	**273.8**	**140.9**	***94.3%***	**273.8**	**135.8**	***101.6%***
Impairment Losses on Loans	(50.5)	(72.5)	*(30.4%)*	(50.5)	(125.1)	*(59.6%)*
Other Impairment Losses	6.8	(5.5)	…	6.8	(3.7)	
Impact from NPA transactions[3]	(67.4)	(317.0)		(67.4)	(423.0)	
Profit/ (Loss) Before Income Tax	**162.6**	**(254.1)**	***(164.0%)***	**162.6**	**(416.0)**	***(139.1%)***
Income Tax	(41.1)	(24.3)	…	(41.1)	38.7	…
Profit/ (Loss) After Tax from Discontinued Operations	3.8	(3.5)		3.8	(30.8)	
Reported Profit/ (Loss) After Income Tax	125.4	(281.9)		125.4	(408.1)	
Normalised[4] Profit After Tax	**134**	**108**	***71.3%***	**134**	**35**	**…**
	31.03.2022	31.03.2021		31.03.2022	31.12.2021	
Net Interest Margin (NIM)	1.5%	2.2%		1.5%	1.6%	
Cost to Income Ratio (Recurring)	59.9%	52.5%		59.9%	65.0%	
Common Equity Tier 1 (CET1)[5]	13.5%	16.0%		13.5%	13.2%	
Total Capital Ratio[5]	16.3%	18.3%		16.3%	16.1%	
Loan to Deposit Ratio (LDR)	81%	90%		81%	78%	
	31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2021	YoY (%)
Total Assets	73,406	73,356	73,059	70,452	71,152	*3.2%*
Net Loans	37,787	36,860	35,970	37,500	39,376	*(4.0%)*
Securities	10,957	10,645	10,933	10,376	10,012	*9.4%*
Deposits	46,850	46,970	46,522	45,032	43,612	*7.4%*
Shareholders' Equity	6,091	6,036	6,536	6,023	7,981	*(23.7%)*
Tangible Book Value	5,613	5,558	6,073	5,555	7,433	*(24.5%)*
	Group			Greece		
Asset Quality	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.12.2021	31.03.2021
Non-Performing Loans (NPLs)	2,630	2,412	15,349	2,489	2,259	13,335
Non-Performing Exposures (NPEs)	4,893	5,120	21,322	4,679	4,860	18,745
NPL ratio (%)	6.6%	6.2%	30.8%	6.9%	6.4%	30.8%
NPE ratio (%)	12.2%	13.1%	42.8%	13.0%	13.8%	43.3%

[1] P&L comparative figures have been restated due to the classification of "Alpha Bank Albania" in discontinued operations in Q4 2021.
[2] Extraordinary Income of Euro 6.8 million in Q1 2022, mainly related to Euro 8.5 million income due to modification of operating leases and Euro 2 million related to Transformation Programme Costs.
[3] In Q1 2022, Impact from NPA transactions includes Euro 57 million impairment losses on transactions, Euro 8.6 million impairments related to Skyline and Euro 2 million related to trading losses from Orbit derecognition. In Q4 2021, Impact from NPA transactions includes Euro 332 million impairment losses on NPE transactions, Euro 66 million impairment of fixed assets of Sky, Euro 22 million Cosmos and Euro 3 million NPA transaction related payments to Cepal.
[4] Detailed reference on normalised profits is available at the APMs section.
[5] Factoring the RWA relief from the transactions "Orbit", "Sky", "Riviera" and the capital impact from Project "Prometheus".

Key Developments and Performance Overview

Despite the geopolitical headwinds, Greece is expected to exhibit a growth premium, outpacing EU real GDP growth on the back of tourism rebound, RRF stimulus and supportive fiscal policy interventions

The geopolitical shock is expected to shave earlier growth projections. However, the growth prospects for 2022 remain robust, underpinned by the strong second-round rebound of tourism, which is expected to approach 2019 levels, the investment injection off the back of the RRF funds, the sizeable carry-over effect, the narrowing distance to investment grade and the significant gains in employment along with accumulated savings, which are expected to support private consumption during the energy crisis. Additionally, the redistribution of supply chains is expected to benefit the Greek economy. Strong inflationary pressures that prevail globally are expected to weigh on households' disposable income, compressing their purchasing power, but the losses are being partly mitigated by the fiscal support measures.

PE Loan portfolio continues to grow at above market rate (+Euro 1.1 billion q-o-q) driven by expansion of credit in corporates

Gross loans expanded by Euro 0.9 billion q-o-q at Group level, to Euro 40.1 billion as of the end of March 2022, fuelled by strong loan disbursements in Q1, as the Bank continues to build momentum on loan growth in line with its strategy. In Greece, Loan balances stood at Euro 36 billion, compared to Euro 35.1 billion at the end of December 2021. In Q1 2022, Alpha Bank continued to steadfastly support its Customers, with **new disbursements** in Greece reaching Euro 2.4 billion, allocated to key sectors including utilities, trade, energy, manufacturing, and tourism. Note that the gross loan figure as of March 2021 includes Euro 5.5 billion of retained senior notes associated with the Galaxy and Cosmos NPE securitizations.

In Q1 2022, the Group's **performing book** (excluding the Galaxy and Cosmos senior notes) increased strongly, up by 4% q-o-q, or Euro 1.1 billion, to Euro 29.7 billion, with growth in business lending being only partly offset by net repayments on the retail book.

In Q1 2022, domestic **net credit expansion** stood at Euro 0.9 billion, reflecting mostly large disbursements in Wholesale credit and, demonstrating the power of our corporate Franchise. Credit expansion is expected to remain elevated in the coming quarters, off the Bank continues to leverage on its strong position in corporate banking to mobilize new, high-quality credit in attractive sectors such as energy and real estate whilst continuing to originate and sub-underwrite significant structured finance projects in order to redeploy capital achieving the projected loan growth for the year.

Customer deposits retreated by Euro 0.1 billion q-o-q due to seasonality

Following a seasonally strong Q4 2021, our **Group deposit base** decreased by Euro 0.1 billion q-o-q to Euro 46.9 billion. More specifically, in Greece, deposit balances recorded outflows of Euro 95 million (-0.2%). On a year-on-year basis, the **deposit base in Greece** expanded by Euro 3.6 billion, or 9.4%, reflecting higher corporate and household savings. **Deposits in SEE** amounted to Euro 4.9 billion, posting a 5.5% annual decrease.

Strong funding and liquidity profile

Eurosystem funding remained at Euro 13 billion, unchanged from the end of December 2021, reflecting the full utilization of our TLTRO III borrowing allowance. The Bank's blended funding cost continued to benefit in Q1 2022 from the low-cost liquidity drawn from the ECB, still in negative territory (at -5 bps).

The strong liquidity profile is also evidenced by the net **Loan-to-Deposit ratio**, which declined to 81%, from 90% the year prior, while the Group's Liquidity Coverage Ratio (LCR) stands at 174%, far exceeding regulatory thresholds.

Solid capital with Total Capital ratio at 16.3%[1] at the end of Q1 2022

At the end of March 2022, the Group's **Total Capital** base stood at Euro 5.3 billion, resulting in a **Total Capital Ratio** of 15%, down by 110bps q-o-q. This was primarily attributable to a circa 107bps impact from the annual phasing-in of IFRS 9 and Basel III amortization, recognised every year in Q1. The Total Capital ratio was also impacted by 27bps from the increase in RWAs on the back of credit expansion and by 13bps from transactions and by 8bps from the FVOCI impact while it was supported by 44bps on Q1 quarterly organic profitability. Accounting for the RWA relief of the Bank's concluded NPE and capital generation transactions, namely projects "Orbit", "Sky", "Riviera" and the capital impact from Project "Prometheus", the Group's Total Capital Ratio stand higher at 16.3%. The respective **Fully Loaded Total Capital Ratio**, stood at 13.7% in March 2022 or 15.1% when factoring-in the RWA relief from the "Orbit", "Sky", "Riviera" transactions and the capital impact from "Prometheus".

At the end of March 2022, the Group's **Tangible Equity** amounted to Euro 5.6 billion. Tangible Book Value per Share stood at Euro 2.4.

RWAs at the end of March 2022 amounted to Euro 35.5 billion, up by 0.6% q-o-q or Euro 0.2 billion, on the back of a higher contribution from credit risk.

Net interest income negatively affected q-o-q by NPE clean-up and funding costs

Net Interest Income in Q1 2022 declined by Euro 14.6 million or 4.9% q-o-q to Euro 283.2 million. The headline q-o-q performance was negatively impacted by Euro 16.8 million from the loss of NII from Cosmos portfolio that was disposed in Q4 2021 and Euro 6.1 million from the calendar days' effect, while it was positively impacted by a one-off penalty recorded in Q4 related to TLTRO-III reprofiling. On a recurring basis, NII increased by 1.2% in the quarter mainly on the back of PE book expansion and lower deposits costs.

More specifically, on the asset side, NII from Performing loans increased by Euro 4.7 million supported mainly by new loans disbursements, whereas NII from the NPE book stood at Euro -1.2 million mainly on lower volumes. Moreover, the effect from Bonds amounted to Euro 1.6 million, mainly on the back of a higher securities portfolio, while other items had a negative contribution of Euro 1.7 million.

On the liability side, lower deposit balances alongside movements in market rates led to a positive impact on NII of Euro 3 million. Lastly, funding NII decreased by Euro 3 million q-o-q, mainly due to the cost incurred from the Bank's senior preferred bond issuance of Euro 0.4 billion in December.

Quality of earnings continued to improve in Q1 2022

In Q1 2022, Alpha Bank continued to produce higher-quality earnings as the contribution of NPEs to NII decreased further to 14% vs. 20% the previous quarter and against 33% a year ago.

Net Interest Margin stood at 1.5% in Q1 2022.

Acceleration in fee income, up by 29.6% y-o-y on the back of business credit related growth

Net fee and commission income stood at Euro 108 million in Q1 2022, up by 3.5% q-o-q, consistently above the Euro 100 million mark for a fourth consecutive quarter. This performance primarily reflects the sharp pick up in loan origination, which fully offset the seasonally weaker performance of the card business (down by Euro 3 million q-o-q) and a resilient performance of asset management despite the prevailing uncertainty, while it was also supported by higher fee generation from bancassurance. On a yearly basis, Net Fee and Commission income accelerated by 29.6%, off the back of business credit related growth, as well as elevated economic activity in general, underpinned by a higher contribution of asset management, bancassurance and cards business.

[1]Factoring the RWA relief (on Transitional Total Capital) from the transactions "Orbit" (-1bps), "Sky" (22bps) and "Riviera" (24bps) and capital impact from "Prometheus" (94bps).

In Q1 2022, **income from financial operations** came in at Euro 103.1 million, compared to Euro 24.7 million in Q4 2021, benefiting from trading gains attributed to valuation of derivatives and gains from FX differences. **Other income** line in Q1 2022 stood at Euro 17.4 million.

Significant cost efficiencies registered in Q1 2022, with Total OPEX down by 19.4% q-o-q due to lower G&As and Extraordinaries

In Q1 2022, **Recurring Operating expenses**[1] declined by 7.4% q-o-q or Euro 19.5 million, due to lower General Expenses (-Euro 13.1 million) on the back of decreased third party fees and marketing expenses as well as on lower Staff Costs mainly due to headcount reduction. **Total Operating Expenses** amounted to Euro 238 million (-19.4% q-o-q).

On a yearly basis, **Recurring operating expenses** for the Group decreased by 4.9% y-o-y or Euro 12.7 million, on the back of a decrease in Staff Costs stemming from the Voluntary Separation Scheme (VSS) program completed in the domestic operations in October 2021, as well as a lower depreciation charge, primarily on intangible assets.

The headline yearly performance (-42%) was positively impacted by the significantly lower “Excluded items” line vs. Q1 2021 of 153 million, out of which Euro 97.2 million was related to a provision for a VSS, out of which less than 70% was consumed with an unused portion to fund further departures.

It is also worth noting that, the VSS program completed in early October, which led to the gradual departure of more than 550 Employees along with continued Employee attrition, reduced our headcount in domestic operations to 5,586[2] FTEs, the lowest in the sector, and reduced our local cost base to the lowest levels seen in 15 years, solidifying our best-in-class operational efficiency.

Looking ahead, the Bank is targeting to deliver further efficiencies in the G&A line, on the back of the deconsolidation of the Merchant Acquiring business targeted for Q2 2022 with anticipated benefit on an annualised basis of Euro 31 million, and further cost savings post the completion of a number of transactions (namely Projects Sky & Skyline). With regards to Staff costs, the implementation of a new Collective Agreement signed on March 31, 2022, aiming to support the disposable income of our Employees, is anticipated to lead to a total backloaded impact of Euro 5.3 million, fully phased in 2025, representing a 2.2% cumulative increase to Bank’s 2021 payroll cost.

The **Group Network**, as of the end of March 2022, was reduced to a total of 450 Branches from 511 a year ago due to the ongoing platform rationalization and the sale of our subsidiary in Albania. As of March 2021, the number of Branches in Greece stood at 299. Annual productivity on a per Branch level, although the highest in Greece, has continued to improve, with higher retail loan disbursements as well as an increased market share in core deposits.

Improving Asset Quality trends in Q1 2022; on track to reach a single digit NPE ratio from mid-2022

NPE formation in Greece was negative as lower inflows from expired moratoria were more than offset by stronger curings and repayments and on the back of single ticket sales (refinancing of individual exposures). At the end of March 2022, the stock of NPEs reduced to Euro 4.9 billion, down from Euro 5.1 billion at the end of December 2021.

As a result, the **NPE ratio in Greece** contracted to 13%, whereas, the **NPE ratio** for the Group at the end of March 2022 declined to 12.2%. Currently, the Bank is fairly advanced in terms of preparation for a series of transactions to further

[1] Excluding servicing Fees which were reclassified in Impairment line and taking into account sale of Alpha Bank Albania.

[2] Excluding 12 Holdco Employees.

dispose NPE portfolios that will allow the Bank to achieve a single digit NPE ratio as soon as Q2 2022.

NPL balances in Greece stood at Euro 2.5 billion. The **NPL ratio in Greece** stood at 6.9% over total loans and 6.6% on a Group level. On a group level, NPL balances stood at Euro 2.6 billion.

Steady normalization of the Underlying CoR

The **underlying loan impairment charge** stood at Euro 35.6 million in Q1 2022, down from Euro 99.8 in the previous quarter, reflecting the de-risked portfolio and improving trends in NPE flows, whereas **servicing fees** paid to Cepal, amounted to Euro 14.9 million, down from Euro 25.2 million in the previous quarter.

As a result, in Q1 2022, CoR stood at 1.2% over net loans vs. 5% in the previous quarter, out of which 0.6% related to NPE transactions. Excluding the impact of transactions, **CoR** in Q1 2022 stood at circa 0.6% over net loans, vs. 1.4% in the previous quarter, paving the way for the normalisation of our impairment line.

In Q1 2022, **impact of NPA Transactions**[1] stood at Euro 67.4 million vs. 423 million, associated mostly with Projects “Sky”, “Orbit” and “Cosmos”.

Other impairment losses in Q4 2021 amounted to a Euro 6.8 million, incorporating lower ECLs on Greek Government debt on the back of recent rating upgrades.

Group NPE Coverage increased to 48%

Following the reduction of the stock of NPEs, the **Group’s NPE cash coverage** increased to 48% and to 46% for Greece at the end of March 2022. On the other hand, the **Group NPL coverage ratio** reached 89%, while total coverage including collateral reached 141%.

At the end of March 2022, **accumulated provisions** for the Group amounted to Euro 2.3 billion, with the equivalent figure for Greece at Euro 2.2 billion.
Out of the Euro 4.9 billion remaining NPEs for the Group as of Q1 2022, circa 47% or Euro 2.3 billion are FNPL exposures less than 90 days past due, while out of the remaining Euro 2.6 billion which are NPLs, the majority or Euro 1.9 billion are attributed to secured exposures.

Operations in SEE

In **SEE**, **Operating Income** for Q1 2022 amounted to Euro 58.5 million, up by 8.6% y-o-y, driven by Net interest Income increase mainly from Romania, supported by volume and base rate increase and also an improved performance in commission income in both Cyprus and Romania.

Operating expenses amounted to Euro 49.3 million, up by 6.7% y-o-y, stemming mainly from our Romanian subsidiary. A contributor to this performance was the increase in personnel expenses stemming from the application of a retention plan and general administrative expenses as a result of higher Deposit Guarantee Fund contribution, IT costs to modernize the platform and expenses linked with increased energy prices and inflation.

Pre-Provision Income stood at Euro 9.2 million, up by 20.5% y-o-y, reflecting higher NII and Commission income lines. In Q1 2022, our SEE operations returned to profitability, registering profit of Euro 4.9 million before tax, off the back of the significant de-escalation of the high impairment charges of previous years in Cyprus, following the acceleration of the NPE clean-up.

[1] In Q1 2022, Impact from NPA transactions includes Euro 57 million impairment losses on transactions, Euro 8.6 million impairments related to Skyline and Euro 2 million related to trading losses from Orbit derecognition. In Q4 2021, Impact from NPA transactions includes Euro 332 million impairment losses on NPE transactions, Euro 66 million impairment of fixed assets of Sky, Euro 22 million Cosmos and Euro 3 million NPA transaction related payments to Cepal.

The **Loan to Deposit Ratio in SEE** operations stood at 72.4% at the end of March 2022, down from 88.1%[1] in the previous year.

In **Romania**, loan balances increased by 6.2% or Euro 161 million y-o-y and stood at Euro 2.8 billion, while deposits amounted to Euro 2.7 billion, posting a 4.7% annual increase.

Total Revenues amounted to Euro 37.6 million, marking a 19% annual increase on a yearly basis. More specifically, NII benefited from increased loan volumes and higher base rates, while net F&Cs improved mainly from cards and bancassurance. Moreover, higher financial income stemming mainly from FX transactions supported the improved performance for the quarter.
Operating Expenses stood at Euro 32 million, up by Euro 2.8 million (9% y-o-y), on the back of increased G&As, reflecting higher Deposit Guarantee Fund contributions, IT costs and expenses linked with increased energy prices and inflation. Profit before Tax for Q1 2022 stood at Euro 0.6 million, down by Euro 1 million y-o-y, due to the higher impairment charge (by Euro 4.1 million) versus 2021.

In **Cyprus**, the loan portfolio in Q1 2022 stood at Euro 917 million (-71.2% y-o-y), post-completion of the Sky transaction, while deposit balances increased by Euro 132 million y-o-y (+6.5% y-o-y) to Euro 2.2 billion.

Total Revenues decreased by 6% y-o-y to Euro 20.9 million, as the increase in NII and commission income was offset by the lower trading gains vs. Q1 2021. Operating Expenses stood at Euro 17.3 million (+2% y-o-y). In Q1 2022, our Cypriot operations recorded profit before tax of Euro 4.3 million, as a result of the significant decrease in impairment charges to Euro -0.7 million vs. Euro 316.7 million a year ago, following the completion of the Sky transaction. It is worth noting that the remaining NPE balances in Cyprus stand at Euro 75 million from Euro 2.3 billion in the previous quarter.

Athens, May 26, 2022

[1] 2021 comparative figures excluding our operations in Albania.

Alternative Performance Measures ("APMs")

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" or "Impairment losses"	The figure equals "Impairment losses and provisions to cover credit risk" as derived from the Consolidated Financial Statements of the reported period excluding Euro 57 million impairment losses on transactions.	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", as derived from the Consolidated Income Statement of the reported period, excluding Euro 2 million related to Orbit.	Standard banking terminology	3	
Core Operating Income	Operating Income less Income from financial operations for the corresponding period.	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	
Excluded items	Extraordinary Income of Euro 6.8 million in Q1 2022, mainly related to Euro 8.5 million income due to modification of operating leases and Euro 2 million related to Transformation Programme Costs.	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
Normalized Profit After Income Tax	Normalised profits between financial year 2022 and 2021 are not comparable due to initiation of a new normalized profits procedure from since 1.1.2022 which does not exclude trading income due to bonds now held for collection rather than for sale. Normalised Profit After Tax in Q1 2022, is Reported Profit /(Loss) After Tax of Euro 125.4 million, excluding Income from financial operations of Euro 80 million, Losses on derecognition of financial assets measured at amortised cost of Euro 2 million, Impairment Losses on loans of Euro 25 million, non-recurring Operating Expenses of Euro 8 million, Impact from NPA transactions of Euro 57 million and gains from discontinued operations of Euro 4 million. In Q1 2021, is Reported Loss After Tax of Euro 281.9 million adjusted for trading gains of Euro 61 million, non-recurring Operating Expenses of Euro 156 million, Impact from NPA transactions of Euro 317 million, tax (income) related to the above mentioned adjusted of Euro 25 million as well as Euro 4 million losses after tax for discontinued operations.	Profitability metric		Normalised Profit After Tax
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.	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

Profit & Loss

(€ mn)

Q1 2022	Accounting	Delta	APMs	APMs	Delta	Normalised
	Bridge between Fin. Statements and APMs			Bridge between APMs and Normalised profit		
Net Interest Income	283		283	283		283
Net fee & commission income	108		108	108		108
Income from financial operations	101	2	103	103	(80)	23
Other income	17	1	17	17		17
Operating Income	**509**		**512**	**512**		**432**
Staff costs	(93)		(93)	(93)		(93)
General Administrative Expenses	(113)	2	(111)	(111)	6	(105)
Depreciation & Amortization	(40)		(40)	(40)		(40)
Recurring Operating Expenses			**(245)**	**(245)**		**(239)**
Excluded items		7	7	7	(7)	0
Total Operating Expenses	**(247)**		**(238)**	**(238)**		**(239)**
Core Pre-Provision Income			**164**	**164**		**170**
Pre-Provision Income			**274**	**274**		**193**
Impairment Losses on Loans	**(107)**	**57**	**(50)**	**(50)**		**(25)**
o/w Underlying			*(36)*	*(36)*	*25*	*(11)*
o/w Servicing fees			*(15)*	*(15)*		*(15)*
Other Impairment Losses	7		7	7		7
Impact from NPA transactions		(67)	(67)	(67)	67	(0)
Share of Profit/(Loss) of associates and joint ventures	1	(1)	0	0		0
Profit/ (Loss) Before Income tax	**163**		**163**	**163**		**174**
Income Tax	(41)		(41)	(41)	0	(41)
Profit/ (Loss) after income tax from continued operations	**122**		**122**	**122**		**134**
Profit/(Loss) after tax from discontinued operations	4		4	4	(4)	0
Profit/ (Loss) after Tax	**125**	**0**	**125**	**125**	**8**	**134**

About Alpha Services and Holdings

Alpha Services and Holdings S.A. (under the distinctive title Alpha Services and Holdings) is a financial holdings company, listed on the Athens Stock Exchange, and the parent company of the banking institution "ALPHA BANK S.A.".
Subsequent to the corporate transformation that took place in April 2021, the banking operations were hived-down to a new wholly owned banking subsidiary (Alpha Bank S.A.).
Alpha Bank S.A. is 100% subsidiary of Alpha Services and Holdings S.A. and one of the leading Groups of the financial sector in Greece which was founded in 1879 by J.F. Costopoulos. The Bank offers a wide range of high-quality financial products and services, including retail banking, SMEs and corporate banking, asset management and private banking, the distribution of insurance products, investment banking, brokerage and real estate management.
https://www.alphaholdings.gr/en/investor-relations

ENQUIRIES

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