ALPHA
SERVICES AND HOLDINGS

Q2 2022 Results

Press Release

Alpha Bank reports profit of €117.3mn in Q2 2022

Q2 Key Financial metrics

Reported profit after income tax	€117.3mn
Normalized[1] profit after tax	€73mn
Return on tangible book value (RoTBV)	8.6%
Fully-loaded Common Equity Tier 1[2] (CET1%)	11.7%
Tangible Book Value per Share	€2.42

Key takeaways

- Inorganic balance sheet restoration delivered, reaching single-digit NPE ratio of 8.2%, with €1. 6bn of NPEs transactions. Asset Quality clean-up target met with NPEs down 89% to €3.2bn since end-2017.
- Conclusion of agreement on Greek payments sector with Nexi expands business development actions that position the bank to capitalize on growth from an expanding ecosystem, strengthening its franchise.
- Strong domestic performing loans expansion on €0.7bn net businesses credit, reclaiming Alpha Bank's leading position in the financing of Greek businesses. Performing loans +3% q/q.
- Net Interest Income driven by growth in loans and securities as asset quality headwinds diminish; further upside from higher rates.
- Fees fueled by growth in cards & payments alongside robust loan origination and sustained performance in wealth management.
- FL CET1 at 11.7% pro-forma for RWA relief for the Bank's NPE and capital generation transactions, evolving as per plan.

Summary trends

- Net Interest Income picked up by 6.9% q/q to €302.7mn, benefiting from growth in loans and securities.
- Net Fee & Commission income at €100.7mn, down 6.7% q/q as Q1 had benefited from large Project Finance fees.
- Recurring OPEX at €244.7mn flat q/q. Total OPEX up 5.4% q/q driven by excluded items. Further benefits from already locked-in quarterly cost savings from transactions of circa €18mn will materialise post their conclusion.
- Core PPI generation stood at €173.1mn, up by 5.6%, mainly driven by the strong recovery in NII.
- Cost of Risk at 94bps on underlying impairments of €75mn and of NPE servicing fees of €14mn, with H1 75bps in line with FY guidance. Impact from transactions at €189mn in line with 2022 loss budget. NPE formation flat q/q.
- Reported Profit at €117.3mn, Normalised at €73mn excluding (a) non-recurring Operating Expenses of €6mn, (b) impairment losses of €3mn, (c) NPA transactions impact of €214mn, (d) gains from discontinued operations and other of €217mn and (e) tax of €49mn relating to the above.

"Alpha Bank is playing a key role in supporting Greek households and business as well as facilitating international investment in Greece"

"On the first annual anniversary since the launch of our Project Tomorrow, Alpha Bank has demonstrated a stellar implementation of its plan, meeting all relevant goals. During the first half, it continued its strong performance, delivering growth across key metrices and thus derisked substantially many of the targets in terms of profitability, regulatory capital, earnings quality and growth for the full year 2022.

Following a series of actions, our Non-Performing Exposures (NPE) ratio is reduced to 8.2%, in line with our expectations. It is the first time we have seen a single digit NPE ratio for more than a decade and this represents a stark contrast to our 48.9% NPE ratio at the beginning of 2019. The seamless execution of this restructuring programme is a statement of our team's ability and determination to deliver on complex objectives, even in the more demanding conditions, as this plan was mostly effected during the pandemic.

Our core business continues to flourish with further expansion in corporate lending, enabling Alpha Bank to once again reclaim the number one spot as the leading provider of finance to business in Greece. In the first half, our Bank supported the Greek economy with disbursements of €4 billion, with net credit expansion reaching €1.7 billion.

Meanwhile, the transformation of Alpha Bank continued apace during the first half, with further high-profile strategic transactions leveraging the strength of our franchise and of our partners'. In July, our new partnership with Nexi, the leading payments technology group, was launched and it aims at transforming merchant solutions in Greece, paving the way for a new era of digital payments in the country. We have also reached preferred bidder status on project Skyline for the transfer of a pool of €500 million of real estate assets, whereby the management and servicing is going to be provided by our Real Estate arm.

Furthermore, we have continued implementing structural changes in our cost base, having already locked in €132 million in savings. The focus on executing our plan allowed for reaching an improved return on tangible book value in the first half and reporting Profit After Tax of €243 million, tracking in line with our profitability targets for the year.

The outlook for the macro-economic environment remains uncertain given the combined shocks of war in Ukraine, the hike in energy costs, high inflation and the lingering impact of the Covid-19 pandemic. However, Greece is experiencing a strong return of tourism this summer, with stronger employment and better estimates for growth than the EU average. Alpha Bank is playing a key role in supporting Greek households and business as well as facilitating international investments in Greece, and we remain confident that we are well positioned to navigate this challenging environment."
Vassilios Psaltis, CEO

Key Financial Data

P&L | Group (€mn)	H1 2022	H1 2021	YoY (%)	Q2 2022	Q1 2022	QoQ (%)
Net Interest Income	585.9	763.6	*(23.3%)*	302.7	283.2	*6.9%*
Net fee & commission income	208.7	187.6	*11.2%*	100.7	108.0	*(6.7%)*
Income from financial operations	113.1	91.4	*23.8%*	10.0	103.1	...
Other income	31.8	21.4	*48.4%*	14.4	17.4	...
Operating Income	**939.5**	**1,064.0**	***(11.7%)***	**427.7**	**511.7**	***(16.4%)***
Core Operating Income	**826.4**	**972.7**	***(15.0%)***	**417.8**	**408.6**	***2.2%***
Staff Costs	(188.4)	(208.8)	*(9.8%)*	(95.2)	(93.2)	*2.2%*
General Administrative Expenses	(222.0)	(222.5)	*(0.2%)*	(110.6)	(111.4)	*(0.7%)*
Depreciation & Amortization	(79.2)	(79.3)	*(0.1%)*	(38.9)	(40.3)	*(3.4%)*
Recurring Operating Expenses	**(489.5)**	**(510.5)**	***(4.1%)***	**(244.7)**	**(244.8)**	***(0.0%)***
Excluded items[3]	0.7	(166.4)	...	(6.1)	6.8	...
Total Operating Expenses	**(488.8)**	**(676.9)**	***(27.8%)***	**(250.9)**	**(238.0)**	***5.4%***
Core Pre-Provision Income	**336.9**	**462.2**	***(27.1%)***	**173.1**	**163.8**	***5.6%***
Pre-Provision Income	**450.6**	**387.2**	***16.4%***	**176.9**	**273.8**	***(35.4%)***
Impairment Losses	(139.7)	(165.5)	*(15.6%)*	(89.2)	(50.5)	*76.8%*
Other Impairment Losses	5.8	(14.8)	...	(1.0)	6.8	...
Impact from NPA transactions[4]	(281.0)	(351.8)	...	(213.5)	(67.4)	...
Profit/ (Loss) Before Income Tax	**35.7**	**(145.1)**	...	**(126.9)**	**162.6**	...
Income Tax	(14.0)	(37.7)	...	27.1	(41.1)	...
Profit/ (Loss) after income tax	**21.7**	**(182.7)**	...	**(99.8)**	**121.6**	...
Profit/ (Loss) after income tax from discontinued operations and other	220.9	(2,143.9)	...	217.1	3.8	...
Profit/ (Loss) After Income Tax	**242.7**	**(2,326.6)**	...	**117.3**	**125.4**	***(6.4%)***
Normalised[5] Profit After Tax	**207**	**212**	***(2.4%)***	**73**	**134**	***(45.5%)***

Balance Sheet | Group	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021	YoY (%)
Total Assets	75,782	73,406	73,356	73,059	70,452	*7.6%*
Net Loans	38,098	37,787	36,860	35,970	37,500	*1.6%*
Securities	12,395	10,957	10,645	10,933	10,376	*19.5%*
Deposits	48,496	46,850	46,970	46,522	45,032	*7.7%*
Shareholders' Equity	6,138	6,091	6,036	6,536	6,023	*1.9%*
Tangible Book Value	5,671	5,613	5,558	6,073	5,555	*2.1%*

Key Ratios | Group	H1 2022	Q1 2022	FY 2021	9M 2021	H1 2021
Profitability					
Net Interest Margin (NIM)	1.6%	1.5%	1.9%	2.0%	2.2%
Cost to Income Ratio (Recurring)	59.2%	59.9%	56.0%	53.4%	52.5%
Capital					
CET1[2]	13.0%	12.2%	13.2%	13.9%	12.8%
Total Capital Ratio[2]	16.0%	15.0%	16.1%	16.5%	15.5%
Total Capital FL[2]	14.7%	13.8%	13.8%	14.4%	13.3%
Liquidity					
Loan to Deposit Ratio (LDR)	79%	81%	78%	77%	83%
LCR	160%	169%	196%	194%	169%
Asset Quality					
Non-Performing Loans (NPLs)	1,671	2,630	2,412	5,459	7,279
Non-Performing Exposures (NPEs)	3,233	4,893	5,120	8,435	11,364
NPL ratio (%)	4.2%	6.6%	6.2%	12.9%	16.7%
NPE ratio (%)	8.2%	12.2%	13.1%	19.9%	26.1%

Business Update

Greece exhibits solid growth dynamics in 2022, amid elevated geopolitical uncertainty and persistent cost-driven inflationary pressures. In an environment where soft data is tilting downwards, the country's relative resilience is expected to be supported by the further deployment of RRF funds strengthening investment, the revival of tourism-related revenues in the post-pandemic environment and the less energy consuming industry structure. Despite this challenging environment, progress on business plan actions continues with major milestones reached in the quarter.

Inorganic balance sheet restoration delivered, reaching single-digit NPE ratio of 8.2%, as a transaction perimeter of €1.6bn of NPEs has been reclassified to Held for Sale with the full P&L impact incurred this quarter. The conclusion of the agreement on Merchant Acquiring with Nexi has positioned the bank to capture growth in the Greek payments sector, whilst the capital benefit has further solidified our capital position. Meaningful profitable growth in performing loans in Greece, up 9% y/y, and internationally, up 5% y/y. Fees at €101mn demonstrating normalised activity and capacity to capture profitable opportunities. The majority of the envisaged cost reduction measures are secured.

The medium-term aspirations for creating value for our Shareholders in terms of profitability, tangible book value growth, regulatory capital and Shareholder remuneration remain intact.

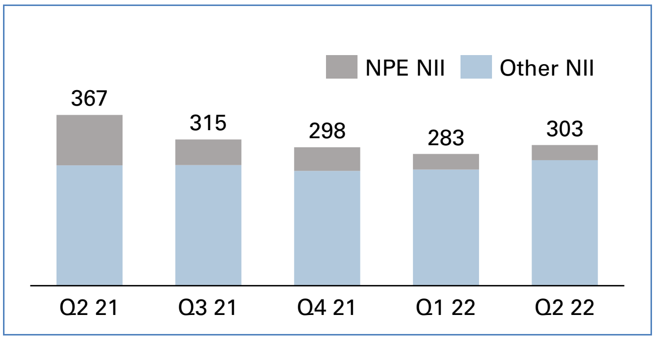
Profitability

Improved financial performance with better quality of earnings

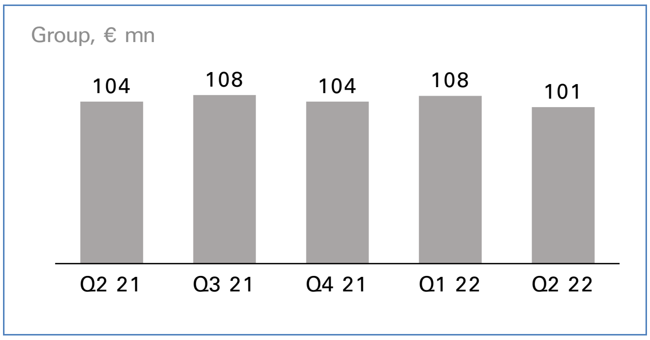
The quality of earnings continued to steadily improve in the quarter:

- The contribution of NPEs to the top line improved markedly, down to 11% from 30% a year ago, and is expected to fall to 6% in the coming quarters.
- Fees and commissions stood at €101mn, driven by cards & payments, further diversifying the Bank's revenue stream.
- Recurring operating expenses continue to trend lower, demonstrating the improvement in efficiency.
- Cost of risk for the half year of 75bps excluding transactions is in line with the guidance for 2022 reflecting the improvement of the balance sheet.

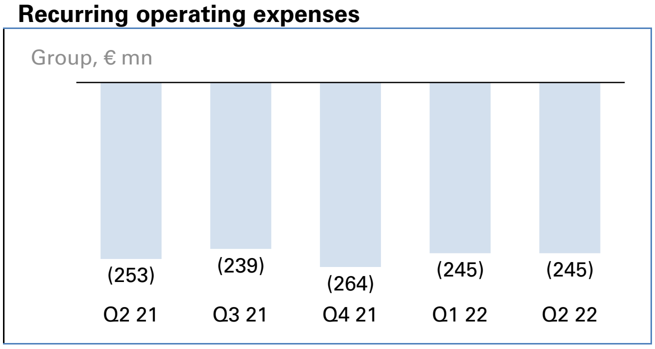
Net interest income



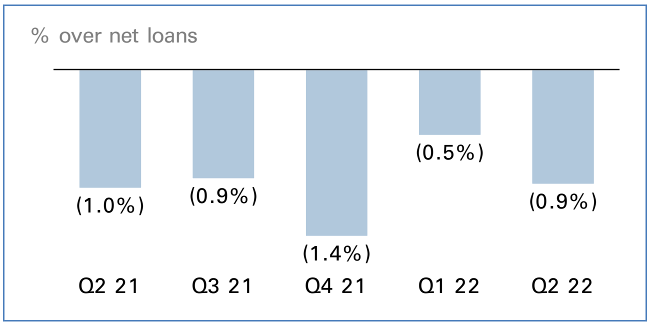
Net fee and commission income



Recurring operating expenses

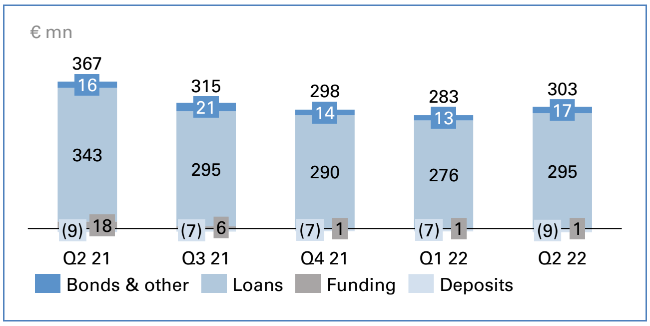


Cost of risk

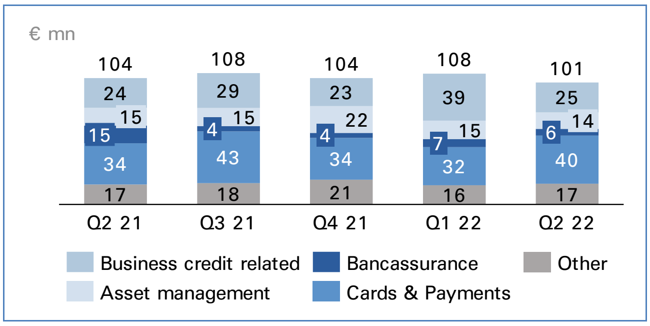


Core Operating Income recovered by +2.2% q/q

NII decomposition



Net F&C Income decomposition



Recurring net interest income +6.7% q/q on loan growth and securities

Net Interest Income increased by €19.5mn or 6.9% q/q to €302.7mn. The headline performance was positively impacted by the €3.3mn impact of the calendar days' effect and partially offset by (a) a €1.7mn loss of income from the portfolios disposed in Q1 2022 and (b) €1.3mn lower TLTRO NII due to the lower rate in June.
On a recurring basis, NII increased by 6.7% mainly on the back of performing loan book expansion and higher income from the bonds portfolio, on both higher volumes and yields.

Robust performance of fee income on the back of business credit related growth

Net fee and commission income stood at €100.7mn, down -6.7% q/q or €7mn as Q1 had benefited from large Project Finance fees, with Q2 witnessing growth in cards & payments alongside robust loan origination and sustained performance in wealth management.

Income from financial operations came in at €10mn, compared to €103mn in Q1 2022 that had benefited from gains attributed to the valuation of derivatives and gains from FX differences.

Other income stood at €14.4mn.

Recurring OPEX flat q/q

Recurring Operating expenses flat q/q at €244.7mn, with a slight increase in Staff Costs (+€2mn) offset by lower General Expenses and a lower Depreciation charge.

Total Operating Expenses amounted to €250.9mn vs. €238mn in the previous quarter (+5.4% q/q) driven by non-recurring costs ("excluded items") of €6.1mn vs. a €6.8mn gain in Q1 2022. Further benefits from already locked-in quarterly cost savings from transactions of circa €18mn per quarter will materialize post their conclusion, helping to more than counterbalance inflationary pressures.

Steady normalization of the Cost of Risk

The **underlying loan impairment** charge stood at €75.2mn, up from €35.6mn in the previous quarter, reflecting actions to ringfence against potential NPE flows ahead of a potential macro deterioration. **Servicing fees** paid to Cepal amounted to €14.1mn, from €14.9mn in the previous quarter.

Excluding the impact of transactions, **Cost of Risk** stood at 94bps over net loans (including servicing fees) vs. 54bps in the previous quarter, reflecting management actions in light of the current uncertainty. In H1 2022, CoR at 75bps, relatively in line with our FY guidance. Cost of Risk including the impact of transactions stood at 293bps vs. 115bps in the previous quarter, out of which 199bps related to NPE transactions.

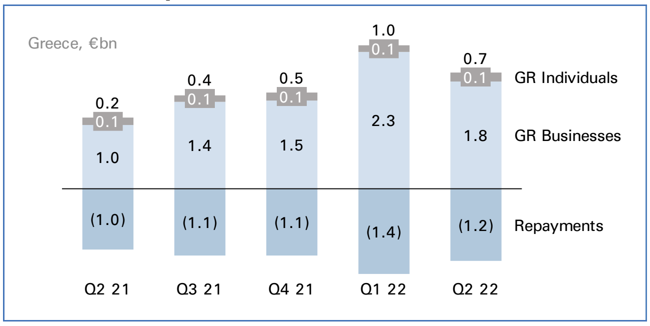
The **impact of NPA Transactions**[4] stood at €213.5mn vs. €67.4mn in Q1 2022, associated mostly with Projects "Hermes", "Solar", "Leasing" and "Light".

Other impairment losses in Q2 2022 amounted to -€1.0mn.

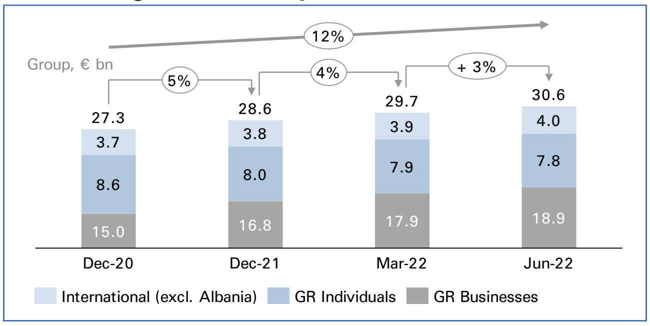
Balance Sheet Highlights

Performing loan portfolio continues to grow at above market rate (+€0.9bn q/q) driven by Business loans' expansion

Net credit expansion



Performing loan book expansion



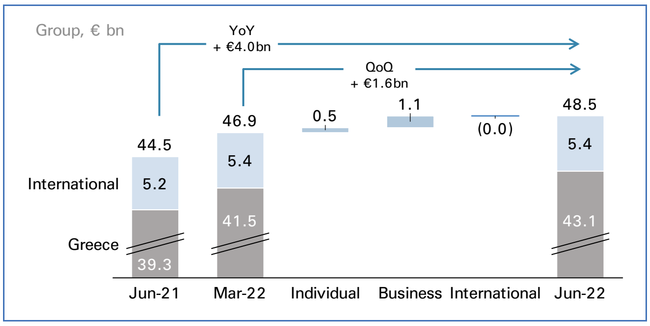
New disbursements in Greece reached €1.9bn in the quarter, allocated to key sectors including trade, manufacturing, tourism and infrastructure. Note that the gross loan figure includes €5.5bn of retained senior notes associated with the Galaxy and Cosmos NPE securitizations.

The Group's **performing loan book** (excluding the Galaxy and Cosmos senior notes) increased further, +3% or €0.9bn q/q, to €30.6bn, with strong growth in business lending and minor net repayments on the retail book.

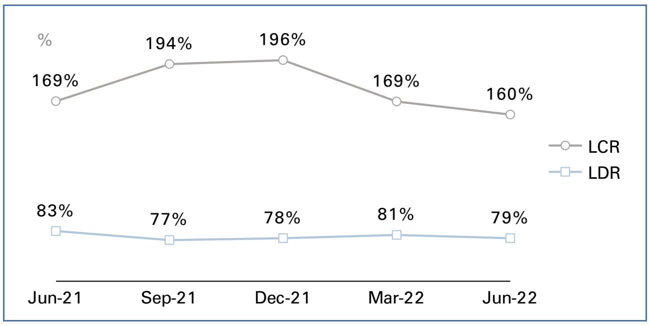
Net credit expansion in Greece stood at €0.7bn, reflecting mostly large disbursements in Business loans. In H1 2022, the Bank has de-risked its full year target, by achieving 73% of the targeted net credit expansion for 2022.

Customer deposits €1.6bn higher q/q driven by Businesses

Deposits evolution



Group LCR & LDR



Following a seasonally weak Q1 2022, the Group deposit base increased by €1.6 bn q/q to €48.5bn, reflecting higher core deposits from businesses and households, funding growth in the loan book.

Strong funding and liquidity profile

Eurosystem funding remained at €13bn, unchanged q/q, reflecting the full utilization of the TLTRO III borrowing allowance. The Bank's blended funding cost continued to benefit in the quarter from the low-cost liquidity drawn by the ECB, remaining in negative territory at -3bps.

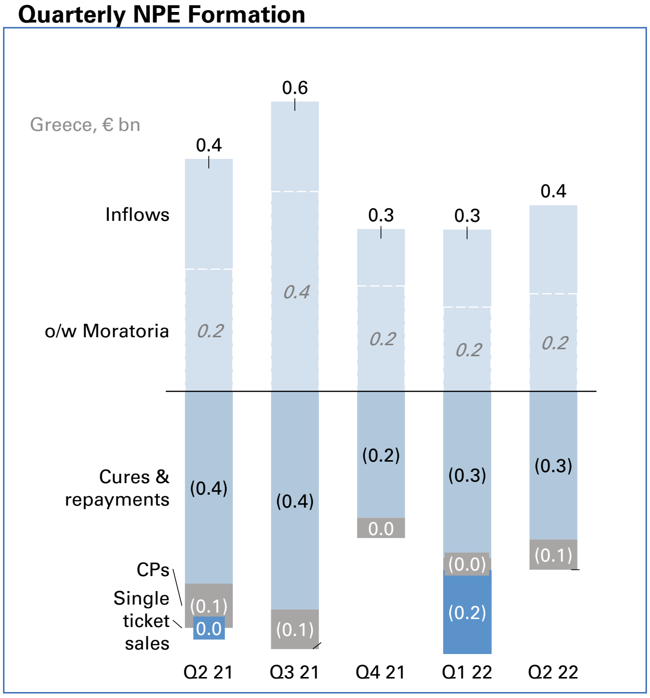
The strong liquidity profile is also evidenced by the net **Loan-to-Deposit** ratio, which stands at 79%, while the Group's Liquidity Coverage Ratio (LCR) stands at 160%, far exceeding regulatory thresholds.

Asset Quality

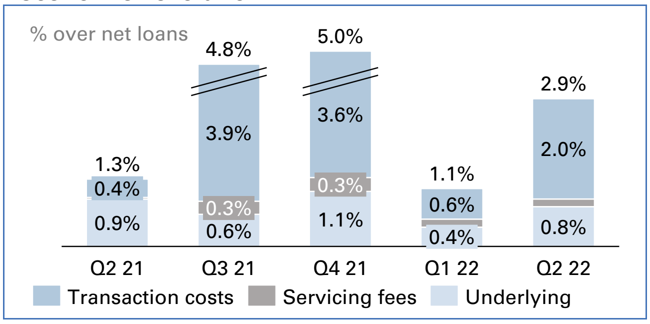
Single digit NPE ratio of 8.2%; NPE formation remains resilient

On an underlying basis, **NPE formation in Greece** remained largely flat, as slightly higher inflows were offset by stronger curings and repayments. In Q2 2022, the stock of NPEs was reduced to €3.2bn, down from €4.9bn in the previous quarter, driven by the reclassification to HFS of NPE portfolios related to the "Hermes", "Solar", "Leasing" and "Light" transactions totaling €1.6bn. As a result, the **NPE ratio** for the Group decreased to a single-digit level at 8.2%.

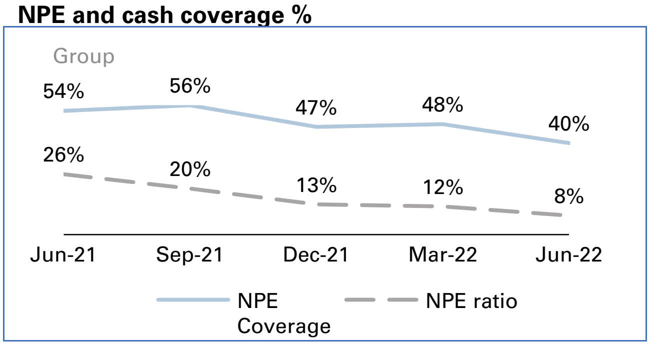
Quarterly NPE Formation



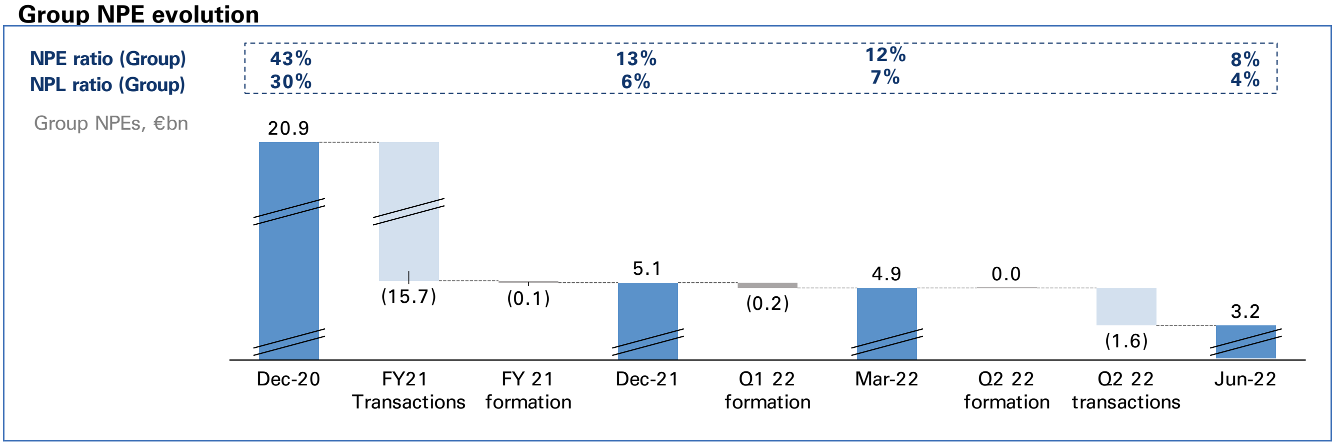
Cost of risk evolution



NPE and cash coverage %



Group NPE evolution



Group NPE Coverage decreased to 40% due to the reclassification of NPE portfolios to HFS

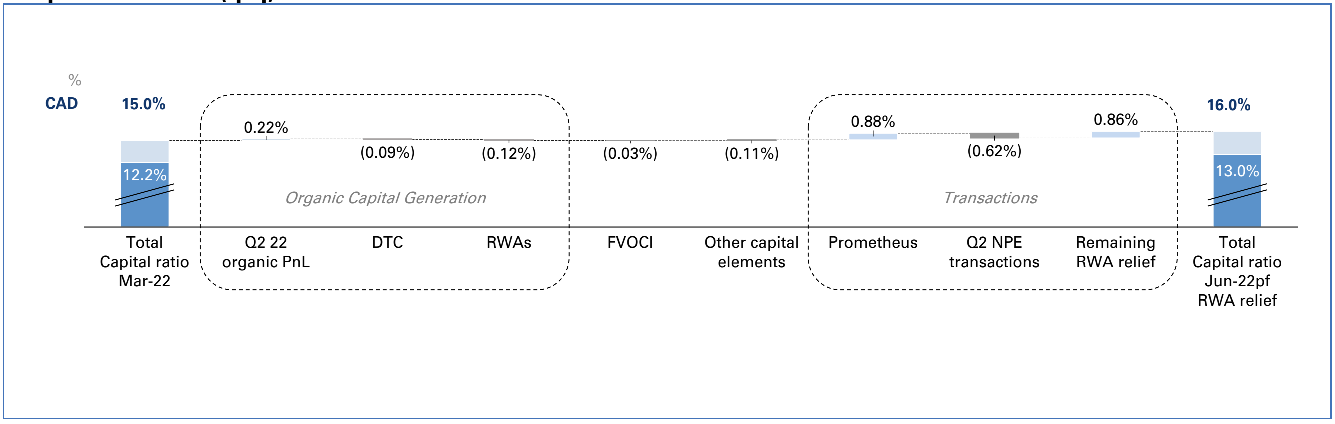
Following the reclassification of NPE portfolios to Held-for-sale, the **Group's NPE cash coverage** decreased to 40%. The **Group NPL coverage ratio** reached 77%, while total coverage including collateral reached 135%.

The remaining stock of €3.2bn NPEs for the Group consists predominantly of Retail (86% of stock) secured (78% of stock) exposures, with a nearly half of the total (48% or €1.6bn) less than 90 days past.

Capital

Solid capital with Total Capital ratio at 16%[2]

Capital evolution (q/q)



The Group's **Total Capital** base stood at €5.4bn, resulting in a **Total Capital Ratio** of 15.1%, up by 10bps q/q. The move was primarily attributable to a positive 26bps impact from transactions, with organic profitability contributing positively 22bps, partly offset by a 3bps impact from the lower reserve of the investment securities portfolio measured at FVTOCI, a negative impact of 9bps from DTC amortization, -12bps impact from RWA growth and 11bps negative impact from other capital elements. Accounting for the RWA relief stemming from the Bank's NPE and capital generating transactions, the Group's Total Capital Ratio stands higher at 16%.

The respective **Fully Loaded Total Capital Ratio**, stood at 13.9% in June 2022 or 14.7%, when factoring-in the aforementioned RWA relief from transactions.

Update on Project Prometheus

Following the announcement of a binding agreement with Nexi S.p.A. ("Nexi") on 11.11.2021 for the establishment of a strategic partnership in respect of the Bank's merchant acquiring business unit in Greece and the completion of the transaction on 30.6.2022 with the launch of Nexi Payments Greece ("NPG"), on 29.7.2022 Nexi acquired an additional stake of 39.01% in NPG, increasing its aggregate stake to 90.01%.
Updated shareholding structure is consistent with the partnership's strategic vision, through Nexi having increased day-to-day control of NPG and the Bank focusing on the distribution of products and services in the market.

Operations in SEE

In **SEE, Pre-Provision Income** stood at €23.9mn, up by 25.3% y/y, reflecting higher NII and Commission income lines. In H1 2022, our SEE operations maintained the positive trend, registering profit of €28.6mn before tax, as a result of the significant de-escalation of the high impairment charges of previous years in Cyprus, following the acceleration of the NPE clean-up/ which paved the way to normalization.

Athens, August 2, 2022

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"	The figure equals Impairment losses and provisions to cover credit risk on loans and advances to customers and related expenses excluding impairment losses and provisions to cover credit risk on other financial instruments as derived from the Consolidated Financial Statements of the reported period.	Standard banking terminology	10	LLP
"Impairment losses"	"Impairment losses on loans" excluding impairment losses on transactions. Impairment losses on transactions stood at Euro 189 million for Q2 22 and Euro 57 million for Q1 22.	Standard banking terminology		
"Impairment losses" of which underlying	"Impairment losses" excluding "loans servicing fees" as disclosed in the Consolidated Financial Statements of the reported period.	Standard banking terminology		
"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 gains/losses from derecognition of sales portfolios, securitisations or sales of other operations. This amounted to Euro 2 million related to Project "Orbit" for Q1 22 and Euro 292 million related to projects "Prometheus", "Orbit" and "Neptune" for Q2 22.	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 or "non-recurring Operating Expenses" or "Extraordinary Costs"	Extraordinary Costs of €6.1mn in Q2 2022, mainly related to operational risk related losses.	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 AfterIncome Tax	Normalised profits between financial year 2022 and 2021 are not comparable due to initiation of a new normalized profits procedure effective since 1.1.2022 which does not exclude specific accounts such as the trading gains account and is based on specific principles and criteria. Main Income and expense items that are excluded for purposes of the normalized profit calculation are listed below: **1. Transformation related:** a. Transformation Costs and related Expenses b. Expenses and Gains/Losses due to Non-Core Assets' Divestiture c. Expenses/Gains/Losses as a result of NPE/NPA exposures transactions' **2. Other non-recurring related:** a. Expenses/Losses due to non anticipated operational risk b. Expenses/Losses due to non anticipated legal disputes c. Expenses/Gains/Losses due to short-term effect of non-anticipated and extraordinary events with significant economic impact d. Non-recurring HR/Social Security related benefits/expenses e. Impairment expenses related to owned used [and inventory] real estate assets f. Initial (one off) impact from the adoption of new or amended IFRS g. Tax related one-off expenses and gains/losses **3. Income Taxes Applied on the Aforementioned Transactions.** Normalised Profit After Tax in Q2 2022, is Reported Profit /(Loss) After Tax of €117.3mn excluding (a) non-recurring Operating Expenses of €6mn, (b) impairment losses of €3mn, (c) NPA transactions impact of €214mn, (d) gains from discontinued operations and other of €217mn and (e) tax of €49mn relating to the above. Normalised Profit After Tax in Q1 2022 excludes trading income of €80mn, Losses on derecognition of financial assets measured at amortised cost of €2mn, Impairment Losses on loans of €25mn, non recurring Operating Expenses of €8mn, Impact from NPA transactions of €57mn and gains from discontinued operations of €4mn.	Profitability metric		Normalised ProfitAfter 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

P&L | Group (€mn)	Bridge between Fin. Statements & APMs			Bridge between APMs & Normalized profit		
Q2 2022	Accounting	Delta	APMs	APMs	Delta	Normalized
Net Interest Income	303		303	303		303
Net fee & commission income	101		101	101		101
Income from financial operations	302	(292)	10	10		10
Other income	14	1	14	14	(1)	14
Operating Income	**719**		**428**	**428**		**427**
Staff costs	(92)	(3)	(95)	(95)		(95)
General Administrative Expenses	(136)	25	(111)	(111)		(111)
Depreciation & Amortization	(39)		(39)	(39)		(39)
Recurring Operating Expenses			**(245)**	**(245)**		**(245)**
Excluded items		(6)	(6)	(6)	6	0
Total Operating Expenses	**(267)**		**(251)**	**(251)**		**(245)**
Core Pre-Provision Income			***173***	***173***		**172**
Pre-Provision Income			**177**	**177**		**182**
Impairment Losses on Loans	(278)	189	(89)	(89)		**(87)**
o/w Underlying			(75)	(75)	*3*	*(72)*
o/w servicing fees			(14)	(14)		*(14)*
o/w Covid			0	0		*0*
Other Impairment Losses	(1)		(1)	(1)		(1)
Impact from NPA transactions		(214)	(214)	(214)	214	0
Share of Profit/(Loss) of associates and JVs	1	(1)		0	1	1
Profit/ (Loss) Before Income Tax	**174**		**(127)**	**(127)**		**95**
Income Tax	(60)	87	27	27	(49)	(22)
Profit/ (Loss) after income tax	114		(100)	(100)		**73**
Discontinued operations and other	3	214	217	217	(217)	0
Profit/ (Loss) after income tax	**117**	**0**	**117**	**117**	**(44)**	**73**

[1] Normalised Profit After Tax in Q2 2022, is Reported Profit /(Loss) After Tax of €117.3mn excluding (a) non-recurring Operating Expenses of €6mn, (b) impairment losses of €3mn, (c) NPA transactions impact of €214mn, (d) gains from discontinued operations and other of €217mn and (e) tax of €49mn relating to the above.

[2] Factoring the RWA relief from the following transactions "Sky", "Riviera", "Skyline", "Shipping Loans", "Solar", "Hermes", "Light", "Leasing" and "Tokyo".

[3] In Q1 202, Excluded items of €6.8mn mainly relates to €8.5mn income due to modification of operating leases and €2mn related to Transformation Programme Costs.

[4] In Q2 2022, impact from NPA transactions includes €189mn loan transaction related losses, €16mn property impairments related in the Skyline perimeter and €9mn trading losses from Orbit and Neptune transactions. In Q1 2022, impact from NPA transactions includes €57mn impairment losses on transactions, €8.6mn impairments related to Skyline and €2mn related to trading losses from Orbit derecognition.

[5] Detailed reference on normalised profits is available at the APMs section.

About Alpha Services and Holdings

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

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

Alpha Bank S.A. is 100% subsidiary of Alpha Services and Holdings S.A. and one of the leading Groups of the financial sector in Greece which was founded in 1879 by J.F. Costopoulos. The Bank offers a wide range of high-quality financial products and services, including retail banking, SMEs and corporate banking, asset management and private banking, the distribution of insurance products, investment banking, brokerage and real estate management.

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

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Disclaimer

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