

## Press Release

### Alpha Services and Holdings announces 2023 Stress Test Results

Alpha Services and Holdings **successfully concluded the EU-wide 2023 Stress Test.**

The Stress Test is conducted based on a static balance sheet approach under a baseline and an adverse macro scenario with a 3-year forecasting horizon (2023-2025). No hurdle rate or capital thresholds are applied for this exercise, but it is designed to be used as an important input in the Supervisory Evaluation Process (SREP).

It is noted that the **Stress Test methodology does not incorporate the Bank's H1 2023 capital strengthening actions.** These include, among others, **NPE deleveraging through the "Sky" and "Hermes" transactions, the shipping synthetic securitization, Additional Tier 1 issuance and organic capital accretion.** The CET 1, Tier I and Total capital ratios of December 2022 pro-forma for the above actions are enhanced by c. 1.3%, 2.5% and 2.6% respectively.

**Table 1 – Capital Ratios 31.12.2022 (Pro forma)**

(Pro-forma<sup>1</sup> Bank estimations)

	<b>31.12.2022 (Actual) Starting Point</b>	<b>31.12.2022 (pro forma)<sup>1</sup> Starting Point</b>
<b>CET1 fully loaded (%)</b>	<b>11.9%</b>	<b>13.2%</b>
<b>Tier I fully loaded (%)</b>	<b>11.9%</b>	<b>14.4%</b>
<b>Total Capital fully loaded (%)</b>	<b>14.9%</b>	<b>17.5%</b>
<b>Leverage Ratio (fully loaded)</b>	<b>5.3%</b>	<b>6.1%</b>

<sup>1</sup> | The pro-forma calculations were conducted by the Bank and have not been quality assured by the ECB as part of the Stress Test exercise.

In the base scenario of the Stress Test, **the Bank recorded a capital accretion with an increase of the capital ratios by c. 2.2% in the 3-year horizon, while also incorporating a dividend payout of 30%.**

Since the EU-wide 2021 Stress Test, the Bank has been transformed, significantly strengthening its balance sheet, **decisively reducing its stock of NPEs, restoring its organic profitability and successfully building a demonstrable track record of execution in the capital markets through the issuance of capital and MREL instruments while also further enhancing capital and liquidity buffers.** The capital depletion of the Fully Loaded CET 1 ratio over the three-year horizon in the adverse scenario (ignoring any post year-end events) is 3.1% for the Bank (6.3% in EU-wide 2021 Stress Test) compared to 4.6% for the EBA EU average (4.9% the EBA EU average in the EU-wide 2021 Stress Test).



Table 2 – Stress test results (Actual)

	Stress Test Results		
	31.12.2022	31.12.2025	31.12.2025
	Starting Point	Baseline	Adverse <sup>2,3</sup>
CET1 fully loaded (%)	11.9%	14.1%	8.9%
Tier I fully loaded (%)	11.9%	14.1%	8.9%
Total Capital fully loaded (%)	14.9%	16.9%	11.7%
Leverage Ratio (fully loaded)	5.3%	6.7%	4.1%

2 | The Bank registered its highest CET1 ratio (fully loaded) capital depletion at the end of the 1st year of the adverse scenario of c. 4.2%.

3 | Due to the static balance sheet approach, the capital depletion of the adverse scenario, includes also negative impact for SKY & Hermes transactions which were concluded in H1 2023.

The **CEO of Alpha Bank Group, Vassilios Psaltis** made the following statement:

*“The EU Stress Test results demonstrate the successful transformation of the Bank that took place over the last years, significantly enhancing the resilience of the Group in adverse economic conditions. Our resilience has been further enhanced by a series of actions during the first half of the year, adding c. 2.6 pp to our total capital ratio”.*