



ALPHA
SERVICES AND HOLDINGS

AUDIT COMMITTEE ACTIVITY REPORT
for the year 2022

A. COMMITTEE GOVERNANCE, COMPOSITION AND FREQUENCY OF MEETINGS

The Audit Committee (the “Committee”) of Alpha Services and Holdings (the “Company”) has been established and operates in accordance with the requirements of Laws 4449/2017, 4706/2020 and 3864/2010, as in force.

The Committee currently constitutes a Committee of the Board of Directors. The determination of the type of the Committee, its term of office, the number and the qualifications of its Members as per article 44 par. 1 case b) of Law 4449/2017 were resolved upon by the Ordinary General Meeting of July 22, 2022, while its Members were appointed by a resolution of the Board of Directors adopted on the same date.

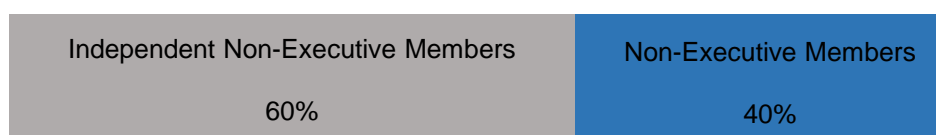
The Members of the Committee were appointed by the Board of Directors, in accordance with article 44 par. 1 case c) of Law 4449/2017, as in force, and the Committee Charter and satisfy the criteria/qualifications set out in the respective legal and regulatory framework, including article 44 of Law 4449/2017, as well as in the Committee Charter. More specifically, the Board of Directors, at its meeting dated 22.7.2022, taking into consideration the recommendation of the Corporate Governance, Sustainability and Nominations Committee in respect of the composition of the Committee and confirming that the persons hereinafter meet all the criteria of the respective legal and regulatory framework, including those of article 44 (1) of Law 4449/2017, and have a proven excellent track record of knowledge of the banking and financial sector in general and sufficient knowledge in the field in which the Company operates, and that their participation in the Committee shall ensure the proper exercise of the responsibilities of the said Committee, stipulated by the law and by the regulatory framework, appointed the Members of the Committee.

In accordance with the provisions of article 44 (1e) of Law 4449/2017, as in force, the Chair of the Committee was appointed by its Members at the meeting of the Committee, when it was constituted into a body. The Chair of the Committee is independent of the Company, has the required expertise and experience to oversee the financial management, accounting and auditing of the Company and its Subsidiaries (the “Group”) within the remit of the Committee and attended all the meetings which concerned the approval of the financial statements.

Its composition is currently the following:

Independent Non-Executive Member and Chair	Carolyn G. Dittmeier
Non-Executive Member	Efthimios O. Vidalis
Independent Non-Executive Member	Elli M. Andriopoulou (as of 22.7.2022)
Independent Non-Executive Member	Jean L. Cheval (as of 22.7.2022)
Non-Executive Member and representative of the Hellenic Financial Stability Fund	Johannes Herman Frederik G. Umbgrove

Note: Mr. Jan A. Vanhevel was an Independent Non-Executive Member of the Audit Committee until 21.7.2022. Ms. Elanor R. Hardwick was an Independent Non-Executive Member of the Audit Committee until 22.7.2022.



(Based on the composition of the Audit Committee on 31.12.2022)

In 2022, the Committee convened sixteen (16) times in order to examine, *inter alia*, the areas of internal control systems, internal audit, compliance, financial reporting and external audit, as foreseen by the Group’s corporate governance policies.

Number of meetings in 2022:	16
Average participation rate of the Members:	99% (based on the Committee's composition on 31.12.2022)

The Committee convenes generally on a monthly basis, adding meetings on an as-needed basis. It may invite any Member of the Management or Executive of the Company and the Group as well as external auditors to attend its meetings. The Chair of the Board of Directors, the Head of Internal Audit and the Head of Compliance are regular attendees of the Committee meetings and have unhindered access to the Chair and to the Members. The Chief Risk Officer (CRO) attended the Committee meetings as a permanent observer.

The Committee was provided with all the details and information it requested, as well as with the means necessary to carry out its work and its collaboration with the Board of Directors, the internal auditors, the Management of the Company and the Group as well as the external auditors. Moreover, the Committee ensured the proper involvement of the internal control functions and other relevant functions (human resources, legal, finance) of the Company within their respective areas of expertise.

The Members of the Committee, based on a self-assessment process, collectively possess adequate knowledge of the financial sector and, in general, the required knowledge, skills and experience to adequately discharge the Committee's responsibilities. At least one Member, who is Independent from the audited entity, has accounting/auditing knowledge and experience and is always present at the meetings regarding the approval of the Financial Statements.

The specific duties and responsibilities of the Audit Committee are set out in its Charter, which is posted on the Company's website (<https://www.alphaholdings.gr/en/corporate-governance/committees>).

B. MAIN RESPONSIBILITIES OF THE AUDIT COMMITTEE DURING 2022

Internal Control Systems, Internal Audit and Regulatory Compliance

The Committee monitored the effectiveness of the Internal Control System of the Group without impairing its independence. Furthermore, it evaluated the following reports for the year 2021 which were submitted to the Bank of Greece:

- a) the Annual Report of the Internal Audit Division on the Internal Control System of the Group for the previous year, as per the Bank of Greece Governor's Act 2577/9.3.2006,
- b) the Annual Report of the Compliance Division as per the Bank of Greece Governor's Act 2577/9.3.2006,
- c) the Annual Report of the Compliance Officer on Anti-Money Laundering and Combating the Financing of Terrorism.

In addition, the Committee approved and submitted to the Bank of Greece its assessment reports on the adequacy and effectiveness of the Anti-Money Laundering and Combating the Financing of Terrorism Policy as well as on the Internal Control System of the Group.

The Committee assessed the Internal Control System of the Company and the Group for 2022, based on the relevant information provided by the Internal Audit Division, the Compliance Division and the Management, as well as the findings and recommendations from both the Statutory Certified Auditors of the Group and the Regulatory Authorities.

The Committee reviewed the quarterly activity reports of the Internal Audit Division and the Compliance Division, based on the plans it had previously endorsed. The Committee reviewed the 2023 annual Audit Plan of the Internal Audit Division, considering the evolution of the "audit universe", the risk assessment methodology, the incorporation therein of newly-emerged risks as well as resource adequacy, taking into account the Internal Audit Division's Transformation Plan. During the

year, the Committee also reviewed the Annual and Semi-Annual Follow-Up process of the Internal Audit Division, a procedure which ensures proper management oversight over audit remediation plans.

Within its competence, the Committee provided oversight of the Internal Audit Division and the Compliance Division. This process included the assessment of their effectiveness and independence as well as of their organizational structure and resources. At a meeting without the presence of the Company's Management, the Committee confirmed the independence of the Head of Internal Audit. In addition, the Committee reviewed the Compliance Framework, the Annual Plan and the Objectives for 2023 along with the Organizational Structure of the Compliance Division for the year 2022 and the progress of the centralization of certain AML monitoring units. Moreover, the Committee endorsed the Annual Compliance Risk Assessment for 2022 as well as the Compliance Risk Appetite Framework for the same period, both produced under new, well-defined procedures implemented by the Compliance Division.

In 2022 the Committee of Alpha Bank S.A. reviewed the final proposal by the Internal Audit Division with regard to the proposed scope and the selection of the audit firm regarding the assessment of the adequacy of the Internal Control System for the years 2020-2022 by an External Auditor as per the Bank of Greece Governor's Act 2577/9.3.2006 and recommended its approval by the Board of Directors.

During 2022 the Committee had separate sessions with the Head of Internal Audit, without the presence of Executives. It also took cognizance of and reviewed the annual performance evaluation for 2021 as well as the 2022 Scorecard for the Head of Internal Audit. Moreover, in December 2022, in an executive session, the Committee discussed the Succession Planning – Emergency Fills of the Head of Internal Audit.

Financial Reporting Processes and External Audit

The Committee performed oversight over the financial reporting processes and procedures for preparing the Financial Statements of the Company and the Group, reviewing the impact of any evolution in accounting standards, in accordance with the applicable accounting standards. It also informed the Board of Directors of the outcome of the statutory audit and explained how the statutory audit contributed to the integrity of financial reporting and what the role of the Committee was in that process.

The Committee has the primary responsibility for overseeing the relationship with the Group's Statutory Certified Auditor. During 2022 the Committee had several meetings with the Statutory Certified Auditor of the Group (Deloitte) and monitored its activity and performance. It reviewed the Statutory Certified Auditors' Audit Plan for 2022 with reference to the planned audit approach, key audit matters and risks, materiality, risk assessment and scope of the audit as well as audit standards and regulation and evaluated the internal control issues regarding financial reporting processes identified by the Statutory Certified Auditor and the adequacy of the responses provided by the Management. It also performed the overall review and monitoring of issues related to its objectivity and independence. At a meeting without the presence of the Company's Management, the Audit Committee confirmed the independence and the objectivity of the Statutory Certified Auditor.

The Committee, at its meeting of December 2021, recommended to the Board of Directors for approval the appointment of the Statutory Certified Auditor along with their proposed fees for the statutory audit of the Financial Statements of Alpha Services and Holdings S.A. and its Group for the year 2022, in order for the Board of Directors to propose them to the Annual General Meeting of Shareholders.

Moreover, during 2022, the Committee submitted to the Board of Directors and to the General Meeting of Shareholders for approval the updated fees of Deloitte Certified Public Accountants S.A. for the audit of the Financial Statements of Alpha Services and Holdings S.A. and its Group for the year 2021.

Financial Statements

The Committee reviewed the annual Financial Statements preparation for Alpha Services and Holdings S.A. and the Group for the year 2021 as well as the First Quarter Financial Statements of the Group of Alpha Services and Holdings S.A. for the year 2022, the semi-annual Financial Statements for Alpha Services and Holdings S.A. and the Group for the year 2022 and the Third Quarter Financial

Statements of the Group of Alpha Services and Holdings S.A. for the year 2022 as well as the relevant Press Releases, the Statutory Certified Auditors' Audit Report according to article 10 of Regulation (EU) No 537/2014 and the Additional Report according to article 11 of Regulation (EU) No 537/2014, prior to their submission to the Board of Directors for approval. The Committee focused, among other things, on the significant accounting issues and areas requiring professional judgment, including the impact of any extraordinary transactions and provisioning.

Following the review and discussion of the Annual and Interim Financial Statements, the Committee recommended to the Board of Directors that the Financial Statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, equity and financial performance of the Company and its Group included in the Consolidated Financial Statements taken as a whole, as provided for in article 4 paragraphs 3 and 4 of Law 3556/2007.

Non-Audit Services

The Committee is responsible for monitoring the Auditor's independence, including the appropriateness of Non-Audit Services (NAS) provided by the Statutory Certified Auditor with reference to:

- the nature of the permitted NAS, classified and distinguished based on the provisions included in the Company's Manual on the "Assignment of Non-Audit Services to Auditors", and
- the quantitative limits of permitted NAS to be provided by the Statutory Certified Auditor or its network, as defined by the maximum threshold (the "fee cap") set out in Article 4 of Regulation (EU) No 537/2014, as analytically described in the Company's Manual on the "Assignment of Non-Audit Services to Auditors".

In this context, during 2022, the Committee examined and approved all the proposals regarding the provision by the Statutory Certified Auditor of NAS to the Company and the Group, based on the relevant Manual of the Company on the "Assignment of Non-Audit Services to Auditors".

The fees paid to the external auditor, i.e. Deloitte Certified Public Accountants S.A. and its network, are analytically described in Note 46 of the Consolidated Annual Financial Statements for the year 2022.

Non-Financial Reporting Processes

The Committee monitored the procedure followed for the drafting of the Non-Financial Report and the Sustainability Report for the year 2021 in accordance with Laws 4548/2018 and 4403/2016, subsequently endorsing them and submitting them for approval by the Board of Directors.

During 2022 the Committee was also informed of the Limited Assurance Reports, both for the Non-Financial Report and the Sustainability Report for the year 2021, by Deloitte Certified Public Accountants S.A., prepared in accordance with the International Standard on Assurance Engagements (ISAE) 3000.

Moreover, the Committee reviewed the updated methodology of the materiality analysis based on the revised 2021 Global Reporting Initiative (GRI) materiality standards in order to gain assurance and to be compliant with the related ESG norms. With the new materiality methodology, the Company shall disclose the process that it has followed to determine its material topics, including how it has identified actual and potential, negative and positive impacts on the economy, the environment and people, including impacts on human rights, across its activities and business relationships and, moreover, how it has prioritized the impacts for reporting based on their significance.

In line with the Sustainability Strategy development, the Committee was informed during 2022 of the proposal of the Company for the Sustainability Report Redesign, based on a holistic approach, aiming to address multiple disclosure requirements and associated data needs across key ESG dimensions. The key objective of the new Sustainability Report is to be aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, starting with the disclosures published in 2023 and reaching full alignment in subsequent years.

Group Sustainability Policy/Environmental, Social and Governance (ESG)

During 2022 the Committee was informed of the Framework of Sustainable Development, including among others the Corporate Responsibility Policy, the Group Environmental Policy and the Group Environmental and Social Risk Management Policy on Legal Entities Lending.

The Committee was also informed of the Group's ESG Workplan for 2022 which has been developed in order to implement processes to govern ESG goals and manage ESG-related risks. Among the key objectives set for 2022 are the following: compliance with the regulatory obligations regarding the proper management of Climate Risk, internal ESG governance, definition of environmental targets and incorporation of sustainability criteria in the Group's policies.

It took cognizance of the recent document published by the Task Force on Climate-related Financial Disclosures (TCFD), the European Central Bank Guidelines on climate-related and environmental risks as well as the Group Environmental Policy and procedures according to the requirements of ISO 14001 and the Corporate Responsibility Policy and the Code of Ethics.

Governance and other Committee Activities

The Committee, in the context of the periodic review of the Group's Policies, endorsed for approval by the Board of Directors the updated versions of the "Market Abuse Prevention Policy" and the "Policy on Related Parties Transactions". During 2022 the Committee also reviewed its Charter and resolved to submit it to the Board of Directors for approval.

In addition to its review of internal audit results and compliance activity, the Committee met with the Company's Management, was informed about the progress of significant projects affecting the Group's internal control systems and had several meetings with Executives from various Divisions of the Company and Alpha Bank S.A. in order to review operational risk, cyber, IT, human resources, legal and other issues. The Committee also took cognizance, on a quarterly basis, of the Minutes of the Whistleblowing Committee as well as of the outcome of the investigations with regard to the reported cases, in accordance with the Whistleblowing Policy and Procedures.

The Committee was updated on the Supervisory Dialogue meeting in view of the draft Supervisory Review and Evaluation Process (SREP) Decision of 2022 as well as on the progress of the On-Site Inspection (OSI) on the Business Model and Profitability and of the On-Site Inspection on Liquidity. It also acquired a full understanding of the Risk Management Unit through the participation of some of its Members in the Risk Management Committee, selected joint meetings and the review of the operational risk reports for relevant impacts on the Internal Control System.

During 2022, the Committee monitored the impact of the Russia-Ukraine conflict on the operations and on the Financial Statements of the Company and the Group.

Related Parties Transactions

The Company has established and implements policies and processes on Related Parties Transactions in order to identify, evaluate, approve and properly disclose the transactions it performs with the Related Parties.

All set processes and procedures aim at ensuring that the transactions are in the interest of the Company and are performed at arm's length terms. The Compliance Division of each Company is the responsible Unit to monitor the Related Parties transactions for conformity with the principles and process applied.

On a six-month basis, the Compliance Division reports to the Committee and informs the Board of Directors about the outcome of the relevant review conducted and the conformity with the aforementioned policies and procedures.

Monitoring activities of Group Audit Committees

With regard to the Group, the Committee met on a regular basis with the Audit Committees of the most significant Subsidiaries, i.e. Alpha Bank Cyprus Ltd and Alpha Bank Romania S.A., and reviewed the Annual Activity Reports for 2021 and the Semi-Annual Activity Reports for 2022 requested and received from all Group Audit Committees pertaining to the fulfillment of their responsibilities.

C. CONCLUSIONS

The Committee performed all activities foreseen in the Company's Committee Charter, in full support of the Board of Directors' responsibilities. The cooperation of the Committee with all the Executives of the Company was considered fully satisfactory.

After each meeting, the Chair of the Committee informed the Board of Directors of its activity and the issues that had been addressed.