Alpha Services and Holdings S.A.

Pillar III Disclosures

Report for September 30, 2023

Contents

ALPHA SERVICES AND HOLDINGS

List of Abbreviations

Abbreviation	Definition
ALCo	Assets-Liabilities Management Committee
BoD	Board of Directors
BoG	Bank of Greece
Bps	Basis Point
BRRD	Bank Recovery and Resolution Directive
CAR	Capital Adequacy Ratios
CBR	Combined Buffers Requirements
CCF	Credit Conversion Factor
CCP	Code of Civil Procedure
CCR	Counterparty Credit Risk
CCyB	Countercyclical Capital Buffer
CDS	Credit Default Swaps
CET1	Common Equity Tier 1
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CRD	Capital Requirements Directive
CRE	Commercial Real Estate
CRM	Credit Risk Mitigation
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSA	Credit Support Annex
CVA	Credit Valuation Adjustment
DTA	Deferred Tax Assets
EAD	Exposure at Default
EBA	European Banking Authority
ECAI	External Credit Assessment Institutions
ECB	European Central Bank
ECL	Expected Credit Loss
ELA	Emergency Liquidity Assistance
EU	European Union
FRTB	Fundamental Review of the Trading Book
FTP	Fund Transfer Pricing mechanism
FVTOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FX	Foreign Exchange
GDP	Gross Domestic product
GL	Guidelines
GMRA	Global Master Repurchase Agreement
KPI	Key Performance Indicator
KRI	Key Risk Indicator
LAS	Liquidity Adequacy Statements
LCR	Liquidity Coverage Ratio
LGD	Loss given default
LTV	Loan to Value
HDIGF	Hellenic Deposit and Investment Guarantee Fund
IAS	International Accounting Standards

Abbreviation	Definition
ICAAP	Internal Capital Adequacy Assessment Process
ICS	Internal Control System
ILAAP	Internal Liquidity Adequacy Assessment Process
IFRS	International Financial Reporting Standards
IMA	Internal Model Approach
IRB	Internal Ratings Based (approach)
IRRBB	Interest Rate Risk in the Banking Book
ISDA	International Swap and Derivatives Association
IT	Information Technology
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
NCA	National Competent Authorities
NPE	Non-Performing Exposure
NPL	Non-Performing Loan
NRA	National Resolution Authorities
NSFR	Net Stable Funding Ratio
OCR	Overall Capital Requirement
O-SII	Other Systemically Important Institution
OTC	Over the Counter
P2R	Pillar 2 Requirement
PD	Probability of default
POCI	Purchased or Originated Credit Impaired
RAF	Risk Appetite Framework
RAS	Risk Appetite Statement
RAY	Risk Authority
RCSA	Risk Control Self – Assessment
RRE	Residential Real Estate
RemCo	Remuneration Committee
RWA	Risk Weighted Assets
SA	Standardized Approach
SFTs	Securities Financing Transactions
SME	Small & Medium Enterprises
SPPI	Solely Payments of Principle and Interest
SRB	Single Resolution Board
SREP	Supervisory Review and Evaluation Process
SRM	Single Resolution Mechanism
SRPC	Supervisory and Resolution Projects Committee
SSM	Single Supervisory Mechanism
STA	Standardized Approach
SVaR	Stressed Value at Risk
TAC	Troubled Assets Committee
TC	Total Capital
TSCR	Total SREP Capital Requirements
UTP	Unlikely to Pay
VaR	Value at Risk

1 Introduction

1.1 General Information

Alpha Bank is one of the leading banks of the Greek privately owned banking sector and constitutes a consistent point of reference for over 140 years. 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, distribution of insurance products, investment banking, brokerage and real estate management.

Alpha Bank, which was founded in 1879 by John F. Kostopoulos, has its headquarters at 40 Stadiou Street, Athens, and is registered in the Register of Companies with number 6066/06/B/86/05. The Bank is subject to the Greek banking law and is supervised by the European Central Bank (ECB) and the Single Supervisory Mechanism (SSM).

On 2.4.2021 the Extraordinary General Meeting of the Shareholders approved the demerger of the société anonyme under the corporate name “Alpha Bank S.A.” by way of hive down of its banking business sector with the incorporation of a new entity.

On 16 April 2021, the demerger of the former Alpha Bank S.A., then authorized to operate as a credit institution (under G.E.MI. number 223701000 and Tax Identification Number 094014249), which has been already renamed to “Alpha Services and Holdings S.A.”, (“Group”) was announced pursuant to the Decision of the Ministry of Development and Investments under protocol no 45089/16.4.2021 by way of hive-down of the banking business sector with the incorporation of a new company, which was licensed to operate as a credit institution under the name “Alpha Bank S.A.” (under G.E.MI. number 159029160000 and Tax Identification Number 996807331) (the “Bank”), in accordance to the provisions of Article 16 of Greek law 2515/1997, as well as Articles 54 paragraph 3, 57 paragraph 3, 59-74 and 140 paragraph 3 of Greek law 4601/2019 and Article 145 of Greek law 4261/2014, as in force (the “Hive Down”). As a consequence of the Hive Down, the Bank substituted Alpha Holdings by operation of Greek law, as universal successor, in all of its assets and liabilities, rights and obligations and in general its legal relationships within the banking business sector.

Following the demerger, “Alpha Services and Holdings S.A.”, is supervised on a consolidated basis and “Alpha Bank S.A” is supervised on a standalone basis by the European Central Bank (ECB) and the Bank of Greece (BoG).

The Group is active in the Greek and international banking market, with presence in Romania, Cyprus, the United Kingdom and Luxemburg.

2 Pillar III Disclosures Overview

2.1 Background

The Group Pillar III Report is prepared in accordance with disclosure requirements as laid down in Part Eight of the “Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms” (Capital Requirements Regulation, or ‘’CRR’’) and the “Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms” (Capital Requirements Directive IV, or ‘’CRD IV’’).

The purpose of Pillar 3 report is:

- to disclose regulatory information relating to the risk management framework,
- to enhance transparency as well as investors information and market discipline.

2.1.1 Disclosures’ enhancements

Starting from 30 June 2021, institutions should align their disclosures with the changes introduced by the revised Regulation (EU) No 2019/876 (CRR2), amending Regulation (EU) No 575/2013 (CRR). The new regulation, combined with the implementation of the EBA’s new policy strategy on institutions’ Pillar III disclosures, seek to increase efficiency, consistency and comparability between insitutions’ disclosures and promote market discipline, in alignment with Basel Standards.

In November 2021, EBA published final draft Implementing Technical Standards (ITS) on Pillar 3 disclosure of institutions’ exposures to interest rate risk on positions not held in the trading book (IRRBB). The ITS put forward comparable disclosures of information on institutions’ IRRBB risk management and the sensitivity of institutions’ economic value of equity and net interest income to changes in interest rates.

The new disclosures requirements introduce the following updates:

i) qualitative information on institutions’ risk management objective and policy with regard to interest rate risk on positions not held in the trading book (IRRBB), and

ii) quantitative information including the impact of interest rate supervisory shock scenarios on institutions’ changes in the economic value of equity and net interest income.

These draft ITS have been developed with the intention to minimise any potential future change that might be needed following the finalisation of the regulatory work, developing a single and comprehensive Pillar 3 package that should facilitate implementation by institutions and further promote market discipline.

On 24 January 2022, EBA published the final draft ITS on Pillar 3 disclosures on Environmental, Social and Governance (ESG) risks, which follows the release of a Consultation Paper (CP) in March 2021. The final draft ITS put forward comparable disclosures to show how climate change may exacerbate other risks within institutions’ balance sheets, how institutions are mitigating those risks, and their ratios, including the GAR, on exposures financing taxonomy-aligned activities, such as those consistent with the Paris agreement goals.

More specifically, the ITS specifies the requirement laid out in Article 449a of CRR for large institutions to disclose prudential information on environmental, social and governance (ESG) risks, including transition and physical risk. The ITS includes:

(i) tables for qualitative disclosures on environmental, social and governance risks;

(ii) templates with quantitative disclosures on climate change transition risk;

(iii) a template with quantitative disclosures on climate change physical risk;

(iv) templates with quantitative information and key performance indicators (KPIs) on climate change mitigating measures, including the Green Asset Ratio (GAR) on Taxonomy-aligned activities according to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation), extended information on Taxonomy alignment of exposures in the banking book and other mitigating actions.

On 17 October 2022, EBA published an Opinion on the amendments proposed by the European Commission to the EBA final draft Implementing Technical Standards (ITS) on prudential disclosures of environmental, social and governance (ESG) information. In the Opinion, while accepting the two substantive changes proposed by the Commission to enhance proportionality, the EBA insists that institutions should make every effort to collect and disclose the very relevant information reflected in the BTAR. The EBA highlights that the aim of the BTAR is to prevent an asymmetric treatment of exposures towards counterparties which may raise similar level of riskiness to the institution and emphasizes the importance that institutions make every effort to disclose this ratio and to collect the relevant information from their counterparties.

On 16 December 2022, the European Banking Authority (EBA) published its closure report of Covid-19 measures, which provides an overview of the wide range of policy measures taken on the back of the pandemic, their state of play and the path out of policy support. Although the EU banking system proved overall resilient, the ample support provided does not give room to complacency, and the framework is to be further strengthened with a loyal and prompt implementation of Basel III. The publication is accompanied by an update to the list of public guarantee schemes (PGS) and general payment moratoria schemes issued in response to the pandemic. Finally, the EBA Guidelines on Covid-19 reporting and disclosure have been repealed in response to the decreasing relevance of the related public support measures, and the overall EBA proportionate approach to reporting.

In the context of the EBA reporting framework release 3.3 on July 2023, new and amended reporting requirements have been included. More specifically, an integration of a subset of Pillar 3 disclosure templates will be in preparation for the Pilot of the Pillar 3 Data hub project. The scope of the project is to centralise the prudential disclosures and make prudential information readily available through a single electronic access point (on EBA's website), promoting market discipline by facilitating access to Pillar 3 information, and increasing data usability and comparability.

On 12 October 2023, EBA published a report on the role of environmental and social risks in the prudential framework of credit institutions and investment firms. The report proposes targeted enhancements on Pillar 1 aiming to accelerate the integration of environmental and social risks across the specific framework, while preserving its integrity and purpose. The enhancements cover both standardised and internal approaches, while in addition the report proposes further actions including more comprehensive revisions to the framework that could be considered. The report is in the context of strengthening the integration of E&S risks across all pillars of the regulatory framework and to support the transition towards a more sustainable economy, while ensuring that the banking sector remains resilient.

2.1.2 Approval and publication

In accordance with the Group's internal governance framework, a "Pillar III Disclosures Policy" has been developed and implemented aiming to ensure consistent and continuous compliance with the disclosure requirements of the regulatory framework and best practices.

The adopted policy sets the minimum content of public disclosures presented.

The Bank with the aim to apply, at all times, best practices and cover any new regulatory requirements, reviews its disclosure policy when deemed necessary and at least on an annual basis and updates the extent and type of information provided at each disclosure date accordingly.

The Bank publishes the Pillar III report via its website, within the applicable deadlines. The data included in this report may be different than the respective accounting data, mainly due to differences between the regulatory consolidation and the accounting consolidation and/or differences in the definitions used. However, the Group's financial statements, used together with Pillar III disclosures, complement market participants' information and enhance transparency.

The Pillar III disclosures have been prepared in accordance to the Bank's formal policy and internal processes, systems & controls and business units ensure the accuracy of their data submissions. The Supervisory and Resolution Projects Committee (SRPC) attests that the report has been prepared in accordance to the requirements under Article 431 (3) CRR and the respective internal control processes.

2.2 Supervision and Regulatory Framework

Single Supervisory Mechanism (SSM)

Since November 2014, Alpha Bank has been assessed as "Other Systemically Important Institution" (O-SII) and, as such, is directly supervised by the ECB in accordance with the SSM framework.

The Single Supervisory Mechanism (SSM) refers to the system of banking supervision in Europe and it comprises the ECB and the national supervisory authorities of the participating countries.

The applicable banking regulatory framework in the European Union (EU), the Basel 3 capital framework, is effective from January 1, 2014.It was implemented by the "Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms" (Capital Requirements Regulation, or CRR) published on June 27, 2013, in combination with the "Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms" (Capital Requirements Directive IV, or CRD IV) published on June 27, 2013 that has been transposed into the Greek legislative framework by the Law 4261/2014. The framework has been amended by the Regulation (EU) 2019/876 (CRR II) of 20 May 2019 and the Directive (EU) 2019/878 (CRD V) of 20 May 2019. The latter has been transposed into the Greek legislative framework by the Law 4799/2021.

For the calculation of capital adequacy ratio the provisions of the aforementioned regulatory framework are followed. In addition:

- Besides the 8% capital adequacy limit, limits of 4.5% for CET 1 ratio and 6% for Tier 1 ratio are applied.
- Capital buffers over and above the CET1 capital limits are required to be maintained. In particular:

- Capital conservation buffer stands at 2.5%.
- Capital buffers as provided by the Bank of Greece through its Executive Committee Acts as follows:

  - countercyclical capital buffer, equal to “zero percent” (0%) for the first, second and third quarter of 2023

  - other systemically important institutions (O-SII) buffer, which will gradually rise to “one percent” (1%) from 1.1.2019 to 1.1.2023. For 2023, the O-SII buffer stands at 1%.

These limits should be met on a consolidated basis.

Supervisory Review and Evaluation Process (SREP)

According to Council Regulation 1024/2013, ECB conducts annually a Supervisory Review and Evaluation Process (SREP) to assess the risk profiles of the institutions under its remit.

This process evaluates the:

- Sustainability and viability of business model
- Adequacy of governance and risk management
- Assessment of risks to capital and
- Assessment of risks to liquidity and funding

Following the assessment, the ECB determines the minimum capital requirements and sets qualitative and quantitative requirements to each of the banking institutions.

Taking into consideration the 2022 SREP decision, ECB notified Alpha Services and Holdings S.A., that for Q3 2023 it was required to meet the minimum limit for consolidated Overall Capital Requirements (OCR), of at least 14.61%. OCR includes for Q3 2023 the CCB Capital Buffer of 2.5%, the O-SII buffer of 1% and the CCyB of 0.11%, which mainly derives from the contribution of subsidiaries.

The OCR consists of the minimum limit of the total Capital adequacy Ratio (8%), in accordance with art. 92(1) of the CRR, the additional regulatory requirements of Pillar2 (P2R) in accordance with article 16(2) (a) of the Council Regulation EU 1024/2013 (3%), as well as the combined buffers’ requirements (e.g. CCB, OSII, CCyB), in accordance with Article 128 (6) of Directive2013/36/ EU. The minimum rate should be kept on an on-going basis, considering the CRR/ CRD Transitional Provisions.

The ECB’s relief measures for capital requirements to address the effects of Covid-19 ended at 31 December 2022.

Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

On 21 March 2023, Alpha Bank S.A., received a communication letter from the European Single Resolution Board including its decision for the minimum requirement for own funds and eligible liabilities (MREL). The requirements are based on the Recovery and Resolution Directive ("BRRD2"), which was incorporated into the Greek Law 4799/2021 on 18.5.2021. At the same time, by the same decision, the Resolution Authority defined the single point of entry (SPE) resolution strategy. According to the decision, from 1 January 2026 Alpha Bank S.A. is required to meet, on a consolidated basis, minimum MREL of 23.60% of the risk-weighted assets and 5.91% of the Leverage ratio. The letter also sets out the intermediate MREL to be met from 1 January 2023, i.e. 19.94% of the risk-weighted assets (including the combined buffer requirement “CBR”) and 5.91% of the leverage ratio. The final MREL ratio, expressed as a percentage of risk-weighted assets, does not include the CBR. Furthermore, the Resolution Authority has decided that Alpha Bank S.A. is not subject to requirement for subordinated MREL. Minimum requirements for own funds and eligible liabilities (MREL), including the transition compliance period, are in line with the expectations of Alpha Bank S.A. The long-term financing plan of Alpha Bank S.A. envisages further strengthening of MREL, so that these requirements can be met when they enter into force. In this context, the Bank issued in 2022 senior bonds of € 950 million in total. More recently, on 1st February 2023, Alpha Services and Holdings issued Additional Tier 1 instruments (“AT1 Notes”) of €400 million in order to strengthen its regulatory capital position. The notes are perpetual, with fixed rate reset, a callable maturity of 5.5 years and yield of 11.875%. The said transaction was followed by a subsequent issuance of € 500 million senior preferred bond, with a maturity of 6 years and callable in year 5, with a coupon of 6.875% and a yield of 7%. The Bank, continuing to implement the strategy of achieving the MREL targets in a sustainable manner, while improving its financial profile and diversifying its funding sources, issued in June 2023 a six-year senior preferred bond of Euro 500 million.

As of 30 September 2023, Bank’s MREL ratio stood at 24.43%. The ratio includes the profit of the financial reporting period that ended on 30 September 2023 post a provision for dividend payout. The final MREL ratio minimum requirement is updated annually by the SRB.

3 Capital Management

The overall Group's Risk and Capital Strategy sets specific risk limits, based on management's risk appetite, as well as thresholds to monitor whether actual risk exposure deviates from the limits set.

The Capital Strategy of the Group commits to maintain sound capital adequacy both from economic and regulatory perspective. It aims at monitoring and adjusting the Group's capital levels, taking into consideration capital markets' demand and supply, in an effort to achieve the optimal balance between the economic and regulatory considerations. The objectives of the Group's capital management policy are to ensure that the Group has sufficient capital to cover the risks of its business, to support its strategy and to comply with regulatory capital requirements, at all times.

The Group remains committed to the implementation of its strategy, re-calibrating its approach in order to reflect changes in the market environment. The Bank has consistently delivered on its targets to clean-up its balance sheet and is on track with the execution of its NPE plan.

Main elements regarding Asset Quality, Capital and Liquiity

- The Group's NPE stock declined by €0.1bn q/q to €2.9bn, as consistently lower organic inflows were more than offset by robust curing activity and repayments. The NPE ratio contracted to 7.2%, down by 40bps versus Q2.
- The Group's NPE cash coverage increased to 41% at the end of Q3, while total coverage including collateral reached 114%. The NPL cash coverage ratio reached 81%, while total coverage including collateral reached 148%.
- The Group's Fully Loaded CET 1 Capital stood at €4.5bn, resulting in a Fully Loaded CET 1 ratio 13.7% including the profit of the financial reporting period that ended on 30 September 2023 post a provision for dividend payout, leading to a Q-o-Q increase of c.33bps, mainly stemming from period profitability.
- The Group's Loan to Deposit Ratio stands at 74% while the Liquidity Coverage Ratio (LCR) increased to 188% vs. 183% in the previous quarter, exceeding regulatory thresholds and management targets.
- The Group's TLTRO funding stood at €5bn at the end of Q3, unchanged since the previous quarter.
- On 23.10.2023 Alpha Services and Holdings and Unicredit announced an agreement including the following individual transactions:
    - ✓ The merger of the subsidiary banks in Romania. Upon completion of the above transaction, which is expected within 2024 and is subject to the prior completion of the due diligence process, the receipt of the relevant corporate approvals and the required regulatory approvals and consents, the Group will retain a 9.9% stake in new shape.
    - ✓ The acquisition by Unicredit of 51% of the subsidiary Alpha Life and the distribution of Unicredit onemarkets mutual funds through the Bank's network. The completion of the said transaction, which is expected within 2024, is subject to the prior completion of the due diligence process, the receipt of the relevant corporate approvals and the required regulatory approvals and consents.

- ✓ The acquisition by Unicredit of all of the shares held by the Financial Stability Fund in Alpha Services and Holdings, amounting to 9%. Unicredit has already submitted the relevant offer, while in the event of non-completion it has committed to acquiring an equity stake of up to 5% directly from the market.

3.1 Capital Ratios

The Capital Adequacy Ratio is calculated as the result of the Group's regulatory capital (own funds) to its RWAs. Regulatory capital includes Common Equity Tier 1 (CET1) capital (share capital, reserves, and minority interests), additional Tier 1 capital (AT1) (hybrid securities) and Tier 2 capital (subordinated debt). RWAs include the credit risk of the banking book, the market risk of the trading book, the operational risk, the counterparty credit risk (CCR) and credit valuation adjustment (CVA).

As shown in the following table, on 30.09.2023, Group's CET1 stood at € 4.5 bn and the total Regulatory Capital at €5.9 bn, while the total RWAs amounted to € 32.8 bn resulting in a CET1 ratio of 13.8%, and total Capital Adequacy Ratio of 18.1%, increased by c.28 bps, mainly stemming from the period (Q-o-Q) profitability post a provision for dividend payout.

Greek law 4302/2014 introduced Article 27A to the Greek Income Tax Code, which was initially replaced by Greek law 4303/2014 and then by Greek law 4340/2015 and was most recently amended by Greek law 4549/2018, 4722/2020 and, most recently, 4831/2021 ("DTA Framework"), to allow, under certain conditions, from 2016 onwards, credit institutions to convert DTAs falling within the scope of such law and arising (a) from the participation in the PSI and the buy-back programme and (b) from the sum of (i) the unamortised part of the crystallised loan losses from write-offs and disposals, (ii) the accounting debt write-offs and (iii) the remaining accumulated provisions and other general losses, with respect to existing amounts up to 30 June 2015, into final and due receivables from the Hellenic Republic ("Tax Credit"). In the case of an accounting loss in a specific year, the Tax Credit will be calculated by multiplying the total amount as per the above of the deferred tax asset by the percentage represented by the accounting losses over net equity before such year's losses as appearing in the annual financial statements of the credit institution, excluding such year's accounting losses.

This legislation allows Greek credit institutions to treat such eligible DTAs as not "relying on future profitability" according to the CRD Directive, and as a result such DTAs are not deducted from Common Equity Tier I capital but rather risk weighted. As of 30 September 2023, the eligible amount as not "relying on future profitability" according to the CRD Directive stood at €2.62bn.

Template 1: Capital Adequacy Ratios (%)

(Amounts in millions of Euro)

	a	b	c
	30.09.2023	**30.09.2023 (*)**	**30.06.2023**
Capital Type			
CET1	4.368	4.533	4.380
Tier 1 Capital	4.768	4.933	4.780
Tier 2 Capital	1.000	1.000	1.000
Total Regulatory Capital for C.A.R. calculation	5.768	5.933	5.780
Risk Weighted Assets	32.771	32.808	32.462
Capital Ratios			
CET1 Ratio	**13.3%**	**13.8%**	**13.5%**
Tier 1 Ratio	**14.5%**	**15.0%**	**14.7%**
Total Capital Ratio (Tier 1 + Tier 2)	**17.6%**	**18.1%**	**17.8%**

(*)including period profits post a provision for dividend payout according to the dividend policy

3.1.1 Key metrics

In the following table EU KM1 key regulatory metrics and ratios are provided as well as related input components as defined by the amended versions of CRR and CRD. They comprise own funds, RWAs, capital ratios, additional requirements based on SREP, capital buffer requirements, leverage ratio, liquidity coverage ratio and net stable funding ratio.

Template 2: EU KM1 - Key metrics template (*)

(Amounts in millions of Euro)

		a	b	c	d	e
		30.09.2023	**30.06.2023**	**31.03.2023**	**31.12.2022**	**30.09.2022**
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	4,533	4,380	4,206	4,540	4,546
2	Tier 1 capital	4,933	4,780	4,606	4,540	4,546
3	Total capital	5,933	5,780	5,606	5,540	5,546
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	32,808	32,462	33,937	34,286	34,736
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	13.8%	13.5%	12.4%	13.2%	13.1%
6	Tier 1 ratio (%)	15.0%	14.7%	13.6%	13.2%	13.1%
7	Total capital ratio (%)	18.1%	17.8%	16.5%	16.2%	16.0%

		a	b	c	d	e
		30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.00%	3.00%	3.00%	3.00%	3.00%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.69%	1.69%	1.69%	1.69%	1.69%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.25%	2.25%	2.25%	2.25%	2.25%
EU 7d	Total SREP own funds requirements (%)	11.00%	11.00%	11.00%	11.00%	11.00%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Institution specific countercyclical capital buffer (%)	0.11%	0.08%	0.06%	0.06%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer	1.00%	1.00%	1.00%	0.75%	0.75%
11	Combined buffer requirement (%)	3.61%	3.58%	3.56%	3.31%	3.25%
EU 11a	Overall capital requirements (%)	14.61%	14.58%	14.56%	14.31%	14.25%
12	CET1 available after meeting the total SREP own funds requirements (%)	6.79%	6.47%			
	Leverage ratio					
13	Leverage ratio total exposure measure	72,212	70,756	71,407	76,625	76,164
14	Leverage ratio	6.8%	6.8%	6.5%	5.9%	6.0%
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)					
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%			
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%			
EU 14f	Overall leverage ratio requirements (%)	3.00%	3.00%			
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	14,261	13,077	12,070	11,810	
EU 16a	Cash outflows - Total weighted value	9,491	9,193	8,830	8,457	
EU 16b	Cash inflows - Total weighted value	1,123	1,141	1,233	1,308	
16	Total net cash outflows (adjusted value)	8,368	8,052	7,596	7,149	
17	Liquidity coverage ratio (%) (adjusted values) (**)	170.3%	162.5%	159.5%	165.6%	
17a	Liquidity coverage ratio (%)	187.5%	183.4%			
	Net Stable Funding Ratio					
18	Total available stable funding	55,565	56,364			
19	Total required stable funding	43,958	44,086			
20	NSFR ratio (%)	126.4%	127.8%			

(*) including period profits post a provision for dividend payout according to the dividend policy

(**) average figures based on previous monthly data points

3.2 Transitional Arrangements

On December 12, 2017 the EU adopted Regulation No 2395/2017 of the European Parliament and of the Council amending EU Regulation 575/2013, as regards transitional arrangements to mitigate the impact of the introduction of IFRS 9 on regulatory capital and leverage ratios. This Regulation inserted a new article 473a in CRR 575/2013 which introduced a 5-year transitional period during which allowed banks to add to the CET1 ratio the post-tax amount of the difference in provisions that resulted from the transition to the IFRS 9 in relation to the provisions that have been recognized at 31.12.2017 in accordance with IAS 39 ("Static" amount). The weighting factors were set per year at 0.95 in 2018, 0.85 in 2019, 0.7 in 2020, 0.5 in 2021 and 0.25 in 2022.

On June 22, 2020 as a response to the COVID-19 pandemic the EU adopted Regulation No 2020/873 of the European Parliament and of the Council amending Regulations (EU) No 575/2013 and (EU) 2019/876.

The Bank has adopted art 468 and 473a of the Regulation (EU) 2020/873. The purpose of the new regulation is:

- To mitigate the negative impact on the regulatory capital of the Bank from the increase in the expected credit loss as a result from the Covid-19 pandemic. This article extents to another two-year period the ability to add-back to the regulatory capital the expected credit losses recognized in 2020 and afterwards relating to performing financial instruments. This transition period is effective until the end of 2024. More specific, the weighting factors were set at 1.00 for the first two years (2020 and 2021), 0.75 in 2022, 0.5 in 2023 and 0.25 in 2024.
- The temporary treatment of unrealised gains and losses from Sovereign investment securities measured fair value through other comprehensive income (FVOCI), introduced by CRR 'quick fix' Article 468, ceased to apply from 1 January 2023.

The following table shows a comparison of own funds and capital and leverage ratios with and without the application of the transitional arrangements.

Template 3: EU IFRS9-FL - Comparison of own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS

(Amounts in millions of Euro)

	a	b	c	d	e	f
	30.09.2023	**30.09.2023[*]**	**30.06.2023**	**31.03.2023**	**31.12.2022**	**30.09.2022**
Available capital (amounts)						
Common Equity Tier 1 (CET1) capital	4,368	4,533	4,380	4,206	4,540	4,546
CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,329	4,494	4,340	4,167	4,043	4,046
CET1 capital as if the temporary treatment of unrealized gains and losses measured at fair value through OCI (other comprehensive income)I in accordance with Article 468 of the CRR had not been applied					4,520	4,523
Tier 1 capital	4,768	4,933	4,780	4,606	4,540	4,546
Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,729	4,894	4,740	4,567	4,043	4,046
Tier 1 capital as if the temporary treatment of unrealized gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied					4,520	4,523
Total capital	5,768	5,933	5,780	5,606	5,540	5,546
Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,729	5,894	5,740	5,567	5,043	5,046
Total capital as if the temporary treatment of unrealized gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied					5,520	5,523
Risk-weighted assets (amounts)						
Total Risk-weighted assets	32,771	32,808	32,462	33,937	34,286	34,736
Total Risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	32,771	32,808	32,462	33,937	33,887	34,337
Capital ratios						
Common Equity Tier 1 ratio (%)	13.3%	13.8%	13.5%	12.4%	13.2%	13.1%
CET1 ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.2%	13.7%	13.4%	12.3%	11.9%	11.8%
CET1 ratio (%) as if the temporary treatment of unrealized gains and losses measured at fair value through OCI (other comprehensive income)I in accordance with Article 468 of the CRR had not been applied					13.2%	13.0%
Tier 1 ratio (%)	14.5%	15.0%	14.7%	13.6%	13.2%	13.1%
Tier 1 ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.4%	14.9%	14.6%	13.5%	11.9%	11.8%

	a	b	c	d	e	f
	30.09.2023	30.09.2023(*)	30.06.2023	31.03.2023	31.12.2022	30.09.2022
Tier 1 ratio (%) as if the temporary treatment of unrealized gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied					13.2%	13.0%
Total capital ratio (%)	17.6%	18.1%	17.8%	16.5%	16.2%	16.0%
Total capital ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.5%	18.0%	17.7%	16.4%	14.9%	14.7%
Total capital ratio (%) as if the temporary treatment of unrealized gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied					16.1%	15.9%
Leverage ratio						
Leverage ratio total exposure measure	72,197	72,212	70,756	71,407	76,625	76,164
Leverage ratio	6.6%	6.8%	6.8%	6.5%	5.9%	6.0%
Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	6.6%	6.8%	6.7%	6.4%	5.3%	5.4%
Leverage ratio as if the temporary treatment of unrealized gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied					5.9%	5.9%

(*) including period profits post a provision for dividend payout according to the dividend policy

3.3 Own Funds Structure

The following table presents the analysis of Own funds structure:

Template 4: Own Funds Structure

(Amounts in millions of Euro)

	30.09.2023	30.09.2023(*)	30.06.2023
Share capital	681	681	681
Share premium	4,781	4,781	5,260
Own shares	(13)	(13)	(4)
Retained Earnings and Other Reserves	985	985	529
o/w FVOCI reserves	(16)	(16)	(15)
Period results	241	392	241
Common equity tier 1 capital before regulatory adjustments 1-5	**6,676**	**6,826**	**6,708**
1. PVA	(7)	(7)	(6)
2. Intangible assets	(423)	(423)	(421)
3. DTA amortization	(1,749)	(1,734)	(1,770)
4. Irrevocable payment commitment	(30)	(30)	(30)
5. Other adjustments	(100)	(100)	(101)
Total regulatory adjustments to common equity tier 1	**(2,308)**	**(2,293)**	**(2,328)**
Common equity tier 1 capital (CET1) (1)	**4,368**	**4,533**	**4,380**
Additional Tier I instruments	400	400	400
Additional Tier I before regulatory adjustments	**400**	**400**	**400**
Additional Tier I	**400**	**400**	**400**
Tier I Capital (CET1 + AT1)	**4,768**	**4,933**	**4,780**
Subordinated loan	1,000	1,000	1,000
Tier II capital before regulatory adjustments	**1,000**	**1,000**	**1,000**
Tier II capital	**1,000**	**1,000**	**1,000**
Total Capital (TC = Tier I + Tier II)	**5,768**	**5,933**	**5,780**
Total RWA	**32,771**	**32,808**	**32,462**
Common equity tier 1 Ratio	**13.3%**	**13.8%**	**13.5%**
Tier I Ratio	**14.5%**	**15.0%**	**14.7%**
Total Capital Ratio (Tier I + Tier II)	**17.6%**	**18.1%**	**17.8%**

(*)including period profits post a provision for dividend payout according to the dividend policy

3.4 Capital requirements under Pillar I

The Group calculates and reports to the designated authorities its capital requirements (Pillar I RWAs) according to the provisions of the CRR and implementing the Technical Standards developed by the EBA on a solo and consolidated basis.

The approaches adopted for the calculation of the capital requirements under Pillar I (advanced or standardized methodologies) are determined by the general policy of the Group in conjunction with factors such as the nature and type of risks the Group undertakes, the level and complexity of the Group's business and other factors such as the degree of readiness of the information and software systems.

Capital Requirements are calculated using the following approaches:

- **Credit Risk:** The Group follows the Standardized Approach (STA). The advanced method is used for the valuation of financial collateral.
- **Operational Risk:** The Group follows the Standardized Approach (STA).
- **Market Risk:** A Value at Risk (VaR) model developed at a bank level for the significant exposures and approved by the Bank of Greece. Additionally, the Bank uses the Standardized approach to calculate Market Risk for the remaining, non-significant exposures.

The following template summarizes RWA and minimum capital requirements by risk type. Minimum capital requirement is calculated at 8% of RWA.

Template 5: EU OV1 – Overview of risk weighted exposure amounts

(Amounts in millions of Euro)

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		30.09.2023(*)	30.06.2023	30.09.2023
1	**Credit risk (excluding CCR)**	**28,527**	**28,177**	**2,282**
2	Of which the standardised approach	28,527	28,177	2,282
3	Of which the foundation IRB (FIRB) approach			
4	Of which slotting approach			
EU 4a	Of which equities under the simple riskweighted approach			
5	Of which the advanced IRB (AIRB) approach			
6	**Counterparty credit risk - CCR**	**276**	**303**	**22**
7	Of which the standardised approach	149	151	12
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP	5	4	0
EU 8b	Of which credit valuation adjustment - CVA	67	114	5
9	Of which other CCR	55	33	4
15	**Settlement risk**			
16	**Securitisation exposures in the non-trading book (after the cap)**	**568**	**587**	**45**
17	Of which SEC-IRBA approach			-
18	Of which SEC-ERBA (including IAA)	190	181	15
19	Of which SEC-SA approach	378	406	30
EU 19a	Of which 1250%			
20	**Position, foreign exchange and commodities risks (Market risk)**	**274**	**270**	**22**
21	Of which the standardised approach	31	35	2
22	Of which IMA	243	235	19
EU 22a	**Large exposures**			
23	**Operational risk**	**3,126**	**3,126**	**250**
EU 23a	Of which basic indicator approach			
EU 23b	Of which standardised approach	3,126	3,126	250
EU 23c	Of which advanced measurement approach			
24	**Amounts below the thresholds for deduction (subject to 250% risk weight)** (for information)	**1,645**	**1,653**	**132**
29	**Total**	**32,771**	**32,462**	**2,622**

(*) period profits are not included

4 Leverage

The leverage ratio, which is defined as Tier 1 capital divided by total exposure, is a binding requirement with the application of the CRR II package, as of June 2021. The “risk of excessive leverage” means the risk that results from an institution's vulnerability due to leverage or contingent leverage that may require unintended corrective measures to its business plan, including distressed selling of assets which might result in losses or in valuation adjustments to its remaining assets.

The level of the leverage ratio with reference date 30.9.2023 on consolidated basis was 6.83 %, according to the transitional definition of Tier 1 capital, exceeding by 2.28 x the 3 % minimum threshold applied by the competent authorities, implying that the Bank is not taking on excessive leverage risk.

The Bank submits to the regulatory authorities the leverage ratio on a quarterly basis and monitors the level and the factors that affect the ratio.

The following table presents an analysis of the Group's leverage ratio:

Template 6: Summary information on leverage ratio

(Amounts in millions of Euro)

	a	b
	30.9.2023	**30.9.2023 (*)**
Summary information on leverage ratio		
Tier 1 capital	4,768	4,933
Leverage ratio total exposure measure	72,197	72,212
Leverage ratio	**6.60 %**	**6.83 %**

(*) including period profits post a provision for dividend payout according to the dividend policy

5 Market Risk

Market risk is the risk of reduction in economic value arising from unfavorable changes in the value or volatility of interest rates, foreign exchange rates, stock exchange indices, equities and commodities.

Market risk management is conducted in accordance with policies and procedures that have been developed and are implemented by all Group companies.

Alpha Bank calculates Value at Risk (VaR) for internal risk management purposes since 1999. The VaR methodology applied is historical simulation, using a 99% percentile, one tailed confidence interval, a historical observation period of 2 years un-weighted data and a 1 and 10–day holding period. 10 day VaR is calculated with a 10 day horizon and a 1 day fixed step (overlapping periods). Calculation of the value-at-risk value is performed on a daily basis using full valuation across all risk factors and positions. The Stressed VaR methodology is based on the current VaR methodology. All risk factors included in the regulatory VaR model are considered in the Stressed VaR model. The Bank computes the Stressed VaR measure on a daily basis, to coincide with the VaR periodicity. Currently, the stress period used by the Bank is 26/09/2012 – 25/09/2013. The selection of the stressed period is based on the assessment of the most volatile period in recent history.

5.1 IMA approach for market risk

The risk categories covered by Alpha Bank's regulatory internal model are general risk of equity instruments, general risk of debt instruments, foreign exchange risk and commodities risk.

A flow statement explaining the variations in the market RWAs is displayed in the following table:

Template 7a: EU MR2-B - RWA flow statements of market risk exposures under the IMA as of 30.09.2023

		a	b	c	d	e	f	g
	(Amounts in millions of Euro)	**VaR**	**SVaR**	**IRC**	**Comprehensive risk measure**	**Other**	**Total RWAs**	**Total own funds requirements**
1	**RWAs at previous period end**	89	146	-	-	-	235	19
1a	*Regulatory adjustment [1]*	*64*	*113*	-	-	-	*177*	*14*
1b	*RWAs at the previous quarter-end (end of the day)*	*26*	*33*	-	-	-	*59*	*5*
2	Movement in risk levels	(3)	6	-	-	-	3	0
3	Model updates/changes	-	-	-	-	-	-	-
4	Methodology and policy	-	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-	-
6	Foreign exchange movements	-	-	-	-	-	-	-
7	Other	0	-	-	-	-	0	0
8a	*RWAs at the end of the disclosure period (end of the day)*	23	39	-	-	-	62	5
8b	*Regulatory adjustment [1]*	77	104	-	-	-	181	14
8	**RWAs at the end of the disclosure period**	100	143	-	-	-	243	19

[1] The regulatory adjustment takes into account the Bank's multiplier in terms of the Internal Model which is embedded in the calculation of the RWAs

Template 7b: EU MR2-B - RWA flow statements of market risk exposures under the IMA as of 30.06.2023

		a	b	c	d	e	f	g
(Amounts in millions of Euro)		**VaR**	**SVaR**	**IRC**	**Comprehensive risk measure**	**Other**	**Total RWAs**	**Total own funds requirements**
1	**RWAs at previous period end**	112	249	-	-	-	361	29
1a	*Regulatory adjustment* [(1)]	88	205	-	-	-	293	23
1b	*RWAs at the previous quarter-end (end of the day)*	24	44	-	-	-	68	5
2	Movement in risk levels	2	(11)	-	-	-	(9)	(1)
3	Model updates/changes	-	-	-	-	-	-	-
4	Methodology and policy	-	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-	-
6	Foreign exchange movements	-	-	-	-	-	-	-
7	Other	0	-	-	-	-	0	0
8a	*RWAs at the end of the disclosure period (end of the day)*	26	33	-	-	-	59	5
8b	*Regulatory adjustment* [(1)]	64	113	-	-	-	177	14
8	**RWAs at the end of the disclosure period**	89	146	-	-	-	235	19

[(1)] The regulatory adjustment takes into account the Bank's multiplier in terms of the Internal Model which is embedded in the calculation of the RWAs

6 Liquidity Risk

Definition

Liquidity risk is the risk arising from the Group's inability to meet its obligations as they become due, or fund new business, without incurring substantial losses as well as the inability to manage unplanned contraction or changes in funding sources. Liquidity risk also arises from the Group's failure to recognize or address changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value. Liquidity risk is also a Balance Sheet risk, since it may arise from banking book activities.

6.1 Liquidity Coverage Ratio (LCR)

The LCR refers to the proportion of the high-quality liquid assets held by financial institutions, to ensure their ability to meet their short-term net cash flows, over a 30-day stress period. The LCR became mandatory on 1 October 2015. The regulatory limit established is 100%.

The Bank monitors and reports the LCR on an individual and on consolidated basis. The LCR disclosures of the Pillar III report refer to the consolidated figures.

The following table provides a breakdown of the LCR as of 30 September 2023, in accordance with Article 435 of the Regulation (EU) No 575/2013 and the respective guidelines on LCR disclosure (EBA/GL/2017/01).

The figures are calculated as simple averages of end-of-month observations of the Group LCR.

ALPHA SERVICES AND HOLDINGS

Template 8: EU LIQ1: Quantitative information of LCR

(Amounts in millions of Euro)

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2023	30.06.2023	31.03.2023	31.12.2022
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	**Total high-quality liquid assets (HQLA)**					**14,261**	**13,077**	**12,070**	**11,810**
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	37,516	37,425	37,296	37,174	2,340	2,386	2,408	2,402
3	*Stable deposits*	20,585	20,907	21,105	21,156	1,029	1,045	1,055	1,058
4	*Less stable deposits*	11,002	11,391	11,643	11,721	1,310	1,340	1,352	1,343
5	Unsecured wholesale funding	11,919	11,252	10,601	10,165	5,302	4,948	4,652	4,450
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	322	331	330	322	80	83	83	80
7	*Non-operational deposits (all counterparties)*	11,544	10,871	10,221	9,836	5,168	4,814	4,520	4,362
8	*Unsecured debt*	53	51	50	7	53	51	50	7
9	*Secured wholesale funding*					3	5	7	11
10	Additional requirements	1,421	1,419	1,320	1,115	540	538	513	449
11	*Outflows related to derivative exposures and other collateral requirements*	449	449	435	386	449	449	435	386
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	972	969	886	729	91	88	78	63
14	Other contractual funding obligations	631	730	746	735	602	695	709	701
15	Other contingent funding obligations	9,056	8,707	8,355	7,957	705	623	540	444
16	**TOTAL CASH OUTFLOWS**					**9,491**	**9,193**	**8,830**	**8,457**
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	1,335	1,188	1,167	1,185	784	636	604	617
19	Other cash inflows	457	627	753	894	339	505	630	691
20	**TOTAL CASH INFLOWS**	**1,793**	**1,815**	**1,920**	**2,079**	**1,123**	**1,141**	**1,233**	**1,308**
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	1,793	1,815	1,920	2,079	1,123	1,141	1,233	1,308
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					14,261	13,077	12,070	11,810
22	**TOTAL NET CASH OUTFLOWS**					**8,368**	**8,052**	**7,596**	**7,149**
23	LIQUIDITY COVERAGE RATIO					170%	162%	160%	166%