

**Alpha Services and Holdings S.A**  
Pillar III Disclosures  
Report for December 31, 2023



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



Abbreviation	Definition
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 Cyprus, the United Kingdom and Luxemburg.

## 2 Pillar III Disclosures Overview

### 2.1 Background and Structure of Pillar III Disclosures

Alpha Bank's 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 present Report is structured under 18 chapters and 6 Appendices. Chapter 2 describes the Pillar III Disclosures background, an overview of regulatory framework and significant developments within 2023 as well as an overview of the Group's Corporate Governance. The 3rd chapter provides information on the scope of application of the regulatory framework and the relevant differences with accounting scope of consolidation.

Chapters 4 and 5 provide full information on capital and leverage, including quantitative information on Alpha Bank Group capital base and capital requirements.

Chapters 6 - 15 describe the Group's risk management framework, and provide detailed information on credit risk, counterparty credit risk, exposure to securitization positions, market risk, operational risk, IRRBB, liquidity risk, as well as asset encumbrance.

Chapter 16 provides information on Environmental, Social and Governance (ESG) Risks while Chapter 17 describes the Remuneration Policy of the Group.

The appendices include a listing of BoD Committees' composition and terms of reference, the CVs of the Members of the Board of Directors as well as the difference of scope of consolidation per entity of the Group, the Terms and conditions of Tier 2 Instruments, Analysis of Own funds structure and Group organizational chart.

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 institutions' 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 ITSs 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.

On 11 December 2023, the Council and European Parliament reached an agreement on the European Commission's proposals for the amendment of Regulation (EU) No 575/2013 (CRR) and Directive 2013/36/EU (CRDIV). These legislative acts (collectively known as 'Banking Package'), implement, among others, the final elements of the Basel III framework of 2017 in the EU. The revised CRR (CRR3) will start applying from January 2025, with a transitional period envisaged for certain rules set out therein (e.g. output floor). Member States shall transpose the revised CRDIV (CRD6) in their national laws within 18 months from its entry into force.

On 14 December 2023, EBA published two draft ITS amending Pillar 3 disclosures and supervisory reporting requirements. These consultation papers are a first step in the implementation of the Banking Package (CRR3 and CRD6). In particular, these draft ITS seek to implement the changes related to the output floor, credit risk, including immovable property (IP) losses, capital valuation adjustment (CVA), market risk and leverage ratio. The amendments related to operational risk are not covered by these consultation papers but will be consulted on together with some policy products at the beginning of 2024.

In line with the Roadmap, the EBA will follow a two-step sequential approach to amend both the Pillar 3 disclosures and supervisory reporting ITS, prioritizing, in step 1, those changes necessary to implement and monitor Basel III requirements in the EU. Later in 2024, as part of step 2, the EBA will develop those reporting and disclosure requirements that are not directly linked to Basel III implementation, together with those requirements with an extended implementation timeline.

The consultations run until 14 March 2024. Following the consultation period, the two draft ITS will be finalised and they are expected to be submitted to the European Commission by June 2024.

## **Dividends/Distribution of Profits**

As of 31.12.2023, the Alpha Services and Holdings capital ratios (on an individual and consolidated basis) meet all regulatory requirements and the management targets as defined in its Dividend Policy. Following the above and based on FY2023 profitability, the Alpha Services and Holdings has applied to ECB for the distribution to shareholders of a total amount of Euro c.122 million.

### **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 with 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. The more detailed disclosures (annual and semi-annual) are endorsed by the Risk Management Committee (RMC) and approved by the Board of Directors (BoD).

## **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 year 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 1.00%.

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 requirements to each of the banking institutions.

Taking into consideration the 2022 SREP decision, ECB notified Alpha Services and Holdings S.A., that for Q4 2023 it was required to meet the minimum limit for consolidated Overall Capital Requirements (OCR), of at least 14.69%. OCR includes for Q4 2023 the CCB Capital Buffer of 2.5%, the O-SII buffer of 1% and the CCyB of 0.19%, 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 Directive 2013/36/ EU. The minimum rate should be kept on an on-going basis, considering the CRR/ CRD Transitional Provisions.

## **Single Resolution Mechanism (SRM)**

The Single Resolution Mechanism (SRM) that implements the EU-wide Bank Recovery and Resolution Directive (BRRD – see next paragraph) in the euro area. The Single Resolution Board (SRB) in cooperation with the National Resolution Authorities (NRAs), are responsible for the design of the specific resolution strategy for each institution which, among others, includes the resolution actions that could be executed following adequate preparation.

## **Recovery and Resolution**

The European Bank Recovery and Resolution Directive (2014/59/EU – “BRRD”), which is part of the Single Rulebook, establishes a framework for the recovery and resolution of credit institutions and investment firms. The Directive introduced a set of common rules to deal with banking crises across the EU and the orderly recovery and resolution of financial institutions, with the aim to avoid significant adverse effects on financial stability and to ensure that shareholders and creditors (including unsecured depositors) will share the burden in case of a potential recapitalization and/or liquidation. The Directive was transposed into the Greek legislation with Law 4335/2015.

Among other topics, the Directive requires Member States to ensure that institutions prepare and regularly update a Recovery Plan setting out the measures that may be taken to restore their financial position following a significant deterioration thereof. The recovery plan addresses, amongst other aspects, various types of recovery measures that a credit institution may adopt in order to maintain or restore its financial position following a significant deterioration, a framework of recovery indicators that determines the areas in which such measures could be implemented, as well as a set of hypothetical scenarios of instability affecting either the institution alone or the entire financial system and which are used to assess the feasibility of the recovery measures being considered. The Group develops its Recovery Plan on an annual basis, taking into consideration applicable EU Regulations and Directives, national laws, relevant Regulatory Technical Standards (RTS) and Guidelines published by the European Banking Authority (EBA) as well as reports published by the European Central Bank (ECB) on lessons learnt and best practices.

The BRRD also established the framework to create a Single Resolution Mechanism (SRM), the second pillar of the European Banking Union, which was subsequently developed through Regulation EU 806/2014 (SRMR). Under the SRM, the Single Resolution Board (SRB) in cooperation with the National Resolution Authorities (NRAs) are responsible for the design of the specific resolution strategy for each credit institution which, among others, includes the resolution actions that could be executed following adequate preparation. These authorities also draw up the Resolution Plan for credit institutions, which cooperate by providing the necessary information.

Following a legislative reform in November 2016 (“banking reform package”), the regulatory framework applicable to recovery and resolution topics has been amended, introducing the following updates:

- Regulation (EU) 2019/876 of the European Parliament and of the Council amending the Capital Requirements Regulation as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (CRR 2). The CRR II has entered into force in 27 June 2019.
- Regulation (EU) 2019/877 of the European Parliament and of the Council amending Regulation (EU) No 806/2014 as regards loss-absorbing and recapitalization capacity for credit institutions and investment firms (known as “SRMR2”), applicable from 28 December 2020.
- Directive (EU) 2019/879 of the European Parliament and of the Council amending Directive 2014/59/EU on loss-absorbing and recapitalisation capacity of credit institutions and investment firms (known as “BRRD2”). The Directive is expected to be transposed into Greek law within 2021.
- On January 13, 2022 the EBA published its final Guidelines for institutions and resolution authorities on improving banks’ resolvability. These Guidelines represent a significant step in complementing the EU legal framework in the field of resolution based on international standards and leveraging on EU best practices.

## **Minimum Requirement for Own Funds and Eligible Liabilities (MREL)**

Under the Directive 2014/59 (Bank Recovery and Resolution Directive or (“BRRD”), as amended by Directive 2019/879 (BRRD II), banks in the European Union are required to maintain a Minimum Requirement for own funds and Eligible Liabilities (“MREL”), which ensures sufficient loss-absorbing capacity in resolution. MREL includes a risk and a leverage-based dimension. MREL is therefore expressed as two ratios that both have to be met: (i) as a percentage of Total Risk Exposure Amount (“TREA”), (the “MREL-TREA”); and (ii) as a percentage of the Leverage Ratio Exposure (“LRE”), (the “MREL-LRE”).

As per the latest official SRB decision, as of January 1, 2026, the consolidated “fully loaded” MREL will be set at 23.60% of the TREA and 5.91% of the LRE. The MREL, expressed as a percentage of risk-weighted assets, does not include the Combined Buffer Requirement (CBR), which stands at 3.69% effective 01 January 2024. The interim binding MREL target to be met on 1 January 2023 was set at 20.05 % of total RWAs, including a CBR of 3.69%.

- Following four Senior Preferred Bond issuances in 2021 and 2022 amounting to EUR 1.7 billion in total, Alpha Bank further placed one Minimum Requirement for own funds and Eligible Liabilities (MREL) Senior preferred bond issuance during 2023. In June 2023 a Euro 0.5 billion senior preferred bond was issued, with a 6.875% coupon rate, a yield of 7% and a six-year maturity, while it is callable in the fifth year.

In February 2023, the Bank successfully completed an issuance of € 400 million AT1, with 11.875% coupon. The transactions are fully aligned with the communicated Alpha Bank’s MREL strategy and significantly enhanced the Bank’s presence in the international capital markets, diversified its investor base and improved its funding profile.

In February 2024, a Euro 0.4 billion senior preferred bond was issued, with a 5.00% coupon rate, a yield of 7% and a 6.25 years maturity, while it is callable in 5.25 years.

On December 31, 2023, the Bank's MREL ratio stood at 25.50%, which is well above the interim non-binding target of 22.50% of the Total Risk Exposure Amount (TREA) (effective 01.01.2024). The said ratio includes the profit of the financial reporting period that ended on December 31, 2023 post a provision for the distribution of a total amount of Euro c.122 million.

## **Other Regulatory Restrictions**

Group's significant restrictions regarding the use of assets or the settlement of obligations, are those imposed by the regulatory framework in which foreign subsidiaries, supervised for their capital adequacy and liquidity, mainly operate. In particular, the regulatory authorities request, where appropriate and depending on the nature of the company, the compliance with specific thresholds, as for example the maintenance of a specific level of capital buffers and/or liquid assets, the limitation of the exposure to other Group companies and the compliance with specific ratios.

## **2.3 Significant Developments**

### **2.3.1 NPE Plan/NPE Initiatives**

#### **NPE Plan (Update)**

Significant NPE reduction of c. €0.9bn was recorded in 2023, out of which €0.7bn reduction stemmed from the result of NPE from transactions and €0.2bn was due to negative organic formation. The Group's total NPE portfolio as of Q4 2023 amounted to c. €2.2bn with a corresponding NPE ratio of 6.0%.

In March 2024 the Bank submitted an updated NPE Business Plan covering the period 2024-2026.

Based on that, the NPE ratio for 2024 is estimated at c. 5% with further reduction to be achieved in the following years.

One of the key pillars of the Bank's Strategy is the de-risking of its balance sheet, and optimization of capital allocation towards core business activities while also improving its asset quality and normalizing the cost of risk. This targeted NPE reduction will be achieved through Alpha Bank's ongoing organic NPE reduction (i.e. cures, debt forgiveness, collateral based recoveries and other closing procedures) further supplemented by in-organic initiatives scheduled in the planning period. After the successful completion of NPE reduction initiatives, the Bank will be able to achieve significantly improved asset quality levels and reduced cost of risk, at par with other European banks, while maintaining a satisfactory capital position above minimum regulatory capital requirements.

Continuous monitoring of the evolution of NPE stock is performed for any negative developments/deviations in order to be counterbalanced by mitigating actions.

## NPE initiatives

One of the key pillars of the Bank's Strategy is the de-risking of its balance sheet, putting capital to work with a view to improve its asset quality and normalize the cost of risk.

Despite the difficulties faced due to the persistence of the COVID-19 pandemic, Alpha Bank achieved the completion of securitization transactions of Euro c. 14.2 billion GBV, of both retail and wholesale NPEs, namely project Galaxy, the largest NPE securitization in Greece and second largest in Europe, and project Cosmos, making use of the Hellenic Asset Protection Scheme for the retained senior tranche, which as of 31.12.2023 amounted to Euro 5.2 billion.

Along with the securitization transaction, Alpha Bank also concluded the sale of its servicing platform, supporting Project Galaxy and enhancing business model efficiency. The servicer, new CEPAL, has undertaken the management of the remaining NPEs of Alpha Bank through an exclusivity agreement.

Following the delivery of the Galaxy and Cosmos securitisations, Alpha Bank, proceeded with the implementation of its accelerated NPE deleveraging plan through the following transactions which were successfully completed within Financial Years 2022-2023 as per below:

### Completed NPE Transactions - 2022:

- Project Orbit – sale of a domestic retail unsecured portfolio of Euro 1.2 billion GBV
- Project Light - sale of a domestic retail unsecured portfolio of Euro 0.2 billion GBV
- Project Shipping – sale of 2 single ticket NPE shipping exposures of Euro 0.1 billion GBV

### Completed NPE Transactions - 2023:

- Project Sky – sale of a Cypriot NPEs portfolio and related Real Estate properties of Euro 2.3 billion GBV, through the sale of Sky CAC Ltd, a subsidiary of Alpha International Holdings S.A.
- Project Hermes – sale of a mixed pool of secured Non-Performing Loans to Greek Large Corporate Entities and Small-Medium Sized Enterprises of Euro 0.65 billion GBV
- Project Cell - the sale of a Portfolio of Retail Unsecured Non-Performing Loans, of Euro 1.5 billion total outstanding balance

Moreover, NPE Deleveraging Plan entails the completion of the following transactions which have been classified to Held for Sale:

- Project Solar – common securitization by the 4 Greek systemic banks of an SME portfolio of Euro 1.2 billion GBV (Alpha Bank's share of GBV at Euro 0.4 billion) that has been assigned by all systemic banks for management to DoValue
- Project Andros – disposal of NPE Leasing portfolio of Euro 0.4 billion GBV
- Project Gaia – Portfolio of mainly secured mortgage Non-Performing Loans, of Euro 0.4 billion GBV
- Single ticket exposures Non-Performing Loans of Large Corporate Entities, of aggregate Euro 0.1 billion GBV

As of 2023 year end the Group NPE ratio stands at 6.0% pro forma for the completion of the above transactions and it is expected to be reduced further mainly as a result of organic actions.

### **2.3.2 Transactions**

During 2023, in line with the Strategic Plan, Alpha Services and Holdings proceeded to the following actions:

- The Shipping Synthetic Securitization (Project “Compass”) and the Synthetic Securitization (Project “Blue”/Wholesale Portfolio) were successfully completed.
- On 23.10.2023, the announcement of an agreement with Unicredit S.p.A 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 combined entity.
  - ✓ The commercial partnership in the distribution of bancassurance, asset management and other banking products which comprises the acquisition by Unicredit of 51% of Alpha Life the wholly-owned life insurance subsidiary of the Group 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 Hellenic Financial Stability Fund (HFSF) in Alpha Services and Holdings, amounting to 9% which has been completed.

The Bank's capital ratios will be further enhanced by the completion of the agreement with UniCredit, as well as the remaining scheduled transactions and a new Synthetic Securitisation.

### **2.3.3 Capital Issuances**

On 08.02.2023 Alpha Services and Holdings S.A. completed the issuance of its Euro €400 million Fixed Rate Reset Additional Tier 1 Notes (the “AT 1 Notes”). The AT1 Notes, which are non-call 5.5 perpetual notes, are issued with a yield of 11.875%. Coupon payments are discretionary and are made on a semi-annual basis.

### 2.3.4 EU-Wide 2023 Stress test

The EU-wide Stress Test is a biannual exercise and is conducted by EBA for the largest European banks and by ECB for the banks which are not included in the first group. The EU-wide Stress Test 2023 includes additional 26 banks that have been added to the stress test sample compared to the 2021 exercise and further proportionality has been introduced into the methodology. Alpha Bank was part of the EBA sample for the 2023 Stress Test exercise.

The 2023 EU-wide stress test used a constrained bottom-up approach with some top-down elements. Focus was on the assessment of the impact of adverse shocks on banks' solvency. Banks were required to estimate the evolution of a common set of risks (credit, market, counterparty, and operational risk) under a baseline and an adverse scenario.

The Stress Test was conducted based on a static balance sheet approach under a baseline and an adverse macro scenario with a 3-year forecasting horizon (2023-2025).

Alpha Services and Holdings successfully concluded the 2023 EU-wide Stress Test and the results were published by EBA on 28.07.2023.

The results of Alpha Services and Holdings (IFRS 9 - fully loaded basis) are presented in the following table:

	31.12.2022 (Starting point)	31.12.2025 (Baseline)	31.12.2025 (Adverse)
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%

It is noted that the Stress Test methodology did 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.

In the base scenario there is a capital accretion with an increase in the Common Equity Tier I (FL) by 2.2 pp in the 3 years horizon including also a dividend pay-out of 30 %.

Since the previous EU ST 2021, Alpha Services and Holdings has transformed itself, significantly strengthening its balance sheet, decisively reducing its NPEs, restoring its organic profitability and successfully building a track record in the capital markets through the issuance of capital and MREL instruments while also further enhancing capital and liquidity buffers. The capital depletion in the Common Equity Tier I (IFRS9-fully loaded basis) over the three years horizon in the adverse scenario (ignoring any post year-end events) was 3.1 pp compared to 4.6 pp for the EU Average.

## 2.4 Overview of Corporate Governance

The Board of Directors is responsible for the management of Alpha Services and Holdings S.A. (the “Company”) affairs and its representation vis-à-vis third parties. Further, it has the ultimate and overall responsibility for the Company and defines, oversees and is accountable for the implementation of the governance arrangements within the Company that ensure effective and prudent management of the Company. The overall Corporate Governance framework is included in the Board of Directors Annual Report as at 31.12.2023.

The Board of Directors regularly examines corporate governance issues and during 2023 it approved the Articles of Incorporation, the Internal Governance Regulation, the Charter of the Executive Committee, as well as policies pertaining to corporate governance and in particular the Suitability and Nomination Policy for the Members of the Board of Directors, the Induction and Training Policy and Procedure for the Members of the Board of Directors, the Policy and Process for the Succession Planning of Non-Executive and Independent Non-Executive Members of the Board of Directors, the Policy for the Succession Planning of Senior Executives and Key Function Holders, the Remuneration Policy of the Members of the Board of Directors as per the provisions of Law 4548/2018, the Group Benefits and Corporate Expenses Policy, the Senior Executives Severance Payment Policy and the Expenses Policy for the Non-Executive Members of the Board of Directors in order for them to be fully aligned with the current regulatory framework and with the most recent best practices of corporate governance.

Further to the above, the Board of Directors approved, within the first quarter of 2024, the Charters of the Board of Directors and its Committees (i.e. Audit Committee, Risk Management Committee, Remuneration Committee and Corporate Governance, Sustainability and Nominations Committee), the Remuneration Policy for Alpha Services and Holdings and its Group as well as the Policy for the Evaluation of Senior Executives and Key Function Holders.

### **Suitability and Nomination Policy for the Members of the Board of Directors**

Alpha Services and Holdings S.A. has adopted the Suitability and Nomination Policy for the Members of the Board of Directors (the “Policy”) that sets out the principles and the framework for the selection, appointment, re-appointment and replacement of Members of the Board of Directors as well as the criteria to be used in the assessment.

The Policy is supplemented by the “Suitability and Nomination Process for the Members of the Board of Directors”, which provides for the specific process to be followed mainly by the Corporate Governance, Sustainability and Nominations Committee (the “CGSNC”), to which accountability is attributed in this Policy. Additionally, the Policy and Process for the Succession Planning of Non-Executive and Independent Non-Executive Members of the Board of Directors forms an integral part of the Company’s Policy for the Members of the Board of Directors that sets out the framework for the succession planning of the Non-Executive Members and the Independent Non-Executive Members of the Company.



The Policy complies with the legislative and regulatory framework in force, including the relevant Joint ESMA/EBA “Guidelines on the assessment of the suitability of members of the management body and key function holders” and the ECB Guide to fit and proper assessments as well as with European best practices in corporate governance.

The objectives of the Policy are to:

- Set general principles that provide guidance to the CGSNC and its Chair on selecting, vetting and proposing candidates to the Board of Directors as well as on the replacement and renewal of the Members of the Board of Directors.
- Set criteria, including diversity criteria, for the selection and suitability assessment of Board of Directors candidates.
- Set criteria for the assessment of the ongoing individual suitability of the Members of the Board of Directors as well as the collective suitability of the Board of Directors.
- Establish a transparent, effective and time-efficient suitability and nomination process.

The Policy and its implementation are monitored and reviewed annually by the CGSNC, approved by the Board of Directors and submitted for approval to the General Meeting of Shareholders. Any amendments thereto are approved by the Board of Directors and, in case they are material, they are submitted for approval to the General Meeting of Shareholders. The Policy and every material amendment thereto enters into force from the approval thereof by the General Meeting of Shareholders. Material are the amendments that provide for derogations or significantly change the content of the Suitability and Nomination Policy, in particular as to the applied general principles and criteria.

In preparing, amending or reviewing the Policy, the CGSNC and the Board of Directors shall take into account recommendations or findings of other Board Committees and competent areas, especially the internal control functions. The internal control functions should provide effective input for the review of the Suitability and Nomination Policy in accordance with their roles. Notably, the Compliance should analyze how the Suitability and Nomination Policy affects the Company’s compliance with legislation, regulations, internal policies and procedures and should report all identified compliance risks and issues of non-compliance to the CGSNC.

The CGSNC will nominate candidates whom it deems suitable to become Members of the Board of Directors according to the criteria set out in the applicable regulatory framework and in this Policy. Suitability is determined in relation to the Policy’s criteria for candidates (fit and proper and general suitability) and the current composition needs. For the purposes of this Policy, it is defined as the degree to which an individual is deemed to have good repute and to have, individually and collectively with the other Directors/Members, adequate knowledge, skills and experience to perform his/her duties and a clear understanding of the Company’s culture, values and overall strategy. Suitability also covers the honesty, integrity and independence of mind of each individual and his/her ability to commit sufficient time to perform his/her duties.

Further to the above, where any Members of the Board of Directors do not fulfil the requirements set out, the European Central Bank, in the framework of the Single Supervisory Mechanism, shall have the power to remove such Members from the Board of Directors. The CGSNC, within the aforementioned context, shall consider the suitability of the Members of the Board of Directors on a periodic basis, utilizing Board Review assessments and any other pertinent information available. In order to be considered as a suitable candidate by the Board of Directors and its CGSNC, the prospective nominee must: meet the fit and proper requirements, meet individual and collective suitability requirements, have no systematic conflict of interests with the Company, have no impediments according to the relevant legislation and be able to devote sufficient time to the Board of Directors. All nominees must submit a declaration that they meet the relevant requirements.

The Suitability and Nomination Policy for the Members of the Board of Directors is posted on the Company's [website](#).

### **Board of Directors**

On 31.12.2023 the Board of Directors of the Company was consisted of thirteen Members with the following breakdown:

- Two Executive Members
- Three Non-Executive Members
- Eight Independent Non-Executive Members

The Board of Directors, following a relevant recommendation by the CGSNC, at its meeting held on 29.6.2023 resolved on the election of Ms. Diony C. Lebot and Mr. Panagiotis I.-K. Papazoglou as Independent Non-Executive Members of the Board of Directors of the Company with effect as of 27.7.2023, in replacement of the Independent Non-Executive Members Messrs. Richard R. Gildea and Shahzad A. Shahbaz respectively.

The Ordinary General Meeting of 27.7.2023, following a relevant proposal by the Board of Directors, resolved on the appointment of Ms. Diony C. Lebot and Mr. Panagiotis I.-K. Papazoglou, who fulfill the independence criteria according to article 9 of law 4706/2020, as Independent Non-Executive Members for the rest of the tenure of the Board of Directors of the Company.

In particular, the individual as well as the collective suitability was assessed and reviewed considering the evaluation of the collective and individual capabilities of the Board of Directors, the skills, experience and knowledge, along with the qualifications of the Members of the Board of Directors as well as their CVs, the other professional commitments of the Members of the Board of Directors, and the provisions of the applicable regulatory and legislative framework, the approved Suitability and Nomination Policy for the Members of the Board of Directors of the Company, the Diversity Policy of the Company, the Hellenic Corporate Governance Code. More specifically, it was determined that the new Members of the Board of Directors are adequately qualified, in terms of knowledge and skills, including academic and professional qualifications, their experience and background, to perform the duties assigned to them, as well as pursuant to the requirements of their position. Furthermore, for each proposed Board Member her/his honesty and integrity, good reputation, sufficiency of time to be allocated in discharging her/his duties as well as the absence of any conflict in relation to her/his election were ascertained.

It is noted that, in accordance with the provisions of the regulatory and legislative framework applying to the Company, the appointment of new Board Members is subject to approval and constant review by the European Central Bank (ECB), in the framework of the Single Supervisory Mechanism (SSM).

The Members of the Board of Directors comply with the stipulations of article 83 of Law 4261/2014 on the combination of directorships, as they do not hold more than one of the following combinations of directorships at the same time: (a) One Executive directorship and two Non-Executive directorships; (b) Four Non-Executive directorships, excluding directorships in organizations which do not pursue predominantly commercial objectives (e.g. non-profit, charities). It is noted that directorships held within the same group are regarded as one directorship (see table below in “3. Professional commitments of the Members of the Board of Directors”).



## Professional commitments of the Members of the Board of Directors

Professional commitments of the Members of the Board of Directors <i>(Based on the composition of the BoD on 31.12.2023)</i>	
Position	Principal outside activities
<b>Chair (Non-Executive Member)</b>	
Vasileios T. Rapanos	Member of the BoD of the Foundation for Economic and Industrial Research (IOBE) Member of the BoD of the Biomedical Research Foundation Academy of Athens (BRFAA) Chair of the BoD of the Alpha Bank Cultural Foundation
<b>Executive Members</b>	
Vassilios E. Psaltis CEO	Member of the Institut International d' Études Bancaires (IIEB) Member of the BoD and of the Executive Committee of the Hellenic Federation of Enterprises (SEV) Member of the BoD of the Hellenic Bank Association
Spyros N. Filaretos Chief of Growth and Innovation	Member of the BoD of Alpha Bank London Ltd Chair of the BoD of the Efstathia J. Costopoulos Foundation Member of the BoD of the Alpha Bank Cultural Foundation
<b>Non-Executive Member</b>	
Efthimios O. Vidalis	Member of the BoD of Titan Cement Company S.A. Member of the BoD of Eurolife FFH Insurance Group Holdings S.A. President of the Executive Committee of the Hellenic Federation of Enterprises (SEV) and Member of the Board of Directors of SEV - Stegi Ellinikis Viomihantias
<b>Independent Non-Executive Members</b>	
Elli M. Andriopoulou	Chair and Managing Director of the Stavros Niarchos Foundation Cultural Center (SNFCC)
Aspasia F. Palimeri	Member of the BoD of the Foundation for Economic and Industrial Research (IOBE)
Panagiotis I.-K. Papazoglou	Member of the Executive Committee of the Foundation for Economic and Industrial Research (IOBE) Vice-Chair of the Citizens' Movement for an Open Society
Dimitris C. Tsitsiragos	Member of the BoD of Titan Cement International
Jean L. Cheval	Member of the BoD and member of the Audit and Risk Committee of EFG-Hermès Member of the BoD of Natixis Algérie Chairman of the Natixis Foundation for Research and Innovation
Carolyn G. Dittmeier	Member of the BoD and/or Audit Committee of non-financial companies, such as Moncler SpA and Illycaffè SpA Member of the BoD, Chair of the Nomination Committee and Member of the Control and Risk Committee of ENI SpA
Elanor R. Hardwick	Member of the BoD of specialty (re)insurer Axis Capital, Member of the Human Capital and Compensation Committee and of the Corporate Governance, Nominating and Social Responsibility Committee External member of the Audit Committee of the University of Cambridge
Diony C. Lebot	Senior advisor to the CEO of Société Générale Member of the BoD of Ayvens (former ALD Automotive) Member of the BoD and Chair of the Audit Committee of EQT AB
<b>Non-Executive Member</b>	
Johannes Herman Frederik G. Umbgrove	Member of the Supervisory Board and Chair of the Risk Committee and the Audit Committee of Lloyds Bank GmbH Chair of the Supervisory Board and of the Nomination and Remuneration Committee, Member of the Risk and Audit Committee and of the Related Party Transactions Committee of DHB Bank N.V. [former Demir-Halk Bank (Nederland) N.V.] Director of the Parel van Baarn Foundation Member of the Management Committee of the Aston Martin Owners Club

## **Evaluation of the Board of Directors**

The Board of Directors, with the support of the CGSNC, annually assesses its effectiveness and that of its Committees.

From time to time and at least once every three years, the Board of Directors may appoint external consultants to facilitate a more in-depth review of its effectiveness.

The collective evaluation of the Members of the Board of Directors and its Committees, for the year 2022, was conducted by Morrow Sodali, with the assistance of the CGSNC. The Board Self-Evaluation, carried out through an on-line questionnaire completed by all Board Members, focused on a variety of topics concerning Strategy, Risk Governance and Internal Control, Strategic HR Issues and Remuneration, Corporate Governance and Sustainability – ESG Issues, Board Profile and Composition, Board Functioning and Dynamics, Board Secretarial Support, Performance of the Chair, Information Flows and Interaction with Management, Effectiveness of Board Committees, with the aim of identifying areas for further Board improvement.

The Individual Evaluation of the Members of the Board of Directors for the year 2022 was conducted by the Chair of the Board of Directors through an on-line questionnaire provided by Morrow Sodali, which was completed by all Board Members.

The summary of the results showed that, overall, the Members of the Board of Directors are perceived to be engaged and committed, work well together and provide constructive challenge.

The key recommendation was that the time devoted to strategic discussions at Board level should be further enhanced and the agendas could be more streamlined.

As regards the Individual Evaluation of the Members of the Board of Directors for the year 2022, the main highlights were the following:

- The Board performed its functions effectively.
- The Board worked with the Management in a productive and constructive manner.

## **Assessment of the Board Members' collective suitability based on the ESMA/EBA Guidelines**

Further to the aforementioned evaluation of the Board of Directors, an assessment of the Board Members' collective suitability in terms of knowledge, skills and experience based on the ESMA/EBA "Guidelines on the assessment of the suitability of members of the management body and key function holders" (the "ESMA/EBA Guidelines"), was conducted with the support of the CGSNC.

In this context and for the purposes of preparing the assessment of the collective suitability, each Member of the Board of Directors conducted an Individual Self-Assessment, by using an individual self-assessment questionnaire, based on the criteria listed in the ESMA/EBA Guidelines. The Chair of the Board of Directors completed the Collective Suitability Matrix of the ESMA/EBA Guidelines based on the Individual Self Assessments and examining, among others, the areas of governance, risk management, compliance, audit, management, strategy, decision-making, basic knowledge and past experience, as suggested by the said Guidelines. Furthermore, taking into consideration that the EBA Guidelines Matrix is a dynamic tool, new sections have been included therein, taking into account changes in the banking landscape and the needs arising from the Company's Business Plan.

Based on the approved Collective Suitability Matrix, the Board of Directors resolved that it would benefit from new Members who have a good knowledge and experience of Greek market, ESG, IT and Digital and also are strategic thinkers.

An overview of the CVs of the Members of the Board of Directors is presented in Appendix 2.

### **Committees of the Board of Directors**

The Board of Directors may establish permanent or ad hoc Committees to assist it in the discharge of its responsibilities, facilitate its operations and effectively support its decision-making. The Committees have an advisory role but may also assume delegated authorities, as determined by the Board. Each Committee has its dedicated Charter prescribing its composition, tenure, functioning and responsibilities.

Four Committees operate at Board level, namely:

- the Audit Committee,
- the Risk Management Committee,
- the Remuneration Committee,
- the Corporate Governance, Sustainability and Nominations Committee.

A more detailed analysis of the Committees and Charters as well as description of the Diversity Policy applied to management, administration and supervision bodies is presented in Appendix 1.

## 3 Accounting and Regulatory consolidation

### 3.1 Consolidation for financial reporting purposes

The consolidated financial statements include the parent company Alpha Services and Holdings S.A, its subsidiaries, associates and joint ventures. The financial statements of the entities that are used to prepare the consolidated financial statements have been prepared as at 31.12.2023 and the accounting policies applied in their preparation, when necessary, were adjusted to ensure consistency with the Group accounting policies.

#### **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group considers the following factors, in assessing control:

- Power over the investee,
- Exposure or rights to variable returns from its involvement with the investee, and
- Ability to use its power over the investee to affect the amount of the investor's return.

In cases of structured entities where the voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements (i.e. securitization vehicles or mutual funds), the Group assesses the existence of control based on the following:

- The purpose of the entity and the contractual rights of the parties involved,
- The risks to which the investee was designed to be exposed, the risks it was designed to pass on to the parties involved with the investee and the degree of exposure of the Group to those risks,
- Indication of a special relationship with the entity, which suggests that the Group has more than a passive interest in the investee.

Furthermore, regarding the structured entities that are managed by the Group, the Group assesses if it acts as principal or an agent based on the extent of its decision – making authority over the entity's activities, the rights of third parties and the degree of its exposure to variability of returns due to its involvement with the entity.

The Group, based on the above criteria, controls structured entities established for the securitization of loan portfolios.

#### **Associates**

Associates are entities over which the Group has significant influence but not control.

Significant influence is generally presumed to exist when the Group holds, directly or indirectly, more than 20% of the share capital of the company concerned without having control or joint control, unless the ownership of more than 20% does not ensure significant influence, e.g. due to lack of representation of the Group in the company's Board of Directors or due to the Group's non-participation in the policy making process.

Investments in associates are accounted for by the equity method of accounting consolidation.

## **Joint Ventures**

The Group applies IFRS 11 for the accounting treatment of interests in joint arrangements. All joint arrangements in which the Group participates and has joint control are joint ventures, which are accounted for by using the equity method.

A more detailed description of the financial principles applied for consolidation is mentioned in the Group Annual Financial Reports, whereas a detailed list of all Group subsidiaries, associates and joint ventures, as well as the Group's ownership interest in them is provided in note 44 of the Group Annual Financial Report as of 31.12.2023.

## **3.2 Consolidation for regulatory purposes**

Consolidation for regulatory purposes follows the principles set by the law 4261/2014 and the regulatory framework (CRR 575/2013).

The regulatory consolidation is conducted in accordance with the accounting consolidation, with the exception of the following cases:

- Companies that do not belong to the financial sector are consolidated through the equity method;
- Insurance and reinsurance companies that are not deducted from CET 1 are risk weighted at 250% and
- Significant investments in financial sector entities where participation does not exceed the 10% threshold are not deducted from CET 1 and are risk weighted at 250%.

A full list of Alpha Bank Group's subsidiaries and associates is included in Appendix III.

## **3.3 Reconciliation between accounting and regulatory consolidation**

The following table provides a reconciliation of the consolidated balance sheet as at 31 December 2023 on an accounting basis (as presented on p. 149 of the Group's Annual Report 31 December 2023) to the consolidated balance sheet under the regulatory scope of consolidation.



**Template 1b: EU LI1 - Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories as of 31.12.2022**

(Amounts in millions of Euro)

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items				
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
<b>Breakdown by asset classes according to the balance sheet in the published financial statements</b>							
1	Cash and balances with central banks	12,895	12,895	12,895			
2	Due from banks	1,368	1,368	1,011	357		
3	Trading securities	4	4	0		4	
4	Derivative financial assets	2,142	2,142	0	2,142		
5	Loans and advances to customers	38,748	38,746	30,959		7,744	43
6	Investment securities						
	- Measured at fair value through other comprehensive income	1,806	1,323	1,323		0	
	- Measured at amortised cost	11,336	11,309	11,188		121	
	- Measured at fair value through profit or loss	328	78	65		9	4
7	Investments in associates and joint ventures	99	194	194			
8	Investment property	245	245	245			
9	Property, plant and equipment	529	528	528			
10	Goodwill and other intangible assets	475	447	40			407
11	Deferred tax assets	5,232	5,239	3,531			1,707
12	Other assets	1,295	1,274	1,274			
13	Assets classified as held for sale	1,517	1,517	1,517			
	<b>Total assets</b>	<b>78,019</b>	<b>77,307</b>	<b>64,770</b>	<b>2,499</b>	<b>7,874</b>	<b>9</b>
<b>Breakdown by liability classes according to the balance sheet in the published financial statements</b>							
1	Due to banks	14,345	14,345		32		
2	Derivative financial liabilities	2,305	2,305		1,476		
3	Due to customers	50,246	50,264		205		
4	Debt securities in issue and other borrowed funds	2,923	2,958				
5	Liabilities for current income tax and other taxes	23	18				
6	Deferred tax liabilities	23	35				
7	Employee defined benefit obligations	24	24				
8	Other liabilities	920	921				
9	Provisions	921	168				

10	Liabilities related to assets classified as held for sale	11	11				
	<b>Total liabilities</b>	<b>71,741</b>	<b>71,047</b>	<b>0</b>	<b>1,713</b>	<b>0</b>	<b>0</b>

The following table provides a reconciliation between the consolidated regulatory balance sheet to the Exposure at Default (EAD) for items subject to the frameworks for credit risk, CCR, securitisation and market risk. The assets' carrying value does not include the amount of the intangible assets.

### Template 2a: EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements as of 31.12.2023

(Amounts in millions of Euro)

		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
<b>1</b>	<b>Assets carrying value amount under the scope of regulatory consolidation (as per template LI1)</b>	70,522	57,353	10,406	2,730	33
<b>2</b>	<b>Liabilities carrying value amount under the regulatory scope of consolidation (as per template LI1)</b>	2,223			2,223	
<b>3</b>	<b>Total net amount under the regulatory scope of consolidation</b>	68,299	57,353	10,406	507	33
<b>4</b>	<b>Off-balance-sheet amounts</b>	10,396	1,402			
5	<i>Differences in valuations</i>					
6	<i>Differences due to different netting rules, other than those already included in row 2</i>	2,223			2,223	
7	<i>Differences due to consideration of provisions</i>					
8	<i>Differences due to the use of credit risk mitigation techniques (CRMs)</i>					
9	<i>Differences due to credit conversion factors</i>					
10	<i>Differences due to Securitisation with risk transfer</i>					
11	<i>Other differences</i>					
<b>12</b>	<b>Exposure amounts considered for regulatory purposes</b>		58,755		708	

**Template 2b: EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements as of 31.12.2022**

(Amounts in millions of Euro)

		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	<b>Assets carrying value amount under the scope of regulatory consolidation (as per template LI1)</b>	75,151	64,770	7,874	2,499	9
2	<b>Liabilities carrying value amount under the regulatory scope of consolidation (as per template LI1)</b>	1,713			1,713	
3	<b>Total net amount under the regulatory scope of consolidation</b>	73,438	64,770	7,874	786	9
4	<b>Off-balance-sheet amounts</b>	9,500	1,225			
5	<i>Differences in valuations</i>					
6	<i>Differences due to different netting rules, other than those already included in row 2</i>	1,713			1,713	
7	<i>Differences due to consideration of provisions</i>					
8	<i>Differences due to the use of credit risk mitigation techniques (CRMs)</i>					
9	<i>Differences due to credit conversion factors</i>					
10	<i>Differences due to Securitisation with risk transfer</i>					
11	<i>Other differences</i>					
12	<b>Exposure amounts considered for regulatory purposes</b>		65,995		518	

## 4 Capital Management

The 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 strategy are to ensure that the Group has sufficient capital buffers to cover the risks of its business, to support its growth strategy, comply with regulatory capital requirements and management targets at all times, and to deliver sustainable value to its shareholders.

The Group remains committed to the implementation of its strategy, re-calibrating its approach in order to reflect changes in the market environment and has consistently delivered on its targets to clean-up its balance sheet. The execution of the NPE Business Plan, submitted to the SSM yearly, remains on track through the active management and reduction of NPEs over the Business Plan period.

### Main elements impacting Asset Quality, Capital and Liquidity

- In Q4 2023, the NPE stock was reduced by €0.6bn q/q to €2.2bn, driven by the reclassification to HFS of NPE portfolios mainly related to the “Gaia” transaction totalling €0.5bn. As a result, the NPE ratio contracted to 6.0%, down by 120bps versus Q3,
  - The Group's NPE cash coverage increased to 47% (or 45%\*) at the end of Q4, while total coverage including collateral reached 115%. The Group NPL coverage ratio reached 90% (or 87%\*), while total coverage including collateral reached 150% (or 156%\*).
- (\*) incl. the reclassification impact of Alpha Bank Romania to HFS*
- The Group's Fully Loaded CET 1 Capital base stood at €4.6bn, resulting in a Fully Loaded CET1 ratio of 14.3%, including the profit of the financial reporting period that ended on 31 December 2023 post a provision for the distribution of a total amount of Euro c.122 million, leading to a Q-o-Q increase of c.58bps, mainly stemming from period profitability and the decrease in RWAs due to the completion of Blue synthetic securitization.
  - The Group's Loan to Deposit Ratio stands at 75% while the Liquidity Coverage Ratio (LCR) increased to 193% vs. 188% in the previous quarter, exceeding regulatory thresholds and management targets.
  - The Group's TLTRO funding stood at €5bn at the end of Q4, stable q/q. The Bank's blended funding cost stood at 140bps in the quarter, up from 128bps in Q3 2023, mainly attributable to the higher cost of deposits and wholesale funding.

In February 2024, the Bank successfully completed a €400mn senior preferred issuance, further diversifying funding sources and building up MREL capital stack.

## 4.1 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 31.12.2023, Alpha Bank's CET1 stood at €4.6 billion and the total Regulatory Capital at €6.0 billion, while the total RWAs amounted to €32.2billion resulting in a CET1 ratio of 14.4%, and total Capital Adequacy Ratio of 18.8%,mainly due to the period (30.06.2023-31.12.2023) profitability (which includes also a provision for the distribution of a total amount of Euro c.122 million) and the decrease in RWAs by c.0.6bn. The main factor for the decrease in RWAs is the completion of Blue synthetic securitization.

### Template 3: Capital Adequacy Ratios (%)

(Amounts in millions of Euro)

	a	b
	31.12.2023	30.9.2023
<b>Capital Type</b>		
CET1	4.639	4.533
Tier 1 Capital	5.039	4.933
Tier 2 Capital	1.000	1.000
Total Regulatory Capital for C.A.R. calculation	6.039	5.933
Risk Weighted Assets	32.209	32.808
<b>Capital Ratios</b>		
CET1 Ratio	14.4%	13.8%
Tier 1 Ratio	15.6%	15.0%
Capital Adequacy Ratio (Tier 1 + Tier 2)	18.8%	18.1%

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 31 December 2023, the eligible amounts not "relying on future profitability" according to the CRD Directive stood at €2.58 billion.

#### 4.1.1 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 4: EU KM1 - Key metrics template as of 31.12.2023<sup>(c)</sup>

(Amounts in millions of Euro)

		a	b	c	d	e
		31.12.2023	30.9.2023	30.6.2023	31.3.2023	31.12.2022
	<b>Available own funds (amounts)</b>					
1	Common Equity Tier 1 (CET1) capital	4,639	4,533	4,380	4,206	4,540
2	Tier 1 capital	5,039	4,933	4,780	4,606	4,540
3	Total capital	6,039	5,933	5,780	5,606	5,540
	<b>Risk-weighted exposure amounts</b>					
4	Total risk-weighted exposure amount	32,209	32,808	32,462	33,937	34,286
	<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>					
5	Common Equity Tier 1 ratio (%)	14.4%	13.8%	13.5%	12.4%	13.2%
6	Tier 1 ratio (%)	15.6%	15.0%	14.7%	13.6%	13.2%
7	Total capital ratio (%)	18.8%	18.1%	17.8%	16.5%	16.2%
	<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>					
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%



## 4.2 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 extends 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 5: 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
	31.12.2023	30.9.2023	30.6.2023	31.3.2023	31.12.2022
<b>Available capital (amounts)</b>					
Common Equity Tier 1 (CET1) capital	4,639	4,533	4,380	4,206	4,540
CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,599	4,494	4,340	4,167	4,043
CET1 capital as if the temporary treatment of unrealized gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied					4,520
Tier 1 capital	5,039	4,933	4,780	4,606	4,540
Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,999	4,894	4,740	4,567	4,043

	a	b	c	d	e
	31.12.2023	30.9.2023	30.6.2023	31.3.2023	31.12.2022
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
Total capital	6,039	5,933	5,780	5,606	5,540
Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,999	5,894	5,740	5,567	5,043
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
<b>Risk-weighted assets (amounts)</b>					
Total Risk-weighted assets	32,209	32,808	32,462	33,937	34,286
Total Risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	32,209	32,808	32,462	33,937	33,887
<b>Capital ratios</b>					
Common Equity Tier 1 ratio (%)	14.4%	13.8%	13.5%	12.4%	13.2%
CET1 ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.3%	13.7%	13.4%	12.3%	11.9%
CET1 ratio (%) as if the temporary treatment of unrealized gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied					13.2%
Tier 1 ratio (%)	15.6%	15.0%	14.7%	13.6%	13.2%
Tier 1 ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.5%	14.9%	14.6%	13.5%	11.9%
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%
Total ratio (%)	18.8%	18.1%	17.8%	16.5%	16.2%
Total ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.6%	18.0%	17.7%	16.4%	14.9%
Total 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%
<b>Leverage ratio</b>					
Leverage ratio total exposure measure	71,328	72,212	70,756	71,407	76,625
Leverage ratio	7.1%	6.8%	6.8%	6.5%	5.9%
Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7.0%	6.8%	6.7%	6.4%	5.3%
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%

The analysis of Own funds structure is presented in the following table:

### Template 6: Own Funds Structure

(Amounts in millions of Euro)

	31.12.2023	30.9.2023
Share capital	682	681
Share premium	4,783	4,781
Own Shares	( 11)	( 13)
Retained Earnings and Other Reserves	1,005	985
<i>o/w FVOCI reserves</i>	( 5)	( 16)
Period results	474	392
<b>Common equity tier 1 capital before regulatory adjustments 1-5</b>	<b>6,933</b>	<b>6,826</b>
1.PVA	( 6)	( 7)
2.Intangible assets	( 427)	( 423)
3.DTA amortization	( 1,700)	( 1,734)
4.Irrevocable payment commitment	( 30)	( 30)
5.Other Adjustments	( 131)	( 100)
<b>Total regulatory adjustments to common equity tier 1</b>	<b>( 2,294)</b>	<b>( 2,293)</b>
<b>Common equity tier 1 capital (CET1) (1)</b>	<b>4,639</b>	<b>4,533</b>
Additional Tier I instruments	400	400
<b>Additional Tier I before regulatory adjustments</b>	<b>400</b>	<b>400</b>
<b>Additional Tier I</b>	<b>400</b>	<b>400</b>
<b>Tier I Capital (CET1 + AT1)</b>	<b>5,039</b>	<b>4,933</b>
Subordinated loan	1,000	1,000
<b>Tier II capital before regulatory adjustments</b>	<b>1,000</b>	<b>1,000</b>
<b>Tier II capital</b>	<b>1,000</b>	<b>1,000</b>
<b>Total Capital (TC = Tier I + Tier II)</b>	<b>6,039</b>	<b>5,933</b>
<b>Total RWA</b>	<b>32,209</b>	<b>32,808</b>
<b>Common equity tier 1 Ratio</b>	<b>14.4%</b>	<b>13.8%</b>
<b>Tier I Ratio</b>	<b>15.6%</b>	<b>15.0%</b>
<b>Capital Adequacy Ratio (Tier I + Tier II)</b>	<b>18.8%</b>	<b>18.1%</b>

### 4.3 Reconciliation of regulatory own funds to the balance sheet according to IFRS

The table below highlights the difference in the basis of consolidation for accounting and prudential purposes as it compares the carrying values as reported under IFRS with the carrying values under the scope of the regulatory consolidation. References in the last column of the table provide the mapping of regulatory balance sheet items used to calculate regulatory capital. The reference-columns presented below provides the mapping to the references-columns as presented in the template "EU CC1–Composition of regulatory own funds".

#### Template 7a: EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements as of 31.12.2023

(Amounts in millions of Euro)

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		31.12.2023		
<b>Assets - Breakdown by asset classes according to the balance sheet in the published financial statements</b>				
1	Cash and balances with central banks	4,219	4,219	
2	Due from banks	1,722	1,460	
3	Trading securities	33	33	
4	Derivative financial assets	1,819	1,819	
5	Loans and advances to customers	36,161	35,425	
7	Investment securities	-	-	
	- Measured at fair value through other comprehensive income	1,369	1,369	
	- Measured at amortised cost	14,490	14,466	
	- Measured at fair value through profit or loss	159	159	
8	Investments in associates and joint ventures	100	181	(g)
9	Investment property	301	301	
10	Property, plant and equipment	501	500	
11	Goodwill and other intangible assets	467	460	(d)
12	Deferred tax assets	4,978	5,162	(e)
13	Other assets	945	754	
14	Assets classified as held for sale	6,399	5,414	
15	<b>Total assets</b>	<b>73,663</b>	<b>71,722</b>	
<b>Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements</b>				

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		31.12.2023		
1	Due to banks	7,093	7,093	
2	Derivative financial liabilities	2,004	2,004	
3	Due to customers	48,449	48,325	
4	Insurance contract liabilities		-	
5	Debt securities in issue and other borrowed funds	2,920	3,210	(f)
6	Liabilities for current income tax and other taxes	27	27	
7	Deferred tax liabilities	25	26	(e)
8	Employee defined benefit obligations	24	24	
9	Other liabilities	896	795	
10	Provisions	120	120	
11	Liabilities related to assets classified as held for sale	4,782	3,819	
11	<b>Total liabilities</b>	<b>66,340</b>	<b>65,443</b>	
<b>Equity</b>				
1	Share Capital	682	682	(a)
2	Share premium	4,783	4,783	(a)
3	Other equity instruments	400	400	(h)
4	Special Reserve from Share Capital Decrease		-	
5	Reserves	-111	-158	(c)
6	Amounts directly recognized in equity and associated with assets classified as held for sale	-64	-	
7	Retained earnings	1,626	1,554	(b)
8	Treasury shares	-11	-11	(a)
9	Non-controlling interests	18	18	
	<b>Total equity</b>	<b>7,323</b>	<b>7,279</b>	

**Template 7b: EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements as of 30.6.2023**

(Amounts in millions of Euro)

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	30.06.2023		
<b>Assets - Breakdown by asset classes according to the balance sheet in the published financial statements</b>			
1	Cash and balances with central banks	6,551	6,551
2	Due from banks	1,619	1,160
3	Trading securities	34	34
4	Derivative financial assets	2,124	2,124
5	Loans and advances to customers	38,681	39,136
6	Investment securities		
	- Measured at fair value through other comprehensive income	1,900	1,424
	- Measured at fair value through profit or loss	461	97
	- Measured at amortised cost	13,107	13,020
7	Investments in associates and joint ventures	99	195
8	Investment property	267	267
9	Property, plant and equipment	535	533
10	Goodwill and other intangible assets	504	476
11	Deferred tax assets	5,120	5,123
12	Reinsurance contract assets	0	-
13	Other assets	1,281	1,262
14	Assets classified as held for sale	639	639
15	<b>Total assets</b>	<b>72,921</b>	<b>72,041</b>
<b>Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements</b>			
1	Due to banks	7,352	7,465
2	Derivative financial liabilities	2,235	2,235
3	Due to customers	51,795	51,266
4	Debt securities in issue and other borrowed funds	2,926	2,963
5	Liabilities for current income tax and other taxes	35	30
6	Deferred tax liabilities	24	33
7	Insurance contract liabilities	370	-
8	Employee defined benefit obligations	24	24

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		30.06.2023		
9	Other liabilities	1,020	905	
10	Provisions	144	144	
11	Liabilities related to assets classified as held for sale	1	1	
12	<b>Total liabilities</b>	<b>65,925</b>	<b>65,065</b>	
<b>Equity</b>				
1	Share Capital	681	681	(a)
2	Share premium	5,260	5,260	(a)
3	Additional Tier I capital	400	400	(h)
4	Special Reserve from Share Capital Decrease	296	296	(c)
5	Reserves	(243)	(212)	
6	Retained earnings	587	536	(b)
7	Treasury shares	(4)	(4)	(a)
8	Non-controlling interests	18	18	
9	Hybrid securities	-	-	
10	<b>Total equity</b>	<b>6,996</b>	<b>6,976</b>	

#### 4.4 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 8: EU OV1 – Overview of risk weighted exposure amounts as of 31.12.2023

(Amounts in millions of Euro)

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		31.12.2023	30.9.2023 <sup>(1)</sup>	31.12.2023
<b>1</b>	<b>Credit risk (excluding CCR)</b>	<b>27,565</b>	<b>28,527</b>	<b>2,205</b>
2	Of which the standardised approach	27,565	28,527	2,205
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	-	-	-
<b>6</b>	<b>Counterparty credit risk - CCR</b>	<b>279</b>	<b>276</b>	<b>22</b>
7	Of which the standardised approach	190	149	15
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	5	5	0
EU 8b	Of which credit valuation adjustment - CVA	70	67	6
9	Of which other CCR	14	55	1
<b>15</b>	<b>Settlement risk</b>			
<b>16</b>	<b>Securitisation exposures in the non-trading book (after the cap)</b>	<b>726</b>	<b>568</b>	<b>58</b>
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	209	190	17
19	Of which SEC-SA approach	517	378	41
EU 19a	Of which 1250%/ deduction	-	-	-
<b>20</b>	<b>Position, foreign exchange and commodities risks (Market risk)</b>	<b>301</b>	<b>274</b>	<b>24</b>
21	Of which the standardised approach	41	31	3
22	Of which IMA	260	243	21
EU 22a	Large exposures	-	-	-
<b>23</b>	<b>Operational risk</b>	<b>3,339</b>	<b>3,126</b>	<b>267</b>
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	3,339	3,126	267
EU 23c	Of which advanced measurement approach	-	-	-
<b>24</b>	<b>Amounts below the thresholds for deduction (subject to 250% risk weight) (for information)</b>	<b>1,708</b>	<b>1,645</b>	<b>137</b>
<b>29</b>	<b>Total</b>	<b>32,209</b>	<b>32,771</b>	<b>2,577</b>

<sup>(1)</sup> period profits are not included

## 4.5 Capital Buffers

The countercyclical capital buffer (CCyB) is a CRD IV instrument, designed to help counter pro-cyclicality in the financial system. Credit institutions are required to set aside additional CET 1 capital during periods of excessive credit growth. This will help maintain the supply of credit and dampen the downswing of the financial cycle. The main purpose of the CCyB is to increase the banks' resilience in good times to absorb potential losses that could arise in a downturn and to support the continued supply of credit to the real economy. For 2023 Bank of Greece, as National Competent Authority, set the countercyclical buffer at 0%.

Key drivers of the raise of the CCyB requirements at year end, is the increase of the respective rates in Romania (1%), Cyprus (0.5%) and the United Kingdom (2%), where the Group has exposures due to its subsidiaries.

Total Risk exposure amount in the following tables includes General Credit (excluding CCR) and Securitization exposures.

**Template 9a: EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer as of 31.12.2023**

(Amounts in millions of Euro)

		a	b	c		d	e	f	g			h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements			Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)				
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book				Total			
010	<b>Breakdown by country:</b>																
10	Romania		3,439				3,439		154				154	1,926	8%	1.00%	
11	Cyprus		963				963		50				50	620	3%	0.50%	
12	United Kingdom		941				941		51				51	636	3%	2.00%	
13	Ireland		180				180		12				12	151	1%	1.00%	
14	France		173				173		11				11	141	1%	0.50%	
15	Netherlands		172				172		10				10	120	1%	1.00%	
16	Luxemburg		119				119		7				7	93	0%	0.50%	
17	other		26,954	41	39,170	4,883	71,048	1,483	30	58	1,571	19,640	84%				
18	Total		32,942	41	39,170	4,883	77,035	1,778	30	58	1,866	23,327	100%				



**Template 9b: EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer as of 30.6.2023**

(Amounts in millions of Euro)

	a	b	c		d	e	f	g	h	i	j	k	l	m										
			General credit exposures												Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements			Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
			Exposure value under the standardised approach	Exposure value under the IRB approach											Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book			
010	<b>Breakdown by country:</b>																							
10	Romania	3,064					3,064	139			139	1,732	7%	0.50%										
11	United Kingdom	900					900	47			47	590	3%	1.00%										
12	France	158					158	10			10	129	1%	0.50%										
13	Netherlands	165					165	9			9	117	1%	1.00%										
14	Ireland	132					132	9			9	111	1%	0.50%										
15	Luxembourg	108					108	7			7	90	0%	0.50%										
16	Bulgaria	76					76	4			4	55	0%	1.50%										
17	other	27,441	40	34,568	3,772	65,821	1,581	31	47	1,659	20,739	88%												
18	Total	32,043	40	34,568	3,772	70,423	1,807	31	47	1,885	23,563	100%												

The following table presents an overview of institution - specific countercyclical exposure and buffer requirements.

#### Template 10a: EU CCyB2 - Amount of institution-specific countercyclical capital buffer as of 31.12.2023

(Amounts in millions of Euro)

		a
		31.12.2023
1	Total risk exposure amount	32,209
2	Institution specific countercyclical capital buffer rate	0.19%
3	Institution specific countercyclical capital buffer requirement	61.0

The following table presents an overview of institution - specific countercyclical exposure and buffer requirements.

#### Template 10b: EU CCyB2 - Amount of institution-specific countercyclical capital buffer as of 30.6.2023

(Amounts in millions of Euro)

		a
		30.6.2023
1	Total risk exposure amount	32,462
2	Institution specific countercyclical capital buffer rate	0.08%
3	Institution specific countercyclical capital buffer requirement	26.8

## 4.6 Internal Capital Adequacy Assessment Process (ICAAP)

The ICAAP process is an integral part of the Internal Control System (ICS) of the Group. It is aligned with the best practices and the general principles and requirements set by the regulatory Framework, including the guidelines provided by SSM and/ or EBA, which allows for:

- The identification, analysis, monitoring and the overall assessment of risks
- The improvement of various systems/ procedures/ policies related to the assessment and management of risks
- The estimation of the necessary level of Internal Capital required for the coverage of all risks and
- Capital planning taking also into consideration the Group's Risk appetite and business/strategic plan in a forward looking assessment

As a process, ICAAP is a constant, ongoing and recurring set of actions / streams that are carried out as part of the day to day operation of the Group. The related report is updated at least annually, or at a more frequent basis, whenever there is a change considered material.

The Group identifies the following key components of the ICAAP process:

1. Risk Identification and Materiality Assessment Process, which consists of:
  - a. An annual review of the Risk Inventory comprising of an extensive list of risks within supervisory and Alpha Bank perspective.
  - b. Materiality assessment of the identified risk types, after having carved out the non-relevant to the Group risks, based on quantitative / qualitative criteria.
  - c. A display of all material risks in the Group's Risk Registry, presenting their severity before and after controlling and mitigating actions.
2. Capital Adequacy Assessment, that involves the quantification of internal capital for the risk types that are identified as material. For the determination of the internal capital requirements, the Group uses the Pillar I regulatory capital as a starting point taking also into account additional capital where required by using more sophisticated methodologies and definitions. Internal capital requirements under Pillar II represent more accurately the risk profile of Alpha Bank Group, since it covers a wider range of risks and utilizes more sophisticated and risk sensitive approaches. In addition to the above process which coincides with the calendarization of the annual submission of the ICAAP to the supervisory authorities, Pillar II calculations are performed on a quarterly basis according to supervisory expectations.
3. Capital Planning and Stress Testing, that involves the forward-looking view and assessment of risks, evolution of available capital and capital requirements, under baseline and alternative adverse scenarios, as well as considering a reverse stress scenario.
4. Monitoring and reporting of ICAAP results that involves the on-going and regular monitoring of key ICAAP metrics and relevant reporting to appropriate committees, in line with the ICAAP governance framework.

Considering the multi-year plan on ICAAP and the relevant ECB guidelines in particular, the following overarching principles are defined with respect to the ICAAP setup and implementation by the Group:

- The Board of Directors has the overall responsibility of the ICAAP implementation with a clear and transparent assignment of responsibilities to the Risk Management Committee and Senior Management members.
- ICAAP is an integral part of the management framework of the Bank. The ICAAP is integrated into the business, decision-making and risk management processes of the Group, and is consistent and coherent throughout the Group.
- The ICAAP contributes to the continuity of the Bank by ensuring its capital adequacy from different but complementary perspectives (e.g. the economic perspective and the normative perspective).
  - Under the economic perspective, the Group ensures that any risks that may affect its capital position are adequately covered by internal capital in line with its internal capital adequacy concept. Under this perspective, the institution's assessment covers the full universe of risks that may have a material impact on its capital position, taking into account fair value considerations for its current assets, liabilities and risks.



- The normative perspective is an assessment of the institution's ability to fulfil all of its capital-related regulatory and supervisory requirements and demands, and to cope with other external financial constraints on an ongoing basis. The capital plan is comprised of baseline and adverse scenarios and covers a forward-looking horizon of at least three years. The Group also conducts reverse stress testing, as per regulatory requirements, leveraging on the outcome of the adverse scenario.
- Both perspectives mutually inform each other and are integrated into all material business activities and decisions.
- ICAAP assumptions and risk quantification methodologies are proportionate, consistent and thoroughly validated.
- Regular stress testing ensures capital adequacy in adverse circumstances.

#### 4.7 Internal Liquidity Adequacy Assessment Process (ILAAP)

The ILAAP is an integral part of the Group's Internal Control System (ICS) and is aligned with the general principles and requirements set by the relevant Regulatory Framework (2013/36/EU, article 86 and EBA/GL/2016/10, Guidelines on ICAAP and ILAAP information collected for SREP purposes).

Following the aforementioned guidelines, the ILAAP report analyses the following areas:

- Key elements of liquidity risk management and ILAAP Framework: Description of the risk appetite framework for liquidity and funding risks is presented, and its integration with ILAAP. Moreover, a comprehensive description of the Group's policies regarding funds transfers pricing, liquidity stress testing, asset encumbrance and intraday liquidity is provided.
- Alpha Bank's Group Background Overview: The Group's key balance sheet figures and liquidity profile is presented.
- The Group's forward looking liquidity & funding position under the normative perspective is presented under baseline and adverse scenarios (3-year projection of balance sheet figures and key liquidity risk metrics).
- The Group's forward looking liquidity & funding position under the economic perspective is presented (liquidity buffer evolution under a short term systemic, idiosyncratic and combined shock)
- Quality assurance and validation of liquidity stress testing
- A statement of the level of appropriateness of the liquidity risk management mechanisms and the results of ILAAP, with comprehensive description of the liquidity and funding risks that the Group faces taking into account the current macro-economic environment as well as country-specific and idiosyncratic factors, are included as part of the Internal Liquidity Adequacy Assessment Process (ILAAP) approved by the Board of Directors in March 2023.

## 5 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 31.12.2023 on consolidated basis was 7.1%, according to the transitional definition of Tier 1 capital, exceeding by 2.37x 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 table below provides a reconciliation of the total exposure measure with the total assets disclosed in published financial statements.

### Template 11a: EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures as of 31.12.2023

(Amounts in millions of Euro)

		a
		Applicable amount
1	Total assets as per published financial statements	73,663
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(941)
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	(331)
9	Adjustment for securities financing transactions (SFTs)	26
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	1,956
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(3,044)
13	<b>Total exposure measure</b>	<b>71,328</b>



## Template 11b: EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures as of 30.06.2023

(Amounts in millions of Euro)

		a
		Applicable amount
1	Total assets as per published financial statements	72,921
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(880)
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	(445)
9	Adjustment for securities financing transactions (SFTs)	85
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	1,921
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(2,847)
13	<b>Total exposure measure</b>	<b>70,756</b>

The following template presents a breakdown of the components of the leverage exposure, the minimum requirements and buffers.

## Template 12: EU LR2 - LRCom: Leverage ratio common disclosure as of 31.12.2023

(Amounts in millions of Euro)

		CRR leverage ratio exposures	
		a	b
		31.12.2023	30.6.2023
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	70,655	69,577
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	14	10
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	( 904)	( 670)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-





		CRR leverage ratio exposures	
		a	b
		31.12.2023	30.6.2023
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
<b>EU-22k</b>	<b>(Total exempted exposures)</b>	<b>-</b>	<b>-</b>
<b>Capital and total exposure measure</b>			
23	<b>Tier 1 capital</b>	5,039	4,780
24	<b>Total exposure measure</b>	<b>71,328</b>	<b>70,756</b>
<b>Leverage ratio</b>			
25	Leverage ratio	7.06%	6.76%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	7.06%	6.76%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	7.06%	6.76%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU-26b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%
27	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
<b>Choice on transitional arrangements and relevant exposures</b>			
EU-27	Choice on transitional arrangements for the definition of the capital measure	Transitional	Transitional
<b>Disclosure of mean values</b>			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	565	91

		CRR leverage ratio exposures	
		a	b
		31.12.2023	30.6.2023
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	263	366
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	71,631	70,481
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	71,631	70,481
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.03%	6.78%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.03%	6.78%

### Template 13a: EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) as of 31.12.2023

(Amounts in millions of Euro)

		a
		CRR leverage ratio exposures
<b>EU-1</b>	<b>Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:</b>	69,764
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	69,764
EU-4	Covered bonds	39
EU-5	Exposures treated as sovereigns	22,595
EU-6	Exposures to regional governments, MDB, international organisations and PSE <b>not</b> treated as sovereigns	425
EU-7	Institutions	2,023
EU-8	Secured by mortgages of immovable properties	12,787
EU-9	Retail exposures	3,559
EU-10	Corporate	12,863
EU-11	Exposures in default	1,505
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	13,969

### Template 13b: EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) as of 30.06.2023

(Amounts in millions of Euro)

		<b>CRR leverage ratio exposures</b>
<b>EU-1</b>	<b>Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:</b>	68,918
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	68,918
EU-4	Covered bonds	25
EU-5	Exposures treated as sovereigns	23,186
EU-6	Exposures to regional governments, MDB, international organisations and PSE <b>not</b> treated as sovereigns	553
EU-7	Institutions	2,014
EU-8	Secured by mortgages of immovable properties	12,735
EU-9	Retail exposures	3,541
EU-10	Corporate	12,237
EU-11	Exposures in default	2,073
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	12,553

Alpha Bank monitors and submits to the regulatory authorities the leverage ratio, as defined in Regulation (EU) No 2015/62 of October 10th, 2014, on a quarterly basis and monitors the level and the factors that affect the ratio.

## 6 General Information on Risk Management

The Group is fully committed to applying the best practices and achieving the highest standards of corporate governance in every aspect of its business, including risk management.

Risk management is essential to promoting the Group's strategic, business and financial objectives and forms an integral part of the business strategy-setting process, including the business planning process and the risk appetite policy, as it defines the maximum acceptable risk appetite regarding each type of risk.

The key risk categories for Alpha Bank include credit risk, market risk, liquidity risk, counterparty risk, country risk, IRRBB non-financial risks and climate and ESG risk. In order to ensure that the impact of the said risks on the Bank's and the Group's financial results, long-term strategic goals and reputation are minimized, the Group has developed mechanisms and procedures for the timely identification, measurement, monitoring and mitigation of risks as well as for the assessment of their potential impact on the achievement of the objectives set.

The Group's strategy for risk management and risk undertaking, applied in all of the Bank Units' and Group Companies' activities, is strictly aligned with the best international practices, as well as with the current legislation, regulatory guidelines and supervisory expectations, while it evolves continuously through the development of a single risk management culture, which is shared across the Bank and the Group.

### 6.1 Risk Management Framework and Principles

The Group has established a framework of thorough management of risks, based on best practices and regulatory requirements. This framework, based on the common European legislation and the current system of common banking rules, principles and standards, is improving continuously over time and is applied in the daily conduct of the Group's activities within and across borders, making the corporate governance of the Group effective. The main objective of the Group on risk management is to maintain the high quality internal corporate governance and compliance, within the regulatory and supervisory provisions, in order to ensure confidence in the conduct of its business activities through sound provision of financial services.

The Group Risk Management framework, as a structural part of the Group's corporate and risk governance framework, is based upon the following guiding principles:

- Development of a sound Group risk culture that incorporates risk awareness, risk taking and risk management and control in the decisions of management and employees during the day-to-day activities considering their impact on the risks they assume.
- Definition of the Group's risk appetite framework (RAF), which is articulated via the risk appetite statement (RAS) and establishes the individual and aggregate levels and types of risk that the Bank is willing to assume in advance of and in order to achieve its strategic business activities within its risk capacity.
- Definition of the Group risk policy that is adherent to the RAS and is supported by appropriate control procedures and processes.
- Development of the processes to ensure that all material risks and associated risk concentrations are identified, measured, controlled, mitigated and reported on a timely and comprehensive basis.

- Monitoring of risk limits with alignment with the Group's business goals.
- Transparency promoted through clear communication lines.
- Active role of contributing staff in Risk Management. The staff is equipped with all the necessary skills and means which are necessary for effective Risk Management and understands its roles and responsibilities related to the Group Risk Management Framework.
- Full documentation of all processes related to risk identification, measurement, monitoring, reporting and control/mitigation.
- Providing adequate information to Group's and Business Areas' Management.

### **6.1.1 Risk Appetite Framework (RAF)**

The RAF constitutes a major component in the Bank's overall approach to the risk and capital strategy, including policies, processes, controls and systems through which risk appetite is established, communicated throughout the Bank and monitored. The RAF includes the risk appetite statement (RAS), risk limits and an outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF, ensuring the alignment of the Bank's corporate and business strategy, the financial and capital planning and the risk management framework. The Risk Appetite is the core tool for better aligning overall corporate strategy, capital allocation, and risk. The Senior Management of the Bank defines and recommends the Risk Appetite at Group level, taking into consideration the business strategy, business plan, risk management framework, culture and internal capital adequacy assessment. At this stage, strategic objectives are translated into risk appetite qualitative statements and risk appetite quantitative measures (Key Risk Indicators-KRIs). The Risk Management Committee reviews and recommends annually to the Board of Directors for approval the Group's RAF and statement, considering also ESG risks, i.e. the risks of any negative financial impact to the Company stemming from the current or prospective impacts of ESG factors on its counterparties, such as climate-related risks and ensuring alignment with the Group's strategic objectives and capital allocation. Overall, Risk Appetite sets out the level of risk that the BoD is willing to take in pursuit of its business objectives.

The effective expression of Risk Appetite aids the Group in running its business by providing guidance on acceptable levels of risk while pursuing strategic objectives, thus providing a significant link in achieving the most efficient balance between risk and return.

Successful implementation of RAF depends upon effective interactions between the Board, Senior Management, CFO and CRO, risk management and operating Business Areas.

### **6.1.2 Risk Governance Structure**

The Group has set a robust internal governance framework, which includes a transparent organizational structure, a management body that is responsible for proper risk management processes and for strong internal control system and ensures that the Group holds sufficient capital to meet both its own funds requirements and its internal capital targets.



The Group, taking into account the nature, the scale and the complexity of its activities, as well as the risk profile, develops a risk management strategy based on the following three lines of defense, which are the key factors for its efficient operation. They provide a clear set of rules and standards to be applied to a cohesive operating model, one that provides a framework for the articulation of accountabilities and responsibilities for managing risk across the Group.

In particular:

- 1st line of defense Units (process owners) have the primary responsibility to own and manage risks associated with day-to-day operational activities.
- 2nd line of defense Units, comprising the areas of Chief Risk Control Officer, the Chief Compliance Officer, the Chief Credit Officer, as well as the Risk Models and Data Validation Business Area. These are independent from each other and from the other lines of defense. These areas report to the Chief Risk Officer, which reports to the Risk Management Committee of the Group. Their function is complementary to conducting banking business of the first line of defense in order to ensure the objectivity in the decision-making process, to measure the effectiveness of these decisions in terms of risk undertaking, to design and execute on the risk control strategy and to comply with the applicable legislative and institutional framework, by monitoring the internal regulations and ethical standards as well as to display and evaluate the total exposure of the Bank and the Group to risk, based on the established guidelines.
- The Internal Audit constitutes the 3rd line of defense. The Internal Audit is an independent function, reporting to the Audit Committee of the Board of Directors, and audits the activities of the Bank and the Group, including the activities of the Risk Management Unit.

The Board of Directors and the Risk Management Committee of the Company, presented in chapter 2.4 and in the Appendix I of the Pillar III report, as well as the Management Committees of the Bank have separate and distinct roles in providing the final and ultimate levels of defense, ensuring the effective implementation of the group-wide risk management Framework and policies within the Group.

## Executive Committee

In accordance with Law 4548/2018 and the Company's Articles of Incorporation, the Board of Directors has established an Executive Committee.

The Executive Committee acts as a collective corporate body of the Company. The Committee's powers and authorities are determined by way of a CEO act, delegating powers and authorities to the Committee. The Committee is vested, at least, with the following powers and authorities to manage the affairs of the Company and take decisions. The Committee has the right to delegate further all or parts of its vested authority.

The indicative main responsibilities of the Committee include but are not limited to the following:

The Committee:

- Prepares the strategy, the business plan and the annual budget of the Company and the Group, including the strategy on Environmental, Social and Governance (ESG) issues, for submission to and approval by the Board of Directors as well as the annual and interim Financial Statements.

- Decides on and manages the capital allocation to the Business Units.
- Prepares the Internal Capital Adequacy Assessment Process (ICAAP) Report and the Internal Liquidity Adequacy Assessment Process (ILAAP) Report for submission to and approval by the Board of Directors, manages their implementation and reports accordingly to the Board of Directors.
- Monitors the performance of each Business Unit and Subsidiary of the Company versus the Budget and ensures that corrective measures are taken.
- Reviews and approves, in the framework of its authorities, the Policies of the Company and informs the Board of Directors accordingly or submits them, as the case may be, to the latter for approval.
- Discusses issues related to the Group's Purpose and Values, culture and human resources as well as approves and manages any collective program proposed by Human Resources for the Staff (including any bonus schemes, voluntary separation schemes etc.).
- Is responsible for the implementation of (i) the overall risk strategy, including the Company's risk appetite and its risk management framework, (ii) an adequate and effective internal governance and internal control framework that includes a clear organizational structure and well-functioning independent internal risk management, compliance and audit functions of high stature and significant know-how as well as sufficient resources to perform their operations, (iii) an adequate and effective framework for the implementation of the Company's strategy on ESG issues, (iv) the amounts, types and distribution of both internal capital and regulatory capital to adequately cover the risks of the Company, (v) the means for achieving targets for the liquidity management of the Company, (vi) the selection and suitability assessment process for Key Function Holders and (vii) any arrangements aimed at ensuring the integrity of the accounting and financial reporting systems, including financial and operational controls, risk management and compliance with the law and the relevant standards.

## Group Risk Management Unit

The Group Risk Management Unit is assigned with the responsibility of implementing the Group risk management framework, according to the directions of the Risk Management Committee and operates independently from any executing processes.

Furthermore, the risk management functions that provide an overarching risk control framework for a more comprehensive and effective identification and handling of all risk types linked to the Group's risk appetite are supported by the following Committees: The Assets-Liabilities Management Committee, the Credit Risk Committee and the Non-Financial Risks and Internal Control Committee.

Under the supervision of the Group Chief Risk Officer, the following Risk Management Business Areas operate within the Group and are assigned with the responsibility of implementing the risk management framework:

- Chief Risk Control Officer
  - Credit Risk and Enterprise Risk Modelling
    - Credit Control
  - Climate, ESG and Enterprise Risk Management
  - Non-Financial Risks Control
  - Market Risk Control
- Chief Credit Officer
  - Wholesale Credit

- Retail Credit
- Risk Models and Data Validation

The Chief Risk Officer participates to the Assets-Liabilities Management Committee (ALCo), the Credit Risk Committee, the RE Committee I, the Non-Financial Risks and Internal Control Committee (as Chairman) and reports functionally to the Board of Directors through the Risk Management Committee.

### 6.1.3 Firm-wide Risk Management Framework

The Bank's and the Group's business model and operations are regulated and supervised by the relevant authorities in each of the countries where they conduct business. The European Central Bank (ECB) and the Bank of Greece, as the Greek authority in charge that participates in the Single Supervisory Mechanism (SSM), act as the Bank's and the Group's primary supervisors to monitor their compliance with the Greek and the European banking legislations, with the supervisory regulations as well as with the Basel III (CRR/CRD) framework.

The risk management frameworks of the Group subsidiaries conform in all material respects to the Bank's risk management framework.

Within this firm-wide risk governance and management framework, each Risk and Credit Unit of the International Network adapts its risk management framework and policies to the local regulatory and legal requirements while, at the same time, being coherent with those of the Bank, as established in the risk governance framework.

To this end, dedicated regional Risk and Credit Division Managers of the International Network have been appointed to establish the enterprise risk management coverage and have a direct reporting line into the Group Chief Risk Officer.

The Group Risk Governance ensures its independency from the front office/business Units as depicted in the organisational chart of Alpha Bank, shown in the Appendix VI.

### 6.1.4 Risk Management Policies

The Group Risk Strategy has a structured and documented Group Risk and Capital Strategy in place that is perceived within the organization as an integrated business model that incorporates all the risk management processes, policies, procedures and methodologies adopted and implemented throughout the institution. The Group Risk Strategy objective is to provide a coherent and structured approach towards identifying, assessing and managing risk. It is based on the Risk Policies and Procedures defined by the Risk Management Committee and approved by the Board of Directors. These Policies and Procedures are applied by all members of the Group, taking into account the local regulatory requirements.

- Risk Policies and Procedures include all central rules of conduct for handling risks and are set out in specific Manuals for each risk. These are reviewed regularly and adapted whenever necessary by the RMU of the Group. The Policies are the following:
  - Market Risk Management Policy
  - Non-Financial Risks Management Policy and
  - Assets-Liability Risk Management Policy

- The guiding principles are effectively communicated to all organizational levels in order to build a uniform understanding of risk management objectives.
- Internal Audit is responsible for providing an independent review of the integrity of the overall risk management processes and ensuring the appropriateness and effectiveness of the controls applied.

In the pursuit of the Group's strategic business goals, the risk management framework and the relevant policies, procedures and systems are reviewed on a regular basis, to ensure that risk management and regulatory risk reporting are always compliant with the relevant regulatory guidelines as well as with the principles of corporate governance.

## **6.2 Stress Testing**

Performing stress tests constitutes a key risk management tool, fully integrated into core risk reporting and capital and liquidity planning at the Bank and Group level, which provides indications of the capital required to absorb losses under the assumption of specific extreme hypothetical scenarios. Stress tests are conducted according to the requirements of the regulatory framework and constitute a fundamental parameter of the Group's Enterprise Risk Management strategy, with the aim of assessing the impact of business decisions on the Group's capital position. Furthermore, the Bank's and the Group's Regulatory Credit Framework and the Credit Risk management framework include the institutional and regulatory requirements related to the effective management of loans in arrears and of Non-Performing Loans, including the new requirements and the definitions set out in the supervisory framework.

## 7 Credit Risk

### 7.1 General information

Credit risk arises from the potential failure of borrowers or counterparties to meet all or part of their payment obligations to the Group. The primary objective of the Group's strategy for the credit risk management in order to maximize the risk adjusted return, is the continuous, timely and systematic monitoring of the loan portfolio and the maintenance of the credit exposures within the framework of acceptable overall risk undertaking limits. At the same time, the conduct of daily business within a clearly defined framework of granting credit, supported by specific credit criteria, is ensured. The Group's credit risk management framework is being developed based on a series of credit policies and procedures, as well as systems and models for measuring, monitoring and controlling credit risk. These models are subject to an ongoing review process, in order to ensure full compliance with the current institutional and regulatory framework and their adaptation to the respective economic conditions and to the nature and extent of the Group's business.

The Group credit policies and procedures take into account the prevailing institutional framework set by legislation, regulations, ministerial decrees/decisions, etc. and along with the internally defined and established key risk principles and guidelines, they ensure that credit facilities are granted soundly and managed properly and that promote a unified approach on how business financing should be conducted.

The Credit Risk Appetite expresses the level of credit risk that the Bank is willing to assume in order to achieve the business objectives and the expected risk-adjusted return, as defined by a set of minimum quantitative metrics and qualitative standards.

The Credit Risk Appetite is amongst the key contributors in the business planning process, promoting the appropriate alignment of corporate strategy, capital allocation and risk. Top-down risk appetite serves as the limit for risk-taking for the bottom-up planning from the business functions. Risk Limits and policies are calibrated to the credit risk appetite.

The Group identifies and assesses existing and potential risks inherent in any product or activity as the basis for effective credit risk management. The identification, analysis and control of credit risk are achieved through a safety net of internal procedures, policies and controls. The Group uses internal rating/ scoring systems for its portfolios, in order to evaluate and classify both performing and non-performing relationships. Internal rating/scoring systems and the resulting parameters are validated by the Risk Models and Data Validation Business Area and the countries' local respective Unit on a regular basis, as part of the Group's internal assessment process. Furthermore, there are in place sets of reporting tools and frameworks which are used on regular intervals (daily, weekly, fortnight, monthly, quarterly and yearly), assisting the network and the management to identify early in some cases, or in due time in some other potential threats, risky portfolio sections and problematic relationships. These are employed on solo and group wide basis. The results of risk identification and assessment are reported by the countries' local Risk Management Units to the Group Risk Management Units which consolidate the results and submit them to the Credit Risk Committee. The results are incorporated in the overall credit risk policy, procedures and limit setting process. The overall process is further aided by the implementation of an appropriate organizational structure with clearly defined roles and responsibilities for its Personnel and Business Units, in order to manage all kinds of credit risk-bearing activities.

Alpha Bank has prepared its operational and system infrastructure in line with the requirements of the Internal Ratings Based approach for credit risk and the International Financial Reporting Standard (IFRS) 9. Alpha Bank's current credit risk management framework consists of a set of governance rules, policies and procedures, as well as rating/scoring systems, covering the whole range of the Bank's portfolio, and is under continuous review and enhancement so as to:

- Include any updates issued by the regulatory authorities.
- Take into consideration the macroeconomic and political environment.
- Facilitate the portfolio management and the decision-making processes.
- Contribute to preventing any potential negative effects in the Bank's and Group's financial results.

With main scope to further strengthen and improve the credit risk management framework, the following actions have been implemented during 2023:

### **Actions and Programs**

- Update of Credit Policy Manuals for Wholesale Banking and Retail Banking in Greece and abroad, taking into account the regulatory guidelines on credit risk management issues and the Group's business strategy.
- Update of the Concentration Risk and Credit Threshold Policy regarding the maximum acceptable credit limits for large business groups.
- Update of the Credit Risk Early Warning Policy regarding the procedure to be followed when specific early warning triggers are activated as well as the enrichment of the early warning triggers for the Commercial Real Estate financing portfolio.
- Update of the Group's Loan Collateral Policy regarding the process of annual revaluations of collaterals covering loan exposures and the identification and consideration of climate related information in the collateral valuation.
- Update of the Retail Banking, Wholesale Banking and International Network Arrears and Forbearance Policies in order to incorporate the current business practice.
- Update of the Credit Risk Model Management Policy in order to incorporate the latest Regulatory Guidelines and to be aligned with the amendments included in the Group's Model Risk Management Framework.
- Update of the Group Credit Control Framework in order to ensure compliance with Credit Risk Policies at Bank and Group level.
- Incorporation of the Environmental, Social and Governance (ESG) risk assessment in the credit approval process, at obligor, transaction and overall level.
- Incorporation of the controversial activities assessment in the credit approval process.
- Periodic stress test exercises as a tool for assessing the impact of various macroeconomic scenarios on the business strategy formulation, the business decision-taking and the Group's capital position. The stress tests are conducted in accordance with the requirements of the regulatory framework and constitute a key component of the Group's credit risk management strategy.

- Initial Validation of the models used for the approval of new financings in the automatic decision-making mechanism for Retail Banking (THALIS).
- Benchmarking analysis using external sources to confirm the reliability of the internal models.
- Development of a framework to validate the criteria and thresholds for significant increase in credit risk (Significant Increase in Credit Risk) after initial recognition.
- Initial Validation of the model that evaluates the client in terms of environmental, social and corporate governance. (ESG Obligor assessment model).
- Ongoing validation of the risk models in order to ensure their accuracy, reliability, stability and predictive power.

Additionally, the following actions are in progress in order to enhance and develop the internal system of credit risk management:

- Continuous upgrade of Credit Risk Datamarts in terms of data quality, bug fixing, new fields and algorithms creation/introduction.
- Continuous strengthening of the control and monitoring mechanism of new financing for the entire Retail Banking and Wholesale Banking portfolios and in particular the automatic decision-making mechanism for Retail Banking (THALIS).
- Continuous upgrade of databases for performing statistical tests in the Group's credit risk rating models.
- Upgrade and automation of the aforementioned process in relation to the Wholesale and Retail banking lending by using specialized statistical software.
- Reinforcing the completeness and quality control mechanism of crucial fields of Wholesale and Retail Credit for monitoring, measuring and controlling of the credit risk.
- Implementation of a project regarding the transition from the existing Credit Rating Systems to a single Credit Risk Rating Platform provided by Moody's.
- Implementation into the above Credit Risk platform of new scorecards regarding ESG risk assessment.
- Continuous monitoring and servicing of credit risk data needs in the context of loan sales and securitization transactions.

## 7.2 Credit Risk Management Function

The management of credit risk is organized under the supervision of the Group Chief Risk Officer by multiple Business Areas that are mainly responsible for:

- setting the Group-wide credit risk appetite and policies,
- reviewing the approval and follow-up processes in the Business Units,
- facilitating the quarterly process of calculating the impairment of credit exposures and
- monitoring and submitting regulatory and internal reports on the Group's consolidated credit portfolio, including the determination of portfolio limits for specific industries and countries.

Dedicated departments develop credit rating and evaluation models and ensure that they are available for day-to-day credit processing at the Business Units and meet regulatory and institutional requirements. A separate Business Area is responsible for validating the credit risk rating systems and models and has direct reporting line to the Group Chief Risk Officer.

In addition, the Group has appointed Risk and Credit Managers in the countries of operation, who are responsible for ensuring compliance with the local supervisory rules and regulations.

The Credit Risk Committee assesses the adequacy and efficiency of the credit risk management policy and procedures of the Bank and its Group Companies and plans the required corrective actions.

The Committee:

- Discusses and endorses the Group Credit Risk Appetite within the overall Risk Appetite Framework, including credit-granting standards, qualitative statements, quantitative metrics and limits, and escalation thresholds, which is then submitted for approval to the Board of Directors through the Risk Management Committee.
- Is informed, on a regular basis, about the Credit Risk Policies of the countries in which the Group operates, ensuring that they are aligned with the Bank's Credit Risk Appetite.
- Periodically reviews the development of credit risk by sector and by geographic area and concentration risk where the Group operates.
- Overviews the reports of the Risk Management Units submitted to the Board of Directors and the Risk Management Committee.
- Overviews the reports of the Troubled Assets Committee.
- Oversees the progress against annual targets submitted through the Business Plan to the Single Supervisory Mechanism (SSM), in the framework of the management of NPEs and NPLs.
- Without prejudice to the "Delegation Framework of Approval Authorities for changes in Credit Policies" discusses and endorses Group Credit Policies, which are then submitted for approval to the Board of Directors through the Risk Management Committee.
- Is informed of the strategy for the management of arrears, Arrears Manuals and the Group's Arrears Committees, approved by the Troubled Assets Committee. In any case, the Committee may recommend adjustments to the arrears management strategy taking into account the Bank's Business Plan for the reduction of non-performing exposures as well as the current macroeconomic conditions in the Greek economy.
- Discusses and endorses the Group Credit and Arrears Committees Charters, which are then submitted for approval to the Board of Directors through the Risk Management Committee.
- Reviews and approves the Group Credit Risk Policies (e.g. Arrears and Forbearance Policy, Greek State Guarantee Forbearance Policy, Early Warning Policy, Loan Collateral Policy, Environmental and Social Risk Management Policy etc.) as well as the Group Credit Control Framework.
- Discusses and endorses the Concentration Risk and Credit Threshold Policy, the Group Write-Off Policy, the Group Loan Default Classification Policy and the Group Loan Impairment Policy, which are then approved by the Board of Directors through the Risk Management Committee.
- Approves the proposals for accounting write-offs or write down of Loans and Advances.

- Approves the development and update of Credit Risk Models as well as the relevant governance framework for the credit risk models (Credit Risk Model Management Policy, Model Development Standards, Group Credit Risk Model Validation Framework). Additionally, it informs about the validation results of the credit risk measurement models.
- Approves the methodology for calculation of the Expected Credit Loss (ECL methodology)
- Approves the quarterly provisions for Expected Credit Loss and is informed on the amount of all expenses/losses related to credit risk (ECL).
- Is informed of the most important findings resulting from the conduct of credit reviews by the Credit Control. The Committee may request from the competent Business Areas or Group Companies specific timetable of compliance with the relevant recommendations.
- Evaluates the Expected Losses audits, carried out by the Supervisory Authorities of the countries where the Group operates.
- Evaluates important findings from internal/ external auditors concerning the Credit Policy applied and the management of credit risk.
- Reviews the results of stress tests.
- Reviews the results and decides on required actions on issues stemming from external evaluation processes including SREP, SSM Audits and other supervisory issues related to Credit Risk.
- Is informed of and reviews Pillar III disclosures and other issues related to Credit Risk.
- Is informed and reviews the progress of projects related to supervisory guidelines (e.g. new definition of default, provisioning calendar) as well as important projects for the Bank related to Credit Risk.

The Members with voting rights, of the Credit Risk Committee are the following:

- The Chief Executive Officer (Chairman of the Committee)
- The Chief Risk Officer
- The Chief Financial Officer
- The Chief of Wholesale Banking
- The Chief of Retail Banking

For credit risk issues concerning the Countries where the Group operates, the Chief of International Network also participates in the Committee in addition to the above as a regular Member with voting rights. The following Executives also participate in the Committee, as Members, without voting rights:

- The Chief Risk Control Officer
- The Chief Investment Officer
- The Chief of Performance Management and Reporting
- The Chief of Statutory Reporting and Tax
- The Credit Risk and Enterprise Risk Modelling Director
- The Capital Management and Banking Supervision Director
- The Credit Control Director

### **Credit approval process**

The Group, following best international practices and taking into account the prevailing institutional framework set by legislation, regulations, ministerial decrees/decisions, etc, has designed a robust credit risk framework, where the key principles, the guidelines, the procedures followed and the responsibilities of involved Units and Officers, are clearly defined based on the four eyes principle.

In this context, all credit proposals are prepared by the Business Units, are reviewed by the Credit Units and are assessed by the competent Credit Committee based on the total credit exposure, the borrower credit risk rating and the Environmental, Social and Governance Risk (ESG) rating at obligor, transaction and overall level.

### **Wholesale Banking Credit Committees**

The Wholesale Credit Committees with escalating credit approval levels, mainly review and evaluate credit requests for companies/ group of companies under the competence of Wholesale Banking Units with performing exposures or/and for companies with non-performing exposures, provided that the relevant approval has been given by the Unlikeliness to Pay Review Committee and based on specific criteria and conditions set out in the Wholesale Banking Credit Policy.

The Credit Committees according to their approval authority level are divided into the following categories:

- Wholesale Banking Credit Committee I
- Wholesale Banking Credit Committee II
- Wholesale Banking Credit Committee III
- Wholesale Banking Credit Committee IV
- Wholesale Banking Credit Committees V

### **Wholesale Banking Arrears Committees**

The Wholesale Banking Arrears Committees review and evaluate requests of debtors with non-performing exposures under the competence of the NPEs Strategy, Recovery and Monitoring Business Area.

The Arrears Committees are divided into the following categories:

- Wholesale Banking Arrears Committee I
- Wholesale Banking Arrears Committee II

## 7.3 Credit Quality of Exposures

### Definitions

The following definitions of exposures are provided:

#### 1. Performing exposures

An exposure is considered as performing when the following criteria are met:

- The exposure is less than 90 days past due;
  - No legal actions have been undertaken against the exposure;
  - No unlikelihood to pay is reported on its credit obligation;
  - The exposure is not classified as impaired;
- or
- The exposure is classified as forborne performing exposure, as defined in the Implementing Regulation (EU) 2015/227 of 9 January 2015.

#### 2. Past Due Exposures

As Past Due Exposures is considered the sum of the principal, interest and charges/commissions that have not been paid at the date it was due.

#### 3. Non – Performing Exposures

An exposure is considered as Non-Performing when at least one of the following criteria apply at the time of the credit risk rating assessment:

- The exposure is more than 90 days past due (NPL); The amount due exceeds Euro 100 for Retail Banking Exposures or Euro 500 for Wholesale Banking Exposures and the amount due exceeds 1% of the total on balance sheet exposures. In particular, for overdraft facilities, an exposure is past due after having exceeded its approved limit.
- Legal actions have been undertaken by the Bank – Legal (NPL)
- The exposure is classified as Forborne Non – Performing Exposure (FNPL), as defined in the Implementing Regulation (EU) 227/9.1.2015.
- It is assessed as Unlikely to Pay (UTP).

When a Wholesale Banking borrower has an exposure that is more than 90 days past due and the amount of this exposure exceeds 20% of total exposures of the borrower, then all exposures of the borrower are considered as non-performing (Pulling Effect).

#### 4. Forborne Exposures

An exposure is considered as Forborne if there is a significant modification of initial contractual terms by granting more favorable terms (Concession) or partial or total refinancing of current outstanding debts (Refinancing) to Borrowers with Financial Difficulty.

**Financial Difficulty** is defined as the situation where the borrowers are unable to comply or are about to face difficulties in servicing their credit obligations as per the current loan repayment schedule due to the worsening of their financial status. Forborne exposures incorporate denounced loans and advances amounting to €0.3bn as at 31.12.2023, that were forborne prior to denouncement.

## 5. Unlikelihood to Pay

An exposure is flagged as “**Unlikely To Pay**” (UTP) when the Group assesses that the borrower is unlikely to fully meet his credit obligations without the liquidation of collateral, regardless the existence of any past due amount or the number of days past due, with the exception of the cases of collaterals that are part of the production and trade chain of the borrower (e.g. properties for Real Estate companies, corporate shares for Holding companies).

For Wholesale Banking, the procedure is distinguished in two pillars:

(a) Events are determined which when occur the exposure is identified as Non-Performing without any assessment needed by any Credit Committee (Hard UTP Triggers),

(b) Triggers are determined which when occur, the borrower should be assessed by the relative Wholesale Banking Credit Committee to decide if the borrower’s exposures should be classified as Non-Performing or not (Soft UTP Triggers). This assessment takes place when reviewing borrower’s credit limits .

If a borrower is flagged as UTP, then he is considered as Defaulted and his credit risk rating should be D (Default) in the Bank systems. If a borrower flagged as UTP belongs to a group of companies, then the group should also be assessed as a whole by the competent Credit Committee for the existence or not of UTP trigger.

For Wholesale Banking exposures the following Hard UTP Triggers exist:

- Denouncement of loan agreement
- Liquidation of collaterals and initiation of foreclosure measures by the Group when the borrower does not have operational cash flows for the repayment of his debt obligations (excluding e.g. checks).
- Legal actions, sale or judicial sale in order to collect the claim (e.g. foreclosure instead of debt collection).
- Withdrawal of a license of particular importance in companies that require public authorisation to carry out their activities such as banks and insurance companies. The same applies for technical and construction companies, telecommunications companies, pharmaceutical, mining, transport, food, chemical, petroleum, recycle, media etc.
- Refinancing/Extensions of loans whose lifetime exceeds the economic lifetime of the funded investment.
- There are strong indications that the borrower is unable to meet his debt obligations (e.g. termination of business).
- Fraud cases

- Excess of the minimum acceptable Loan to Value (LTV), as depicted contractually, for loans collateralised with securities, e.g. bonds, shares etc (Margin Financing).
- Disappearance of an active market for the debtor's financial instruments, hold by the Group.
- Write-off because of default
- Debt Forgiveness with or without forbearance (conditional or not) at least for the first 12 months since the debt forgiveness.
- The credit institution or the leader of consortium starts bankruptcy/insolvency proceedings (application for insolvency).
- A credit event is declared under the International Swaps and Derivatives Association - ISDA).
- Out-of-court settlement/negotiation between Banks and Borrower for settlement / debt repayment of borrowers that are under bankruptcy proceedings (application for the bankruptcy).
- The borrower has requested to enter into bankruptcy or insolvency status (application for bankruptcy).
- A Bank has initiated bankruptcy or insolvency proceedings (application for bankruptcy).
- Sale of Credit Obligation.
- Debt forbearance with a reduction in the accounting value of the financial liability (NPV loss) greater than 1%.
- Cured FPL exposure where Days past Due exceed 30 days (30+dpd) (at facility level).
- Cured FPL exposures where new forbearance measure is granted (at facility level).
- An exposure was purchased or sold with deep discount that reflects the low credit quality of the borrower (at facility Level).

Additionally, for Wholesale Banking exposures the following Soft UTP Triggers exist:

- Exposures that were modified by providing a 'balloon' payment while the initial terms of the loan agreement did not include this repayment method, as well as exposures that the initial terms of the loan agreement included 'balloon' payment and were modified by including an increase of the "balloon" amount and simultaneously by reducing the current installment.
- Multiple modifications in the same exposure.
- Deterioration of the leverage ratio (Debt to Equity).
- An exposure was purchased or sold with deep discount that reflects the low credit quality of the borrower (at obligor Level).
- The debt service coverage ratio indicates that debt is not viable.
- 5 Years Credit Default Swaps (CDS) above 1.000 bps in the last 12 months.
- Loss of an important customer or lessee representing a significant percentage of entity's turnover or the total property income, respectively.

- A turnover decrease resulting in a significant reduction of cash flows.
- An affiliated customer, which represents a significant percentage of entity's turnover, has applied for bankruptcy.
- An external auditor report with restrictions or reservations that results to significant deterioration of key financial ratios of the borrower as well as a deterioration in the estimated future cash flows of the borrower.
- It is expected that an exposure with repayment at maturity or a due installment cannot be refinanced under current market conditions.
- Disappearance of an active market for the debtor's financial instruments, not hold by the Group.
- There is significant deterioration of the borrower's sector activity prospects.
- Adverse changes in the ownership structure or the management of the company or serious administrative problems.
- A third party (excluding Banks) has started bankruptcy or insolvency proceedings (application for Bankruptcy).
- Overdue payments to Tax Authorities and Social Security Funds.

For Retail Banking the procedure is distinguished in two pillars:

- a. Events are determined which when occur the exposure is identified as Non-Performing without any assessment needed by any Retail Banking Credit Committee (Hard UTP Triggers),
- b. Triggers are determined which when occur, they should lead to borrower's credit assessment by the relevant Retail Banking Credit Committee in order to determine whether borrower's exposures should be classified as Non-Performing or not (Soft UTP Triggers). This assessment takes place at the date of a forbearance request.

If an exposure is flagged as UTP, then it should be classified as Non-Performing in the systems of the Group's companies.

For Retail Banking exposures the following indicative Hard UTP Triggers exist:

- Fraud cases.
- Obligor death.
- Denouncement of loan agreement.
- Debt Forgiveness with or without forbearance (conditional or not), at least for the first 12 months since the debt forgiveness.
- Debt forgiveness /Write-off amount.
- Debt forbearance with a reduction in the accounting value of the financial liability (NPV loss) greater than 1%.

- Obligor has filed for bankruptcy or insolvency (application for bankruptcy code through Law 3869/2010 or any new upcoming Law).
- A financial asset was purchased or originated at a material discount that reflects the deteriorated credit quality of the debtor (POCI).
- Cured FPL exposure where Days past Due exceed 30 days (30+dpd).
- Cured FPL exposures where new forbearance measure is granted.
- Obligor restructuring request is rejected.
- Obligor restructuring request is approved and the client does not proceed with implementation.

Additionally, for Retail Banking exposures the following Soft UTP Triggers exist:

- The borrower has other exposures in the Group in default.
- The borrower is unemployed.
- The borrower is the sole owner of a company with exposures in default and for which he has provided personal guarantees.
- License Withdrawn.
- Inadequate Borrower's financial data.

## **6. Curing of Non – Performing Exposures**

For the Curing of a Non-Performing Exposure and reclassification as Performing Exposure, any concerns for the ability of the borrower to meet its contractual obligations should have been eliminated (Absence of Concern).

In general, all the exit criteria should be met according to the aforementioned European Commission Implementing Regulation 2015/227 of January 9, 2015 amending Implementing Regulation (EU) No. 680/2014 of the Commission and Executive Committee Acts of Bank of Greece E.C.A. 42 / 30.5.2014 and the Executive Committee Act of Bank of Greece 175/2/29.7.2020.

## **7. Default Exposures**

An exposure is considered as Default when the criteria specified by the definition of Non – Performing Exposures are met.

## **8. Credit Impaired Exposures**

An exposure is considered as Credit Impaired when the criteria specified by the definition of Non-Performing Exposures are met.

## Expected Credit Loss Estimation Methodology for Wholesale and Retail Banking

The Group, at each reporting date, recognizes a provision for expected credit losses on loans and advances to customers not measured at fair value through profit or loss as well as for off-balance sheet exposures (letters of guarantee, letters of credit, and undrawn loan commitments).

The Loan Impairment Methodology is common and applicable for both the Wholesale and Retail Banking Portfolios.

### Default definition

The Group has fully aligned the perimeters of the portfolios characterized as "EBA Non-performing Exposures", "Exposures in Default" and "IFRS 9 Impaired Exposures".

The definition of Non-Performing Exposures is used to develop models for estimating credit risk parameters (Probability of Default, Loss Given Default, Exposure at Default).

In addition, the definition of default is consistent with the one used for internal credit risk management purposes, as well as capital adequacy measuring objectives...

### Portfolio Classification in Stages based on the Credit Risk (Staging)

Following an exposure's initial recognition, exposure is classified into Stages based on credit risk. The classification of loans in stages is based on the changes of the credit quality since initial recognition.

Upon initial recognition of an exposure, the Group must determine whether this exposure is considered as credit impaired (Credit Impaired at Initial Recognition).

The POCI category (Purchased or Originated Credit Impaired, POCI) includes the following:

- Exposures that at the time of purchase (Purchased) meet the criteria of non-performing exposures.
- Exposures that as per accounting rules are derecognised and a new exposure is recognised and for which the following apply (Originated): if the exposure was classified as credit impaired (hence NPE) prior to derecognition, the new exposure will continue to maintain this classification and it will be classified as POCI.

Concerning the POCI exposures, the expected credit losses calculated are the lifetime losses.

For exposures not classified as POCI, the classification in stages is performed as follows:

- **Stage 1** includes performing credit exposures that have no significant increase in credit risk since the initial recognition date. The expected credit losses calculated are based on the probability of default within the next 12 months and the assessment is carried out on a collective basis.

- **Stage 2** includes credit exposures with significant increase in credit risk since the initial recognition date but are not non-performing. The expected credit losses calculated are lifetime credit losses and the assessment is carried out on a collective basis.
- **Stage 3** includes the non-performing / default exposures. The expected credit losses calculated are the lifetime losses and the assessment is performed on a collective or individual basis.

All possible movements between Stages of credit risk are presented below:

- An exposure which has been classified in Stage 1 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the credit risk has not deteriorated and the exposure is still performing, or in Stage 2, if the exposure is still performing but the credit risk has deteriorated, or in Stage 3 if the exposure is non-performing/default.
- An exposure which has been classified in Stage 2 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the exposure is performing and does not meet any of the criteria of “Significant increase in credit risk” and in particular, for case of Forborne Performing exposure, if the exit criteria from the 2-years’ probation period are met. It could also remain in Stage 2, if the credit risk has not substantially changed, or be transferred to Stage 3, if the exposure is non-performing/default.
- An exposure which has been classified in Stage 3 in previous quarter of reference could be classified either in Stage 1 in the next reporting quarter, if the exposure is performing and does not meet any of the criteria of “Significant increase in credit risk”, or transferred in Stage 2, if it is no longer considered as non-performing, or remain in Stage 3, if it is still nonperforming/ default.

The Group does not make use of the exemption provided by the standard for low credit risk exposures.

For classification purposes, for wholesale banking revolving exposures, initial recognition date is the date of the most recent credit assessment reflecting the annual thorough credit risk review.

## Significant Increase in Credit Risk

For the timely identification of significant increase in credit risk (SICR) for an Exposure after the initial recognition leading to the calculation of lifetime credit losses of the exposure instead of twelve months credit losses, the risk of default at the reference date is compared to the risk of default at the initial recognition date for all Performing Exposures, including those with no days past due (Delinquencies).

The assessment for deciding if an exposure shows significant increase in credit risk or not is based on the following three types of Indicators:

- **Quantitative Indicators:** They refer to the use of quantitative information and specifically to the comparison between the probability of default (PD) at the reference date and the probability of default at the initial recognition date. The assessment of significant increase in credit risk is based either on a relative or on an absolute increase of PD between the reporting date and the initial recognition date. As a result of the annual update of Credit Risk parameters, the relative increase can range between 75% and 200% depending on the asset class of the loans. The absolute threshold, when used, can range between 3 and 5 percentage points depending on the asset class of the loans and acts as a backstop to the relative increase (i.e., just one of the two triggers needs to be hit in order to trigger stage 2). Additionally, in the case of wholesale exposures, the Credit Risk Rating is taken into account separately as a criterion for determining the significant increase in credit risk. Finally, the threefold increase in annualized PD as backstop is ensured. Threshold determination derives based on portfolio level analyses. The assessment of the exposures for significant increase in credit risk is applied on account level. It is noted that the critical points - both for the absolute increase and for the relative increase of PD between the reference date and initial recognition - are validated on an annual basis, in order to confirm their correct application and to confirm that the established criteria have sufficient identified the significant increase in credit risk.
- **Qualitative Indicators:** They refer to use of qualitative information which is not necessarily depicted in the probability of default, such as the assessment of an exposure as performing forborne (“FPL” within 2 years probation period according to EBA ITS) or as exposure with Financial Difficulty. Additional qualitative indicators for the Wholesale Banking portfolios and the Retail Banking portfolios are included in Credit Risk Early Warning mechanisms where according to the assessment performed, an exposure may be considered as significant increase in credit risk or not. Especially for Specialized Lending portfolios through rating (slotting category) additional qualitative indicators are identified.
- **Backstop Indicators:** In addition to the above, and with a view to address cases where there is no evidence of significant credit risk deterioration based on the quantitative and qualitative indicators, exposures over 30 days past due are considered by definition to show a significant increase in credit risk.

## Expected Credit Loss estimation

### Exposures assessed on individual basis (Individual Assessment)

Expected credit losses are calculated either on an individual basis or on a collective basis, taking into account the significance of the exposure or common risk characteristics and historical behavioral data.

On an individual basis, the Exposures to Companies with the following characteristics are assessed:

- Borrowers with at least one Non-Performing Exposure whose Customer overall credit Limit in the Bank exceeds the amount of Euro 2million.
- Borrowers of the Shipping Business Area and Business Areas under the competence of the Chief Corporate and Investment Banking with at least one Non-Performing Exposure, regardless the Customer overall credit Limit in the Bank.
- Exposures that do not share common risk characteristics or for which no relevant historical data that enables a collective analysis is available.

Any remaining exposure to Companies is assessed collectively.

On an individual basis, the exposures of Individual Borrowers are assessed when they are classified as Non-Performing Exposures (NPE), and they relate to:

- Consumer Loans: Accounts of Consumer Credit Borrowers with total debit outstanding balances over Euro 500 thousand.
- Mortgage Loans: Accounts of Mortgage Credit Borrowers with total debit outstanding balances over Euro 2 million.

Any remaining exposure to Individuals is assessed collectively.

### **Exposures assessed on collective basis (Collective Assessment)**

Collective Assessment applies to credit exposures which are not assessed individually, i.e. exposures classified in Stage 1 and Stage 2 as well as non-performing exposures that do not meet the above criteria for individual assessment, after having been categorised based on similar credit risk characteristics of the group and the portfolio to which the borrower or the credit facility is allocated .

For the classification of credit facilities into groups with similar credit risk characteristics , the followings are considered:

- Staging according to Credit Risk
- Type of Product
- Days Past Due
- Time in default
- Indication of unlikeliness to pay
- Modification of contractual terms for borrowers showing financial difficulty (Forbearance Measures)
- Modification Type
- Existence of collateral taking into account the type and Loan to Value ratio
- Existence of Greek State Guarantee
- Credit Risk Rating
- Classification in Sales portfolios
  
- Time on Probation

The grouping is reviewed on a regular basis to ensure that each group is comprised of homogenous exposures in terms of credit risk. Expected Credit Loss is calculated on account level.

## Calculation of allowance for expected credit losses

Allowance for expected credit losses is reassessed at each financial statement date, reflecting the reassessment of credit risk.

Credit risk parameters

Calculation of Expected Credit Loss is based on the following credit risk parameters which are incorporated in the internal statistical models based on historical data.

- Probability of Default (PD):

It is an estimate of the probability of a borrower to default over a specific time horizon.

The Probability of Default is determined with the assistance of the Credit Risk Models. The Group uses statistical models through regression in order to analyze the collected data and make estimates of the remaining probability of default over the life of the exposures and how they will evolve over time.

Specifically, based on historical time series of observations, specialized models have been developed per portfolio and portfolio type, which evaluate separately the twelve-month probability of default (12-month PD models) as well as the probability of default throughout the lifetime of exposures (Lifetime PD models). The twelve-month default models basically evaluate the behavioural characteristics of the loan (behavioural models), while the Lifetime models evaluate two types of factors: the endogenous such as the maturity of the loan and the exogenous ones such as the macroeconomic environment (unemployment, annual percentage change in GDP, change in property prices, inflation). The final estimate of the probability of default is derived from the combination of the two components (12-month PD & Lifetime PDs).

- Exposure at default (EAD): Exposure at Default is an estimate of the amount of the exposure at the time of the default taking into account: (a) expected changes in the exposure after the reporting date, including principal and interest payments; (b) the expected use of credit limits and (c) accrued interest. The approved credit limits that have not been fully disbursed represent a potential credit exposure and are converted into a credit exposure equal to the approved undrawn loan commitments multiplied by a Credit Conversion Factor (CCF). The Credit Conversion factor of credit exposure is calculated based on statistical models. The maximum period for which credit losses are calculated is the remaining contractual maturity of a financial instrument unless the Group has the legal right to recall the financial instrument earlier. Exceptionally, for Credit Cards and loan agreements to individuals, the maximum period is set at three years, while for revolving loans to Small Businesses, the corresponding maturity is set at five years. Regarding Wholesale Banking loan agreements, the period is set to one year, given the thorough credit review performed at least once a year. If the residual maturity of the loan agreements classified in Stage 2 was increased by one year, Expected Credit Losses would increase by € 4.3 mil. as at 31.12.2023 (31.12.2022: € 4.5 mil.).

The Group uses models for exposure at default that reflect the characteristics of each portfolio.

- **Loss given default (LGD):** Loss given default is an estimate of the loss that will occur if the default occurs at a given time. It is based on the difference between the contractual cash flows due and those expected to be received, including the liquidation of collaterals, cure rate and cash recoveries based on historical data.

For unsecured loans, the Estimated Expected loss at the time of the default, takes into account expected recovery rates which vary throughout the recovery period as well as the cure rate.

Expected recoveries from tangible collaterals are based on the following inputs: the most recent (updated within the year {see Para 2. 1}) market value of the collateral, the time required for the liquidation/sale of the collateral (ranging between 3 to 5 years depending on the legal action status of the loan), the expected market value at liquidation /sale date based on the evolution of real estate prices within the next 4 years, the expected recoveries through foreclosure process or sale (as derived from historical data obtained for foreclosures and sales of collateral). The recovery rate is adjusted at the end to reflect value of preferential claims. Expected cash flows are discounted using the original effective interest rate.

As part of the annual update, credit risk parameters are reviewed and revised if needed to incorporate the impact of any changes in the business environment.

Finally, it is noted that the LGD varies based on each macroeconomic scenario since it differentiates the value of collateral, cash recoveries and the cure rate.

Estimates of expected cash recoveries are adjusted by incorporating macroeconomic indexes (i.e. unemployment, annual percentage change in GDP, change in real estate prices, inflation) through the development of corresponding statistical models. More specifically, based on historical time series of observations, specialized models (regression) have been developed per portfolio, which evaluate the expected recoveries combined with the impact of macroeconomic indicators.

In respect of cure rate estimates, statistical models (regression) per portfolio have been developed based on historical time series of observations which incorporate the effect of the macroeconomic environment through relevant indicators (indicative unemployment, annual percentage change in GDP, change in property prices, inflation).

- **Management overlays:**

#### **Sale scenarios**

In case the Group's business plan includes targets and strategies for recovery through sale, then for the loans and advances to customers included in the portfolio that may be sold, the recoverable amount is calculated by weighting:

- (i) the value in case of sale (sale price) and

- (ii) the amount expected to be recovered according to the internal methods applied by the Group for the impairment of non-performing loans, i.e. based on the individual assessment for exposures exceeding a specified limit and based on the collective assessment for the rest.

The weighting is based on the probability of sale attributed to each non-performing loan portfolio, assessing the stage of preparation of the underlying portfolios, the importance of the conditions preceding the realization of the sale as well as the recovery time.

Taking into account the developments regarding the sale transactions of NPL portfolios which are included in the Business plan for the management of non-performing exposures (NPE Business Plan), the calculation of expected credit losses risk has been adjusted, incorporating a sell scenario with 100% probability, for the following portfolios:

- Portfolio of non-performing wholesale loans (“Solar” and “Hermes” transactions) of which “Hermes” transaction was completed within May 2023
- Wholesale non performing loans’ individual sales.
- Retail secured non performing loans’ portfolio (“Gaia” transaction).
- Portfolio of non-performing leases of Alpha Leasing S.A. (“Leasing” transaction).
- Portfolio of non-performing exposures in Cyprus (Sky transaction) for which transaction was completed in June 2023.

In the current period, an additional charge of € 161,4 mil. was recognized for the above mentioned portfolios.

### **Post model adjustments (PMA)**

Moreover Management proceeds, when deemed necessary, to additional adjustments which can not be captured by the expected credit losses internal models. These adjustments are recognized by the Group after detailed review of the results that the expected credit losses internal models calculated, market and/or data from the Group Strategy that can not be incorporated in the internal models due their nature.

The Group implements a robust internal process and governance framework to timely recognize any required adjustment as well support the management, the calculation and application of these adjustments.

The Group’s governance framework requires such adjustments to be adequately documented and approved by the Groups’ appropriate authorization levels.

On a regular basis and at least on each reporting period, the Group examines whether the PMA have a more permanent impact and there is the necessary historical data in order to incorporate it in the expected credit losses internal models.

Within 2023 Management reassessed PMAs and determined that for a specific portfolio of the Group's retail loans with certain characteristics, a post-model adjustment is required. The PMA was applied to specific retail non-performing exposures amounting to € 686.6 mil. (31.12.2022: € 491.2 mil.) for which based on the current circumstances the collection of the outstanding balance (through liquidation or other alternative strategy) is extremely difficult. Furthermore, based on the Group's assessment these specific retail non-performing exposures are more vulnerable to the inflationary pressures and are at a non-performing status for a long period, which makes their collection even more difficult. As result of the above assessment, Management has identified that these specific factors that are interrelated with the characteristics of these retail non-performing exposures and the profile of the underlying borrowers, cannot be captured by the credit risk models and therefore proceeded with an adjustment in the loss rate applied for this retail sub-portfolio.

In this context the Group has established an accumulated PMA as of 31.12.2023 of € 123.3mil. versus € 168.2mil. as of 31.12.2022.

In the context of the activation of the Early Warning mechanism for the Bank's customers (Businesses/Individuals) operating in areas affected by fires and floods throughout Greece, dedicated instructions were provided in order to assess the potential impact in terms of Credit Risk.

In more detail, the competent Business Units and the Branch Network have communicated with their customers in order to understand:

- the magnitude of the problem they are facing either in the operation of their businesses or with any damages in their properties
- the type of support that may be needed from the Bank's side (new financing, restructuring / debt settlements, etc.).

The competent Credit and Arrears Committees are informed in order to take the appropriate decisions. Especially for borrowers who are not in default status (based on the credit risk classification), the competent Committee should assess the following:

- Whether the company faces or is about to face Financial Difficulty in repaying its debts, due to significant damages suffered from the natural disasters directly or indirectly. In these cases, the companies should be flagged in the Bank's systems with «Financial Difficulty».
- Whether the business is unable or will be unable to repay its debts, therefore it should be classified as UTP (Default).

In addition, the following actions are carried out under the responsibility of the Business Units:

- If the Bank has collateral on a damaged property, customers are informed that they can request insurance compensation against fire or flood, as long as their insurance is in force and covers the specific risks. The way in which the insurance compensation money will be used, is subject of assessment by the competent Credit and Arrears Committees. Especially for customers under the management of CEPAL, the relevant assessment should be sent to the competent Bank's Arrears Committees.
- Regardless of the exposure, and in case the Bank has collateral on a property located in the affected areas, an order should be given either to Alpha Astika Akinita or to another certified appraisal company within the panel of certified appraisal companies that are accepted by the Bank, in accordance with the provisions of the Group Loan Collateral Policy, for an immediate revaluation of the collateral with an internal inspection.

Furthermore, the Hellenic Banking Association Board on the 13th of September 2023 decided the following measures to aid the victims:

- The Four Systemic Banks, have decided to contribute to the restoration efforts of damages with 50 million euros, which will be allocated and provided mostly for infrastructure, in collaboration with related ministries, local government, and social and economic agencies of the region.

- Payment of instalments of up to date loans by individuals and businesses will be suspended to 31.12.2023.
- The entirety of court and non-court related collection procedures for individuals and businesses will be suspended to 31.12 2023.
- Banks are prepared to propose tailor made mid-term solutions for every business, so that they can overcome this difficult situation and continue to offer to the local community and the employment.

This measure is applicable to exposures <90 days past due as of 31.8.2023 and the eligible individuals or businesses should submit their application to the Bank in order to be assessed for the instalment suspension eligibility.

Following the measures announced by the Hellenic Bank Association (Daniel storm) regarding customers (Businesses/Individuals) operating in areas affected by fires and floods throughout Greece and within the framework of the EW mechanism, the following treatment was performed in terms of Stage and forbearance classification and ECL calculation:

- Performing exposures that enter the 3m installment freeze scheme and had zero days past due prior to the freeze period, were classified as Stage 2 without considering the scheme as forbearance measure
- Performing exposures that enter the 3m installment freeze scheme and were delinquent prior to the freeze period, were classified as forborne and consequently were classified as stage 2

In accordance with the Bank's assessment and the relevant decisions of its competent bodies, specific instalment suspension measures have been approved for specific groups of borrowers. As of 31/12/2023, the exposures that use the 3m freeze period correspond to €36.6mn. Out of the total perimeter, €26.5mn were classified at stage 2 due to the first criterion above and €0.2mn were considered as forbearance. The above treatment did not have any material impact in the ECL.

## **Incorporation of forward-looking information**

The Group calculates Expected Credit Losses based on the weighted probability of three alternative scenarios. More specifically, the Economic Research Division produces forecasts for the possible evolution of macroeconomic variables that affect the level of Expected Credit Losses of loan portfolios under a baseline and under two alternative macroeconomic scenarios (an upside and an adverse one) and also produces the cumulative probabilities associated with these scenarios.

The macroeconomic variables affecting the level of expected credit losses are the Gross Domestic product (hereinafter "GDP"), the unemployment rate, the inflation rate and forward-looking prices of residential and commercial real estates.

The scenarios forecast growth rates for 2024 ranges from 4.3% (upside scenario) and strong growth rates in the coming years, up to 0.4% (downside scenario) with negative growth rates in the medium term. Regarding Alpha Bank Cyprus, the growth rate for 2024 ranges from 4.4% (upside scenario) to 1.0% (downside scenario), while for Alpha Bank Romania it ranges from 3.7% (upside scenario) to 2.0% (downside scenario).

The main features of these scenarios can be described as follows:

#### Baseline Scenario

The baseline scenario relies on several key data points and assumptions, corroborating the multifaceted progress of the Greek economy amid a wide breadth of challenges over the past years. More specifically, the upward trend of domestic economic activity in 2024 is expected to rely on:

- the return to investment grade status after 13 years,
- solid economic growth in the first nine months of 2023 (2.2% y-o-y), outpacing the euro area average,
- the remarkable improvement in the fiscal front with the achievement of primary surplus in 2022, along with a sizeable decline of the debt-to-GDP ratio by 34.4 pps in 2021-2022.
- the continued decrease in unemployment,
- the smooth implementation of the Recovery and Resilience Fund (RRF)
- the expectation for a progressive recovery of euro area growth from 2024 onwards

The growth performance is expected to be mainly supported by an increased investment ratio due to the implementation of RRF. However, private consumption is expected to slow down as pent-up demand gradually weakens, while exports are expected to increase. In the medium term, we expect solid economic growth, showing signs of moderation, projected to reach 2.1% in 2025 and 1.6% in 2026.

Labour market conditions improved in 2023, with the unemployment rate expected to fall by 1.3% from 2022 levels (12.4%) to 11.1% in 2023 (year average), due to significant employment gains and increasing nominal wages. The unemployment rate is expected to continue to decline over the scenario horizon, reaching single digits in 2025 (9.1%) and 2026 (8.0%) in line with the projected economic recovery and expected new investments that will create new jobs.

In 2023, Greek HICP inflation averaged 4.2%, which is well below the respective EU-27 (6.4%) and euro area averages (5.4%). Our baseline projections predict a gradual decrease in headline inflation to 2.9% in 2024 followed by further decreases to 2.4% and 2.3% in 2025 and 2026, respectively. This disinflationary path towards the monetary policy target is due to the anticipated deceleration of energy and food prices.

The upward trend in residential real estate prices is expected to continue during the period of forecasts, although at a slower rate (2024: 5.6%; 2025: 2.9%; 2026: 1.7%), supported by the GDP growth prospects and strong real estate prices' dynamics which are already visible in 2023 figures (9-months 2023: 13.9%).

#### Upside Scenario

In the upside scenario, real GDP is to grow steadily throughout the time period, supported by:

- Intense increase in investment due to the complete absorption of RRF funds, and the improvement of business confidence and a large influx of foreign direct investment
- Lower increases in energy and food prices, leading to restrained inflationary pressures in 2024
- Stronger performance in the sector of tourism, as milder inflationary pressures at European level exist and reduced geopolitical uncertainty are expected to support the disposable income of households from the countries of origin of tourist arrivals.

The unemployment rate is also expected to decrease further, reaching 7.0% in 2027. Additionally, residential real estate prices are expected to experience high growth rates throughout the period.

### Downside scenario

The features of the downside scenario reflect a disruption which involves an increase in certain cost elements for businesses due to a greater-than-expected impact of natural disasters in Thessaly and increased geopolitical uncertainty. As a result, the slowdown in economic growth in Europe persists for a longer period. More specifically, the scenario includes significant elements of stagflation:

- Weaker-than-expected growth in the European economy, which could adversely affect domestic economic activity, given that the EU is Greece's main trading partner.
- The recent floods in Central Greece have led to persistent inflationary pressures on food prices which are affecting the purchasing power of domestic households.
- Tightening monetary policy remains in place for a longer period than initially expected in the base scenario.
- Nominal wage growth along with a tighter labor market contribute to further pressures on prices.

Specifically in Greece, macroeconomic variables per year for the period 2024-2027 which impact both the Probability of Default and the Loss Given Default in the estimation of expected credit losses at 31.12.2023 are the following:

Downside Scenario	2024	2025	2026	2027
Real GDP growth (% change)	0.4%	0.3%	(0.2)%	(0.5)%
Unemployment (% change)	11.0%	11.1%	10.5%	9.9%
Inflation (% change)	3.8%	3.4%	3.2%	3.0%
RRE prices (% change)	2.9%	(0.2)%	(1.2)%	(1.8)%
CRE Price Index (% change)	1.2%	(0.1)%	0.0%	(0.1)%

Baseline Scenario	2024	2025	2026	2027
Real GDP growth (% change)	2.3%	2.1%	1.6%	1.2%
Unemployment (% change)	10.1%	9.1%	8.0%	7.0%
Inflation (% change)	2.9%	2.4%	2.3%	2.2%
RRE prices (% change)	5.6%	2.9%	1.7%	0.7%
CRE Price Index (% change)	2.7%	1.8%	1.6%	1.4%

Upside Scenario	2024	2025	2026	2027
Real GDP growth (% change)	4.3%	4.0%	3.4%	2.9%
Unemployment (% change)	9.1%	7.1%	5.5%	4.0%
Inflation (% change)	2.0%	1.3%	1.4%	1.4%
RRE prices (% change)	8.4%	6.1%	4.8%	3.5%
CRE Price Index (% change)	4.2%	3.8%	3.3%	2.9%

In the countries where the Group mainly operates, the average per year of the macroeconomic variables for the period 2024-2026 that affects the expected credit risk loss of 31.12.2023, is presented in the following tables:

	2024 – 2026		
CYPRUS	Downside Scenario	Baseline Scenario	Upside Scenario
Real GDP growth (% change)	1.1%	3.0%	4.8%
Unemployment (% change)	7.6%	5.7%	3.9%
RRE prices (% change)	1.0%	3.2%	5.6%
CRE Price Index (% change)	(0.5)%	1.3%	2.9%

	2024 – 2026		
ROMANIA	Downside Scenario	Baseline Scenario	Upside Scenario
Real GDP growth (% change)	2.3%	3.3%	4.0%
Unemployment (% change)	6.4%	5.9%	4.9%
Inflation (% change)	6.3%	4.3%	2.5%
RRE prices (% change)	3.4%	5.0%	7.0%
CRE Price Index (% change)	0.4%	5.0%	7.0%

Macro forecasts' update as of 31.12.2023 resulted in a reversal of the expected credit losses of loan portfolios at the amount of Euro 31,1 mil.

The production of baseline scenario, supported by a consistent economic description, constitutes the most likely scenario according to the current economic conditions and the Group's basic assessment of the course of the economy.

The cumulative probabilities of the macroeconomic scenarios for the Greek economy indicate that the economy performs better or worse than forecasts of the baseline scenario and the alternative scenarios, i.e. the upside and downside scenario. For each one of the alternative scenarios, the allowance for expected credit losses is calculated and weighted against the probability of each scenario in order to calculate the weighted expected credit loss.

The cumulative probability assigned to the baseline scenario remained 60%, while cumulative probability assigned to the downside and upside scenario remained 20% for each of the scenario.

The development of baseline scenario which is supported by a consistent economic description, operates as the starting point and is the most possible scenario based on the current economic circumstances and the Group's main forecasts for the economic development.

If the assigned cumulative probability of the downside scenario was weighted at 100%, Expected Credit Losses would increase by € 101.7 mil. at 31.12.2023 (31.12.2022: € 87.5 mil.).

If the assigned cumulative probability of the upside scenario was weighted at 100%, Expected Credit Losses would decrease by € 88.2 mil. at 31.12.2023 (31.12.2022: € 85.8 mil.).

## **Undrawn commitments**

According to IFRS 9, these contracts fall within the scope for expected credit losses recognition.

In estimating the expected credit losses over the life of an undrawn loan commitment, the Group assesses the expected part of the loan commitment that will be used throughout its expected life.

## **Inherent Model Risk**

The Group recognizing the inherent model risk, derived from the model complexity and aggregated model risk, has adopted a Model Risk management framework which includes the principles of credit risk models development policy and risk models validation framework. In this context, the independent Risk Models and Data Validation Business Area validates all credit risk models used for the calculation of IFRS9 expected credit losses.

## **Governance**

The Credit Risk Committee is responsible for approving the Expected Credit Losses as well as the methodologies developed by the Group for calculating the expected credit loss (ECL Methodology) for loan portfolio.

The Board of Directors approves the Group Loan Impairment Policy through the Risk Management Committee.

## **Credit risk measurement systems**

In order to effectively manage credit risk, the Group has developed specific methodologies and credit risk measurement systems in accordance with regulatory and Basel II requirements while incorporating banking industry best practices. These methodologies and systems are continuously evolving to provide the Business Units with timely and effective support in the decision making process and to avoid possible adverse consequences for the Group.

## Definition of Default

In the context of alignment with the regulatory guidelines, the Group adopts the new Definition of Default that applies from 1 January 2021.

The main changes introduced by the new Definition of Default are presented as follows:

- Additional “Unlikelihood to Pay” trigger events such as sale of Financial obligations with NPV Loss exceeding 1%, exposures of the borrower in non-performing status inside group Subsidiaries .
- Change on the way of counting of Days Past Due meaning hereafter counting on the existence of consecutive days of material past due.
- An additional three-month probation period from the moment the obligor is no longer identified with materially past due days and/or no indication of Unlikelihood to Pay occurs.

The Group has decided since 2018 to align the perimeter of exposures recognized as “Non-Performing loans”, as “Default Exposures” and as “IFRS 9 Credit Impaired exposures”.

### Definition

A Default event is considered to have occurred, regarding a particular Borrower, when at least one of the following criteria has taken place:

- Past Due Criterion

The Borrower is past due more than 90 consecutive days on any material amount of the credit obligation(s).

Particularly, for Alpha Bank Greece, exposures at Alpha Leasing and ABC Factors are taken into consideration at the calculation of the Past Due Criterion.

- Unlikelihood to Pay (UTP) Criterion

The Group considers that the Borrower is unlikely to pay when assesses as unlikely the repayment of obligations unless actions such as the liquidation of collaterals are enforced.

Additionally, it is necessary to harmonize the classification of exposures in Default and the classification of exposures according to EBA and therefore any Forborne non-performing exposure (FNPL) or non-performing exposure (NPL) is considered as an exposure at Default.

For Retail exposures, the above specified definition of Default is applied at the level of an individual credit facility.

For Non-Retail exposures, the definition of Default is applied at the obligor level meaning that when at least one of the above specified criteria is met, the Obligor is considered as Defaulted. The Past Due Criterion is applied both at facility and at obligor level for exposures classified as Non-Retail, in order to be able to identify exposures for which the Past Due Criterion is satisfied at facility level, but not at obligor level.

**Template 14a: EU CR1-A: Maturity of exposures 31.12.2023**

(Amounts in millions of Euro)

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	76	6,495	16,578	13,012	-	36,161
2	Debt securities	-	1,846	6,158	7,801	-	15,805
3	<b>Total</b>	<b>76</b>	<b>8,341</b>	<b>22,736</b>	<b>20,813</b>	<b>-</b>	<b>51,966</b>

**Template 14b: EU CR1-A: Maturity of exposures 30.6.2023**

(Amounts in millions of Euro)

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	175	6,372	17,272	14,861	-	38,681
2	Debt securities	-	1	8,207	6,212	-	14,420
3	<b>Total</b>	<b>175</b>	<b>6,373</b>	<b>25,479</b>	<b>21,073</b>	<b>-</b>	<b>53,101</b>

**Template 15a: EU CQ5: Credit quality of loans and advances to non-financial corporations by industry as of 31.12.2023**

(Amounts in millions of Euro)

	a	b	c	d	e	f	
	Gross carrying amount			Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures	
		Of which non-performing	Of which defaulted				
010	Agriculture, forestry and fishing	288	19	19	288	(6)	-
020	Mining and quarrying	37	7	7	37	(2)	-
030	Manufacturing	3,597	234	234	3,585	(114)	-
040	Electricity, gas, steam and air conditioning supply	2,760	1	1	2,560	(1)	-
050	Water supply	30	1	1	30	(0)	-
060	Construction	862	55	55	862	(23)	-
070	Wholesale and retail trade	3,528	339	339	3,528	(148)	-
080	Transport and storage	4,288	64	64	4,187	(28)	-
090	Accommodation and food service activities	2,864	92	92	2,864	(30)	-
100	Information and communication	349	6	6	349	(3)	-
110	Financial and insurance activities	-	-	-	-	-	-
120	Real estate activities	1,639	20	20	1,582	(5)	-
130	Professional, scientific and technical activities	264	14	14	264	(7)	-
140	Administrative and support service activities	303	18	18	303	(9)	-
150	Public administration and defense, compulsory social security	3	0	0	3	(0)	-
160	Education	85	4	4	85	(1)	-
170	Human health services and social work activities	153	7	7	153	(4)	-
180	Arts, entertainment and recreation	72	11	11	72	(5)	-
190	Other services	84	45	45	84	(64)	-
<b>200</b>	<b>Total</b>	<b>21,207</b>	<b>937</b>	<b>937</b>	<b>20,837</b>	<b>(451)</b>	<b>-</b>

**Template 15b: EU CQ5: Credit quality of loans and advances to non-financial corporations by industry as of 30.6.2023**

(Amounts in millions of Euro)

	a	b	c	d	e	f	
	Gross carrying amount			Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures	
	Of which non-performing	Of which defaulted					
010	Agriculture, forestry and fishing	283	82	82	283	(23)	-
020	Mining and quarrying	35	6	6	35	(2)	-
030	Manufacturing	3,827	231	231	3,815	(107)	-
040	Electricity, gas, steam and air conditioning supply	2,212	2	2	2,190	(3)	-
050	Water supply	33	2	2	33	(1)	-
060	Construction	1,191	67	67	1,191	(31)	-
070	Wholesale and retail trade	3,716	357	357	3,716	(158)	-
080	Transport and storage	4,271	53	53	4,183	(30)	-
090	Accommodation and food service activities	2,667	84	84	2,667	(27)	-
100	Information and communication	288	7	7	288	(3)	-
110	Financial and insurance activities	-	-	-	-	-	-
120	Real estate activities	1,750	40	40	1,693	(15)	-
130	Professional, scientific and technical activities	225	17	17	225	(8)	-
140	Administrative and support service activities	381	23	23	381	(9)	-
150	Public administration and defense, compulsory social security	4	0	0	4	(0)	-
160	Education	79	2	2	79	(1)	-
170	Human health services and social work activities	219	8	8	219	(5)	-
180	Arts, entertainment and recreation	81	13	13	81	(5)	-
190	Other services	144	48	48	144	(57)	-
<b>200</b>	<b>Total</b>	<b>21,406</b>	<b>1,042</b>	<b>1,042</b>	<b>21,228</b>	<b>(485)</b>	<b>-</b>

The tables below present the credit quality of the Group's exposures broken down by significant geographical area as of 31.12.2023 and 30.06.2023

**Template 16a: EU CQ4: Quality of non-performing exposures by geography as of 31.12.2023**

(Amounts in millions of Euro)

	a	b	c	d	e	f	g
	Gross carrying/nominal amount			Of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing	Of which defaulted				
<b>010</b> <i>On-balance-sheet exposures</i>	<b>53,223</b>	<b>2,316</b>	<b>2,316</b>	<b>52,308</b>	<b>(1,001)</b>		<b>(15)</b>
020 <i>Greece</i>	34,860	2,151	2,151	34,510	(918)		(5)
030 <i>United Kingdom</i>	1,131	41	41	1,121	(22)		-
040 <i>Romania</i>	380	3	3	380	(1)		(11)
050 <i>Cyprus</i>	1,428	61	61	1,428	(26)		-
070 <i>Other countries</i>	15,424	60	60	14,869	(32)		-
<b>080</b> <i>Off-balance-sheet exposures</i>	<b>9,573</b>	<b>265</b>	<b>265</b>			<b>29</b>	
090 <i>Greece</i>	9,161	260	260			25	
100 <i>United Kingdom</i>	60	0	0			0	
110 <i>Romania</i>	0	0	0			0	
120 <i>Cyprus</i>	173	5	5			4	
140 <i>Other countries</i>	178	0	0			0	
<b>150</b> <b>Total</b>	<b>62,796</b>	<b>2,581</b>	<b>2,581</b>	<b>52,308</b>	<b>(1,001)</b>	<b>29</b>	<b>(15)</b>

**Template 16b: EU CQ4: Quality of non-performing exposures by geography as of 30.6.2023**

(Amounts in millions of Euro)

	a	b	c	d	e	f	g
	Gross carrying/nominal amount			Of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing	Of which defaulted				
<b>010</b>	<b>On-balance-sheet exposures</b>	<b>54,754</b>	<b>3,089</b>	<b>3,089</b>	<b>54,065</b>	<b>(1,213)</b>	<b>(7)</b>
020	Greece	33,582	2,841	2,841	33,425	(1,060)	(5)
030	United Kingdom	987	37	37	977	(19)	-
040	Romania	3,688	93	93	3,688	(75)	(2)
050	Cyprus	1,381	63	63	1,381	(23)	-
070	Other countries	15,117	54	54	14,595	(36)	-
<b>080</b>	<b>Off-balance-sheet exposures</b>	<b>10,316</b>	<b>272</b>	<b>272</b>		<b>40</b>	
090	Greece	9,324	260	260		25	
100	United Kingdom	57	0	0		0	
110	Romania	686	7	7		9	
120	Cyprus	175	5	5		6	
140	Other countries	75	0	0		0	
<b>150</b>	<b>Total</b>	<b>65,071</b>	<b>3,361</b>	<b>3,361</b>	<b>54,065</b>	<b>(1,213)</b>	<b>(7)</b>

**Template 17a: EU CQ2: Quality of forbearance as of 31.12.2023**

(Amounts in millions of Euro)

		a
		Gross carrying amount of forborne exposures
010	Loans and advances that have been forborne more than twice	3,071
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	699

**Template 17b: EU CQ2: Quality of forbearance as of 31.12.2022**

(Amounts in millions of Euro)

		a
		Gross carrying amount of forborne exposures
010	Loans and advances that have been forborne more than twice	3,339
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	789

The following tables provide an overview of the credit quality of forborne exposures

**Template 18a: EU CQ1: Credit quality of forborne exposures as of 31.12.2023**

(Amounts in millions of Euro)

		a	b	c	d	e		f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures		
		Performing forborne	Non-performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-	-
010	Loans and advances	2,412	1,497	1,497	1,497	(105)	(365)	2,971	972	
020	Central banks	-	-	-	-	-	-	-	-	
030	General governments	1	0	0	0	(0)	(0)	0	-	
040	Credit institutions	-	-	-	-	-	-	-	-	
050	Other financial corporations	0	1	1	1	(0)	(0)	0	0	
060	Non-financial corporations	605	558	558	558	(23)	(161)	835	341	
070	Households	1,806	937	937	937	(81)	(203)	2,135	631	
080	Debt Securities	-	-	-	-	-	-	-	-	
090	Loan commitments given	1	0	0	0	0	-	0	0	
<b>100</b>	<b>Total</b>	<b>2,413</b>	<b>1,497</b>	<b>1,497</b>	<b>1,497</b>	<b>(105)</b>	<b>(365)</b>	<b>2,971</b>	<b>972</b>	

**Template 18b: EU CQ1: Credit quality of forborne exposures as of 30.6.2023**

(Amounts in millions of Euro)

	a	b	c	d	e	f	g	h	
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures		
	Performing forborne	Non-performing forborne		Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
		Of which defaulted							
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	
010	Loans and advances	2,359	2,081	2,081	2,081	(120)	(490)	3,302	1,360
020	<i>Central banks</i>	-	-	-	-	-	-	-	-
030	<i>General governments</i>	0	0	0	0	(0)	(0)	0	-
040	<i>Credit institutions</i>	-	-	-	-	-	-	-	-
050	<i>Other financial corporations</i>	0	1	1	1	(0)	(0)	0	0
060	<i>Non-financial corporations</i>	686	604	604	604	(23)	(172)	917	353
070	<i>Households</i>	1,672	1,475	1,475	1,475	(97)	(317)	2,383	1,006
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	1	0	0	0	0	0	0	0
<b>100</b>	<b>Total</b>	<b>2,359</b>	<b>2,081</b>	<b>2,081</b>	<b>2,081</b>	<b>(120)</b>	<b>(490)</b>	<b>3,302</b>	<b>1,360</b>









**Template 21a: EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries as of 31.12.2023**

(Amounts in millions of Euro)

		a		b	
		Gross amount	carrying	Related accumulated recoveries	net
<b>010</b>	<b>Initial stock of non-performing loans and advances</b>	3,186			
020	Inflows to non-performing portfolios	967			
030	Outflows from non-performing portfolios	(1,844)			
040	Outflow to performing portfolio	(742)			
050	Outflow due to loan repayment, partial or total	(188)			
060	Outflow due to collateral liquidations	(9)		1	
070	Outflow due to taking possession of collateral	(45)		0	
080	Outflow due to sale of instruments	(1)		1	
090	Outflow due to risk transfers	-		-	
100	Outflows due to write-offs	(215)			
110	Outflow due to other situations	(16)			
120	Outflow due to reclassification as held for sale	(627)			
<b>130</b>	<b>Final stock of non-performing loans and advances</b>	2,309			

**Template 21b: EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries as of 31.12.2022**

(Amounts in millions of Euro)

		a		b	
		Gross amount	carrying	Related accumulated recoveries	net
<b>010</b>	<b>Initial stock of non-performing loans and advances</b>	5,190			
020	Inflows to non-performing portfolios	1,324			
030	Outflows from non-performing portfolios	(3,328)			
040	Outflow to performing portfolio	(912)			
050	Outflow due to loan repayment, partial or total	(268)			
060	Outflow due to collateral liquidations	(4)		1	
070	Outflow due to taking possession of collateral	(5)		2	
080	Outflow due to sale of instruments	(5)		3	
090	Outflow due to risk transfers	-		-	
100	Outflows due to write-offs	(297)			
110	Outflow due to other situations	(35)			
120	Outflow due to reclassification as held for sale	(1,803)			
<b>130</b>	<b>Final stock of non-performing loans and advances</b>	3,186			

## 7.4 Banks' use of external credit ratings under the standardised approach

Alpha Bank Group uses the available credit ratings from Moody's Investors Service, Standard & Poor's Ratings Services, Fitch Ratings and ICAP CRIF S.A. which have been approved from Bank of Greece as eligible External Credit Assessment Institutions (ECAIs) for the use of their credit ratings in regulatory capital calculation (Decision 250/25.9.2007). Credit ratings of the Moody's Investors Service, Standard & Poor's Ratings Services and Fitch Ratings are used, where available, for all Group portfolios. ICAP ratings are used for credit exposures against corporate customers incorporated in Greece, in accordance with the related requirements in the CRR.

The asset classes for which Moody's, Standard & Poor's and Fitch ratings are used are the following:

- Exposures to Central Governments and Central Banks
- Exposures to Financial Institutions
- Exposures to Multilateral Development Banks
- Exposures to International Organizations
- Exposures to Corporates
- Exposures in the form of covered bonds

For all other asset classes, credit quality bands are assigned to the corresponding risk weights per exposure type, as described in detail in CRR 575/2013.

Credit ratings are assigned to credit quality bands. Then, credit quality bands are assigned to the corresponding risk weights per portfolio type, as described in detail in CRR 575/2013.

Credit Quality Band	Standard & Poor's Ratings Service	Moody's Investor Services	Fitch Ratings	ICAP CRIF S.A.
1	AAA to AA-	Aaa to Aa3	AAA to AA-	-
2	A+ to A-	A1 to A3	A+ to A-	AAA to AA
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	A to BBB
4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	BB to B
5	B+ to B-	B1 to B3	B+ to B-	CCC to CC
6	CCC+ and below	Caa1 and below	CCC+ and below	C and below

If for a specific exposure there are two available ratings then the rating leading to the higher risk weight is selected. In case, that there are more than two available ratings, initially the two ratings leading to the lower risk weights are chosen and then from the aforesaid two choices is selected the one corresponding to the higher risk weight.

Exposures to counterparties, for which a credit assessment by a nominated ECAI is not available, shall be assigned a risk weight according to the procedure described to the respective articles of the CRR 575/2013.

Under Standardised approach, credit risk is measured by applying risk weights outlined in CRD IV based on the exposure class to which the exposure is allocated. The following tables outline the Standardised exposure classes by CRD IV prescribed risk weight. Exposures subject to Counterparty Credit Risk are not included in the table.

## Template 22a EU CR5 – standardised approach as of 31.12.2023

(Amounts in millions of Euro)

	Exposure classes	Risk weight														Total	Of which unratd		
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%			Others	
		a	b	c	d	e	f	g	h	i	j	k	l	m	n			o	p
1	Central governments or central banks	22,361	-	16	467	8	-	-	-	-	2,579	-	642	-	-	-	-	26,073	
2	Regional government or local authorities	-	-	-	-	17	-	10	-	-	-	-	-	-	-	-	-	27	
3	Public sector entities	646	-	-	-	0	-	-	-	-	236	-	-	-	-	-	-	882	
4	Multilateral development banks	695	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	695	
5	International organisations	340	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	340	
6	Institutions	0	-	-	-	917	-	640	-	-	500	-	-	-	-	-	-	2,057	
7	Corporates	-	-	-	-	123	-	2,386	-	-	9,523	403	-	-	-	-	-	12,436	
8	Retail exposures	-	-	-	-	-	-	-	-	2,854	-	-	-	-	-	-	-	2,854	
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	6,939	4,055	-	671	848	0	-	-	-	-	-	12,513	
10	Exposures in default	-	-	-	-	-	-	-	-	-	1,227	213	-	-	-	-	-	1,440	
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	116	-	-	-	-	-	116	
12	Covered bonds	-	-	-	39	-	-	-	-	-	-	-	-	-	-	-	-	39	
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Units or shares in collective investment undertakings	0	-	-	-	-	-	-	-	-	20	-	-	-	-	-	-	20	
15	Equity exposures	-	-	-	-	-	-	-	-	-	424	-	41	-	-	-	-	465	
16	Other items	651	-	-	-	-	-	-	-	-	2,220	-	-	-	-	-	-	2,871	
17	<b>TOTAL</b>	<b>24,694</b>	<b>-</b>	<b>16</b>	<b>506</b>	<b>1,065</b>	<b>6,939</b>	<b>7,091</b>	<b>-</b>	<b>3,525</b>	<b>17,577</b>	<b>732</b>	<b>683</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,828</b>	

**Template 22b EU CR5 – standardised approach as of 30.06.2023**

(Amounts in millions of Euro)

	Exposure classes	Risk weight														Total	Of which unrated	
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%			Others
		a	b	c	d	e	f	g	h	i	j	k	l	m	n			o
1	Central governments or central banks	22,913	-	5	545	9	-	-	-	-	2,660	-	621	-	-	-	26,753	
2	Regional government or local authorities	-	-	-	-	7	-	-	-	-	-	-	-	-	-	-	7	
3	Public sector entities	734	-	-	-	0	-	-	-	436	-	-	-	-	-	-	1,170	
4	Multilateral development banks	667	-	-	-	-	-	-	-	-	-	-	-	-	-	-	667	
5	International organisations	339	-	-	-	-	-	-	-	-	-	-	-	-	-	-	339	
6	Institutions	0	-	-	-	911	-	662	-	470	-	-	-	-	-	-	2,044	
7	Corporates	-	-	-	-	33	-	238	-	11,334	23	-	-	-	-	-	11,628	
8	Retail exposures	-	-	-	-	-	-	-	-	2,854	-	-	-	-	-	-	2,854	
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	6,953	3,847	-	643	969	-	-	-	-	-	12,412	
10	Exposures in default	-	-	-	-	-	-	-	-	1,719	281	-	-	-	-	-	2,000	
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	121	-	-	-	-	121	
12	Covered bonds	-	-	-	25	-	-	-	-	-	-	-	-	-	-	-	25	
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Units or shares in collective investment undertakings	0	-	-	-	-	-	-	-	22	-	-	-	-	-	-	22	
15	Equity exposures	-	-	-	-	-	-	-	-	360	-	40	-	-	-	-	399	
16	Other items	502	-	-	-	-	-	-	-	1,953	-	-	-	-	-	-	2,455	
17	<b>TOTAL</b>	<b>25,155</b>	<b>-</b>	<b>5</b>	<b>571</b>	<b>960</b>	<b>6,953</b>	<b>4,748</b>	<b>-</b>	<b>3,497</b>	<b>19,923</b>	<b>424</b>	<b>661</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,896</b>	

## 7.5 Credit risk mitigation

Credit risk mitigation techniques reduce exposure value and expected loss. According to CRR 575/2013, only specific types of credit risk mitigation are eligible for capital adequacy calculation purposes.

Moreover, the Bank of Greece sets additional criteria which should be satisfied during the collateral management process (market value monitoring, insurance, legal validity) and the terms and conditions of the relevant agreements.

### 7.5.1 Collateral valuation and management policies and procedures

Collateral can be used in order to mitigate the Credit Risk created to a financial instrument in case a customer or counterparty fails to meet his contractual obligations.

Collaterals are holdings or rights of every type provided to the Bank by its debtors or third parties to be used as additional funding sources in case of claim liquidation.

The main collateral types held for retail customers are mortgages, cash, mutual funds and sovereign securities (repos, bonds). Additionally, in case of real estate loans maximum Loan to Value (LTV: loan amount to property commercial value) limits have been set, depending upon loan purpose and collateral. The amount the customer contributes to the asset being financed is a very important factor during the loan approval process since it directly affects customer's repayment ability.

In case the debtor is a private individual, the Group seeks to have her/him insured against death and severe injuries.

As far as wholesale customers are concerned, loan repayment depends upon the viability and growth perspectives of the company, the servicing ability of the company and its owners, the circumstances prevailing at the sectors and markets they are active in, as well as unexpected factors, positively or negatively affecting their operation.

In order to assess an acceptable value for collateral, the Bank calculates the value based on the potential proceeds that could arise if and when this collateral is liquidated. This estimation is referred to as the acceptable value of the collaterals provided to the Bank for the determination of which the quality of the assets as well as their market value are taken into account. In this way, the ratio of acceptable values is determined for each type of collateral, those are expressed as a percentage of their market value, nominal or weighted value, depending on the type of collateral. Depending on the type of collateral, the assessments of the value of collateral is carried out by partners (Appraisers), with the necessary expertise and specialisation. The selection of the appraiser is subject to specific criteria, while their performance is assessed on an ongoing basis.

Especially for tangible collaterals, the Bank entrusts independent qualified appraisers who have the necessary qualifications, ability and experience in evaluation (as defined in the article 208 paragraph 3 of the EU Regulation No 575/2013).

According to the Bank's Credit Policy, the existence and the valuation of both pledged collateral and mortgaged property are closely monitored. The frequency of the valuation varies according to the right or asset on which the pledge may be registered, up to a maximum of one year.

In addition to the review of collateral values, the Bank also validates such collateral values on an annual basis. On a regular basis and through proper sampling, the Bank performs audits for the procedures of implementation of the Group's Loan Collateral Policy and audits (back-testing) for the verification of property valuations. Audits are based on indices and individual assessments in order to ensure the proper collateral valuation is captured in the Bank's core systems and controls are in place for the Bank's relevant committee reviews and approvals.

Regarding the rest of the companies of Alpha Bank Group, apart from the general principles applying to the Group as a whole, additional clauses also exist. To specify, as far as leasing contracts are concerned, apart from the leased property, Alpha Leasing might request additional collateral. Moreover, Factoring customers are subject to collateral limits depending upon debtor's creditworthiness and reexamined according to the Bank's Policy regarding loans to corporate customers.

### **7.5.2 Description of the main collateral types**

Collateral used to mitigate risk, both for mortgage and other lending is diversified. The main types of guarantors are corporates, individuals, financial institutions and sovereigns. Their creditworthiness is assessed on a case by-case basis.

There are two broad categories of collateral: Contractual collaterals – guarantees and tangible collaterals.

Guarantees are the most common collateral type of the first category. A guarantee is a legally enforceable relationship between the Bank and the borrower, through which the guarantor assumes the responsibility of paying the debt. It is documented and presupposes the existence of another legally enforceable relationship between the Bank and the borrower (loan).

Provided guarantees are usually found in banking practice in the following forms: Personal Guarantee, Corporate Guarantee, Credit Institutions Guarantee, Greek State Guarantee, Guarantee of HDB (Hellenic Development Bank), Guarantee Programs of the European Investment Fund (EIF) and Letter of Comfort. The most common types of tangible collateral are: mortgages on real estate properties and pledges on commodities, deposits and cheques or claims and receivables.

Tangible collateral value is estimated on a regular basis, at least annually, except for cases where the contract foresees something different, in cases of known changes on the property or in the business process, or in cases there are urban planning changes or other considerable factors; in case of exceptional/unforeseen events, additional valuation can take place. In case of significant negative changes at collateral values, the Bank seeks to restore the loan to collateral value ratio to the desired levels. The initial valuations of a real estate property, provided as collateral, are carried out through on-site appraisals and internal property inspections to further improve the effect of credit risk mitigation. The Bank requests that all mortgages are covered by an insurance contract and the compensation is assigned to the Bank. The same might apply, on a case-by-case basis, on other physical collaterals as well.

The following table presents the exposure value covered through eligible collateral and guarantees / credit derivatives for each asset class, based on regulatory standards while it also shows the volume of unsecured and secured exposures. Secured exposures are limited to those exposures against which eligible collateral which meets CRR definitions is held and has been used in the calculation of the Group's capital requirements. Haircuts are applied consistent with CRR requirements.

Exposures where the Group nets derivative mark-to-market positions with certain interbank counterparties against cash collateral placed and received with those counterparties under CSA agreements are excluded. For cash collateral held against derivative exposures refer to the counterparty credit risk section.

### Template 23a: EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques as of 31.12.2023

(Amounts in millions of Euro)

		Unsecured carrying amount	Secured carrying amount			
			a	b	Of which secured by collateral	Of which secured by financial guarantees
		c			d	e
1	Loans and advances	13,246	28,366	20,468	7,897	-
2	Debt securities	15,817	-	-	-	-
3	<b>Total</b>	<b>29,063</b>	<b>28,366</b>	<b>20,468</b>	<b>7,897</b>	-
4	<i>Of which non-performing exposures</i>	972	1,343	1,232	111	-
EU-5	<i>Of which defaulted</i>	972	1,343			

### Template 23b: EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques as of 30.6.2023

(Amounts in millions of Euro)

		Unsecured carrying amount	Secured carrying amount			
			a	b	Of which secured by collateral	Of which secured by financial guarantees
		c			d	e
1	Loans and advances	15,937	30,465	22,320	8,145	-
2	Debt securities	14,442	-	-	-	-
3	<b>Total</b>	<b>30,379</b>	<b>30,465</b>	<b>22,320</b>	<b>8,145</b>	-
4	<i>Of which non-performing exposures</i>	1,234	1,855	1,734	121	-
EU-5	<i>Of which defaulted</i>	1,234	1,855			

**Template 24a: EU CR4 – standardised approach – Credit risk exposure and CRM effects as of 31.12.2023**

(Amounts in millions of Euro)

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	20,441	190	26,072	0	4,232	16.23%
2	Regional government or local authorities	27	1	27	0	8	31.25%
3	Public sector entities	399	3	881	1	236	26.80%
4	Multilateral development banks	114	0	695	0	-	0.00%
5	International organisations	340	-	340	-	-	0.00%
6	Institutions	2,023	815	2,025	33	1,003	48.76%
7	Corporates	12,863	5,848	11,345	1,090	10,268	82.57%
8	Retail	3,559	3,201	2,633	221	1,971	69.03%
9	Secured by mortgages on immovable property	12,787	99	12,486	28	5,354	42.79%
10	Exposures in default	1,505	239	1,411	29	1,546	107.39%
11	Exposures associated with particularly high risk	142	-	116	-	175	150.00%
12	Covered bonds	39	-	39	-	4	10.00%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0.00%
14	Collective investment undertakings	20	-	20	-	20	99.02%
15	Equity	465	-	465	-	527	113.34%
16	Other items	2,871	-	2,871	-	2,220	77.33%
17	<b>TOTAL</b>	<b>57,593</b>	<b>10,396</b>	<b>61,426</b>	<b>1,402</b>	<b>27,565</b>	<b>43.87%</b>

**Template 24b: EU CR4 – standardised approach – Credit risk exposure and CRM effects as of 30.06.2023**

(Amounts in millions of Euro)

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	21,018	189	26,752	0	4,270	15.96%
2	Regional government or local authorities	7	1	7	0	1	20.00%
3	Public sector entities	547	3	1,170	0	436	37.29%
4	Multilateral development banks	59	-	667	-	-	0.00%
5	International organisations	339	-	339	-	-	0.00%
6	Institutions	2,014	786	2,017	27	984	48.12%
7	Corporates	12,237	5,697	10,589	1,039	10,397	89.42%
8	Retail	3,541	3,291	2,599	255	1,968	68.96%
9	Secured by mortgages on immovable property	12,735	70	12,392	21	5,363	43.21%
10	Exposures in default	2,073	239	1,971	29	2,140	107.01%
11	Exposures associated with particularly high risk	144	-	121	-	181	150.00%
12	Covered bonds	25	-	25	-	3	10.00%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0.00%
14	Collective investment undertakings	22	-	22	-	22	99.11%
15	Equity	399	-	399	-	459	114.91%
16	Other items	2,455	3	2,455	-	1,953	79.56%
17	<b>TOTAL</b>	<b>57,615</b>	<b>10,279</b>	<b>61,524</b>	<b>1,372</b>	<b>28,177</b>	<b>44.80%</b>

## 7.6 Concentration Risk on Collateral

Collaterals are received both for Wholesale and Retail lending in order to mitigate credit risk that may arise from the obligor's inability to fulfill his contractual obligations. Collaterals include all kind of assets and rights which are made available to the Bank either by their debtors or by third parties, in order to be used as complementary liquidity sources of relative loans. The mitigation tools applied by the Bank include two broad categories: intangible and tangible collaterals.

For credit exposures, the most commonly accepted collaterals for credit risk mitigation purposes are real estate assets. Usually, consumer loans are not collateralised, except for car loans where the Bank retains ownership until full loan repayment and some cash collateralized loans. Mortgage loans are fully collateralised with residential real estate properties. Business loans are mainly collateralized with commercial and residential real estate properties.

For treasury transactions the risk due to collaterals is immaterial. For derivative interbank transactions the Bank signed CSA agreements with exchange of cash collateral. For Repo / Reverse Repo transactions the Bank signed GMRA agreements.



Template 25a: EU CQ6: Collateral valuation - loans and advances as of 31.12.2023

(Amounts in millions of Euro)

		a	b	c	d	e	f	g	h	i	j	k	l
Loans and advances													
		Performing			Non-performing								
					Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days							
		Of which past due > 30 days ≤ 90 days				Of which past due > 90 days ≤ 180 days		Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 years ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years	
010	Gross carrying amount	37,406	35,097	108	2,309	1,092	1,217	144	153	208	273	75	365
020	<i>Of which secured</i>	30,996	29,167	87	1,829	954	875	108	116	146	216	58	231
030	<i>Of which secured with immovable property</i>	14,407	12,793	71	1,614	896	718	98	104	132	183	39	160
040	<i>Of which instruments with LTV higher than 60% and lower or equal to 80%</i>	3,145	2,865		280	198	82						
050	<i>Of which instruments with LTV higher than 80% and lower or equal to 100%</i>	4,344	3,905		439	256	183						



060	<i>Of which instruments with LTV higher than 100%</i>	3,364	2,677		687	328	360						
070	Accumulated impairment for secured assets	(548)	(113)	(3)	(435)	(127)	(308)	(15)	(21)	(40)	(77)	(21)	(134)
080	Collateral												
090	<i>Of which value capped at the value of exposure</i>	20,468	19,236	73	1,232	767	465	78	80	96	123	25	63
100	<i>Of which immovable property</i>	12,735	11,578	64	1,158	730	428	76	78	90	110	23	51
110	<i>Of which value above the cap</i>	18,926	17,925	62	1,001	485	516	53	63	74	122	57	147
120	<i>Of which immovable property</i>	8,893	8,079	48	814	406	408	52	55	58	102	41	101
130	Financial guarantees received	7,897	7,786	6	111	23	88	12	10	7	14	12	34
140	Accumulated partial write-off	(1,927)	(625)	(7)	(1,302)	(436)	(866)	(34)	(69)	(113)	(158)	(97)	(396)



Template 25b: EU CQ6: Collateral valuation - loans and advances as of 31.12.2022

(Amounts in millions of Euro)

		a	b	c	d	e	f	g	h	i	j	k	l
Loans and advances		Performing											
		Non-performing											
		Unlikely to pay that are not past due or are past due ≤ 90 days					Past due > 90 days						
		Of which past due > 30 days ≤ 90 days			Of which past due > 90 days ≤ 180 days		Of which: past due > 180 days ≤ 1 year		Of which: past due > 1 years ≤ 2 years		Of which: past due > 2 years ≤ 5 years		Of which: past due > 5 years ≤ 7 years
010	Gross carrying amount	40,208	37,022	152	3,186	1,460	1,726	192	339	441	261	69	423
020	<i>Of which secured</i>	33,411	30,972	118	2,438	1,248	1,190	146	247	324	167	52	254
030	<i>Of which secured with immovable property</i>	17,093	14,866	109	2,227	1,194	1,033	139	233	308	137	35	182
040	<i>Of which instruments with LTV higher than 60% and lower or equal to 80%</i>	4,042	3,709		333	213	120						
050	<i>Of which instruments with LTV higher than 80% and lower or equal to 100%</i>	4,164	3,525		639	363	276						



060	<i>Of which instruments with LTV higher than 100%</i>	4,948	3,928		1,019	493	526						
070	Accumulated impairment for secured assets	(716)	(136)	(5)	(581)	(180)	(401)	(17)	(43)	(69)	(45)	(20)	(206)
080	Collateral												
090	<i>Of which value capped at the value of exposure</i>	22,180	20,492	102	1,687	965	722	113	180	236	98	21	75
100	<i>Of which immovable property</i>	14,342	12,717	97	1,626	939	687	110	175	227	94	20	61
110	<i>Of which value above the cap</i>	21,499	20,426	81	1,074	496	578	68	106	115	108	40	139
120	<i>Of which immovable property</i>	11,352	10,434	69	917	445	472	64	91	104	86	32	95
130	Financial guarantees received	8,393	8,254	4	139	41	97	7	9	6	22	10	43
140	Accumulated partial write-off	(1,973)	(537)	(5)	(1,436)	(550)	(886)	(46)	(80)	(131)	(160)	(42)	(427)

**Template 26a: EU CQ7: Collateral obtained by taking possession and execution processes as of 31.12.2023**

(Amounts in millions of Euro)

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	38	(12)
020	Other than PP&E	838	(200)
030	<i>Residential immovable property</i>	244	(28)
040	<i>Commercial Immovable property</i>	579	(165)
050	<i>Movable property (auto, shipping, etc.)</i>	0	-
060	<i>Equity and debt instruments</i>	15	(6)
070	<i>Other collateral</i>	-	-
<b>080</b>	<b>Total</b>	<b>876</b>	<b>(212)</b>

**Template 26b: EU CQ7: Collateral obtained by taking possession and execution processes as of 30.6.2023**

(Amounts in millions of Euro)

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	45	(13)
020	Other than PP&E	859	(198)
030	<i>Residential immovable property</i>	254	(27)
040	<i>Commercial Immovable property</i>	590	(164)
050	<i>Movable property (auto, shipping, etc.)</i>	0	-
060	<i>Equity and debt instruments</i>	15	(7)
070	<i>Other collateral</i>	-	-
<b>080</b>	<b>Total</b>	<b>904</b>	<b>(211)</b>

**Template 27a: EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown as of 31.12.2023**

(Amounts in millions of Euro)

		a	b	c		d	e	f		g		h	i	j	k	l
		Debt balance reduction		Total collateral obtained by taking possession												
				Foreclosed ≤ 2 years				Foreclosed > 2 years ≤ 5 years				Foreclosed > 5 years		Of which non-current assets held-for-sale		
		Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	
010	Collateral obtained by taking possession classified as PP&E	-	-	38	(12)											
020	Collateral obtained by taking possession other than that classified as PP&E	537	(74)	838	(200)	130	(7)	221	(23)	487	(170)	319	(101)			
030	<i>Residential immovable property</i>	136	-	244	(28)	51	(3)	103	(7)	90	(19)	58	(10)			
040	<i>Commercial immovable property</i>	325	-	579	(165)	74	(4)	112	(14)	392	(147)	261	(91)			
050	<i>Movable property (auto, shipping, etc.)</i>	-	-	0	-	-	-	-	-	0	-	-	-			
060	<i>Equity and debt instruments</i>	76	(74)	15	(6)	5	(0)	6	(2)	4	(4)	-	-			
070	<i>Other collateral</i>	-	-	-	-	-	-	-	-	-	-	-	-			
080	<b>Total</b>	537	(74)	876	(212)	130	(7)	221	(23)	487	(170)	319	(101)			

**Template 27b: EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown as of 31.12.2022**

(Amounts in millions of Euro)

		a	b	c		d	e	f	g		h	i	j	k	l
		Debt balance reduction		Total collateral obtained by taking possession											
		Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Foreclosed ≤ 2 years		Foreclosed > 2 years ≤ 5 years		Foreclosed > 5 years		Of which non-current assets held-for-sale			
						Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Collateral obtained by taking possession classified as PP&E	9	-	45	(12)										
020	Collateral obtained by taking possession other than that classified as PP&E	774	(74)	1,086	(287)	204	(19)	384	(96)	499	(172)	577	(202)		
030	<i>Residential immovable property</i>	246	-	369	(74)	92	(7)	188	(49)	88	(17)	184	(60)		
040	<i>Commercial immovable property</i>	452	-	702	(206)	107	(11)	189	(44)	406	(150)	393	(143)		
050	<i>Movable property (auto, shipping, etc.)</i>	-	-	0	-	-	-	-	-	0	-	-	-		
060	<i>Equity and debt instruments</i>	76	(74)	15	(7)	5	(0)	6	(3)	4	(4)	-	-		
070	<i>Other collateral</i>	-	-	-	-	-	-	-	-	-	-	-	-		
<b>080</b>	<b>Total</b>	<b>783</b>	<b>(74)</b>	<b>1,131</b>	<b>(299)</b>	<b>204</b>	<b>(19)</b>	<b>384</b>	<b>(96)</b>	<b>499</b>	<b>(172)</b>	<b>577</b>	<b>(202)</b>		

## 8 Counterparty credit risk (CCR)

Counterparty credit risk is the risk of default of a counterparty before the final settlement of all existing transactions' cash flows. An economic loss would occur if the portfolio of transactions with the counterparty has a positive economic value to the Group at the time of counterparty default. According to CRR 575/2013 the term transaction refers to:

- Over the counter (OTC) derivative transactions, such as FX or interest rate derivative transactions
- Repurchase transactions, securities or commodities lending or borrowing transactions or margin lending transactions
- Long settlement transactions

Alpha Bank Group has the first two types of transactions.

The exposures generating counterparty credit risk are monitored on a daily basis. The Group has set limits per counterparty group, per counterparty and per product.

In order to reduce counterparty credit risk exposure, Alpha Bank Group uses ISDA (International Swap and Derivatives Association) and GMRA (Global Master Repurchase Agreement) bilateral contracts for financial products transactions with financial institutions.

Since 30/06/2021 Alpha Bank Group has adopted the Standardised approach for counterparty credit risk (SA-CCR), the new methodology for calculating the EAD under CRR II, which is significantly different to its predecessor, the CEM under the CRR I. The SA-CCR is more risk sensitive compared to the prescribed approaches under CRR I, thus is expected to provide an EAD value which better reflects the risks to which Banks are exposed to as a result of derivative transactions.

The tables below present the Group's counterparty credit exposures, including the impact of netting and collateral. Current credit exposures consist of the replacement cost of contracts together with potential future credit exposure.

**Template 28a: EU CCR1 – Analysis of CCR by approach as of 31.12.2023**

(Amounts in millions of Euro)

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU2	EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	107	136		1.4	1,128	339	339	190
2	IMM (for derivatives and SFTs)			-		-	-	-	-
2a	<i>Of which securities financing transactions netting sets</i>			-		-	-	-	-
2b	<i>Of which derivatives and long settlement transactions netting sets</i>			-		-	-	-	-
2c	<i>Of which from contractual cross-product netting sets</i>			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					1,382	26	26	14
5	VaR for SFTs					-	-	-	-
6	<b>Total</b>					<b>2,510</b>	<b>365</b>	<b>365</b>	<b>203</b>

**Template 28b: EU CCR1 – Analysis of CCR by approach as of 30.06.2023**

(Amounts in millions of Euro)

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU2	EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	99	117		1.4	1,351	302	302	151
2	IMM (for derivatives and SFTs)			-		-	-	-	-
2a	<i>Of which securities financing transactions netting sets</i>			-		-	-	-	-
2b	<i>Of which derivatives and long settlement transactions netting sets</i>			-		-	-	-	-
2c	<i>Of which from contractual cross-product netting sets</i>			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					1,745	85	85	33
5	VaR for SFTs					-	-	-	-
6	<b>Total</b>					<b>3,096</b>	<b>387</b>	<b>387</b>	<b>184</b>

According to CRR 575/2013 Article 381, financial institutions are required to calculate the own funds requirements for Credit Valuation Adjustment (CVA Risk).

The CVA reflects the current market value of the counterparty credit risk to the institution. Own Funds requirements for CVA risk, are calculated for all derivative transactions with financial institutions all OTC derivative instruments excluding credit derivatives.

In order to calculate CVA, Alpha Bank incorporates the Standardized methodology according to article 384 of CRR 575/2013. Value at Risk is calculated with a 99% confidence interval and with one-year risk horizon.

The most important factors that influence the capital requirements of CVA are the Weight of the counterparty, the real notional-weighted maturity, the contribution of the exposures to the counterparties as well as the number of the counterparties of the portfolio.

The following tables present the CVA calculation of the Group:

#### Template 29a: EU CCR2 – Transactions subject to own funds requirements for CVA risk as of 31.12.2023

(Amounts in millions of Euro)

		a	b
		Exposure value	RWEA
1	Total transactions subject to the Advanced method	-	-
2	(i) VaR component (including the 3× multiplier)		-
3	(ii) stressed VaR component (including the 3× multiplier)		-
4	Transactions subject to the Standardised method	121	70
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5	<b>Total transactions subject to own funds requirements for CVA risk</b>	<b>121</b>	<b>70</b>

#### Template 29b: EU CCR2 – Transactions subject to own funds requirements for CVA risk as of 30.06.2023

(Amounts in millions of Euro)

		a	b
		Exposure value	RWEA
1	Total transactions subject to the Advanced method	-	-
2	(i) VaR component (including the 3× multiplier)		-
3	(ii) stressed VaR component (including the 3× multiplier)		-
4	Transactions subject to the Standardised method	166	114
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5	<b>Total transactions subject to own funds requirements for CVA risk</b>	<b>166</b>	<b>114</b>

The tables below present the Group's exposures to central counterparties (CCPs) and related capital requirements.

**Template 30a: EU CCR8 – Exposures to CCPs as of 31.12.2023**

(Amounts in millions of Euro)

		a	b
		Exposure value	RWEA
<b>1</b>	<b>Exposures to QCCPs (total)</b>	-	<b>5</b>
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	270	5
3	(i) OTC derivatives	270	5
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	46	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
<b>11</b>	<b>Exposures to non-QCCPs (total)</b>	-	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

The tables below present the Group's exposures to central counterparties (CCPs) and related capital requirements.

**Template 30b: EU CCR8 – Exposures to CCPs as of 30.06.2023**

(Amounts in millions of Euro)

		a	b
		Exposure value	RWEA
<b>1</b>	<b>Exposures to QCCPs (total)</b>		<b>4</b>
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	204	4
3	(i) OTC derivatives	204	4
4	(ii) Exchange-traded derivatives	-	
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	41	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
<b>11</b>	<b>Exposures to non-QCCPs (total)</b>		<b>-</b>
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

The tables below show the CCR exposures by regulatory portfolio and risk as of 31.12.2023 and 30.06.2023

### Template 31a: EU CCR3 – Standardized approach – CCR exposures by regulatory portfolio and risk as of 31.12.2023

(Amounts in millions of Euro)

	Exposure classes	a	b	c	d	e	f	g	h	i	j	k	l
		Risk weight											Total exposure value
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1	Central governments or central banks	26	-	-	-	-	-	-	-	-	-	-	26
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	89	270	-	-	41	88	-	-	5	-	-	494
7	Corporates	-	-	-	-	-	27	-	-	137	11	-	175
8	Retail	-	-	-	-	-	-	-	13	-	-	-	13
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	<b>Total exposure value</b>	<b>116</b>	<b>270</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>115</b>	<b>-</b>	<b>13</b>	<b>142</b>	<b>11</b>	<b>11</b>	<b>708</b>

**Template 31b: EU CCR3 – Standardized approach – CCR exposures by regulatory portfolio and risk as of 30.06.2023**

(Amounts in millions of Euro)

	Exposure classes	a	b	c	d	e	f	g	h	i	j	k	l
		Risk weight											Total exposure value
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1	Central governments or central banks	10	-	-	-	-	-	-	-	-	-	-	10
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	74	204	-	-	123	101	-	-	3	-	-	505
7	Corporates	-	-	-	-	-	-	-	-	110	-	-	110
8	Retail	-	-	-	-	-	-	-	17	-	-	-	17
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	0	-	-	0
11	<b>Total exposure value</b>	<b>84</b>	<b>204</b>	-	-	<b>123</b>	<b>101</b>	-	<b>17</b>	<b>113</b>	-	-	<b>642</b>

The following tables provide a breakdown of all types of collateral posted or received to support or reduce CCR exposures related to derivative transactions or to securities financing transaction (SFTs) as of 31.12.2023 and 30.06.2023.

**Template 32a: EU CCR5 – Composition of collateral for CCR exposures 31.12.2023**

(Amounts in millions of Euro)

Collateral type	a		b		c		d		e		f		g		h	
	Collateral used in derivative transactions				Collateral used in SFTs											
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral		Segregated		Unsegregated		Segregated		Unsegregated	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	220	462	394	299	-	-	-	-	-	-	-	-	-	-	447
2	Cash – other currencies	2	-	0	-	-	-	-	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	400	-	98	-	-	-	-	-	-	-	-	117
4	Other sovereign debt	-	-	-	-	-	59	-	-	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	103	-	-	-	-	-	-	-	-	79
7	Equity securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47
8	Other collateral	-	-	-	-	-	1,122	-	-	-	-	-	-	-	-	598
9	<b>Total</b>	<b>222</b>	<b>462</b>	<b>394</b>	<b>699</b>	<b>-</b>	<b>1,382</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,288</b>

**Template 32b: EU CCR5 – Composition of collateral for CCR exposures 30.06.2023**

(Amounts in millions of Euro)

Collateral type	a		b		c		d		e		f		g		h	
	Collateral used in derivative transactions				Collateral used in SFTs											
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral		Segregated		Unsegregated		Segregated		Unsegregated	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	206	653	217	207	-	-	-	-	-	-	-	-	-	-	549
2	Cash – other currencies	3	-	2	-	-	-	-	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	400	-	88	-	-	-	-	-	-	-	-	304
4	Other sovereign debt	-	-	-	-	-	150	-	-	-	-	-	-	-	-	48
5	Government agency debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	129	-	-	-	-	-	-	-	-	75
7	Equity securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	1,231	-	-	-	-	-	-	-	-	559
9	<b>Total</b>	<b>209</b>	<b>653</b>	<b>219</b>	<b>607</b>	<b>-</b>	<b>1,598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,534</b>

## 9 Exposure to Securitisation positions

According to the provisions set by points (a) to (i) of Article 449 of Regulation (EU) 575/2013 CRR regarding Exposures to securitisation positions, the Group provides details of traditional and synthetic securitization exposures in the banking and trading book.

### 9.1 Traditional Securitisations

In accordance with article 4(37) of the Banking Consolidation Directive (Definitions), traditional securitization entails the economic transfer of the exposures being securitized under a securitisation special purpose entity which in return issues securities. This must be accomplished by the transfer of ownership of the securitized exposures from the originator. Securities issued by the securitization SPVs do not represent any payment obligations of the originator institution.

#### Project “Galaxy”

On 22 June 2021, Alpha Bank completed the Galaxy transaction, which involved the securitization of a portfolio of Non-Performing Exposures (NPEs) with a total gross book value of c. €10.8bn as of cut-off date, following fulfillment of all conditions' precedent, as per the securitization framework. The portfolio was segmented to three distinct securitization SPVs based on the underlying assets' type:

- a) Orion X Securitisation DAC, consists of secured residential Mortgages of total gross book value c. €1.9bn., as of 31.03.2019
- b) Galaxy II Funding DAC, consists of secured residential Mortgages and Consumer Loans and Small Business Lending (“SBL”) of total gross book value c. €5.7bn as of 30.06.2019, and
- c) Galaxy IV Funding DAC, consists of wholesale exposures to SMEs and Large corporates of total gross book value c. €3.2bn as of 30.06.2019, and

Following the implementation of Alpha Bank SA's demerger by way of hive down of the banking sector with the incorporation of a new banking entity under the name Alpha Bank, the said entity retained 100% of the Senior Notes, which are guaranteed from the State under the Hellenic Asset Protection Scheme (“HAPS” – refer below). The holding entity resulted from the aforementioned corporate action, namely Alpha Services & Holdings, sold the 51% of the Mezzanine and Junior Notes of the securitisation SPVs (Galaxy subordinated Notes) to an entity managed and advised by Davidson Kempner Capital Management LP (“Davidson Kempner”), in accordance with the definitive agreement entered on 22.2.2021. Alpha Bank also retains 5% of Galaxy subordinated Notes, pursuant to the provisions of the securitization law. As part of the overall Galaxy transaction, an entity managed by Davidson Kempner acquired 80% of Cepal Services & Holdings SMSA, whose subsidiary, Cepal Hellas Financial Services Single Member, was assigned as the long term servicer of Galaxy portfolio.

### **Project “Cosmos”**

Following the completion of Galaxy transaction, Alpha Bank expedited the deleveraging opportunities of its remaining NPE pool through inorganic actions in accordance to its NPE Business Plan, initiating within 2021 the disposal of an additional portfolio of Greek NPEs, in the form of a rated securitization named Project Cosmos, which alike Project Galaxy, utilized the provisions of HAPS. The Cosmos portfolio consisted of predominantly secured Residential Mortgage loans, Large Corporate, Small and Medium Enterprises (“SMEs”), Small Business Lending (“SBL”) of c.€3.4bn, in terms of gross book value, as of 30.6.2020, which were securitized under a single securitization special purpose entity. The transaction was completed on 17 December 2021 and consisted on the sale of 51% of Mezzanine and Junior Notes (subordinated Cosmos Notes) to an entity managed and advised by Davidson Kempner, while Alpha Bank retained 100% of the Senior Notes along with 5% of the subordinated Cosmos Notes, pursuant to the risk retention requirements of article 6 of the Securitisation Regulation.

In 2022, the 44% of Galaxy & Cosmos Class B (Mezzanine) Notes as well as the 44% of Galaxy & Cosmos Class C (Junior) Notes, which had been retained by the Alpha Services & Holdings, were contributed to Galaxy Cosmos Mezz Plc. Consequently, Alpha Bank Group currently retains the 5% of Galaxy & Cosmos Mezzanine and Junior Notes.

In accordance with Art. 247 of the CRR, and given that Galaxy and Cosmos transactions are traditional non-STS securitizations and SRT requirements are fulfilled, Alpha Bank can exclude the underlying exposures from its calculation of risk-weighted exposure amounts, and calculate the risk-weighted exposure amounts for the positions it holds in the securitizations. Specifically, Alpha Bank uses the SECSA method for the calculation of risk-weighted exposure amounts for mezzanine and junior securitisation notes according to EU 2017/2401 Art. 261. However, it must be noted that, as per EU 2017/2401 Art. 254 (2):

For rated positions or positions in respect of which an inferred rating may be used, an institution shall use the SEC-ERBA instead of the SEC-SA in each of the following cases:

- (a) where the application of the SEC-SA would result in a risk weight higher than 25 % for positions qualifying as positions in an STS securitisation;
- (b) where the application of the SEC-SA would result in a risk weight higher than 25 % or the application of the SEC-ERBA would result in a risk weight higher than 75 % for positions not qualifying as positions in an STS securitisation;
- (c) for securitisation transactions backed by pools of auto loans, auto leases and equipment leases.

Since the SEC-SA application results in a risk-weight for a senior securitisation position (prior to any adjustment) above the thresholds of 25% and 75% respectively, the risk-weight of a senior securitisation position shall be calculated with the SEC-ERBA methodology upon the availability of a rating report from one recognized ECAI.

In the context of their application under Hercules “Asset Protection Scheme (“HAPS”), Galaxy and Cosmos senior securitisation positions received a rating from a recognized ECAI.

### **Hellenic Republic Asset Protection Scheme**

In December 2019, the Greek parliament voted for the creation of an Asset Protection Scheme (“APS”) (Greek Law 4649/2019, as currently in force) also known as the “Hercules Scheme”. The Hercules Scheme was an HFSF strategic initiative, implemented by the Ministry of Finance, designed to support banks on deleveraging NPEs through securitisation, with the aim of obtaining greater market stability. Under the Hercules Scheme, an individually managed, private securitization vehicle buys NPEs from the bank and disposes notes to investors. The State then provides a guarantee for the senior, less risky notes of the securitization vehicle. In exchange for such guarantee, the State receives a commission at market terms. The Hercules Scheme becomes effective only when the originator has sold at least 50% plus one of junior tranches (and mezzanine if any) and such notes are of such amount that allows the derecognition and the Significant Risk Transfer (“SRT”) of the securitized receivables. The Hercules Scheme was initially extended in April 2021 under the “Hercules II” programme and further extended in December 2023 under the “Hercules III” programme, pursuant to Greek law 5072/2023, and is expected to run for 12 months, until December 2024. Greek banks are expected to continue to reap the benefits of the Hercules Scheme while, the Greek State will continue to provide guarantees up to €2bn on the senior tranches of securitisations.

### **Investment in securitisation positions**

On December 30th, 2023, the Group held investments in collateralized loan obligations (“CLOs”) with a total carrying amount of € 466 mn.

## **9.2 Synthetic Securitisations**

In synthetic securitisation, the ownership of the securitised exposures remains with the originator and the transfer of the credit risk of an asset portfolio risk is achieved by the use of credit derivatives or guarantees (mainly Credit Default Swaps (CDS) or Financial Guarantees). An institution which implements a synthetic securitisation, may elect to structure the transaction either with the use of an SSPE or not. In the first case, the SSPE issues a Note only for the protected portion of the securitised pool which is purchased by investors and then the institution and the SSPE conclude a credit derivative or financial guarantee agreement. In the second case, the institution issues directly the Note equivalent to the protected portion of the securitised pool and enters into a credit derivative or financial guarantee with the investor.

The Bank, as an originator institution, has completed three synthetic securitisations which are comprised of performing corporate/SME exposures (Aurora, Blue and Tokyo) as well as another one based on performing shipping exposures (Project Compass). Bank retains at least 5% of each of the securitised exposures in compliance with the retention rule laid down by the supervisory regulations.

Aurora, Compass and Blue securitisation transactions achieve Significant Risk Transfer (SRT), as well as Simple, Transparent and Standardised (STS) designation, which enhances risk-weighted exposure amounts relief. With respect to the transactions’ structure, the Bank has entered into a Financial Guarantee for the protection of the Mezzanine Tranche with an SSPE (Protection Seller). In turn, the SSPEs have issued an equivalent Credit Linked Note purchased by the investors.

The Bank applies the SEC-SA method to calculate the capital requirements for synthetic securitisations. In accordance with article 247 of Regulation (EU) 2401/2017 and given that the relevant SRT requirements are fulfilled, Bank can exclude the underlying exposures from its calculation of risk-weighted exposure amounts and calculate the risk-weighted exposure amounts for the positions it holds in the securitisation. Specifically, the Bank uses the SEC-SA method for the calculation of risk-weighted exposure amounts according to articles 261 and 262 of Regulation (EU) 2401/2017 for the transactions that are designated as STS (Aurora, Compass, Blue). Any losses initially realized in the portfolio of securitised loans, will be covered by the Junior Tranches, and retained SES (applicable only in Aurora). The Junior tranches as well as Aurora's SES are deducted from CET I Capital as the alternative provided by Regulation (EU) 575/2013 Art. 36.1 (k).

Tokyo securitisation transaction achieves Significant Risk Transfer (SRT) which enhances risk-weighted exposure amounts relief. Tokyo securitisation consists of the Bank entering into a Financial Guarantee agreement with the Guarantor (EIF/EIB), through which any credit losses that pertain to the First Loss Tranche (c. EUR 35.1 mn as of 31.12.2023) of the portfolio will be covered. The Guarantee is issued directly by the EIF/EIB and there is no SPV involved. Moreover, as the Guarantor in Tokyo is a Supranational, there is no requirement for the Guaranteed Amount to be collateralized.

As the Financial Guarantee in Tokyo guarantees the losses that refer to the First Loss Tranche, this means that losses in the portfolio are covered from the first EUR up until the entire commitment amount is consumed. Based on Regulation (EU) 2401/2017, the Bank applies the SEC-SA method to calculate the capital requirements for synthetic securitisations. In accordance with article 247 of Regulation (EU) 2017/2041 and given that relevant SRT requirements are fulfilled, Bank can exclude the underlying exposures from its calculation of risk-weighted exposure amounts and calculate the risk-weighted exposure amounts for the positions it holds in the securitisation. Specifically, the Bank uses the SEC-SA method for the calculation of risk-weighted exposure amounts according to articles 261 of Regulation (EU) 2401/2017.

The template EU SEC1 below presents the total non-trading book securitization exposure split by exposure type that is securitized as either originator or sponsor and finally positions which have been purchased through investment activities as investor.

**Template 33a: EU-SEC1 - Securitisation exposures in the non-trading book as of 31.12.2023**

(Amounts in millions of Euro)

	a	b	c		d	e		f	g	h		i	j	k	l		m	n	o
	Institution acts as originator							Institution acts as sponsor				Institution acts as investor							
	Traditional			Synthetic		Sub-total		Traditional		Synthetic	Sub-total	Traditional			Synthetic	Sub-total			
	STS		Non-STS		of which SRT		STS	Non-STS	STS			Non-STS	STS	Non-STS					
	of which SRT		of which SRT																
1	Total exposures	-	-	5,351	2	4,405	4,405	9,756	-	-	-	-	-	-	-	476	-	476	
2	Retail (total)	-	-	4,376	1	-	-	4,376	-	-	-	-	-	-	-	11	-	11	
3	residential mortgage	-	-	3,682	1	-	-	3,682	-	-	-	-	-	-	-	11	-	11	
4	credit card	-	-	693	-	-	-	693	-	-	-	-	-	-	-	-	-	-	
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Wholesale (total)	-	-	976	1	4,405	4,405	5,381	-	-	-	-	-	-	-	466	-	466	
8	loans to corporates	-	-	501	1	4,405	4,405	4,906	-	-	-	-	-	-	-	466	-	466	
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	lease and receivables	-	-	475	-	-	-	475	-	-	-	-	-	-	-	-	-	-	
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

**Template 33b: EU-SEC1 - Securitisation exposures in the non-trading book as of 30.06.2023**

(Amounts in millions of Euro)

	a	b	c		d	e		f	g		h		i		j	k		l		m		n	o	
	Institution acts as originator								Institution acts as sponsor				Institution acts as investor											
	Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional			Synthetic	Sub-total								
	STS		Non-STS		of which SRT	STS		Non-STS	STS			Non-STS	STS	Non-STS			Synthetic							
of which SRT		of which SRT																						
1	<b>Total exposures</b>	-	-	5,978	2	3,439	3,439	9,417	-	-	-	-	-	-	-	-	331	-	-	331				
2	Retail (total)	-	-	4,969	2	-	-	4,969	-	-	-	-	-	-	-	-	10	-	-	10				
3	residential mortgage	-	-	4,273	2	-	-	4,273	-	-	-	-	-	-	-	-	10	-	-	10				
4	credit card	-	-	695	-	-	-	695	-	-	-	-	-	-	-	-	-	-	-	-				
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
7	Wholesale (total)	-	-	1,010	1	3,439	3,439	4,448	-	-	-	-	-	-	-	-	321	-	-	321				
8	loans to corporates	-	-	501	1	3,439	3,439	3,939	-	-	-	-	-	-	-	-	321	-	-	321				
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
10	lease and receivables	-	-	475	-	-	-	475	-	-	-	-	-	-	-	-	-	-	-	-				
11	other wholesale	-	-	34	-	-	-	34	-	-	-	-	-	-	-	-	-	-	-	-				
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				

Templates EU-SEC3 and EU-SEC4 include information on securitisation exposures in the non- trading book only with significant risk transfer

**Template 34a: EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor as of 31.12.2023**

(Amounts in millions of Euro)

		a	b	c	d	e	f				g				h				i	j				k				l				m				n				o				EU-p	EU-q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap																														
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC- IRB A	SEC-ERBA (including IAA)	SEC- SA	1250%/ deductions	SEC- IRB A	SEC-ERBA (including IAA)	SEC- SA	1250%/ deductions	SEC- IRB A	SEC-ERBA (including IAA)	SEC- SA	1250%/ deductions	SEC- IRB A	SEC-ERBA (including IAA)	SEC- SA	1250% RW/ deductions	SEC- IRB A	SEC-ERBA (including IAA)	SEC- SA	1250% RW/ deductions	SEC- IRB A	SEC-ERBA (including IAA)	SEC- SA	1250% RW/ deductions	SEC- IRB A	SEC-ERBA (including IAA)	SEC- SA	1250% RW/ deductions	SEC- IRB A	SEC-ERBA (including IAA)	SEC- SA	1250% RW/ deductions							
<b>1</b>	<b>Total exposures</b>	<b>4,329</b>	-	-	<b>5</b>	<b>73</b>	-	-	<b>4,407</b>	-	-	-	<b>517</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
2	Traditional transactions	-	-	-	2	-	-	-	2	-	-	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
3	Securitisation	-	-	-	2	-	-	-	2	-	-	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
4	Retail underlying	-	-	-	1	-	-	-	1	-	-	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
5	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
6	Wholesale	-	-	-	1	-	-	-	1	-	-	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
9	Synthetic transactions	4,329	-	-	3	73	-	-	4,405	-	-	-	498	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
10	Securitisation	4,329	-	-	3	73	-	-	4,405	-	-	-	498	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
12	Wholesale	4,329	-	-	3	73	-	-	4,405	-	-	-	498	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						



**Template 34b: EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor as of 30.6.2023**

(Amounts in millions of Euro)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q	
	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap				
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/deductions	
1	<b>Total exposures</b>	3,382	-	-	5	55	-	-	3,441	-	-	-	406	-	-	-	32	-
2	Traditional transactions	-	-	-	2	-	-	-	2	-	-	-	21	-	-	-	2	-
3	Securitisation	-	-	-	2	-	-	-	2	-	-	-	21	-	-	-	2	-
4	Retail underlying	-	-	-	2	-	-	-	2	-	-	-	18	-	-	-	1	-
5	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	1	-	-	-	1	-	-	-	3	-	-	-	0	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic transactions	3,382	-	-	2	55	-	-	3,439	-	-	-	384	-	-	-	31	-
10	Securitisation	3,382	-	-	2	55	-	-	3,439	-	-	-	384	-	-	-	31	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	3,382	-	-	2	55	-	-	3,439	-	-	-	384	-	-	-	31	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Template 35a: EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor as of 31.12.2023**

(Amounts in millions of Euro)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	
	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap				
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions	
<b>1</b>	<b>Total exposures</b>					<b>466</b>	<b>0.5</b>	<b>10</b>	<b>-</b>	<b>476</b>	<b>209</b>				<b>17</b>			
2	Traditional securitisation					466	0.5	10	-	476	209				17			
3	Securitisation					466	0.5	10	-	476	209				17			
4	Retail underlying					-	0.5	10	-	11	116				9			
5	Of which STS					-	-	-	-	-	-				-			
6	Wholesale					466	-	-	-	466	93				7			
7	Of which STS					-	-	-	-	-	-				-			
8	Re-securitisation					-	-	-	-	-	-				-			
9	Synthetic securitisation					-	-	-	-	-	-				-			
10	Securitisation					-	-	-	-	-	-				-			
11	Retail underlying					-	-	-	-	-	-				-			
12	Wholesale					-	-	-	-	-	-				-			
13	Re-securitisation					-	-	-	-	-	-				-			

### Template 35b: EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor as of 30.6.2023

(Amounts in millions of Euro)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions
<b>1</b>	<b>Total exposures</b>	<b>321</b>	<b>0.5</b>	<b>-</b>	<b>9</b>		<b>331</b>				<b>181</b>				<b>14</b>		
2	Traditional securitisation	321	0.5	-	9		331				181				14		
3	Securitisation	321	0.5	-	9		331				181				14		
4	Retail underlying	-	0.5	-	9		10				117				9		
5	Of which STS	-	-	-	-		-				-				-		
6	Wholesale	321	-	-	-		321				64				5		
7	Of which STS	-	-	-	-		-				-				-		
8	Re-securitisation	-	-	-	-		-				-				-		
9	Synthetic securitisation	-	-	-	-		-				-				-		
10	Securitisation	-	-	-	-		-				-				-		
11	Retail underlying	-	-	-	-		-				-				-		
12	Wholesale	-	-	-	-		-				-				-		
13	Re-securitisation	-	-	-	-		-				-				-		

Templates EU-SEC5 reflect the exposures in default and credit risk adjustments made during the period

### Template 36a: EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments 31.12.2023

(Amounts in millions of Euro)

		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount	Of which exposures in default	Total amount of specific credit risk adjustments made during the period
1	<b>Total exposures</b>	<b>23,891</b>	<b>13,889</b>	<b>387</b>
2	Retail (total)	14,980	10,904	270
3	residential mortgage	14,287	10,894	268
4	credit card	693	10	2
5	other retail exposures	-	-	-
6	re-securitisation	-	-	-
7	Wholesale (total)	8,911	2,985	116
8	loans to corporates	8,436	2,973	116
9	commercial mortgage	-	-	-
10	lease and receivables	475	12	0
11	other wholesale	-	-	-
12	re-securitisation	-	-	-

### Template 36b: EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments 30.6.2023

(Amounts in millions of Euro)

		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount	Of which exposures in default	Total amount of specific credit risk adjustments made during the period
1	<b>Total exposures</b>	<b>23,373</b>	<b>14,545</b>	<b>113</b>
2	Retail (total)	15,524	11,668	153
3	residential mortgage	14,829	11,662	157
4	credit card	695	5	(4)
5	other retail exposures	-	-	-
6	re-securitisation	-	-	-
7	Wholesale (total)	7,849	2,878	(40)
8	loans to corporates	7,340	2,870	(40)
9	commercial mortgage	-	-	-
10	lease and receivables	475	8	(0)
11	other wholesale	34	-	-
12	re-securitisation	-	-	-

## 10 Market Risk

### 10.1 Market Risk Management Framework

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.

The Group Risk Management Committee is responsible for supporting and supervising the Market Risk management framework and ensuring the application of all the necessary measures to identify, estimate, monitor and control this type of risk. - Group ALCO is responsible for approving Market Risk guidelines, strategy and market risk organizational structure. Group ALCO is also responsible for overseeing the Market Risk management strategy, policy and procedures, and ensuring the appropriate communication or forwarding of market risk management issues.

Market Risk is controlled through the establishment and implementation of a well-structured set of limits, according to the Group Market Risk Appetite while satisfying the relevant customer needs.

Alpha Bank calculates Value at Risk (VaR) for internal risk management purposes since 1999. In 2008, the Bank of Greece validated the Bank's internal model for VaR and approved its application for the calculation of capital requirements for general market risk on a solo level in accordance to the Bank of Greece Governor's Acts 2577/2006 and 2591/2007. From the end of 2011 and in accordance to the Bank of Greece Governor's Act 2646/093093.2011, the Bank became compliant with Basel 2.5 and Stressed VaR was estimated together with VaR for the calculation of capital. After the acquisition of Emporiki Bank in 2013, and following the approval of the Bank of Greece, Alpha Bank applied the internal model on a consolidated basis for the combined trading books for general market risk.

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. Market and position data are updated on a daily basis. The model uses a mixed approach when applying variations in market rates and prices. For Interest rate and credit spread market risk factors absolute change is performed, while relative changes are used for FX, volatility and equity. The VaR methodology used is the same both for regulatory VaR and internal risk management VaR, with the only difference being that credit spread risk is not addressed for regulatory purposes.

## 10.2 IMA approach for market risk

For the purpose of the calculation of the own fund requirements for the general market risk according to Article 365 the Capital Requirements Regulation (CRR) ((EU) No 575/2013), institutions are expected to calculate at least weekly a “stressed value at risk” of the current Trading book. Historical data is used from a continuous 12-month period of financial stress relevant to the Bank’s portfolio. The Stressed Period is reviewed at least annually and the authorities are notified of any changes accordingly. 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.

The stress period, after the recent review, remains unchanged (26/09/2012 – 25/09/2013). The selection of the stress period is based on the assessment of the most volatile period in recent history.

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.

The own fund requirements under the IMA at 31.12.2023 are displayed in the following table:

### Template 37a: EU MR2-A - Market risk under the internal Model Approach (IMA) as of 31.12.2023

(Amounts in millions of Euro)

		a	b
		RWAs	Own funds requirements
<b>1</b>	<b>VaR</b> (higher of values a and b)	96	8
(a)	Previous day’s VaR (VaRt-1)		3
(b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		8
<b>2</b>	<b>SVaR</b> (higher of values a and b)	164	13
(a)	Latest available SVaR (SVaRt-1)		5
(b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		13
<b>3</b>	<b>IRC</b> (higher of values a and b)		
(a)	Most recent IRC measure		
(b)	12 weeks average IRC measure		
<b>4</b>	<b>Comprehensive risk measure</b> (higher of values a, b and c)		
(a)	Most recent risk measure of comprehensive risk measure		
(b)	12 weeks average of comprehensive risk measure		
(c)	Comprehensive risk measure Floor		
<b>5</b>	Other		
<b>6</b>	<b>Total</b>	260	21

**Template 37b: EU MR2-A - Market risk under the internal Model Approach (IMA) as of 30.06.2023**

(Amounts in millions of Euro)

		a	b
		RWAs	Own funds requirements
<b>1</b>	<b>VaR</b> (higher of values a and b)	89	7
(a)	Previous day's VaR (VaRt-1)		2
(b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		7
<b>2</b>	<b>SVaR</b> (higher of values a and b)	146	12
(a)	Latest available SVaR (SVaRt-1)		3
(b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		12
<b>3</b>	<b>IRC</b> (higher of values a and b)		
(a)	Most recent IRC measure		
(b)	12 weeks average IRC measure		
<b>4</b>	<b>Comprehensive risk measure</b> (higher of values a, b and c)		
(a)	Most recent risk measure of comprehensive risk measure		
(b)	12 weeks average of comprehensive risk measure		
(c)	Comprehensive risk measure Floor		
<b>5</b>	Other		
<b>6</b>	<b>Total</b>	<b>235</b>	<b>19</b>

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

**Template 38a: EU MR2-B - RWA flow statements of market risk exposures under the IMA as of 31.12.2023**

(Amounts in millions of Euro)

	a	b	c	d	e	f	g
	VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total own funds requirements
<b>1</b>	<b>RWAs at previous period end</b>	100	143	-	-	243	19
1a	Regulatory adjustment <sup>(1)</sup>	77	104	-	-	181	14
1b	RWAs at the previous quarter-end (end of the day)	23	39	-	-	62	5
2	Movement in risk levels	12	20	-	-	32	3
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)	35	59	-	-	94	8
8b	Regulatory adjustment <sup>(1)</sup>	61	105	-	-	166	13
<b>8</b>	<b>RWAs at the end of the disclosure period</b>	<b>96</b>	<b>164</b>	<b>-</b>	<b>-</b>	<b>260</b>	<b>21</b>

**Template 38b: EU MR2-B - RWA flow statements of market risk exposures under the IMA as of 30.09.2023**

(Amounts in millions of Euro)

	a	b	c	d	e	f	g
	VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total own funds requirements
<b>1</b>	<b>RWAs at previous period end</b>						
	89	146	-	-	-	235	19
1a	<i>Regulatory adjustment <sup>(1)</sup></i>						
	64	113	-	-	-	177	14
1b	<i>RWAs at the previous quarter-end (end of the day)</i>						
	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	<i>RWAs at the end of the disclosure period (end of the day)</i>						
	23	39	-	-	-	62	5
8b	<i>Regulatory adjustment <sup>(1)</sup></i>						
	77	104	-	-	-	181	14
<b>8</b>	<b>RWAs at the end of the disclosure period</b>						
	100	143	-	-	-	243	19

<sup>(1)</sup> 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.

In order to investigate any extreme market situations, market risk stress tests are performed on the banking and trading book portfolios. Stress Tests are performed by creating scenarios ('what if' hypothesis) to estimate the losses that may occur on the positions from potential unfavorable substantial movements/shocks in the market and in order to identify potential concentration risk within the portfolios.

Stress Tests may be carried out at any time on any position; however, they are carried out on a regular basis at the end of every month on the banking and trading book portfolios as well as in the context of ICAAP and the results are reported to the Risk Management Committee and ALCO.

Typical stress scenarios consider the following changes in risk factors:

**Interest rates:**

+/-200bp (up/down) parallel movement

+50bp (0 to 1 year); +150bp (1 to 5 years); + 300bp (5-10 years); (up – steepening)

-0bp (0 to 1 year); -100bp (1 to 5 years); -200bp (5-10 years); (down – flattening)

**FX rates:**

+/- 30% against EUR (worst case - depending on the overall position of the portfolio)

**Prices** (e.g. equities and indices):

+/-30% (depending on the portfolio position)

**Volatilities:**

-/+ 50% (depending on the portfolio position)

VaR and SVaR values as estimated during 2023 for the Bank trading portfolio, including the FX position due to participations, are given in the following table:

**Template 39a: EU MR3 - IMA values for trading portfolios as of 31.12.2023**

(Amounts in millions of Euro)

		a
		31.12.2023
<b>VaR (10 day 99%)</b>		
1	Maximum value	4
2	Average value	2
3	Minimum value	1
4	Period end	3
<b>SVaR (10 day 99%)</b>		
5	Maximum value	6
6	Average value	4
7	Minimum value	3
8	Period end	5
<b>IRC (99.9%)</b>		
9	Maximum value	-
10	Average value	-
11	Minimum value	-
12	Period end	-
<b>Comprehensive risk measure (99.9%)</b>		
13	Maximum value	-
14	Average value	-
15	Minimum value	-
16	Period end	-

**Template 39b: EU MR3 - IMA values for trading portfolios as of 30.6.2023**

(Amounts in millions of Euro)

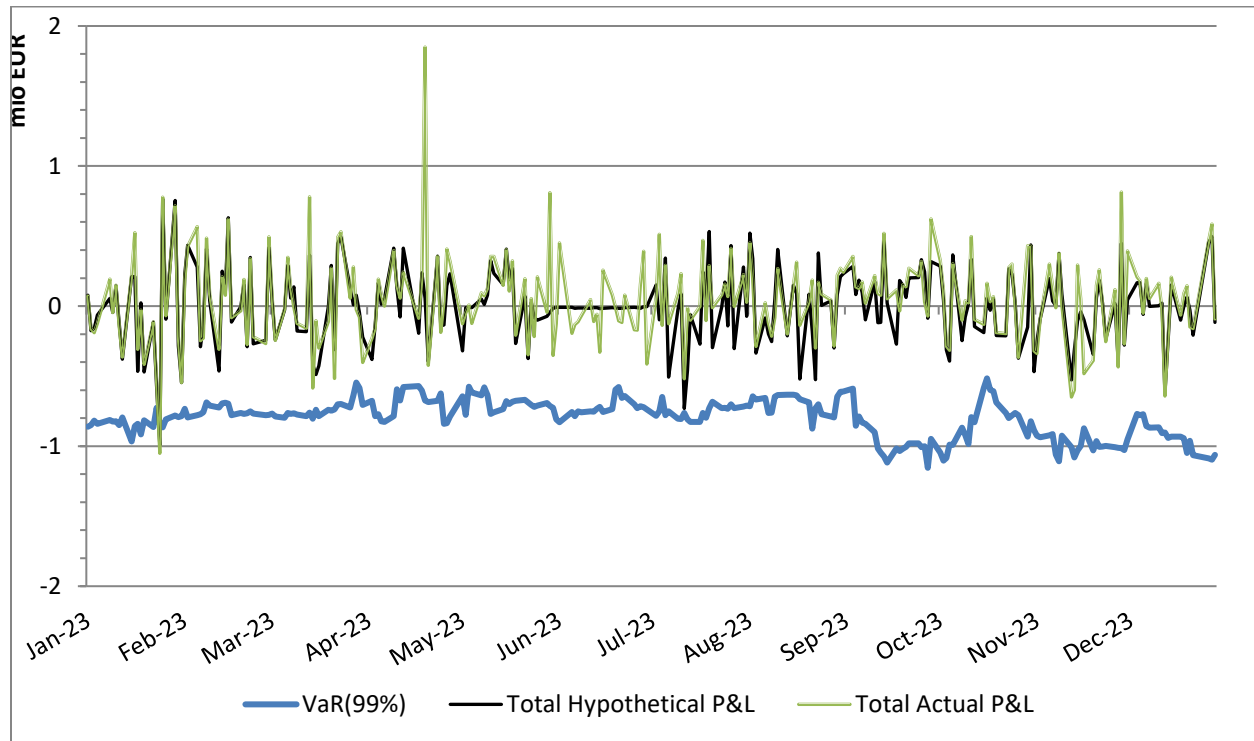
		a
		30.6.2023
<b>VaR (10 day 99%)</b>		
1	Maximum value	3
2	Average value	2
3	Minimum value	1
4	Period end	2
<b>SVaR (10 day 99%)</b>		
5	Maximum value	6
6	Average value	4
7	Minimum value	3
8	Period end	3
<b>IRC (99.9%)</b>		
9	Maximum value	-
10	Average value	-
11	Minimum value	-
12	Period end	-
<b>Comprehensive risk measure (99.9%)</b>		
13	Maximum value	-
14	Average value	-
15	Minimum value	-
16	Period end	-

Additionally, VaR model validation (back testing) is performed on a daily basis. Both actual and hypothetical back testing is conducted in order to comply with the regulatory requirements. In terms of the hypothetical back testing process the daily VaR at a 99% confidence level is compared to the buy-and-hold profit and loss, i.e. the profit and loss impact if the trading portfolio is held constant at the end of the day and re-priced the following day considering the daily change in the underlying risk factors, excluding realized trading revenue, net interest, fees and commissions. Moreover, actual back testing is performed by comparing the daily VaR at 99% confidence interval with the actual daily profit/loss of the Bank's trading portfolio excluding net interest, fees and commissions. In both tests, based on a 99% confidence level of the VaR model, the losses would be expected to exceed the VaR of the portfolio two to three days in any one year. Periods of unstable market conditions could increase the number of back testing exceptions.

A comparison between the results of estimates from the regulatory VaR model with both hypothetical and actual trading outcomes is presented in the following graph:

## Template 40 : EU MR4 - Comparison of VaR estimates with gains/losses

(Amounts in millions of Euro)



Alpha Bank Group is in compliance with Bank of Greece requirements regarding the systems and controls through which the requirement for the provision of accurate and reliable valuation results is satisfied with, as described in Appendix VII of Directive 2591/20.8.2007.

During 2023 -one overshooting was observed on both actual and hypothetical Backtesting and the Competent Authorities were notified accordingly.

### 10.3 Standardized approach for market risk

Capital charges for specific risk on a solo basis are calculated with the Standardized approach. Alpha Bank Group uses also the Standardized approach for the measurement of market risk exposure and capital requirements for all its subsidiaries.

The following table summarizes the capital requirements for market risk per risk factor based on Standardized approach:

**Template 41a: EU MR1 - Market risk under the standardised approach as of 31.12.2023**

(Amounts in millions of Euro)

		a
		RWEAs
	<b>Outright products</b>	
1	Interest rate risk (general and specific)	1
2	Equity risk (general and specific)	32
3	Foreign exchange risk	8
4	Commodity risk	-
	<b>Options</b>	
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	<b>Total</b>	<b>41</b>

**Template 41b: EU MR1 - Market risk under the standardised approach as of 30.6.2023**

(Amounts in millions of Euro)

		a
		RWEAs
	<b>Outright products</b>	
1	Interest rate risk (general and specific)	0
2	Equity risk (general and specific)	25
3	Foreign exchange risk	9
4	Commodity risk	-
	<b>Options</b>	
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	<b>Total</b>	<b>35</b>

## 11 Operational Risk

### 11.1 Definition and objectives

The Group acknowledges the need for managing the non-financial risks that stem from its business activities, as well as the need for holding adequate capital, in order to absorb potential losses related with this type of risk.

According to the Group's Policy which is based on both industry practices and regulatory requirements, Non-Financial Risk is defined as the risk of financial or qualitative effects resulting from inadequate or failed internal processes, IT systems, people (intentionally or unintentionally) and external events. The Group acknowledges that there are certain operational risk sub-categories which due to their nature and relevance are considered an integral part of operational risk management. Such operational risk sub-categories are the following:

1. Legal Risk
2. Information and Communication Technology (ICT) Risk
3. Fraud Risk
4. Conduct Risk
5. Model Risk
6. Compliance Risk
7. Outsourcing Risk
8. Reputational Risk

The calculation of capital requirements for operational risk is performed in accordance with the Standardized Approach of the Capital Requirements Regulation 575/2013. Specifically, the Group's gross operating income for 2021, 2022 and 2023 is split into the eight Basel Business Lines.

The Gross Income for operational risk capital requirements is defined as the sum of the following elements:

- Interest receivable and similar income (used as one of the components for the calculation of Net Interest Income)
- Interest payable and similar charges (used as one of the components for the calculation of Net Interest Income)
- Income from shares and other variable or fixed yield securities (used as one of the components for the calculation of Net Interest Income)
- Commissions/ Fees receivable
- Commissions/ Fees payable
- Net profit or loss on financial operations
- Other operating income

It is noted that the first three bullets listed above represent the main inputs towards the calculation of Net Interest Income (NII) which is one of the main profit drivers related to core banking activities.

Therefore, the Gross Income definition is as follows:

*Gross Income = NII + Net Commissions + Net profit or loss on financial operations + Other operating income.*

The capital requirements for non-financial risk are the average, over the three years mentioned above, of the risk-weighted gross income. According to Regulation (EU) No 575/2013, the risk weighted gross income is calculated each year across the eight (8) business lines by using specific beta factors.

In particular, the respective capital charges on a Group basis as at 31.12.2023 are presented in the following table:

### Template 42a: EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts as of 31.12.2023

(Amounts in millions of Euro)

Banking activities		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk weighted exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	0	0	0	0	0
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	1,715	1,913	2,147	267	3,339
3	<u>Subject to TSA:</u>	1,715	1,913	2,147		
4	<u>Subject to ASA:</u>	0	0	0		
5	Banking activities subject to advanced measurement approaches AMA	0	0	0	0	0

### Template 42b: EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts as of 31.12.2022

(Amounts in millions of Euro)

Banking activities		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk weighted exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	0	0	0	0	0
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	1,855	1,715	1,914	250	3,127
3	<u>Subject to TSA:</u>	1,855	1,715	1,914		
4	<u>Subject to ASA:</u>	0	0	0		
5	Banking activities subject to advanced measurement approaches AMA	0	0	0	0	0

## 11.2 Operational Risk Framework

The Group complies with the qualitative criteria required for this approach. Within this context and in order to achieve effective non-financial risk management, the Group has adopted and implemented its Non-Financial Risk Framework which focuses on the following areas:

- Operational Risk Events: management of operational risk events occurring across the Group
- Risk Assessments and Scenario Analysis: various operational risk assessments are performed (e.g. Risk & Control Self-Assessment, Outsourcing Risk Assessment) and Scenarios are developed to proactively identify and mitigate potential operational risk exposures.
- Indicators: Key Risk Indicators have been developed to Group Entities (both at RAF and operational level) to monitor the operational risk exposures
- Mitigating Actions: Corrective actions are developed and monitored to mitigate the operational risk exposures
- Risk Transfer: The partial transfer of certain types of Operational Risk through the purchase and activation of certain Insurance Policies, i.e., Bankers Blanket Bond, Civil Liability, Directors and Officers Liability, Cyber Crime Bond
- Reporting: Internal and regulatory reports are generated and disseminated to various stakeholders across the Group
- Capital Requirements: calculation of capital requirements for operational risk (under Pillar I and II).

The Framework is reviewed on a regular basis and updated when deemed necessary in order to continuously enhance it. It is supported by an appropriate organizational structure with clear roles and responsibilities under the core assumption that the prime responsibility for non-financial risk management remains with the operational units throughout the Group. The non-financial risk organizational structure complies with all regulatory requirements and is aligned with the Group's risk culture. This structure includes three lines of defense and interaction with corporate governance, ensuring the coverage of all non-financial risks and the involvement of the Group's senior management in managing them. The roles and responsibilities of the relevant Group's Committees and Units that are in place in order to ensure the proper implementation of the non-financial risk framework are as follows:

- Non-Financial Risk and Internal Control Committee, which is delegated by the Risk Management Committee to supervise non-financial risk management activities. Similar Committees are also established in the Group's Companies.
- Group Non-Financial Risk Unit and Non-Financial Risk Units at Group Companies. The Group Non-Financial Risk Unit develops the appropriate tools, processes, procedures and techniques relevant to non-financial risk management, monitors the implementation of appropriate action plans for its mitigation at Group level and submits reports to the relevant Committees and Senior Management of the Group. The Group Companies' Non-Financial Risk Units implement the non-financial risk framework at the Company and local level and ensure its compliance with the national laws and regulations. In addition to the above, the Risk Units of the Banking Entities have the responsibility to co-ordinate and support the implementation of the non-financial risk framework by the other Group Companies within their jurisdiction, in accordance with the guidelines provided by the Group Non-Financial Risk Unit.



- Bank Business Areas and Group Company Units, which manage their non-financial risks and are responsible for the implementation of the Non-Financial Risk Framework. In addition to their own non-financial risks, some Units may be delegated to manage or have an oversight role in specific areas of operational risk (e.g. Compliance, Cybersecurity and Information Security Units, Physical Security Units, and Business Continuity Plan Units). All Units appoint a Non-Financial Risk Partner (NFRP). The NFRP is a Business Area senior/experienced employee who is the liaison between their Business Area and the Non-Financial Risks Control Business Area. They actively participate in the effective implementation of the Non-Financial Risks Management framework. They are appointed by the Chief who supervises the Unit and is mainly responsible for:
  - Ensuring timely recognition and announcement of loss events
  - Drafting of proposals for the management of loss events for their presentation to the relevant Committees
  - Performing a root-cause analysis of loss events
  - Leading the annual RCSA process
  - Proposing extreme scenarios (if applicable)
  - Proposing and monitoring KRIs
  - Proposing corrective actions where needed and monitoring their implementation
  - Monitoring the remediation of various Findings
  - Monitoring of controls effectiveness by performing relevant validation/testing
  - Increasing non-financial risk awareness within their Business Area
  - Cooperating with the Non-Financial Risk concerning the effective management of non-financial risks in their Business Area.
- Internal Audit, which provides an independent review of the integrity, appropriateness and effectiveness of the overall risk management process. In addition, it provides assurance that the internal controls and non-financial risk mitigation practices implemented by the Business Areas are sufficient and appropriate for the type and complexity of risk-taking activities.

Additionally, the Group's Non-Financial Risk Management Framework adheres to the following principles:

- **Applicability:** It is applied to all levels within the Group. Certain modifications may be required at country level in compliance with the local regulatory environment.
- **Accountability:** The Bank and Group Company Business Areas are responsible for managing their non-financial risk in line with the Non-Financial Risk Management Framework. To this extent, they are the owners of the non-financial risks associated with their activities and they are supported by the Non-Financial Risk Business Units in the identification, assessment, monitoring and mitigation of their risks.
- **Compliance:** The Group Non-Financial Risk Business Area ensures that the Group adheres to the regulatory requirements set by the Group's Regulators. The Non-Financial Risk Business Areas of the Group Companies ensure compliance with the regulatory requirements applicable in their jurisdiction.
- **Transparency and Information Dissemination:** Non-Financial Risk Management is an integral part of the Group's activities. Identification and management of non-financial risk are performed so as to maintain a constant flow of information and enhance the decision-making process. Transparency and information dissemination is supported by appropriate tools so that the relevant Non-Financial Risk Business Areas can generate and provide adequate reports.

- Risk Mitigation and Transfer: The Group's primary defenses against non-financial risk are its policies, procedures and internal controls. The Group provides its employees with training on non-financial risk issues, in order to increase their awareness and understanding of non-financial risks. In addition, insurance policies are used for the partial transfer of certain types of non-financial risk.

### 11.3 Operational risk measurement and assessment

The Group has implemented an internal methodology based on the Advanced Measurement Approach (AMA) for Non-Financial Risk Management as well as for Pillar II purposes. This entailed the development of a robust internal calculation model as well as the enhancement of existing policies, procedures and systems for non-financial risk management through specific Initiatives.

#### **Recent Developments and New Initiatives**

The following initiatives have been completed during 2023:

- Reputational Risk: The Reputational Risk Policy was developed and issued. The Policy defines the governance structure and the risk management practices adopted by the Group for effectively managing its Reputational Risk exposure.

The Group will continue its initiatives towards the reinforcement of its Risk Management Framework in 2024, the main objectives of which are as follows:

- Non-Financial Risks Management - New Target Operating Model: The Group is in the process of introducing a new Operating Model regarding non-financial risks management. The new Operating Model aims to further strengthen the existing governance structure, to promote further risk control culture and awareness as well as to increase the effectiveness of the operational risk management procedures. The new Operating Model introduces the role of Non-Financial Risk Partner across the Business Areas, who will have an enhanced role in managing the non-financial risks within his/ her Business Area. The expected benefits of the new model are the following: minimize of non-financial risks losses, proactive risk management, effective control performance, enhanced risk culture, facilitation of decision making.
- Enhancements on the Internal Control Framework

## 12 Equity exposures not included in the trading book

Alpha Bank Group equity exposures that are not included in the trading book are equity exposures measured either at fair value through profit or loss or at fair value through other comprehensive income.

### Equity exposures measured at fair value through profit or loss

This category is measured at fair value. Changes in fair value are recognized directly in profit or loss.

### Equity exposures measured at fair value through other comprehensive income

In this category are classified equity instruments that are neither held for trading nor contingent consideration recognised by an acquirer in a business combination and that Group decides, at initial recognition, to measure at fair value through other comprehensive income. This decision is irrevocable. With the exception of dividends, which are directly recognized in profit or loss, all other gains and losses arising from those instruments are directly recognized in other comprehensive income and are not reclassified to profit or loss. For those equity instruments there is no impairment assessment

### Fair value measurement

The fair value of shares measured both at fair value through other comprehensive income and at fair value through profit or loss and which are quoted in active markets is determined on the basis of the quoted prices. For those not quoted in an active market, fair value is determined, where possible, using valuation techniques and taking into consideration the particular facts and circumstances of the shares' issuers.

### Template 43: Equity exposures not included in the trading book

(Amounts in millions of Euro)

	a	b
	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>Type</b>	<b>Book value</b>	<b>Book value</b>
Listed	92	13
Non-listed	72	66
<b>Total</b>	<b>164</b>	<b>79</b>

## 13 Interest Rate Risk in the Banking Book

### 13.1 Definition

The new EBA Guidelines on IRRBB which were released in October 2022, they were applied in December 2023. Generally, the Guidelines maintained continuity to the previous one, however, some new elements are introduced like prudent behavioral assumption on non-maturity deposits from non-financial counterparties.

The Guidelines also incorporate specific chapters to Credit spread risk from non-trading book activities (CSRBB) identification, assessment, and monitoring. CSRBB is the risk driven by changes of the market price for credit risk, for liquidity and for potentially other characteristics of credit-risky instruments, which is not captured by another existing prudential framework such as IRRBB or by expected credit/(jump-to-) default risk. CSRBB captures the risk of an instrument's changing spread while assuming the same level of creditworthiness, i.e. how the credit spread is moving within a certain rating/PD range.

In the context of the measurement of the impact of IRRBB and CSRBB under internal systems, interest income, interest expenses and market value changes should be considered. This ensures a comprehensive assessment of the impact of all interest rate and credit spread sensitive items. Furthermore, in this context, a five-year cap on weighted average repricing maturity is introduced now for certain retail and wholesale deposits without a specified maturity. This behavioral assumption targets prudent treatment of these deposits which prove to be a material item in the calculation of the impact of changes of interest rates.

According to the guidelines, IRRBB should be treated as an important risk and IRRBB exposure needs to be identified and managed since it affects both economic value and net interest income plus market value changes.

Moreover, CSRBB exposures should identify and ensure that are adequately assessed, monitored, and controlled both under economic value and net interest income measures plus market value changes.

IRRBB refers to the current or prospective risk to the Bank's capital and earnings arising from adverse movements in interest rates that affect the Bank's book positions. When interest rates change, the present value and timing of future cash flows change. This in turn changes the underlying value of the Bank's assets, liabilities and off-balance sheet items and hence its economic value of equity (EVE). Changes in interest rates also affect the Bank's earnings by altering interest rate – sensitive income and expenses, affecting its net interest income (NII).

The main components of IRRBB are the following:

- **Gap risk** arises from the term structure of banking book instruments and describes the risk arising from the timing of instruments' rate changes. Since rate may reset on different instruments at different tenors, the risk to the bank arises when the rate of interest paid on liabilities increases before the rate of interest received on assets or reduces on assets before interest rate paid on liabilities. Unless hedged, in terms of tenor and amount, the bank may be exposed to a period of reduced or negative interest margins or may experience changes in the relative economic values of assets and liabilities. The extent of gap risk also depends on whether changes to the term structure of interest rates occur consistently across the yield curve (parallel risk) or irregularly by period (non-parallel-risk)

- **Basis risk** describes the impact of relative changes in interest rates for financial instruments that have similar tenors but are priced using different interest rates indices (bases) . Basis risk arises from the imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar rate change characteristics.
- **Option risk** arises from option derivative positions or from optional elements embedded in the Bank's assets, liabilities and/or off-balance sheet items, where the Bank or the customer can alter the level and timing of the cash flows. Option risk can be further be characterized into automatic option risk and behavioral option risk:
  - **Automatic option risk** arising from over-the-counter option contracts or explicitly embedded within the contractual terms of a financial instruments (i.e. capped rate loan) and where the holder will almost exercise the option if it is in their interest to do so,
  - **Behavioral option risk** arising from flexibility embedded implicitly or within the terms of financial contracts, such that changes in interest rates may affect a change in the behavior of the client (i.e. rights of a borrower to prepay a loan, with or without a penalty, or the right of a depositor to withdraw their balance in search of higher yield).

## 13.2 Interest Rate Risk Framework

Alpha Group aims to maximize its profitability in line with its risk appetite and business objectives. Therefore, it recognizes the need to provide a sound framework for the identification, estimation, monitoring, controlling and reporting of interest rate and foreign exchange risks in the Banking Book, in a consistent manner across the Group. In 2016, Alpha Bank has been self-assessed as Level 3 bank in the classification set out by EBA on Interest Rate Risk in the Banking Book (IRRBB). Furthermore, currently Alpha Bank is in Category 1 under the SREP Guidelines in terms of level of sophistication in risk measures.

Interest rate risk management for the Banking Book is performed on a monthly basis and according to Asset and Liability Management Policies & Procedures which have been adopted at Group level.

Interest rate and Foreign Exchange risk management for the Banking Book is performed through effective and timely identification and the estimation of their effects on Alpha Group's earnings and economic value.

## 13.3 Interest Rate Risk Identification and Assessment

For interest rate risk assessment and monitoring the following estimation techniques in line with EBA guidelines are used:

- Static Gap analysis for each currency.
- Scenario analysis for each currency.

When performing Interest Rate Static Gap Analysis, Group assets and liabilities are allocated into time buckets according to their repricing date for variable interest rate instruments, or according to their maturity date for fixed rate instruments. Assets or Liabilities with no specific re-pricing schedule (such as revolving loans or savings and sight deposits), are allocated into time buckets according to a specific statistical model, as well as qualitative and quantitative business analysis. Alpha Group Interest Rate Gap Analysis results are presented in the table below:

#### Template 44a Interest Rate Gap Analysis as of 31.12.2023

(Amounts in millions of Euro)

	<1 Month	1 to 3 Months	3 to 6 months	6 to 12 months	1 to 5 Years	> 5 Years	Non-Interest bearing	Total
Assets	28,653	14,234	5,060	1,353	10,638	8,278	9,802	78,019
Liabilities	29,536	4,237	3,172	4,679	19,553	8,642	1,922	71,741
Equity	0	0	0	0	0	0	6,277	6,277
Total Liabilities and Equity	29,536	4,237	3,172	4,679	19,553	8,642	8,200	78,019
Gap	-884	9,997	1,888	-3,325	-8,915	-364	1,602	0
<b>Cumulative Gap</b>	-884	9,114	11,002	7,677	-1,238	-1,602	0	0

#### Template 44b Interest Rate Gap Analysis as of 31.12.2022

(Amounts in millions of Euro)

	<1 Month	1 to 3 Months	3 to 6 months	6 to 12 months	1 to 5 Years	> 5 Years	Non-Interest bearing	Total
Assets	26,981	10,914	3,913	1,696	10,778	8,614	10,459	73,356
Liabilities	12,856	4,573	3,020	3,623	31,929	8,834	2,442	67,276
Equity	0	0	0	0	0	0	6,080	6,080
Total Liabilities and Equity	12,856	4,573	3,020	3,623	31,929	8,834	8,521	73,356
Gap	14,126	6,342	893	-1,927	-21,151	-220	1,938	0
<b>Cumulative Gap</b>	14,126	20,467	21,360	19,433	-1,718	-1,938	0	0

## 13.4 Interest Rate Risk Statement

Market Risk Control and ALM Division are responsible for interest rate risk measurement. The main measure of Interest Rate risk is Interest Rate Risk Gap for each currency which represents the repricing schedule showing assets, liabilities and off balance sheet exposures by time band according to their maturity (for fixed rate instruments), or next reprice date (for adjustable/floating rate instruments).

The measures that the institution uses to gauge its sensitivity to IRRBB are calculated monthly. Specifically:

- Changes in expected earnings ( $\Delta$ NII):

The earnings-based measure used for IRRBB purposes is the change in Net Interest Income ( $\Delta$ NII), which is defined as the maximum reduction in NII plus also the effects of the market value changes of instruments under the regulatory & internal interest rate shocks used for IRRBB measurement purposes over a period of 1-year versus the base scenario.

- Changes in economic value of equity ( $\Delta$ EVE).

The economic value-based measure used for IRRBB purposes is the change in Economic Value of Equity ( $\Delta$ EVE), which is defined as the maximum decrease of the banking book's economic value under the regulatory & internal interest rate shocks used for IRRBB measurement purposes versus the base scenario. The change in economic value of equity ( $\Delta$ EVE) is defined as the change in fair value of assets caused by a change in interest rates, minus the change in fair Value of liabilities caused by the same change in interest rates.

- DV01 by time tenor

The DV01 specifies the sensitivity by time bucket of the banking book portfolio if the interest rate changes by 1 basis point (0.01%)

### Interest Rate Risk Stress Scenarios

The stress tests which are performed by Market Risk Control on a monthly basis cover both regulatory requirements and internal needs. The stress scenarios imply the parallel movement, the steepening as well as the flattening of the yield curve by either changing the short-term rates or the long-term rates or both. These scenarios are applied to IRRBB exposures in each currency for which the bank has material positions. Specifically, Market Risk Control performs six regulatory interest rate shocks for IRRBB measurement purposes according to EBA Guidelines (EBA/GL/2022/14):

- Parallel shock up (+200bps)
- Parallel shock down (-200bps)
- Steeper shock (short rates down and long rates up)
- Flattener shock (short rates up and long rates down)
- Short rates shock up
- Short rates shock down

Furthermore, Market Risk Control implements additional interest rate shocks for internal purposes:

- Parallel shock up (+25bps);
- Parallel shock down (-25bps);

- Parallel shock up (+50bps);
- Parallel shock down (-50bps);
- Parallel shock up (+100bps);
- Parallel shock down (-100bps);
- Long rates shock up
- Long rates shock down
- Parallel shock up (+200bp);
- Parallel shock down (-200bp);
- Short rates shock up;
- Short rates shock down;
- Steepener shock (short rates down and long rates up); and
- Flatten shock (short rates up and long rates down).

ALCo is responsible for approving and reviewing stress test scenarios for their appropriateness on an annual basis. Market Risk Control is in charge to calculate the impact of the stress scenarios on forecasted earnings as well as on economic value by incorporating assumptions relating to Alpha Group's business developments, customer behavior and future market developments.

### **13.5 Interest Rate Risk management and mitigation strategies**

The Bank is managing its IRRBB holistically taking into account short, medium and long-term considerations like macro and micro economic environment, forward looking balance sheet dynamics, capital, liquidity and regulatory requirements. Regarding hedging strategy, natural hedging within assets and liabilities are complemented with derivatives to achieve the optimal IRRBB structure given the Bank's Balance Sheet. Fair value and cash flow hedging strategies can be used with the aim to maintain an accounting geography symmetry. At times, economic hedges can also be deployed to optimally manage the Bank's IRRBB. All the above-mentioned hedging strategies are incorporated in Bank's Interest Rate Gaps and other relevant IRRBB reports in order to monitor their impact on the management of the IRRBB.

Assets Liabilities Management Committee, in the framework of its responsibilities, discusses, acknowledges and approves the strategies and the relevant proposed actions for the management and hedging of Financial Risks of the Bank, including Interest Rate Risk in the Banking Book (IRRBB).

ALCo deck incorporates an in-depth analysis of IRRBB, inclusive of monitoring tools and metrics. Calculated outcomes related to the Bank's EVE and NII under several stress scenarios in relation to specific limits, Interest Rate Gaps, hedging actions and current IRRBB profile of the Bank's balance sheet is presented on a monthly basis to ALCo members.

The Committee meets once a fortnight or extraordinarily upon request, closely monitoring market conditions and developments.

## 13.6 Interest Rate Risk Monitoring

Alpha Bank has adopted an adequate, timely and accurate information system in order to monitor and report risk in line with its policies and regulatory requirements.

Group ALM and countries' local Treasuries are responsible for managing Alpha Group's positions in compliance with any established limits and escalating any significant issues with respect to the Group's interest rate and foreign exchange positions to Group ALCO and local ALCOs respectively. In addition, Market Risk Control provides support and input to Group ALCO, regarding Alpha Group's balance sheet management issues.

Market Risk Control consolidate the information received from countries' local Risk Management Units and communicate a summary report to Group ALCO.

According to BIS standards concerning interest rate limits on banking book, Alpha Bank implements limits on consolidated basis in terms of both economic value and earnings.

## 13.7 Interest Rate Risk Key modelling and parametric assumptions

The Bank develops behavioral models for Non Contractual Assets and Liabilities taking into consideration Post Model Adjustments. The models are subject to validation by the independent validation unit of the Bank and are submitted for approval by ALCo. More specifically regarding Non-Maturity Deposits (NMDs), the Bank performs time series analysis to determine the behavioral/repricing of the NMDs under BAU. As a first step the Bank via its models distinguishes the stable and non-stable part of NMDs and estimates an amortization tenor. In a second step the stable subset of NMDs is further broken into a core and non-core component. To achieve this the Bank via its interest rate model estimates the rate sensitive part (i.e. pass through rate) distinguishing the core and non-core part of the stable subset.

As of 31.12.2023, the average repricing maturity of the total NMDs (including non-core) is c. 2.2 years and for the core part is c. 3.2 years. The NMDs longest repricing maturity is 7 years (average repricing maturity 3.5 years). The NMDs passthrough is on average at the level of 34%.

The magnitude of the optionality risk (loan prepayments and fixed term deposits early withdrawals) is considered immaterial for the Bank. The vast majority of the contracts in the Bank's loan book are floating rate loans which do not expose the Bank to a material IRRBB risk especially under the current raising interest rate environment. Moreover, the duration of time deposits is approximately 0,6y and this is the main driver of the immaterial impact of early withdrawals.

The Bank's product mix does not include material exposures in financial products with embedded optionality, apart from the embedded floors on loan products which are taken into consideration in IRRBB modeling.

### 13.8 Significance of the IRRBB measures and significant variations since previous disclosures

Changes of interest rates lead to changes in the present value (PV) and timing of future cash flows. The changes in PV and the timing of future cash flows lead to changes in the underlying value of the Bank's assets, liabilities and off-balance sheet items and hence its economic value. Changes in interest rates affect the Bank's earnings by altering interest rate-sensitive income and expenses, affecting the Bank's Net Interest Income (NII). Excessive exposure to IRRBB can pose a significant threat to the Bank's current capital base and/or future earnings, if not managed appropriately.

Furthermore, IRRBB remained within risk appetite framework limits. This also includes subsidiary level limits.

#### Template 45a: EU-IRRBB1 - Interest rate risks of non-trading book activities as of 31.12.2023

(Amounts in millions of Euro)

Supervisory scenarios		shock	a		b		c		d	
			Changes of the economic value of equity				Changes of the net interest income			
			Current period		Last period		Current period		Last period	
1	Parallel up	(341)	306	(10)	62					
2	Parallel down	212	(295)	(273)	(196)					
3	Steeper	(184)	(6)							
4	Flattener	80	59							
5	Short rates up	(48)	98							
6	Short rates down	(127)	(94)							

**Template 45b: EU-IRRBB1 - Interest rate risks of non-trading book activities as of 30.6.2023**

(Amounts in millions of Euro)

Supervisory scenarios	shock	a		b		c		d	
		Changes of the economic value of equity				Changes of the net interest income			
		Current period		Last period		Current period		Last period	
1	Parallel up	306		329		62		121	
2	Parallel down	(295)		(416)		(196)		(108)	
3	Steeper	(6)		(152)					
4	Flattener	59		118					
5	Short rates up	98		206					
6	Short rates down	(94)		(397)					

## 14 Liquidity Risk

### 14.1 Liquidity risk management strategies and processes

Alpha Bank's liquidity risk management principles are documented in the "Liquidity Risk Policy" which provides a reference document to guide the Bank's Units when implementing actions for liquidity risk management, measurement, and control. The individual roles and responsibilities within the Liquidity Risk Management Framework Governance have been laid out in ILAAP, designed to provide clarity and transparency across all involved stakeholders. Furthermore, ILAAP allows for liquidity planning taking into consideration the Group's risk appetite (RAF) and Business Plan. The ILAAP constitutes one of the pillars supporting the Group in the implementation of its overall business strategy and continuous operation under normal and adverse economic conditions. It aims to ensure that sufficient levels of liquidity are maintained on an ongoing basis by identifying the key liquidity and funding risks to which the Bank is exposed, by monitoring and measuring these risks, and by maintaining tools and resources to manage and mitigate these risks.

Furthermore, the Bank through its Funds Transfer Pricing methodology (FTP Policy Manual) allocates among Business Units the financial result associated with raising or using liquidity and applies a commercial policy on the sources of funding.

### 14.2 Liquidity risk management structure and organization

The Board of Directors (BOD) approves the liquidity risk strategy for the Bank through the ILAAP process and the Risk Capital Strategy (RCS) monitors the quantitative and qualitative aspects of liquidity risk, based on recommendations made by the Asset and Liability Committee (ALCO) and Risk Management Committee (RMC).

The liquidity managing functions are organized in alignment with the three lines of defense structure ". Asset Liability Management Division (ALM) and Treasury Division comprise the first line of defense responsible for executing the steps needed to manage the Bank's liquidity position and liquidity strategy.

The second line of defense consists of the risk management function and other relevant functions, independent from the first line of defense. They are responsible for measuring, monitoring, controlling and reporting the bank's risk-taking activities related to liquidity risk.

### **14.3 Centralized group liquidity management and individual legal entity Liquidity management**

Alpha Bank ensures at the level of the parent bank and of each subsidiary that all liquidity metrics are managed in compliance with the defined risk appetite and comply with the liquidity thresholds set by the regulators. Foreign subsidiaries address their liquidity needs in their local currencies by accessing local Central Bank facilities or interbank market. Nevertheless, the parent company remains the main liquidity provider in cases of liquidity restraint, while a frequent monitoring of the subsidiaries' liquidity position is applicable through relevant suitable reporting and communication, both on a regular and ad hoc basis.

### **14.4 Scope and nature of liquidity risk measurement and reporting system**

The Bank's liquidity risk measurement systems support regulatory reporting, as well as internal liquidity risk management reporting for discussion or decision-making purposes. In particular, the provision of risk information to senior management enables the relevant governing bodies to monitor, steer and control the Bank's liquidity risk-taking activities effectively. The risk infrastructure incorporates also the material legal entities and provides the basis for reporting on liquidity risk positions and limit utilization to the relevant functions on a regular and ad-hoc basis.

### **14.5 Liquidity stress testing and scenario analysis**

The Bank performs stress testing to estimate losses that could result from short term extreme, yet plausible, stress events, to identify, better understand and manage its potential vulnerabilities and risk concentrations. The short stress scenarios that are conducted, are idiosyncratic, systemic and combined, encompassing both bank-specific and market-wide stress events that are calibrated to different levels of severity. The stress testing has a key role in the Bank's risk appetite, limits' framework and business planning processes. In particular, through the scenario analysis the Bank monitors the nature and amount of embedded liquidity risk exposure and limits liquidity risk to acceptable levels, thus supporting a number of decision-making processes. Model validation Division performs the independent validation of liquidity risk models estimates.

Furthermore a long-term Stress Test is performed under 3 macroeconomic systemic scenarios of varying severity (the assumptions of the scenarios concern the macroeconomic environment, as well as the evolution of key business and risk metrics) over a 3 year horizon. These scenarios are conducted annually in line with Business Plan and the forward-looking assessment performed under the normative perspective of ILAAP/ICAAP. The key role of long term stress testing is to ensure that sufficient levels of liquidity are maintained on an ongoing basis by identifying the key liquidity and funding risks to which the Group is exposed, by monitoring and measuring these risks, and by maintaining tools and resources to manage and mitigate these risks.

## **14.6 An outline of the bank's contingency funding plans**

The Contingency Funding Plan (CFP) is a dedicated document of the Bank, aiming to ensure confidence and continuation of the Bank's operations, including the following aspects for appropriately addressing liquidity shortfalls in emergency situations:

- Establishment of clear lines of responsibility, including clear escalation procedures. It has pre-defined escalation levels aimed at maximizing the likelihood that the Bank is able to take certain measures to address liquidity or funding shortfalls
- Set up of key liquidity indicators and triggers
- Identification of market-wide and bank-specific liquidity threats and risk factors, assessment of alternative funding sources and contingency procedures

## **14.7 Legal, regulatory and operational limitations on the transferability of liquidity between individual legal entities, foreign branches and subsidiaries**

Risk measures are prepared at the level of individual entities/branches. The Bank takes into account legal and regulatory issues that may affect the transferability of liquidity between individual entities (including the timing of availability of liquidity/release of funding lines).

## **14.8 Liquidity Coverage Ratio (LCR)**

### **Definition**

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.

As of December 2023, the HQLA buffer stood at EUR 15.5 billion and the Group LCR stood at 193%.

The following table provides a breakdown of the LCR as of 31 December 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.

#### Template 46: EU LIQ1 - Quantitative information of LCR as of 31.12.2023

(Amounts in millions of Euro)

EU 1a	Quarter ending on (DD Month YYY)	Total unweighted value (average)				Total weighted value (average)			
		31.12.2023	30.9.2023	30.6.2023	31.3.2023	31.12.2023	30.9.2023	30.6.2023	31.3.2023
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
<b>HIGH-QUALITY LIQUID ASSETS</b>									
1	<b>Total high-quality liquid assets (HQLA)</b>					<b>15,055</b>	<b>14,261</b>	<b>13,077</b>	<b>12,070</b>
<b>CASH - OUTFLOWS</b>									
2	Retail deposits and deposits from small business customers, of which:	37,656	37,516	37,425	37,296	2,278	2,340	2,386	2,408
3	<i>Stable deposits</i>	20,277	20,585	20,907	21,105	1,014	1,029	1,045	1,055
4	<i>Less stable deposits</i>	10,586	11,002	11,391	11,643	1,263	1,310	1,340	1,352
5	Unsecured wholesale funding	12,329	11,919	11,252	10,601	5,577	5,302	4,948	4,652
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	320	322	331	330	80	80	83	83
7	<i>Non-operational deposits (all counterparties)</i>	11,956	11,544	10,871	10,221	5,443	5,168	4,814	4,520
8	Unsecured debt	53	53	51	50	53	53	51	50
9	Secured wholesale funding					17	3	5	7
10	Additional requirements	1,391	1,421	1,419	1,320	544	540	538	513
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	455	449	449	435	455	449	449	435
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-	-	-	-	-
13	<i>Credit and liquidity facilities</i>	936	972	969	886	89	91	88	78
14	Other contractual funding obligations	521	631	730	746	502	602	695	709
15	Other contingent funding obligations	9,324	9,056	8,707	8,355	753	705	623	540
16	<b>TOTAL CASH OUTFLOWS</b>					<b>9,671</b>	<b>9,491</b>	<b>9,193</b>	<b>8,830</b>
<b>CASH - INFLOWS</b>									
17	Secured lending (e.g. reverse repos)	17	-	-	-	7	-	-	-
18	Inflows from fully performing exposures	1,438	1,335	1,188	1,167	904	784	636	604
19	Other cash inflows	316	457	627	753	202	339	505	630
20	<b>TOTAL CASH INFLOWS</b>	<b>1,771</b>	<b>1,793</b>	<b>1,815</b>	<b>1,920</b>	<b>1,113</b>	<b>1,123</b>	<b>1,141</b>	<b>1,233</b>
EU-20c	<i>Inflows subject to 75% cap</i>	1,771	1,793	1,815	1,920	1,113	1,123	1,141	1,233
<b>TOTAL ADJUSTED VALUE</b>									
EU-21	LIQUIDITY BUFFER					15,055	14,261	13,077	12,070
22	<b>TOTAL NET CASH OUTFLOWS</b>					<b>8,558</b>	<b>8,368</b>	<b>8,052</b>	<b>7,596</b>
23	LIQUIDITY COVERAGE RATIO					176%	170%	162%	160%

## 14.9 Net Stable Funding Ratio

The NSFR ratio relates the Bank's available stable funding to its required stable funding and it should be equal to at least 100%. The ratio is calculated in accordance with the Regulation (EU) 2019/876 of the European Parliament and of the Council and a limit of 100% became binding in June 2021.

### Template 47a: EU LIQ2: Net Stable Funding Ratio as of 31.12.2023

(Amounts in millions of Euro)

		Unweighted value by residual maturity			Weighted value	
		a No maturity	b < 6 months	c 6 months to < 1yr		d ≥ 1yr
<b>Available stable funding (ASF) Items</b>						
1	Capital items and instruments	7,261	-	-	980	8,240
2	Own funds	7,261	-	-	980	8,240
3	Other capital instruments		-	-	-	-
4	Retail deposits		35,333	2,374	981	36,100
5	Stable deposits		22,645	997	404	22,863
6	Less stable deposits		12,689	1,377	577	13,236
7	Wholesale funding:		15,055	4,631	2,324	10,357
8	Operational deposits		441	-	-	221
9	Other wholesale funding		14,614	4,631	2,324	10,137
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	1,111	-	24	24
12	NSFR derivative liabilities	-				
13	All other liabilities and capital instruments not included in the above categories		1,111	-	24	24
14	<b>Total available stable funding (ASF)</b>					<b>54,722</b>
<b>Required stable funding (RSF) Items</b>						
15	Total high-quality liquid assets (HQLA)					328
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		4,420	2,479	34,029	30,384
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		755	4	188	266
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		3,375	2,073	19,001	23,847
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		167	159	2,555	6,016
22	Performing residential mortgages, of which:		237	195	7,615	-

		a	b	c	d	e
		Unweighted value by residual maturity			Weighted value	
		No maturity	< 6 months	6 months to < 1yr		≥ 1yr
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		193	164	6,175	-
24	<i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i>		53	207	7,225	6,271
25	Interdependent assets		-	-	-	-
26	Other assets:		<b>2,515</b>	<b>14</b>	<b>9,634</b>	<b>10,509</b>
27	Physical traded commodities				-	-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		-	-	188	160
29	NSFR derivative assets		225			225
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		964			48
31	<i>All other assets not included in the above categories</i>		1,327	14	9,446	10,076
32	Off-balance sheet items		<b>339</b>	<b>1,052</b>	<b>4,489</b>	<b>756</b>
33	<b>Total RSF</b>					<b>41,977</b>
34	<b>Net Stable Funding Ratio (%)</b>					<b>130%</b>

### Template 47b: EU LIQ2: Net Stable Funding Ratio as of 30.6.2023

(Amounts in millions of Euro)

		a	b	c	d	e
		Unweighted value by residual maturity			Weighted value	
		No maturity	< 6 months	6 months to < 1yr		≥ 1yr
<b>Available stable funding (ASF) Items</b>						
1	Capital items and instruments	<b>6,957</b>	-	-	<b>923</b>	<b>7,880</b>
2	<i>Own funds</i>	6,957	-	-	923	7,880
3	<i>Other capital instruments</i>		-	-	-	-
4	Retail deposits		35,569	1,533	<b>806</b>	<b>35,357</b>
5	<i>Stable deposits</i>		22,450	718	352	22,362
6	<i>Less stable deposits</i>		13,119	816	454	12,995
7	Wholesale funding:		<b>14,256</b>	<b>1,615</b>	<b>6,342</b>	<b>13,035</b>
8	<i>Operational deposits</i>		308	-	-	154
9	<i>Other wholesale funding</i>		13,948	1,615	6,342	12,881
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	<b>462</b>	<b>949</b>	-	<b>91</b>	<b>91</b>
12	<i>NSFR derivative liabilities</i>	462				
13	<i>All other liabilities and capital instruments not included in the above categories</i>		949	-	91	91
14	<b>Total available stable funding (ASF)</b>					<b>56,364</b>
<b>Required stable funding (RSF) Items</b>						
15	Total high-quality liquid assets (HQLA)					<b>295</b>

		a			b	c	d	e
		Unweighted value by residual maturity				Weighted value		
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr			
16	Deposits held at other financial institutions for operational purposes		-	-	-	-	-	
17	Performing loans and securities:		4,102	2,292	32,984	32,507		
18	<i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		-	-	-	-	-	
19	<i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		552	3	368	425		
20	<i>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		3,150	2,043	17,992	25,954		
21	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		202	148	2,506	7,455		
22	<i>Performing residential mortgages, of which:</i>		352	193	7,474	-		
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		293	163	6,072	-		
24	<i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i>		47	53	7,150	6,128		
25	Interdependent assets		-	-	-	-	-	
26	Other assets:		2,556	25	10,811	10,565		
27	Physical traded commodities				-	-		
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		-	-	157	134		
29	NSFR derivative assets		-			-		
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		1,018			51		
31	<i>All other assets not included in the above categories</i>		1,538	25	9,793	10,380		
32	Off-balance sheet items		596	967	4,058	719		
33	<b>Total RSF</b>					<b>44,086</b>		
34	<b>Net Stable Funding Ratio (%)</b>					<b>128%</b>		

## 15 Encumbered and Unencumbered Assets

### Information on Group Asset Encumbrance

The Group is funded through unsecured and secured funding lines. Secured funding lines may involve encumbrance of (a) the assets of the Group, (b) any collateral received by the Group and (c) own debt instruments issued and held by the Group.

The Group adopts and applies the following definition for asset encumbrance, in line with EBA regulatory guidelines:

*“An asset is encumbered if it has been pledged or subject to any form of arrangement to secure, collateralise or credit enhance any on-Balance Sheet or off-Balance Sheet transactions from which they cannot be freely withdrawn.*

*Assets pledged that are subject to any restrictions in withdrawal, such as assets that require prior approval before withdrawal or replacement by other assets, should be considered encumbered”.*

Asset encumbrance is an integral part of Group’s liquidity, funding and collateral management process. In this context, asset encumbrance risk management framework incorporates and adopts the overarching principles of the Group’s Risk Management Framework as well as the Group’s Risk Appetite Framework.

The overall Group’s encumbrance through 2023 has decreased, mainly attributable to the prepayments of Targeted Long-Term Refinancing Operations (TLTROs) in H1 2023.

Given the nature and source of funding or transaction that require Group’s assets to be encumbered, the Group utilises collateral agreements with the respective counterparties, where the terms and conditions clearly stipulate the Group’s and the counterparty’s rights and obligations on collateral posted. Where relevant, widely accepted market standardised agreements are utilized, such as GMRAs, ISDAs and CSAs in the relevant transactions that these apply.

Throughout 2023, Central Bank funding has significantly decreased due to the before-mentioned TLTROs prepayments, while interbank repos funding and derivative transactions presented an upward trend. Funding from Covered Bonds decreased, due to the maturity of Covered Bond Programme I notes. In accordance with the Group’s business model and the nature and scale of activities it undertakes, the Group mainly identifies the following sources of asset encumbrance, prioritized by matching liability amount throughout 2023:

- **Funding from Central Bank:** This source of secured funding comprises ECB lending facilities and requires the Group to provide eligible collateral to Central Bank
- **Derivative transactions directly with counterparties or through clearing systems:** Collateral is placed by the Group for the market value of derivative transactions or as margin to the clearing system
- **Lending through repurchase contracts/agreements in the interbank market:** This source of secured funding involves repo transactions in the interbank market
- **Covered Bonds issuances:** This source of secured funding involves the segregation of the cover pool under Greek Covered Bond Law

The main asset categories that were encumbered throughout 2023, prioritized by the median of their carrying amount, are the following:

- Wholesale Loan Portfolio (Non marketable assets)
- Retail Loan Portfolio (Non marketable assets)
- Debt securities issued by general governments (Marketable Assets)
- Debt securities issued by non-financial corporations (Marketable Assets)
- Debt securities issued by credit institutions (Marketable Assets)
- Loans on demand (Marketable Assets)

The majority of asset encumbrance is coming from the assets of the Bank. The main secured funding transaction on a subsidiary level was the Covered Bond issued by Alpha Bank Romania.

The median of assets that were not considered encumberable throughout 2023 amounted to 12.0% of the Group Assets and mainly include tangible assets, such as investment property, intangibles, tax assets, non-current assets and disposal groups classified as held for sale. The relevant percentage for 2022 was 13.0%.

At a Group level, the median of collateral received utilized for ECB funding, repo transactions or other types of encumbrance for 2023 stood at c. 40 mio. The Group did not use as collateral any own securities issued and held by the Group (other than Covered Bonds).

For 2023, the overall overcollateralization of secured liabilities of the Group (including collateral received) was at the level of 32.1%, with an average haircut of c. 24.3%. The respective percentages for 2022 were 22.2% and 18.2% respectively.

Further details regarding asset pledged can be found in note 39 “*Contingent Liabilities and Commitments*” par. d “*Assets Pledged*” of the published annual report of the Group for the period from 01.01. - 31.12.2023.

**Template 48a: EU AE1 – Encumbered and unencumbered assets as of 31.12.2023**

(Amounts in millions of Euro)

	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
	010	of which notionally eligible EHQLA and HQLA 030	040	of which notionally eligible EHQLA and HQLA 050	060	of which EHQLA and HQLA 080	090	of which EHQLA and HQLA 100
<b>010 Assets of the reporting institution</b>	10,284	1,803			62,320	11,310		
030 Equity instruments	0		0		0	0	188	0
040 Debt securities	2,096	1,404	2,026	1,348	12,645	11,310	11,672	10,408
050 of which: covered bonds	0	0	0	0	0	0	0	0
060 of which: securitisations	0	0	0	0	10	0	10	0
070 of which: issued by general governments	899	899	875	875	10,964	10,964	10,081	10,081
080 of which: issued by financial corporations	527	5	523	5	1,175	238	1,110	225
090 of which: issued by non-financial corporations	670	507	630	475	532	107	510	102
120 Other assets	8,054	377			49,865	0		

**Template 48b: EU AE1 – Encumbered and unencumbered assets as of 31.12.2022**

(Amounts in millions of Euro)

	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
	010	of which notionally eligible EHQLA and HQLA 030	040	of which notionally eligible EHQLA and HQLA 050	060	of which EHQLA and HQLA 080	090	of which EHQLA and HQLA 100
<b>010 Assets of the reporting institution</b>	18,346	9,778			14,261	991		
030 Equity instruments	-		-		-	-	119	-
040 Debt securities	9,856	9,360	8,783	8,318	2,078	991	1,910	918
050 of which: covered bonds	-	-	-	-	-	-	-	-
060 of which: securitisations	-	-	-	-	31	-	32	-
070 of which: issued by general governments	8,836	8,836	7,837	7,837	847	847	785	785
080 of which: issued by financial corporations	503	83	470	73	680	57	636	57
090 of which: issued by non-financial corporations	513	441	470	404	557	73	522	70
120 Other assets	8,490	418			12,183	-		

**Template 49a: EU AE2 - Collateral received and own debt securities issued as of 31.12.2023**

(Amounts in millions of Euro)

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
				Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
<b>130</b>	<b>Collateral received by the reporting institution</b>	40	40	373	373
140	Loans on demand				
150	Equity instruments				
160	Debt securities	40	40	373	373
170	of which: covered bonds	40	0	0	0
180	of which: securitisations	0	0	0	0
190	of which: issued by general governments	0	0	280	280
200	of which: issued by financial corporations	40	40	90	90
210	of which: issued by non-financial corporations	0	0	0	0
220	Loans and advances other than loans on demand				
230	Other collateral received				
<b>240</b>	<b>Own debt securities issued other than own covered bonds or securitisations</b>	0			
<b>241</b>	<b>Own covered bonds and asset-backed securities issued and not yet pledged</b>			1,121	0
<b>250</b>	<b>TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED</b>	10,364	1,883		

**Template 49b: EU AE2 - Collateral received and own debt securities issued as of 31.12.2022**

(Amounts in millions of Euro)

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
				Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
<b>130</b>	<b>Collateral received by the reporting institution</b>	-	-	278	5
140	Loans on demand				
150	Equity instruments				
160	Debt securities	-	-	278	5
170	of which: covered bonds	-	-	-	-
180	of which: securitisations	-	-	-	-
190	of which: issued by general governments	-	-	278	5
200	of which: issued by financial corporations	-	-	-	-
210	of which: issued by non-financial corporations	-	-	-	-
220	Loans and advances other than loans on demand				
230	Other collateral received				
<b>240</b>	<b>Own debt securities issued other than own covered bonds or securitisations</b>	-			
<b>241</b>	<b>Own covered bonds and asset-backed securities issued and not yet pledged</b>			1,225	-
<b>250</b>	<b>TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED</b>	18,346	9,778		

**Template 50a: EU AE3 - Sources of encumbrance as of 31.12.2023**

(Amounts in millions of Euro)

		<b>Matching liabilities, contingent liabilities or securities lent</b>	<b>Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered</b>
		010	030
<b>010</b>	<b>Carrying amount of selected financial liabilities</b>	<b>7,667</b>	<b>10,251</b>

**Template 50b: EU AE3 - Sources of encumbrance as of 31.12.2022**

(Amounts in millions of Euro)

		<b>Matching liabilities, contingent liabilities or securities lent</b>	<b>Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered</b>
		010	030
<b>010</b>	<b>Carrying amount of selected financial liabilities</b>	<b>14,918</b>	<b>18,525</b>

## 16 Environmental, Social and Governance (ESG) Risks

### 16.1 ESG Strategy and Governance

#### 16.1.1 Environmental Risk

##### Business Strategy and Processes

Alpha Services and Holdings, assesses periodically and prioritizes the environmental and climate issues which are related to its activities and might impact the Group's operations and/or its Stakeholders. The materiality analysis serves to identify the actual and potential impacts on the economy, environment, and people, including impacts on human rights, across the organization's activities and business relationships. Impacts can be negative or positive, long term or short term.

Following the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), the Bank assesses current and impending environmental policies, legal requirements and regulatory guidelines relating to climate and the environment, including the recording and the efficient management of any transitional risks, related to its activities. In this context, the Group has developed a comprehensive action plan, submitted to ECB in May 2021, presenting how the climate and environmental risk assessment will be incorporated in its operations and in the risk management process. Implementation of the plan began in June 2021, it was continued throughout 2022-2023 and was enhanced taking into consideration the requirements of the Climate Stress Test exercise and the feedback provided by the Single Supervisory Mechanism (SSM) in the context of the Thematic Review. Leveraging on the work already performed in 2022 the Bank has proceeded with targeted implementations during 2023 in accordance Group's ESG plan commitments. Alpha Services and Holdings, is continuously monitoring the emerging business and regulatory requirements, further enhancing its policies and procedures, where deemed necessary.

Further information on business strategy, policies, and processes, as well as ESG Commitments and targets are presented in the TCFD (Task Force on Climate-related Financial Disclosures) and Sustainability Reports 2022, that are available at the [website](#) of Alpha Services and Holdings.

##### Strategic Plan and GRI Materiality Assessment

Alpha Bank S.A. has deployed a comprehensive strategic plan, and in this context has taken the following actions:

- a) Identified, assessed, and prioritized the ESG issues related to its activities that may impact the Group's operations and/or its Stakeholders. This is achieved through a materiality analysis process, in line with the GRI recommendations for materiality analysis by utilizing the UNEPFI PRB Tool for Banks to understand the positive and negative socio-economic, environmental, and social impacts of its portfolio.
- b) Introduced environmental, social and governance KPIs (such as % of disbursements to RES over total disbursements to Energy sector, ii) gross disbursements aligned with Sustainable Finance Framework, iii) Green asset ratio, etc.), which are monitored on a quarterly and annual basis to take corrective action when needed.

c) Is in the process of developing science-based sector specific targets for its financed emissions, in alignment with the Paris Agreement Climate goals and the commitment to be Net Zero by 2050.

d) Is in the process of incorporating the decarbonization targets into its 3-year Business Plan.

This year, the Group revisited the Materiality Analysis performed in the previous financial year, re-identified and re-assessed the topics, with the consultation of internal stakeholders and experts, through the following process:

**1. Understand the organization's context**

The Bank reviewed the list of identified impacts to people/stakeholders and to the natural environment through its own operations, supply chain and financial products/services of the previous financial year. It also reviewed the content of media, peers & sustainability standards in order to identify any additional impacts to people/stakeholders and to the natural environment related to its business model and value chain.

**2. Identify actual and potential impacts**

Actual impacts, either positive or negative, to the natural environment and people, including impacts on human rights, across the organization's activities and business relationships were re-validated taking into consideration new impacts identified through peers' and standards' review. Potential impacts were re-identified with the consultation of internal stakeholders and experts. The new list of identified impacts included in-house impacts across the Bank's operations and its supply chain, and financed impacts (i.e. impacts associated with Bank's financial products and services).

**3. Assess the significance of the impacts**

The re-assessment of impacts was based on a qualitative analysis by the Bank's ESG Working Group, through a dedicated electronic survey (e-survey) tool. Impacts were assessed in accordance with their severity/significance for the short-term, mid-term and long-term time horizon and, in case of any additional potential impacts, their probability of occurrence was considered based on how likely the impact may be realized in the defined time horizon.

**4. Prioritize the most significant impacts**

The prioritization was based on the results of an e-survey assessment, via which the significance of the impacts was determined, and thresholds set to determine which positive and negative impacts will be material for the organization's strategy and disclosures. The final list of material impact areas was debated by a dedicated working group, comprised of executives from Governance & Sustainability Division, Strategy & Investments, Digital, Transformation Office, Climate & ESG Risk and HR, was validated by a discussion at the Group Sustainability Committee and approved by the Board of Directors.

The material impact areas in the context of the environment, whether potentially positive or negative, for 2023 identified and prioritized are the following:

- **Climate Stability** (impacts through specific financial products/services that address climate change, and through energy reduction and efficiency initiatives in the Bank's supply chain and operations).

- **Circularity** (Impacts created through operational activities that affect the efficient use of limited, non-renewable natural and renewable natural resources and/or are focused on waste management and the ability to manage waste).
- **Biodiversity** (air, soil, waterbodies, species and habitats) (Impacts created through financial products/services to certain sectors and operational activities that create air pollutants (e.g. NOx, SOx, PM, VOCs), that affect the composition of soil and its ability to deliver ecosystem services, the quality and quantity of surface water and groundwater, the ability to maintain species and/or the ability to protect, restore and promote sustainable ecosystems and habitats).

Based on the analysis and impact areas, the Bank is deploying a comprehensive strategic plan to support an environmentally sustainable economy and mitigate climate change. The Bank's actions focus on the increase in Sustainable Financings and the gradual reduction of financings that may have a negative impact on the environment. The Bank applies the **PCAF methodology**, to measure financed emissions per asset class (i.e. listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, motor vehicle loans, sovereign debt), to enable the identification of climate-related transition risks and opportunities, setting and implementing climate targets and financing transitions in different sectors of the economy.

The Group progressed with the identification of its most significant impact areas/topics which are associated with the portfolio of its subsidiary company in Cyprus. The impact analysis was performed utilizing the UNEP FI impact analysis tool. Results of the analysis will inform the subsidiary's sustainability strategy and support the alignment with the Group's sustainability strategy.

Additionally, the Group has developed policies and procedures to reduce the operational environmental footprint and to strengthen its commitments associated with this objective.

Specifically, the **Bank's Strategic Plan** aims to incorporate the following commitments to support an environmentally sustainable economy:

- Support Bank's customers' decarbonization
- Align portfolio emissions to meet the Paris objectives
- Mitigate key drivers of biodiversity loss
- Support the transition to a circular economy
- Achieve Net Zero emissions in own operations

The relevant targets to meet the Bank's environmental and climate commitments consider both financing and own operations described below:

Support an environmentally sustainable economy			
Commitments	Targets <sup>1</sup>	Target Date	KPIs
<b>Support Bank's Customers' decarbonization and align Bank's portfolio emissions with the objectives set in the Paris Agreement</b>	Allocate Euro 4.4 billion to new Sustainable Financings increasing the target by 1.4 billion compared to 2023-2025 target announcement	2026	New financing volumes (in Euro million)
	Within the total Sustainable Financings, achieve Euro 2.6 billion to Renewable Energy Systems	2026	New financing volumes (in Euro million)
	Within the total Sustainable Financings, achieve at least Euro 300 million of Retail green loans, including loans to small businesses	2026	New financing volumes (in Euro million)
	Launch new sustainability-based mortgage and consumer loan products and credit cards	2025	No. of Products Launched
	Zero financing to new investments in thermal coal mining, upstream oil exploration or coal-fired electricity generation	Ongoing	New financing volumes (in Euro million)
<b>Mitigate key drivers of biodiversity loss</b>	Zero financing to targeted activities harming species diversity, habitats and waterbodies	Ongoing	New financing volumes (in Euro million)
<b>Support the transition to a circular economy</b>	Reduction of annual paper usage rate by 50% (base year 2019)	2025	Tones of paper used (including copying paper, statements, bank forms, etc.)
<b>Achieve Net Zero emissions in own operations</b>	Reduction of Bank's operating footprint and setting Net-Zero targets	2024	Set target Year for Carbon Neutral Operations and interim targets
	Reduction of Scope 1 and 2 GHG emissions by 20%	2025	Scope 1 and 2 emissions (tCO <sub>2</sub> e)

Support an environmentally sustainable economy			
Commitments	Targets <sup>1</sup>	Target Date	KPIs
	Upgrade lighting to LED lighting throughout the network	2028	Number of Branches with upgraded LED lighting
	Continue to procure 100% renewable electricity for all Bank's buildings and branches	On going	Percentage of electrical power used that is derived from non-renewable energy sources ( <i>Alpha Bank</i> )
	Replacement of 70 % of the Bank's fleet with electric and/or plug-in vehicles (base year 2022)	2025	Number of vehicles replaced with electric and/or plug-in ones.

### Certified Management Systems (ISO)

Regarding **in-house impacts** across Bank's operations and its supply chain the Group also applies, among other measures, internal management systems certified with ISO (14001, 14064, 45001, 22301, and 22316)<sup>1</sup>, that cover all its operations and employees.

Additionally, through its Environmental Management System, the Bank aims to reduce its environmental and carbon footprint by promoting the rational use of lighting, heating and cooling installations in its buildings, the use of environment-friendly class A++ or higher energy efficiency equipment, by implementing initiatives for the efficient use of raw and other materials and by applying the "reduce, reuse, recycle" principles of circular economy in the waste management. Indicatively, the Bank recycles paper, batteries, light bulbs, printer consumables, electric and electronic equipment, and donates old office equipment. The Group has implemented adequate Environmental Policy and procedures according to the requirements of ISO 14001 Environmental Management System, aiming to improve the management of these issues. The certification of ISO14001 applies to all its activities and employees, along with the monitoring and reporting of its GHG emissions following ISO14064 requirements, verified by TUV AUSTRIA. Through these procedures, the Bank identifies and assesses known and potential environmental risks and opportunities in a more formal and detailed manner. Furthermore, the Bank has established a holistic ESG training program, as well as organizes, supports, and participates in environmental actions to cultivate the ecological conscience of its Employees and their families and to improve the quality of the environment.

<sup>1</sup> ISO 14001 (Environmental Management System), ISO 14064 (Greenhouse Gas Emissions Management System), ISO 45001 (Occupational health and safety), ISO 22301 (Business Continuity Management System), ISO22316 (Organizational resilience)

The above-mentioned certified management systems (ISO) implemented by the Group aim to enable it to better respond to the ever-changing business environment and to the needs of Customers, in full alignment with current legislative and regulatory requirements. In that context, Alpha Bank, commencing 2021 (with data of 2020) is also continuously developing, a voluntary Environmental Statement in accordance with the EU Eco-Management and Audit Scheme (EMAS) which is validated by TUV Austria and is submitted to the Ministry of Environment and Energy for review and registration, allowing its publishing. On 20/03/2023 the Ministry of Environment and Energy decided the registration of Alpha Bank S.A. in the EU EMAS system, along with the registration of the respective Environmental Statement 2021 (with data of 2020), with registration number EL-000118. Both Environmental Statements for 2023 and 2022 (with data of 2022 and 2021 respectively) have been also submitted to the above-mentioned Ministry and are still pending for registration.

As part of its broader ESG strategy, Alpha Services and Holdings has recognized the EU Taxonomy (EU Regulation 2020/852), as the central pillar of its institutional framework on climate change, environmental protection, and equitable development for all. The company has adopted a holistic approach to its ESG strategy, aiming to support its customers in their transition to sustainability, and ensure the long-term value of its investors, supporting the objectives of the Paris Climate Agreement.

Through the structured collection, management, and application of relevant sustainability data, for each customer's loans and investments, the Bank assesses the quality of its assets. Moreover, these data constitute the basis for target setting and directed actions to improve the Group's sustainability KPIs, in line with the evolving requirements of investors, regulators, markets and society.

## Sustainable Finance

Alpha Services and Holdings has developed and published its Sustainable Finance Framework (SFF or framework) to raise awareness on the commitment to sustainable finance and to enhance transparency. The framework constitutes the basis for the Bank's sustainable lending strategy as well as supporting future funding operations by defining the use of proceeds and impact assessment of financings.

The **Sustainable Finance Framework** incorporates environmental and social credentials in lending activities and stipulates the decision and classification process that we implement to classify our financial products and services as sustainable. It also serves as a guide during the development of sustainable financing products with specific green or social use of proceeds. The purpose of the framework is to contribute to Alpha Bank's sustainability objectives and commitments by mobilizing capital to sustainable economic activities.

The framework has been prepared with reference to the core principles and recommendations of the International Capital Market Association (ICMA) and the Loan Market Association (LMA) as well as the EU Taxonomy Regulation. An External Review of the framework was conducted by an independent third party to validate the environmental and social credentials for positive contribution to the UN Sustainable Development Goals (SDGs) and to demonstrate its credibility as a tool for capital allocation decisions.

The Sustainable Finance Framework and the External Review are published on Alpha Services & Holdings ESG Reporting Hub, available [here](#).

Alpha Bank classifies its sustainable financing solutions into the categories of dedicated-purpose financing and general-purpose financing, aiming at establishing an overarching set of sustainability guardrails across the Bank's operating system; creating a coherent path for more coordinated action; producing metrics to track performance; and creating meaningful sustainability results both for the Bank and its clients.

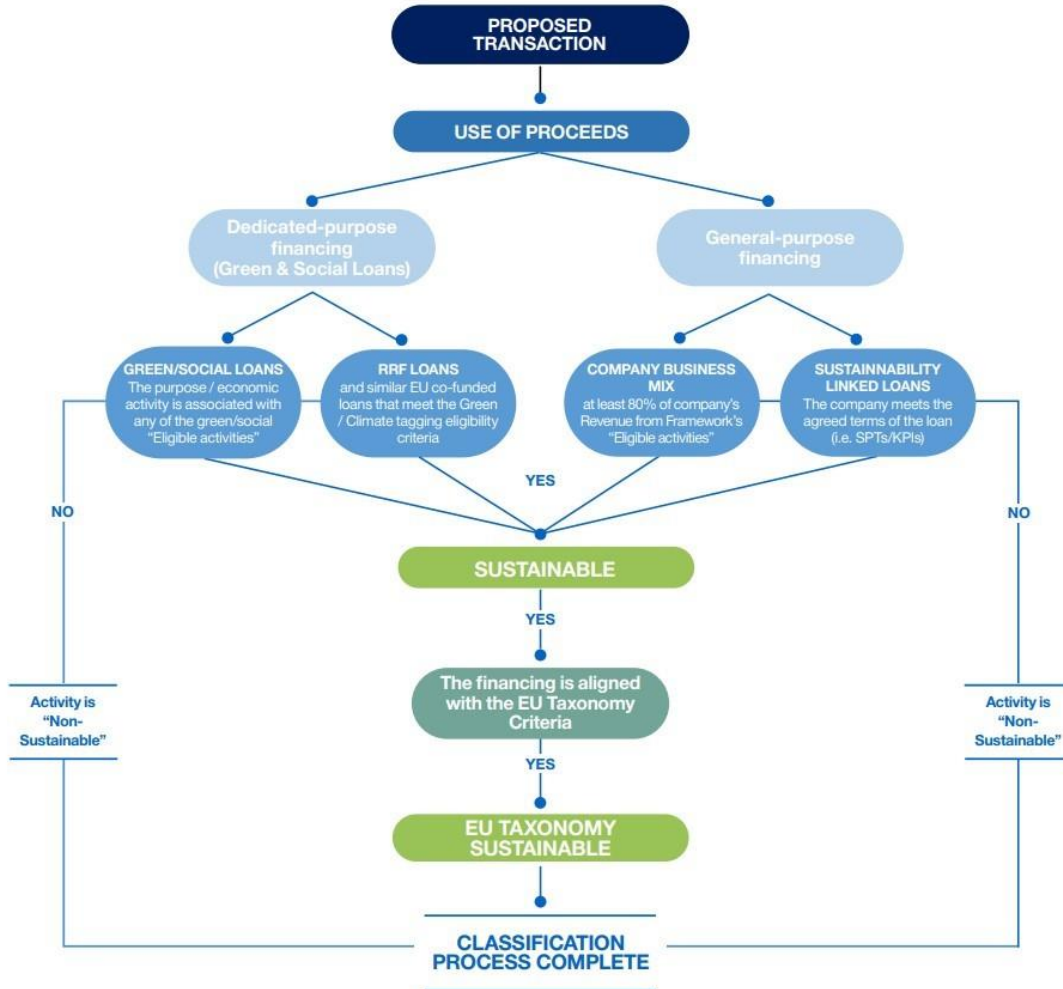
A. Dedicated Purpose Financing

- **Green/Social Loans:** The funds are 100% directed towards a project/investment listed under the eligible green/social criteria.
- **Recovery and Resilience Facility** (RRF financing).

B. General Purpose Financing

- **Company Business Mix:** When a company derives a certain percentage (at least 80%) of its revenues from eligible activities.
- **Sustainability-Linked Loans/Facilities:** General Purpose financing that is linked with measurable ESG targets at obligor level based on pre-determined sustainability performance targets agreed with the client.

**Sustainable Finance Framework decision process diagram:**



Green eligible categories are grouped into five distinct themes: Energy efficiency, Green Buildings, Renewable Energy, Sustainable Transport and Resource efficiency and pollution control. Each theme is divided into sub-themes to facilitate activities' categorization purposes. Exclusions may apply at the activity level.

**Sustainable Finance Framework, Green and Social loan themes:**

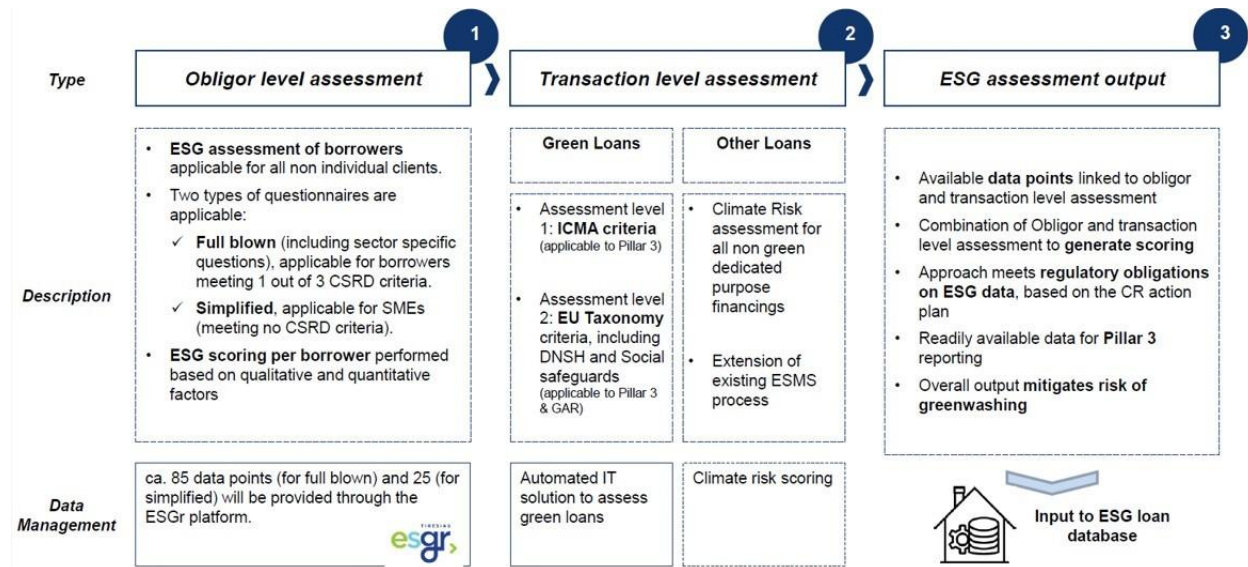


The underwriting process was revised to incorporate ESG factors and risks at the point of loan origination. Specific policies and procedures are in place when providing environmentally sustainable lending, including processes for assessing the credibility and business objectives of clients related to ESG. In that context on December 2023 it was issued the revised “*Climate related, environmental, social and governance risk management policy on group’s business lending*” as well as the revised Wholesale Banking Credit Manual.

The ESG assessments performed as part of the approval process, are as follows:

- (i) ESG obligor assessment,
- (ii) ESG transaction assessment,
- (iii) Overall ESG assessment per transaction which determines the overall or combined ESG score
- (iv) integration of the ESG assessments into the credit approval process.

### ESG Assessment overview:



Favorable pricing scenarios with respect to the categories of dedicated-purpose loans, company business-mix loans and sustainability-linked loans are in place, in line with the transition dynamics of different sectors and eligible economic activities. For wholesale clients, the pricing scenarios considered are expected to differentiate between high climate risk sectors and depending on the availability of commercially viable transition investments, as well as low emission sectors. In terms of retail clients, the pricing scenarios will effectively address housing/vehicle loans and green consumer loans.

The cornerstone of Alpha Services and Holdings' Sustainable Finance Strategy includes the design of specific financial products to enable its customers' transition to low-carbon business models and carbon-reduction / climate defense technologies.

#### Retail financing initiatives

In the context of sustainable financing, the Bank offers a wide range of **“green” retail loans** (Alpha Green Solutions) with preferential interest rate which can cover consumers' needs, such as:

- Purchase and renovation of a house classified at least under energy efficiency performance class B.
- Purchase of electric/hybrid cars, bicycles, motorcycles, and private charging points.
- Purchase and installation of home equipment, such as photovoltaic and solar panels, heat pumps, or natural gas boilers for a home energy upgrade.

To further enhance its commitment to sustainable environmental solutions, the Bank also participates in various State funded energy-saving programs such as “Exoikonomo 2021”, and “e-Astypalea”. Alpha Bank, being the only Bank with presence on the island of Astypalea, is an integral member of the local community, contributing to the initiatives of the authorities for the creation of a clean mobility model island.

More details about the **green products** can be found on the Bank's [website](#).

## Corporate financing initiatives

**For corporate clients**, the Bank provides financing opportunities in relation to “Greece 2.0 National Recovery and Resilience Plan”. Through the Recovery and Resilience Facility, the Bank provides financing for the green transition, with a focus on renewable energy sources. Eligible categories under the “green pillar” include green technologies, green skills, biodiversity, energy efficiency, building renovation, preservation of energy security, circular economy, sustainable development, and creation of jobs.

With respect to green solutions for small and medium size businesses, the Bank offers financing to install and operate photovoltaic stations as well as access to state programmes. The year marked the launch of the New Financing Programme of the Hellenic Development Bank (HDB) “**Green co-financing loans**”, with the purpose of financing mainly the upgrade of businesses energy efficiency and support investment plans for energy production from renewable energy (solar, wind etc).

The Bank has a **specialized Project Finance Unit**, which works on securing financing for investments in Renewable Energy Sources (RES) projects, large infrastructure projects and Public-Private Partnerships (PPPs). New disbursements to projects related to renewables, waste, other energy and distribution networks and infrastructure confirm the Bank’s dominant position. Following the disbursement of credit, adherence to environmental terms and commitments is certified on an annual basis, throughout the long duration of such financing.

## Investments

Since 2021, the Bank promotes **Impact Investing** to Private Banking Customers by creating an environmental “bonus” scheme linked to Structured Notes. Through this action, sustainable investing is impacting reforestation. Through the collaboration with “Reforest Action” and the Forest Research Institute, almost 56 thousand trees have been planted, which translates to 8.4 thousand tons of CO<sub>2</sub> stored and 168 thousand natural shelters for wild animals created. This action is particularly important for Greece not only for the environment but also for the residents of the affected areas by the wildfires since the reforestation prevents severe floods. The above initiative of Alpha Bank is of great significance because it raises Customers’ awareness on environmental issues and at the same time has direct and measurable positive environmental impact from investments.

The Bank ensures it will not finance transactions that impose environmental or social threat, through the incorporation of the “**Group Environmental and Social Risk Management Policy on Legal Entities Lending**” in the Group’s existing Credit Risk Management Framework and the Group’s Credit Policy. An industry-specific list of economic activities<sup>2</sup> that the Group does not finance is provided. From 1.1.2024 the Bank will apply an enhanced Exclusion List. The new included activities are among others “Any activity involving significant degradation, conversion or destruction of the sites included in the Natura map”, “Wholesale and retail trade of thermal coal”, “Conversion of natural forests into plantation”.

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<sup>2</sup> More details are presented in the 2022 Sustainability report and Climate related (TCFD) reports.

## Participation in global initiatives for sustainability

Alpha Services and Holdings actively participates in the global effort to build a sustainable future for the economy and the planet. In this context, the **Bank joined the UN-convened Net Zero Banking Alliance (NZBA), committing to net zero greenhouse gas emissions by 2050**. This undertaking reflects the Bank's societal responsibility, as a leading financial institution in Greece, to help mitigate climate change and drive the transition to a net zero economy.

As part of its commitment to environmental stewardship, Alpha Bank has developed a **comprehensive strategy** to achieve net zero emissions, focusing on the following key actions:

- **Reducing operational emissions:** The Bank implements energy-efficiency measures across all Branches, offices, and data centers to reduce its carbon footprint. This includes using electricity from renewable energy sources, optimizing energy consumption, and adopting sustainable practices in day-to-day Group operations.
- **Financing sustainable projects:** Alpha Bank allocates capital to Green and Social investments, in line with its Sustainable Finance Framework, with emphasis on the power generation sector, buildings and transportation. Through sustainable financing, the Bank aims to support the development of low-carbon infrastructure and accelerate Greece's transition to an environmentally sustainable and resilient economy.
- **Engaging Customers:** The Bank is committed to support its customers transition to a low carbon economy, offering advice and flexible financing solutions while facilitating access to funding, via tools like the EU Resilience and Recovery Facility and the Hellenic Development Bank.
- **Collaboration and advocacy:** Alpha Bank actively engages with its stakeholders, aiming to increase awareness and foster sustainable practices to the entire spectrum of financial and social activity.

In the same direction, the Bank is a signatory to the **Principles for Responsible Banking** (2019), which were developed as an international initiative of the United Nations – Environment Programme Finance Initiative (UNEP FI).

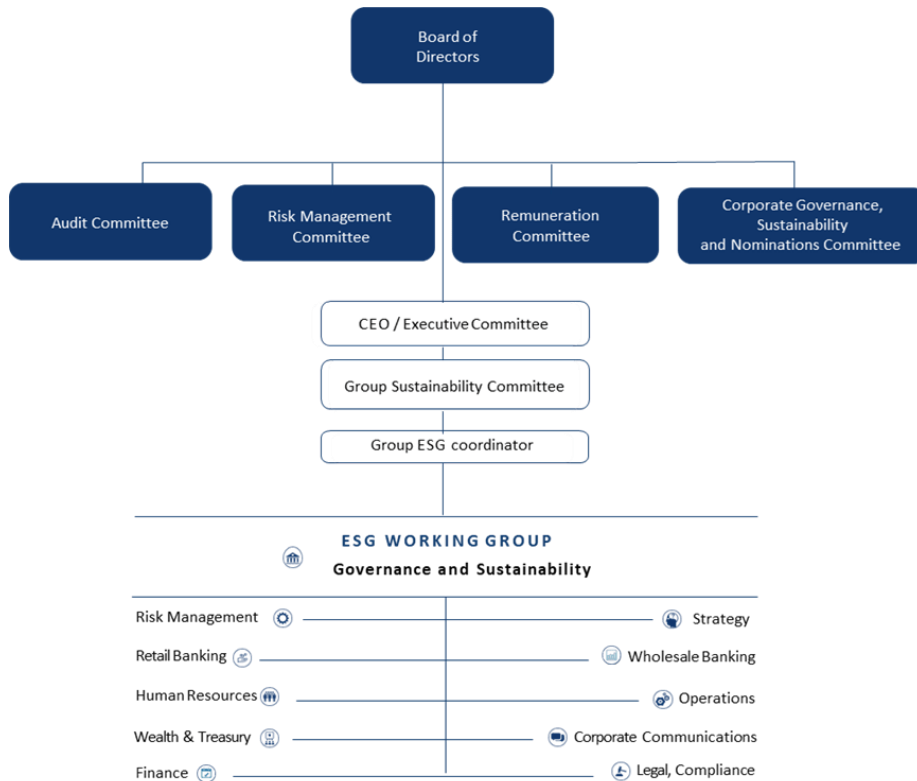
For the purpose of implementing the Principles for Responsible Banking, Alpha Services and Holdings has already submitted three self- assessment reports. It should be noted that at end of 2022, a new dedicated portfolio alignment analysis was conducted, in accordance with the UNEP FI Principles for Responsible Banking (PRB) Impact Analysis, using the Portfolio Impact Analysis Tool for Banks (version 3). Positive and negative impacts that the Bank creates through its institutional and consumer banking portfolios, were assessed, and mapped against the impact areas and topics of the revised Impact Radar (June 2022). The Bank identified positive and negative associations between its portfolio and the 23 environmental, economic, and social areas defined by the UNEP FI PRB. The results of the analysis were used to define the Group's Sustainability Strategy.

As part of the company's commitment to incorporate ESG criteria into its investment process, Alpha Asset Management M.F.M.C. has been a signatory of the United Nations-backed **Principles for Responsible Investment (PRI)** since December 2018. In August 2023, the company submitted its 2022 PRI Assessment report in which it reported on its responsible investment activities throughout the year 2022.

## Governance

Alpha Bank’s organization and operation are governed by the principles of integrity, honesty, objectivity and independence, confidentiality and discretion, disciplined and reasonable risk taking, transparency as provided for in the Bank’s Code of Ethics and in the principles of Corporate Governance. There is focus to the identification, measurement and management of risks undertaken, to the compliance with the current legal and regulatory framework and to transparency with the provision of full, accurate and truthful information to the Bank’s Stakeholders.

The following diagram presents the Organizational Structure for supervising and managing the implementation of the objectives, strategy, and policies in the context of Climate and ESG initiatives, as well as to effectively identify, manage, monitor and report the risks that might be also exposed.



### Board level oversight

The Board of Directors (BoD) is responsible for managing the affairs of Alpha Services and Holdings S.A. and representing it vis-à-vis third parties. Further, it has the ultimate and overall responsibility for the Company and defines, oversees and is accountable for the implementation of the governance arrangements within the Company that ensure effective and prudent management.

The BoD, among others, supervises and approves the ESG objectives and commitments and it has the oversight of the Group risk management framework. Within this context, the BoD reviews the risk management strategy, delegates authorities to Committees and Senior Management for implementing the risk management strategy, reviews the overall risks assumed under the delegated authorities, provides guidelines, and ratifies the Group's risk appetite. Additionally, it promotes and ensures a robust risk and compliance culture.

Four Committees operate at Board level, namely the:

- Audit Committee,
- Risk Management Committee,
- Remuneration Committee,
- Corporate Governance, Sustainability and Nominations Committee.

The responsibilities of the above Committees in the context of ESG, among others, are as follows:

- **The Corporate Governance, Sustainability and Nominations Committee** acts as the ultimate liaison/responsible Board Committee with respect to all sustainability/ESG issues and promotes respective communications and feedback from all the BoD Committees.
- **The Risk Management Committee** has oversight of the identification, monitoring, and management of Climate & Environmental risks.
- **The Remuneration Committee** is responsible for ensuring ESG metrics are incorporated in Remuneration Policies.
- **The Audit Committee** performs the oversight of the Sustainability Report and Non-Financial Information reporting, including sustainability and ESG disclosures.

The BoD, through the Risk Management Committee, receives regular reports and communication by the Chief Risk Officer (CRO) and other relevant functions, about the current risk profile, current state of risk culture, utilization against the established risk appetite and limits, limit breaches and mitigation plans.

#### **Lines of reporting and frequency of reporting relating to environmental risk**

The Risk Management Committee and the Corporate Governance Sustainability and Nominations Committee are informed, on an at least bi-monthly basis, by the Group ESG coordinator, the CRO, the General Manager of Wholesale Banking and the Chief of Corporate Center, on issues related to Sustainability and Climate Risk. The Chairman of each Committee endorses for approval by the BoD, specific items that are being discussed and the BoD proceeds to the final approval.

#### **Executive level decision making**

The Group Sustainability Committee (GSC) was established in November 2021 to approve and oversee the sustainability strategy and to steer all related initiatives. The Committee takes cognizance of and decides upon Sustainability and ESG related matters to ensure an internal governance framework that allows the Bank to manage ESG risks and consider all sustainability topics.

GSC membership includes six General Managers as permanent members and 8 additional members at the General Manager or senior executive level. During 2023, the committee met 9 times, highlighting Management's commitment to enhancing the Bank's sustainability position. The Group Sustainability Committee's agenda covered a range of topics, including progress of the Bank's ESG Action Plan, risk identification and materiality assessment of Climate Risk, the Sustainable Finance Framework operationalization, updated Policy documents, as well as key disclosures and regulatory submissions.

The role of the Group ESG Coordinator was also established, to lead sustainability initiatives and steer operational teams on implementation.

### **Operational level implementation**

At the Operational level, an **ESG Working Group** has been established to implement key initiatives, led by the Group ESG Coordinator, who is also responsible for providing direction to subsidiaries and other units. The ESG Working Group represents all areas of the Bank that take ownership of ESG integration and ensures the flow of information across relevant teams.

The Bank's **Governance and Sustainability Division (GSD)** drives the ESG agenda and ensures the adoption of best practices across the Group. In addition, high-level responsibilities are defined in the updated Operating Model emphasizing the ESG Strategy and ESG integration, including integral components of Sustainable Finance operationalization, stakeholder engagement and disclosures in line with regulation-driven and other initiatives. The Governance and Sustainability Division also leads communication and the exchange of knowledge and expertise between the Bank and its Group Companies.

The **Climate, ESG and Enterprise Risk Division** is an 'umbrella' and holistic risk function collaborating and coordinating the rest of Chief Risk Control Officer functions and Business Units, while undertaking a limited number of risks under its controlling capabilities related to Bank-wide and even Group matters. Among others, the Climate and ESG Risk function collaborates with the GSD Division and provides expert guidance for ESG integration in the risk management framework, supports consistency and adequacy of risk input across risk types, reviews questionnaires in the borrower assessment process, designs assessment methodologies (e.g. for physical climate risk) and is responsible for risk-related aspects of strategy-setting and business planning.

The Bank has developed the **ESG Operating Model** across the three Lines of Defense which defines the roles and responsibilities of relevant divisions and their respective Management, on major activities and workflows relevant for Climate Risk and ESG issues.

### **Remuneration Policy**

Our Bank integrates ESG-related considerations into its Remuneration Policy, reflecting our commitment to environmental stewardship and sustainability.

Additionally, variable remuneration incorporates criteria linked with climate-related and environmental goals, in alignment with the actions and initiatives that the Bank is developing. These criteria are integrated into the broader performance assessment framework to ensure a holistic evaluation of contributions toward the Bank's sustainability objectives. Following the relevant approval at the General Meeting of Shareholders on 27.7.2023, the Remuneration Policy of the Members of the Board of Directors encompasses a culture of inclusion and gender-neutral remuneration provisions and integration of ESG criteria in the Remuneration Framework as per the related legal and regulatory provisions.

## 16.1.2 Social Risk

### Business Strategy and Processes

#### GRI Materiality Assessment

Alpha Services and Holdings, periodically, tries to identify, assess and prioritize social issues which are related to its activities and might impact the Group's operations and/or its Stakeholders, through a materiality analysis process, in accordance with the "GRI 3: Material Topics 2021". Through the materiality analysis "the actual and potential impacts on the economy, environment, and people, including impacts on human rights, across the organization's activities and business relationships, are being identified. Impacts can be negative or positive, long term or short term.

The material **social impact areas**, whether potentially positive or negative, for 2023 identified and prioritized are the following:

- **Finance** (Impacts created through specific financial products/services and operational initiatives that improve accessibility to the use of financial services).
- **Health, Safety and well-being** (Impacts created through specific financial products/services that affect the ability of stakeholders to live in a state of complete physical, mental and social well-being and stakeholders' accessibility to quality essential healthcare services).
- **Employment** (impacts created through specific financial products/services and operational activities that improve stakeholders' accessibility to productive work in conditions of freedom, equity, security and human dignity).
- **Gender Equality** (impacts created through operational activities and initiatives that improve stakeholders' ability to live free from gender inequality).
- **Age Discrimination** (impacts created through specific financial products/services and operational activities that improve stakeholders' ability to live free from ageism).
- **Culture and Heritage** (impacts created through specific financial products/services and CSR initiatives that improve stakeholders' ability to access and participate in cultural life, to enjoy the arts and to share in scientific advancement and its benefits).
- **Data Privacy** (impacts of operational activities that affect stakeholders' accessibility to the right of personal privacy (Issues of non-compliance)).

In addition, the Bank also ran an internal exercise and determined the following risks that are related to social and governance matters that have been defined by the Greek Law 4548/2018 and could negatively affect the organization's operations:

- Conduct Risk
- ICT & Information Security
- Financial Crime risk
- Fraud Risk
- Execution, Delivery & Process Management
- Outsourcing Risk

## Social Targets

Based on the identified impact areas, the Bank has set concrete targets to:

- Enhance people's financial health through inclusive access to financing
- Provide an Inclusive and Safe Work environment
- Support equal access to Healthcare, Education, Culture and Heritage

Social targets and commitments of Alpha Bank are presented in the following table:

Foster Healthy Economies and Societal Progress			
Commitments	Targets <sup>1</sup>	Target Date	KPIs
<b>Enhance people's financial health through inclusive access to financing</b>	Increase employment of young people by 20% (base year 2019)	2025	Percentage of Employees in the age group of 18-25
			Percentage of hirings in the age group of 18-25
	Support financial inclusion through educational programs addressed to teachers, students, and people over 55 years	Ongoing	Number of CSR programs implemented for the financial inclusion addressed to people over 55 years
	Increase access to people with mobility limitations to 85% of Branches	2025	Percentage of branches accessible (ramp or easily accessible) to people with disabilities (%)
<b>Provide an inclusive and safe work environment</b>	Provide a safe and inclusive work environment	Annual	Number of injuries in the workplace (number of Employees)
	Maintain >40% women representation in Managerial positions	Annual	Percentage of women in managerial positions
<b>Support inclusivity and access to Healthcare, Education, Culture and Heritage</b>	Support equal access to culture for people with disabilities, cognitive impairment, the elderly and children in remote areas	Ongoing	Number of CSR initiatives targeted to the provision of equal access to cultural programs
	Limited financing to activities that can affect health and well-being, including gambling, tobacco, and alcohol	Ongoing	Financing provided to gambling, tobacco and alcoholic beverages as % of total loan portfolio (aggregate financing cap of 5%)

## Social Initiatives

Alpha Services and Holdings respects and promotes human rights through the business policies it applies, its responsible supply chain and the relations it develops with its Customers. Alpha Bank's Corporate Responsibility Policy and its Code of Ethics describe its approach and commitment to the management of human rights. At the same time, it applies the law and follows internationally acclaimed directives, principles and initiatives to protect human rights, such as the Core Labour Conventions of the International Labour Organization (ILO) and the Universal Declaration of Human Rights (UDHR). The Bank recognizes the right to union membership and collective bargaining (see section "Social and employee matters – Alpha Services and Holdings' Management of this Report) and opposes all forms of child, forced or compulsory labor.

As stated in its **Corporate Responsibility Policy**, Alpha Services and Holdings respects and defends the diversity of its Employees and treats all Employees with respect. The Bank promotes a culture that fosters diversity and inclusion for its workforce and implements appropriate metrics to monitor diversity at all levels. For Alpha Bank, the integration of diversity and inclusion practices in its operating culture and, of course, in all aspects of its corporate and social activity is of paramount importance. To this end, Alpha adopted a modern framework against bullying and harassment at the workplace in 2022.

A framework of interventions has been developed in the past years, not only with respect to providing equal opportunities for professional development, equal performance evaluation and rewards, but most importantly, a framework for personal development for women throughout their life cycle. A key part of these interventions has been the practice of mentoring, placing women in the drivers' seat, through the role of mentor for new joiners and young colleagues, both male and female. An important example of the empowerment initiatives implemented within 2023 is the second phase of "Trading Alpha Brains" (TAB) mentoring program, involving Mentors and Mentees working in teams and developing implementable business ideas.

The Group acknowledges the importance of fostering a safe and healthy work environment and promotes a strong health and safety and wellbeing culture, by ensuring regulatory compliance and investing in efficient health and safety management, personnel consultation, and trainings.

To further strengthen HR communication with all employees, especially those who work remotely or are located outside of Athens, and improve employee experience and engagement, a new communication platform was launched (#talk2us), through which employee can book appointments with Human Resources Business Partners (HRBPs) who act as 'people advocates' and serve as a first point of contact for employees to discuss and help resolve professional issues of concern.

As a mean to promote collaboration and networking, employee groups with common interests or characteristics, the "**Communities of Change**" were further developed within 2023 to facilitate:

- Learning from the unique experiences of employees capitalizing on their diverse professional backgrounds.
- Distributing best practices among Units in order to achieve the goal of shaping the next day for Alpha Bank.
- Nurturing cross-functional alliances for employees from different areas and promote collaboration.
- Establishing Alpha Bank as an employer of choice and introducing practices that enhance Bank's employee value proposition.

In 2023, Alpha Bank's strategic commitment to sustainable growth extended, focusing strongly on empowering our People to unleash their potential. Central to the Group's Learning and Development capabilities is Alpha Bank's learning ecosystem ACE #together we grow which was enriched with the design and launch of specialized Academies (Digital, ESG).

Through the ESG Academy, the Bank aims to provide awareness and training to its employees on ESG and climate risks, aiming also to add the power of its brand name to the wider sustainability transition effort. The ESG Academy aims to cover the following thematic areas:

- Horizontal Awareness:
  - Understanding of the ESG components and their impact on the Banking Sector while inspiring behavioral change inside and outside of work
- Fundamentals towards ESG integration:
  - ESG Governance & Operating Model
  - Risk Management Framework
  - Sustainable Finance Framework
  - Business & Strategic Planning around ESG
- Technical capabilities for ESG:
  - Sustainable Finance Framework Operationalization
  - Loan Origination Process
  - ESG scoring & modeling
  - Data Governance and Processes

During 2023, 37% of workforce participated in training organized by the ESG Academy, while 80% of wholesale banking business employees followed dedicated ESG lessons specializing on the understanding of the ESG landscape, the sustainable finance framework the bank has developed and the necessity of the ESG assessment. Employees across the Bank benefited from introductory eLearning courses on ESG fundamentals and the ESG Risks & Opportunities. A dedicated training was carried out on "ESG Risk Management for Risk Professionals" with participation of all employees in risk management. Additionally, the Bank collaborated with the Hellenic Banking Association for the provision of an open-registration webinar on ESG & Sustainable Finance.

## **Sustainable Finance**

Social eligible categories are grouped into four distinct themes: Economic inclusion, Affordable basic infrastructure, Access to essential services, Affordable housing. Each theme is divided into sub-themes to facilitate activities' categorization purposes. The framework targets socioeconomically disadvantaged population, living in rural areas or isolated islands with limited or inadequate basic infrastructure, undereducated, long-term unemployed and working population vulnerable at losing their job due to the energy transition. In addition, aging population, vulnerable youth, persons with different abilities or in need of medical attention. Exclusions may apply at the activity level.

*More information can be found at the Environmental Risk section.*

## Investments

With the aim to increase its positive effect on society, through new business opportunities that generate value for all stakeholders, the Bank for the first time selected and promoted to its customers two issues of Social Bonds within the year. Social Bonds are defined bonds that have a social benefit, in the sense that the funds raised from their issuance, or equivalent amounts, are used to finance or refinance, in whole or in part, new and/or existing projects with social sustainability characteristics (Social Projects).

The criteria for the selection of the issues were based on their ability to cover areas such as basic social infrastructure (transport, drinking water and water supply, energy), access to basic social services (education, health, finance), housing, employment and unemployment reduction, food safety, technology and sustainability, elimination of socio-economic inequalities and ensuring equal opportunities for different social groups.

Finally, the Bank manages the social dimension of financing through its responsible and financing approach, as explained in the “Responsible Investments and Financing” section of the Non-Financial Report 2023 (p. 35-74).

## Certified Management Systems (ISO)

The development of a comprehensive and effective Business Continuity Management (BCM) Framework ensures, to the maximum extent possible, the protection of the health and safety of Employees, the uninterrupted provision of services to Customers and other Stakeholders (Shareholders, business partners, suppliers, Regulatory and State Authorities etc.) and the minimization of the consequences (in terms of operation, finances, legal issues and reputation) in case of an unforeseen event which can affect its operation. The BCM processes of Alpha Bank Group include the assessment of climate related, environmental and social risks that may cause business disruption.

The BCM framework of the Alpha Bank Group is certified with ISO22301. The ISO22301 certification includes more than 2000 employees from the following companies:

- Alpha Bank S.A. (Sectors/Activities certified: Information Technology and Back Office Operations, Treasury Management, Cyber Security & Information Security, Organization)
- Alpha Leasing Single Member S.A. (all activities)
- Alpha Supporting Services S.A. (all activities)
- Alpha Finance Investment Services Single Member S.A. (all activities).

## Health and Safety

Alpha Bank was also certified in 2022 with an Occupational Health and Safety Management System in accordance with ISO 45001:2018, covering all its activities and employees. In addition, there is a permanent presence of Occupational Physicians within work premises with large number of Personnel, while the Bank engages with experts (i.e. psychologists) and offers Employees the opportunity for consultation and support services.

Occupation Physicians are available full time to premises with many employees. Evacuation drills are scheduled by branches at least every 3 months. Training (both live events and e learning) are available to all, covering fire safety, emergencies, first aid and violence and harassment at the workplace.

All personnel are offered and covered by medical insurance. Additionally, licensed psychotherapists are available for off-site counselling at no cost, to employees.

Alpha Bank seeks to continuously improve its management system while introducing new training programs and improving personnel participation.

## **Governance**

The BoD and its Committees have oversight of all issues with the Corporate Governance, Sustainability and Nominations Committee having overall ownership of the Sustainability agenda.

In this respect, during 2023 the Corporate Governance, Sustainability and Nominations Committee reviewed the material impact areas identified through the Global Reporting Initiative (GRI) materiality analysis and the respective targets associated with the social impact areas that have been identified and was informed on the ESG Workplan, the timeline for key disclosures and sustainability strategy.

The Risk Management Committee was updated on ESG and Climate Risk, as well as on the progress of the ESG Workplan.

During 2023 the Audit Committee, among others:

- Monitored the procedure followed for the drafting of the Non-Financial Report and the Sustainability Report for the year 2022, was updated on the materiality analysis process and reviewed the relevant Limited Assurance Reports by an External Auditor.
- Was informed 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.
- Was informed on the Task Force on Climate-related Financial Disclosures (TCFD) report.

The Remuneration Committee, during 2023, endorsed the Remuneration Policy as per Law 4548/2018 which was updated in order to incorporate, among others, disclosures on ESG criteria.

At the Executive level, the Group Sustainability Committee approves any new social initiatives and monitors its implementation to ensure alignment with the Group's overall Sustainability Strategy and targets.

The ESG Strategy Working Group is responsible for the implementation of the materiality analysis (as described in the "Strategic Plan and GRI Materiality Assessment" section of this report) and the assessment and prioritization of the impact areas and topics (environmental and social), identified.

The ESG Working Group, guided by the ESG Coordinator, represents all areas of the Bank that take ownership of ESG integration and ensures the flow of information across relevant teams. Those teams consist of ESG specialists and dedicated representatives of relevant functions (Retail Banking, Wholesale Banking, Risk Management, Strategy, Human Resources, Wealth Management and Treasury, and others). Representatives from each area participating in the ESG Working Group form the Operating Committee, which is responsible for providing the Group Sustainability Committee with information on the progress of the respective ESG project areas, including social issues.

The Bank's Governance and Sustainability Division drives the ESG agenda and ensures the adoption of best practices across the Group. The Division also leads communication and the exchange of knowledge and expertise between the Bank and its Group Companies. In addition, high-level responsibilities are defined in the updated Operating Model emphasizing ESG Strategy and ESG integration.

Bank's Governance and Sustainability Division, drives the ESG agenda and ensures internal adoption of best practice across the Group.

### 16.1.3 Governance Risk

Regarding the governance arrangements of Alpha Services and Holdings, including Committees, see also the governance as described in the respective environmental and social risk sections.

With respect to counterparties, the Group has incorporated the "Environmental and Social Risk Management Policy on Legal Entities Lending" in the Group's existing Credit Risk Management Framework and the Group's Credit Policy, thereby enhancing the effective management of the environmental and social dimension of financing. The Policy presents the responsibilities and the approach followed in managing environmental and social risk at every stage of the lending process and also provides an industry-specific Exclusion List (i.e. a list of sectors that the Group does not finance), as well as a list of crucial industry sectors/activities associated with environmental and social risk.

For corporate clients in the wholesale banking and the retail Small Business Unit, the Bank has developed ESG customer assessment questionnaires, aiming at collecting data and assessing the borrowers in terms of ESG criteria.

The Bank also applies a granular sector-specific customer assessment during the credit origination process that assesses material topics for designated sectors against certain environmental, social and governance criteria. Those customers whose economic activity falls into the CPRS<sup>3</sup> perimeter, tobacco & gambling will be assessed through the sector-specific questionnaire. For customers, whose economic activity falls into the non- CPRS perimeter, a sector agnostic assessment will be applied, considering fundamental aspects of ESG criteria that are common across all sectors.

The **ESG customer assessment questionnaires** comprise three independent sections (Environmental, Social, Governance). Each of the Environmental & Social sections is further segmented into:

- **Management approach:** Captures customer's ability to manage Environmental and Social factors.
- **Evaluation of the Management approach:** Captures customer's ability to evaluate the management approach for Environmental and Social factors.
- **Performance Assessment:** Assesses customer's efficiency regarding Environmental and Social factors and detects whether the customer keeps track of quantitative sector-specific information.

Governance assessment is common across sectors and captures the decision-making process and roles & responsibilities regarding Environmental and Social factors.

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<sup>3</sup> The Climate Policy Relevant Sectors (CPRS) is a classification of economic activities to assess climate transition risk, first developed in the article by Battiston et al. (2017) published on Nature Climate Change. CPRS are identified considering: i) role in the energy value chain (technology), ii) role in the GHG emissions chain, iii) specific policy processes and iv) business model (input substitutability of fossil fuel)

ESG criteria to evaluate corporate customers:



The Bank has re-designed the ESG risk assessment approach through the application of changes in several aspects of credit origination. The updated approach assesses both quantitatively and qualitatively ESG aspects of obligors through questionnaires that capture ESG risks relevant per sector (based on materiality principles), as well as transaction-specific characteristics in order to adequately evaluate their ESG risk profile. The Bank has also developed ESG scorecards for assessing the Obligors.

The ESG questionnaires consider relevant standards published by various organizations, such as the Sustainability Accounting Standards Board (SASB), the Carbon Disclosure Project (CDP), S&P Global, Fitch, Morgan Stanley Capital International (MSCI), International Petroleum Industry Environmental Conservation Association (IPIECA) and European Financial Reporting Advisory Group (EFRAG), as well as industry best practices.

When specific criteria are met, an environmental and social due diligence, i.e. on-site visit at customer's premises, is conducted by environmental and social specialists in order to assess customer's compliance with the respective legislation. Similarly, to assess the investments, the Project Finance team collaborates with specialized technical advisors on the projects' environmental licensing and environmental due diligence. Following the disbursement of credit, adherence to environmental terms and commitments is obligatory, throughout the long duration of the said financings.

## **Certified Management Systems (ISO)**

Alpha Bank was distinguished for its organizational resilience, as it obtained its certification in accordance with the ISO 22316 international standard by TÜV AUSTRIA, becoming the first bank in Greece to obtain a certificate of compliance with this international standard. This distinction confirms Alpha Bank's commitment to best practices and innovative methodologies that ensure its successful adaptation and resilience to the changing business environment, as well as the smooth attainment of the objectives of its daily operation. At the same time, the adoption of the requirements of ISO 22316 standard helps create within Alpha Bank the right conditions to improve its ability to absorb, adapt and rise to the challenges of the changing business environment.

Finally, they are a strong factor in strengthening governance structures with a view successfully managing processes related to critical administrative and operational functions, such as, among others, strategic planning, cybersecurity management, risk and crisis management, financial control, fraud, environmental management, etc.

## **16.2 ESG Risk Management Framework**

### **16.2.1 Environmental Risk**

#### **Risk Management**

The Group adopts a proactive approach to the management of Environmental, Social and Governance (ESG) risks. Emphasis is placed on risks arising from climate change, which is a key component of its Risk Management Strategy. Following the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), the Bank assesses current and upcoming environmental policies, legal requirements and regulatory guidelines relating to climate and the environment, in order to record and efficiently manage any transitional risks related to its activities.

The Group has developed a comprehensive action plan, submitted to the European Central Bank (ECB) in May 2021, in which it presented how the climate risk assessment would be incorporated in its operations and in the risk management process. The implementation of the plan began in June 2021, continued throughout 2022 and was enhanced, taking into consideration the feedback provided by the Single Supervisory Mechanism (SSM) in the context of the Climate Stress Test, conducted in January 2022, and the Thematic Review of Climate-related and Environmental Risk Strategies, Governance and Risk Management Frameworks, conducted in June 2022. Leveraging on the work already performed in 2022 the Bank has proceeded with targeted implementations during 2023 in accordance Group's ESG plan commitments.

The Bank, acknowledging the relevance and potential impact of the risks stemming from climate and environmental related factors, and especially climate change, and as part of its plan and in alignment with the respective external guidelines, has elaborated further on the ESG incorporation into the risk identification and materiality assessment processes and in the overall risk management framework, and is committed to monitoring, assessing, and managing these risks going forward. More specifically, in 2023 the following activities have been performed:

- The Bank has enhanced its credit policy to incorporate the ESG obligor, transaction and overall per transaction (combination of obligor and transaction) assessment, into its credit approval process.
- The Bank has updated its Risk Inventory to provide a comprehensive overview of the enhancements and progress achieved in climate and environmental-related risks in the Bank's Risk Registry. The main climate-risk transmission channels in the area of risk management include transition risk (e.g. the risk of any negative financial impact on the institution, stemming from the current or from prospective impacts of the transition to an environmentally-sustainable economy on its counterparties or its invested assets), physical risk (e.g. the risk of any negative financial impact on the institution, stemming from the current or prospective impacts of the physical effects of environmental factors on its counterparties or its invested assets) and other social and environmental risk aspects.
- The Bank has updated its Materiality Assessment of ESG risks identifying the sectors that are most vulnerable to climate and environmental related risks. In alignment with the guidance across different sources [e.g. ECB, European Banking Authority (EBA), European Commission], the Bank considers Climate and Environmental risks as a theme, i.e., as a transversal risk, incorporating such factors as drivers of existing financial and non-financial risk categories in its risk management framework.

### C&E risks: Definition, Identification and Materiality Assessment

In alignment with the relevant external guidance across different sources<sup>4</sup>, Alpha Bank has incorporated ESG factors as drivers of existing financial and non-financial risk categories (e.g. credit risk, operational risk, market risk, liquidity risk etc.) in its risk management framework. The table below provides an indicative illustration of the way existing risk types could be affected by Climate and Environmental drivers:

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<sup>4</sup> Some indicative regulatory and other references are:

- In the 2020 ECB Guide on climate-related and environmental risks: "Institutions are expected to incorporate climate-related and environmental risks as drivers of existing risk categories into their risk management framework." and "Climate-related and environmental risks may, in fact, be drivers of several different risk categories and sub-categories of existing risk categories simultaneously."
- In the 2021 EBA Report on management and supervision of ESG risks for credit institutions and investment firms: *"The EBA recommends that institutions manage ESG risks as drivers of financial risks, in a manner consistent with the risk appetite, and as reflected in both the ICAAP and ILAAP frameworks."*
- In the 2021 European commission final study, "Development of tools and mechanisms for the integration of environmental, social and governance (ESG) factors into the EU banking prudential framework and into banks' business strategies and investment policies": *"The majority of banks mentioned that this requires a clear mapping of ESG risks as drivers of existing risk types, rather than treatment as a stand-alone risk type", "Most banks that include ESG risks in their RAF fall under the second category, meaning they consider ESG risk as a transversal risk driver." and "Participants acknowledged the impact ESG risks can have on financial and non-financial risks, as opposed to considering ESG risk as a standalone risk type."*
- In the Climate Financial Risk Forum Guide 2020, "Risk Management Chapter": *"Good practice is to treat climate risk as a cross-cutting risk type that manifests through most of the established principal / standalone risk types."*



Indicative impact of Climate related and Environmental risk drivers				
Risk Type	Transition		Physical	
	Climate related	Environmental	Climate related	Environmental
<b>Credit risk</b>	<ul style="list-style-type: none"> <li>- Impact on the credit risk parameters (PD, LGD, EAD) as a result of transition risk events, affecting the creditworthiness of counterparties (e.g. increased PD of companies sensitive to transition risk factors, impact on collateral values from physical risk related events and from disorderly transition to low-carbon economy).</li> </ul>		<ul style="list-style-type: none"> <li>- Impact on the credit risk parameters (PD, LGD, EAD) as a result of physical risk events, within sectors or geographies vulnerable to physical risk (e.g. through lower collateral valuations in real estate portfolios as a result of increased flood risk).</li> </ul>	
<b>Market risk</b>	<ul style="list-style-type: none"> <li>- Volatility and reduction in values and risk returns of financial assets (e.g. corporate/sovereign bonds, equity) from climate-related factors (e.g. from transition risk drivers leading to repricing of securities and derivatives).</li> </ul>		<ul style="list-style-type: none"> <li>- Volatility and reduction in values and risk returns of financial assets (e.g. corporate/sovereign bonds, equity) from climate-related factors (e.g. from physical events leading to repricing of securities and/or derivatives).</li> </ul>	
<b>Liquidity risk</b>	<ul style="list-style-type: none"> <li>- Volatility and reduction in values and risk returns of financial assets (e.g. corporate/sovereign bonds, equity) from climate-related factors (e.g. from transition risk drivers leading to repricing of securities and derivatives), which may reduce the value of high quality liquid assets, thereby affecting the liquidity buffer.</li> <li>- Impact through Bank's ability to raise funds or liquidate assets, e.g.:               <ul style="list-style-type: none"> <li>- The ability to access stable sources of funding is reduced.</li> <li>- Climate-related asset classes/instruments are prioritized over other traditional asset classes/instruments.</li> <li>- Deposits and credit lines are drawn down by counterparties.</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>- Volatility and reduction in values and risk returns of financial assets (e.g. corporate/sovereign bonds, equity) from climate-related factors (e.g. from physical events leading to repricing of securities and derivatives), which may reduce the value of high quality liquid assets, thereby affecting the liquidity buffer.</li> <li>- Impact through Bank's ability to raise funds or liquidate assets, e.g.:               <ul style="list-style-type: none"> <li>- The ability to access stable sources of funding is reduced.</li> <li>- Climate-related asset classes/instruments are prioritized over other traditional asset classes/instruments.</li> <li>- Deposits and credit lines are drawn down by counterparties.</li> </ul> </li> </ul>	

Indicative impact of Climate related and Environmental risk drivers				
Risk Type	Transition		Physical	
	Climate related	Environmental	Climate related	Environmental
<b>Operational risk</b>	<ul style="list-style-type: none"> <li>- The Bank may incur fines due to lack of consideration on compliance with environmental standards or as a result of the greenwashing, leading to conduct risk.</li> </ul>		<ul style="list-style-type: none"> <li>- The Bank's operations may be disrupted due to physical risk events, (e.g. extreme weather event) leading to damages to physical assets or critical infrastructure that is essential for providing services to customers (e.g. property, branches, energy supply, data centers etc.).</li> </ul>	
<b>Business &amp; Strategic risk</b>	<ul style="list-style-type: none"> <li>- Failure to account for rising ESG factors, having as key drivers the potential shift in consumer preferences, behavioral/ demand patterns, market sentiment and the potential change in the competitive landscape, leading to misalignment of business model to market practices (e.g. not being able to finance the environmental transition).</li> </ul>		-	
<b>Reputational risk</b>	<ul style="list-style-type: none"> <li>- Impact on the Bank's public perception and reputation and consequently in its valuation, considering also changing market and consumer sentiment, due to its association with activities and counterparties linked to adverse environmental impacts (e.g. financing of companies with significant polluting activities, investments in sectors with high GHG emissions etc.).</li> <li>- Continually rising stakeholder expectations in the area of climate risk (e.g. Bank's commitments regarding the mitigation of climate risk) could lead to reputational risk, if the Bank does not deliver fully on its position.</li> </ul>		-	

The Bank has incorporated ESG risks in its regular risk identification process. In the context of annual review of ESG materiality assessment, the Bank takes into account several factors, covering both financial materiality (e.g. exposures sensitive to Transition Risk factors as a % of total assets / total loan portfolio, or similar metrics), as well as qualitative factors, such as the perceived impact on the environment and society and potential reputational-related aspects, in alignment with the “double materiality” principle.

The Bank performs the identification and materiality assessment of ESG risks on an annual basis, as part of its broader recurring risk materiality assessment process.

In addition, the Bank is gradually integrating such risks into its Risk Appetite Framework, using as input the materiality assessment results, in order to evaluate the need for introducing new qualitative statements and/or quantitative indicators, as needed.

A summary of the materiality outcome of Climate factors on traditional risk types across the different time horizons examined is presented in the table below, where materially affected risk types per type horizon are marked.

Risk Type	Transition			Physical		
	2024	2030	2050	2024	2030	2050
Credit risk	√	√	√	√	√	√
Market risk						
Liquidity risk						
Operational risk (incl. Legal)		√	√		√	√
Business & Strategic risk	√	√	√			
Reputational risk		√	√		√	√

A more extensive summary of the incorporation of ESG factors in the materiality assessment process for key risk types, is outlined below. In detail:

- Credit Risk – Transition Risk: The Bank conducted a transition risk assessment exercise in its Non-Financial Corporations (NFC) portfolio. The determination of activities/sectors more sensitive to transition risk was based on a number of factors:
  - Climate Policy Relevant Sectors (CPRS) perimeter,
  - Sensitive sectors to transition risk according to Net Zero Banking Alliance (NZBA) and Long-Term Strategy for Greece for 2050 (LTS)

- Examination of the emission intensities at sector level and forward-looking Probability of Defaults (PDs) based on the short-term disorderly transition scenario that ECB published as part of the 2022 ECB climate stress test exercise.

In addition, the Bank has conducted a top-down materiality assessment for transition risk sub-types per sector (market, technology, reputation, policy & legal) as proposed by the Task Force on Climate-Related Financial Disclosures (TCFD), in order to identify the climate-related transition risks that materially affect each sector.

Transition risk drivers have been analyzed considering sectoral transition requirements under the Net Zero (NZE) Scenario pathway, using a top-down approach. For this analysis, scenarios developed by IPCC and their implementation to Greece such as the national long-term strategy for 2050, the Greek climate law, the National Energy and Climate Plan and other scenarios from internationally acclaimed bodies (i.e., IEA), as well as Sectoral Decarbonization Approaches (SDA) from SBTi were utilized. Specifically, for each key sector, a set of risk drivers were defined in alignment with the NZE pathway providing an overview of relevant description to assess risk per sector. The analysis does not take into consideration the potential transition of the counterparty that the Bank is exposed to but rather analyses the inherent risk of the sector overall.

Transition Risks were estimated in different time horizons, aligned with ESRS recommendations: (a) for the short-term time horizon: one year (2024); (b) for the medium-term time horizon: from the 2<sup>nd</sup> year and up to 5 years (2030); and (c) for the long-term time horizon: more than 5 years (2050). These horizons were chosen to align with scientific pathways that limit warming to 1.5°C. This requires halving global GHG emissions by 2030 and approaching zero by 2050. These time horizons are also in line with the Greek Climate Law that has set a target for net zero by 2050, and an interim target of reducing GHG emissions by 55% in 2030 compared to 1990 emissions.

Beyond the materiality assessment conducted in its NFC portfolio, the Bank recognizes the materiality of Climate and Environmental risks in its retail portfolio, in terms of the energy efficiency of real estate collateral held by the Bank. In this context, the Bank has incorporated in its credit decision making process the Energy Performance Certificate (EPC). In parallel, the Bank has developed a model in order to calculate proxies for the energy efficiency score and EPC label of collaterals without an EPC, that enabled the distribution of energy efficiency score bands and EPC label of the real estate properties included in the Bank's portfolio (as real estate owned assets) or used as collateral on existing assets. Finally, the Bank participates actively in the collective initiative organized by the HBA and the Ministry of Environment & Energy which aims at the provision of access for the financial institutions to the EPC registry in order to facilitate the collection of actual EPCs and increase the rate of EPC over the total real estate pool. The Bank's retail portfolio is materially affected by ESG factors, due to its considerable size. Additionally, the Bank is evaluating approaches for assessing transition risk at a more granular level, enabling the identification and mitigation of potential risks. In general, materiality is a crucial consideration in ESG risk assessment. Given the bank's overall portfolio composition, unsecured consumer portfolios do not seem to pose material risks in terms of financial performance or stakeholder concerns since currently these portfolios are not typically within the scope of economic sectors with significant ESG risks, as they do not involve resource consumption, emissions, labor practices, or community impacts to the same extent as other industries. Also, depending on the jurisdiction, regulations and reporting requirements may primarily focus on specific industries or sectors that have higher ESG risks or are considered strategically important. Unsecured portfolios do not fall within the mandatory reporting requirements.

- **Credit Risk – Physical Risk:** The Bank has laid down a methodology based on sensitivity and exposure analysis to derive vulnerability to physical risk factors. Vulnerability analysis is performed to identify potential significant hazards per subsector covered by the analysis for Business portfolio, as well as across the different geographic regions where real estate properties used as collateral extend. The first ESG materiality assessment performed in March 2023 for physical risk was through the execution of a vulnerability analysis (based on RCP 8.5 W/m2 scenario) of both, NACE sectors at a country level (Greece) and real estate properties at climate zones level, to 16 physical climate risks (8 chronic and 8 acute). More specifically, the vulnerability assessment aims to identify potential significant hazards and related risks and forms the basis for the decision to continue the risk assessment, while it is aligned with the Invest EU methodology (“Technical guidance on the climate proofing of infrastructure in the period 2021-2027”) and with the “ECB: Good practices for climate related and environmental risk management: Observations from the 2022 thematic review”). The analysis was applied to the Business portfolio per 1-digit NACE sector (22 NACE codes) at a country level (Greece), while for exposures covered by real estate collateral the analysis was applied at a regional level for each of the 4 climatic zones in Greece (as defined by the Greek Ministry Environment & Energy ), both for 16 climate risks and for selected (sea level rise, soil & coastal erosion, wildfire, cyclones/hurricane/typhoon, and floods), based on the location of the real estate property. The vulnerability analysis (either by NACE sector, or climatic zone) combines the outcome of the sensitivity analysis and the exposure analysis, categorizing physical climate risk as High, Medium or Low. The update of physical risk assessment uses a more granular approach and examines separately the two main portfolios where physical risk has a profound impact: (1) Business portfolio and (2) Secured by real estate collaterals and REOs.

The following activities have been performed in order to obtain results at a more granular and detailed risk level:

- 1) a Sensitivity analysis for the effects of physical risks with the highest exposure on a country level (Heat stress, Water stress, Heatwaves, Droughts & Floods) at a more granular level of the top 20 subsectors in terms of outstanding gross carrying amount as of 31.12.2023 compared to current approach (1<sup>st</sup> level of NACE).
- 2) a location-specific risk analysis for the effects of physical risks on real estate properties using geospatial mapping and local geographical characteristics. This analysis results to the vulnerability assessment at NUTS 3 level, which allows to assess materiality to the aforementioned selected hazards, in a more granular level in terms of the location of collaterals.

It is observed that in both NACE sector level and NUTS3 level, there are limited exposures in NACE sectors lying within the High vulnerability perimeter (the range refers to acute, chronic and chronic & acute risks), as well as limited exposures in locations within the High vulnerability perimeter (the range depends on the timeframe considered – Short (2024) / medium (2030)/ Long (2050) and the type of physical risk – chronic, acute, chronic & acute). It is noted that the selected climate physical risks are a. Chronic: sea level rise, soil & coastal erosion and b. Acute: wildfire, cyclone/ hurricane/ typhoon/ storm/ tornado, floods. However, from an inherent risk perspective, the Bank considers physical risk to be material, given that going forward it could significantly increase in case it is not appropriately monitored and managed.

Alpha Bank offers solutions for mortgage insurance through a full range of products including benefits associated with risks related to natural disasters as flood, wildfires and storm. Moreover, the level of total insured amount is based on the real replacement cost of the building, based on the square meters of the household and the average construction value per square meter and not linked only with the loan amount. According to the Bank's Credit Policy, the insurance of real estate assets taken as collaterals against fire and earthquake is mandatory and from 1.1.2024 the insurance against flood risk will be compulsory for new loan originations.

- **Operational Risk:** The Bank has identified within its database and assessed operational risk events that were driven by ESG risk factors. Despite the fact that the analysis showed very limited materiality of such events, the Bank has introduced certain enhancements to better manage, monitor and mitigate ESG-related risks, effectively acknowledging that there are potentially material ESG factors that could drive operational risk in the future and cause greater losses compared to historical ones. Such material ESG factors could be related to climate physical risk events (e.g. damages to assets due to increased frequency of acute events) and to transition risk (e.g. offer of green products and practices avoiding greenwashing risk that may result in fines or lawsuits). Moreover, such events may have material reputational impact in the future, due to the shifting expectations of customers and the broader society around ESG matters. Especially regarding legal risk, the Bank has introduced enhancements to better identify, manage, mitigate and monitor legal risk driven by ESG-related factors. Emphasis is placed to ESG-related legal risk due to customer and third-party controversial activities (through enhancements on the obligor assessment process), as well as to internal mitigating actions that are being established to prevent greenwashing going forward (through the introductions of internal controls around the identification and tagging of sustainable finance exposures). More specifically, the Operational Risk Platform (Archer) has been enhanced incorporating a flag for the classification of ESG Risk lawsuits and all labor lawsuits have already been classified as "Social Risk related". As far as the commercial lawsuits are concerned, a mechanism will be initiated within 2024 in cooperation with the Civil, Administrative, Criminal Law Disputes and NPEs' Legal Support Business Area to identify, flag and report relevant cases accordingly.

More specifically, the already implemented enhancements are related to the following:

- **Risk Taxonomy:** The Bank has updated its Risk Taxonomy to include the E, S and G flags which will be used to capture and monitor environmental, social and governance factors.
- **Operational Risk Events Management:** Operational risk events are mapped to respective risks and flags of the Risk Taxonomy. Existing and prospective events are mapped to the appropriate ESG flag as required. This allows the Bank to swiftly define the perimeter of environmental, social and governance events within the loss dataset.
- **Risk and Control Self-Assessment (RCSA):** The update of the Risk Taxonomy has an impact on the RCSA exercise as each risk and control is mapped to respective risks and flags of the Risk Taxonomy. Therefore, RCSA risks, and controls related to environmental, social and governance risks are mapped to the ESG flag as applicable and the results of the RCSA can be used to measure the impact of environmental, social and governance factors the Bank faces.
- **Scenario analysis:** The bank has incorporated ESG-related scenarios into its scenario analysis exercise to assess the impact of extreme events that may significantly harm the bank's profitability and reputation. These scenarios are evaluated within a specific perimeter and mapped to the bank's risk taxonomy, which now includes the newly introduced ESG flag.

- Key Risk Indicators (KRIs): Through the regular monitoring of success ratios/indicators (KPIs) the Bank demonstrates the effectiveness of the underlying safeguards against climate-related, environmental and social risk events. These KPIs have been included in the ISO22301 (Business Continuity Management System) of the Group and are subject to annual audits by the certification body (TUV AUSTRIA), and the internal audit function of the Bank. Moreover, the Bank has also introduced specific KRIs for monitoring ESG risk exposures.
- Outsourcing Risk Assessment: The Bank's Vendor Risk Assessment Questionnaire has been enhanced to incorporate questions regarding ESG risk drivers that might affect vendors' operations and consequently the services offered to the Bank. Also, considerations taking into account the new Operational Resilience Framework have been incorporated in the Questionnaire.
- Pillar II Operational Risk Capital related to ESG factors: For Pillar 2 Capital calculation purposes, the Group has adopted an AMA-oriented quantification methodology with the intention to introduce a more risk sensitive estimation of the internal operational risk capital. In this respect, data from the Operational Risk Framework components (the operational risk events, the RCSA results and the Scenarios) are used in the capital calculations through a specific internal statistical model. For ESG Risk purposes, the Group has:
  - Developed operational risk ESG related scenarios.
  - Flagged ESG Risk-related operational risk events and RCSA risks accordingly.

Although historical data do not reflect material losses from ESG-related events in the short-run, the Bank introduced the abovementioned enhancements to better manage, monitor and mitigate ESG-related risks, effectively acknowledging that there are material ESG factors (as depicted in the RCSA and Scenario Analysis processes) that will drive operational risk in the medium/long run and cause greater losses compared to historical ones. Moreover, such events may have material reputational impact in the future, due to the shifting expectations of customers and the broader society around ESG matters.

- Market risk: Based on the materiality assessment of the Bank's bond portfolio, there seems to be limited potential effect from climate related and other ESG factors. The materiality assessment of the Bank's bond portfolio using the Transition Sensitive perimeter (combination of the Climate Policy Relevant Sectors (CPRS), Net Zero Banking Alliance (NZBA) and Long Term Strategy (LTS)), taking also into consideration the average residual maturity of the ESG sensitive perimeter, in order to identify the portfolio's sensitivity to climate risks that are expected to materialize in long-term horizons. The bank has also proceeded with a materiality assessment of the Physical risk both from acute and chronic events, for the Corporate Portfolio of Greek Issuers. With respect to sovereign bonds, which constitute the majority of the Bank's bond portfolio, these primarily relate to issuers that are either EU member states, while a quite immaterial exposure is outside the Union (towards USA) that has a "strong" currency and is in position to manage extreme physical risk events without material impacts on their overall economic stability and prospects. The materiality of ESG factors on the prices of EU members' issuances is considered particularly limited, considering that coordinated actions at the EU level (e.g. through recovery packages, state of emergency frameworks etc.) will be taken, in case any of these countries was severely impacted by environmental factors, primarily concerning physical risk. The equity and fund's portfolio are particularly immaterial compared to the portfolio's total size thus is not considered in the materiality analysis. However, it is closely monitored to assess its sensitivity to climate & ESG risks.

- Liquidity risk: there seems to be no material effect from climate – related and other ESG factors. The liquidity risk materiality assessment is driven by asset risk and the composition of the buffer, mainly consisting of sovereign rather than corporate bonds, which are considered to be immaterially impacted by ESG factors, as described above in the market risk section. On the funding side, the manifestation of climate risks that would hamper the capacity of the Bank to draw funds in the wholesale market or potentially increase the volatility of customer deposits, may be considered as not quite plausible in the medium term. In addition, the bank has not observed abnormal patterns of deposit behavior within its retail portfolios, indicating a high degree of stability and predictability. Retail customers tend to maintain their deposits with the bank over extended periods, even in regions that may have been affected by C&E events and no liquidity stress due to retail withdrawals is observed. Furthermore, the geographical distribution of the Branch Network ensures that there is minimal likelihood the Bank to experience horizontal retail deposit outflows due to events triggered by Climate & ESG considerations.
- Reputational risk: is generally considered to arise as a result of the manifestation of other risk types (i.e. a second-order impact such as Non-Financial Risks, Credit Risk, Liquidity Risk, ESG Risk etc ), while it could also give rise to other risk types subsequently (e.g. liquidity outflows, following a reputational impact). Reputational risk may affect the Group's ability to enter into new business relationships and to provide new services, as well as its ability to serve existing business relationships.

The Group has developed the Reputational Risk Policy to effectively manage its reputational risk exposures, including reputational risk exposures stemming from ESG factors. In this context, the processes that may arise are presented below:

- By financing Obligors who are involved in Controversial Activities. This reputational risk exposure is assessed and is taken into account in the Credit Approval process.
- By initiating new activities, such as Bond Issuing, Investment Banking activities, Public Offerings, Outsourcing Arrangements, new Suppliers, new partners or step-ins, new investors or new services / fees charges to the Bank's clientele.
- From existing activities, such as Obligors (regular review), existing Outsourcing Activities (annual review), existing Suppliers, etc.

To mitigate reputational risk, the Bank has designed a robust process that involves identifying and assessing the potential participation of its Obligors in controversial activities.

Although historical data do not reflect material losses from reputational risk ESG-related events, the Bank acknowledges that there are potentially material ESG factors that could drive reputational risk exposures in the future, particularly on transition (e.g. via allegations and/or negative publicity for greenwashing) and physical risks (e.g. via negative publicity from unavailability of services due to extreme physical events). Therefore, the Group will continue to closely monitor and manage the existing or potential reputational risk exposures stemming from ESG factors, as dictated by the Reputational Risk Policy.

- **Business and Strategic Risk:** The relevance of ESG factors in Business and Strategic Risk is reflected through the failure to account for rising ESG factors, considering both idiosyncratic (strategic) and systemic (business) components. The Bank acknowledges that ESG factors could have a significant impact from a Business and Strategic Risk perspective. The impact on Business & Strategic risk would materialize through several drivers, including the Bank's inability to properly execute its strategy (e.g. not being able to finance the environmental transition), or changes in the customers' demand of various Bank's products (e.g. shift in market expectations for green products) and adjustments in the related product pricing due to ESG factors, with a financial impact on the Bank's interest income. The impact on profitability could also materialize from downward fees and commissions, as well as from the structure of the Bank's funding side (e.g. reliance to deposits from clientele not aligned to "green" strategies, prone to transition risk). Taking into consideration the above, a forgone profitability risk is observed through the reduced market share in the sustainable/transition finance market, which is relatively limited in the short-term, while the market share loss could lead to magnified impacts in the medium/long-term. Another ESG driver that the Bank recognizes for the manifestation of business & strategic risk would be the design and execution of the transition strategy for its corporate portfolio, on an individual communication basis for large corporate customers, in the context of the more granular, sector-specific obligor credit assessment process to be implemented, incorporating ESG factors. The impact that ESG factors can have on Business and Strategic Risk is also highlighted by the fact that they can lead to significant reputational risk, as a second-order effect, in terms of a long-term impact on the Bank's brand and reputation (e.g. the Bank gradually lagging in terms of strategy and brand in ESG – related issues, compared to its peers). The impact of the Bank's financing activity and overall strategic direction on the environment is often subject to public scrutiny and, hence, associated with reputational considerations. The Bank has performed the materiality assessment of Business and Strategic risk for the Gross Interest and Fees & Commissions income generated by the Non-Financial Corporations (NFC) portfolio, broken down to activities/sectors more sensitive to transition risk, based on the Climate Policy Relevant Sectors (CPRS), Net Zero Banking Alliance (NZBA) and Long Term Strategy (LTS) for Greece perimeters by using the NACE code assigned at the obligor. Moreover, the Bank performed an analysis in the context of the economic perspective, to quantify the risk of achieving a lower than expected market share in new sustainable financings (with respective impact this would have in the form of forgone interest rate income). Additionally, in the context of the normative perspective the overall lower growth that has been assumed under the alternative scenarios incorporates, also, the revenue impact from the ESG perspective of Business/ Strategic risk.
- **Other Environmental & Social Risks:** With respect to other environmental factors, from an inherent risk perspective, the Bank considers these to be material, due to the size and sectoral allocation of its Non-Financial Corporate Loans portfolio. In particular for water stress and soil erosion the Bank has performed a more elaborate approach, based on relevant scientific research, in the context of its established framework for assessing materiality of physical risk factors. The materiality of environmental factors performed from an inherent risk perspective based on the outcome of the materiality assessment, that examines both the "inside-out" and "outside-in" impact, and the UNEP FI tool methodology that examines the "inside-out" negative impact of environmental and social factors.

- Regarding ESG materiality assessment methodology as stated previously, the Bank has developed a more comprehensive and granular ESG assessment across environmental and social factors, as well as climate-related matters for obligors within the Non-Financial Corporates (NFC) perimeter. The Bank has considered several available sustainability standards and guidelines, as well as guidelines and methodologies from ESG rating agencies, as a reference to determine which are the material ESG factors per economic sector. These references, indicatively included:
  - The Sustainability Accounting Standards Board (SASB) materiality map<sup>5</sup>
  - The Global Reporting Initiative (GRI) Standards<sup>6</sup>
  - The S&P Global Sustainability Yearbook 2021<sup>7</sup>
  - The Fitch Ratings Sector Specific Topics
  - The MSCI materiality map<sup>8</sup>

Apart from the above, for certain sectors and based on availability, the following sector specific standards and guidelines were also used. Indicatively:

- ATHEX ESG guide<sup>9</sup>
- GRESB Real Estate Reference guide<sup>10</sup>
- EPRA Sustainability Best Practices Recommendations Guidelines<sup>11</sup>

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<sup>5</sup> <https://www.sasb.org/standards/materiality-map/>

<sup>6</sup> <https://www.globalreporting.org/>

<sup>7</sup> [https://www.spglobal.com/esg/csa/yearbook/files/spglobal\\_sustainability-yearbook-2021.pdf](https://www.spglobal.com/esg/csa/yearbook/files/spglobal_sustainability-yearbook-2021.pdf)

<sup>8</sup> <https://www.msci.com/our-solutions/esg-investing/esg-ratings/materiality-map>

<sup>9</sup> <https://www.athexgroup.gr/documents/10180/5665122/ENG-ESG+REPORTING+GUIDE/28a9a0e5-f72c-4084-9047-503717f2f3ff>

<sup>10</sup> [http://documents.gresb.com.s3-website.eu-central-amazonaws.com/generated\\_files/infrastructure/2021/asset/assessment/complete.html#performance-water](http://documents.gresb.com.s3-website.eu-central-amazonaws.com/generated_files/infrastructure/2021/asset/assessment/complete.html#performance-water)

<sup>11</sup> [https://www.epra.com/application/files/7415/0306/4407/EPRA\\_BPR\\_Guidelines\\_2017.pdf](https://www.epra.com/application/files/7415/0306/4407/EPRA_BPR_Guidelines_2017.pdf)

- In addition to the above methodology, the Bank, in order to enhance the relationship between specific activities/ NACE codes with negative impact on social & environmental factors, performed an analysis based on additional information from the UNEP FI Portfolio Impact Analysis Tool. The Sector-Impact Map portrays the positive and negative associations between industries / sectors / activities on the three pillars of sustainable development (and therefore they are closely aligned with the UN Sustainable Development Goals (SDGs): social, socio-economic and natural environment through a holistic set of Impact Areas (such as Integrity & Security of Person, healthy economies and biodiversity & healthy ecosystems) and Impact Topics (such as soil, air, waterbodies, etc.) of the Impact Radar, as shown in the figure below. The mapping builds on resources such as the Environmental Health and Safety Guidelines of the International Finance Corporation, UNEP FI's Risk Briefings, as well as thematic resources such as ENCORE. The mapping has also benefited from the reviews of several specialist organizations. Based on this mapping, the Bank assessed the negative impact of the social and socio-economic pillars of sustainable development, as well as the negative impact of the environmental pillar in 6 different areas: water, air, soil, biodiversity, materials and waste in its portfolio per sector, taking into consideration the relevant impact topics.

**Figure: The Impact Radar**



To identify and mitigate risks associated with other environmental and social factors, the Bank has established the following dedicated processes during its credit origination process such as:

- Exclusion list: List to encompass the additional activities with environmental and social impact (i.e., activities affecting biodiversity, pollution, social, etc), which are not allowed to be financed. The criteria for exclusion span across various environmental and social matters
- ESG Obligor Assessment Questionnaires: A bottom-up process including inter-banking industry-specific questionnaires, at the obligor level, which is used to evaluate the performance of each obligor on managing environmental, social and governance-related topics and better inform the credit origination processes in place.  
The industry-specific questionnaires, assess obligors on a wide range of questions related to other environmental risks (e.g. biodiversity, pollution, water and liquid waste, etc.). The material topics per sector have been identified following a thorough review of the applicable reporting standards (i.e., SASB, Fitch, S&P Global and MSCI or other sector specific guidelines)
- Transaction Assessment & Due Diligence process: Evaluation of each requested transaction, on top of the assessment at obligor level aligned with specific criteria, as defined on the Bank's Sustainable Finance Framework, to identify and capture sustainable activities, as well as transaction-specific characteristics. In specific financing cases categorized as non-sustainable transactions according to the ESG transaction assessment outcome, a due diligence is carried out and a respective plan of corrective actions is drawn up with a schedule implementation on behalf of the customer if needed.
- Reputational Risk Assessment: Questionnaires to identify obligors involved in controversial activities including questions for Obligor's triggering with potentially controversial activities and which could potentially lead to Reputational Risk for the Bank.

These processes have been developed in alignment with international standards and enable the Bank to mitigate ex ante environmental and/or social risks within its portfolio. Considering the effect of those processes, the residual risks associated with those environmental and social risk factors are considered to be immaterial on a portfolio basis.

Environmental risks are already covered by strict regulations with future policy changes expected to be incremental in terms of requirements. The Bank is monitoring relevant developments and in case of increase in risk of a specific environmental factor (e.g. biodiversity), will re-assess materiality under longer-term horizons.

**Environmental Data related to Collection Structure, Quality and Accuracy** The Bank is committed to incorporate Climate & Environmental Risk Management into its operations. As part of this commitment, the bank has designed the incorporation of ESG related data into its systems, taking into account related business needs and processes. Specifically, from 1.1.2024 ESG related data are collected and stored in the Bank's systems (i.e., EPC label, emissions data, energy and water consumption, biodiversity and circularity factors etc.) as part of the credit origination process through the enhanced ESG obligor and transaction assessment. Regarding ESG Obligor assessment, the Bank in 2023 started to participate in an inter-banking initiative with Tiresias S.A. (the Greek Credit Bureau) developing common ESG Obligor questionnaires. The industry-specific questionnaires assess obligors on a wide range of questions related to other environmental risks (e.g. biodiversity, pollution, water and liquid waste, etc.). The Bank is currently rolling out this process, to evaluate the performance of each obligor regarding ESG factors and better inform the credit origination processes in place. Under this scope, the Bank has developed and calibrated innovative scorecards, simplified and advanced (cross sector and sectorial), for environmental risks, providing differentiation by industry and depending on the size of the company (e.g. turnover) as well as scorecards for governance and social risks. Furthermore, the Bank will also collect information from the Controversial activities questionnaire. The holistic data flow is assessed from the data capturing until the data usage, considering both the front lines' needs and the monitoring or reporting requirements. The introduction of the ESG related data follows the principles of Bank's Data Governance Framework for ensuring that the data governance procedures are effectively applied. The objective is to ensure high quality data is available, to support decision making both in terms of new credit approvals as well as to ensure clear visibility of the loan and investments portfolios' ESG related characteristics, enabling prudent and effective risk management of Climate & Environmental Risk.

### **Incorporation of C&E risk in Risk Management Framework**

The Group has already incorporated in its Risk Appetite Framework (RAF) a set of quantitative indicators and qualitative commitments regarding climate risks.

The Group integrated climate risks into its overall risk management framework. In terms of quantitative indicators, the Bank has defined several C&E as well as Social indicators designed to improve the sustainability of the portfolio and mitigate potential exposure to risk and are incorporated in Risk Appetite Framework as supporting elements. Additionally, limits have been established in part of the existing C&E indicators. The indicators cover the area of business planning and green financing, collateral vulnerability to physical and transition risk, financial activity vulnerability to physical risk, sustainable investing and social related risk.

Regarding ICAAP, the Bank has developed climate risk-specific methodologies to estimate the impact of climate scenarios under both the Economic and Normative perspective. The current methodologies focus on the impact of both transition and physical risks (Flood & Drought) on credit risk, as well as the impact on operational risk and business & strategic risks considering the relevant risk materiality assessment that has been performed.

Regarding Credit Risk, the disorderly transition scenario and the flood & drought risk shocks from the 2021 Climate Risk EU Wide Stress Testing exercise have been leveraged for the transition and physical risk respectively. The existing credit risk models are used to estimate impact on risk parameters (e.g. through sector models for risk parameters affected by transition risk or through impact on collaterals for physical risk) and thus additional impairment that is incorporated within the results of the Adverse scenario. These are examined as stand-alone climate scenarios.

For the Economic perspective, the Bank estimates the impact from climate scenarios in a similar fashion as in the Normative perspective (selection of scenario, use of relevant credit risk models to calculate impact), adopting the 1-year impact (2024) as Pillar 2 add-on hit, in line with the horizon applicable for the economic perspective aligned to ECB's supervisory expectations.

Additionally, regarding the climate risk impact on operational risk, the Group has adopted an AMA oriented quantification methodology with the intention to introduce a more risk sensitive estimation of the internal operational risk capital. In this respect, data from the Operational Risk Framework components (the operational risk events, the RCSA results and the Scenarios) are used in the capital calculations through a specific internal statistical model. For ESG Risk purposes, the Group has developed operational risk ESG related scenarios and has flagged ESG Risk-related operational risk events and RCSA risks accordingly. The abovementioned data is used in the model for capital calculation purposes. Using allocation techniques, the contribution of the ESG Risk factors to the Total Capital requirements is calculated.

Regarding the impact of climate risks on business & strategic risk, the Bank performed an analysis in the context of the economic perspective, to quantify the risk of obtaining a lower-than-expected market share in new sustainable financings (with respective impact this would have in the form of forgone interest income).

In order to assess the impact of climate risk on the calculation of Expected Credit Loss (ECL), detailed information on the ESG profile of the obligor and the collateral (e.g. location of collateral as well as information on EPCs) is being collected. The information has been incorporated into the respective data systems and methodological approaches are examined to adapt the models for calculating the ECL. More specifically, the following are in progress:

- Initial data collection regarding ESG related information of the obligor.
- Identifying ESG-related data needs, leveraging the data that will be collected for the borrower's assessment and supplementing it with additional information, where needed.
- Further enhancement and recalibration of the Bank's ESG scorecards leveraging the data above.
- The models assessing environmental, governance and social risks will be validated in line with the updated Group Credit Risk Models Validation Framework. ESG models will be assessed with additional qualitative criteria.
- Identifying enhancements or additions to the current set of models used for risk parameter estimation and prediction, in order to integrate ESG risks.

Additionally, the Bank has developed innovative scorecards, simplified and advanced (cross sector and sectorial), for environmental risks, providing differentiation by industry and depending on the size of the company (e.g. turnover) as well as scorecards for governance and social risks. These scorecards have been developed and calibrated during 2023.

### **Environmental and Social Risk Management Policy on Legal Entities Lending**

Alpha Bank Group is committed to sustainable finance, including the effective management of the Environmental and Social dimension of its lending activities. To this direction, during the credit approval process, supplementary to the credit risk assessment, the strict compliance of the principles of an environmentally and socially responsible credit facility are also examined, as those are defined in the “Group Environmental and Social Risk Management Policy on Legal Entities Lending” which is in place since 2016.

The main purpose of the E&S Risk Management Policy is to provide the appropriate guidance, roles, perimeter, conditions, credit rules and tools in order to identify, manage, avoid, minimize, offset the risks arising from the business operations of the clients-Legal Entities that may be connected with a damage to the environment or the society, or with any direct threat of such a damage, having as a result a negative impact on the business operations and financial results of the Bank and the Group.

Key principles and requirements:

- Definition of critical sectors that are especially connected with potential E&S risks.
- Industry specific Exclusion List, i.e., a list of industries that the Group does not finance.
- Industry sectors connected with E&S risks considered as critical, albeit at different levels and therefore classified accordingly to High, Medium and Low risk categories.
- Compliance to the applicable national environmental and social regulations and international standards.
- Environmental and Social Due Diligence Process conducted by E&S consultants, in order to identify the potential E&S risks and impacts and specify the appropriate measures for their management.
- Monitor the ongoing Obligor's/ Project's E&S performance.
- Integrate E&S Risk Assessment and Monitoring Procedures into the existing Risk Management Procedures.
- Managing Obligor's/Project's Non-Compliance with the Environmental and Social Risk Policy Rules and Standards.
- Annual Environmental and Social Performance Report to stakeholders (EBRD).

In 2024, enhanced credit assessment process is in place according to the "Climate related, Environmental, Social and Governance Risk Management Policy on Group's Business Lending" incorporating additional dimensions of climate related and governance risks. The main amendments concern:

- ESG assessment per se, which is more holistic and is carried out at obligor, transaction and overall level. More specifically:



- ESG assessment at obligor level is based on specific ESG questionnaires completed by the Clients. The answered questionnaires are scored via internal rating models and the outcome of the assessment may be Low, Medium or High ESG risk.
- ESG assessment at transaction level concerns the activity for which the client is applying or has received financing based on the information provided during the preparation of the credit request. The outcome of this assessment may be "sustainable" or "non-sustainable" financing. Sustainable financings are further divided into aligned or not aligned with the EU Taxonomy. Non-sustainable financings are rated and classified as Low, Medium, or High ESG risk.
- ESG overall assessment which is a combination of the ESG assessment at obligor and transaction level and is captured per transaction. The outcome of this assessment may be Low, Medium or Increased ESG Impact.
- As of January 1, 2024, the Group has expanded its Exclusion List to encompass additional activities with environmental and social impact, such as the conversion of natural forests into plantation, the wholesale and retail trade of thermal coal, the construction of new nuclear power plants, the financing of clients who are involved in violations of human rights, according to the United Nations "Universal Declaration of Human Rights".
- The consideration of the "Climate Policy Relevant Sectors" classification instead of the "EBRD Environmental and Social Risk Categorization List – Revised 2014" classification in the context of the ESG assessment.
- The Group has enhanced its due diligence process with respect to the assessment of its Customers' ESG/climate risk profile, through the collection of relevant information. This effort aims to ensure obligors' compliance with the Group's Environmental and Social (E&S) requirements. The Group aims to finance its counterparties' green/sustainable transition both in the short- and in the long-term. In this respect the Bank collaborates with High-Risk Obligors to develop an action plan outlining a timeframe and appropriate mitigation measures, while in the case of new lending investment nature Medium and High-Risk transactions an on-site visit is conducted by specialists.

The Group with the aim to mitigate reputational risks has designed a robust process that involves identifying and assessing the potential participation of its Obligors in controversial activities. Additionally, as a mitigating action to physical risk impact, the mandatory property insurance securing new financing that is provided to the Bank also includes the risk of flooding.

## 16.2.2 Social risk

### Risk Management

Social risks are managed through the implementation of the E&S Risk Management Policy, as outlined in the previous section. In the context of social risks materiality assessment, the Bank examines the “inside-out” negative impact of social factors through the UNEP FI tool methodology.

The Bank, in order to enhance the relationship between specific activities/ NACE codes with negative impact on social, performed an analysis based on additional information from the UNEP FI Portfolio Impact Analysis Tool. The Sector-Impact Map portrays the positive and negative associations between industries / sectors / activities on the three pillars of sustainable development (and therefore they are closely aligned with the UN Sustainable Development Goals (SDGs): social, socio-economic and natural environment through a holistic set of Impact Areas (such as Integrity & Security of Person, healthy economies and biodiversity & healthy ecosystems) and Impact Topics (such as soil, air, waterbodies, etc.) of the Impact Radar. The mapping builds on resources such as the Environmental Health and Safety Guidelines of the International Finance Corporation, UNEP FI’s Risk Briefings, as well as thematic resources such as ENCORE. The mapping has also benefited from the reviews of several specialist organizations.

Based on this mapping, the Bank assessed the negative impact of the social and socio-economic pillars of sustainable development, taking into consideration the relevant impact topics. This negative impact considers the following two dimensions a. whether a sector/activity is associated with an impact area and b. whether the sector is “key sector” for the impact area (which is considered more direct than the abovementioned dimension).

Additionally, the Bank has established the following dedicated processes to identify and mitigate risks associated with social factors during credit origination with a specific implementation schedule in case of High-risk outcome, Transaction Assessment & Due-Diligence process and Controversy Risk Assessment. Those processes have been developed in alignment with international standards and enable the Bank to mitigate ex ante environmental and/or social risks within its portfolio. Up to now the Bank has not identified material sensitivity to other environmental factors, from a residual risk perspective.

Additional details related to the identification and management of Social and Employee, Human Rights, Anti – Corruption & Bribery matters can be found in the respective sections, as well as the Responsible Investments and Financing of the Non – Financial report section of the Alpha Services & Holdings Annual Report ([Group-Holdco-31122023-ENG060324Disclaimer.pdf \(alphaholdings.gr\)](#)).

### 16.2.3 Governance risk

#### Risk Management

Governance risk refers to potential detrimental financial impacts on the financial institution due to existing or anticipated influences of governance factors on its counterparties or invested assets. Governance also has a substantial role in ensuring the incorporation of environmental and social aspects by a respective counterparty. Acknowledging the possible implications of climate and environmental disruptions, along with their associated physical and transition risks, is generally considered as a sign of effective governance. Conversely, overlooking these potential impacts during a counterparty's strategic planning could introduce further governance risks. From an inherent risk perspective, Governance risk is currently considered to be material given the size of Non-Financial Corporate Loans portfolio and impact of this risk type. The Bank has established processes to identify and mitigate risks related to Governance factors, therefore the associated residual risks are considered immaterial.

Recognizing significant variations in the management of governance-related topics across different companies, the Bank is implementing a bottom-up process at the obligor level, utilizing the ESG Obligor Assessment questionnaires.

Some indicative governance risk related aspects/ dimensions that are part of the ESG Obligor Assessment questionnaires are presented below:

1. Aspects of accountability, reporting, and transparency.
2. Business ethics and regulatory compliance, including anti-corruption measures.
3. Issues concerning Diversity strategy and group's composition.
4. Remuneration practices and performance evaluation.
5. ESG Governance matters, specifically focusing on the engagement of the management body in supervising environmental and social issues.
6. Strategy & Risk Management.
7. Collective Knowledge, emphasizing on the development and enhancement of environmental and socioeconomic effects.

Additional details related to governance aspects can be found in the respective section of the Non – Financial report section of the Alpha Services & Holdings Annual Report ([Group-Holdco-31122023-ENG060324Disclaimer.pdf \(alphaholdings.gr\)](#)).

## 16.3 Quantitative Disclosures on Climate change transition, Physical Risks and Mitigating actions

### 16.3.1 Banking book—Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

#### 1. Overview

The template includes Group exposures towards non-financial corporates, including loans and advances, debt securities and equity instruments, classified in the accounting portfolios in the banking book, by sector of economic activities using NACE codes based on the principal activity of the counterparty. The template excludes financial assets held for trading or assets held for sale. Also note that the current submission (31.12.2023) does not include Alpha Bank's Romania and Alpha Bank's Romania Leasing portfolio<sup>12</sup>.

#### 2. Approach, applicable standards and key assumptions

##### Exposures towards sectors that highly contribute to climate change

It is noted that the Bank utilized a multi-factor approach for defining ESG sensitive perimeter, which is also applied within the ICAAP framework and reporting. This approach involves considering several factors, the definition of CPRS, NZBA and LTS sensitive perimeters, as well as emission intensities at sector level and forward-looking Probability of Defaults (PDs) based on the short-term disorderly transition scenario that ECB published as part of the 2022 ECB climate stress test exercise. However, the exposures included by the Bank in Template 1 under 'Exposures towards sectors that highly contribute to climate change', exceed those in the ESG sensitive perimeter due to the particular design of the Template i.e., the particular NACE code breakdown presented therein. (e.g., for NACE sector G, only G45 and specific subsectors of G46 & G47 fall under CPRS, whereas the majority of G46 & G47 is not ESG sensitive).

##### Exposures towards companies excluded from EU Paris-aligned Benchmarks

The majority of the Bank's counterparties do not yet disclose information on their corresponding revenue split per sector of economic activity. To overcome this limitation, the NACE code of the counterparty's principal activity has been used to identify exposures towards companies excluded from EU Paris-aligned Benchmarks. The following NACE codes have been selected for this purpose: 0510, 0520, 0610, 0620, 1920, 3511, 3521, 3522, 3523, 4671, 4730, 1910, 0910, 4950. Regarding NACE sector D35, the exposures towards Renewable Energy Sources haven't been considered in PAB exclusions.

Non-performing status for exposures is fully aligned with the new Definition of Default regulatory guidelines and Stage 3 classification according to the IFRS9 accounting standard. Stage 2 exposures have been defined according to the IFRS9 accounting standard and exclude POCI loans.

Exposures have been allocated to maturity buckets according to the remaining maturity of the relevant financial instrument. The contractual maturity has been used for term loans whereas the IFRS9 behavioral maturity has been used for revolving loans, open loans and credit cards. A perpetual maturity has been applied for equities (set to 21yrs for weighting calculation purposes). Average maturity has been calculated by weighing the maturity of each exposure by the gross carrying amount of the exposures.

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<sup>12</sup> Reclassification to "Held for Sale" of Alpha Bank Romania.

## **Financed Emissions**

The PCAF Standard acknowledges that limited data availability is often the main challenge when calculating financed emissions. To overcome this challenge and to promote transparency as the main driving force, the Standard provides a variety of options in order to estimate financed emissions, depending on data availability. Each option is asset class-specific and corresponds to a "data quality score" (1=highest data quality; score 5=lowest data quality).

Adhering to the PCAF Standard's guidance, obligors' actual emissions and activity data were prioritized in order to calculate financed emissions. In cases where actual emissions were not publicly available / easily retrievable, proxies have been developed as a means to estimate emissions, resulting in lower data quality. These proxies were calculated using activity proxies rather than proxies based on financial data.

Whereas the latter was not possible, obligors' financial data (specifically the turnover or revenue) have been used as a proxy to estimate the financed emissions using appropriate emission factors based on the economic activity of the company. The most commonly used economic-based emission factors are derived from an environmentally extended input-output model (EEIO) and provide emission factors for all scopes of obligor's emissions, based on the sector in which it operates.

## **Climate Change Mitigation (CCM)**

It is noted that the exposures that qualify as environmentally sustainable are financing activities that contribute or enable the environmental objective of climate change mitigation in accordance with Articles 10 and 16 of Regulation (EU) 2020/852, as disclosed in template 7 of Annex XXXIX to this Regulation.

### **3. Limitations**

In calculating Financed Emissions, the Bank is utilizing proxies to address the data limitations associated with actual emissions. Further details are provided in the respective sections.

### **4. Plans for enhanced disclosure**

The industry classification is currently based on the client's NACE code. In the future, certain holding companies and SPV's may have a different NACE code as it will be based on the subsidiary or parent benefitting from the financing.

Additionally, the Bank also intends to capture information with respect to the revenue split per sector of economic activity, in addition to applying relevant data from PAB Administrators when such data becomes available, for the more accurate identification of PAB exclusions according to Art. 12.1, points (d) to (g) and Art. 12.2 of Commission Regulation (EU) 2020/1818.

Template 51a: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity 31.12.2023

(Amounts in millions of Euro)

Sector/subsector	a	b	c	d	e	f			i	j	k	l	m	n	o	p	
						g	h	Of which Stage 2 exposures									GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)
	Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)											
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions							
1	Exposures towards sectors that highly contribute to climate change*	20,906	1,989	1,210	1,327	839	(364)	(34)	(319)	35,075,294	28,189,117	21%	13,008	4,467	2,382	1,049	6
2	A - Agriculture, forestry and fishing	288	-	-	31	19	(6)	(1)	(5)	363,943	76,938	0%	250	12	12	14	4
3	B - Mining and quarrying	46	-	-	12	7	(2)	-	(2)	15,477	695	25%	37	5	1	3	5
4	B.05 - Mining of coal and lignite	-	-	-	-	-	-	-	-	61	7	0%	-	-	-	-	1
5	B.06 - Extraction of crude petroleum and natural gas	-	-	-	-	-	-	-	-	2	-	0%	-	-	-	-	1
6	B.07 - Mining of metal ores	11	-	-	-	-	-	-	-	5,661	16	92%	10	-	-	-	5
7	B.08 - Other mining and quarrying	31	-	-	12	6	(1)	-	(1)	8,587	648	0%	25	1	1	3	5
8	B.09 - Mining support service activities	4	-	-	-	-	-	-	-	1,166	24	0%	1	3	-	-	6
9	C - Manufacturing	4,142	526	114	224	241	(119)	(6)	(110)	25,461,182	24,252,370	35%	3,192	695	153	103	4
10	C.10 - Manufacture of food products	1,111	-	-	50	54	(25)	(1)	(24)	470,637	256,487	21%	916	162	14	20	4
11	C.11 - Manufacture of beverages	160	-	-	5	10	(4)	-	(4)	28,625	14,926	19%	138	12	6	3	3

Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	=< 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
12 C.12 - Manufacture of tobacco products	20	-	-	1	-	-	-	-	4,986	2,392	0%	19	1	1	-	2
13 C.13 - Manufacture of textiles	60	-	4	17	9	(5)	-	(5)	4,820	1,238	23%	42	3	11	4	6
14 C.14 - Manufacture of wearing apparel	74	-	-	15	36	(19)	-	(18)	2,045	974	5%	49	9	6	10	7
15 C.15 - Manufacture of leather and related products	13	-	-	3	3	(1)	-	(1)	530	254	0%	9	1	2	2	7
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	31	-	-	6	14	(7)	-	(7)	1,561	703	0%	18	1	4	7	10
17 C.17 - Manufacture of pulp, paper and paperboard	158	-	-	14	14	(8)	-	(8)	14,429	5,364	6%	110	34	10	4	4
18 C.18 - Printing and service activities related to printing	32	-	-	6	4	(1)	-	(1)	3,961	1,283	11%	27	2	1	2	5
19 C.19 - Manufacture of coke oven products	526	526	3	-	-	-	-	-	296,693	95,016	99%	472	53	-	-	2
20 C.20 - Production of chemicals	210	-	5	4	5	(3)	-	(2)	56,559	18,075	7%	156	17	37	1	5

Sector/subsector	a	b	c	d	e	f		g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)				GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		Of exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures				Of which Scope 3 financed emissions						
21	C.21 - Manufacture of pharmaceutical preparations	173	-	-	10	1	(1)	(1)	-	9,810	4,767	2%	154	16	3	-	3
22	C.22 - Manufacture of rubber products	171	-	4	5	23	(11)	-	(11)	68,081	46,270	12%	139	27	2	3	4
23	C.23 - Manufacture of other non-metallic mineral products	145	-	3	17	14	(6)	(1)	(5)	216,578	32,167	33%	109	18	6	11	5
24	C.24 - Manufacture of basic metals	438	-	21	4	2	(1)	-	(1)	438,973	88,601	40%	169	252	16	2	5
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	164	-	1	16	18	(7)	(1)	(6)	39,482	17,358	0%	115	15	20	15	6
26	C.26 - Manufacture of computer, electronic and optical products	72	-	-	1	1	-	-	-	5,431	3,376	46%	60	11	1	-	4
27	C.27 - Manufacture of electrical equipment	304	-	65	3	3	(2)	-	(2)	23,515,052	23,488,702	58%	279	20	2	2	3
28	C.28 - Manufacture of machinery and equipment n.e.c.	77	-	-	26	10	(5)	-	(5)	255,026	149,428	66%	61	10	3	3	5

Sector/subsector	a	b			c	d	e	f		g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)											
		Of exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures			Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions			≤ 5 years	> 5 year ≤ 10 years	> 10 year ≤ 20 years	> 20 years			
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	101	-	8	1	2	(1)	-	(1)	22,771	22,209	76%	85	14	1	1	2		
30	C.30 - Manufacture of other transport equipment	28	-	-	2	3	(1)	-	(1)	1,453	778	0%	19	6	1	2	6		
31	C.31 - Manufacture of furniture	39	-	-	11	11	(7)	-	(6)	1,335	702	0%	25	5	3	5	8		
32	C.32 - Other manufacturing	25	-	-	7	5	(2)	-	(2)	892	469	0%	15	4	2	4	8		
33	C.33 - Repair and installation of machinery and equipment	11	-	-	1	1	-	-	-	1,452	831	0%	7	1	2	1	6		
34	D - Electricity, gas, steam and air conditioning supply	3,012	1,048	1,053	8	1	(2)	-	-	1,991,675	1,013,149	41%	1,234	1,251	494	33	7		
35	D35.1 - Electric power generation, transmission and distribution	2,951	988	1,053	8	-	(2)	-	-	1,982,882	1,009,642	40%	1,233	1,191	494	33	6		
36	D35.11 - Production of electricity	1,932	948	992	7	-	(1)	-	-	1,338,529	449,781	55%	1,027	396	490	19	7		
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	60	60	-	-	-	-	-	-	6,699	2,974	99%	1	59	-	-	10		
38	D35.3 - Steam and air conditioning supply	1	-	-	-	-	-	-	-	2,094	533	0%	1	-	-	-	5		

Sector/subsector	a	b	c	d	e	f		g	h	i	j	k	l	m	n	o	p	
						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)											
		Gross carrying amount (Mln EUR)																
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity		
39	E - Water supply; sewerage, waste management and remediation activities	54	-	10	2	1	-	-	-	91,205	8,467	18%	45	6	2	-	3	
40	F - Construction	876	-	13	204	55	(23)	(3)	(19)	167,521	137,584	22%	459	172	197	47	8	
41	F.41 - Construction of buildings	385	-	-	117	15	(6)	(2)	(4)	26,381	21,716	2%	218	105	54	8	7	
42	F.42 - Civil engineering	380	-	13	62	22	(9)	(1)	(7)	104,385	86,007	45%	172	53	131	25	9	
43	F.43 - Specialised construction activities	111	-	-	25	19	(9)	(1)	(8)	36,755	29,861	0%	69	15	12	14	8	
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	3,528	414	7	390	339	(148)	(15)	(129)	1,234,501	847,683	7%	2,470	501	341	216	6	
45	H - Transportation and storage	4,338	1	8	81	64	(29)	(1)	(27)	5,310,342	1,652,580	17%	3,027	484	372	454	7	
46	H.49 - Land transport and via pipelines	102	1	-	14	11	(5)	-	(4)	68,593	10,935	0%	56	15	24	7	8	
47	H.50 - Water transport	3,069	-	1	60	32	(13)	-	(13)	5,047,578	1,547,396	1%	2,720	348	1	1	4	
48	H.51 - Air transport	192	-	-	-	-	-	-	-	38,966	7,282	88%	4	-	189	-	14	
49	H.52 - Warehousing and support activities for transportation	952	-	7	6	21	(10)	-	(10)	154,417	86,555	36%	246	105	154	446	14	
50	H.53 - Postal and courier activities	23	-	-	-	1	-	-	-	788	412	0%	2	16	5	1	9	
51	I - Accommodation and food service activities	2,873	-	-	217	92	(30)	(6)	(23)	213,343	170,128	0%	1,168	958	666	81	8	

Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	=<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
	Of exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions	Of which Scope 3 financed emissions								
52 L - Real estate activities	1,750	-	5	159	20	(5)	(1)	(4)	226,105	29,523	26%	1,125	382	144	99	6
53 Exposures towards sectors other than those that contribute highly to climate change*	1,609	-	7	117	105	(93)	(4)	(41)	-	-	0%	1,156	268	117	67	5
54 K - Financial and insurance activities	-	-	-	-	-	-	-	-	-	-	0%	-	-	-	-	-
55 Exposures to other sectors (NACE codes J, M - U)	1,609	-	7	117	105	(93)	(4)	(41)	-	-	0%	1,156	268	117	67	5
56 TOTAL	22,515	1,989	1,217	1,444	943	(457)	(38)	(360)	35,075,294	28,189,117	21%	14,165	4,735	2,499	1,116	6



**Template 51b: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity  
30.06.2023**

(Amounts in millions of Euro)

Sector/subsector	a	b	c	d	e	f	g	h	i	m	n	o	p
	Gross carrying amount (MIn EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures						
1 Exposures towards sectors that highly contribute to climate change*	20,844	1,705		1,831	934	( 407)	( 42)	( 347)	13,519	4,436	1,965	924	5
2 A - Agriculture, forestry and fishing	283	-		23	82	( 23)	( 1)	( 22)	185	72	13	14	5



Sector/subsector	a	b	c	d	e	f	g	h	i	m	n	o	p
	Gross carrying amount (MIn EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)							
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
3 B - Mining and quarrying	44	-		3	6	(2)	-	(1)	24	16	1	3	5
4 B.05 - Mining of coal and lignite	-	-		-	-	-	-	-	-	-	-	-	1
5 B.06 - Extraction of crude petroleum and natural gas	-	-		-	-	-	-	-	-	-	-	-	1
6 B.07 - Mining of metal ores	11	-		-	-	-	-	-	1	10	-	-	5
7 B.08 - Other mining and quarrying	28	-		3	6	(1)	-	(1)	22	3	1	3	5
8 B.09 - Mining support service activities	4	-		-	-	-	-	-	1	4	-	-	6



Sector/subsector		a	b	c	d	e	f	g	h	i	m	n	o	p
		Gross carrying amount (MIn EUR)				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity	
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures							
9	C - Manufacturing	4,330	553		254	238	( 113)	( 8)	( 100)	3,396	688	142	104	4
10	C.10 - Manufacture of food products	1,151	-		56	56	( 25)	( 1)	( 23)	968	148	15	20	3
11	C.11 - Manufacture of beverages	162	-		9	10	( 3)	-	( 3)	145	8	6	3	4
12	C.12 - Manufacture of tobacco products	20	-		1	-	-	-	-	19	1	1	-	2
13	C.13 - Manufacture of textiles	62	-		8	10	( 5)	-	( 5)	42	4	13	3	6
14	C.14 - Manufacture of wearing apparel	82	-		13	36	( 18)	-	( 17)	58	8	7	9	6



Sector/subsector	a	b	c	d	e	f	g	h	i	m	n	o	p
	Gross carrying amount (MIn EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)							
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
15 C.15 - Manufacture of leather and related products	18	-		4	4	(1)	-	(1)	14	1	2	2	5
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	34	-		8	13	(7)	-	(6)	22	1	4	7	9



Sector/subsector	a	b	c	d	e	f	g	h	i	m	n	o	p
	Gross carrying amount (MIn EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)							
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
17 C.17 - Manufacture of pulp, paper and paperboard	166	-		17	15	(8)	-	(8)	124	36	3	4	4
18 C.18 - Printing and service activities related to printing	50	-		6	4	(1)	-	(1)	45	2	1	2	4
19 C.19 - Manufacture of coke oven products	553	553		-	-	-	-	-	492	61	-	-	2
20 C.20 - Production of chemicals	229	-		7	6	(3)	-	(2)	160	36	33	1	5



Sector/subsector	a	b	c	d	e	f		g	h	i	m	n	o	p
	Gross carrying amount (MIn EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)								
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
21	C.21 - Manufacture of pharmaceutical preparations	163	-	-	1	-	-	-	-	147	13	3	-	2
22	C.22 - Manufacture of rubber products	182	-	22	8	(3)	-	(3)	-	160	15	2	4	4
23	C.23 - Manufacture of other non-metallic mineral products	139	-	16	16	(7)	(1)	(6)	-	112	10	7	11	5
24	C.24 - Manufacture of basic metals	472	-	5	2	(2)	-	(1)	-	192	263	16	2	5



Sector/subsector	a	b	c	d	e	f	g	h	l	m	n	o	p
	Gross carrying amount (MIn EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures							
25 C.25 - Manufacture of fabricated metal products, except machinery and equipment	194	-		19	19	(8)	(1)	(6)	136	30	13	15	5
26 C.26 - Manufacture of computer, electronic and optical products	41	-		1	1	(1)	-	-	32	8	1	-	3
27 C.27 - Manufacture of electrical equipment	294	-		4	3	(2)	-	(2)	274	15	2	2	2



Sector/subsector	a	b	c	d	e	f		g	h	i	m	n	o	p
	Gross carrying amount (MIn EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)				<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures							
28 C.28 - Manufacture of machinery and equipment n.e.c.	87	-		30	10	(6)	-	(5)		70	9	5	4	5
29 C.29 - Manufacture of motor vehicles, trailers and semi-trailers	104	-		1	2	(1)	-	-		94	8	1	1	2
30 C.30 - Manufacture of other transport equipment	36	-		5	3	(3)	(2)	(1)		27	5	1	2	5
31 C.31 - Manufacture of furniture	45	-		13	13	(7)	-	(7)		33	4	3	5	7



Sector/subsector	a	b	c	d	e	f	g	h	l	m	n	o	p
	Gross carrying amount (MIn EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)							
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
32 C.32 - Other manufacturing	25	-		6	6	(2)	-	(2)	16	2	3	4	8
33 C.33 - Repair and installation of machinery and equipment	21	-		2	-	-	-	-	16	1	3	1	5
34 D - Electricity, gas, steam and air conditioning supply	2,427	803		73	2	(3)	-	(1)	1,178	977	272	1	5
35 D35.1 - Electric power generation, transmission and distribution	2,358	736		72	2	(3)	-	(1)	1,135	950	272	1	5
36 D35.11 - Production of electricity	1,615	688		70	2	(2)	-	(1)	873	472	269	1	5



Sector/subsector	a	b	c	d	e	f		g	h	i	m	n	o	p
	Gross carrying amount (MIn EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)								
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
37 D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	68	68	-	-	-	-	-	-	-	41	26	-	-	6
38 D35.3 - Steam and air conditioning supply	1	-	-	-	-	-	-	-	-	1	-	-	-	5
39 E - Water supply; sewerage, waste management and remediation activities	55	-	2	2	(1)	-	(1)	48	6	1	-	-	3	
40 F - Construction	1,205	-	410	67	(33)	(7)	(24)	717	256	195	38	6		



Sector/subsector	a	b	c	d	e	f	g	h	i	m	n	o	p
	Gross carrying amount (MIn EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures							
41 F.41 - Construction of buildings	645	-	315	16	( 11)	( 5)	( 5)	406	181	50	8	5	
42 F.42 - Civil engineering	407	-	65	29	( 13)	( 1)	( 12)	199	60	132	15	8	
43 F.43 - Specialised construction activities	153	-	30	22	( 9)	( 1)	( 8)	111	14	13	15	6	
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	3,718	346	495	359	( 160)	( 17)	( 137)	2,599	558	346	215	5	
45 H - Transportation and storage	4,307	2	113	53	( 31)	( 1)	( 29)	3,155	362	348	442	6	



Sector/subsector	a	b	c	d	e	f	g	h	i	m	n	o	p
	Gross carrying amount (MIn EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures					
46 H.49 - Land transport and transport via pipelines	122	2		16	13	(5)	(1)	(4)	78	24	12	7	6
47 H.50 - Water transport	3,011	-		87	17	(14)	-	(13)	2,784	226	1	-	4
48 H.51 - Air transport	191	-		-	-	(1)	-	-	2	-	189	-	14
49 H.52 - Warehousing and support activities for transportation	977	-		10	22	(11)	-	(11)	287	111	146	434	13
50 H.53 - Postal and courier activities	6	-		1	-	-	-	-	5	-	-	1	5



Sector/subsector	a	b	c	d	e	f	g	h	l	m	n	o	p
	Gross carrying amount (MIn EUR)				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)								
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
51	I - Accommodation and food service activities	2,676	-	254	84	( 27)	( 5)	( 20)	1,008	1,062	526	80	7
52	L - Real estate activities	1,797	-	204	40	( 15)	( 2)	( 12)	1,211	439	120	27	5
53	<b>Exposures towards sectors other than those that highly contribute to climate change*</b>	1,849	-	156	117	( 87)	( 5)	( 42)	1,463	219	90	77	5
54	K - Financial and insurance activities	95	-	-	-	-	-	-	95	-	-	-	1



Sector/subsector	a	b	c	d	e	f	g	h	l	m	n	o	p
	Gross carrying amount (MIn EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)							
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
55	Exposures to other sectors (NACE codes J, M - U)	1,754	-	156	117	( 87)	( 5)	( 42)	1,368	219	90	77	5
56	TOTAL	22,693	1,705	1,987	1,051	( 494)	( 47)	( 389)	14,982	4,655	2,055	1,001	5

## 16.3.2 Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral

### 1. Overview

The template shows the gross carrying amount of loans collateralised with commercial and residential immovable property and of repossessed real estate collaterals, including information on the level of energy efficiency of the collaterals.

Columns that show the EP score of the collateral include exposures based on the specific energy consumption of the collateral (in kWh/m<sup>2</sup>) as indicated in the collateral EPC label or estimated by the Bank in the absence of an EPC label. Columns that show collateral EPC labels only, include exposures for those collaterals where the EPC label is actual, not estimated. Exposures for which the Bank does not have the actual EPC label of the collateral are included under Column 'Without EPC label of collateral'.

It is noted that only collateral eligible to receive an EPC label according to the EU Energy Performance of Buildings Directive, is reported in this template.

Also note that the current submission (31.12.2023) does not include Alpha Bank's Romania and Alpha Bank's Romania Leasing portfolio<sup>13</sup>.

### 2. Approach, applicable standards and key assumptions

Estimates of the level of energy efficiency have been performed relying on data and information compiled for the purposes of the Regulation on the Energy Performance of Buildings (KENAK). Energy consumption was calculated using a weighting of the results from two methodologies, the first relying on calculated EPCs for the Bank's property collaterals and associated information per property (e.g., year of construction, property type, postal code etc.) and the second on KENAK recorded data of average energy consumption for residential and commercial buildings per climate zone, derived from actual reported EPCs. The extent to which this data has been estimated and not based on EPC labels is indicated in rows 5 and 10 for the EU Area and non-EU Area respectively.

The EU / non-EU area distinction has been performed according to the country of collateral location. Additionally, the population of the collateralized by commercial / residential immovable property' rows for exposures that are covered by both CRE and RRE properties has been carried out through implementing an allocation algorithm with relevant collateral prioritization.

For the collateralized loans with eligible property collateral for EPC, the total exposure of the loan has been reported in the template in the current submission (31.12.2023) as a result of the respective guidelines provided by the regulator. It is noted that in the previous submissions only the portion of exposures collateralised by immovable property has been reported. In all submissions, the exposures collateralised by other collateral types have been excluded.

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<sup>13</sup> Reclassification to "Held for Sale" of Alpha Bank Romania

### **3. Limitations**

The Energy Performance of Buildings Directive introduced the Energy performance certificates (EPC) as instruments for improving the energy performance of buildings. Availability of Energy Performance Certificates is a requirement when carrying out property transactions within the EU since the Energy Performance of Buildings Directive (2010/31/EU) and the Energy Efficiency Directive (2012/27/EU) came into force. However the Bank currently has limited data on actual EPCs since i) the Bank does not always have access to this information, especially in cases where other entities are involved in the actual transaction ii) no EPCs were issued for property collaterals in transactions that were concluded before the relevant EU Directive came into force iii) there is no central registry available in the country that collects and consolidates information on EPCs, which could be accessed by financial institutions to retrieve data on a large scale.

### **4. Plans for enhanced disclosure**

The Bank to the extent possible has started collecting EPC rating certificates from its clients, in order to monitor the energy performance class of its real estate secured exposures. In 2024, The Bank has integrated information on the Energy Performance Certificate (EPC) of relevant real estate properties within its credit decision making process as well as each collateral valuation subject to EPC eligibility. In addition, the Bank participates actively in the collective initiative organized by the HBA and the Ministry of Environment & Energy which aims at the provision of access for the financial institutions to the EPC registry in order to facilitate the collection of actual EPCs and increase the rate of EPC over the total real estate pool.

**Template 52a: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral 31.12.2023**

(Amounts in millions of Euro)

Counterparty sector	Total gross carrying amount amount (in MEUR)																
	Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral)						Level of energy efficiency (EPC label of collateral)						Without EPC label of collateral				
	0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated		
	a	b	c	d	e	f	g	h	i	j	k	l	m			n	o
1	<b>Total EU area</b>	11,398	496	4,214	2,697	2,447	371	910	145	32	38	53	41	21	47	11,021	98%
2	Of which Loans collateralised by commercial immovable property	4,561	17	398	730	2,088	311	888	44	3	15	10	14	2	9	4,464	97%
3	Of which Loans collateralised by residential immovable property	6,696	478	3,756	1,929	341	51	9	101	29	21	30	18	12	24	6,460	98%
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	140	1	60	38	18	9	13	-	-	2	14	8	7	13	97	100%
5	Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	10,758	428	4,052	2,636	2,401	359	881								10,758	100%
6	<b>Total non-EU area</b>	393	148	194	12	-	-	-	-	40	108	125	62	6	12	39	0%
7	Of which Loans collateralised by commercial immovable property	173	66	77	12	-	-	-	-	22	43	42	34	1	12	18	0%
8	Of which Loans collateralised by residential immovable property	220	82	117	-	-	-	-	-	17	65	84	28	5	-	21	0%



		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
Counterparty sector		Total gross carrying amount amount (in MEUR)																
		Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral)						Level of energy efficiency (EPC label of collateral)						Without EPC label of collateral				
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G	Of which level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated			
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
10	Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%

**Template 52b: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral 30.06.2023**

(Amounts in millions of Euro)

	Counterparty sector	Total gross carrying amount amount (in MEUR)															
		Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral		
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	
		a	b	c	d	e	f	g	h	i	j	k	l	m			n
1	<b>Total EU area</b>	13,091	808	5,994	2,798	2,084	372	700	484	459	123	39	62	15	33	11,876	97%
2	Of which Loans collateralised by commercial immovable property	4,665	204	778	892	1,727	302	651	153	82	18	5	5	1	7	4,395	97%
3	Of which Loans collateralised by residential immovable property	8,245	601	5,151	1,861	325	55	28	331	377	101	19	46	7	11	7,355	97%
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	180	3	65	45	32	14	21	-	1	3	15	12	7	15	127	100%
5	Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	11,989	703	5,522	2,705	2,049	348	661								11,542	100%
6	<b>Total non-EU area</b>	395	-	362	-	-	-	-	-	-	-	-	362	-	-	33	0%
7	Of which Loans collateralised by commercial immovable property	110	-	90	-	-	-	-	-	-	-	-	90	-	-	20	0%
8	Of which Loans collateralised by residential immovable property	285	-	273	-	-	-	-	-	-	-	-	273	-	-	13	0%



		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
Counterparty sector		Total gross carrying amount amount (in MEUR)																
		Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral			
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G	Of which level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated			
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
10	Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%

### 16.3.3 Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms

Information includes exposures towards 2 (two) counterparties that are subsidiaries of companies included in the top 20 most carbon-intensive corporates worldwide, based on data available at the Carbon Majors Database and Reports of the Carbon Disclosure Project, as well as at Climate Accountability Institute.

#### Template 53 : Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms 31.12.2023

(Amounts in millions of Euro)

	a	b	c	d	e
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	26.37	0.05%	0	1.8	2

## 16.3.4 Banking book - Climate change physical risk: Exposures subject to physical risk

### 1. Overview

The template includes Group exposures in the banking book (including loans and advances, debt securities and equity instruments not held-for-trading and not held-for-sale), towards non-financial corporates, on loans collateralized with immovable property and on repossessed real estate collaterals, exposed to chronic and acute climate-related hazards.

The column of Gross carrying amount includes all exposures irrespective of sensitivity to physical risk with the subsequent columns including only exposures sensitive to impact from climate change physical events.

Also note that the current submission (31.12.2023) does not include Alpha Bank's Romania and Alpha Bank's Romania Leasing portfolio<sup>14</sup>.

### 2. Approach, applicable standards and key assumptions

The Bank has established a methodology to assess vulnerability to physical risk factors based on sensitivity and exposure analysis (when separately assessed) to derive vulnerability to physical risk factors. The vulnerability assessment is in line with the "ECB: Good practices for climate related and environmental risk management: Observations from the 2022 thematic review"<sup>15</sup> and the Invest EU methodology ("Technical guidance on the climate proofing of infrastructure in the period 2021-2027")<sup>16</sup>. It aims to identify potential significant hazards per subsectors covered by the analysis for Business portfolio, as well as across the different geographic regions where real estate properties used as collateral.

The first ESG materiality assessment performed in March 2023 with reference date 31.12.2022 for physical risk was through the execution of a vulnerability analysis (based on RCP 8.5 W/m2 scenario) for both, NACE sectors at a country level (Greece) and real estate properties at climate zones level, to 16 physical climate risks (8 chronic and 8 acute). The vulnerability assessment identified the potential significant hazards and related risk in alignment with the Invest EU methodology ("Technical guidance on the climate proofing of infrastructure in the period 2021-2027") and with the "ECB: Good practices for climate related and environmental risk management: Observations from the 2022 thematic review"). The analysis was applied to the Business portfolio per 1-digit NACE sector (22 NACE codes) at a country level (Greece), while for exposures covered by real estate collateral the analysis was applied at a regional level for each of the 4 climatic zones in Greece (as defined by the Greek Ministry Environment & Energy ), both for 16 climate risks and for selected (sea level rise, soil & coastal erosion, wildfire, cyclones/hurricane/typhoon, and floods), based on the location of the real estate property.

In 2023, the Bank enhanced the methodology of physical risk assessment. This update uses a more granular approach, building upon the initial methodology employed in the previous analysis, incorporating specific enhancements (e.g., in terms of granularity of assessment) depending on the portfolio that is under examination. The approach continues to examine separately the two main portfolios where physical risk has a profound impact: (1) Business portfolio and (2) Secured by real estate collaterals and REOs. In order to achieve a more granular and detailed risk level analysis, the Bank proceeded with:

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<sup>14</sup> Reclassification to "Held for Sale" of Alpha Bank Romania.

<sup>15</sup> [ECB 2022-Good practices for climate related and environmental risk management: Observations from the 2022 thematic review-link](#)

<sup>16</sup> Commission Notice — Technical guidance on the climate proofing of infrastructure in the period 2021-2027 – link

- 1) The development of Sensitivity analysis for physical risks with the highest exposure on a country level for the five climate hazards (Heat stress, Water stress, Heatwaves, Droughts & Floods), at the more granular level of top 20 subsectors (NACE 2 level) in terms of Bank's outstanding gross carrying amount as of 31.12.2023 while the existing approach (sensitivity applied at 1st level NACE code) has been used for the remaining exposures. The sensitivity has been assessed in three different time-horizons in alignment with the ESRS recommendations: (a) for the short-term time horizon: one year (2024); (b) for the medium-term time horizon: from the 2nd year and up to 5 years (2030); and (c) for the long-term time horizon: more than 5 years (2050). These horizons were chosen due to their alignment with scientific pathways and in line with the Energy and Climate National Plan and the Greek Climate Law. The sensitivity of each sub-sector is measured via a 3-level score of 'High', 'Medium' or 'Low' for each climate hazard.
- 2) The development of a location-specific risk analysis for the effects of physical risks on real estate properties using geospatial mapping and local geographical characteristics. This analysis results in a vulnerability assessment at NUTS 3 level, which allows to assess materiality, in a more granular level in terms of the location of collaterals. The final assessment outcome is presented in terms of High/Medium/Low exposure levels using relevant hazard metrics averaged to provide the results resolution of location data of the Bank under 3 defined time horizons (short – 2024 / medium – 2030 / long – 2050).

### **3. Limitations**

Reposessed assets under an 'investment' accounting classification have been excluded from the data reported.

Assessment for physical risk has been performed on NFC which represent 80% of the total Group NFC exposures.

### **4. Plans for enhanced disclosure**

Following the evolution and possible future updates of the regulatory guidelines the Bank may perform further enhancements to the methodology used for performing physical risk assessment to the portfolio that meets specific criteria, in order to ensure a more granular identification of such vulnerability, if necessary.

**Template 54a: Banking book - Climate change physical risk: Exposures subject to physical risk 31.12.2023**

(Amounts in millions of Euro)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Variable: Geographical area subject to climate change physical risk - acute and chronic events	Gross carrying amount (Mln EUR)														
	of which exposures sensitive to impact from climate change physical events														
	Breakdown by maturity bucket						of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non- performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighte d maturity	of which Stage 2 exposur es						Of which non- perform ing exposur es	Of which non- perform ing exposur es		
1 A - Agriculture, forestry and fishing	288	249	12	12	14	4	-	-	287	30	19	(6)	(1)	(5)	
2 B - Mining and quarrying	46	35	7	1	3	5	-	43	3	12	7	(2)	-	(2)	
3 C - Manufacturing	4,142	-	-	-	-	-	-	-	-	-	-	-	-	-	
4 D - Electricity, gas, steam and air conditioning supply	3,012	33	795	4	-	6	-	832	-	1	-	-	-	-	
5 E - Water supply; sewerage, waste management and remediation activities	54	45	6	2	-	3	-	1	53	2	1	-	-	-	
6 F - Construction	876	31	77	2	-	5	-	110	-	102	4	(3)	(1)	(1)	



	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
	Gross carrying amount (Mln EUR)															
Variable: Geographical area subject to climate change physical risk - acute and chronic events	of which exposures sensitive to impact from climate change physical events														Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	
	Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non- performing exposures	of which Stage 2 exposures	Of which non- performing exposures				
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighte d maturity											
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	3,528	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	H - Transportation and storage	4,338	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	L - Real estate activities	1,750	47	4	-	-	3	51	-	-	12	-	-	-	-	-
10	Loans collateralised by residential immovable property	7,136	80	66	187	269	19	304	255	45	156	95	( 35)	( 5)	( 24)	
11	Loans collateralised by commercial immovable property	7,271	217	392	197	98	10	291	600	12	111	67	( 47)	( 30)	( 15)	
12	Repossessed colaterals	191	-	-	-	20	21	11	10	-	-	-	( 1)	-	-	
13	Other relevant sectors (breakdown below where relevant)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

**Template 54b: Banking book - Climate change physical risk: Exposures subject to physical risk 30.06.2023**

(Amounts in millions of Euro)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Variable: Geographical area subject to climate change physical risk - acute and chronic events	Gross carrying amount (Mln EUR)														
	of which exposures sensitive to impact from climate change physical events														
	Breakdown by maturity bucket						of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non- performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighte d maturity	of which Stage 2 exposur es						Of which non- performi ng exposur es	Of which non- performi ng exposur es		
1 A - Agriculture, forestry and fishing	283	179	72	13	14	5	-	10	268	23	81	(23)	(1)	(21)	
2 B - Mining and quarrying	44	24	16	1	3	5	-	41	2	3	6	(2)	-	(1)	
3 C - Manufacturing	4,330	68	16	-	-	3	-	83	-	8	2	(2)	-	(1)	
4 D - Electricity, gas, steam and air conditioning supply	2,427	251	504	4	-	5	-	759	-	3	-	(1)	-	-	
5 E - Water supply; sewerage, waste management and remediation activities	55	44	6	1	-	3	-	48	3	2	1	(1)	-	-	
6 F - Construction	1,205	297	76	1	-	3	-	368	6	284	11	(11)	(5)	(6)	



	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount (Mln EUR)														
	of which exposures sensitive to impact from climate change physical events														
Variable: Geographical area subject to climate change physical risk - acute and chronic events	Breakdown by maturity bucket						of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non- performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighte d maturity	of which Stage 2 exposures						Of which non- performing exposures	of which Stage 2 exposures	Of which non- performing exposures	
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	3,718	-	-	-	-	-	-	-	-	5	-	-	-	-
8	H - Transportation and storage	4,307	4	-	-	-	3	-	4	-	1	-	-	-	-
9	L - Real estate activities	1,797	-	-	-	-	-	-	-	-	3	-	-	-	-
10	Loans collateralised by residential immovable property	8,714	76	125	402	660	21	-	1,263	-	271	223	( 50)	( 9)	( 37)
11	Loans collateralised by commercial immovable property	6,310	495	551	350	188	9	-	1,580	5	321	132	( 95)	( 50)	( 42)
12	Repossessed colaterals	242	-	-	-	-	-	-	33	-	-	-	( 2)	-	-



	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount (Mln EUR)														
	of which exposures sensitive to impact from climate change physical events														
Variable: Geographical area subject to climate change physical risk - acute and chronic events	Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non- performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighte d maturity						of which Stage 2 exposur es	Of which non- performi ng exposur es			
13 Other relevant sectors (breakdown below where relevant)															

### 16.3.5 Summary of GAR KPIs

Overview of methodology and applicable standards

Regulation (EU) 2020/852 (EU Taxonomy) was created to meet the need for a common system for the classification of environmentally sustainable economic activities. At the same time, it forms an integral part of the European Green Deal, as well as of the EU Action Plan on Sustainable Finance.

The EU Taxonomy Regulation is effective since July 12th, 2020, and establishes the following six environmental objectives:

1. Climate change mitigation (CCM);
2. Climate change adaptation (CCA);
3. Sustainable use and protection of water and marine resources;
4. Transition to a circular economy;
5. Pollution prevention and control; and
6. Protection and restoration of biodiversity and ecosystems.

The 1st Delegated Act (commonly known as the "Climate Delegated Act") concerning the technical criteria for economic activities with a significant contribution to the first two objectives, (i.e., the climate change mitigation and the climate change adaptation), was adopted on July 4th, 2021, and is effective as from January 1st, 2022. In 2023, two new Delegated acts issued by the European Commission have been adopted:

1. The Delegated Act 2023/2485 which includes technical screening criteria of new activities for the substantial contribution to the first two environmental objectives (CCM and CCA) and
2. The Delegated Act 2023/2486 which includes technical screening criteria of new activities for the substantial contribution to the remaining four environmental objectives.

Furthermore, a reporting guidance has been published by the European Commission including relevant FAQs. This guidance provides definitions as well as interpretation and clarifications of reporting requirements for financial undertakings.

According to the Regulation (EU) 2020/852 (EU Taxonomy), the term "eligible" is used for economic activities included in the above mentioned Delegated Acts. However, it should be noted that even if an economic activity is eligible, it does not mean it is also environmentally sustainable. The term "environmentally sustainable activity or investment" is associated with alignment, which requires greater analysis compared to eligibility. To be taxonomy-aligned an economic activity should comply with all the requirements listed in the respective technical criteria, should not do significant harm (DNSH) to other environmental objectives, and should be exercised in accordance with the minimum social safeguards.

For the first time, in current year reporting, credit institutions shall disclose, according to the EU Taxonomy regulation, taxonomy alignment information for the two climate environmental objectives and taxonomy eligibility information for the remaining four environmental objectives. The ratio that indicates the alignment is the Green Asset Ratio (GAR) which shall be disclosed along with a breakdown by environmental objective, type of counterparty and type of eligible asset.

The taxonomy eligibility assessment shows the proportion of the Group's assets financed and invested in taxonomy-eligible economic activities as a proportion of total covered assets. The taxonomy alignment assessment, and specifically the GAR ratio, shows the proportion of the Group's assets financing and invested in taxonomy-aligned economic activities as a proportion of total covered assets. The numerator covers the loans and advances, debt securities, equities and repossessed collaterals, financing taxonomy-aligned economic activities based on the relevant turnover and CapEx KPIs.

The European Commission established the basis for the calculation and the first standardized templates. The EBA established similar disclosure requirements within its ITS requirements for Pillar 3, however only the information of the counterparties related to the aligned turnover is used for the calculation of the general purpose, while Pillar 3 templates present minor differences with respect to those included in the Non-Financial Report.

#### Summary of GAR KPIs

The gross carrying amount of total covered assets amounted to EUR 57.655 m as of the year end 2023. The eligibility ratio relevant to climate change mitigation and climate change adaptation is 18.2% based on turnover. The total GAR based on turnover is 2.1% of total covered assets as at year end 2023. The GAR is predominantly influenced by exposures to NFRD counterparties and exposures where the use of proceeds is known and finances taxonomy-aligned economic activities (i.e., for which the project specific KPIs were used).

The following template presents an overview of the GAR KPIs calculated on the basis of templates 7 and 8:

#### Template 55: Summary of GAR KPIs 31.12.2023

(Amounts in millions of Euro)

	a	b	c	d
	KPI			% coverage (over total assets)*
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	
<b>GAR stock</b>	2.14%	0.01%	2.15%	23.08%
<b>GAR flow</b>	6.37%	0.02%	6.39%	27.64%

### **16.3.6 Mitigating actions: Assets for the calculation of GAR**

This template provides information on the extent to which Group's activities qualify as environmentally sustainable in accordance with Articles 3 and 9 of Regulation (EU) 2020/852. Institutions shall disclose in this. In particular, this template information on includes Group's gross carrying amounts of institutions' for loans and advances, debt securities and equity instruments on their the banking book, with a breakdown of the information by type of counterparty, including financial corporations, non-financial corporations, households, local governments as well as real estate lending towards households, and the taxonomy eligibility and taxonomy alignment of the exposures with regards to the environmental objectives of climate change mitigation and climate change adaptation. Specialized lending of €1 billion, includes mainly loans to Renewable Energy sources (i.e., solar and wind parks):

**Template 56: Mitigating actions: Assets for the calculation of GAR 31.12.2023**

(Amounts in millions of Euro)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Disclosure reference date T															
Million EUR	Total gross carrying amount	Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)						TOTAL (CCM + CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)			
		Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional/adaptation	Of which enabling	Of which specialised lending	Of which transitional/adaptation	Of which enabling				
<b>GAR - Covered assets in both numerator and denominator</b>																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	16,275	9,274	1,234	1,005	22	129	375	5	0		0	9,649	1,239	1,005	22	129
2	<b>Financial corporations</b>	1,665	339	17	0	4	1	30	1	0		0	369	18	0	4	1
3	Credit institutions	1,519	309	0	0	0	0	0	0	0		0	309	0	0	0	0
4	Loans and advances	263	52	0	0	0	0	0	0	0		0	52	0	0	0	0
5	Debt securities, including UoP	1,248	256	0	0	0	0	0	0	0		0	256	0	0	0	0
6	Equity instruments	8	1	0		0	0	0	0			0	1	0		0	0
7	Other financial corporations	145	30	17	0	4	1	30	1	0		0	60	18	0	4	1
8	of which investment firms	6	0	0	0	0	0	0	0	0		0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0
11	Equity instruments	6	0	0		0	0	0	0			0	0	0		0	0
12	of which management companies	12	0	0	0	0	0	0	0	0		0	0	0	0	0	0
13	Loans and advances	12	0	0	0	0	0	0	0	0		0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0			0	0	0		0	0
16	of which insurance undertakings	4	1	0	0	0	0	0	0	0		0	1	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0
18	Debt securities, including UoP	4	1	0	0	0	0	0	0	0		0	1	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0			0	0	0		0	0
20	<b>Non-financial corporations (subject to NFRD disclosure obligations)</b>	5,027	1,525	1,217	1,005	18	128	345	4	0		0	1,871	1,221	1,005	18	128
21	Loans and advances	4,010	1,373	1,148	1,005	10	92	230	1	0		0	1,603	1,148	1,005	10	92
22	Debt securities, including UoP	1,000	148	69	0	8	36	111	3	0		0	259	72	0	8	36
23	Equity instruments	16	4	0		0	0	4	0			0	8	0		0	0

a b c d e f g h i j k l m n o p

Million EUR	Disclosure reference date T	Total gross carrying amount	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)						
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)						
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)						
			Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitional/adaptation	Of which enabling				
24	Households	9,547	7,409	0	0	0	0						7,409	0	0	0	0
25	of which loans collateralised by residential immovable property	7,335	7,335	0	0	0	0						7,335	0	0	0	0
26	of which building renovation loans	650	650	0	0	0	0						650	0	0	0	0
27	of which motor vehicle loans	74	74	0	0	0	0						74	0	0	0	0
28	Local governments financing	37	0	0	0	0	0	0	0	0		0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0
30	Other local governments financing	37	0	0	0	0	0	0	0	0		0	0	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	819	819	0	0	0	0	0	0	0		0	819	0	0	0	0
32	<b>TOTAL GAR ASSETS</b>	17,095	10,093	1,234	1,005	22	129	375	5	0		0	10,468	1,239	1,005	22	129
<b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>																	
33	<b>EU Non-financial corporations (not subject to NFRD disclosure obligations)</b>	14,223															
34	Loans and advances	14,029															
35	Debt securities	128															
36	Equity instruments	66															
37	<b>Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)</b>	3,265															
38	Loans and advances	3,168															
39	Debt securities	97															
40	Equity instruments	0															
41	Derivatives	1,819															
42	On demand interbank loans	1,460															
43	Cash and cash-related assets	492															
44	Other assets (e.g. Goodwill, commodities etc.)	19,301															
45	<b>TOTAL ASSETS IN THE DENOMINATOR (GAR)</b>	57,655															

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Disclosure reference date T															
Million EUR	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					
		Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional/adaptation	Of which enabling	Of which specialised lending	Of which transitional/adaptation	Of which enabling				
<b>Other assets excluded from both the numerator and denominator for GAR calculation</b>																	
46	Sovereigns	12,641															
47	Central banks exposure	3,727															
48	Trading book	33															
49	<b>TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR</b>	16,401															
50	<b>TOTAL ASSETS</b>	74,055															

### 16.3.7 GAR %

This template provides information on the percentage of their total assets covered by these KPIs, based on the information on exposures included in Template 7.

#### Template 57: GAR% 31.12.2023

(Amounts in millions of Euro)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af		
%	Disclosure reference date T: KPIs on stock																Disclosure reference date T: KPIs on flows																	
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)						Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)							
	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors						Proportion of total assets covered	Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors						Proportion of total new assets covered
	Of which sustainable		Of which environmentally sustainable			Of which sustainable		Of which environmentally sustainable			Of which sustainable		Of which environmentally sustainable			Of which sustainable		Of which environmentally sustainable			Of which sustainable		Of which environmentally sustainable			Of which sustainable		Of which environmentally sustainable						
(compared to total covered assets in the denominator)		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitional/adaptation	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitional/adaptation	Of which enabling		Of which specialised lending	Of which transitional/adaptation	Of which enabling		
1	<b>GAR</b>	17.51%	2.14%	1.74%	0.04%	0.22%	0.65%	0.01%	0.00%	0.00%	0.00%	18.16%	2.15%	1.74%	0.04%	0.22%	23.08%	7.56%	6.37%	5.63%	0.03%	0.38%	0.45%	0.02%	0.00%	0.00%	0.00%	8.02%	6.39%	5.63%	0.03%	0.38%	27.64%	
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	16.08%	2.14%	1.74%	0.04%	0.22%	0.65%	0.01%	0.00%	0.00%	0.00%	16.74%	2.15%	1.74%	0.04%	0.22%	21.98%	7.56%	6.37%	5.63%	0.03%	0.38%	0.45%	0.02%	0.00%	0.00%	0.00%	8.02%	6.39%	5.63%	0.03%	0.38%	27.64%	
3	Financial corporations	0.59%	0.03%	0.00%	0.01%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.64%	0.03%	0.00%	0.01%	0.00%	2.25%	0.72%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.86%		
4	Credit institutions	0.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.54%	0.00%	0.00%	0.00%	0.00%	2.05%	0.72%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.61%		
5	Other financial corporations	0.05%	0.03%	0.00%	0.01%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.10%	0.03%	0.00%	0.01%	0.00%	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%		
6	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%		
7	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.16%		

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af		
% (compared to total covered assets in the denominator)	Disclosure reference date T: KPIs on stock																Disclosure reference date T: KPIs on flows																	
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)						Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)							
	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors						Proportion of total assets covered	Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors						Proportion of total new assets covered
	Of which sustainable		Of which environmentally			Of which sustainable		Of which environmentally			Of which sustainable		Of which environmentally		Of which sustainable			Of which environmentally			Of which sustainable		Of which environmentally			Of which sustainable		Of which environmentally						
	Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitional/adaptation	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitional/adaptation	Of which enabling		Of which specialised lending	Of which transitional/adaptation	Of which enabling			
8	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Non-financial corporations subject to NFRD disclosure obligations	2.65%	2.11%	1.74%	0.03%	0.22%	0.60%	0.01%	0.00%	0.00%	0.00%	3.24%	2.12%	1.74%	0.03%	0.22%	6.79%	6.84%	6.37%	5.63%	0.03%	0.38%	0.45%	0.02%	0.00%	0.00%	0.00%	7.30%	6.39%	5.63%	0.03%	0.38%	22.78%	
10	Households	12.85%	0.00%	0.00%	0.00%	0.00%						12.85%	0.00%	0.00%	0.00%	0.00%	12.89%	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
11	of which loans collateralised by residential immovable property	12.72%	0.00%	0.00%	0.00%	0.00%						12.72%	0.00%	0.00%	0.00%	0.00%	9.90%	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
12	of which building renovation loans	1.13%	0.00%	0.00%	0.00%	0.00%						1.13%	0.00%	0.00%	0.00%	0.00%	0.88%	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
13	of which motor vehicle loans	0.13%	0.00%	0.00%	0.00%	0.00%						0.13%	0.00%	0.00%	0.00%	0.00%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

	Disclosure reference date T: KPIs on stock															Disclosure reference date T: KPIs on flows																		
%	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total new assets covered		
	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors						Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors							
	Of which sustainable		Of which environmentally			Of which sustainable		Of which environmentally			Of which sustainable		Of which environmentally				Of which sustainable		Of which environmentally			Of which sustainable		Of which environmentally			Of which sustainable		Of which environmentally					
(compared to total covered assets in the denominator)		Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling					
14	Local government financing	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Collateral obtained by taking possession: residential and commercial immovable properties	1.42%	0.00%	0.00%	0.00%	0.00%						1.42%	0.00%	0.00%	0.00%	0.00%	1.11%	0.00%	0.00%	0.00%	0.00%	0.00%							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

### 16.3.8 Other climate change mitigating actions that are not covered in the EU Taxonomy

The purpose of this template is to report all exposures to clients that are designed to facilitate climate change adaptation and mitigation objectives and are not reported in the GAR templates, i.e., exposures not aligned to the EU taxonomy.

These exposures have been selected based on the Bank's Sustainable Finance Framework (SFF) which enables the identification and categorization of sustainable activities and lays out the criteria to characterize specific loans as sustainable. The template includes Group Investments to counterparties (credit institutions, other financial corporations, and non-financial corporations) Green Bonds, Loans and Sustainability Linked loans aimed at climate change mitigation. There are:

- General-purpose – Company Business Mix loans referring to transactions which finance general corporate purposes of companies that derive the majority of their revenue from eligible activities. To classify the company as eligible for this type of financing, at least 80% of the company's total revenues must be derived from the eligible activities included in the Group's SFF
- Sustainability-linked loans that incentivize the borrower's achievement of ambitious, predetermined sustainability performance objectives. The main goal of the Sustainability-linked loans is to promote environmentally and socially sustainable economic activity and growth

Dedicated purpose loans that support projects related to mitigation of climate change transition risk, such as generation of renewable energy, development and implementation of products or technology that reduces the use of energy, Resource Efficiency and Pollution Control activities and green buildings for commercial or residential properties with a definitive A-level EPC (Energy Performance Certificate) as granted by the Greek Government for Construction/ Purchase of new buildings and B+ or above for Renovation of existing buildings, etc.



**Template 58a: Other climate change mitigating actions that are not covered in the EU Taxonomy 31.12.2023**

(Amounts in millions of Euro)

a	b	c	d	e	f
Type of financial instrument	Type of counterparty	Gross carrying amount (million EUR)	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions
1	Financial corporations	-			Group bond exposures include Green Bonds, Sustainable Bonds and Sustainability Linked Bonds that were assessed in accordance with Alpha Bank's Sustainable Finance Framework but are not EU Taxonomy aligned. Group loan exposures towards non-financial corporations include dedicated purpose loans that support projects related to the mitigation of climate transition risk as per Alpha Bank's Sustainable Finance Framework, but are not assessed as EU Taxonomy aligned. Group loan exposures towards households include loans that support projects related to the mitigation of climate transition and physical risks (inter alia the acquisition or energy upgrade of real estate, acquisition of electric car, etc.) as per Alpha Bank's Sustainable Finance Framework but were assessed as not EU Taxonomy aligned.
2	Non-financial corporations	216.40	Yes	No	
3	Of which Loans collateralised by commercial immovable property	-			
4	Households	-			
5	Of which Loans collateralised by residential immovable property	-			
6	Of which building renovation loans	-			
7	Other counterparties	-			
8	Financial corporations	-			
9	Non-financial corporations	873.71	Yes	No	
10	Of which Loans collateralised by commercial immovable property	247.44	Yes	No	
11	Households	104.56	Yes	No	
12	Of which Loans collateralised by residential immovable property	84.06	Yes	No	
13	Of which building renovation loans	24.29	Yes	No	
14	Other counterparties	-			

**Template 58b: Other climate change mitigating actions that are not covered in the EU Taxonomy 30.06.2023**

(Amounts in millions of Euro)

	a	b	c	d	e	f
	Type of financial instrument	Type of counterparty	Gross carrying amount (million EUR)	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions
1	Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	213	Yes	No	Group Investments to counterparties (credit institutions, other financial corporations and non-financial corporations) Green Bonds/Loans, Recovery and Resilience Facility-based financing (RRF) with green tag and Sustainability Linked loans aimed at climate change mitigation were assessed in accordance with Alpha Bank's Sustainable Finance Framework. The dedicated purpose loans support projects related to mitigation of climate change transition risk, such as generation of renewable energy, development and implementation of products or technology that reduces the use of energy. Template 10 includes commercial or residential properties with a reported A or higher EPC certificate for new properties as granted by the Greek Government and B+ or higher EPC certificate for properties renovation. Properties not identified as "New" or "Renovation" have been excluded from the perimeter of Template 10 regardless their EPC certificate. As of today, the assessment of the alignment to the European taxonomy (UE 2020/852 regulation) is still ongoing, therefore Template 10 reporting does not distinguish between taxonomy aligned or not-aligned activities, although the gross carrying amounts potentially cover some taxonomy aligned activities
2		Non-financial corporations	222	Yes	No	
3		Of which Loans collateralised by commercial immovable property	-			
4		Households	-			
5		Of which Loans collateralised by residential immovable property	-			
6		Of which building renovation loans	-			
7		Other counterparties	198	Yes	No	
8	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	-			
9		Non-financial corporations	1,156	Yes	No	
10		Of which Loans collateralised by commercial immovable property	232	Yes	No	
11		Households	345	Yes	No	
12		Of which Loans collateralised by residential immovable property	345	Yes	No	
13		Of which building renovation loans	19	Yes	No	
14		Other counterparties	0			

## 17 Remuneration Policy

### General Framework of Remuneration

#### Preamble

The Remuneration Policy (the “Policy”) sets the framework for remuneration at Alpha Bank S.A. (the “Bank”) and the other Companies of the Banking Group and applies to all Staff under a contract of dependent employment, in accordance with the applicable legal and regulatory framework.

The Policy establishes the appropriate framework to attract, retain and motivate highly qualified Staff and to create value, favoring long-term sustainable results over short-term achievements.

#### Objectives

Through appropriate compensation mechanisms, the Bank aims to achieve its strategic objectives, which indicatively include the following:

- Create exceptional value for our shareholders
- Serve our Customers and support growth
- Set sustainability at the core of our business
- Maximize the potential of our People
- Utilize digital channels across all business initiatives

#### Principles

To ensure competitiveness and effectiveness of remuneration as well as transparency, internal equity and alignment with business objectives, the Policy is grounded on the following key pillars:

##### Long-term value creation

The Remuneration Policy ensures that the long-term performance of the Bank and the other Companies of the Banking Group is aligned with market practices and the business strategy, while aiming to create value for the Shareholders and other Stakeholders.

##### Risk management

The Policy discourages excessive risk-taking to avoid distorted incentives that could lead to any breach of law and the applicable regulatory framework and might jeopardize the viability of the Bank and the Banking Group and ensures that remuneration practices are aligned with their overall risk appetite, taking into account all risks, including reputational risks, climate-related and environmental risks, social risks and customer-conduct risks. Additionally, it is adequately formulated to ensure the appropriate capital and liquidity levels needed to support all activities.

### Attraction and retention

The Bank and the Banking Group aim to attract, motivate and retain highly skilled Employees, while being aligned to corporate governance, legal and compliance standards, taking into account the long-term interests of the various Stakeholders. Market conditions and promotion of the Group's values are taken into consideration.

### Remuneration linked to performance evaluation

The performance-based elements of the variable remuneration are linked to Key Performance Indicators (KPIs) to ensure focus on the Business Plan objectives and ensure behaviors are properly aligned with prudent risk-taking and risk appetite. All variable remuneration elements promote the long-term goals determined by the strategic goals of the Bank and its Banking Group. The variable remuneration adheres to applicable laws and regulations on acquiring and retaining shares (or other financial instruments).

### Diversity, Equity and Inclusion

The Policy advances a culture of inclusion based on equal opportunities and safeguards non-discrimination of any kind. It is gender-neutral, supports equal treatment, promotes inclusiveness, and diversity in general.

## Remuneration Committee

The Remuneration Committee, pursuant to its applicable Charter, reviews and endorses proposals and makes recommendations to the Board of Directors on matters related to Remuneration. In particular, the Remuneration Committee focuses on the principles of the Remuneration Policy and the remuneration practices, the structure and governance of the incentive programs as well as on the remuneration of the Members of the Board of Directors and the Senior Leadership Team. Moreover, the Committee assesses the effectiveness of controls in place to ensure that remuneration practices are clearly aligned with the risk appetite framework and with regulatory requirements. The Remuneration Committee assesses the mechanisms and systems adopted to ensure that the remuneration system properly takes into account all types of risks, liquidity and capital levels and that the overall remuneration policy is consistent with and promotes sound and effective risk management and is in line with the business strategy, objectives, corporate culture and values, risk culture and long-term interest of the Company.

The specific duties and responsibilities of the Remuneration Committee are described in its Charter which is posted on the Company's [website](#).

In 2023, the main activities of the Remuneration Committee, among others, were focused on aligning the remuneration strategy with the Group strategy while supporting the introduction of various important HR initiatives. In addition, the Remuneration Committee contributed to building a solid governance basis and to actively supporting the Board of Directors on remuneration-related matters.

Further information pertaining to the composition, functioning and responsibilities, is available in the Appendix I-Analysis of the Board Committees.

## Implementation at Group Level

The requirements of the Policy, mainly referring to Variable remuneration payout and deferral provisions, are incorporated into the Remuneration Policies of all the subsidiaries of the Banking Group within the scope of prudential consolidation taking into consideration the applicable legal and regulatory framework (the “Group Companies”) in a manner proportionate to their size and internal organization and taking also into consideration the applicable national legislation and the market characteristics of the country (or countries) they operate.

Credit institutions that are members of the Banking Group and are not subject to the Directive 2013/36/EU and/or respective national legislation transposing the Directive into national law, may derogate in their remuneration policy from the requirements set out in points (ia) and (ib) of art. 86 par. 1 of Law 4261/2014 in respect to the variable’s remuneration payout provisions (deferrals and payments in cash and share-linked or other equivalent non-cash instruments) under the following conditions:

- The credit institution is a small institution as defined in point (145) of Article 4(1) of Regulation (EU) No 575/2013 over the four-year period immediately preceding the financial year awarding the variable remuneration; and
- The credit institution’s business is not considered complex at group level and does not have a material impact on the group’s risk profile. In particular, the contribution of the credit institution’s business in the group’s risk profile has been below 2% of RWAs over a four-year period immediately preceding the financial year awarding the variable remuneration; and
- The credit institution’s staff’s (including identified staff) professional activities are not considered complex at group level and do not have material impact on the group’s risk profile.

The above derogation is subject to any specific remuneration requirements that need to be applied by the credit institution on an individual basis based on its national legal and/or regulatory framework and subject to the provisions of art. 86 par. 3 and 4 of law 4261/2014 and the respective decisions that may be issued in the future by the competent authorities, as in force. The assessment of the fulfilment of the above conditions is resolved by the Board of Directors of the credit institution concerned in collaboration with Alpha Bank, which submits the relevant proposal to the Group Remuneration Committee for approval. The Board of Directors of Alpha Bank is informed about the implementation of the derogation, by the Remuneration Committee.

The above derogation may by no means be implemented in a way that may allow the subsidiaries and/or Alpha Bank to circumvent the obligation to comply with the requirements provided in the present policy and the respective legal and regulatory framework.

The Human Resources function supports the Group Remuneration Committee in overseeing the remuneration policies, practices and processes and compliance with the remuneration policy by the Companies of the Banking Group within the scope of prudential consolidation.

The local Remuneration Committee, where applicable, or the responsible independent non-executive members of the Board of Directors of each subsidiary is responsible to ensure compliance with applicable legal and regulatory framework, while the Group Remuneration Committee is informed on each subsidiary’s framework.

## Material Risk Takers criteria and identification process

According to the applicable regulatory framework, the categories of staff whose business activities have a material impact on the Bank's risk profile (Material Risk Takers) shall, at least, include:

- (a) all members of the Board of Directors and Senior Leadership Team;
- (b) staff members with managerial responsibility over the Bank's control functions or material business units;
- (c) staff members entitled to significant remuneration in the preceding financial year, provided that the following conditions are met:
  - (i) the staff member's remuneration is equal to or greater than EUR 500 000 and equal to or greater than the average remuneration awarded to the members of the Bank's Board of Directors and Senior Leadership Team referred to in point (a);
  - (ii) the staff member performs the business activity within a material business unit and the activity is of a kind that has a significant impact on the relevant business unit's risk profile.

For the staff members performing a business activity within a material business unit and their activity is of a kind that has a significant impact on the relevant material business unit's risk profile, the Bank sets out objective criteria to determine whether the business activities of staff or categories of staff have a significant impact on the material business unit's risk profile, in accordance with Material Risk Takers' Identification Process, as well as applicable legal and regulatory framework.

The identification criteria of Material Risk Takers take into consideration qualitative and quantitative criteria in order to ensure that the Bank's individual risk profile is considered appropriately.

The Board of Directors has the ultimate responsibility for the identification process, according to the quantitative and qualitative criteria, while the Non – Executive Members of the Board oversee the identification process on an ongoing basis.

The Remuneration Committee approves the list of the Material Risk Takers and is actively involved in the identification process.

The Human Resources function is responsible for initiating and coordinating the process for the identification and reassessment of the functions included in the Material Risk Takers list. The Risk Management and Compliance functions and the business support functions (e.g. Legal, Financial Planning and Control, Supervisory Issues Management) are involved in the identification process in accordance with their respective role.

## Identification process at Group level

The qualitative and quantitative identification criteria included in Article 92(3) of Directive 2013/36/EU and Commission Delegated Regulation (EU) 2021/923 are applied by the Company on an individual basis as well as on a consolidated or sub-consolidated basis.

The Identification Process is communicated to all subsidiaries in order to ensure that Material Risk Takers at each company's level are identified.

The Group Companies are obliged to identify Material Risk Takers on an individual basis, using the same Group criteria, as described above and/or provide to the Company all the necessary information to properly identify all staff who have a material impact on the Company's risk profile on a consolidated or sub-consolidated basis. The list of the Material Risk Takers of each Group Company should be validated by its Compliance Officer.

The Company, through Human Resources Strategy and Rewards Business Area, considering the outcome of the evaluation performed by the Group Companies, assesses the criteria at Group level and consolidates the results in order to identify the list of Group Material Risk Takers.

When applying qualitative identification criteria at consolidated or sub-consolidated level, staff members in a subsidiary are only captured if they are responsible for the functions referred to in these criteria on a consolidated or sub-consolidated basis.

The applicable quantitative identification criteria should apply to all staff within the institution and its subsidiaries that are subject to the requirements under Articles 92, 94 and 95 of Directive 2013/36/EU on a consolidated and sub-consolidated basis, taking into account all remuneration awarded within the full scope of prudential consolidation.

The Company considers that the following members of subsidiaries have a material impact on the Company's risk profile on a consolidated basis:

- a) Board of Directors (executive and non-executive) members, Executive Committee members and Heads of Control Functions (Compliance, Internal Audit and Risk Management) of credit institutions with RWAs equal or greater than 2% in the Group's risk profile and
- b) Board of Directors (executive and non-executive) members, Executive Committee members and Heads of Control Functions (Compliance, Internal Audit and Risk Management) of Greek subsidiaries.

## **Components of Remuneration**

Total remuneration consists of a fixed and a variable component. Both fixed and variable components are gender neutral and transparent.

### **Fixed Remuneration**

Fixed Remuneration (considering all mandatory provisions under national law and the Collective Labor Law agreements at Sectoral and Corporate level) includes:

- The base salary (according to the Collective Labor Agreements)
- The role-based supplement
- Certain salary packages related to expatriate status
- The Defined Contribution Savings Plans (including IORP)
- Other fixed components assigned, based on standard rules

Fixed Remuneration is determined and paid based on pre-defined and not discretionary criteria. It reflects primarily the role and the nature of business (job evaluation), as well as the relevant experience of the Staff, considering, among others, the educational level, the experience, the seniority level and the level of expertise of the staff member.

## Benefits and Corporate Expenses

Benefits are granted to Staff at the discretion of the Bank. Benefits are further categorized into:

- benefits for all Employees
- benefits for specific Staff categories, depending on their duties and / or their job position, as described in the “Group Benefits and Corporate Expenses Policy”.

In order to remain competitive and in line with market practices, insights from remuneration surveys conducted by external consultants are considered in the framework of Fixed Remuneration.

## Variable Remuneration

The variable component of Remuneration:

- Acts as a key driver of motivation and retention of Staff;
- Aims to recognize achievements by directly linking pay to performance outcome. Staff performance is evaluated based on a balanced scorecard system, as described in the Performance Evaluation Framework.

Variable Remuneration should be aligned with the Business Strategy and the stakeholders’ interests and its award should not affect negatively the financial sustainability of the Bank. Variable Remuneration of identified staff should be further aligned to all risks and the performance of the institution, the business unit and the individual.

The Bank considers both qualitative and quantitative criteria for determining the level of variable remuneration, as described in the Variable Remuneration Framework and the Performance Evaluation Framework.

## Share schemes

### Stock Option Plan

A Stock Option Plan was established by the General Meeting of Shareholders in 2020 five-year period of 2020-2024, providing the beneficiaries (all employees) with the option right to receive newly-issued, common, registered, voting, dematerialized shares of Alpha Services and Holdings S.A.. Subject to all applicable Laws, the Stock Option Plan is operated on the basis of a Regulation approved by the Board of Directors of the Bank. The purpose of the Plan is the payment of variable remuneration in kind to the beneficiaries to align their long-term interests with those of the Bank.

### Stock Award Plan

A Stock Award Plan was established by the General Meeting of Shareholders in 2023 for the four-year period of 2023-2027 providing for the free distribution of Alpha Services and Holdings S.A.'s common, registered, voting, dematerialized shares to beneficiaries (all employees). Subject to all applicable Laws, the Stock Award Plan is operated on the basis of a Regulation approved by the Board of Directors of the Bank, whilst its operation is supported by a Share Buyback Program. The purpose of the Plan is the payment of variable remuneration in kind to the beneficiaries to align their long-term interests with those of the Bank.

## **2023 Retention Plan**

The Annual General Meeting of Shareholders of Alpha Services and Holdings S.A. held on 27.7.2023 (the "AGM"), approved, in the context of its updated Remuneration Policy, the introduction of a retention plan, which would operate for members of the Senior Leadership Team for 2023.

The purpose of the 2023 Retention Plan is the provision of variable remuneration in the form of common, dematerialized shares with voting rights, issued by the Company to Beneficiaries (Members of the Senior Leadership Team, namely the Chief Executive Officer, the Chiefs – Members of the Executive Committee and Chiefs who are not Members of the Executive Committee of the Company) for the purposes of aligning the Beneficiaries' long-term interests with those of the Company and creating retention incentives for the Beneficiaries. Through its 2023 Retention Plan the Company aims to attract, motivate and retain highly-skilled employees, while ensuring corporate governance, legal compliance and proper market conditions and promoting the Group's values. The 2023 Plan has been developed on the elements of the variable remuneration approved by the AGM, which include seniority, experience and role criticality.

Beneficiaries of the Plan must be Employees of the Company as at the first day of the relevant financial year (i.e. from 1.1.2023) and continue to be Employees of the Company as at the Award date and Vesting date, as per the Plan's Regulation, and have completed, at least, twelve (12) months of service before such dates. The accrual period of the Retention Plan is years 2021 and 2022.

## **Governance of the Remuneration Policy**

The remuneration governance model aims at ensuring clarity and reliability of the decision-making processes by calibrating the overall remuneration practices and safeguarding that decisions are taken in an independent, informed and timely manner at the appropriate management level. The model is also focused on preventing conflicts of interest assuring the appropriate disclosure, respecting the principles specified in the applicable legislative and regulatory framework and the respective internal Policy ("Policy on the Prevention of Conflict of Interests").

For the purpose of implementing the Policy at Group level, the competent functions within the Bank and its subsidiaries interact and exchange information as appropriate.

## **Corporate functions**

### **Role of the Human Resources function**

The Human Resources function is the key stakeholder of the Policy, as it is responsible for drawing up and evaluating it, including the designing of the remuneration structure, the promotion of diversity, the remuneration levels and the incentive schemes, in order to attract, retain and motivate highly qualified Staff, as well as ensure that the Policy is aligned with the risk profile of the Bank and its Group. The Human Resources function shall inform the Remuneration Committee on the application of malus and clawback arrangements.

### **Role of the Legal Services function**

The Legal Services function verifies the applicable legal and regulatory framework.

## **Control functions**

Based on the revised Remuneration Policy the role of the Control functions is the following:

### **Role of the Risk Management function**

The Risk Management function assesses how the Variable Remuneration structure affects the risk profile of the Bank and is involved in supporting the Human Resources function with regards to the remuneration policy and the incentive system for risk related components. This involvement creates an explicit link between the Bank's incentive mechanisms, the Risk Appetite Framework (RAF), the validation of performance and pay, so that incentives are linked to the risk taking and risk management. The Risk Management function validates and assesses the bonus pool gates, the risk related data and key risk indicators. In order to ensure consistency with the RAF and the economic sustainability of the Group, the Risk Management function performs an assessment prior to the award of Variable Remuneration based on a specific RAF dashboard, which may lead to an upward or downward adjustment of the bonus pool. The Risk Management function provides an Opinion to the Remuneration Committee with regards to the Bonus pool methodology, the achievement of Gates thresholds and the assessment of the RAF Dashboard score.

The Risk Management function as content provider also identifies suitable risk-adjusted performance measures and provides qualitative input for the performance evaluation in relation to risk aspects. Additionally, the Risk Management function is responsible for reviewing and reassessing the functions to be included in the "Material Risk Takers" list, with regards to the risk aspects detailed in the criteria analyzed in the "Material Risk Takers" Identification process. It also provides an Opinion to the Remuneration Committee on the implementation of the criteria used for the identification of the "Material Risk Takers" and the "Material Risk Takers" list.

## **Role of the Compliance function**

The Compliance function analyzes how the Policy affects the adherence of the Bank and its Subsidiaries to the applicable legal and regulatory framework, the internal policies and the risk culture. The Compliance function is also involved in supporting the Human Resources function with regards to the identification of compliance-related measures and the performance evaluation. It reports all identified compliance risks and potential cases of non-compliance to the Board of Directors, through the Remuneration Committee. The Compliance function supports the Human Resources function when determining the employees identified as Material Risk Takers, in terms of validating the respective list and retaining an annual record as per the “Material Risk Takers” Identification Process. The Compliance function as content provider also identifies compliance related performance measures and provides qualitative input for the performance evaluation in relation to compliance aspects.

## **Role of the Internal Audit function**

The Internal Audit function carries out, at least annually, an independent review of the design, implementation and effects of the Policy on its risk impact at the Bank’s / Group’s risk profile and the way these effects are managed. The results of the independent review performed, and actions taken to remedy any findings are documented.

## **Remuneration Committee**

The role of the Remuneration Committee is described above, pursuant to its applicable Charter.

## **Non-Executive Members of the Board of Directors**

The Non-Executive Members of the Board of Directors (the “NEDs”) are responsible for adopting and maintaining the Policy. The NEDs ensure that the Policy and the Bank’s remuneration practices are appropriately implemented and aligned with the Bank’s and its Group’s overall corporate governance framework, corporate and risk culture, risk appetite and the related governance processes and promote sound and effective risk management. In coordination with the involved functions, the Non-Executive Members of the Board of Directors periodically review and approve the Remuneration Policy. Moreover, they oversee and approve the remuneration of the Senior Leadership Team.

## **Executive Committee**

The Executive Committee reviews both Fixed and Variable remuneration parameters, formulates proposals, and submits them to RemCo for endorsement.

## **Annual Review**

The Policy is reviewed at least annually by the Human Resources function or whenever is deemed necessary to address new needs. The Human Resources function submits the proposed amendments to the Remuneration Committee. The Remuneration Committee reviews, endorses and recommends the approval of the Policy by the Non-Executive Members of the Board of Directors.

## Key Changes in the Remuneration Policy

In the last annual review of the Policy the role of the Risk Management and Compliance functions in the Variable Remuneration Framework and Performance Evaluation Framework (bonus pool, goal setting and performance evaluation) has been enhanced. Moreover the Performance Incentive Program bonus pool methodology (applied for the Bonus pool for performance year 2023) has been improved by adding new gates to further align with the Risk Appetite Framework (RAF), by linking the access to the bonus pool to the achievement of capital, liquidity risk, credit risk and profitability gates and by introducing the assessment of a RAF Dashboard to define upward/ downward adjustments of the bonus pool. Such changes have been initiated to further enhance risk alignment of the Variable Remuneration Framework and the Performance Evaluation Framework.

## Remuneration Policy of the Members of the Board of Directors

Alpha Services and Holdings S.A. (the “Company”) has established a separate Remuneration Policy to describe the key components of the remuneration framework of the Members of the Company’s Board of Directors (the “BoD”), as per the provisions of articles 110 and 111 of Law 4548/2018 (the “Company Law”) which incorporated into Greek law the relevant provisions of the Shareholders Rights Directive (EU) 2017/828 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement. The Remuneration Policy of the Members of the Board of Directors is a separate Policy also reviewed by the Remuneration Committee to ensure, inter alia, the continuous alignment with its principles. The review considers shareholder feedback, including Shareholders’ resolutions, and market developments across the sector. Following its endorsement by the Remuneration Committee, the Remuneration Policy of the Members of the Board of Directors is submitted to the Board of Directors for approval and subsequently to the General Meeting of Shareholders.

The main amendments of the Remuneration Policy of the Members of the Board of Directors approved by the General Meeting of Shareholders on 27.7.2023 are the following:

- Amendments for the purposes of aligning the Remuneration Policy with the provisions of the Capital Requirements Directive (CRD V) and law 3864/2010 on the establishment of the Hellenic Financial Stability Fund (HFSF), as amended by virtue of law 4941/2022.
- Introduction of a culture of inclusion and gender-neutral remuneration provisions and integration of ESG criteria in the Remuneration Framework as per the related legal and regulatory provisions.
- Update of the variable remuneration elements, including the Performance Incentive Program (PIP) and the Retention Plan.
- Update of the variable remuneration structure in alignment with both the Stock Option Plan and the Stock Award Plan adopted following respective resolution of the General Meeting.
- Alignment with the updated Senior Executives Severance Payment Policy as approved by the Board of Directors during 2023, aiming to contribute to attracting and retaining high caliber management members from the market, while facilitating the planned and timely succession of Senior Executives, and to support the responsible separation process for Senior Executives who depart consensually as “good leavers”.

- Inclusion of a Savings Plan covering Group Employees in Greece, which has been introduced in order to harmonize pension related benefits. The Plan is governed by Directive (EU) 2016/2341 on the activities and supervision of institutions for occupational retirement provision (IORP II Directive, transposed into Greek legislation by law 4680/2020) and operates under the supervision of the following regulatory authorities: the Ministry of Labour and Social Affairs, National Actuarial Authority and the Hellenic Capital Market Commission.

## **Ex ante and ex post risk adjustment**

The Bank's Incentive System is based on a bonus pool approach and links bonuses with results at Group and Bank level, ensuring a strong connection between profitability, risk and reward. In order to align to regulatory requirements and further enhance risk alignment of the Variable Remuneration Framework, in the last annual review of the Remuneration Policy specific indicators measuring annual profitability, capital and liquidity results and credit risk have been set as Gates. The evaluation of the Gates defines possible scenarios that allow the confirmation to increase, reduce or cancel the bonus pool. The ex ante Zero Factor applies in case the specific metrics on profitability, capital, liquidity and NPEs are not achieved. Specifically, the Zero Factor is applied to the Material Risk Taker population, whereas for the non-Material Risk Taker population, a significant reduction will be applied. The above methodology was applied for the Bonus pool of performance year 2023.

Moreover, the Bank reserves the right to activate ex post malus and clawback mechanisms. Malus and clawback arrangements are explicit ex post risk-adjustment mechanisms, where the Bank itself adjusts the remuneration of the Material Risk Takers based on such mechanisms (e.g. by revoking or cancelling the cash remuneration or the instruments awarded).

The total Variable Remuneration is subject to malus and/or clawback arrangements, regardless of the method used for the payment, including deferral or retention arrangements. Without prejudice to the legal and regulatory framework for the application of malus and clawback, among others, the following criteria shall be used:

- a) the Staff participated in or was responsible for conduct which resulted in significant losses for the Banking Group or significant negative impact on the Banking Group's reputation;
- b) the Staff failed to meet appropriate standards of fitness, propriety, confidentiality, conduct and consistency in the course of meeting his/her obligations to the Bank, including his/her debts;
- c) evidence of misconduct or serious error by the Staff (e.g. material breach of the code of conduct or other internal Policies, especially those concerning risks) were identified;
- d) the Bank or its Subsidiaries and/or a Business Unit thereof suffers a significant downturn in its financial performance (e.g. specific business indicators) as a result of the Staff member misconduct;
- e) the Bank or its Subsidiaries and/or the Business Unit where the Material Risk Taker works suffer/s a significant failure of its risk management;
- f) significant increases in the institution's or in the Business Unit's economic or regulatory capital base;
- g) any regulatory sanctions, e.g. punitive, administrative, disciplinary or otherwise, where the conduct of the identified staff member contributed to the sanction.

Ex post risk adjustments are always performance- or risk-related and shall not be based on the amount of dividends paid or on the evolution of the share price.

Prior to each deferred payment, the list of the beneficiaries is communicated by the Human Resources function to Compliance, Internal Audit and Risk Management functions to ensure that no case of misconduct applies.

## **Remuneration of staff engaged in internal control functions**

Staff engaged in the internal control functions (Risk Management, Internal Audit and Compliance) is independent from the Business Units it oversees, and therefore its remuneration is based on the achievement of the objectives linked to their area of responsibility, which are not linked to those measuring the performance of the business areas. Fixed remuneration for staff in control functions is intended to attract and retain qualified and experienced staff and to ensure that total remuneration is not overly reliant on variable remuneration that could encourage inappropriate risk taking. The remuneration of independent control functions should be predominantly fixed, to reflect the nature of their responsibilities. The criteria used for determining the variable remuneration for staff in control functions shall not compromise its objectivity and independence.

## **Guaranteed variable remuneration**

No guaranteed variable remuneration is included in the remuneration schemes, while it constitutes an exception which may be applied to new Staff only and solely for the first year of employment, in accordance with the legal and regulatory framework.

## **Severance Payment**

In addition to the above, the Bank may offer, at its sole discretion, a severance payment, as per the terms and conditions defined in the applicable “Senior Executives Severance Payment Policy”. The Policy applies to consensual departures of Senior Executives, who depart as “good leavers” and enter into a Termination Agreement with the Bank. Cases of unilateral termination of the relevant employment agreement and/or retirement by the Senior Executive are excluded. Payments under the Policy are subject to All Applicable Laws.

## **Risk Alignment of Variable Remuneration Framework**

The Incentive System is based on a bonus pool approach. In order to ensure consistency with the Risk Appetite Framework, the bonus pool may be revised up/downwards, on the basis of the overall “quality of performance”, as per latest revised Variable Remuneration Framework.

The methodology envisages the assessment of a RAF Dashboard including indicators covering all relevant risks, such as capital, liquidity, credit and non-financial risks, ensuring adherence to regulatory requirements. The specific metrics are measured with reference to the respective relevant thresholds (trigger to recovery, early warning to recovery, risk tolerance trigger, early warning to risk tolerance, business target), established in line with the Risk Appetite Framework.

The overall assessment on the dashboard leads to the definition of a “multiplier” in order to define the adjustment of the bonus pool, which could fall in the range of 50%-120%. The positive multiplier (i.e. 120%) represents the upside potential of the bonus pool and is subject to the Remuneration Committee’s endorsement and Board of Directors’ approval following a proposal by ExCo. The dashboard used to evaluate the quality of performance from a risk perspective, is monitored on a yearly basis.

The Risk Management function provides an Opinion to the Remuneration Committee with regards to the Bonus pool methodology, the achievement of Gates thresholds and the assessment of the RAF Dashboard score.

## **Ratio between Fixed and Variable Remuneration**

The fixed and the variable components of total remuneration are appropriately balanced. Where Variable Remuneration is awarded, it shall be based on the performance of the Banking Group, of the Business Units and of the Staff and shall consider the risks undertaken, as described in detail in the Variable Remuneration Framework.

The annual variable components of the total remuneration shall not exceed 100% of the total annual Fixed Remuneration. As a way of exemption and upon approval of the General Meeting of Shareholders, the variable component may reach up to 200% of the total Fixed Remuneration, according to article 86 of Law 4261/2014.

The effective ratio is calculated as the sum of all variable components of remuneration that have been awarded for the last performance year, divided by the sum of fixed components of remuneration awarded for the same performance year.

## **Overview of performance criteria and metrics**

The Incentive System is based on a bonus pool approach, which links bonuses with Bank’s results ensuring a strong connection between profitability, risk and reward. It is initially proposed as a percentage of Normalized Profit after Tax (NPAT). To ensure alignment of the Bank’s Group performance to the RAF and the economic sustainability of the Group, the bonus pool may be adjusted upwards or downwards on the basis of a RAF assessment performed by the Risk Management function across a predefined set of Key Risk Indicators.

The bonus pool is set at Group level and then cascaded down for each division based on performance and relevance criteria. To determine the relative individual bonus size per role and performance level, two dimensions are considered: employee’s role criticality and relevant performance evaluation score.

The annual performance evaluation is depicted in an individual balanced scorecard that translates the Values and Strategy of the organization into operational terms. It consists of both quantitative and qualitative goals and metrics. Specifically, the individual balanced scorecard consists of:

- Group Targets: Both quantitative and qualitative metrics measuring the financial, customer related, operational and organizational performance and effectiveness of the Group, ensuring alignment to Risk and Compliance culture and Balance Sheet resilience.
- Individual Targets: Both quantitative and qualitative metrics aligned with the strategic plan.
- Values Based Leadership: Mainly includes behaviors linked to the Values of the Bank.

A structured framework has been set to ensure coherence, consistency, and alignment of performance objectives with business strategy. Goals are classified under specific pillars: 'Financial Targets', 'Customers', 'Operational Efficiency', 'Organizational Effectiveness', 'Risk & Control' and 'Strategic Initiatives'.

## Link of variable remuneration to institution wide and individual performance

Individual variable remuneration is driven primarily by institution-wide performance, in order to determine the size of the available bonus pool (the larger the profitability level of the institution, the higher the available bonus pool), and secondly by individual performance considering individual Pay-for-Performance principles, as described below.

The following Variable remuneration schemes apply in the Company:

### Performance Incentive Program

The applicable Performance Incentive Program has been designed with the key objective to act as a catalyst for the Bank to achieve and exceed targets while incentivizing top performers in key areas and levels.

The key objectives of the Variable Remuneration Framework are:

- To act as a key driver of motivation and retention of employees
- To reward achievement by directly linking pay to performance
- To strengthen the alignment of various stakeholders' interests
- To align the variable remuneration with all risks and performance of the Company, its business units and employees

### Performance metrics

The Performance Incentive Program is linked to Key Performance Indicators (KPIs) that may vary each year and are subject to the Board of Directors' approval. The criteria/conditions which, if fulfilled, will lead to the payment of the variable remuneration are the following:

- Criteria for the Bank's financial performance, which include but are not limited to, the achievement of specific financial targets, including KPIs relating to the Bank's Business Plan as updated from time to time;
- Non-financial performance criteria that may relate, for example, to the compliance with the Bank's risk-taking strategy or to the adherence to the risk management policy;
- Criteria linked with ESG-related goals, related to the actions and initiatives that the Company may be developing;
- Criteria associating behaviours to the Values of the Group.

### **Sales Incentive Program**

The Sales Incentive Program is a bonus scheme designed to incentivize mainly the Branch Network Employees in alignment with the Bank's strategic priorities. Branch Employees eligible to be awarded a bonus amount are those who have achieved at least a threshold percentage of their sales targets. Branches participate in the bonus pool based on a credits-based system that is designed to reflect the performance of each Branch both on a standalone basis and in comparison with the performance of the whole Branch Network.

### **Balance between different types of instruments**

Variable Remuneration may be paid to Material Risk Takers ("MRTs") in the form of cash and/or share-linked or other equivalent non-cash instruments, subject to all rules and regulations. The Bank and its Subsidiaries disburse Variable Remuneration partly upfront and partly deferred, while retaining an appropriate balance between shares and share-linked instruments and cash. In the context of the 2023 Retention Plan members of the Senior Leadership Team have been awarded 100% in shares for years 2021 and 2022. Other identified staff have been awarded 50% in shares and 50% in cash in the context of the Performance Incentive Plan for year 2022.

The Bank has two share schemes, as described above, the Stock Award Plan and Stock Option Plan.

### **Adjustment of variable remuneration based on performance metrics**

The Incentive System methodology foresees specific "Gates" (profitability, capital position, credit and liquidity results) that impact bonus pool size. As per latest revised Variable Remuneration Framework, the evaluation of the Gates defines two possible scenarios that allow the confirmation, reduction or cancellation of the bonus pool:

Based on the achievement of Gates, the following scenarios may occur:

- Zero Factor: The Zero Factor scenario will apply in case the specific Gates on profitability, capital, liquidity and credit risk are not cumulatively achieved. Specifically, a 100% reduction of pool is applied to Material Risk takers on both current year bonus and previous years deferrals, whereas for the non-Material Risk Takers, a significant reduction will be applied.

- Open: In case all Gates are achieved no reduction is applied to the pool.

Specific Gates (credit and liquidity metrics) are measured with reference to relevant thresholds established in line with the Risk Appetite Framework, while capital ratio is measured against SREP requirements.

## **Payout structure**

Within the deferral schedule which applies to both types of Variable Remuneration, cash and instruments, the Bank takes into account the form in which the deferred Variable Remuneration is awarded and differentiates, where appropriate, the deferral schedules by varying these components among the different categories of Material Risk Takers.

When setting the actual deferral period and proportion to be deferred, in accordance with the minimum requirements under article 86, point (m) of Law 4261/2014, the following parameters are considered:

- a) Up to 60% of the remuneration awarded to Material Risk Takers, other than Senior Leadership Team, can be paid within the year in which the allocation has been determined, and at least 40% of the Variable Remuneration component is deferred for at least four (4) years and is aligned with the nature of the business, its risks and the activities of the Staff concerned.
- b) For Senior Leadership Team, deferral periods of at least five (5) years are applied and at least 60% of the amount shall be deferred. Remuneration payable under deferral arrangements shall vest no faster than on a pro-rata basis.
- c) For Material Risk Takers, the “proportionality principle” as per Law 4261/2014 (article 86 par. 2) is applied, meaning that the Staff whose annual Variable Remuneration is up to the de minimis threshold<sup>17</sup> set and when it does not represent more than one-third of their total annual remuneration are exempted from the provisions pertaining to instruments, retention and the deferral period. For this purpose, the amounts of Variable and Fixed Remuneration are calculated in each financial year, using the amounts paid for the previous financial year.

## **Shareholding requirements imposed on identified staff**

As per the Stock Award Regulation, any shares delivered shall be subject to a twelve-month (12) lock-up, which shall commence as of the delivery date in the Dematerialised Securities System account of the beneficiaries unless otherwise specified by the Board of Directors in its award decision. During the lock-up period, the shares cannot be sold, transferred or encumbered, although beneficiaries as the owners of the shares may exercise any and all administrative (e.g. voting) and financial (e.g. collection of dividend) rights of such shares.

Staff shall not use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

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<sup>17</sup> The threshold applied is Euro 30,000

## Total remuneration for the management body, senior management and other identified staff<sup>18</sup>

After more than ten years and following the lifting of restrictions that were previously imposed in the form of a salary cap and bonus ban for Senior Management as a result of the application of the HFSF law to Greek systemic banks, the Bank has reintroduced the payment of variable remuneration for the members of the Senior Leadership Team.

Total Variable Remuneration (template REM1 below) includes an amount of EUR 6.1million for the Executive Members of the Board of Directors (MB Management Function) and other members of the Senior Leadership Team (included in Other Senior Management), which were awarded in 2023 under the Retention Plan for periods 2021 and 2022 (accrual periods). Variable remuneration awarded to Other Identified Staff amounted to EUR 2.4 million in 2023.

Variable remuneration consists of 100% shares for MB Management function, 95% for Other senior management and 32% for Other identified staff.

Total Fixed Remuneration amounts to EUR 1.5 million for the MB Supervisory function, EUR 1.3 million for the MB Management function, EUR 8.8 million for Other Senior Management and EUR 14.3 million for Other Identified Staff.

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<sup>18</sup> Information refers to identified staff of Alpha Holdings, Alpha Bank and subsidiaries within the scope of prudential consolidation, which are included in the Group Material Risk Takers list approved by the BoD in January 2024. Alpha Bank Romania S.A. and Alpha Leasing Romania are not included, as these entities are presented as discontinued operations.

**Template 59: EU REM1 - Remuneration awarded for the financial year 31.12.2023**

(Amounts in millions of Euro)

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	11	2	29	116
2		<b>Total fixed remuneration</b>	<b>1.5</b>	<b>1.3</b>	<b>8.8</b>	<b>14.3</b>
3		Of which: cash-based	1.5	1.0	7.6	12.6
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests	0.0	0.0	0.0	0.0
5		Of which: share-linked instruments or equivalent non-cash instruments	0.0	0.0	0.0	0.0
EU-5x		Of which: other instruments	0.0	0.0	0.0	0.0
6		(Not applicable in the EU)				
7		Of which: other forms	0.0	0.3	1.2	1.7
8	(Not applicable in the EU)					
9	Variable remuneration	Number of identified staff	0	2	26	82
10		<b>Total variable remuneration</b>	<b>0.0</b>	<b>1.1</b>	<b>5.5</b>	<b>2.4</b>
11		Of which: cash-based	0.0	0.0	0.3	1.6
12		Of which: deferred	0.0	0.0	0.1	0.3
EU-13a		Of which: shares or equivalent ownership interests	0.0	1.1	5.3	0.8
EU-14a		Of which: deferred	0.0	0.6	3.1	0.3
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	0.0	0.0	0.0	0.0
EU-14b		Of which: deferred	0.0	0.0	0.0	0.0
EU-14x		Of which: other instruments	0.0	0.0	0.0	0.0
EU-14y		Of which: deferred	0.0	0.0	0.0	0.0
15	Of which: other forms	0.0	0.0	0.0	0.0	
16	Of which: deferred	0.0	0.0	0.0	0.0	
17	<b>Total remuneration (2 + 10)</b>		<b>1.5</b>	<b>2.3</b>	<b>14.3</b>	<b>16.7</b>

Severance payments awarded in previous periods, that have been paid out to six former executive members of the Board of Directors or other Senior Management of the Bank during the financial year 2023 amounted to EUR 0.7 million (template REM2 below). An amount of EUR 0.55 million has been awarded as severance payment to one member of other Senior Management of the Group during 2023.

**Template 60: EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff) as of 31.12.2023**

(Amounts in millions of Euro)

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	0	0	0	0
2	<b>Guaranteed variable remuneration awards - Total amount</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	0	0	0	0
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	0	0	6	0
5	<b>Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount</b>	<b>0</b>	<b>0</b>	<b>0.7</b>	<b>0</b>
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	0	0	1	0
7	<b>Severance payments awarded during the financial year - Total amount</b>	<b>0</b>	<b>0</b>	<b>0.6</b>	<b>0</b>
8	Of which paid during the financial year	0	0	0.2	0
9	Of which deferred	0	0	0.3	0
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	0	0	0.2	0
11	Of which highest payment that has been awarded to a single person	0	0	0.6	0

Deferred remuneration for the MB management function and Other Senior Management refers (template REM 3 below) to the stock options awarded in 2021 for the year 2020 to the Executive Members of the Board of Directors and Senior Managers falling within the ambit of article 10 par. 3 of Law 3864/2010. The exercise of stock options was subject to the amendment or abolition of the provisions of article 10 par. 3 of the HFSF Law imposing a salary cap and bonus ban, as described above. The Board of Directors ascertained on 31.8.2023 that the requirements of the HFSF Law for the lifting of the salary cap and the bonus ban were satisfied. Following the above, members of the Senior Leadership Team of the Company exercised the first two instalments of the abovementioned Stock Option Plan in 2023. In particular, an amount of EUR 0.4 million vested in 2023 for Executive Members of the Board of Directors (MB Management Function) and an amount of EUR 1.7 million vested in 2023 for other Senior Managers (Other Senior Management).



**Template 61: EU REM3 – Deferred Remuneration as of 31.12.2023**

(Amounts in millions of Euro)

	a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1 <b>MB Supervisory function</b>	0	0	0	0	0	0	0	0
2 Cash-based	0	0	0	0	0	0	0	0
3 Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
4 Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
5 Other instruments	0	0	0	0	0	0	0	0
6 Other forms	0	0	0	0	0	0	0	0
7 <b>MB Management function</b>	0.6	0.4	0.2	0	0	0	0.4	0
8 Cash-based	0	0	0	0	0	0	0	0
9 Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
10 Share-linked instruments or equivalent non-cash instruments	0.6	0.4	0.2	0	0	0	0.4	0



	a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
11 Other instruments	0	0	0	0	0	0	0	0
12 Other forms	0	0	0	0	0	0	0	0
<b>13 Other senior management</b>	<b>2.4</b>	<b>1.7</b>	<b>0.7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1.7</b>	<b>0</b>
14 Cash-based	0.1	0.0	0.1	0	0	0	0	0
15 Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
16 Share-linked instruments or equivalent non-cash instruments	2.3	1.7	0.7	0	0	0	1.7	0
17 Other instruments	0	0	0	0	0	0	0	0
18 Other forms	0	0	0	0	0	0	0	0
<b>19 Other identified staff</b>	<b>2.0</b>	<b>0.7</b>	<b>1.3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.7</b>	<b>0</b>
20 Cash-based	1.0	0.3	0.7	0	0	0	0.3	0
21 Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
22 Share-linked instruments or equivalent non-cash instruments	1.0	0.3	0.7	0	0	0	0.3	0
23 Other instruments	0	0	0	0	0	0	0	0
24 Other forms	0	0	0	0	0	0	0	0



	a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
25 Total amount	5.0	2.8	2.2	0	0	0	2.8	0

Five members of the Senior Leadership Team are considered high earners as set out in Article 450(i) CRR, as their total remuneration (total fixed remuneration and total variable remuneration awarded in 2023) falls within the category EUR 1 million to below EUR 1.5 million (template REM 4 below).

#### Template 62: EU REM4 – Remuneration of 1 million EUR or more per year as of 31.12.2023

(Amounts in millions of Euro)

	EUR	<sup>a</sup> Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	5
2	1 500 000 to below 2 000 000	-
3	2 000 000 to below 2 500 000	-
4	2 500 000 to below 3 000 000	-
5	3 000 000 to below 3 500 000	-
6	3 500 000 to below 4 000 000	-
7	4 000 000 to below 4 500 000	-
8	4 500 000 to below 5 000 000	-
9	5 000 000 to below 6 000 000	-
10	6 000 000 to below 7 000 000	-
11	7 000 000 to below 8 000 000	-

In template REM5 below the amount of Total Remuneration, Variable Remuneration and Fixed Remuneration of identified staff per business area is depicted.

**Template 63: EU REM5 – Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff) as of 31.12.2023**

(Amounts in millions of Euro)

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	<b>Total number of identified staff</b>										<b>145</b>
2	Of which: members of the MB	11	2	13							
3	Of which: other senior management				2	1	0	11	4	11	
4	Of which: other identified staff				22	17	0	34	25	18	
5	<b>Total remuneration of identified staff</b>	<b>1.5</b>	<b>2.3</b>	<b>3.8</b>	<b>5.8</b>	<b>3.6</b>	<b>0</b>	<b>13.4</b>	<b>4.7</b>	<b>3.4</b>	
6	Of which: variable remuneration	0	1.1	1.1	1.6	0.9	0	3.8	1.1	0.6	
7	Of which: fixed remuneration	1.5	1.3	2.7	4.2	2.8	0	9.7	3.6	2.9	

### **Derogation of Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR**

In 2023 the derogation laid down in point (b) Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR was applied for the following Material Risk Takers whose annual Variable Remuneration is up to EUR 30,000:

- Number of Material Risk Takers that benefit from the derogation: 55
- Total remuneration: EUR 6mn
- Out of which fixed remuneration: EUR 5mn
- Out of which variable remuneration: EUR 1mn

The above Material Risk Takers are exempted from the provisions pertaining to instruments, retention and the deferral period.

## 18 Appendix

### 18.1 Appendix I – Analysis of the Board Committees

#### 1. Analysis of the Board Committees

The Board of Directors may establish permanent or ad hoc Committees to assist it in the discharge of its responsibilities, facilitate its operations and effectively support its decision-making. The Committees have an advisory role but may also assume delegated authorities, as determined by the Board. Each Committee has its dedicated Charter prescribing its composition, tenure, functioning and responsibilities.

Four Committees operate at Board level, namely:

- the Audit Committee,
- the Risk Management Committee,
- the Remuneration Committee and
- the Corporate Governance, Sustainability and Nominations Committee.

Each Committee consists of no fewer than three Members.

The composition of each Committee is proposed to the Board of Directors by the Corporate Governance, Sustainability and Nominations Committee taking into account the “Suitability and Nomination Policy for the Members of the Board of Directors” as well as the respective legal and regulatory framework.

The major focus of the Committees is placed on the oversight of policies, practices and procedures within their specific area of mandate as detailed in the Charter of each Committee, on the preparation of draft resolutions to be approved by the Board of Directors and on the submission of relevant briefings, reports, key information and recommendations to the Board. The Committees report regularly to the Board of Directors about their work.

#### 1.1. Audit Committee

The Committee has been established and operates in accordance with all applicable laws and regulations. The determination of the type of the Audit 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 27.7.2023.

The Audit Committee currently constitutes a Committee of the Board of Directors. Its Members were appointed by a resolution of the Board of Directors of 27.7.2023 and its Chair was appointed by its Members at the meeting of the Committee held on 27.7.2023, in accordance with the provisions of article 44 par. 1 case e) of Law 4449/2017, as in force.

The Audit Committee comprises five Members, out of whom four are Independent Non-Executive Members. The Chair of the Committee is an Independent Non-Executive Member of the Board of Directors who has the required expertise and experience to oversee the audit, accounting and financial policies and processes within the remit of the Committee. The Chair cannot simultaneously act as Chair of the Board of Directors or Chair of the Risk Management Committee.

The Members of the Committee 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 present at the meetings regarding the approval of the Financial Statements.

The main responsibilities of the Audit Committee include but are not limited to those presented below.

The Audit Committee:

- Performs the oversight of the financial reporting processes and procedures for drawing up the Annual and the Interim Financial Statements of the Company and the Group, in accordance with the applicable accounting standards.
- Reviews the quarterly Financial Statements of the Group as well as the semi-annual and annual Financial Statements of the Company and the Group, together with the Statutory Auditors' Report, where applicable, and the Board of Directors' semi-annual and Annual Management Report, prior to their submission to the Board of Directors for approval.
- Is informed of the evolution of significant accounting standards and oversees the impact on accounting policies.
- Performs the oversight of the Non-Financial Report, the Sustainability Report, the reporting processes and the ESG disclosures.
- Reviews annual or multi-year audit plans and recommends their approval by the Board of Directors.
- Reviews the periodic reports on the activity of the Internal Audit in the Company and the Group as well as on the corrective actions for the adequate handling of comments and recommendations identified in these reports.
- Reviews and approves policies regarding the Internal Audit of the Company as well as any amendments thereto.
- Informs the Board of Directors of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of the financial reporting and what the role of the Audit Committee was in that process.
- Assists the Board of Directors in ensuring the independent, objective and effective conduct of internal and external audits.
- Assists the Board of Directors in overseeing the effectiveness and performance of the Internal Audit and of the Compliance of the Company and of the respective Units across the Group.
- Is responsible for the procedure followed for the selection and the annual evaluation of the Statutory Certified Auditors of the Company and the Group and makes recommendations to the Board of Directors on the appointment or dismissal, rotation, tenure and remuneration of the Statutory Certified Auditors, according to the relevant regulatory and legal provisions.
- Monitors the independence and performance of the Statutory Certified Auditors in accordance with the applicable laws, a responsibility which includes reviewing, *inter alia*, the provision by them of Non-Audit Services to the Company and the Group. In relation to this, the Committee examines and approves all proposals regarding the provision by the Statutory Certified Auditor of Non-Audit Services to the Company and the Group, based on the relevant policy that the Audit Committee oversees and recommends to the Board of Directors for approval.
- Monitors and assesses the adequacy, effectiveness and efficiency of the Internal Control System, based on reports by Internal Audit and by Compliance, on findings of the external auditors, the supervisors and the tax authorities as well as on management information, as appropriate.
- Evaluates the adequacy and effectiveness of the processes and procedures of the Compliance, based on the Annual Compliance Report, as per the regulatory framework in force.

- Assesses the adequacy and effectiveness of the “Anti-Money Laundering and Combating the Financing of Terrorism Policy”, reporting annually to the Board of Directors and to the Supervisory Authorities; reviews the framework of the Markets in Financial Instruments Directive (MiFID) and the Market Abuse Regulation (MAR).
- Promotes a culture of ethical behavior and integrity within the Group.

The Chair of the Audit Committee regularly informs the Board of Directors of the work of the Committee. The Chair also submits to the Board of Directors and to the General Meeting of Shareholders a formal annual activity report on the work of the Committee conducted during the previous year, parts of which are included in the Company’s annual Corporate Governance Statement.

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 as well as external auditors to attend its meetings. 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.

In 2023, the Committee convened fifteen times and the Members’ participation rate in the meetings stood at 98% (based on the composition of the Audit Committee on 31.12.2023).

The specific duties and responsibilities of the Audit Committee are set out in its Charter, which is posted on the Company’s [website](#).

## 1.2. Risk Management Committee

The Risk Management Committee has been established and operates in accordance with all applicable laws and regulations. The Members of the current Risk Management Committee were appointed by a resolution of the Board of Directors of 27.7.2023.

The Risk Management Committee comprises six Members, out of whom five are Independent Non-Executive Members. The Chair of the Committee is an Independent Non-Executive Member of the Board of Directors with significant experience in the financial sector. The Chair of the Committee cannot simultaneously act as Chair of the Board of Directors or of any other Board Committee.

All the Members of the Committee have prior experience in the financial services sector and, individually and collectively, appropriate knowledge, skills and expertise concerning risk management and control practices. One Member is in charge of overseeing ESG risk issues.

The main responsibilities of the Risk Management Committee include but are not limited to those presented below.

The Risk Management Committee:



- Assists the Board of Directors in promoting a sound risk culture at all levels throughout the Company and its Subsidiaries (the “Group”), fostering risk awareness and encouraging open communication and challenge across the Organization.
- Reviews regularly and recommends to the Board of Directors for approval the risk and capital management strategy, ensuring alignment with the business objectives of the Company and the Group.
- Reviews and recommends annually to the Board of Directors for approval the Group’s Risk Appetite Framework and statement, considering also ESG risks, i.e. the risks of any negative financial impact to the Company stemming from the current or prospective impacts of ESG factors on its counterparties, such as climate-related risks, and ensuring alignment with the Group’s strategic objectives and capital allocation.
- Determines the principles which govern risk management across the Company and the Group in terms of the identification, measurement, monitoring, control and mitigation of risks.
- Recommends to the Board of Directors for approval high-level policies on the management of risks.
- Monitors that the Company adequately embeds Environmental, Social and Governance (ESG) risks in the overall risk appetite statement and framework, business strategy and risk management framework.
- Evaluates on an annual basis or more frequently, if necessary, the appropriateness of risk identification and measurement systems, methodologies and models, including the capacity of the Company’s IT infrastructure to record, report, aggregate and process risk-related information.
- Reviews the Annual Group’s Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP) as well as related target ratios and recommends their approval to the Board of Directors.
- Assesses the overall effectiveness of capital planning, allocation processes and systems and the allocation of capital requirements to risk types.
- Keeps itself informed of recent regulatory developments, emerging supervisory expectations, the results of supervisory requests and the Supervisory Review and Evaluation Process (SREP) conclusions.
- Collaborates with the Audit Committee as necessary on the effective oversight of the mitigation of certain key areas of risk, including climate-related or other ESG risks, and capital management and their repercussions on the Internal Control System. The Committee also convenes jointly with the Audit Committee to discuss and review issues relevant to the remediation plans from regulatory/supervisory assessments and certain operational risk or other issues of importance and common interest.
- Collaborates with other Board Committees in relation to ESG issues.

The Chair of the Risk Management Committee regularly informs the Board of Directors of the work of the Committee. The Chair also submits to the Board of Directors a formal annual report on the work of the Committee conducted during the previous year, parts of which are included in the Company’s annual Corporate Governance Statement.

The Committee convenes at least once a month and may invite any Member of the Group’s Management or Executive to attend its meetings. The Chief Risk Officer (CRO) is a regular attendee of the Committee meetings and has unhindered access to the Chair and the Members. The CRO, while administratively reporting to the Chief Executive Officer (CEO), shall report functionally to the Board of Directors through the Committee.

In 2023, the Committee convened eleven times and the Members' participation rate in the meetings stood at 94% (based on the composition of the Risk Management Committee on 31.12.2023).

The specific duties and responsibilities of the Risk Management Committee are set out in its Charter, which is posted on the Company's [website](#).

### 1.3. Remuneration Committee

The Committee has been established and operates in accordance with all applicable laws and regulations. The Members of the current Remuneration Committee were appointed by a resolution of the Board of Directors of 27.7.2023.

The Remuneration Committee comprises five Members, out of whom three are Independent Non-Executive Members. The Chair of the Committee is an Independent Non-Executive Member of the Board of Directors.

The Members of the Committee have collectively appropriate knowledge, skills and professional experience concerning remuneration policies and practices, risk management and control activities as well as concerning the incentives and risks that can arise therefrom. At least one Member has sufficient professional experience in risk management.

The main responsibilities of the Remuneration Committee include but are not limited to those presented below.

The Remuneration Committee:

- Assists the Board of Directors in ensuring that the Group Remuneration Policy as well as the "Remuneration Policy of the Members of the Board of Directors as per the provisions of Law 4548/2018" are consistent with the values, culture, business strategy, risk appetite and strategic objectives of the Company and its Subsidiaries (the "Group"), taking into account Environmental, Social and Governance (ESG) risks that affect the business environment in the short, medium or long term.
- Is responsible for the preparation of decisions on remuneration to be taken by the Non-Executive Members, in particular regarding the remuneration of the Executive Members of the Board of Directors as well as of other identified Staff (i.e. Staff whose professional activities have a material impact on the Institutions' risk profile).
- Provides its support and advice to the Non-Executive Members of the Board of Directors on the design of the Remuneration Policies for the Company and the Group, including that such remuneration policies are gender-neutral according to the relevant legislative and regulatory provisions, support the equal treatment of Staff, promote inclusiveness and respect diversity in general.
- Recommends to the Non-Executive Members the remuneration of the Members of the Board of Directors.
- Reviews and advises on fixed salaries, benefits and total remuneration within the Company.
- Reviews the variable remuneration framework. Recommends to the Board of Directors for approval variable remuneration schemes for Employees across the Company and the Group and proposes the total envelope for variable remuneration across the Company and the Group.

- Reviews the performance of the Executive Members of the Board of Directors (the “Executive Members”), the Chiefs – Members of the Executive Committee and the Key Function Holders (the “KFHs”) of the Company based on the input that it receives from the evaluators, in accordance with the provisions of the “Policy for the Evaluation of Senior Executives and Key Function Holders”.
- Validates the Evaluation Scorecards and the goals of the Executive Members, the Chiefs – Members of Executive Committee and the KFHs.
- Ensures that adequate policies and processes for the regular performance evaluation of Senior Executives and Key Function Holders of the Company and of the Group Staff are in place, adequately implemented and in alignment with the Remuneration Policy and the Human Resources policies and processes (including staff succession planning and talent management systems).

The Chair of the Remuneration Committee regularly informs the Board of Directors of the work of the Committee. The Chair also submits to the Board of Directors a formal annual report on the work of the Committee conducted during the previous year, parts of which are included in the Company’s annual Corporate Governance Statement.

The Committee convenes at least quarterly per year and may invite any Member of the Management or Executive to attend its meetings. The Chief Human Resources Officer is a regular attendee of the Committee meetings.

In 2023, the Committee convened eleven times and the Members’ participation rate in the meetings stood at 98% (based on the composition of the Remuneration Committee on 31.12.2023).

The specific duties and responsibilities of the Remuneration Committee are set out in its Charter, which is posted on the Company’s [website](#).

#### **1.4. Corporate Governance, Sustainability and Nominations Committee**

The Committee has been established and operates in accordance with all applicable laws and regulations. The Members of the current Corporate Governance, Sustainability and Nominations Committee were appointed by a resolution of the Board of Directors of 27.7.2023.

The Corporate Governance, Sustainability and Nominations Committee comprises six Members, out of whom four are Independent Non-Executive Members. The Chair of the Committee is an Independent Non-Executive Member of the Board of Directors. At least one Member is in charge of overseeing ESG issues.

The Committee ensures and regularly evaluates that its Members collectively possess the required knowledge, skills and experience relating to sustainability and ESG issues as well as to the business of the Company to assess the appropriate composition of the Board of Directors and, among others, the selection process and the suitability requirements, in order to adequately discharge the Committee’s responsibilities.

The main responsibilities of the Corporate Governance, Sustainability and Nominations Committee include but are not limited to those presented below.

The Corporate Governance, Sustainability and Nominations Committee:

- Is regularly informed of current trends and developments in the area of corporate governance, including best practice and relevant regulations.
- Monitors the compliance of the Company and the Group with the pertinent Hellenic Corporate Governance Code, to which the Company adheres, ensuring appropriate application of the “comply or explain” principle required; provides oversight that the implementation of this principle aligns with the legislation in force, the regulatory expectations and the international corporate governance best practice.
- Reviews the Company’s Internal Governance Regulation and recommends its approval by the Board of Directors.
- Facilitates the regular review of the Charters of the Board Committees, in consultation with the relevant Committees, by providing input to each Committee in order to ensure that the Charters remain fit-for-purpose and align with the Hellenic Corporate Governance Code as well as with corporate governance best practices.
- Reviews, at least semi-annually, current and emerging trends and regulatory developments in ESG issues that may significantly affect the Company’s activities, highlighting to the Board of Directors areas that may require actions.
- Oversees the implementation of the Company’s policies on ESG issues.
- Reviews the respective communication, sustainability reporting to Stakeholders and ratings, in coordination with the Audit Committee.
- Acts as the ultimate liaison/responsible Board Committee with respect to all sustainability/ESG issues and promotes respective communications and feedback from all the Board of Directors Committees.
- Assists the Board of Directors in establishing the conditions required for effective succession and continuity in the Board of Directors.
- Develops and regularly reviews the selection criteria and the appointment process for the Members of the Board of Directors.
- Identifies and recommends for approval by the Board of Directors candidates to fill vacancies, according to the Suitability and Nomination Policy for the Members of the Board of Directors, evaluates the balance of knowledge, skills, diversity and experience of the Board of Directors, prepares a description of the roles and capabilities for a particular appointment and assesses the time commitment expected.
- Assesses periodically, and at least annually, the structure, size, composition and performance of the Board of Directors and makes recommendations to the Board of Directors with regard to any changes.
- Assesses periodically, and at least annually, the knowledge, skills and experience of each Member of the Board of Directors and of the Board of Directors collectively and reports to the Board of Directors accordingly.
- Oversees the design and implementation of the induction program for the new Members of the Board of Directors as well as the ongoing knowledge and skills development for the Members, which support the effective discharge of their responsibilities.

The Chair of the Corporate Governance, Sustainability and Nominations Committee regularly informs the Board of Directors of the work of the Committee. The Chair also submits to the Board of Directors a formal annual report on the work of the Committee conducted during the previous year, parts of which are included in the Company’s annual Corporate Governance Statement.

The Committee convenes at least quarterly per year and may invite any Member of the Management or Executive to attend its meetings.

In 2023, the Committee convened eleven times and the Members' participation rate in the meetings stood at 89% (based on the composition of the Corporate Governance, Sustainability and Nominations Committee on 31.12.2023).

The specific duties and responsibilities of the Corporate Governance, Sustainability and Nominations Committee are set out in its Charter, which is posted on the Company's [website](#).



## 2. Composition of the Board of Directors and the Committee Membership for the year 2023

Board of Directors	Committees			
	Audit	Risk Management	Remuneration	Corporate Governance, Sustainability and Nominations
<b>Chair</b> (Non-Executive Member)				
Vasileios T. Rapanos	-	-	-	-
<b>Executive Members</b>				
Vassilios E. Psaltis	CEO	-	-	-
Spyros N. Filaretos	Chief of Growth and Innovation	-	-	-
<b>Non-Executive Members</b>				
Efthimios O. Vidalis	<b>M</b> (until 26.7.2023)	-	<b>M</b> (as of 27.7.2023)	<b>M</b>
<b>Independent Non-Executive Members</b>				
Elli M. Andriopoulou	<b>M</b>	-	-	<b>M</b>
Aspasia F. Palimeri	-	<b>M</b>	<b>M</b>	-
Panagiotis I.-K. Papazoglou (as of 27.7.2023)	<b>M</b>	-	<b>M</b>	-
Dimitris C. Tsitsiragos	-	<b>M</b>	<b>C</b> (as of 27.7.2023) <b>M</b> (until 26.7.2023)	-
Jean L. Cheval	<b>M</b>	<b>C</b>	-	-
Carolyn G. Dittmeier	<b>C</b>	-	-	<b>M</b> <i>In charge of overseeing ESG issues</i>
Richard R. Gildea (until 26.7.2023)	-	<b>M</b> <i>NPL Expert</i> (until 26.7.2023)	<b>C</b> (until 26.7.2023)	-

<b>Elanor R. Hardwick</b>	-	<b>M</b>	-	<b>C</b>
<b>Diony C. Lebot (as of 27.7.2023)</b>	-	<b>M</b> <i>NPL Expert</i>	-	<b>M</b>
<b>Shahzad A. Shahbaz (until 26.7.2023)</b>	-	-	-	<b>M</b> <i>(until 26.7.2023)</i>
<b>Non-Executive Member</b>				
<b>Johannes Herman Frederik G. Umbgrove</b>	<b>M</b>	<b>M</b>	<b>M</b>	<b>M</b>
<b>C: Chair</b> <b>M: Member</b> <b>-: The Member does not participate in this Committee</b>				

### 3. Description of the Diversity Policy applied to the Members of the Board of Directors and Employees

The Diversity Policy is a document of Alpha Services and Holdings S.A. which sets out the principles and the approach for the achievement of diversity in both the Board of Directors and the Employees, in accordance with the legislative and regulatory framework in force, including the relevant Joint ESMA/EBA “Guidelines on the assessment of the suitability of members of the management body and key function holders”, as well as with European best practices in corporate governance.

Diversity is defined as the situation in which the characteristics of the Members of the Board of Directors and of the Employees, including age, gender, geographical provenance and educational and professional background, are sufficiently different to an extent that allows a variety of views within the Board of Directors and among the Employees.

While the diversity of the Board of Directors is not a criterion for the assessment of the Members’ individual suitability, diversity should be taken into account when selecting and assessing Members of the Board of Directors. Diversity within the Board of Directors leads to a broader range of experience, knowledge, skills and values and is one of the factors that enhance its functioning and address the phenomenon of “groupthink”. Thus, a more diverse Board of Directors, in its supervisory and management functions, can reduce the phenomenon of “groupthink” and facilitate independent opinions and constructive challenging in the process of decision-making.

The Policy applies to the selection procedure followed for the Members of the Board of Directors and is also taken into consideration for the appointment of the Company’s Senior Management and Employees.

The objectives of the Policy are to:

- Support and promote diversity in the Board of Directors and the Employees.
- Engage a broad set of qualities and competences when recruiting Members of the Board of Directors and Employees, to achieve a variety of views and experiences and to facilitate independent opinions and sound decision-making within the Board of Directors.
- Ensure that there is an appropriate representation of all genders within the Board of Directors.
- Ensure that the principle of equal opportunities is respected when selecting Members of the Board of Directors.
- Ensure equal treatment and opportunities for Employees of different genders.
- Ensure that, when setting diversity objectives, the Company considers diversity benchmarking results published by competent authorities, the European Banking Authority (EBA) or other relevant international bodies or organizations.

The Policy is approved by the Board of Directors and is reviewed every two years by the Corporate Governance, Sustainability and Nominations Committee, which may propose relevant amendments to the Board of Directors.

### **3.1. Board of Directors**

The Company, taking into account the existing framework, embraces the benefits of having a diverse Board of Directors. It recognizes that diversity can help achieve maximum team performance and effectiveness, enhance innovation and creativity and promote critical thinking and team cooperation within the Board. In this context, a diversified Board of Directors fosters constructive challenge and discussion on the basis of different points of view, while also contributing to the improvement of decision-making regarding strategies and risk-taking by encompassing a broader range of views, opinions, experience, perception, values and backgrounds and reducing the phenomena of “groupthink” and “herd behavior”.

A truly diversified Board of Directors allows and makes good use of differences in skills, regional and industry experience, background, abilities, qualifications, professional training, gender and other distinctions between the Members. Pursuant to the Suitability and Nomination Policy for the Members of the Board of Directors of the Company, all Board appointments, including the succession planning, are made in accordance with legal and regulatory requirements, ensuring an optimal balance, among others, of skills, experience, knowledge, independence and high ethical standards, without any discriminations based on sex, race, color, ethnic or social origin, religion or belief, property, birth, disability, sexual orientation, gender, age, geographical provenance and/or educational and professional background.. The above suitability and differentiation parameters should be taken into consideration in determining the best possible composition of the Board of Directors and, when possible, should be balanced appropriately.

At least the following diversity aspects shall be taken into consideration for all Board appointments, without prejudice to the legislative and regulatory framework and to the Suitability and Nomination Policy for the Members of the Board of Directors of the Company:

- **Educational and professional background, skills and knowledge as well as experience in order to facilitate productive challenge and independent thinking** in accordance with the “Suitability and Nomination Policy for the Members of the Board of Directors”.
- **Gender:** taking into consideration that different typical attitudes and behaviors can be observed in persons of different genders.
- **Age:** considering that the time period in which a person has grown up influences his/her values, behavior and risk culture.
- **Geographical provenance:** the region where a person has gained a cultural, educational or professional background. Diversity regarding geographical provenance ensures that the Board has a direct understanding of the culture values, market specificities and legal framework present in main business hubs that the Company is active in and facilitates well-informed decision-making regarding the business strategy in those business and geographical areas.

In reviewing the composition of the Board of Directors and in identifying suitable candidates for appointment, reappointment or during the succession planning, the Corporate Governance, Sustainability and Nominations Committee (the “CGSNC”) will:

- a. Consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable the Board of Directors to discharge its duties and responsibilities effectively.
- b. Consider candidates on the basis of merit and objective criteria pursuant to the strategic objectives of the Company, the legislative and regulatory requirements and with due consideration of diversity in the Board of Directors.

According to the legal and regulatory framework, as described in the “Suitability and Nomination Policy for the Members of the Board of Directors”, the CGSNC assesses or re-assesses on an ongoing basis, and at least annually, on the basis of the “Suitability and Nomination Process for the Members of the Board of Directors”, the collective and individual suitability of the Members of the Board of Directors. As part of this annual evaluation of the effectiveness of the Board of Directors and its Committees, the CGSNC will consider the adequate balance of all aspects of suitability and diversity, including, but not limited to, those described above.

The CGSNC will discuss and agree annually upon all measurable objectives for achieving diversity in the Board of Directors. In the event that any diversity objectives or targets have not been met, the CGSNC shall explain the relevant reasons and the measures to be taken, in order to ensure that the diversity objectives and targets will be met.

The CGSNC reviews and monitors regularly the effectiveness of the Policy and makes relevant recommendations to the Board of Directors. Furthermore, it reviews regularly the proportion of women who are employed by the Company as a whole, in senior management positions and in the Board of Directors.

According to the Diversity Policy, the Board of Directors' actual target is that the percentage of the less represented gender in the Board would reach at least 30% in the next three years, while always considering industry trends and best practices. In light of the above, the Board of Directors' target has been achieved, i.e. at a percentage of 38.5%.

All the candidates for the Board of Directors shall be assessed on the basis of the same criteria, irrespective of gender, since the eligible Members for the Board of Directors must fulfil all the conditions set in relation to their qualifications. In this context, all genders shall have equal opportunities to be nominated under the condition that they fulfil all the other prerequisites in accordance with the Suitability and Nomination Policy for the Members of the Board of Directors of the Company. The Company shall not nominate Members to the Board of Directors with the sole purpose of increasing diversity to the detriment of the functioning and suitability of the Board of Directors collectively or at the expense of the suitability of individual Members of the Board of Directors.

### 3.2. Employees

The provision of equal opportunities for employment and advancement to all its Employees is not merely a legal obligation of the Company but rather a cornerstone of its Human Resources Strategy. It is thus incorporated in the Human Resources management procedures and practices and the Company ensures the implementation thereof in every country where it is present.

When setting diversity objectives, the Company considers diversity benchmarking results, published by competent authorities, the EBA or other relevant international bodies or organizations.

Seeking to implement gender equality in action and to address the issue of the low percentage of women in positions of responsibility, issues which are typical of the Greek labor market, the Company takes a number of measures which help its Employees balance their professional and family life, while also promoting equitable treatment and merit-based Employees' advancement, with equal advancement opportunities for female Employees. In addition, a multitude of training, coaching and mentoring initiatives are in place to support gender equality. The Company also aims to reflect the gender diversification evidenced in the Employees in the Senior Management.

The Company applies uniform, gender-neutral Remuneration and Benefits and Corporate Expenses Policies to all categories of Employees. It respects and defends the diversity of all Employees in general, promoting inclusiveness and equal treatment.

The Company provides a work environment free of discrimination and harassment and values the work and worth of each and every Employee. It ensures top-quality work conditions and opportunities for advancement that are based on merit and equitable treatment. It offers fair remuneration, based on contracts which are in agreement with the conditions of the corresponding national labor market and ensures compliance with the respective national regulations, *inter alia*, on minimum pay, working hours and the granting of leave.

The Company defends human rights and opposes all forms of child, forced or compulsory labor. The Company respects employee rights and is committed to safeguarding them fully, in accordance with the national and the European Union Law and the Conventions of the International Labor Organization.

The Company, in order to monitor and minimize diversity gaps, reviews relevant data on an annual basis and implements corrective measures to narrow gaps, where these exist.

Employees in Management positions \* as of 31.12.2023 (data for Alpha Services and Holdings S.A. and Alpha Bank S.A.)

	Age Breakdown as of 31.12.2023				
Gender	26-40	41-50	51+	Total	Percentage
Male	30	188	186	404	59%
Female	30	131	124	285	41%
<b>Total</b>	<b>60</b>	<b>319</b>	<b>310</b>	<b>689</b>	<b>100%</b>
Percentage	9%	46%	45%	100%	

Educational level	Breakdown as of 31.12.2023	Percentage
Postgraduate Studies (Master's, PhD)	370	54%
Tertiary Education (graduates of Universities or Technological Education Institutes)	188	27%
High School (Lyceum) graduates	131	19%
<b>Total</b>	<b>689</b>	<b>100%</b>

\*Management positions are defined as the positions from the level of Branch Manager and above.

The percentage and number of Employees in managerial positions per educational level indicate that Employees in managerial positions holding postgraduate degrees represent in 2023 the highest percentage, i.e. 54%.

Recognizing, though, the need to enhance the soft skills of people managers and foster a culture of continuous training, the Company has invested in multiple training channels. Dedicated learning leadership journeys are available on the online learning platform of the Company, while during 2023 the course "Managing Hybrid Teams" was launched as part of the Leadership Academy. Additionally, in each of the existing Academies currently provided, dedicated sections for people managers are available.

## 18.2 Appendix II - CVs of the Members of the Board of Directors

The CVs of the Members of the Board of Directors are presented below and are also available on the Company's [website](#).



**Chair**  
**Vasileios T. Rapanos**  
*Non-Executive Member*

Chair of the Board of Directors since May 2014

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**Nationality:** Greek  
Born in Kos, Greece, in 1947.

**Experience:** He was Deputy Governor and Governor of the Mortgage Bank (1995-1998), Chairman of the Board of Directors of the Hellenic Telecommunications Organization (1998-2000), Chairman of the Council of Economic Advisors at the Ministry of Economy and Finance (2000-2004), member of the Board of Directors of the Public Debt Management Agency (PDMA) (2000-2004) as well as Chairman of the Board of Directors of the National Bank of Greece and of the Hellenic Bank Association (2009-2012). In October 2021 he was re-elected as Chairman of the Board of Directors of the Hellenic Bank Association, a position he retained until November 2023.

**Other positions of note:** He is Professor Emeritus at the Faculty of Economics of the University of Athens and has been an Ordinary Member of the Academy of Athens since 2016. Moreover, he is a member of the Board of Directors of the Foundation for Economic & Industrial Research (IOBE), a member of the Board of Directors of the Biomedical Research Foundation Academy of Athens (BRFAA) and Chair of the Board of Directors of the Alpha Bank Cultural Foundation.

**Education:** B.A., Athens School of Economics and Business (1975), Master's in Economics, Lakehead University, Canada (1977), PhD, Queen's University, Canada



**CEO**  
**Vassilios E. Psaltis**  
*Executive Member*

Member of the Board of Directors since November 2018 and Chief Executive Officer since January 2019

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**Nationality:** Greek

Born in Athens, Greece, in 1968.

**Experience:** He held various senior management positions at ABN AMRO Bank's Financial Institutions Group in London and at Emporiki Bank where he worked as Deputy (acting) Chief Financial Officer. He joined Alpha Bank in 2007. In 2010 he was appointed Group Chief Financial Officer (CFO) and in 2012 he was appointed General Manager. Through these posts, he spearheaded capital raisings of several billions from foreign institutional shareholders, diversifying the Bank's shareholder base, as well as significant mergers and acquisitions that contributed to the consolidation of the Greek banking market, reinforcing the position of the Bank.

**Other positions of note:** In 2019 he was elected member of the Institut International d' Études Bancaires (IIEB). He has been a Member of the Board of Directors and of the Executive Committee of the Hellenic Federation of Enterprises (SEV) since July 2021 as well as Member of the Board of Directors of the Hellenic Bank Association (HBA) since October 2021.

**Education:** PhD in Banking, MA in Business and Banking, University of St. Gallen, Switzerland



**Spyros N. Filaretos**  
*Executive Member*

Member of the Board of Directors since 2005

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**Nationality:** Greek

Born in Athens, Greece, in 1958.

**Experience:** In 1985, he joined Alpha Bank, where he held key positions at different branches and Divisions (Organization, Human Resources and Treasury Management). He was appointed Executive General Manager in 1997 and General Manager in 2005. From October 2009 to November 2020, he served as Chief Operating Officer (COO). In December 2020, he was appointed General Manager - Growth and Innovation (new title as of 15.12.2023 Chief of Growth and Innovation).

**Other positions of note:** He is a Member of the Boards of Directors of Alpha Bank London Ltd and the Alpha Bank Cultural Foundation as well as Chair of the Board of Directors of Efstathia J. Costopoulos Foundation. Moreover, he is a Member of the Executive Committee.

**Education:** BA in Economics, University of Manchester, and MPhil in Development Economics and International Development, University of Sussex



**Efthimios O. Vidalis**  
*Non-Executive Member*

Member of the Board of Directors since May 2014

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**Membership of Board Committees:** Member of the Remuneration Committee and of the Corporate Governance, Sustainability and Nominations Committee

**Nationality:** Greek  
Born in Washington, USA, in 1954.

**Experience:** He held several leadership positions for almost 20 years at Owens Corning, where he served as President of the Global Composites and Insulation Business Units. He joined S&B Industrial Minerals S.A. in 1998 as Chief Operating Officer (1998-2001), became the first non-family Chief Executive Officer (2001-2011) and served on the Board of Directors for 15 years. He was a member of the Board of Directors of Future Pipe Industries (Dubai, U.A.E.) from 2008 to 2019 and of Fairfield-Maxwell Ltd (USA) from 2018 to 2023. He was Chairman of the Board of Directors of the Greek Mining Enterprises Association (2005-2009) and member of the Board of Directors of the Hellenic Federation of Enterprises (SEV) from 2006 to 2016, where he served as Vice Chairman (2010-2014) and as Secretary General (2014-2016). Furthermore, he is the founder of the SEV Business Council for Sustainable Development and was the Chairman thereof from 2008 to 2016.

**Other positions of note:** He was elected President of the Executive Committee of SEV during its Annual General Meeting held in June 2020. He is a non-executive member of the Board of Directors of Titan Cement Company S.A. and an independent non-executive member of Eurolife FFH Insurance Group Holdings S.A.

**Education:** BA in Government, Harvard University, MBA, Harvard Graduate School of Business Administration, USA



**Elli M. Andriopoulou**  
*Independent Non-Executive Member*

Member of the Board of Directors since January 2022

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**Membership of Board Committees:** Member of the Audit Committee and of the Corporate Governance, Sustainability and Nominations Committee

**Nationality:** Greek  
Born in Athens, Greece, in 1975.

**Experience:** She commenced her career at Citibank NA (Athens, Greece) (1996-1999) and then worked as a consultant (2000-2003) at Mercer Management Consulting (currently Oliver Wyman), (USA). Afterwards, she re-joined Citibank International Plc (Athens, Greece) (2004-2012), where she held various positions, including those of Sales Development Manager, Branch Expansion Project Manager, Strategy and Development Manager, Customer Interaction Unit Head, Customer Advocacy and Segment Management Head as well as Marketing Director. Subsequently, she served as Co-Chief Operating Officer (2013) at the Stavros Niarchos Foundation, as Chief Operating Officer (2014-2015) of the Stavros Niarchos Foundation Cultural Center (SNFCC) and as SNFCC Grant Manager (2016-2020).

**Other positions of note:** Since 2020, she has been Chairwoman and Managing Director of the SNFCC.

**Education:** BA in Psychology, American College of Greece (Deree College), MBA, Kellogg School of Management, Northwestern University, USA



**Aspasia F. Palimeri**  
*Independent Non-Executive Member*

Member of the Board of Directors since July 2022

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**Membership of Board Committees:** Member of the Risk Management Committee and of the Remuneration Committee

**Nationality:** Greek  
Born in Athens, Greece, in 1973.

**Experience:** She commenced her career at Citibank NA (Athens, Greece) (1995-1996) and Eurobank Cards S.A. (Athens, Greece) (1996-1998). After acquiring her MBA, she joined McKinsey & Company (Athens, Greece), where she worked as an Associate Consultant (2000-2001) and as a Junior Engagement Manager (2001-2002), supporting strategic projects for leading Greek banks and corporates. Subsequently, she re-joined Eurobank Cards S.A. as the Group Product Manager for Loans (2002-2005) and as the company's Marketing Manager (2005-2010). She also served as the Cards Business Manager at Marfin Egnatia Bank (Athens, Greece) (2010-2013) and as the Deposit and Investment Products Senior Director at Piraeus Bank (Athens, Greece) (2013-2016). From 2016 to May 2022, she was the Country Manager for Greece, Cyprus and Malta at Mastercard, being responsible for the market share growth and the strategic development of these markets.

**Other positions of note:** Since 2021, she has been a member of the Board of Directors of the Foundation for Economic & Industrial Research (IOBE).

**Education:** BA in Accounting and Finance, American College of Greece (Deree College) (1995), MBA in Finance and Marketing, Columbia Business School, New York, USA (2000)



**Panagiotis I.-K. Papazoglou**  
*Independent Non-Executive Member*

Member of the Board of Directors since July 2023

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**Membership of Board Committees:** Member of the Audit Committee and of the Remuneration Committee

**Nationality:** Greek

Born in Athens, Greece, in 1959.

**Experience:** He commenced his career in 1988 at Ernst & Whinney (which was renamed Ernst & Young in 1991), where he was a Partner from 2000 to 2022. He acted as the Engagement (signing) Partner in a number of large Group audits, and the audit of a number of large shipping groups, preparing them for listing on the US and the UK stock markets (2000-2005). He served as Country Managing Partner, Head of Assurance at EY Bulgaria, Sofia (2005-2007) and as Head of Assurance at EY Romania, Bucharest (2008-2010), where he led a number of major assurance and advisory audit projects for international clients. Furthermore, he served as Managing Partner of EY (Ernst & Young) Greece and Southeastern Europe (Greece, Romania, Bulgaria, Cyprus, Albania, Malta, Kosovo, FYROM, Moldova) from June 2010 to December 31, 2022 and from January 2015 to December 2021, he was the Accounts Leader for Central, Eastern and Southeastern Europe and Central Asia. He was a Senior Advisor to EY Greece, retiring from EY on June 22, 2023. He was a Certified Auditor in Greece and in Romania. He was a member of the Supervisory Council of the Institute of Certified Public Accountants of Greece and a member of the Board of Directors of the American-Hellenic Chamber of Commerce.

**Other positions of note:** He is a member of the Executive Committee of the Foundation for Economic and Industrial Research (IOBE) as well as Vice-Chair of the Citizens' Movement for an Open Society.

**Education:** BSc in Economics and MA in Economic Theory and Policy, Athens University of Economics and Business, Greece, MBA in Finance and Management, University of Aston, Birmingham, UK, EY Journey to the Boardroom program, Harvard Business Publishing (2022)



**Dimitris C. Tsitsiragos**  
*Independent Non-Executive Member*

Member of the Board of Directors since July 2020

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**Membership of Board Committees:** Chair of the Remuneration Committee and Member of the Risk Management Committee

**Nationality:** Greek

Born in Athens, Greece, in 1963.

**Experience:** He worked for 28 years at the International Finance Corporation (IFC) – World Bank Group. He held progressive positions in the Oil, Gas and Mining and in the Central and Eastern Europe Departments, including the positions of Manager, Oil and Gas and Manager, Manufacturing and Services, based in Washington, D.C., USA (1989-2002). Furthermore, he held director positions for South Asia (New Delhi, India), Global Manufacturing and Services (Washington, D.C.) and Middle East, North Africa (Cairo, Egypt) and Southern Europe, overseeing IFC's global and regional investment operations (2002-2011). In 2011, he was promoted to Vice President, EMENA region (Istanbul, Turkey) and in 2014 he was appointed Vice President Investments/Operations (Istanbul/Washington). He served as a Senior Advisor, Emerging Markets at Pacific Investment Management Company (PIMCO) in London, UK (2018-2022). He previously served as a non-executive independent Board Member at the Infrastructure Development Finance Company (IDFC), India and at the Commercial Bank of Ceylon (CBC), Sri Lanka.

**Other positions of note:** He is a member of the Board of Directors of Titan Cement International.

**Education:** BA in Economics, Rutgers University, USA, MBA, George Washington University, USA, World Bank Group Executive Development Program, Harvard Business School, USA



**Jean L. Cheval**  
*Independent Non-Executive Member*

Member of the Board of Directors since June 2018

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**Membership of Board Committees:** Chair of the Risk Management Committee and Member of the Audit Committee

**Nationality:** French  
Born in Vannes, France, in 1949.

**Experience:** After starting his career at BIPE (Bureau d'Information et de Prévisions Économiques), he served in the French public sector (1978-1983) and then worked at Banque Indosuez-Crédit Agricole (1983-2001), wherein he held various senior management positions, including the positions of Chief Economist, Head of Corporate Planning and Head of Asset-based Finance and subsequently he became General Manager. He served as Chairman and CEO of the Banque Audi France (2002-2005) as well as Chairman of the Banque Audi Suisse (2002-2004). Furthermore, he served as Head of France at the Bank of Scotland (2005-2009). Between 2009 and 2017, he worked at Natixis in various senior management positions, such as Head of the Structured Asset Finance Department and Head of Finance and Risk, second "Dirigeant effectif" of the company alongside the CEO (2012-2017). As of 2017 and until April 2022, he served as Senior Advisor of Natixis' CEO, while chairing the Credit Risk Committee and supervising the main restructuring operations (impaired assets).

**Other positions of note:** He is currently a member of the Board of Directors and a member of the Audit and Risk Committee of EFG-Hermes, Egypt, a member of the Board of Directors of Natixis Algérie and Chairman of the Natixis Foundation for Research and Innovation.

**Education:** Engineering, École Centrale des Arts et Manufactures, DES (Diplôme d'Études Spécialisées) in Economics (1974), University of Paris I, France, DEA (Diplôme d' Études Approfondies) in Statistics and in Applied Mathematics, University of Paris VI, France



**Carolyn G. Dittmeier**  
*Independent Non-Executive Member*

Member of the Board of Directors since January 2017

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**Membership of Board Committees:** Chair of the Audit Committee and Member of the Corporate Governance, Sustainability and Nominations Committee, Member in charge of overseeing ESG issues

**Nationality:** Italian and American  
Born in Salem, Massachusetts, USA, in 1956.

**Experience:** She commenced her career in the US at the auditing and consulting firm Peat Marwick & Mitchell (now KPMG), where she reached the position of Audit Manager. Subsequently, following her transfer to Italy, she assumed managerial responsibilities in the Montedison Group as Financial Controller and later as Head of Internal Audit. In 1999, as associate partner, she successfully, launched the practice of corporate governance services in KPMG Italy. Subsequently, she took on the role of Chief Internal Audit Executive of the Poste Italiane Group (2002-2014). She has carried out various professional and academic activities focusing on risk and control governance and has written two books. She was Vice Chair (2013-2014) and Director of the Institute of Internal Auditors (2007-2014), Chair of the European Confederation of Institutes of Internal Auditing (2011-2012) and Chair of the Italian Association of Internal Auditors (2004-2010). Commencing in 2012, she assumed roles in boards of directors, serving as Independent Director and Chair of the Risk and Control Committee of Autogrill SpA (2012-2017) as well as of Italmobiliare SpA (2014-2017). She was also Chair of the Board of Statutory Auditors of Assicurazioni Generali SpA (2014 - April 2023).

**Other positions of note:** She is currently a member of the Boards and/or the Audit Committees of some non-financial companies (Moncler, Illycaffè) and since May 2023 she is independent non-executive member of the Board of Directors, Chair of the Nomination Committee as well as member of the Control and Risk Committee of ENI SpA, an energy company.

**Education:** BSc in Economics, Wharton School, University of Pennsylvania, USA. She is a Statutory Auditor, a Certified Public Accountant (CPA), a Certified Internal Auditor (CIA) and a Certified Risk Management Assurance (CRMA) professional, focusing on the audit and risk management sectors.



**Elanor R. Hardwick**  
*Independent Non-Executive Member*

Member of the Board of Directors since July 2020

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**Membership of Board Committees:** Chair of the Corporate Governance, Sustainability and Nominations Committee and Member of the Risk Management Committee

**Nationality:** British  
Born in the UK, in 1973.

**Experience:** She commenced her career in 1995 at the UK Government's Department of Trade and Industry, focusing on the Communications and Information Industries policy, and subsequently held roles as a strategy consultant with Booz Allen Hamilton's Tech, Media and Telco practice and with the Institutional Equity Division of Morgan Stanley. Since 2005, she has held various roles, including Global Head of Professional Publishing and Global Head of Strategy, Investment Advisory at Thomson Reuters (now London Stock Exchange Group). Afterwards, she joined the team founding FinTech startup Credit Benchmark, becoming its CEO (2012-2016). Then, she served as Head of Innovation at Deutsche Bank (2016-2018) and as Chief Digital Officer at UBS (2019-2020). She served as a non-executive member of the Board of Directors of Itiviti Group AB (July 2020 - May 2021) and as a member of the Supervisory Council of Luminor Group (April 2022 - October 2023).

**Other positions of note:** Since 2018 she has served as a non-executive member of the Board of Directors of specialty (re)insurer Axis Capital, while she is also a member of the Human Capital and Compensation Committee and of the Corporate Governance, Nominating and Social Responsibility Committee. She is an external member of the Audit Committee of the University of Cambridge as of January 2021.

**Education:** MA (Cantab), University of Cambridge, UK, MBA, Harvard Business School, USA



**Diony C. Lebot**  
*Independent Non-Executive Member*

Member of the Board of Directors since July 2023

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**Membership of Board Committees:** Member of the Risk Management Committee and Member of the Corporate Governance, Sustainability and Nominations Committee, NPL Expert

**Nationality:** French and Greek  
Born in Beyrouth, Lebanon, in 1962.

**Experience:** In 1986 she joined Société Générale, where she has held various senior management positions such as Vice President and Director in Asset based and Project Finance (1987-1997), Head of Big Ticket leasing and Asset based Finance (1997-1998), Deputy Global Head of SG Financial Engineering (1998-2001) as well as Global Head of Asset Finance (2001-2004). She was Head of Coverage Europe (Large corporate and Institutional Clients of SGCIB) (2004-2007), before serving as CEO of SG Americas (US, Canada, Latin America), CEO of SG American Securities (2007-2012) as well as Deputy Global Head of Coverage and Investment Banking and CEO of SG Corporate and Investment Banking for Western Europe (2012-2015). Subsequently, she was the Deputy Group Chief Risk Officer (2015-2016) and the Group Chief Risk Officer (2016-2018). Since 2018 and until the 23.5.2023 she has been the Deputy Group Chief Executive Officer at Société Générale. Furthermore, she has held main Board positions over the last 10 years in Franfinance, Société Générale Bank and Trust (SGBT), Société Générale Factoring (previously CGA) and TCW (Asset Management company based in LA – California), Chair of the Board of Directors of Sogecap and of Ayvens (former ALD Automotive).

**Other positions of note:** Since 24.5.2023 she is senior advisor to the CEO of Société Générale. She is also a Non-Executive Member of the Board of Directors of Ayvens (former ALD Automotive) and a Non-Executive Member of the Board of Directors and Chair of the Audit Committee of EQT AB.

**Education:** MA in Management from Pantheon-Sorbonne University, France, MSc in Finance and Taxation from University of Paris, France

**Johannes Herman Frederik G. Umbgrove**

*Non-Executive Member*

Member of the Board of Directors since April 2018 (representative of the Hellenic Financial Stability Fund from April 2018 until November 2023)

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**Membership of Board Committees:** Member of the Audit Committee, of the Risk Management Committee, of the Remuneration Committee and of the Corporate Governance, Sustainability and Nominations Committee

**Nationality:** Dutch

Born in Vught, the Netherlands, in 1961.

**Experience:** He worked at ABN AMRO Bank N.V. (1986-2008), wherein he held various senior management positions throughout his career. He served as Chief Credit Officer Central and Eastern Europe, Middle East and Africa (CEEMEA) of the Global Markets Division at The Royal Bank of Scotland Group (2008-2010) and as Chief Risk Officer and member of the Management Board at Amsterdam Trade Bank N.V. (2010-2013). From 2011 until 2013 he was Group Risk Officer at Alfa Bank Group Holding.

**Other positions of note:** He has been a member of the Supervisory Board of DHB Bank N.V. [former Demir-Halk Bank (Nederland) N.V.] since 2016 and in 2018 he became the Chairman of the Supervisory Board thereof. He is currently the Chair of the Supervisory Board, of the Nomination and Remuneration Committee as well as a member of the Risk and Audit Committee, and of the Related Party Transactions Committee of DHB Bank N.V. Furthermore, since December 2019 he has been an independent member of the Supervisory Board and as of 1.1.2022 he has been the Chairman of the Risk Committee and the Audit Committee of Lloyds Bank GmbH. Additionally, he is a director of the Parel van Baarn Foundation and a member of the Management Committee of the Aston Martin Owners Club.

**Education:** LL.M. in Trade Law (1985), Leiden University, MBA, INSEAD (The Business School for the World), Fontainebleau (1991), IN-BOARD Non-Executive Directors Program, INSEAD



**Richard R. Gildea**  
*Independent Non-Executive Member*

Member of the Board of Directors from July 2016 to July 2023

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**Nationality:** British

Born in Winthrop, Massachusetts, U.S.A., in 1952.

**Experience:** He served in JP Morgan Chase, in New York and London, from 1986 to 2015, wherein he held various senior management positions throughout his career. He was Emerging Markets Regional Manager for the Central and Eastern Europe Corporate Finance Group, London (1993-1997) and Head of Europe, Middle East and Africa (EMEA) Restructuring, London (1997-2003). He also served as Senior Credit Officer in EMEA Emerging Markets, London (2003-2007) and Senior Credit Officer for JP Morgan's Investment Bank Corporate Credit in EMEA Developed Markets, London (2007-2015), wherein, among others, he was Senior Risk Representative to senior committees.

**Other positions of note:** He is currently a member of the Board of Advisors at the Johns Hopkins University School of Advanced International Studies, Washington D.C., where he chairs the Finance Committee, as well as a member of Chatham House (the Royal Institute of International Affairs), London.

**Education:** BA in History, University of Massachusetts (1974), MA in International Economics, European Affairs, Johns Hopkins University School of Advanced International Studies



**Shahzad A. Shahbaz**

*Independent Non-Executive Member*  
Member of the Board of Directors from May 2014 to July 2023

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**Nationality:** British

Born in Lahore, Pakistan, in 1960.

**Experience:** He has worked at various banks and investments firms, since 1981, including the Bank of America (1981-2006), from which he left as Regional Head (Corporate and Investment Banking, Continental Europe, Emerging Europe, Middle East and Africa). He served as Chief Executive Officer (CEO) of NBD Investment Bank/Emirates NBD Investment Bank (2006-2008) and of QInvest (2008-2012).

**Other positions of note:** He is currently the Group CIO of Al Mirqab Holding Co. He is also a member of the Board of Directors of El Corte Inglés and of Seafox.

**Education:** BA in Economics, Oberlin College, Ohio, USA

## 18.3 Appendix III – Group’s subsidiaries and associates

The following tables list Alpha Bank Group’s subsidiaries and associates, according to the consolidation method followed for regulatory purposes.

### Template 64: EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity) as of 31.12.2023

(Amounts in millions of Euro)

a Name of the entity	b Method of accounting consolidation	c Method of regulatory consolidation					g Description of the entity
		d Full consolidation	e Proportional consolidation	f Equity method	Neither consolidated nor deducted	Deducted	
Alpha Bank S.A.	Full consolidation	x					Credit Institutions
ALPHA BANK LONDON LTD	Full consolidation	x					Credit Institutions
ALPHA LEASING A.E.	Full consolidation	x					Other Financial corporations other than Credit Institutions
ALPHA FINANCE A.E.P.E.Y.	Full consolidation	x					Other Financial corporations other than Credit Institutions
ALPHA ASSET MANAGEMENT A.E.D.A.K	Full consolidation	x					Other Financial corporations other than Credit Institutions
ALPHA VENTURES A.E.	Full consolidation	x					Other Financial corporations other than Credit Institutions
ALPHA ASTIKA AKINITA A.E.	Full consolidation	x					Non-Financial Corporations
ABC FACTORS A.E.	Full consolidation	x					Other Financial corporations other than Credit Institutions
ALPHA REAL ESTATES MANAGEMENT AND	Full consolidation	x					Other Financial corporations other than Credit Institutions
ALPHA BANK LONDON NOMINEES LTD	Full consolidation				x		Other Financial corporations other than Credit Institutions
ABL INDEPENDENT FINANCIAL ADVISERS LTD	Full consolidation				x		Other Financial corporations other than Credit Institutions



APE FIXED ASSETS A.E.	Full consolidation	x					Non-Financial Corporations
ALPHA BANK ROMANIA S.A.	Full consolidation	x					Credit Institutions
ALPHA GROUP INVESTMENTS LTD.	Full consolidation	x					Other Financial corporations other than Credit Institutions
KAFE ALPHA A.E.	Full consolidation			x			Non-Financial Corporations
ALPHA REAL ESTATE BULGARIA E.O.O.D	Full consolidation	x					Non-Financial Corporations
ALPHA SUPPORTING SERVICES A.E	Full consolidation			x			Non-Financial Corporations
IONIAN EQUITY PARTICIPATIONS LTD.	Full consolidation	x					Other Financial corporations other than Credit Institutions
ALPHALIFE A.A.E.Z.	Full consolidation				x		Other Financial corporations other than Credit Institutions
ALPHA BANK CYPRUS LTD	Full consolidation	x					Credit Institutions
ALPHA TRUSTEES LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
ALPHA INSURANCE BROKERS S.R.L.(ROMANIA)	Full consolidation			x			Non-Financial Corporations
ALPHA VENTURES CAPITAL MANAGEMENT -	Full consolidation	x					Other Financial corporations other than Credit Institutions
KATANALOTIKA PLC	Full consolidation	x					Other Financial corporations other than Credit Institutions
REAL CAR RENTAL A.E.	Full consolidation			x			Non-Financial Corporations
EPIXIRO PLC	Full consolidation	x					Other Financial corporations other than Credit Institutions
GEMINI CORE SECURITISATION DESIGNATED ACTIVITY	Full consolidation	x					Other Financial corporations other than Credit Institutions



ALPHA LEASING ROMANIA IFN S.A.	Full consolidation	x					Other Financial corporations other than Credit Institutions
CHARDASH TRADING E.O.O.D.	Full consolidation	x					Non-Financial Corporations
IRIDA PLC	Full consolidation	x					Other Financial corporations other than Credit Institutions
PISTI 2010-1 PLC	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI-BRE PARTICIPATIONS 1 L.T.D.	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI-RRE PARTICIPATIONS 1 L.T.D.	Full consolidation	x					Other Financial corporations other than Credit Institutions
ALPHA REAL ESTATE SERVICES S.R.L.	Full consolidation	x					Non-Financial Corporations
STOCKFORT LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
ZERELDA LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
ALPHA INVESTMENT PROPERTY ATTIKIS A.E.	Full consolidation	x					Non-Financial Corporations
AGI - RRE POSEIDON LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI - RRE HERA LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
S.C. ROMFELT REAL ESTATE S.A.	Full consolidation	x					Non-Financial Corporations
EMPORIKI VENTURE CAPITAL DEVELOPED	Full consolidation	x					Other Financial corporations other than Credit Institutions
EMPORIKI VENTURE CAPITAL EMERGING	Full consolidation	x					Other Financial corporations other than Credit Institutions
EMPORIKI MANAGEMENT A.E.	Full consolidation	x					Other Financial corporations other than Credit Institutions



EMPORIKI DEVELOPMENT & REAL ESTATE MANAGEMENT	Full consolidation	x					Non-Financial Corporations
AGI - RRE POSEIDON SRL	Full consolidation	x					Non-Financial Corporations
AGI - BRE PARTICIPATIONS 2 L.T.D.	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI - BRE PARTICIPATIONS 3 L.T.D.	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI - BRE PARTICIPATIONS 4 L.T.D.	Full consolidation	x					Other Financial corporations other than Credit Institutions
ALPHA REAL ESTATE SERVICES LLC	Full consolidation	x					Non-Financial Corporations
AGI - RRE ARES LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI - BRE PARTICIPATIONS 2BG E.O.O.D.	Full consolidation	x					Non-Financial Corporations
AGI - RRE ARTEMIS LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI - BRE PARTICIPATIONS 5 L.T.D.	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI - RRE CLEOPATRA LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI - RRE HERMES LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI - RRE ARSINOE LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI - SRE ARIADNI LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
SC CARMEL RESIDENTIAL SRL	Full consolidation	x					Non-Financial Corporations
ALPHA INVESTMENT PROPERTY NEAS KIFISSIAS S.A.	Full consolidation	x					Non-Financial Corporations



ALPHA INVESTMENT PROPERTY KALLIROIS S.A.	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE EVAGORAS LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI-CYPRE TERSEFANOU LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI-CYPRE ERMIS LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
ALPHA INVESTMENT PROPERTY I EVADIAS S.A.	Full consolidation	x					Non-Financial Corporations
ASMITA GARDENS SRL	Full consolidation	x					Non-Financial Corporations
ALPHA BANK DEBT NOTIFICATION SERVICES S.A.	Full consolidation			x			Non-Financial Corporations
CUBIC CENTER DEVELOPMENT S.A.	Full consolidation	x					Non-Financial Corporations
ALPHA INVESTMENT PROPERTY NEAS ERYTHRAIAS S.A.	Full consolidation	x					Non-Financial Corporations
AGI SRE PARTICIPATIONS 1 LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI SRE PARTICIPATIONS 1 DOO	Full consolidation	x					Non-Financial Corporations
ALPHA INVESTMENTS PROPERTY SPATON S.A.	Full consolidation	x					Non-Financial Corporations
ALPHA INVESTMENTS PROPERTY KALLITHEAS S.A.	Full consolidation	x					Non-Financial Corporations
ALPHA INVESTMENTS PROPERTY IRAKLEIOU S.A.	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 2 LTD	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 5 LTD	Full consolidation	x					Non-Financial Corporations



AGI-CYPRE PROPERTY 8 LTD	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 7 LTD	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 15 LIMITED	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 17 LIMITED	Full consolidation	x					Non-Financial Corporations
ABC RE P2 LIMITED	Full consolidation	x					Non-Financial Corporations
ABC RE P3 LIMITED	Full consolidation	x					Non-Financial Corporations
ABC RE L2 LIMITED	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 21 LIMITED	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 24 LIMITED	Full consolidation	x					Non-Financial Corporations
ABC RE L3 LTD	Full consolidation	x					Non-Financial Corporations
ABC RE P&F LIMASSOL LTD	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 25 LTD	Full consolidation	x					Non-Financial Corporations
ABC RE RES LARNACA LTD	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 27 LTD	Full consolidation	x					Non-Financial Corporations
ABC RE L5 LTD	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 30 LTD	Full consolidation	x					Non-Financial Corporations



ALPHA QUANTUM DAC	Full consolidation	x					Other Financial corporations other than Credit Institutions
AEP INDUSTRIAL PROPERTY M. AE	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 33 LTD	Full consolidation	x					Non-Financial Corporations
ALPHA GROUP REAL ESTATE LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
ABC RE P&F PAFOS LTD	Full consolidation	x					Non-Financial Corporations
ABC RE P&F NICOSIA LTD	Full consolidation	x					Non-Financial Corporations
ABC RE RES NICOSIA LTD	Full consolidation	x					Non-Financial Corporations
AIP INDUSTRIAL ASSETS ROG S.M.S.A.	Full consolidation	x					Non-Financial Corporations
AIP ATTICA RESIDENTIAL ASSETS I S.M.S.A.	Full consolidation	x					Non-Financial Corporations
AIP THESSALONIKI RESIDENTIAL ASSETS S.M.S.A.	Full consolidation	x					Non-Financial Corporations
AIP CRETAN RESIDENTIAL ASSETS S.M.S.A.	Full consolidation	x					Non-Financial Corporations
AIP AEGEAN RESIDENTIAL S.M.S.A.	Full consolidation	x					Non-Financial Corporations
AIP IONIAN RESIDENTIAL ASSETS S.M.S.A.	Full consolidation	x					Non-Financial Corporations
AIP ATTICA COMMERCIAL ASSETS S.M.S.A.	Full consolidation	x					Non-Financial Corporations
AIP THESSALONIKI COMMERCIAL ASSETS S.M.S.A.	Full consolidation	x					Non-Financial Corporations
AIP COMMERCIAL ASSETS ROG S.M.S.A.	Full consolidation	x					Non-Financial Corporations



AIP ATTICA RETAIL ASSETS I S.M.S.A.	Full consolidation	x					Non-Financial Corporations
AIP ATTICA RETAIL ASSETS II S.M.S.A.	Full consolidation	x					Non-Financial Corporations
AIP ATTICA RESIDENTIAL ASSETS II S.M.S.A	Full consolidation	x					Non-Financial Corporations
AIP RETAIL ASSETS ROG S.M.S.A.	Full consolidation	x					Non-Financial Corporations
AIP LAND II S.M.S.A.	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 37 LTD	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 38 LTD	Full consolidation	x					Non-Financial Corporations
KRIGEO HOLDINGS LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
ALPHA CREDIT ACQUISITION COMPANY LTD	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI-CYPRE PROPERTY 40 LTD	Full consolidation	x					Non-Financial Corporations
ALPHA INTERNATIONAL HOLDINGS S.M.S.A	Full consolidation	x					Other Financial corporations other than Credit Institutions
ABC RE RES AMMOCHOSTOS LIMITED	Full consolidation	x					Non-Financial Corporations
SAPAVA LIMITED	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 47 LIMITED	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 48 LIMITED	Full consolidation	x					Non-Financial Corporations
ALPHA CREDIT PROPERTY 1 LIMITED	Full consolidation	x					Non-Financial Corporations



OFFICE PARK I SRL	Full consolidation	x					Non-Financial Corporations
ACARTA CONSTRUCT SRL	Full consolidation	x					Non-Financial Corporations
AGI-CYPRE PROPERTY 52 LIMITED	Full consolidation	x					Other Financial corporations other than Credit Institutions
ALPHA CYP PR 56	Full consolidation	x					Other Financial corporations other than Credit Institutions
ΑΕΠ ΟΙΚ ΑΤΤ ΙV	Full consolidation	x					Other Financial corporations other than Credit Institutions
ΑΕΠ ΕΠΑΓΓ ΑΚΙΝΗΤΩΝ ΙI ΜΑΕ	Full consolidation	x					Other Financial corporations other than Credit Institutions
NIGRINUS LIMITED	Full consolidation	x					Other Financial corporations other than Credit Institutions
SKYLINE MON.A.E	Full consolidation	x					Other Financial corporations other than Credit Institutions
ΕΠΑΓΓ. ΑΚΙΝΗΤΩΝ ΑΘΗΝΑΣ I	Full consolidation	x					Other Financial corporations other than Credit Institutions
ΕΠΑΓΓ. ΑΚΙΝΗΤΩΝ ΑΘΗΝΑΣ ΙI	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI-BRE Bistrica EOOD	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI-BRE Vasil Levski EOOD	Full consolidation	x					Other Financial corporations other than Credit Institutions
AGI-BRE Ekzarh Yosif EOOD	Full consolidation	x					Other Financial corporations other than Credit Institutions
APE COMMERCIAL PROPERTY A.E.	Equity method				x		Other Financial corporations other than Credit Institutions
APE INVESTMENT PROPERTY A.E	Equity method				x		Other Financial corporations other than Credit Institutions
ALPHA TANEΟ Α.Κ.Ε.Σ.	Equity method				x		Other Financial corporations other than Credit Institutions



Rosequeens Properties Ltd.	Equity method			x			Other Financial corporations other than Credit Institutions
Panarae Saturn LP	Equity method			x			Other Financial corporations other than Credit Institutions
ALPHA INVESTMENT PROPERTY COMMERCIAL	Equity method			x			Non-Financial Corporations
ALPHA INVESTMENT PROPERTY ELEONA A.E.	Equity method			x			Non-Financial Corporations
OLGANOS A.E.	Equity method			x			Non-Financial Corporations
AEDEP Thessalias and Steras Ellados	Equity method			x			Non-Financial Corporations
A.L.C. Novelle Investments Ltd	Equity method				x		Other Financial corporations other than Credit Institutions
Banking Information Systems A.E.	Equity method			x			Non-Financial Corporations
Propindex A.E.D.A.	Equity method			x			Non-Financial Corporations
Perigenis Business Properties Societe Anonyme	Equity method			x			Non-Financial Corporations
CEPAL HELLAS HOLDINGS S.A.	Equity method			x			Other Financial corporations other than Credit Institutions
Nexi Πληρωμών Ελλάς A.E	Equity method			x			Non-Financial Corporations
AGI - RRE PARTICIPATIONS 1 S.R.L.	Full consolidation	x					Non-Financial Corporations
Aurora SME I DAC	Equity method			x			Other Financial corporations other than Credit Institutions
Alpha Compass DAC	Equity method			x			Other Financial corporations other than Credit Institutions
AGI-CYPRE PROPERTY 34 LTD	Full consolidation	x					Non-Financial Corporations



ΑΕΠ ΕΠΑΓΓΕΛΜΑΤΙΚΩ Ν ΑΚΙΝΗΤΩΝ ΙΙΙ ΜΟΝΟΠΡΟΣΩΠΗ	Full consolidation	x					Other Financial corporations other than Credit Institutions
Zero Energy Buildings Ανώνυμη Εταιρία Ενεργειακών	Equity method			x			Non-Financial Corporations

## 18.4 Appendix IV – Terms and conditions of Tier 2 instruments

### Template 65a: EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

		a
		Qualitative or quantitative information - Free format
1	Issuer	Alpha Services and Holdings S.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2111230285
2a	Public or private placement	public
3	Governing law(s) of the instrument	English law, except for status, subordination, waiver of set-off, acknowledgement of Statutory Loss Absorption Powers and provisions, relating to Noteholders Agent (Greek law)
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A
<i>Regulatory treatment</i>		
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2 Capital
5	Post-transitional CRR rules	Tier 2 Capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Debt instrument - Art.62 CRR
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	EUR 500,000,000
9	Nominal amount of instrument	EUR 500,000,000
EU-9a	Issue price	100 per cent. of the Aggregate Nominal Amount
EU-9b	Redemption price	100 per cent. of their nominal amount
10	Accounting classification	Liability
11	Original date of issuance	13 February 2020
12	Perpetual or dated	dated
13	Original maturity date	13 February 2030
14	Issuer call subject to prior supervisory approval	applicable
15	Optional call date, contingent call dates and redemption amount	13 February 2025 - One time call option. The issuer may elect to redeem all, but not some only, of the Notes on 13 February 2025 (Year 5) at par together with any accrued and unpaid interest thereon, subject to certain conditions including (but not limited to) prior regulatory approval.
16	Subsequent call dates, if applicable	N/A
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Fixed coupon
18	Coupon rate and any related index	From (and including) the Issue Date to (but excluding) 13 February 2025 (Year 5): Fixed rate of 4.250% p.a. The Reset Date is 13 February 2025. From (and including) the Reset Date to (but excluding) the Maturity Date at the rate per annum equal to the Reset Rate of Interest (Reset Reference Rate plus reset margin). Reset Reference Rate is the then prevailing 5-year mid-swap rate (Reuters screen "ICESWAP2") and reset margin is 4.504%. Coupon is payable annually in arrear on 13 February in each year, commencing on 13 February 2021, up to and including the Maturity Date.
19	Existence of a dividend stopper	N/A
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory
21	Existence of step up or other incentive to redeem	No step up or other incentive to redeem
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Direct, unsecured, subordinated obligations ranking pari passu without any preference among themselves. Subordinated to Senior Creditors of the Issuer (including subordinated creditors whose claims rank, or are expressed to rank, in priority to claims of holders of the Notes).
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	<a href="https://www.bourse.lu/security/XS2111230285/301952">https://www.bourse.lu/security/XS2111230285/301952</a>
(1) Insert 'N/A' if the question is not applicable		



Template 65b: EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

		a
		Qualitative or quantitative information - Free format
1	Issuer	Alpha Services and Holdings S.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2307437629
2a	Public or private placement	public
3	Governing law(s) of the instrument	English law, except for status, subordination, waiver of set-off, acknowledgement of Statutory Loss Absorption Powers and provisions, relating to Noteholders Agent (Greek law)
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A
<i>Regulatory treatment</i>		
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2 Capital
5	Post-transitional CRR rules	Tier 2 Capital
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Debt instrument - Art.62 CRR
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	EUR 500,000,000
9	Nominal amount of instrument	EUR 500,000,000
EU-9a	Issue price	100 per cent. of the Aggregate Nominal Amount
EU-9b	Redemption price	100 per cent. of their nominal amount
10	Accounting classification	Liability - amortised cost
11	Original date of issuance	11 March 2021
12	Perpetual or dated	dated
13	Original maturity date	11 June 2031
14	Issuer call subject to prior supervisory approval	applicable
15	Optional call date, contingent call dates and redemption amount	11 March 2026 - One time call option. The Issuer may elect to redeem all, but not some only, of the Notes on (and including) 11 March 2026 (Year 5) at par together with any accrued and unpaid interest thereon, subject to certain conditions including (but not limited to) prior regulatory approval.
16	Subsequent call dates, if applicable	N/A
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Fixed coupon
18	Coupon rate and any related index	From (and including) the Issue Date to (but excluding) 11 June 2026 (Year 5,25); Fixed rate of 5.500% p.a. The Reset Date is 11 June 2026. From (and including) the Reset Date to (but excluding) the Maturity Date at the rate per annum equal to the Reset Rate of Interest (Reset Reference Rate plus reset margin). Reset Reference Rate is the then prevailing 5-year mid-swap rate (Reuters screen "ICESWAP2/EURSFIXA") and reset margin is 5.823%. Coupon is payable annually in each case, in arrear on 11 June in each year from (and including) 11 June 2021 (short first interest period) to (and including) the Maturity Date.
19	Existence of a dividend stopper	N/A
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory
21	Existence of step up or other incentive to redeem	No step up or other incentive to redeem
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Direct, unsecured, subordinated obligations ranking pari passu without any preference among themselves. Subordinated to Senior Creditors of the Issuer (including subordinated creditors whose claims rank, or are expressed to rank, in priority to claims of holders of the Notes).
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	<a href="https://www.bourse.lu/security/XS2307437629/332689">https://www.bourse.lu/security/XS2307437629/332689</a>

(1) Insert 'N/A' if the question is not applicable

## 18.5 Appendix V – Own Funds structure

### Template 66: EU CC1 - Composition of regulatory own funds as of 31.12.2023

(Amounts in millions of Euro)

		a	a	b
		31.12.2023	30.6.2023	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>				
1	Capital instruments and the related share premium accounts	5,465	5,941	(a)
2	Retained earnings	958	224	(b)
3	Accumulated other comprehensive income (and other reserves)	( 147)	96	(c)
EU-3a	Funds for general banking risk	-	-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1			
5	Minority interests (amount allowed in consolidated CET1)	0	0	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	474	241	(b)
6	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>6,749</b>	<b>6,501</b>	
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>				
7	Additional value adjustments (negative amount)	( 6)	( 6)	
8	Intangible assets (net of related tax liability) (negative amount)	( 427)	( 421)	(d)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	( 9)	( 13)	(e)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	194	210	(c)
12	Negative amounts resulting from the calculation of expected loss amounts	-	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-	
15	Defined-benefit pension fund assets (negative amount)			
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	( 11)	( 4)	(a)



		a	a	b
		31.12.2023	30.6.2023	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	( 73)	( 55)	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	-	
EU-20c	of which: securitisation positions (negative amount)	( 73)	( 55)	
EU-20d	of which: free deliveries (negative amount)	-	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	( 1,730)	( 1,797)	(e)
22	Amount exceeding the 17,65% threshold (negative amount)	-	-	(e,g)
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-	(g)
25	of which: deferred tax assets arising from temporary differences	-	-	(e)
EU-25a	Losses for the current financial year (negative amount)	-	-	(b)
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	-	
27a	Other regulatory adjustments	( 49)	( 37)	



		a	a	b
		31.12.2023	30.6.2023	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(2,111)	(2,121)	
29	Common Equity Tier 1 (CET1) capital	4,639	4,380	
<b>Additional Tier 1 (AT1) capital: instruments</b>				
30	Capital instruments and the related share premium accounts			
31	of which: classified as equity under applicable accounting standards			
32	of which: classified as liabilities under applicable accounting standards			
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	-	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1			
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1			
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties			
35	of which: instruments issued by subsidiaries subject to phase out			
36	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>400</b>	<b>400</b>	(h)
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>				
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)			
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)			

		a	a	b
		31.12.2023	30.6.2023	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
42a	Other regulatory adjustments to AT1 capital			
<b>43</b>	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	-	-	
<b>44</b>	<b>Additional Tier 1 (AT1) capital</b>	<b>400</b>	<b>400</b>	
<b>45</b>	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>5,039</b>	<b>4,780</b>	
<b>Tier 2 (T2) capital: instruments</b>				
46	Capital instruments and the related share premium accounts	1,000	1,000	(f)
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	-	
EU-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	-	-	
EU-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	-	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties			
49	of which: instruments issued by subsidiaries subject to phase out			
50	Credit risk adjustments	-	-	
<b>51</b>	<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>1,000</b>	<b>1,000</b>	
<b>Tier 2 (T2) capital: regulatory adjustments</b>				
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)			
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-	

		a	a	b
		31.12.2023	30.6.2023	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	-	
EU-56b	Other regulatory adjustments to T2 capital			
57	Total regulatory adjustments to Tier 2 (T2) capital	-	-	
58	Tier 2 (T2) capital	1,000	1,000	
<b>59</b>	<b>Total capital (TC = T1 + T2)</b>	<b>6,039</b>	<b>5,780</b>	
<b>60</b>	<b>Total Risk exposure amount</b>	<b>32,209</b>	<b>32,462</b>	
<b>Capital ratios and buffers</b>				
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	14.4%	13.5%	
62	Tier 1 (as a percentage of total risk exposure amount)	15.6%	14.7%	
63	Total capital (as a percentage of total risk exposure amount)	18.8%	17.8%	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	9.88%	9.77%	
65	of which: capital conservation buffer requirement	2.50%	2.50%	
66	of which: countercyclical buffer requirement	0.19%	0.08%	
67	of which: systemic risk buffer requirement	0.00%	0.00%	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	1.00%	1.00%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.69%	1.69%	
68	<b>Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)</b>	<b>7.39%</b>	<b>6.47%</b>	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>				
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	84	65	

		a	a	b
		31.12.2023	30.6.2023	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	41	40	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	642	621	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>				
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	-	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)			
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	-	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)</b>				
80	Current cap on CET1 instruments subject to phase out arrangements	-	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	

## 18.6 Appendix VI – Organizational Chart

