Alpha Services and Holdings S.A.

Pillar III Disclosures

Report for September 30, 2022

ALPHA SERVICES AND HOLDINGS

Contents

List of Abbreviations

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

Abbreviation	Definition
ICAAP	Internal Capital Adequacy Assessment Process
ICS	Internal Control System
ILAAP	Internal Liquidity Adequacy Assessment Process
IFRS	International Financial Reporting Standards
IMA	Internal Model Approach
IRB	Internal Ratings Based (approach)
IRRBB	Interest Rate Risk in the Banking Book
ISDA	International Swap and Derivatives Association
IT	Information Technology
MREL	Minimum Requirement for 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
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 the United Kingdom, Cyprus, Romania and Luxemburg.

2 Pillar III Disclosures Overview

2.1 Background

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

The purpose of Pillar 3 report is:

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

2.1.1 Disclosure enhancements

Following the outbreak of the COVID-19 pandemic and the response of governments across the globe and in the EU states by implementing measures to support borrowers, additional reporting and disclosures requirements were introduced on 2 June 2020 for the purposes of market discipline and transparency. The specific requirements take into account the Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis (date of publication 2 April 2020).

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

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

The new disclosures requirements introduce the following updates:

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

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

These draft 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.

The qualitative and quantitative information of ESG risks will be made publicly available with reporting date 31.12.2022.

On 17 October, 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 emphasises the importance that institutions make every effort to disclose this ratio and to collect the relevant information from their counterparties.

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.

Business units attest to the accuracy and of their data submissions. Consistency checks and reconciliations are performed with accounting and regulatory data. The disclosures included within this report are subject to the same level of internal control processes as the information provided by the Group for its financial reporting.

2.2 Supervision and Regulatory Framework

Single Supervisory Mechanism (SSM)

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

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

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

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

- Besides the 8% capital adequacy limit, limits of 4.5% for CET 1 ratio and 6% for Tier 1 ratio are applied
- Capital buffers over and above the CET1 capital limits are required to be maintained. In particular:
  - Capital conservation buffer stands at 2.5%.
  - Capital buffers as provided by the Bank of Greece through its Executive Committee Acts as follows:

    - countercyclical capital buffer, equal to "zero percent" (0%) for the first, the second and the third quarter of 2022

    - other systemically important institutions (O-SII) buffer, which will gradually rise to "one percent" (1%) from 1.1.2019 to 1.1.2023. For 2022, the O-SII buffer stands at 0.75%.

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.

On February 2, 2022, the ECB informed Alpha Services and Holdings SA. that from March 2022 the minimum limit of the consolidated Overall Capital Requirements (OCR) is increased to 14.25%. The OCR consists of the minimum threshold of the Total Equity Ratio (8%), in accordance with Article 92 (1) of the CRR, the additional supervisory requirements for Pillar II (P2R) in accordance with Article 16 (2) (a) of Regulation 1024/2013 / EU, which amount to 3.0%, as well as the combined security requirements (CBR), in accordance with Article 128 (6) of Directive 2013/36 / EU, which amounts to 3.25%. The minimum ratio should be kept on an ongoing basis, considering the CRR / CRD IV Transitional Provisions.

Minimum Requirements for Eligible Own Funds and Eligible Liabilities (MREL)

On 23 March 2022, Alpha Bank S.A., received a communication letter from the European Single Resolution Board including its decision for the minimum requirements for own funds and eligible liabilities (MREL). The requirements are based on the Recovery and Resolution Directive ("BRRD2"), which was incorporated into the Greek Law 4799/2021 on 18.5.2021. According to the decision, from 1 January 2026 Alpha Bank S.A. is required to meet, on a consolidated basis, minimum MREL of 23.37% of the risk-weighted assets and 5.92% of the Leverage ratio. The letter also sets out the intermediate MREL to be met from 1 January 2022, i.e. 14.02% of the risk-weighted assets and 5.91% of the leverage ratio. The MREL ratio, expressed as a percentage of risk-weighted assets, does not include the Combined Buffer Requirement (CBR), which currently stands at 3.25%. Furthermore, The Resolution Authority has decided that Alpha Bank S.A. is not subject to requirement for subordinated MREL. The decision defines the single point of entry (SPE) as the resolution strategy.

The MREL requirements, including the transition compliance period, are in line with the expectations of Alpha Bank S.A. The long-term financing plan of Alpha Bank S.A. envisages further strengthening of MREL, so that these requirements can be met when they enter into force. In this context, and following the issuance of two series of Senior Preferred Bonds in 2021 amounting in total to € 900 million, on 29.10.2022 Alpha Bank proceeded to a new issuance amounting to € 400 million, with a 3 year maturity and redeem option on the second year, interest of 7% and return of 7.25% As of 30 September 2022, the Bank's MREL ratio on a consolidated basis was 19.1% (including profit for the period ended 30 September 2022), while the ratio reaches 20.3% including the October Senior Preferred Notes issuance. The final minimum requirements for MREL is updated annually by the SRB.

Measures taken for the banks in order to tackle Covid-19 pandemic

In the light of the impact of Covid-19 pandemic, European Central Bank (ECB), European Banking Authority (EBA) and European Commission (EC), announced a series of measures in order to ensure that the supervised banks will be able to continue financing the economy.

Specifically, on 12 March 2020, the ECB and the EBA announced the following relaxation measures for the minimum capital requirements for Banks in the Eurozone:

- Banks are temporarily allowed to operate below the level of capital defined by the Capital Conservation Buffer and the Countercyclical Buffer. In addition, on 28 July 2020, the ECB announced through a press release that financial institutions are allowed to operate below the aforementioned thresholds up to the end of 2022.
- Furthermore, the change that was expected in January 2021 under CRD V regarding the P2R buffer was brought forward allowing the Pillar 2 requirement (P2R) to be covered by Additional Tier 1 (AT1) capital by 18.75% and Tier 2 (T2) capital by 25% and not only by CET 1.

In addition, the European Commission decided to revise the existing regulatory framework by bringing forward regulations that would normally come in effect with the CRR2/CRDV framework as well as to mitigate the Covid-19 impact on economy and encourage banks to grant new loans. As a result, in June 2020 the EU published the Regulation (EU) 2020/873, in its Official Journal which included amendments in relation to capital requirements set by 575/2013 and 876/2019.

Finally, on 22 December 2020, Commission Delegated Regulation (EU) 2020/2176 of 12 November 2020 amending Delegated Regulation (EU) No 241/2014 was published in the Official Journal of the European Union. The regulation includes certain provisions for the deduction of software category from CET1.

3 Capital Management

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

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

The Group remains committed to the implementation of its strategy, re-calibrating its approach in order to reflect changes in the market environment. The Bank has consistently delivered on its targets to clean-up its balance sheet and is on track with the execution of its NPE plan. It also has successfully addressed the challenges and risks that the outbreak of COVID-19 posed to banks. Towards its transition to the post Covid-19 era, the Bank remains committed in the active management and reduction of NPEs over the Business Plan period through additional NPE transactions (Hermes, Solar, Leasing,Light etc.) which were scheduled and incorporated in the revised NPE Business Plan submitted to the SSM in March 2022.

Main elements impacting Asset Quality and Capital

- At the end of September 2022 the Group's Total Capital base stood at €5.5 bn and the consolidated Total Capital Ratio stood at 16.0%, or 14.7% on a Fully Loaded basis.
- The Group's NPE ratio declined further to 8.0%, down by 20bps from Q2.
- The Group's NPE cash coverage stood at 39% at the end of Q3. The Group NPL coverage ratio reached 71%, while total coverage including collateral reached 130%.
- The NPE stock in Greece remained effectively flat at €3.2bn, as slightly lower organic inflows were offset by still robust curing activity.
- The Group's Loan to Deposit Ratio stands at 78% while the Group's Liquidity Coverage Ratio (LCR) stands at 161%, exceeding the regulatory minimum of 100%.
- ECB funding remained at €13bn, unchanged versus June 2022, reflecting the full utilization of the TLTRO III borrowing allowance.
- The Synthetic Securitization of a Euro 0.65 billion performing SME and Corporate portfolio (Project "Tokyo") has been successfully concluded, as part of the strategic plan "Project Tomorrow", validating the strategy to utilize alternative sources of capital enhancement.

3.1 Capital Ratios

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

As shown in the following table, on 30.09.2022, Group's CET1 stood at € 4.5 bn and the total Regulatory Capital at €5.5 bn, while the total RWAs amounted to € 34.7 bn resulting in a CET1 ratio of 13.1%, and total Capital Adequacy Ratio of 16.0**%,** increased by 86bps versus 30.06.2022, positively affected mainly by the organic profitability.

Template 1: Capital Adequacy Ratios (%)

(Amounts in millions of Euro)

	a	b
	30.09.2022	**30.06.2022**
Capital Type		
CET1	4.546	4.445
Tier 1 Capital	4.546	4.445
Tier 2 Capital	1.000	1.000
Total Regulatory Capital for C.A.R. calculation	5.546	5.445
Risk Weighted Assets	34.672	35.966
Capital Ratios		
CET1 Ratio	**13.1%**	**12.4%**
Tier 1 Ratio	**13.1%**	**12.4%**
Total Capital Ratio (Tier 1 + Tier 2)	**16.0%**	**15.1%**

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 30 September 2022, the eligible amount as not "relying on future profitability" according to the CRD Directive stood at €2.78 bn.

3.1.1 Key metrics

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

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

(Amounts in millions of Euro)

		a	b	c	d	e
		30.09.2022	**30.06.2022**	**31.03.2022**	**31.12.2021**	**30.09.2021**
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	4,546	4,445	4,328	4,662	5,328
2	Tier 1 capital	4,546	4,445	4,328	4,663	5,330
3	Total capital	5,546	5,445	5,328	5,676	6,343
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	34,672	35,966	35,552	35,333	38,439
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	13.1%	12.4%	12.2%	13.2%	13.9%
6	Tier 1 ratio (%)	13.1%	12.4%	12.2%	13.2%	13.9%
7	Total capital ratio (%)	16.0%	15.1%	15.0%	16.1%	16.5%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.00%	3.00%	3.00%	3.00%	3.00%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.69%	1.69%	1.69%	1.69%	1.69%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.25%	2.25%	2.25%	2.25%	2.25%
EU 7d	Total SREP own funds requirements (%)	11.00%	11.00%	11.00%	11.00%	11.00%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer	0.75%	0.75%	0.75%	0.50%	0.50%
11	Combined buffer requirement (%)	3.25%	3.25%	3.25%	3.00%	3.00%
EU 11a	Overall capital requirements (%)	14.25%	14.25%	14.25%	14.00%	14.00%
12	CET1 available after meeting the total SREP own funds requirements (%)	4.86%	4.11%			

		a	b	c	d	e
		30.09.2022	30.06.2022	31.03.2022	31.12.2021	30.09.2021
	Leverage ratio					
13	Leverage ratio total exposure measure	76,164	74,340	61,196	60,619	61,169
14	Leverage ratio	6.0%	6.0%	7.1%	7.7%	8.7%
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%			
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%			
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%			
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%			
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%			
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	11,535	11,398	10,887	9,872	
EU 16a	Cash outflows - Total weighted value	8,092	7,738	7,331	6,934	
EU 16b	Cash inflows - Total weighted value	1,326	1,331	917	1,166	
16	Total net cash outflows (adjusted value)	6,766	6,407	6,066	5,767	
17	Liquidity coverage ratio (%) (adjusted values) (**)	171.0%	178.0%	179.0%	170.0%	
17a	Liquidity coverage ratio (%)	161.0%	163.0%			
	Net Stable Funding Ratio					
18	Total available stable funding	57,841	56,520			
19	Total required stable funding	48,659	48,810			
20	NSFR ratio (%)	118.9%	115.8%			

(*) The above figures include the period results

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

3.2 Transitional Arrangements

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

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

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

- To mitigate the negative impact on the regulatory capital of the Bank from the increase in the expected credit loss as a result from the Covid-19 pandemic. This article extents to another two-year period the ability to add-back to the regulatory capital the expected credit losses recognized in 2020 and afterwards relating to performing financial instruments. This transition period is effective until the end of 2024. More specific, the weighting factors were set at 1.00 for the first two years (2020 and 2021), 0.75 in 2022, 0.5 in 2023 and 0.25 in 2024.
- Introduces a temporary prudential filter to neutralize debt market volatility deriving from the effects of the Covid-19 pandemic. The filter is effective from 1 January 2020 to 31 December 2022. As a result of the application of the filter, Banking Institutions will be able to add -back a percentage of the unrealized gains and losses in the sovereign debt securities placements that affected CET1. For 2022 the applied percentage is 40%.

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

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

(Amounts in millions of Euro)

	a	b	c	d	e
	30.09.2022	**30.06.2022**	**31.03.2022**	**31.12.2021**	**30.09.2021**
Available capital (amounts)					
Common Equity Tier 1 (CET1) capital	4,546	4,445	4,328	4,662	5,328
CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,046	3,948	3,840	3,747	4,414
CET1 capital as if the temporary treatment of unrealized gains and losses measured at fair value through OCI (other comprehensive income)I in accordance with Article 468 of the CRR had not been applied	4,523	4,425	4,317		
Tier 1 capital	4,546	4,445	4,328	4,663	5,330
Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4,046	3,948	3,840	3,747	4,414
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	4,523	4,425	4,317		
Total capital	5,546	5,445	5,328	5,676	6,343
Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5,046	4,948	4,840	4,761	5,428

	a	b	c	d	e
	30.09.2022	30.06.2022	31.03.2022	31.12.2021	30.09.2021
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	5,523	5,425	5,317		
Risk-weighted assets (amounts)					
Total Risk-weighted assets	34,672	35,966	35,552	35,333	38,439
Total Risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	34,274	35,568	35,154	34,536	37,643
Capital ratios					
Common Equity Tier 1 ratio (%)	13.1%	12.4%	12.2%	13.2%	13.9%
CET1 ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11.8%	11.1%	10.9%	10.8%	11.7%
CET1 ratio (%) as if the temporary treatment of unrealized gains and losses measured at fair value through OCI (other comprehensive income)I in accordance with Article 468 of the CRR had not been applied	13.0%	12.3%	12.1%		
Tier 1 ratio (%)	13.1%	12.4%	12.2%	13.2%	13.9%
Tier 1 ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11.8%	11.1%	10.9%	10.8%	11.7%
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	13.0%	12.3%	12.1%		
Total capital ratio (%)	16.0%	15.1%	15.0%	16.1%	16.5%
Total capital ratio (%) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.7%	13.9%	13.8%	13.8%	14.4%
Total capital ratio (%) as if the temporary treatment of unrealized gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	15.9%	15.1%	15.0%		
Leverage ratio					
Leverage ratio total exposure measure	76,164	74,340	61,196	60,619	61,169
Leverage ratio	6.0%	6.0%	7.1%	7.7%	8.7%
Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5.4%	5.3%	6.3%	6.3%	7.3%
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%	6.0%	7.1%		

* The above figures include the period results

3.3 Own Funds Structure

The following table presents the analysis of Own funds structure:

Template 4: Own Funds Structure

(Amounts in millions of Euro)

	30.09.2022	30.06.2022
Share capital	681	704
Share premium	5,259	5,259
Retained Earnings and Other Reserves	162	176
o/w FVOCI reserves	(23)	(19)
Period results	297	214
Minority interest (transitional)	0	0
Common equity tier 1 capital before regulatory adjustments	**6,399**	**6,353**
PVA	(6)	(5)
Intangible assets	(385)	(364)
Adjustments due to IFRS 9 transitional adjustments	398	398
DTA amortization	(1,815)	(1,888)
Irrevocable payment commitment	(24)	(24)
Other adjustments	(21)	(24)
Total regulatory adjustments to common equity tier 1	**(1,853)**	**(1,908)**
Common equity tier 1 capital (CET1) (1)	**4,546**	**4,445**
Hybrid instruments	-	-
Additional Tier I before regulatory adjustments	**-**	**-**
Hybrid instruments transitional	-	-
(-) Goodwill/Intangible investments	-	-
of which deductible from Additional Tier I	-	-
of which deductible from CET1	-	-
Total regulatory adjustments to additional Tier I	-	-
Additional Tier I	**-**	**-**
Tier I Capital (CET1 + AT1)	**4,546**	**4,445**
Subordinated loan	1,000	1,000
Hybrid instruments (transitional)	-	-
Tier II capital before regulatory adjustments	**1,000**	**1,000**
Total regulatory adjustments to Tier II	-	-
Tier II capital	**1,000**	**1,000**
Total Capital (TC = Tier I + Tier II)	**5,546**	**5,445**
Total RWA	**34,672**	**35,966**
Common equity tier 1 Ratio	**13.1%**	**12.4%**
Tier I Ratio	**13.1%**	**12.4%**
Total Capital Ratio (Tier I + Tier II)	**16.0%**	**15.1%**

3.4 Capital requirements under Pillar I

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

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

Capital Requirements are calculated using the following approaches:

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

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

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

(Amounts in millions of Euro)

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		30.09.2022	30.06.2022	30.09.2022
1	**Credit risk (excluding CCR)**	**30,492**	**31,296**	**2,439**
2	Of which the standardised approach	30,492	31,296	2,439
3	Of which the foundation IRB (FIRB) approach			
4	Of which slotting approach			-
EU 4a	Of which equities under the simple riskweighted approach			-
5	Of which the advanced IRB (AIRB) approach			
6	**Counterparty credit risk - CCR**	**203**	**225**	**16**
7	Of which the standardised approach	116	154	9
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	4	3	0
EU 8b	Of which credit valuation adjustment - CVA	83	68	7
9	Of which other CCR	0	0	0
15	**Settlement risk**	**-**	**-**	**-**
16	**Securitisation exposures in the non-trading book (after the cap)**	**608**	**536**	**49**
17	Of which SEC-IRBA approach			-
18	Of which SEC-ERBA (including IAA)	118	119	9
19	Of which SEC-SA approach	490	417	39
EU 19a	Of which 1250%			-
20	**Position, foreign exchange and commodities risks (Market risk)**	**364**	**905**	**29**
21	Of which the standardised approach	16	11	1
22	Of which IMA	348	894	28
EU 22a	**Large exposures**			
23	**Operational risk**	**3,005**	**3,005**	**240**
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	3,005	3,005	240
EU 23c	Of which advanced measurement approach			
24	**Amounts below the thresholds for deduction (subject to 250% risk weight)** (for information)	**1,527**	**1,490**	**122**
29	**Total**	**34,672**	**35,966**	**2,774**

4 Leverage

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

The level of the leverage ratio with reference date 30.9.2022 on consolidated basis was 6.0 %, according to the transitional definition of Tier 1 capital, exceeding by 2 x the 3% minimum threshold applied by the competent authorities, implying that the Bank is not taking on excessive leverage risk.

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

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

Template 6: Summary information on leverage ratio

(Amounts in millions of Euro)

	a
	30.9.2022 *
Summary information on leverage ratio	
Tier 1 capital	4,546
Leverage ratio total exposure measure	76,164
Leverage ratio	**6.0 %**

(*) Period Profits are included

5 Market Risk

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

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

Alpha Bank calculates Value at Risk (VaR) for internal risk management purposes since 1999. The VaR methodology applied is historical simulation, using a 99% percentile, one tailed confidence interval, a historical observation period of 2 years un-weighted data and a 1 and 10–day holding period. 10 day VaR is calculated with a 10 day horizon and a 1 day fixed step (overlapping periods). Calculation of the value-at-risk value is performed on a daily basis using full valuation across all risk factors and positions. The Stressed VaR methodology is based on the current VaR methodology. All risk factors included in the regulatory VaR model are considered in the Stressed VaR model. The Bank computes the Stressed VaR measure on a daily basis, to coincide with the VaR periodicity. Currently, the stress period used by the Bank is January 2016 – December 2016. The selection of the stressed period is based on the assessment of the most volatile period in recent history.

5.1 IMA approach for market risk

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

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

ALPHA SERVICES AND HOLDINGS

Template 7a: EU MR2-B - RWA flow statements of market risk exposures under the IMA as of 30.09.2022

(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**
1	**RWAs at previous period end**	295	599	-	-	-	894	71
1a	*Regulatory adjustment [1]*	*216*	*456*	-	-	-	*673*	*54*
1b	*RWAs at the previous quarter-end (end of the day)*	*78*	*143*	-	-	-	*221*	*18*
2	Movement in risk levels	(62)	(119)	-	-	-	(181)	(14)
3	Model updates/changes	-	-	-	-	-	-	-
4	Methodology and policy	-	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-	-
6	Foreign exchange movements	-	-	-	-	-	-	-
7	Other	(3)	-	-	-	-	(3)	(0)
8a	*RWAs at the end of the disclosure period (end of the day)*	13	24	-	-	-	37	3
8b	*Regulatory adjustment [1]*	108	202	-	-	-	310	25
8	**RWAs at the end of the disclosure period**	122	226	-	-	-	348	28

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

Template 7b: EU MR2-B - RWA flow statements of market risk exposures under the IMA as of 30.06.2022

(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**
1	**RWAs at previous period end**	350	678	-	-	-	1,028	82
1a	*Regulatory adjustment [1]*	257	471	-	-	-	728	58
1b	*RWAs at the previous quarter-end (end of the day)*	93	207	-	-	-	300	24
2	Movement in risk levels	(16)	(64)	-	-	-	(80)	(6)
3	Model updates/changes	-	-	-	-	-	-	-
4	Methodology and policy	-	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-	-
6	Foreign exchange movements	-	-	-	-	-	-	-
7	Other	1	-	-	-	-	1	0
8a	*RWAs at the end of the disclosure period (end of the day)*	78	143	-	-	-	221	18
8b	*Regulatory adjustment [1]*	216	456	-	-	-	673	54
8	**RWAs at the end of the disclosure period**	295	599	-	-	-	894	71

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

6 Liquidity Risk

Definition

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

6.1 Liquidity Coverage Ratio (LCR)

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

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

As of September 2022, the Group LCR stood at 161% and the HQLA buffer at EUR 12.2 billion.

The following table provides a breakdown of the LCR as of 30 September 2022, in accordance with Article 435 of the Regulation (EU) No 575/2013 and the respective guidelines on LCR disclosure (EBA/GL/2017/01).

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

ALPHA SERVICES AND HOLDINGS

Template 8: EU LIQ1: Quantitative information of LCR

(Amounts in millions of Euro)

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				**Total weighted value (average)**			
EU 1a	Quarter ending on (DD Month YYY)	**30.09.2022**	**30.06.2022**	**31.03.2022**	**31.12.2021**	**30.09.2022**	**30.06.2022**	**31.03.2022**	**31.12.2021**
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	**Total high-quality liquid assets (HQLA)**					**11,535**	**11,398**	**10,887**	**9,872**
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	36,827	36,437	36,057	35,660	2,337	2,266	2,189	2,120
3	*Stable deposits*	20,936	20,656	20,316	19,601	1,047	1,033	1,016	980
4	*Less stable deposits*	11,379	10,913	10,416	10,156	1,289	1,232	1,173	1,140
5	Unsecured wholesale funding	9,708	9,262	8,722	8,079	4,289	4,155	3,961	3,681
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	305	287	271	247	76	72	68	62
7	*Non-operational deposits (all counterparties)*	9,397	8,971	8,449	7,831	4,206	4,079	3,891	3,619
8	*Unsecured debt*	6	4	2	1	6	4	2	1
9	*Secured wholesale funding*					10	11	10	20
10	Additional requirements	867	659	509	454	376	308	260	254
11	*Outflows related to derivative exposures and other collateral requirements*	331	278	239	237	331	278	239	237
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	535	381	270	217	45	30	21	17
14	Other contractual funding obligations	712	645	570	513	680	613	538	482
15	Other contingent funding obligations	7,648	7,452	7,296	7,322	400	385	372	376
16	**TOTAL CASH OUTFLOWS**					**8,092**	**7,738**	**7,331**	**6,934**
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	1,109	1,089	649	755	578	563	328	382
19	Other cash inflows	1,097	1,314	1,220	1,648	748	768	589	785
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	**TOTAL CASH INFLOWS**	**2,206**	**2,402**	**1,869**	**2,403**	**1,326**	**1,331**	**917**	**1,166**
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	2,206	2,402	1,869	2,403	1,326	1,331	917	1,166
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					11,535	11,398	10,887	9,872
22	**TOTAL NET CASH OUTFLOWS**					**6,766**	**6,407**	**6,066**	**5,767**
23	LIQUIDITY COVERAGE RATIO					171%	178%	179%	170%