



ALPHA BANK

ALPHA BANK CYPRUS GROUP

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS AT 30.6.2025

(In accordance with International Accounting Standard 34)



Nicosia,
25 July 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the shareholders of ALPHA BANK CYPRUS LIMITED

Report on Review of Consolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying consolidated condensed interim balance sheet of ALPHA BANK CYPRUS LIMITED as of 30th June 2025 and the related consolidated condensed interim statements of income, changes in equity and cash flows for the six-month period then ended as well as the selected explanatory notes. Management is responsible for the preparation and presentation of these consolidated condensed interim financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to Interim Financial Reporting (International Accounting Standard "IAS" 34). Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

To the shareholders of ALPHA BANK CYPRUS LIMITED

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting.

Limassol, 25 July 2025

Deloitte Limited

Certified Public Accountants and Registered Auditors

Maximos Plaza, Tower 1, 3rd Floor

213 Arch. Makariou III Avenue

CY-3030 Limassol, Cyprus



Consolidated Condensed Interim Income Statement

	Note	From 1 January to	
		30.06.2025	30.06.2024
		€'000	€'000
Interest and similar income		65.576	75.878
Interest expense and similar charges		(20.542)	(23.790)
Net interest income	2	45.034	52.088
- of which: net interest income based on the effective interest rate		44.184	51.567
Fees and commission income		10.441	10.140
Commission expense		(1.174)	(1.297)
Net fee and commission income	3	9.267	8.843
Dividend income	4	25	22
Gains less losses on derecognition of financial assets measured at amortised cost	5	80	(147)
Gains less losses on financial transactions	6	341	620
Other income		2.037	565
Total other income		2.483	1.060
Total income		56.784	61.991
Staff costs	7	(16.446)	(14.848)
General administrative expenses	8	(11.205)	(10.902)
Depreciation and amortization		(2.818)	(2.544)
Total expenses before impairment losses and provisions to cover credit risk		(30.469)	(28.294)
Impairment gains / (losses) and provisions to cover credit risk	9	1.260	708
Other expenses and provisions	10	657	413
Profit before tax		28.232	34.818
Tax		(391)	(4.837)
Profit after tax		27.841	29.981
Other comprehensive income recognised directly to equity:			
Items that may be reclassified subsequently to the Income Statement			
Net change in securities reserves measured at fair value through other comprehensive income		179	-
Net change in cash flow hedge reserve		(21)	(1.161)
Total of other comprehensive income recognized directly in equity		158	(1.161)
Total comprehensive income for the year attributable to equity owners of the bank		27.999	28.820
Basic and diluted earnings per share (€)	11	0.13	0.14

The notes on pages 9 to 53 form an integral part of these financial statements.



Consolidated Condensed Interim Balance Sheet

	Note	30.06.2025 €'000	31.12.2024 €'000
ASSETS			
Cash and balances with central banks	12	958.208	1.241.925
Due from banks	13	832.995	635.472
Derivative financial assets		2.328	3.380
Loans and advances to customers	15	1.357.180	1.158.545
Investment securities	14		
- measured at fair value through other comprehensive income		5.834	5.742
- measured at amortised cost		1.066.821	912.645
- measured at fair value through profit or loss		6.916	7.002
Investment property		168	4.836
Property, plant and equipment		21.117	21.850
Intangible assets		5.763	6.745
Deferred tax assets		1.633	829
Repossessed assets		153	153
Other assets		11.397	6.824
		<u>4.270.513</u>	<u>4.005.948</u>
Assets classified as held for sale		948	797
Total assets		<u>4.271.461</u>	<u>4.006.745</u>
LIABILITIES			
Due to banks	17	340.149	330.438
Derivative financial liabilities		1.665	48
Due to customers	18	3.439.295	3.232.588
Debt securities in issue	19	45.822	45.039
Other liabilities	20	62.923	46.860
Provisions	21	6.361	4.525
Total liabilities		<u>3.896.215</u>	<u>3.659.498</u>
EQUITY			
Funds and reserves attributable to the shareholders of the Bank			
Share capital	22	180.694	180.694
Share premium		102.911	102.911
Reserves		2.692	2.713
Retained earnings	24	24.949	(3.071)
Convertible capital securities	23	64.000	64.000
Total equity		<u>375.246</u>	<u>347.247</u>
Total liabilities and equity		<u>4.271.461</u>	<u>4.006.745</u>

The consolidated condensed interim financial statements were approved and authorized for issue by the Board of Directors on 25 July 2025.

M.H.Colakides
Chairman

M.Michaelas
Managing Director

Y.Tofarides
Chief Financial Officer

Consolidated Condensed Statement of Changes in Equity

	Share Capital	Share premium ¹	Reserves	Retained earnings	Convertible capital securities	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000
Balance 1.1.2025	<u>180.694</u>	<u>102.911</u>	<u>2.713</u>	<u>(3.071)</u>	<u>64.000</u>	<u>347.247</u>
Changes for the period 1.1 – 30.06.2025						
Profit for the period, after tax	-	-	-	27.841	-	27.841
Other comprehensive income recognized directly in equity	-	-	(21)	179	-	158
Total comprehensive income for the period, after tax	-	-	(21)	28.020	-	27.999
Balance 30.06.2025	<u>180.694</u>	<u>102.911</u>	<u>2.692</u>	<u>24.949</u>	<u>64.000</u>	<u>375.246</u>
Balance 1.1.2024	180.694	102.911	630	(57.132)	64.000	291.103
Changes for the period 1.1 – 30.06.2024						
Profit for the period, after tax	-	-	-	29.981	-	29.981
Other comprehensive income recognized directly in equity	-	-	(1.161)	-	-	(1.161)
Total comprehensive income for the period, after tax	-	-	(1.161)	29.981	-	28.820
Balance 30.06.2024	<u>180.694</u>	<u>102.911</u>	<u>(531)</u>	<u>(27.151)</u>	<u>64.000</u>	<u>319.923</u>
Changes for the period 1.07 – 31.12.2024						
Profit for the period, after tax	-	-	-	27.902	-	27.902
Other comprehensive income recognized directly in equity	-	-	3.244	658	-	3.902
Total comprehensive income for the period, after tax	-	-	3.244	28.560	-	31.804
Payment of AT1 dividend				(4.480)		(4.480)
Balance 31.12.2024	<u>180.694</u>	<u>102.911</u>	<u>2.713</u>	<u>(3.071)</u>	<u>64.000</u>	<u>347.247</u>

1. The share premium is not available for distribution as a dividend.

The notes on pages 9 to 53 form an integral part of these financial statements.



Consolidated Condensed Statement of Cash Flows

	30.06.2025 €'000	From January 1 to 30.06.2024 €'000
Cash flows from continuing operating activities		
Profit for the year before income tax	28.232	34.818
Adjustment of profit before tax:		
Depreciation of property, plant and equipment	1.022	988
Depreciation of intangible assets	1.796	1.518
Profit from sale of investment property	(1.642)	-
(Gain) / Losses from derecognition of financial assets	(80)	147
Gain from financial transactions	(341)	(620)
Dividend received	(25)	(22)
Reversal of impairments of provisions to cover credit risk	(181)	(624)
Reversals for litigation	(657)	(514)
Reversals for off-balance sheet items	(861)	(94)
	27.263	35.607
Net (increase)/decrease in assets:		
Cash and balances with central banks	(1.296)	(4.373)
Loans and advances to customers	(198.454)	(19.308)
Derivative financial assets	1.052	(870)
Other assets	(5.349)	(5.360)
Net increase/(decrease) in Liabilities:		
Due to banks	9.711	(126)
Derivative financial liabilities	1.617	(1.409)
Due to customers	206.707	328.894
Other liabilities	<u>(1.892)</u>	<u>12.753</u>
Net cash flow from operating activities before taxes	39.359	345.798
Tax	<u>(391)</u>	<u>(6)</u>
Net cash flow from operating activities	<u>38.968</u>	<u>345.792</u>
Cash flow from investing activities:		
Investments in property	6.385	-
Purchase of investment securities	(228.655)	(197.653)
Disposal/ maturity of investment securities available for sale	86.057	37.053
Acquisition of property, plant and equipment	(110)	(195)
Acquisition of intangible assets	(814)	(462)
Interest on investment securities	11.084	6.613
Dividends received	<u>25</u>	<u>22</u>
Net cash flows for investment activities	<u>(126.028)</u>	<u>(154.622)</u>
Cash flows for financing activities:		
Lease payments	(430)	(356)
Repayments of debt securities	<u>-</u>	<u>(45.397)</u>
Net cash flows for financing activities	<u>(430)</u>	<u>(45.753)</u>
Net increase / (decrease) in cash and cash equivalents for the year	(87.490)	145.417
Cash and cash equivalents at the beginning of the year	<u>1.842.492</u>	<u>1.388.386</u>
Cash and cash equivalents at the end of the year	<u>1.755.002</u>	<u>1.533.803</u>

The notes on pages 9 to 53 form an integral part of these financial statements.



GENERAL INFORMATION

Incorporation and principal activity

Alpha Bank Cyprus Limited (the “Bank”) was registered in Cyprus in 1960 as a limited liability company in accordance with the requirements of the Cyprus Companies Law, Cap.113. On 13 September 2000, the Bank converted its status to a Public Liability Company according to the Companies Law, Cap. 113. On 21 January 2003, the Bank was converted from public to a private company according to the Companies Law, Cap. 113.

On 27 December 2006, the Bank was renamed from Alpha Bank Limited to Alpha Bank Cyprus Limited in accordance with the requirements of the Cyprus Company Law, Cap. 113. The trade name continues to be “Alpha Bank”.

Alpha Bank Cyprus Group (the “Group”) consists of the Bank and its subsidiaries.

Alpha Bank Cyprus Limited is 100% subsidiary of Alpha International Holdings Single Member S.A. with Alpha Bank S.A. being the ultimate beneficial owner.

The principal activity of the Bank is to provide full banking services through a wide range of banking and financial services.

ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

The Group has prepared the consolidated condensed interim financial statements for the current period ended on 30.6.2025 in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as it has been adopted by the European Union. Interim financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31.12.2024.

The accounting policies applied by the Group in preparing the consolidated condensed interim financial statements are the same as those stated in the published financial statements for the year ended on 31.12.2024, taking also into account the amendments to standards which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2025, for which further analysis is provided below.

The financial statements have been prepared on the historical cost basis. However, some assets and liabilities are measured at fair value. Those assets are the following:

- Derivative financial instruments
- Loans and advances to customers measured at fair value through profit or loss
- Investment securities measured at fair value through other comprehensive income
- Investment securities measured at fair value through profit or loss



ACCOUNTING POLICIES APPLIED (cont.)

1.1 Basis of presentation (cont.)

The interim financial statements are presented in Euro, rounded to the nearest thousand, unless otherwise stated.

The estimates and judgments applied by the Group in making decisions and in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate. The estimates and judgments are reviewed on an ongoing basis in order to take into account current conditions, and the effect of any changes is recognized in the period in which the estimates are revised.

1.1.1 Going concern

The interim consolidated financial statements as at 30.6.2025 have been prepared based on the going concern basis. For the assessment of going concern assumption, the Board of Directors considered current economic developments and made estimates for the shaping, in the near future, of the economic environment in which it operates. In this context, the Board of Directors assessed the developments in the macroeconomic and geopolitical environment, the estimates for the formation of the liquidity and capital adequacy ratios as well as the formation of its figures which is expected to come from the actions included in the Business Plan and estimates that, at least for the next 12 months from the date of approval of the financial statements, the conditions for the application of the going concern principle for the preparation of its consolidated financial statements are met.

1.1.2 Adoption of new standards and of amendments to standards

The following are the amendments to standards applied from 1.1.2025:

Amendment to International Accounting Standard 21 “The Effects of Changes in Foreign Exchange Rates”: Lack of Exchangeability (Regulation 2024/2862/12.11.2024)

On 15 August 2023, the International Accounting Standards Board (IASB) issued an amendment to IAS 21 regarding currencies for which a lack of exchangeability exists. The amendment clarifies how an entity should assess whether a currency is exchangeable and how to determine a spot exchange rate when exchangeability is lacking.

The adoption of the above amendment had no impact on the Group’s financial statements.

Other standards or amendments to standards issued by the IASB that have not yet been adopted by the European Union and/or have not been early adopted are disclosed in Note 1.1 of the annual financial statements as of 31 December 2024.

**2. NET INTEREST INCOME**

	From 1 January to	
	30.06.2025	30.06.2024
	€'000	€'000
Interest and similar income		
Due from banks measured at amortised cost	23.470	36.713
Loans and advances to customers where:		
-measured at amortised cost	27.492	29.129
-measured at fair value through profit or loss	148	172
Investment securities:		
-measured at amortised cost	11.007	6.613
Derivative financial instruments	<u>3.459</u>	<u>3.251</u>
Total	<u>65.576</u>	<u>75.878</u>
Interest expense and similar charges		
Due to banks	(2.395)	(4.642)
Due to customers	(14.755)	(15.313)
Bond securities	(783)	(1.105)
Derivative financial instruments	(2.560)	(2.684)
Lease liabilities	<u>(49)</u>	<u>(46)</u>
Total	<u>(20.542)</u>	<u>(23.790)</u>
Net interest income	<u>45.034</u>	<u>52.088</u>

The decrease in interest is due to the decrease of the market rates announced by the Central Banks.

The following table presents interest income and interest expenses calculated based on the effective interest rate per financial asset category.

	From 1 January to	
	30.06.2025	30.06.2024
	€'000	€'000
Financial assets measured at amortised cost	61.969	72.455
Financial assets measured at fair value through profit or loss	148	172
Financial liabilities measured at amortised cost	(17.933)	(21.060)

**3. NET FEE AND COMMISSION INCOME**

	From 1 January to	
	30.06.2025	30.06.2024
	€'000	€'000
Loans	344	140
Letters of guarantee	447	442
Imports – Exports	31	60
Credit cards	592	624
Transfers of funds	3.758	3.568
Foreign exchange	406	467
Insurance	600	467
Deposits	<u>3.089</u>	<u>3.075</u>
Total	<u>9.267</u>	<u>8.843</u>

The table below presents income from contracts per operating segment, that fall within the scope of IFRS 15:

1.1. – 30.06.2025	Retail	Corporate	International	Wealth	Other	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Loans	20	320	2	2	-	344
Letters of guarantee	11	407	29	-	-	447
Imports – Exports	3	8	20	-	-	31
Credit cards	1.196	35	169	36	-	1.436
Transfers of funds	691	245	2.772	50	-	3.758
Foreign exchange	579	6	9	6	-	600
Insurance	119	21	257	9	-	406
Deposits	<u>1.887</u>	<u>227</u>	<u>1.262</u>	<u>43</u>	-	<u>3.419</u>
Total	<u>4.506</u>	<u>1.269</u>	<u>4.520</u>	<u>146</u>	<u>≡</u>	<u>10.441</u>

1.1. – 30.06.2024	Retail	Corporate	International	Wealth	Other	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Loans	32	108	-	-	-	140
Letters of guarantee	17	313	112	-	-	442
Imports – Exports	1	23	36	-	-	60
Credit cards	1.359	17	94	12	-	1.482
Transfers of funds	643	192	2.671	62	-	3.568
Foreign exchange	428	22	17	-	-	467
Insurance	127	22	309	9	-	467
Deposits	<u>2.254</u>	<u>186</u>	<u>1.240</u>	<u>19</u>	<u>(185)</u>	<u>3.514</u>
Total	<u>4.861</u>	<u>883</u>	<u>4.479</u>	<u>102</u>	<u>(185)</u>	<u>10.140</u>

**4. DIVIDEND INCOME**

	From 1 January to 30.06.2025 €'000	30.06.2024 €'000
Other variable-performance securities measured at fair value through profit or loss	<u>25</u>	<u>22</u>
	<u>25</u>	<u>22</u>

The amount represents dividends received by the Bank from its investment in Visa Inc.

5. GAINS LESS LOSSES ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST

1.1.2025 – 30.06.2025				
	Carrying amount €'000	(Losses) from derecognition €'000	Gain from derecognition €'000	Gains on derecognition €'000
Sale of instruments				
Debt securities	11.092	(46)	66	20
Early repayments				
Loans	31.546	(122)	182	60
Significant modifications				
Total		<u>(168)</u>	<u>248</u>	<u>80</u>

1.1.2024 – 30.06.2024				
	Carrying amount €'000	(Losses) from derecognition €'000	Gain from derecognition €'000	Gains on derecognition €'000
Sale of instruments				
Loans	13.703	-	96	96
Early repayments				
Loans	49.278	(579)	318	(261)
Significant modifications				
Loans	2.339	-	18	18
Total		<u>(579)</u>	<u>432</u>	<u>(147)</u>

**5. GAINS LESS LOSSES ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST (cont.)**

“Early repayments” item includes the gain or loss recognized in Income Statement as a result of derecognizing the unamortized balance of the capitalised fees and expenses of early repayment loans.

“Significant modifications” includes mainly the carrying amount of the loans that were derecognized within the year, due to substantial modification of the contractual terms, as well as the gain or loss resulting from their derecognition and any valuation adjustment in the fair value of the new loans recognized.

6. GAINS LESS LOSSES ON FINANCIAL TRANSACTIONS

	From 1 January to	
	30.06.2025	30.06.2024
	€'000	€'000
Foreign exchange differences	574	605
Financial assets measured at fair value through profit or loss:		
-Other variable yield securities	(86)	211
-Loans and advances to customers	20	(124)
-Derivative financial instruments	23	(72)
- Sales of investments	<u>(190)</u>	<u>-</u>
Total	<u>341</u>	<u>620</u>

7. STAFF COSTS

	From 1 January to	
	30.06.2025	30.06.2024
	€'000	€'000
Wages and salaries	14.504	12.983
Social security contributions	921	889
Other staff costs	71	62
Contributions to employee's provident fund	<u>950</u>	<u>914</u>
	<u>16.446</u>	<u>14.848</u>

The average number of employees of the Group as at 30 June 2025 count 408 persons (30.06.2024: 383 persons).

**8. GENERAL ADMINISTRATIVE EXPENSES**

	From 1 January to	
	30.06.2025	30.06.2024
	€'000	€'000
Advertisement and promotion expenses	958	829
Special tax levy on customer deposits	2.644	2.303
Repairs and maintenance	123	100
Third party fees	1.271	799
Subscriptions for card use	20	105
Computer maintenance and supplies	1.749	1.551
Insurance	140	135
Electricity	240	265
Telecommunication expenses	284	218
Stationery and printing	46	31
Value added tax	916	962
Contribution to the deposit guarantee fund	-	600
Foreign loan management expenses	250	280
Cleaning expenses	111	108
Building and deposit insurance	144	34
Property management	75	-
Property taxes	50	50
Other expenses	<u>2.184</u>	<u>2.532</u>
	<u>11.205</u>	<u>10.902</u>

The special tax paid by banking institutions on customer deposits, excluding deposits from other credit institutions, entered into effect on 14 April 2011. With effect from 1 January 2013, it increased from 0,11% to 0,15%. According to an amendment to the legislation in 2015, the tax is paid quarterly and is calculated on the balance of deposits in the quarter preceding its payment, instead of on the December deposits of the previous year. Since 2016, part of the tax on customer deposits of credit institutions is paid to the Single Resolution Fund through the Central Bank of Cyprus. The above tax is included in the "General Administrative Expenses" in the consolidated income statement.

**9. IMPAIRMENT (GAINS) / LOSSES AND PROVISIONS TO COVER CREDIT RISK**

The amount of impairment gain for credit risk of €1.260 thousand, includes reversal of impairment loss provisions for credit risk of loans and advances to customers, reversal of provisions to cover the credit risk of off-balance sheet items, losses from the modification of contractual terms of loans and advances to customers and receipts from previously written-off receivables which are presented in table (i) below, as well as the impairment losses on other financial instruments presented in table (ii).

(i) Impairment loss / (reversals) and provisions to cover credit risk

	From 1 January to	
	30.06.2025	30.06.2024
	€'000	€'000
(Reversal of impairment) / impairment loss on loans	(210)	(277)
(Reversal of provisions) to cover credit risk on off balance sheet items	(863)	(95)
Losses/(Gains) on modifications of contractual terms of loans and advances to customers	368	(225)
Recoveries	<u>(584)</u>	<u>(143)</u>
Total	<u>(1,289)</u>	<u>(740)</u>

(ii) Impairment (gains) / losses on other financial instruments

	From 1 January to	
	30.06.2025	30.06.2024
	€'000	€'000
Impairment loss on debt securities and other securities measured at amortised cost	37	46
(Reversal of impairment) / impairment loss on due from banks	<u>(8)</u>	<u>(14)</u>
Total	<u>29</u>	<u>32</u>

	From 1 January to	
	30.06.2025	30.06.2024
(Gain) / Loss (i) and (ii)	<u>(1,260)</u>	<u>(708)</u>

10. OTHER EXPENSES AND PROVISIONS**i) Impairment losses and sale of assets**

	From 1 January to	
	30.06.2025	30.06.2024
	€'000	€'000
Loss on disposal of investment properties	<u>-</u>	<u>38</u>
	<u>-</u>	<u>38</u>

**10. OTHER EXPENSES AND PROVISIONS (cont.)****ii) Provisions**

	From 1 January to 30.06.2025 €'000	30.06.2024 €'000
Charges / (reversals) of provisions for litigations	(657)	(514)
Provisions for third parties receivable	-	63
	<u>(657)</u>	<u>(451)</u>
Total i) and ii)	<u>(657)</u>	<u>(413)</u>

Accumulated provisions for litigations amount to €16 thousand (30.06.2024 : €680 thousand).

11. EARNINGS/ (LOSSES) PER SHARE

Earnings and losses per share are calculated by dividing the earning / (losses) for the year attributable to the owners of the Group by the weighted average number of issued ordinary shares during the year. Diluted earnings / (losses) per share result from the adjustment of the weighted average of existing common shares during the period for potentially issued common shares. The Bank does not have shares in this category and therefore there is no need to modify the basic and diluted earnings / (losses).

	From 1 January to 30.06.2025 €'000	30.06.2024 €'000
Profit attributable to the owners	<u>27.841</u>	<u>29.981</u>
Weighted average number of shares for the year	<u>212.581.358</u>	<u>212.581.358</u>
Basic and diluted earnings per share (€)	<u>0,13</u>	<u>0,14</u>

12. CASH AND BALANCES WITH CENTRAL BANKS

	30.06.2025 €'000	31.12.2024 €'000
Cash and Cash equivalents	10.211	15.410
Balances with Central Bank of Cyprus	<u>911.796</u>	<u>1.191.610</u>
	922.007	1.207.020
Mandatory reserve deposits with Central Bank of Cyprus	<u>36.201</u>	<u>34.905</u>
	<u>958.208</u>	<u>1.241.925</u>

Deposits with the Central Bank of Cyprus bear interest based on the interbank interest rate of the relevant period and currency.

Deposits with Central Bank include mandatory deposits for liquidity purposes.

**13. DUE FROM BANKS**

	30.06.2025	31.12.2024
	€'000	€'000
Placements with Alpha Bank SA Group	121.425	75.703
Reverse Repos	709.110	492.691
Placements with other financial institutions	2.471	67.096
Accumulated provisions	<u>(11)</u>	<u>(18)</u>
	<u>832.995</u>	<u>635.472</u>

14. INVESTMENT SECURITIES**a) INVESTMENT SECURITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	30.06.2025	31.12.2024
	€'000	€'000
Shares	<u>5.834</u>	<u>5.742</u>
	<u>5.834</u>	<u>5.742</u>
Non-Listed	<u>5.834</u>	<u>5.742</u>
	<u>5.834</u>	<u>5.742</u>
Geographical analysis based on issuer's region:		
- Cyprus	<u>5.834</u>	<u>5.742</u>
	<u>5.834</u>	<u>5.742</u>

The Group has chosen to classify as shares valued at fair value through other results that are recorded directly in the Equity, the shares it owns with the following characteristics:

- Investments in companies of the financial sector (shares of credit institutions and interbank companies),
- Private equity investments (shares of venture capital or private equity companies),
- Shares it has acquired through agreements for the exchange of debt with the acquisition of equity securities in the context of loan renegotiation and
- Shares in which he has invested with a long-term horizon.

The following table shows, at 30.06.2025 and 31.12.2024, the shares of the investment portfolio measured at fair value through other comprehensive income.

	Fair value 30.06.2025	Dividend income from 1.1.2025 – 30.06.2025	Fair value 31.12.2024	Dividend income from 1.1.2024 – 30.06.2024
	€'000	€'000	€'000	€'000
JCC Limited	<u>5.834</u>	<u>-</u>	<u>5.742</u>	<u>-</u>
Total	<u>5.834</u>	<u>-</u>	<u>5.742</u>	<u>-</u>

**14. INVESTMENT SECURITIES (cont.)****b) INVESTMENT SECURITIES MEASURED AT AMORTISED COST**

	30.06.2025 €'000	31.12.2024 €'000
Government bonds and treasury bills	695.945	579.869
Corporate bonds	<u>370.876</u>	<u>332.776</u>
	<u>1.066.821</u>	<u>912.645</u>
Listed	<u>1.066.821</u>	<u>912.645</u>
	<u>1.066.821</u>	<u>912.645</u>
Geographical analysis based on issuer's region:		
- Cyprus	248.728	237.373
- Greece	200.724	180.129
- European Union	428.488	306.169
- United Kingdom	21.164	23.330
- Switzerland	9.019	156.607
- United States of America	<u>158.698</u>	<u>9.037</u>
	<u>1.066.821</u>	<u>912.645</u>

c) INVESTMENT SECURITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.06.2025 €'000	31.12.2024 €'000
Variable yield securities	<u>6.916</u>	<u>7.002</u>
	<u>6.916</u>	<u>7.002</u>
Listed	<u>6.916</u>	<u>7.002</u>
	<u>6.916</u>	<u>7.002</u>
Geographical analysis based on issuer's region:		
- United States of America	<u>6.916</u>	<u>7.002</u>
	<u>6.916</u>	<u>7.002</u>

**15. LOANS AND ADVANCES TO CUSTOMERS**

	30.06.2025	31.12.2024
	€'000	€'000
Loans and advances to customers measured at amortised cost	1.353.377	1.153.320
Less:		
Allowance for impairment losses	<u>(5.745)</u>	<u>(6.070)</u>
Total	<u>1.347.632</u>	<u>1.147.250</u>
Loans measured at fair value through profit or loss	9.548	11.295
Loans and advances to customers	<u>1.357.180</u>	<u>1.158.545</u>

Loans measured at amortised cost

	30.06.2025	31.12.2024
	€'000	€'000
Individuals:		
- Mortgages	564.063	523.646
- Consumer	50.482	50.357
- Credit cards	<u>5.485</u>	<u>6.035</u>
Total	620.030	580.038
Companies:		
Corporate loans	<u>733.347</u>	<u>573.282</u>
Total	<u>733.347</u>	<u>573.282</u>
	<u>1.353.377</u>	<u>1.153.320</u>
Less: Allowances for impairment losses	<u>(5.745)</u>	<u>(6.070)</u>
Total	<u>1.347.632</u>	<u>1.147.250</u>

Loans measured at fair value through profit or loss

	30.06.2025	31.12.2024
	€'000	€'000
Companies:		
Corporate loans	<u>9.548</u>	<u>11.295</u>
Total	<u>9.548</u>	<u>11.295</u>

The loans are assessed at the initial recognition of whether their cash flows constitute solely cash flows for repayment of principal and interest on outstanding capital (SPPI). In the event of failure of the SPPI, then the respective loans are classified as assets valued at fair value through profit or loss (FVTPL).

**15. LOANS AND ADVANCES TO CUSTOMERS (cont.)****Accumulated allowance for impairment losses**

	€'000
Balance 1.1.2025	6.070
Changes in the period 1.1 – 30.06.2025	
Reversal of impairment losses for the period	(194)
Reclassification to assets held for sale	(38)
Derecognizing due to significant modifications in loans' contractual terms	-
Change in the present value of the impairment losses	94
Foreign exchange differences	(112)
Amounts used to write-off loans during the year	<u>(75)</u>
Balance 30.06.2025	<u>5.745</u>
Balance 1.1.2024	28.334
Changes in the period 1.1 – 30.06.2024	
Reversal of impairment losses for the period	(276)
Sales of loans	(20.828)
Derecognizing due to significant modifications in loans' contractual terms	(18)
Change in the present value of the impairment losses	188
Foreign exchange differences	<u>(220)</u>
Balance 30.06.2024	7.180
Changes in the period 1.7 – 31.12.2024	
Impairment losses for the period	(1.021)
Derecognizing due to significant modifications in loans' contractual terms	(5)
Change in the present value of the impairment losses	90
Foreign exchange differences	(51)
Amounts used to write-off loans during the year	<u>(123)</u>
Balance 31.12.2024	<u>6.070</u>

**16. ASSETS CLASSIFIED AS HELD FOR SALE**

The following table shows an analysis of the most significant assets held for sale and the related liabilities for subsidiaries held for sale.

	30.06.2025	31.12.2024
Assets	€'000	€'000
Loans and advances to customers	618	-
Investment property	<u>330</u>	<u>797</u>
Total classified as held for sale	<u>948</u>	<u>797</u>

According to IFRS 5, non-current assets held for sale or disposal groups are measured at the lower value between their book value and fair value less costs to sell and are presented in the balance sheet separately from other assets and liabilities.

Fair values are estimated in accordance with the methods described in Note 1.7 of Financial Statements of 31.12.2024 and classified in terms of fair value hierarchy at Level 3, as research data and data relating to immovable property of similar characteristics are used, and thus including a wide range of non-observable market data.

17. DUE TO BANKS

	30.06.2025	31.12.2024
	€'000	€'000
Amounts due to companies of the Alpha Bank Group (Note 31)	31.341	29.363
Amounts due to other financial institutions	<u>308.808</u>	<u>301.075</u>
	<u>340.149</u>	<u>330.438</u>

18. DUE TO CUSTOMERS

	30.06.2025	31.12.2024
	€'000	€'000
Deposits:		
Current	1.577.945	1.472.404
Savings	118.225	89.630
Fixed term or notice	<u>1.743.125</u>	<u>1.670.554</u>
	<u>3.439.295</u>	<u>3.232.588</u>

**19. DEBT SECURITIES IN ISSUE****Bond securities**

In December 2021, the Group issued two bonds with a total value of €90 mil., which were purchased by the ultimate parent company. The bonds were issued with terms that make them eligible in the event of resolution and count against the Minimum Requirements for Equity and Eligible Liabilities – MREL

				30.06.2025	31.12.2024
Bond	Date of issue	Interest rate	Maturity	Amount	Amount
				€'000	€'000
B	23.12.2021	3,51%	23.12.2026	<u>45.000</u>	<u>45.000</u>
Total				45.000	45.000
Accrued interest				822	39
Total				<u>45.822</u>	<u>45.039</u>

Bond A with final maturity 23.12.2024 was recalled and paid in February 2024 along with its accrued interest up to the recall date.

20. OTHER LIABILITIES

	30.06.2025	31.12.2024
	€'000	€'000
Accrued expenses	14.807	12.420
Other payables	43.931	28.460
Amounts due to Alpha Bank SA Group companies	533	2.360
Taxes payables on behalf of clients	796	560
Liabilities on leases	<u>2.856</u>	<u>3.060</u>
	<u>62.923</u>	<u>46.860</u>

21. PROVISIONS

	30.06.2025	31.12.2024
	€'000	€'000
Tax	1.985	1.990
Unutilised limits	345	265
Letters of credit and letters of guarantees	615	1.556
Provision for litigations and other provisions	<u>3.416</u>	<u>714</u>
	<u>6.361</u>	<u>4.525</u>

**22. SHARE CAPITAL**

	30.06.2025		31.12.2024	
	Number of shares	€'000	Number of shares	€'000
<i>Authorised</i> 30 June / 31 December (Ordinary shares of €0,85 each)	<u>600.000.000</u>	<u>510.000</u>	<u>600.000.000</u>	<u>510.000</u>
<i>Issued and fully paid</i> 1 January	212.581.358	180.694	212.581.358	180.694
30 June / 31 December	-	-	-	-
(Ordinary shares of €0,85 each)	<u>212.581.358</u>	<u>180.694</u>	<u>212.581.358</u>	<u>180.694</u>

Shareholder Structure

	30.06.2025		31.12.2024	
Shareholder	Number of shares	%	Number of shares	%
Alpha International Holdings Single Member AE	212.581.358	100%	212.581.358	100%
Total	<u>212.581.358</u>	<u>100%</u>	<u>212.581.358</u>	<u>100%</u>

23. CONVERTIBLE CAPITAL SECURITIES

	30.06.2025	31.12.2024
	€'000	€'000
Issue of convertible capital securities	<u>64.000</u>	<u>64.000</u>

On the 1st of November 2013, the Bank issued 75.294.118 perpetual convertible capital securities with no maturity with nominal value €0,85 each which were initially purchased by the parent company Alpha Bank S.A. The securities were purchased on 30.12.2020 by Alpha International Single Member S.A.

Convertible capital securities bear a fixed annual interest of 7% which is payable on the 30 September each year.

The Bank may at its sole discretion at all times, elect to cancel an interest payment on a non-cumulative basis. Cancellation of a coupon payment does not constitute an event of default of interest payment and does not entitle the holders to petition for the insolvency of the Bank.

On September 2024 the Bank paid one year's interest amounting to €4.480 thousand.

The convertible capital securities may be redeemed, at the discretion of the Bank subject to the prior approval of the Central Bank of Cyprus, at their nominal value including any accrued interest but excluding any interest payment previously cancelled, or at any subsequent interest payment date.



23. CONVERTIBLE CAPITAL SECURITIES (cont.)

Mandatory cancellation of interest payment shall apply when:

- The Bank fails to comply with the minimum capital requirements set by the Central Bank of Cyprus for credit institutions operating in Cyprus in the Directive on the calculation of the capital requirements and large exposures, as amended or replaced, or
- The Bank has insufficient distributable items to make an interest payment, or
- The Central Bank of Cyprus may require, in its sole discretion, at any time the Bank to cancel interest payments.

The convertible capital securities are obligatory converted into ordinary shares of the Bank on the occurrence of a contingency event or a viability event. The conversion price is constant and cannot be lower than the nominal value of the Bank's ordinary shares.

These financial instruments are classified as equity, as the Bank does not have a contractual obligation to repay the holder in cash or other financial asset. The convertible capital securities are classified as Tier 1 capital for the purpose of calculating the capital adequacy ratio.

24. RETAINED EARNINGS

The revenue reserve (retained earnings) is distributable according to the requirements of the Company Law, Cap. 113.

Companies which do not distribute 70% of their profits after tax, as determined by the Special Defence contribution Law, during the two years after the end of taxable year that the profits are reported, it will be considered that they have distributed this amount as dividend. Special defence contribution of 17% from 2014 and afterwards will be payable on the deemed dividend distribution at the extent which owners (individuals and companies) at the end of the two-year period after the end of taxable year that the profits are reported, are taxable Cyprus residents. The amount of deemed distribution of dividends is reduced by any realised dividend that has already been distributed for the year during which the profits are reported. The special defence contribution is paid by the Bank for the account of the owners.

The above requirements of the Law are not applied in the case of the Group, due to the fact that its owners are not residents in Cyprus for tax purposes.

**25. CONTINGENT LIABILITIES AND COMMITMENTS****25.1 OFF BALANCE SHEET LIABILITIES**

	30.06.2025	31.12.2024
	€'000	€'000
Contingent liabilities		
Bank guarantees	<u>79.089</u>	<u>57.314</u>
Commitments		
Letters of credit and letters of guarantees	-	39.572
Undrawn credit facilities	<u>274.933</u>	<u>187.480</u>
	<u>274.933</u>	<u>227.052</u>
Total off balance sheet liabilities	<u>354.022</u>	<u>284.366</u>

Documentary credits and letters of guarantee are usually compensated through respective third party liabilities.

Documentary credits which are in the form of letters of credit relating to imports/exports commit the Group to make payments to third parties, who have entered in contractual business with customers of the Group, on production of documents and provided that the terms of the documentary credit are satisfied. The repayment by the customer is due immediately or within up to six months.

Loan and facility limits that have been approved but not utilized by clients represent a contractual obligation. Loan and facility limits include overdraft limits that are granted for a specific time period and may be cancelled by the Group at any time.

For off-balance-sheet liabilities, an impairment provision of € 960 thousand has been made for 30.06.2025 (31.12.2024: € 1,8 million).

25.2 LEGAL

The Group, in the ordinary course of business, is a defendant in claims from customers and other legal proceedings. In the context of managing the operational risk events and on the basis of the accounting principles followed, the Group records all the filed lawsuits or similar actions performed by third parties against the Group and considers any possibility of their success, as well as the possible outcome.

For cases where there is a significant probability of a negative outcome, and the result may be sufficiently estimated, the Group creates a provision that is included in the Balance Sheet under the caption "Other liabilities and provisions". On 30.06.2025 the amount of the provision stood at €16 thousand (31.12.2024: € 714 thousand).

For cases where according to their progress and the evaluation of the Legal department on 30 June 2025, a negative outcome is not probable or the potential outflow cannot be estimated reliably due to the complexity of the cases, duration and the uncertainty of their outcome, the Group has not recognized a provision. As of 30.06.2025 the legal claims against the Group for the above cases amount to €17.796 thousand (31.12.2024: €23.189 thousand).

According to the Legal Division's estimation, the ultimate settlement of the claims and lawsuits is not expected to have a material effect on the financial position or the operations of the Group.

**25. CONTINGENT LIABILITIES AND COMMITMENTS (cont.)****25.3 TAX**

The Bank has been audited for tax purposes until the year 2017 without any tax liabilities arising. The Bank is currently under tax review for the years 2018-2021. The companies that are being consolidated have not been audited for tax purposes.

26. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents include the following:

	Note	30.6.2025 €'000	31.12.2024 €'000
Cash and balances with Central Banks	12	922.007	1.207.020
Due from banks	13	<u>832.995</u>	<u>635.472</u>
		<u>1.755.002</u>	<u>1.842.492</u>

27. OPERATING SEGMENTS

The Group, in assessing the presentation of information by operating segment and taking into consideration the information that the management receives, who are responsible for the allocation of resources and assessing the performance of its banking sectors, included two more sectors (Wealth , International) in the operating segments. The monitoring sectors are:

- Retail Banking
- Corporate Banking
- Wealth
- International
- Other

The activities of subsidiary companies are included in “Other” category.

**27. OPERATING SEGMENTS (cont.)**

A) The below table presents the income, expenses, impairment losses, profit/(loss) before tax and certain information on assets and liabilities with regard to the above segments:

	1.1-30.06.2025					
	Retail Banking	Corporate banking	International	Wealth	Other	Total
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Net interest income	16.489	7.211	3.624	1.990	15.720	45.034
Net fee and commission income	3.716	1.133	4.293	125	0	9.267
Other income	96	5	0	1	2.381	2.483
Total income	20.301	8.349	7.917	2.116	18.101	56.784
Total expenses	(12.937)	(3.374)	(2.858)	(1.480)	(9.820)	(30.469)
Impairment losses and provisions to cover credit risk and other provisions	267	1.153	0	0	497	1.917
Net profit / (loss) before tax	7.631	6.128	5.059	636	8.778	28.232
Tax	0	0	0	0	(391)	(391)
Profit / (loss) after tax	7.631	6.128	5.059	636	8.387	27.841
Total assets 30.06.2025	613.800	721.354	0	15.012	2.921.295	4.271.461
Total liabilities 30.06.2025	2.193.633	232.812	846.892	467.292	155.586	3.896.215
Depreciation and amortization 30.6.2025	1.423	577	408	355	55	2.818

	1.1-30.06.2024					
	Retail Banking	Corporate banking	International	Wealth	Other	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Net interest income	15.968	5.838	3.601	905	25.776	52.088
Net fee and commission income	3.563	883	4.479	103	(185)	8.843
Other income	224	(370)	-	-	1.206	1.060
Total income	19.755	6.351	8.080	1.008	26.797	61.991
Total expenses	(11.923)	(2.999)	(1.729)	(282)	(11.361)	(28.294)
Impairment losses and provisions to cover credit risk and other provisions	(513)	1.334	-	(70)	370	1.121
Net profit / (loss) before tax	7.319	4.686	6.350	656	15.807	34.818
Tax	-	-	-	-	(4.837)	(4.837)
Profit / (loss) after tax	7.319	4.686	6.350	656	10.970	29.981
Total assets 30.06.2024	555.454	444.752	-	12.118	2.838.343	3.850.667
Total liabilities 30.06.2024	2.025.905	130.821	545.461	366.751	461.806	3.530.744
Depreciation and amortization 30.6.2024	324	54	31	7	2.129	2.544

**27. OPERATING SEGMENTS (cont.)**

B) The below table presents the income, expenses, impairment losses, profit/(loss) before tax and certain information on assets and liabilities per geographical segment:

	30.06.2025		
	Cyprus	Other countries	Total
	€ 000	€ 000	€ 000
Net interest income	22.714	22.320	45.034
Net fee and commission income	8.107	1.160	9.267
Other income	2.378	105	2.483
Total income	33.199	23.585	56.784
Total expenses	(17.831)	(12.638)	(30.469)
Impairment losses and provisions to cover credit risk and other provisions	<u>1.746</u>	<u>171</u>	<u>1.917</u>
Net profit before tax	17.114	11.118	28.232
Tax	<u>(391)</u>	<u>-</u>	<u>(391)</u>
Profit after tax	16.723	11.118	27.841
Total assets 30.06.2025	2.422.826	1.848.635	4.271.461

	30.06.2024		
	Cyprus	Other countries	Total
	€000	€000	€000
Net interest income	39.427	12.661	52.088
Net fee and commission income	7.377	1.466	8.843
Other income	1.243	(184)	1.060
Total income	48.047	13.944	61.991
Total expenses	(21.966)	(6.328)	(28.294)
Impairment losses and provisions to cover credit risk and other provisions	<u>1.711</u>	<u>(589)</u>	<u>1.121</u>
Net profit before tax	27.792	7.026	34.818
Tax	<u>(4.837)</u>	<u>-</u>	<u>(4.837)</u>
Profit after tax	22.955	7.026	29.981
Total assets 30.06.2024	2.608.019	1.242.648	3.850.667

**27. OPERATING SEGMENTS (cont.)****Retail Banking**

Includes all individuals (Retail banking customers), professionals and small businesses, who are operating in Cyprus and abroad. Through its branch network it manages all deposit products, consumer mortgage products and corporate loans, liquidity products, letters of guarantee, letters of credit, and debit and credit cards of the above customers.

Corporate Banking

Includes all Medium and Large Businesses who are operating in Cyprus. It manages all liquidity products, corporate loans, letters of guarantee, and letters of credit of the above businesses.

Wealth

Includes all wealth individuals and businesses, who are operating in Cyprus and abroad. It manages all liquidity products, corporate loans, letters of guarantee, and letters of credit of the above businesses.

International

Includes individuals and businesses who are operating in Cyprus and abroad. It manages only liquidity products

Treasury

Includes the activity of the Dealing Room on the interbank markets (FX Swaps, Bonds, Inter-bank placements – loans etc.)

Other

Includes the operating expenses of the Management that are not classified to other sectors of the Group.

28. RISK DISCLOSURES ON FINANCIAL INSTRUMENTS

Credit risk disclosures are provided for the categories of financial instruments on which expected credit risk losses are recognized, in accordance with the provisions of the IFRS 9.

Specifically, the classification of financial instruments by stage is presented, as well as the movement of expected credit risk losses by stage.

a. Due from Banks

The following table presents Due from Banks by IFRS 9 Stage:

	30.06.2025				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
	000'	000'	000'	000'	000'
Balance 30.06.2025					
Carrying amount (before allowance for impairment losses)	833.006				833.006
Expected credit losses	(11)				(16)
Net carrying amount	832.995				832.995

**28. RISK DISCLOSURES ON FINANCIAL INSTRUMENTS (cont.)**

	31.12.2024				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
	€'000	€'000	€'000	€'000	€'000
Balance 31.12.2024					
Carrying amount (before allowance for impairment losses)	635.490	-	-	-	635.490
Expected credit losses	(18)	-	-	-	(18)
Net carrying amount	635.472	-	-	-	635.472

	Expected credit risk losses				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
	€'000	€'000	€'000	€'000	€'000
Balance 1.1.2024	(30)	-	-	-	(30)
Changes in period 1.1.2024 – 30.06.2024					
Foreign exchange and other movements	14	-	-	-	14
Balance 30.06.2024	(16)	-	-	-	(16)
Changes in period 1.07.2024 – 31.12.2024					
Foreign exchange and other movements	(2)	-	-	-	(2)
Balance 31.12.2024	(18)	-	-	-	(18)
Changes in period 1.1.2025 – 30.06.2025					
Foreign exchange and other movements	7	-	-	-	7
Balance 30.06.2025	(11)	-	-	-	(11)

b. Loans and advances to customers measured at amortised cost

For credit risk disclosure purposes, the accumulated provision for impairment losses of loans to customers measured at amortised cost (i.e., Expected Credit Loss) include the accumulated allowance for impairment losses and the fair value adjustment for the contractual balance of loans which were impaired at their acquisition or origination (POCI) since the Group, from credit risk perspective, monitors the respective adjustment as part of the provisions.

**28. RISK DISCLOSURES ON FINANCIAL INSTRUMENTS (cont.)**

The following table presents past due and not past due loans measured at amortised cost, per IFRS 9 Stage:

	30.06.2025				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
	€'000	€'000	€'000	€'000	€'000
MORTGAGE					
Carrying amount (before provision for impairment losses)	488.890	37.302	13.392	24.586	564.170
Expected credit losses	(62)	(319)	(1.516)	(840)	(2.737)
Net carrying amount	488.828	36.983	11.876	23.746	561.433
CONSUMER					
Carrying amount (before provision for impairment losses)	37.060	8.256	1.528	3.666	50.510
Expected credit losses	(96)	(539)	(566)	(89)	(1.290)
Net carrying amount	36.964	7.717	962	3.577	49.220
CREDIT CARDS					
Carrying amount (before provision for impairment losses)	5.135	230	118	2	5.485
Expected credit losses	(11)	(14)	(76)	-	(101)
Net carrying amount	5.124	216	42	2	5.384
SMALL BUSINESS					
Carrying amount (before provision for impairment losses)	12.639	2.615	499	1.370	17.123
Expected credit losses	(22)	(61)	(137)	(17)	(237)
Net carrying amount	12.617	2.554	362	1.353	16.886
TOTAL RETAIL LOANS					
Carrying amount (before provision for impairment losses)	543.724	48.403	15.537	29.624	637.288
Expected credit losses	(191)	(933)	(2.295)	(946)	(4.365)
Net carrying amount	543.533	47.470	13.242	28.678	632.923
LOANS TO CORPORATE AND PUBLIC SECTOR					
Carrying amount (before provision for impairment losses)	597.015	119.206	5	-	716.226
Expected credit losses	(843)	(670)	(4)	-	(1.517)
Net carrying amount	596.172	118.536	1	-	714.709
TOTAL LOANS					
Carrying amount (before provision for impairment losses)	1.140.739	167.609	15.542	29.624	1.353.514
Expected credit losses	(1.034)	(1.603)	(2.299)	(946)	(5.882)
Net carrying amount	1.139.705	166.006	13.243	28.678	1.347.632

**28. RISK DISCLOSURES ON FINANCIAL INSTRUMENTS (cont.)**

	31.12.2024				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
	€'000	€'000	€'000	€'000	€'000
MORTGAGE					
Carrying amount (before provision for impairment losses)	431.482	52.700	13.853	25.728	523.763
Expected credit losses	(91)	(746)	(1.731)	(729)	(3.297)
Net carrying amount	431.391	51.954	12.122	24.999	520.466
CONSUMER					
Carrying amount (before provision for impairment losses)	36.433	8.408	1.788	3.758	50.387
Expected credit losses	(106)	(394)	(592)	(127)	(1.219)
Net carrying amount	36.327	8.014	1.196	3.631	49.168
CREDIT CARDS					
Carrying amount (before provision for impairment losses)	5.689	213	130	3	6.035
Expected credit losses	(12)	(13)	(71)	-	(95)
Net carrying amount	5.677	201	60	3	5.940
SMALL BUSINESS					
Carrying amount (before provision for impairment losses)	11.920	2.426	589	1.408	16.343
Expected credit losses	(20)	(54)	(107)	(19)	(200)
Net carrying amount	11.900	2.372	482	1.389	16.143
TOTAL RETAIL LOANS					
Carrying amount (before provision for impairment losses)	485.524	63.747	16.360	30.896	596.527
Expected credit losses	(229)	(1.207)	(2.501)	(875)	(4.812)
Net carrying amount	485.295	62.540	13.859	30.021	591.715
LOANS TO CORPORATE AND PUBLIC SECTOR					
Carrying amount (before provision for impairment losses)	442.177	114.766	-	1	556.944
Expected credit losses	(699)	(711)	-	-	(1.410)
Net carrying amount	441.478	114.055	-	1	555.534
TOTAL LOANS					
Carrying amount (before provision for impairment losses)	927.701	178.513	16.360	30.898	1.153.472
Expected credit losses	(928)	(1.918)	(2.501)	(875)	(6.222)
Net carrying amount	926.773	176.595	13.859	30.023	1.147.250

28. RISK DISCLOSURES ON FINANCIAL INSTRUMENTS (cont.)

Reconciliation of loans by IFRS 9 Stage

The following table presents the movement in the loans measured at amortised cost by IFRS 9 Stage:

	30.06.2025														
	Expected credit risk losses														
	Retail Lending					Corporate lending and Public Sector					Total				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance 1.1.2025															
Changes in period 1.1 - 30.06.2025	229	1.207	2.501	875	4.812	699	711	-	-	1.410	928	1.918	2.501	875	6.222
Transfers to Stage 1 from Stage 2 or 3	307	(288)	(19)	-	-	198	(198)	-	-	-	505	(486)	(19)	-	-
Transfers to Stage 2 from Stage 1 or 3	(35)	386	(351)	-	-	(126)	126	-	-	-	(161)	512	(351)	-	-
Transfers to Stage 3 from Stage 1 or 2	-	(220)	220	-	-	-	-	-	-	-	-	(220)	220	-	-
Net remeasurement of loss allowance	(282)	104	187	169	178	(25)	363	-	-	338	(307)	467	187	169	516
Impairment losses on new loans	22	-	-	-	22	402	-	-	-	402	424	-	-	-	424
Derecognition of loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in risk parameters	-	-	(75)	-	(75)	-	-	-	-	-	-	-	(75)	-	(75)
Foreign exchange and other movements	7	93	(134)	(2)	(36)	(79)	-	(1)	-	(80)	(72)	93	(135)	(2)	(116)
Change in present value of the impairment	-	-	76	17	93	-	-	6	-	6	-	-	82	17	99
Reclassification to assets held for sale	-	(3)	(9)	(26)	(38)	-	-	-	-	-	-	(3)	(9)	(26)	(38)
Balance 30.06.2025	191	933	2.295	946	4.365	843	670	4	-	1.517	1.034	1.603	2.299	946	5.882



28. RISK DISCLOSURES ON FINANCIAL INSTRUMENTS (cont.)

Reconciliation of loans by IFRS 9 Stage

The following table presents the movement in the loans measured at amortised cost by IFRS 9 Stage:

	30.06.2024														
	Retail Lending					Corporate lending and Public Sector					Total				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance 1.1.2024															
Changes in period 1.1 - 30.06.2024	548	2.282	18.318	3.294	24.442	286	3.458	368	-	4.112	834	5.740	18.686	3.294	28.554
Transfers to Stage 1 from Stage 2 or 3	415	(388)	(26)	-	1	1.040	(1.040)	-	-	-	1.455	(1.428)	(26)	-	1
Transfers to Stage 2 from Stage 1 or 3	(108)	289	(181)	-	-	(13)	13	-	-	-	(121)	302	(181)	-	-
Transfers to Stage 3 from Stage 1 or 2	-	(705)	705	-	-	-	-	-	-	-	-	(705)	705	-	-
Net remeasurement of loss allowance	257	241	682	55	1.235	(847)	131	2	-	(714)	(590)	372	684	55	521
Impairment losses on new loans	21	-	-	-	21	61	-	-	-	61	82	-	-	-	82
Derecognition of loans	(5)	(3)	(9)	-	(17)	-	-	-	-	-	(5)	(3)	(9)	-	(17)
Write-offs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in risk parameters	(737)	160	335	38	(204)	(74)	(611)	(1)	-	(686)	(811)	(451)	334	38	(890)
Foreign exchange and other movements	1	50	(74)	2	(21)	99	74	(11)	-	162	100	124	(85)	2	141
Change in present value of the impairment	-	-	150	28	178	-	-	16	-	16	-	-	166	28	194
Sale of financial assets – accumulated impairments	-	-	(18.401)	(2.450)	(20.851)	-	-	(373)	-	(373)	-	-	(18.774)	(2.450)	(21.224)
Balance 30.06.2024	392	1.926	1.499	967	4.784	552	2.025	1	-	2.578	944	3.951	1.500	967	7.362

**28. RISK DISCLOSURES ON FINANCIAL INSTRUMENTS (cont.)****Reconciliation of loans by IFRS 9 Stage (cont.)**

The following table presents the movement in the loans measured at amortised cost by IFRS 9 Stage:

Changes in period 1.7 - 31.12.2024	392	1.926	1.499	967	4.784	552	2.025	1	-	2.578	944	3.951	1.500	967	7.362
Transfers to Stage 1 from Stage 2 or 3	536	(440)	(95)	-	1	581	(581)	-	-	-	1.117	(1.021)	(95)	-	1
Transfers to Stage 2 from Stage 1 or 3	(102)	308	(206)	-	-	(7)	7	-	-	-	(109)	315	(206)	-	-
Transfers to Stage 3 from Stage 1 or 2	(2)	(800)	802	-	-	-	-	-	-	-	(2)	(800)	802	-	-
Net remeasurement of loss allowance	(479)	58	644	111	334	(321)	346	-	-	25	(800)	404	644	111	359
Impairment losses on new loans	24	-	-	-	24	268	-	-	-	268	292	-	-	-	292
Derecognition of loans	-	-	-	-	-	(5)	-	-	-	(5)	(5)	-	-	-	(5)
Loans initial recognition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	(79)	(47)	(126)	-	-	-	-	-	-	-	(79)	(47)	(126)
Changes in risk parameters	(172)	(560)	(37)	(364)	(1.133)	(462)	(1.352)	1	-	(1.813)	(634)	(1.912)	(36)	(364)	(2.946)
Changes in methodology	38	527	177	165	907	167	168	-	-	335	205	695	177	165	1.242
Foreign exchange and other movements	(6)	189	(282)	27	(72)	(74)	98	(5)	-	19	(80)	287	(287)	27	(53)
Change in present value of the impairment	-	(1)	78	16	93	-	-	3	-	3	-	(1)	81	16	96
Balance 31.12.2024	229	1.207	2.501	875	4.812	699	711	-	-	1.410	928	1.918	2.501	875	6.222

**28. RISK DISCLOSURES ON FINANCIAL INSTRUMENTS (cont.)****Reconciliation of accumulated allowance for impairment losses of off-balance sheet items by IFRS 9 Stage**

The Group has recognized expected credit losses for the undrawn credit limits and letters of credit and letters of guarantee, the reconciliation of which is presented in the following table:

	30.06.2025				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
Balance 1.1.2025					
Changes in period 1.1 - 30.06.2025	222	375	1.224	-	1.821
Change in risk parameters	132	47	(1.040)	-	(861)
Balance 30.06.2025	354	422	184	-	960

	31.12.2024				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
Balance 1.1.2024					
Changes in period 1.1 - 30.06.2024	254	1.314	1.456	-	3.024
Change in risk parameters	(113)	85	(66)	-	(94)
Balance 30.06.2024	141	1.399	1.390	-	2.930
Changes in period 1.7 - 31.12.2024					
Change in risk parameters	81	(1.024)	(166)	-	(1.109)
Balance 31.12.2024	222	375	1.224	-	1.821

**28. RISK DISCLOSURES ON FINANCIAL INSTRUMENTS (cont.)****c. Investment securities****i. Investment securities measured at fair value through other comprehensive income**

The following table presents the analysis by IFRS 9 Stages and issuer's category:

	30.06.2025				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
Other securities	5.834	-	-	-	5.834
Expected credit losses	-	-	-	-	-
Fair value	5.834	-	-	-	5.834
Total securities measured at fair value through other comprehensive income	5.834	-	-	-	5.834
Expected credit losses	-	-	-	-	-
Fair value	5.834	-	-	-	5.834

	31.12.2024				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired loans (POCI)	Total
	€'000	€'000	€'000	€'000	€'000
Other securities	5.742	-	-	-	5.742
Expected credit losses	-	-	-	-	-
Fair value	5.742	-	-	-	5.742
Total securities measured at fair value through other comprehensive income	5.742	-	-	-	5.742
Expected credit losses	-	-	-	-	-
Fair value	5.742	-	-	-	5.742

**28. RISK DISCLOSURES ON FINANCIAL INSTRUMENTS (cont.)****c. Investment securities (cont.)****ii. Investment securities measured at amortised cost**

The following table presents the analysis by IFRS 9 Stages and issuer's category:

30.06.2025					
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
	€'000	€'000	€'000	€'000	€'000
Cyprus Government Bonds	248.771	-	-	-	248.771
Expected credit losses	(43)	-	-	-	(43)
Fair value	248.728	-	-	-	248.728
Other bonds	818.611	-	-	-	818.611
Expected credit losses	(518)	-	-	-	(518)
Fair value	818.093	-	-	-	818.093
Total securities measured at amortised cost	1.067.382	-	-	-	1.067.382
Expected credit losses	(561)	-	-	-	(561)
Fair value	1.066.821	-	-	-	1.066.821

31.12.2024					
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
	€'000	€'000	€'000	€'000	€'000
Cyprus Government Bonds	237.417	-	-	-	237.417
Expected credit losses	(43)	-	-	-	(43)
Fair value	237.374	-	-	-	237.374
Other bonds	675.753	-	-	-	675.753
Expected credit losses	(482)	-	-	-	(482)
Fair value	675.271	-	-	-	675.271
Total securities measured at amortised cost	913.170	-	-	-	913.170
Expected credit losses	(525)	-	-	-	(525)
Fair value	912.645	-	-	-	912.645

28. RISK DISCLOSURES ON FINANCIAL INSTRUMENTS (cont.)

c. Investment securities (cont.)

ii. Investment securities measured at amortised cost (cont.)

	Expected credit risk losses				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired (POCI)	Total
	€'000	€'000	€'000	€'000	€'000
Balance 1.1.2024	(547)	-	-	-	(547)
Changes in period 1.1 - 30.06.2024					
Change in risk parameters	(18)	-	-	-	(18)
Balance 30.06.2024	(565)	-	-	-	(565)
Changes in period 1.7 - 31.12.2024					
Change in risk parameters	40	-	-	-	40
Balance 31.12.2024	(525)	-	-	-	(525)
Balance 1.1.2025					
Changes in period 1.1 - 30.06.2025					
Change in risk parameters	(36)	-	-	-	(36)
Balance 30.06.2025	(561)	-	-	-	(561)

**29. FAIR VALUE****Fair value of financial assets and liabilities measured at amortized cost**

	30.06.2025		31.12.2024	
	Fair value €'000	Carrying amount €'000	Fair value €'000	Carrying amount €'000
Investment securities measured at amortised cost	1.069.020	1.066.821	907.221	912.645
Loans and advances to customers	1.395.911	1.338.084	1.199.954	1.147.250
Due to customers	3.354.896	3.439.295	3.150.131	3.232.588
Subordinated bonds	44.255	45.822	44.105	45.039

The above table presents the fair value of financial assets valued at amortized cost as well as their carrying amount.

The fair value of loans to customers measured at amortized cost is estimated using the discount model of contractual future cash flows. The components of the discount rate are the interbank market yield curve, the liquidity premium, the cost of capital, the operational cost as well as the expected loss rate. More specifically, for the loans that for credit risk purposes are considered impaired and are individually assessed for impairment, the model uses the expected future cash flows excluding expected credit losses. For the fair valuation of the impaired loans which are collectively assessed for impairment, estimates are made for principal repayment after taking into account the allowance for expected credit losses. The discount rate of impaired loans is constituted of the interbank market yield curve, the liquidity premium, the operational cost and the capital requirement.



29. FAIR VALUE (cont.)

The fair value of deposits is estimated based on the interbank market yield curve and the liquidity premium until their maturity.

The fair value of bonds is calculated on the basis of market prices as long as there is an active market. In other cases, the cash flow discounting method is applied where all significant variables are based on either observable data or a combination of observable and unobservable market data.

The fair value of loans to customers measured at fair value through profit or loss is estimated based on the valuation methodology as described above regarding the disclosure of the estimated fair value of loans measured at amortized cost.

The fair value of the remaining financial assets and liabilities which are measured at amortized cost does not differ materially from their respective carrying amount.

**29. FAIR VALUE (cont.)****Hierarchy of financial instruments measured at fair value**

30.06.2025				
	Level 1	Level 2	Level 3	Total fair value
	€'000	€'000	€'000	€'000
Loans and advances to customers	-	-	9.548	9.548
Derivative financial assets	-	2.328	-	2.328
Securities measured at fair value through profit or loss				
– Shares	-	6.916	-	6.916
Securities measured at fair value through other comprehensive income				
-Shares	-	-	5.834	5.834
Derivative financial liabilities	-	1.665	-	1.665

31.12.2024				
	Level 1	Level 2	Level 3	Total fair value
	€'000	€'000	€'000	€'000
Loans and advances to customers	-	-	11.295	11.295
Derivative financial assets	-	3.380	-	3.380
Securities measured at fair value through profit or loss				
– Shares	-	7.002	-	7.002
Securities measured at fair value through other comprehensive income				
-Shares	-	-	5.742	5.742
Derivative financial liabilities	-	48	-	48

The tables above present the fair value hierarchy of financial instruments which are measured at fair value based on inputs used for the fair value measurement.

**29. FAIR VALUE (cont.)****Hierarchy of financial instruments not measured at fair value**

30.06.2025					
	Level 1	Level 2	Level 3	Total fair value	Total book value
	€'000	€'000	€'000	€'000	€'000
Securities measured at amortised cost	821.277	247.743	-	1.069.020	1.066.821
Loans and advances to customers	-	-	1.395.911	1.395.911	1.338.084
Due to customers	-	-	3.354.896	3.354.896	3.439.295
Subordinated bonds	-	-	44.255	44.255	45.822

31.12.2024					
	Level 1	Level 2	Level 3	Total fair value	Total book value
	€'000	€'000	€'000	€'000	€'000
Securities measured at amortised cost	672.968	234.254	-	907.222	912.645
Loans and advances to customers	-	-	1.199.954	1.199.954	1.147.250
Due to customers	-	-	3.150.131	3.150.131	3.232.588
Subordinated bonds	-	-	44.105	44.105	45.039

The different levels are defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The methodology for the valuation of securities is approved by the Assets Liabilities Committee (ALCO). Especially for securities that are valued at market prices, bid prices are obtained and a change in their valuation is performed on a daily basis.

Shares whose fair value is calculated are classified to Level 2 or Level 3, depending on the extent of the contribution of unobservable data to calculate final fair value. The fair value of non-listed shares, as well as shares not traded in an active market is determined either based on the Group's share on the issuer's equity or by the multiples valuation or the estimations made by the Group which relate to the future profitability of the issuer, taking into account the expected growth rate of its operations, as well as the weighted average rate of capital return which is used as discount rate.

**29. FAIR VALUE (cont.)**

During the period there were no transfers from / to Level 3 of the fair value hierarchy.

For the valuation of over-the-counter derivatives income approach methodologies are used: discounted cash flow models, option-pricing models, or other widely accepted valuation models. The valuation methodology of over-the-counter derivatives is subject to approval by the Assets – Liabilities Management Committee. Mid prices are considered as both long and short positions may be outstanding. Valuations are checked on a daily basis with the respective prices of the counterparty banks in the context of the daily process of provision of collaterals and settlement of derivatives. If the non-observable inputs are significant, the fair value that arises is classified as Level 3 or otherwise as Level 2.

The following table shows the reconciliation from the initial balance to the final balance of the fair values classified in Level 3 of the fair value hierarchy:

30.06.2025	Loans measured at fair value through profit or loss	Securities measured at fair value through other comprehensive income
	€'000	€'000
Opening Balance 1.1.2025	11.295	5.742
Interest income	148	-
Total gain or loss recognized in Income Statement	20	-
Total gain or loss recognized in directly in equity	-	92
Repayments	(1.915)	-
Balance 30.06.2025	<u>9.548</u>	<u>5.834</u>

31.12.2024	Loans measured at fair value through profit or loss	Securities measured at fair value through other comprehensive income
	€'000	€'000
Opening Balance 1.1.2024	12.814	5.085
Interest income	342	-
Total gain or loss recognized in Income Statement	101	-
Total gain or loss recognized in directly in equity	-	657
Repayments	(1.962)	-
Balance 31.12.2024	<u>11.295</u>	<u>5.742</u>



30. CAPITAL ADEQUACY

The policy of the Alpha Bank S.A Group is to maintain a strong capital base from both an economic and supervisory point of view. Its purpose is to monitor and adjust the level of capital of the Alpha Bank S.A. Group, taking into account the demand and supply of the capital market, in an effort to achieve the optimal balance between economic and supervisory considerations.

The Risk and Capital Strategy of the Alpha Services and Holdings S.A. Group 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 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 Capital Adequacy Ratio compares the Bank's regulatory capital with the risks that the Group undertakes (Risk Weighted Assets-RWAs). Regulatory capital includes CET1 capital (share capital, reserves, minority interests), additional Tier 1 capital (hybrid securities) and Tier 2 capital (subordinated debt). The Group uses the standardized method for both credit risk and operational risk to calculate the risk weighted assets. The Group does not currently have exposure to market risk.

The capital adequacy of the Group is supervised by the parent company Alpha Bank S.A., which is considered to be a systemic credit institution by the Single Supervisory Mechanism of the European Central Bank. Supervision is overseen along with the support of local supervisory authorities. The Central Bank of Cyprus within the context of its supervisory role, has adopted the European Guidelines for banking supervision.

**30. CAPITAL ADEQUACY (cont.)**

The supervision is conducted in accordance with the European Regulation 575/2013 (CRR) and the relevant European Directive 2013/36 (CRD IV), which was incorporated into the Cyprus Law. The framework is broadly known as Basel III. The Central Bank of Cyprus, with a view to harmonize with CRD IV, has proceeded to transfer the provisions of the above Directive by amending the Banking law and by introducing the new Macro-Prudential Oversight Law of 2015, which was amended in early February 2017 with retrospective effect from 1.1.2016, setting the minimum ratios (equity capital, Tier I capital and capital adequacy) that the Group should maintain.

In accordance with the above framework for the calculation of the capital adequacy ratio, the transitional provisions are followed as they apply. Additionally:

- In addition to the 8% limit for the Capital Adequacy Ratio, limits of 4.5% apply for the common equity capital ratio and 6% for the Tier I Capital ratio.
- It is required to maintain a capital conservation buffer (CCB) of 2.5% in addition to the capital of common equity.
- It is also required to maintain a reserve of other systemically important institutions (O-SII). From a communication received in October 2023 by the Central Bank of Cyprus, the ratio for systemically important institutions (O-SII) for the Group was set at 0.25% and remains in force for the years 2024 and 2025.
- The Central Bank of Cyprus, announced three increases of counter-cyclical capital buffer (Counter Cyclical Buffer-CCyB) as per below:

Announcement	Application date	From	To
December 2022	December 2023	0%	0,5%
June 2023	June 2024	0,5%	1,0%
January 2025	January 2026	1,0%	1,5%

The countercyclical buffer for the Group is calculated at circa 0,95% for the year 2024.

**30. CAPITAL ADEQUACY (cont.)****Basel IV – CRR3**

From 1.1.2025 the Capital Requirements Regulation (CRR3 - EU 2024/1623) is implemented, which amends Regulation 575/2013 in order to enhance the resilience of European banks by ensuring that they maintain adequate capital to cover their risks.

The adoption of the Regulation for Capital Requirements (CRR III) in accordance with Regulation (EU) 2024/1623, introduces a number of significant changes in the regulatory framework specified under CRR II Regulation, and in particular in the context of standardized approach to credit risk, market risk, operating risk. These amendments aim at enhancing the resilience of financial institutions, while ensuring more consistency and comparability between different jurisdictions. The transition from CRR II Regulation to CRR III Regulation reflects the European Union's commitment to the implementation of Basel IV final reforms.

The main objectives of CRR III Regulation include:

- Enhancing the sensitivity of the regulatory framework to risks.
- Improving comparability and transparency of the risk profiles of financial institutions
- Promoting a more resilient banking system capable of absorb economic shocks.

From the application of CRR III in 2025 the Group experienced an increase of more than 100 basis on its capital adequacy ratio.

The capital adequacy ratios according to the CRR and the provisions set by the Central Bank of Cyprus are analyzed below:

	30.06.2025	31.12.2024
Common Equity Tier I ratio	22,1%	20,8%
Tier I ratio	26,8%	25,7%
Total capital adequacy ratio	26,8%	25,7%

The ratios of 30.06.2025 include the profits of half year 2025 which have been submitted to European Central Bank for approval.



30. CAPITAL ADEQUACY (cont.)

Basel IV – CRR3

Minimum Requirement for own funds and eligible liabilities (MREL)

On May 27th, 2025, the Group received communication from the Central Bank of Cyprus regarding the final decision on the minimum equity and eligible liabilities (MREL) obligation. The requirements are determined on the basis of the amended Credit Institutions Recovery and Resolution Directive ("BRRD II"), which was incorporated into Cypriot law in May 2021 with the Credit Institutions Resolution and Investment Companies Laws of 2016 and 2021. At the same time, with the same decision, the Resolution Authority defined the Single Point of Entry (SPE) resolution strategy. Alpha Bank Cyprus belongs to the resolution group of Alpha Bank A.E. According to the notification, of May 27th, 2025, Alpha Bank Cyprus will have to meet minimum MREL requirements of 23,58% of Risk Weighted Assets (RWAs) and 5,91% of the Leverage Ratio Exposure - LRE). The MREL ratio expressed as a percentage of risk-weighted assets does not include the Combined Buffer Requirement (CBR), which currently stands at 3,7%, thus increasing the total requirement to 27,3%.

The MREL ratio on 30.6.2025 stands at 30,1% (2024: 29,1%). The ratio includes the profits of 2025 of EUR30 million which are under approval by European Central Bank.

**31. RELATED PARTY TRANSACTIONS**

All transactions with the board members, the key management personnel and their related parties are performed at arm's length.

(a) Transactions with Directors of the Board

	30.06.2025	31.12.2024
	€'000	€'000
Loans and advances to Board of Directors members and related parties	<u>239</u>	<u>24</u>
Deposits by Board of Directors members and related parties	<u>3.323</u>	<u>3.596</u>
	From 1 January to	30.06.2024
	30.06.2025	
<i>Non-executive Directors</i>		
Board members fees	<u>180</u>	<u>161</u>
<i>Executive Directors</i>		
Salaries and benefits	306	291
Social insurance contributions by employer etc.	24	45
Retirement benefits	<u>25</u>	<u>27</u>
Total remuneration for executive directors	<u>355</u>	<u>363</u>

(b) Transactions with Key Management Personnel

The Bank considers the members of the Executive committee as key management personnel.

	30.06.2025	31.12.2024
	€'000	€'000
Loans and advance to key management personnel and related parties	<u>345</u>	<u>198</u>
Deposits by key management personnel and related parties	<u>896</u>	<u>1.239</u>
	From 1 January to	30.06.2024
	30.06.2025	
<i>Key Management Personnel</i>		
Salaries and benefits	443	347
Social insurance contributions by employer etc.	49	62
Retirement benefits	<u>35</u>	<u>28</u>
Total remuneration to key management personnel	<u>527</u>	<u>437</u>

**31. RELATED PARTY TRANSACTIONS (cont.)****(c) Transactions with the parent company**

Due to the fact that the largest volume of transactions is carried out with the intermediate parent company Alpha Bank S.A, these transactions are presented separately. The rest of the transactions are presented in section d “Transactions with Alpha Bank SA Group companies”.

During the year, the parent company (ultimate beneficial owner) Alpha Bank S.A. has granted bank guarantees amounting to €8.018 thousand (31.12.2024: €47.079 thousand) regarding the coverage of specific customer loans.

	30.06.2025	31.12.2024
	€'000	€'000
Assets		
Due from banks	121.406	75.668
Reverse Repos	709.103	492.680
Derivative financial assets	<u>2.328</u>	<u>3.380</u>
	<u>832.837</u>	<u>571.728</u>
Liabilities		
Due to banks	31.341	29.363
Derivative financial liabilities	1.665	48
Debt securities in issue	45.822	45.039
Convertible capital securities	64.000	64.000
Other liabilities	<u>96</u>	<u>21</u>
	<u>142.924</u>	<u>138.471</u>

	From 1 January to	30.06.2024
	30.06.2025	30.06.2024
	€'000	€'000
Income		
Interest and similar income	12.047	11.853
Gain on financial transactions	<u>37</u>	<u>2.388</u>
	<u>12.084</u>	<u>14.241</u>
Expenses		
Interest expense and similar charges	824	1.122
Derivative financial liabilities	2.560	2.756
Financial transactions	3.530	-
Staff costs	65	178
Other expenses	63	76
Impairment / (Release of impairment) on due from banks	<u>(7)</u>	<u>(17)</u>
	<u>7.035</u>	<u>4.115</u>

**31. RELATED PARTY TRANSACTIONS (cont.)****(d) Transactions with Alpha Bank S.A. Group companies**

	30.06.2025	31.12.2024
	€'000	€'000
Assets		
Due from banks	16	29
Loan and advances to customers	2	2
Other assets	<u>287</u>	<u>1.036</u>
	<u>305</u>	<u>1.067</u>
Liabilities		
Due to customers	105.479	105.812
Other liabilities	<u>437</u>	<u>2.391</u>
	<u>105.916</u>	<u>108.203</u>

	From 1 January to	
	30.06.2025	30.06.2024
	€'000	€'000
Income		
Fees and commission income	14	15
Other income	<u>338</u>	<u>617</u>
	<u>352</u>	<u>632</u>
Expenses		
Interest expense and similar charges	311	477
Fees and commission expense	3	3
Other expenses	<u>1.077</u>	<u>738</u>
	<u>1.391</u>	<u>1.218</u>

(d) Transactions with Alpha Bank S.A. Group companies (cont.)

In March 2024 "Loans and receivables from customers", with a fair value of €47,7 million were sold to a company of the Alpha Services and Holdings Group. For these loans, essentially all risks and rewards of their ownership have been transferred and were therefore derecognized from the Balance Sheet. The other income concerns income for managing loans of affiliated companies.

32. GROUP CONSOLIDATED COMPANIES

The consolidated financial statements, apart from the parent company Alpha Bank Cyprus Ltd include the following entities.

Company name	Country	Group's ownership interest %	
		30.06.2025	31.12.2024
Real estate			
ABC RE P2 LTD	Cyprus	100	100
ABC RE P3 LTD	Cyprus	100	100
ABC RE P&F LIMASSOL LTD	Cyprus	100	100
ABC RE L3 LTD	Cyprus	100	100



33. OTHER EVENTS

Acquisition of assets and liabilities of Astro Bank

On 27.2.2025, Alpha Services and Holdings S.A. announced the signing of a binding agreement on the key commercial and legal terms for the acquisition of assets and liabilities of the banking operations, as well as personnel of AstroBank Public Company Ltd. The transaction will be implemented through Alpha Bank Cyprus Ltd, a wholly owned subsidiary of the Group Alpha Services and Holdings S.A.

Alpha Services and Holdings S.A. announced on 24.6.2025 the signing of the Final Business Transfer Agreement for the acquisition, essentially, of all assets and liabilities of AstroBank. The completion is subject to the fulfillment of the receipt of all necessary regulatory approvals and consents, and is expected within the fourth quarter of 2025.

Absorption of Alpha Services and Holdings S.A by Alpha Bank SA

On 12.6.2025 Alpha Bank SA announced the merger by absorption of Alpha Services and Holdings S.A, pursuant to article 16 of Law 2515/1997, as well as articles 7 to 21 and 140 of Law 4601/2019 (the “Reverse Merger” or the “Merger”) and be upon the registration of the notarial deed of the Merger and the publication of the announcement of the Ministry of Development’s approval of the Merger on the General Commercial Register (GEMI). This absorption will result in Alpha Bank SA to be the ultimate beneficial owner of Alpha Bank Cyprus Limited.

34. EVENTS AFTER THE BALANCE SHEET DATE

There were no material events after the reporting period affecting the interim financial statements as of 30 June 2025.

The annual financial report was approved for publication by the Bank's Board of Directors on 25 July 2025.