



## Press Release

Athens, May 24, 2021

### **Share offering to raise approx. Euro 0.8 billion of growth capital Raising new money to capitalise on significant lending opportunities following completion of NPE deleveraging**

#### **Priority allocation to existing shareholders**

The Board of Directors of Alpha Services and Holdings S.A., 100% parent of Alpha Bank S.A. ("Alpha Bank"), has called an Extraordinary General Meeting (EGM) on June 15th, 2021 to consider a share offering to raise approx. Euro 0.8 billion in cash with the cancellation of pre-emption rights. The Board will seek authorization at the EGM to determine the timing and finalize the terms of the transaction, including the offering price through a book building process. The proceeds from the capital increase are expected to allow Alpha Bank to capitalise on the significant growth opportunity in the Greek banking sector and to support the core pillars of its transformation plan. The transaction is envisaged to be executed via a non-pre-emptive share placement to international institutional investors and a public offering in Greece. Subject to applicable Law, existing shareholders that subscribe in the share offering will receive priority allocations.

The HFSF has declared its intention to participate in the contemplated share offering up to its current shareholding of 10.94%.

Goldman Sachs Europe SE and J.P. Morgan AG are acting as Joint Global Coordinators and Joint Bookrunners.

Citigroup Global Markets Europe AG is acting as Senior Joint Bookrunner and Barclays Bank Ireland PLC and AXIA Ventures Group Limited are acting as Joint Bookrunners.

#### **Background and Rationale of the Capital Increase**

- Greece has come to an economic inflection point, having managed to significantly improve its sovereign risk profile, regaining the trust of capital markets on the back of highly successful short- and long- term government bonds issuances, and having made significant progress in addressing the clean-up of the Greek banks' NPEs through the Hellenic Asset Protection Scheme framework, known as the "Hercules Programme". As a result, and in anticipation of the receipt of the unprecedented package of EU Next Generation funds (the "RRF"), the Greek economy is well placed to grow at a significantly higher real GDP growth rate than the European average over the next few years.
- Greek banks are expected to be both facilitators of this growth potential and beneficiaries of the normalization of the economic outlook, and are looking ahead towards a period of strong growth and return of investment appetite towards the Greek economy.
- The deployment of the RRF is expected to add, on average, 1.2-2.0 percentage points per annum to the Greek GDP growth trajectory over the following six years. Capturing the full potential of this initiative is expected to be the single most important goal for the banking system, and for Alpha Bank in particular.





- Alpha Bank is proposing a bold and well-balanced plan to raise capital to allow it to fully reap the benefits it anticipates from the RRF growth potential. Securing, at the outset, the growth capital we expect to deploy over the next few years, will allow us to reach our profitability targets sooner, provide us with the flexibility needed to commit financing to high value projects, allow us to be selective on the profitability profile of such projects and simultaneously comfortably meet all of our capital requirements throughout our business plan horizon. Importantly, this will also provide the Bank with significant flexibility to optimise its capital structure and pave the way for remuneration of our shareholders via our dividend strategy. A wall crossing exercise among a selected group of existing core shareholders has been conducted prior to this announcement and has confirmed the interest from a number of investors and their support for Alpha Bank's capital plan and strategic vision.

**Alpha Bank's CEO, Mr. Vassilios Psaltis stated:**

"Greece will shortly benefit from a once in a generation inflow of EU funds that will create a major boost to the economy, putting it firmly back onto a trajectory of strong growth post the pandemic. We anticipate significant investment, among other sectors, in clean energy, digitalisation, infrastructure, real estate, tourism and shipping and our Euro 0.8 billion capital raise will allow Alpha Bank to grow as the leading bank partner in this transformation.

Following the successful completion of Project Galaxy, and with further capital recycling opportunities available, Alpha Bank is proposing this transaction from a position of strength, supported by a syndicate of leading international banks. The suggested 'soft rights' structure ensures that existing investors will be allocated shares on a pro rata basis and will not be diluted. Our share offering presents an attractive opportunity to new high-quality investors seeking exposure to the Greek economic recovery and progress. With its leading market position, strong franchise and unparalleled brand reputation, Alpha Bank is moving quickly to support its customers and be ready for a resumption of growth".

**Key Terms and Indicative Timetable**

- The intended capital raising of approximately €0.8bn is expected to take place through a book building to international institutional investors and a public offering in Greece. An EGM has been called for June 15th, 2021 to consider the giving of priority allocation to existing shareholders and authorise the Board of Directors to approve the offering price through a book building process and complete the transaction.
- Completion of the transaction and delivery of the new shares is targeted to take place by mid-July, whilst it is subject to market conditions and receipt of the requisite corporate and regulatory approvals.





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