



Athens, July 27, 2023

Press Release

Ordinary General Meeting of Shareholders of Alpha Services and Holdings

Vassilios Psaltis: “Clear interest of large institutional investors in the disinvestment of the HFSF from Alpha Bank”

- Continuously improved profitability and revised estimate for RoTE at 11% in 2023
- Share Buyback Program at 1.5% of the share capital and prices up to €3 per share
- Annual dividend payment amounting to 30 basis points planning for further reward of the Shareholders
- Generation of total regulatory capital of approximately €1 billion in the second quarter of 2023, exceeding the target set, through issuances of bond loans and a synthetic securitization
- New Independent Non-Executive Members of the Board of Directors Ms. Diony Lebot and Mr. Panagiotis Papazoglou in replacement of Messrs. Richard Gildea and Shahzad Shahbaz
- The highlights of the speeches of the Chair of the Board of Directors, Mr. V. Rapanos, and of the Group CEO, Mr. V. Psaltis

The speeches of the Chair of the Board of Directors, Mr. V. Rapanos, and of the Group CEO, Mr. V. Psaltis, during the Ordinary General Meeting of Shareholders held today July 27, 2023, marked the beginning of a new chapter, including strong value creation rates and reward of the Alpha Bank Group Shareholders.

The new Strategic Plan of Alpha Bank for 2023-2025 and the targets set therein, the leading position of the Bank in Wholesale Banking, the enhanced capital and liquidity ratios, the resumption of the dividend policy from the profits of 2023 and the intention of the Management to further reward Shareholders were the main axes of the speech of Mr. V. Psaltis, who, at the same time, presented all the qualitative data differentiating the Bank, such as the new Career Framework, the high performance of the Group with regard to ESG issues and, of course, the new Purpose of the Bank which now defines all the aspects of its operation.

In respect of the financial figures, the revised estimate for Return on Tangible Equity (RoTE) at 11% for 2023 supports the continuously improved profitability of the Bank, as mentioned in his speech the Group CEO.

Mr. V. Psaltis made extensive reference to the new Strategic Plan of the Bank and commented that it was warmly received by the international investment community. As the Group CEO pointed out, **“having spoken to a large number of investors in more than 50 meetings held around the world, I can assure you that the interest they expressed was clear. In this context and given the Government’s commitment to the disinvestment of the Hellenic Financial Stability Fund from the Greek banks, we are very well-positioned to accelerate this process for Alpha Bank, which will be well embraced by the market.**

Value generation for the Shareholders

“We have already expressed our ambition to resume dividend payments, starting from the 2023 profits, an ambition which has already been reflected in our results by the **forecast for a dividend payment standing at 30 basis points**, pending the relevant approval by the regulatory authorities” was mentioned by Mr. V. Psaltis, pointing out that we expect an **average annual increase in profits, which**



is to exceed 20% in comparison with the corresponding levels of 2022, leading profitability above 12% and generating total net profits approaching € 2 billion, a performance which, in combination with the absorption of the Deferred Tax Assets (DTAs), leads to an increase of the Bank's regulatory capital by Euro 2.3 billion.

Mr. V. Psaltis stressed that *“A part of this capital, i.e. an amount of approximately Euro 900 million, will be used to finance our organic growth during this period. The bulk of this amount, however, i.e. around Euro 1.4 billion, will help us exceed significantly the minimum capital limits considered necessary by the Management for the Bank's operation. Thus, I should note, that based on our Plan, we have every intention, in consultation with the Regulators, of further increasing the capital that will be returned to our Shareholders, in recognition of those who trusted our effort and Purpose”*. At the same time, he also asked the **Shareholders' approval with regard to a Share Buyback Program**, which, in two years and subject to the approval of the regulatory authorities, could reach 1.5% of the share capital and the price per share could even stand at Euro 3.

Vasileios Rapanos: “Alpha Bank, in a trajectory of growth and generation of value for its Shareholders”

Mr. V. Rapanos stressed that **“2022 was a year of transformation and significant achievements for Alpha Bank, with significant progress made in achieving the goals set in our Strategic Plan”** and he added that **“we are satisfied with the significant progress already made and we firmly believe that, despite the crises, we have ultimately emerged stronger and have managed to enter into a stable trajectory of sustainable growth and generation of value for our Shareholders”**. The Chair of the Board of Directors thanked the Shareholders for their trust and the Bank's Employees for *“the high level of willingness, fervor, dedication and hard work they demonstrated”* and he committed himself to **“continuing with optimism the efforts to become a better Bank that will reward the Shareholders and will also serve the goals of economic development and social prosperity”**.

“The Greek banking system is shielded; the trend of slowing credit expansion may be reversed in Greece”

Mr. V. Rapanos in his speech made reference to **the improved liquidity and capital ratios of the Greek banking system** and its resilience during the current banking crisis and stressed, at the same time, that **“Greek banks are now shielded against potential turmoil, as they have a broad loan and deposit base, without heavy reliance on a single sector of the economy, and as they operate in a modern and reliable risk management and compliance framework”**.

He also referred to **the increase in the lending interest rates of the Greek banks, the difference of which against the European banks has been eliminated** since the latter “have increased their lending interest rates to households since the beginning of 2022 at rates much more pronounced than those of Greek banks”. He also added that **although it is reasonable to expect that there will be a limitation in credit expansion due to the increased borrowing costs, the trend of slowing credit expansion could be significantly softened, even reversed in the case of Greece**, as a result of the resources which are expected to be injected in the Greek economy, the increase in Foreign Direct Investment and the obtaining of the investment grade.

Mr. V. Rapanos noted as well that **“the investment grade may be a milestone, but it is not a panacea for limiting country risk”** and added that **“the promotion of the reforms and the improvement of the State's efficacy play a key role for the economic growth of the country. “It is now time for the State to start trusting citizens. In the medium term, this could lead to the citizens also trusting the State”**, as he stressed.

The Chair of the Board of Directors mentioned particularly that **the banking sector is expected to play a catalyst role in the transition of businesses to a green model of economy** and stressed that the fact that **Greece is dominated by micro-enterprises “should not hinder the green transition and, in general, sustainable development. Instead, it should be seen as an opportunity”**.



Vassilios Psaltis: “The Greek economy and Alpha Bank showed resilience during the successive crises”

Referring to the achievements of the Bank in the last years, Mr. V. Psaltis highlighted the **drastic reduction of the Non-Performing Exposures (NPEs) to a single digit percentage, to the highest credit expansion in the Greek banking system that the Bank achieved in 2022, to the conclusion of strategic business development partnerships as well as to the creation of the most efficient Retail Operating Model.** He also stressed that thanks to these achievements **“we have laid the foundations for strong profitability, achieving a return on regulatory capital employed of over 15% with regard to our Greek operations”**, while the Bank’s market share in Large and Medium-sized Enterprises lending was approximately 26% and its market share in Mutual Funds stood at 30% at the end of 2022.

Mr. V. Psaltis made a particular reference to the **new Strategic Plan for 2023-2025 of the Bank**, that **ensures clear, realistic goals**, adding that **“in the first half of 2023, we have already completed significant actions towards the implementation of our Plan, through the enhancement of liquidity and capital adequacy ratios”**. He also added that thanks to **the actions taken by the Management at the best of times**, such as the issuances of Additional Tier 1 (AT 1) as well as of senior preferred bond loans, the synthetic securitization of performing assets, the decrease in risk-weighted assets through the sale of real estate properties and non-performing loans and as a result of the profits, **“we have ensured that we will exceed our capital adequacy targets already in the second quarter of 2023, having generated total regulatory capital of approximately Euro 1 billion in only six months”**.

In this context, Mr. V. Psaltis stressed that **“the Greek Economy, just like Alpha Bank, showed resilience during the successive crises”**, although, as he noted, **“it is true that in the current upward phase of interest rates, there are still significant risks of volatility in international markets as well as of a potential decline in both credit demand and real estate prices”**.

“Alpha Bank, the most trusted Bank in Greece”

Referring to the attention paid by the Bank to the creation of long-term partnerships with its Customers as well as to its leading position in Wholesale Banking, Mr. V. Psaltis stressed that Alpha Bank **“is a leader in business credit, maintaining a leading position in the financing of outward-looking sectors, such as Tourism and Shipping, while it maintains a strong footprint in Retail Banking, serving more than 3.5 million Customers in the country”**. He added that since **“the average length of our banking relationship with our Customers exceeds 20 years, while at least a third of the dynamic private and small business segments in our country choose Alpha Bank as their primary bank, we may claim that we are the most trusted Bank in Greece”**.

At the same time, Mr. V. Psaltis confirmed the **Bank’s commitment to acting as a social and economic partner**, **“taking advantage of all its resources and technological infrastructure in order to contribute to the financial prosperity of the society and to offer direct access to special funding”**. A special reference was made to the **new Co-financed State Housing Program “My Home”**, in which the Bank participates, supporting young people to purchase their own home, as well as to **financial aid programs** (Freedom/Tourism/Fuel/Market pass), in the context of which it has issued more than **1.2 million cards**, by far the largest number among the systemic banks, **“proving this way, its capacity to take immediate action and capitalize on its digital infrastructure”**.

Making a comment on the recent wildfires, Mr. V. Psaltis highlighted the fact that Alpha Bank **“develops a range of preventive actions, but it is also present when needed to deal with emergencies”**. In this context, the Bank could just watch the consequences of the fire in Rhodes. On the contrary, Mr. V. Psaltis mentioned that a delegation of the Bank traveled to the island **“in order to assist in the immediate relief of the victims and, mainly, in order to plan, together with our Customers, the local government and civil society solutions for the restoration of property and the regeneration of the natural environment”**.



**ALPHA
SERVICES AND HOLDINGS**

The General Meeting of Shareholders of Alpha Services and Holdings S.A. approved, among others, the appointment of **Ms. Diony Lebot** and **Mr. Panagiotis Papazoglou**, as **Independent Non-Executive Members of the Board of Directors** in replacement of **Messrs. Richard Gildea and Shahzad Shahbaz**. It is noteworthy that, following the appointment of the new Members, **Alpha Bank becomes the Greek Bank with the highest female representation in the Board of Directors**, which approaches 40%.