

Press Release

Alpha Bank AGM: New era of growth, distribution of €122 million for payment dividend and share buyback

V. Psaltis: *"We create an extrovert Bank that rewards its Shareholders and its staff and gives back to its Customers and the Society"*

- *The AGM approved the distribution of a total amount of €122 million for the payment of dividends and share buybacks, corresponding to a dividend yield of 3%*
- *July 26th is the ex-dividend date, July 29th is the dividend beneficiaries record date. Thursday 1st August is the dividend payment date*
- *Cash dividend payment amounts to €61 million or €0.026 per share, corresponding to a distribution rate of 20% of net profit for the year 2023*
- *The main points from the speeches of the Chairman of the Board of Directors, V. Rapanos and the Group CEO, V. Psaltis*

The Chairman of the Board of Directors, Vasileios Rapanos and the Group CEO, Vassilis Psaltis sent a message of confidence and optimism for the future of Alpha Bank at the Annual General Meeting of Shareholders held today, 24th July, which approved the distribution of a total amount of €122 million for the payment of dividends and the repurchase of shares, representing a dividend yield of 3%. Alpha Bank thus returns to its long tradition of rewarding its Shareholders, interrupted by the economic crisis, and marks, as Mr. Psaltis said, the beginning of a new cycle of growth and profitability.

"Today is a very special day for our Group. Following the obtaining of regulatory approvals, I am very glad to recommend to you, from the floor of our Ordinary General Meeting, the approval, after 16 years, of a dividend distribution of Euro 61 million and an equivalent amount for the share buyback, which means that we are distributing a total value of Euro 122 million to our Shareholders," Mr. Psaltis underlined, adding that *"looking back on the challenges we were called to face from 2010 to today, my belief in the prospects of this Bank and in our potential remains unwavering. The recent upgrade to investment grade for our credit securities by Moody's strengthens my optimism and resolution to persist in our course towards modernizing and improving Alpha Bank's performance, therefore ensuring a high recurring profitability and a more robust dividend distribution in the years to come."*

For his part, Mr. Rapanos underlined that: *"The good cooperation between the Board of Directors and the Executive Team of the Bank enabled us to exceed the goals set in several areas. However, we do not rest on our laurels. We are aware of the challenges ahead and, thus, we have to further improve our performance... by enhancing even more our internal operations and by leveraging more efficiently the potential provided by the skills, hard work and commitment of our Employees."*

The next day for the Greek Economy and Alpha Bank

Referring to the prospects of the Greek economy and the role that the Greek government and Alpha Bank are called upon to play in the business world, Mr. Psaltis stressed that *"we now have the opportunity to change the course of the Greek economy."* He also pointed out that distributing the benefits of economic growth equitably to those who contributed to its achievement and bolder action by the business world in the realm of international competition are prerequisites to overcome the problems of the past.

Referring specifically to Alpha Bank, he said: *“We, as Alpha Bank, are proud to be presently taking the lead in terms of both reward and extroversion. Regarding reward:*

- ***We acknowledge our Shareholders’ support and return value to them, directly and indirectly, but, above all, we remain fully committed to our plan for further improving our return to you.***
- ***We reward the efforts of our Staff, through an improved variable remuneration scheme built on an impartial and merit-based evaluation system.***
- ***We repay our Customers with new products, consulting and the provision of better services.***
- ***We return value to Society, as supporters of the national effort for better health and education and of the effort to address contingencies.***

In addition, we play a leading part in opening up the European market for our Customers through our strategic partnership with UniCredit, as well as fully supporting the modernization and growth plans of Greek businesses.”

Addressing the business world and the State, he said: *“In this context, we will continue to encourage our Customers to set higher goals and to contribute to the creation of a new business culture that will be characterized by innovation, enhanced corporate governance frameworks and higher added value products.*

We will also continue to highlight, as also referred to by the Chair of the Board of Directors, the urgent need for the State to take advantage of the current positive conjuncture in order to accelerate the implementation of its reform work as a precondition for an economy of sustainable growth that will distribute its wealth equitably to its members.”

Strategic partnership with UniCredit is a catalyst for change - 2023 as a base year for the Bank

The Group CEO pointed out that **2023 was a milestone year for Alpha Bank** and that ***“going forward, we – along with the broader market – should acknowledge that the period of crisis is over and that 2023 constitutes the base year for our Bank’s position, a benchmark against which we are called to measure ourselves.”***

“The acquisition of the HFSF’s stake in Alpha Bank by UniCredit is undoubtedly a success, the result of many years of painstaking effort and the culmination of the long and arduous effort for Alpha Bank’s consolidation and transformation, while it also reflects the positive course of the Greek economy,” commented the Chairman of the Board of Directors of Alpha Bank, adding that the strategic cooperation between the two Groups improve considerably the potential for further value creation for the Bank’s Shareholders, Customers and Staff as well as for the Greek economy.

“We fully privatized our Bank, restoring our image as the Bank of and for the private sector. Not only did we simply execute the sale of the HFSF’s stake. We ensured the introduction in our share register of one of the major banking groups globally, a foreign strategic investor which made our Bank a pioneer in developments that will define the Greek banking system in its entirety,” Mr. Psaltis highlighted and explained that ***“it is not just a share and commercial agreement. It constitutes a historic opportunity for change, for further progressing in transformation, for renewing the work and performance culture within our Bank. Our partnership with UniCredit affords us the opportunity to drive innovation in the Greek market, to be exposed to international competition and to find ourselves at the forefront of the European banking developments as a member of an extensive pan-European network. This is an opportunity which we will leverage.”***

Mr. Psaltis expressed his **optimism about the prospects of the strategic relationship with UniCredit**, explaining that ***“this optimism is based on two grounds: First, on the close cooperation of our teams and on the swift implementation of the agreed terms. Within just 8 months from the announcement of the agreement, the part of the agreement that covers the sale to Romania has been concluded, while the framework for the offering of the UniCredit onemarkets Mutual Funds family has been finalized, making them available to our Customers through our own network.***

Second, on the fact that with the Management of UniCredit we share the same vision for the groups we are representing, aiming at the promotion of entrepreneurship and innovation, the fostering of a culture of teamwork and high performance as well as our commitment to creating value for the Shareholders through new business development and sustainable profitability."

Strong financial results and further strengthening of profitability

Referring to **the Bank's financial results**, the CEO of Alpha Bank Group focused on the **almost doubled, year-on-year, adjusted profit after tax, which reached €780 million in 2023**, the further **strengthening of capital**, with the FL CET1 ratio increasing by 237 bps year-on-year, reaching almost 16%, as well as **the reduction of the Group's NPLs ratio to 6%, with the aim of reducing them to below 5% in 2025**. He also noted that **"this strong momentum continued during Q1 2024, when the Bank announced record high profits. Alpha Bank's new disbursements to the real economy stood at €8.4 billion for 2023, with net credit expansion eventually amounting to €1.1 billion."**

At the same time, Mr. Psaltis stressed that **"the 2023 financial results testify the overachievement of the targets we had set, with the Return on Tangible Equity Ratio finally reaching 12.9% from 9% and Earnings per Share standing at €0.32 from €0.23, increased by approximately 40%,"** while recalling that **in the new environment of reduced interest rates that will emerge in the coming period, "Alpha Bank is fully prepared not only to retain its profitability, but also to enhance it, gaining an advantage versus its peers."**

Key factors for the Bank's strong performance were **the strengthening of its digital services** with the introduction of 70 new digital products and services in 2023, such as myAlpha Vibe, **the investment in value-added activities in Retail Banking** with the adoption of the new Service Model in the Branch Network, **strengthening Wealth Management** with a 48% increase in Assets under Management in 2023, and **capitalizing on Alpha Bank's leading position in Wholesale Banking** with the new organizational structure in Business Banking that includes 10 specialized units which focus on specific sectors (energy, infrastructure, shipping, tourism, etc.), allowing Alpha Bank to play a leading role as a financier and advisor in new energy projects as well as infrastructure and urban regeneration projects.

Integrity and Performance Recognition

The Bank's multi-level achievements would not have been possible without its organisational modernisation and actions for the development of the Group's employees and the creation of an environment of innovation and efficiency, with a new culture of meritocracy and opportunities as its foundation, Mr Psaltis stressed. **"I would like to send a clear message: At our Bank, recognition is granted based on competence and innovation! Thus, it is granted to those who help the Bank progress, deal with malfunctioning and create a competitive advantage. Those are the people who deserve to be respected, personally rewarded and recognized,"** he said.

At the same time, the Group's CEO confirmed **Alpha Bank's commitment to undertake actions for an inclusive society**, with active solidarity towards all its members. In this context, he recalled the **initiatives to support local communities affected by natural disasters in 2023, such as Rhodes and Thessaly**, the **"Together, for Better Health"** program for equal access of all citizens to Health, **the "IQonomy" initiative** to support Financial Literacy for young people, women and people over 55 years old, the actions fostering conditions of universal accessibility to Culture for our fellow citizens with disabilities, as well as initiatives through which the Bank stands by the side of the most vulnerable of our fellow citizens, but also by young people who need support in order to make their dreams come true (in this context, the new **Alpha First Home mortgage loan for young people** is offered, with flexible terms and low pricing).

Alpha Bank in the strongest position in recent years

Concluding his speech at the Annual General Meeting, Mr. Psaltis shared with the Shareholders of Alpha Services & Holdings his optimism for the Bank's future, saying:

"Our position at the moment is the strongest it has ever been in many years, and this fills us with confidence and decisiveness for the achievement of new, higher goals, to make Alpha Bank:



- The Bank that **supports entrepreneurship**,
- that builds **international strategic partnerships** with a view to offering opportunities to its **Customers**,
- that **invests more than €100 million annually in technology** and does not hesitate to lead the **agenda in the banking sector**, but also
- the Bank that **supports its Employees**, embraces and **promotes meritocracy**, and recognizes **performance and contribution**,
- that serves as a **responsible social partner and supporter of the society and our fellow citizens**,
- **the first Bank that is constantly growing and rewarding all of you, its Shareholders, for their trust.**"

V. Rapanos: *"Surplus is not a means to increase expenditure"*

The promising outlook for Alpha Bank is combined with a particularly positive macroeconomic environment for our country, despite intense international uncertainty, as highlighted by Mr. Rapanos and Mr. Psaltis, who made special reference to the importance of the Hellenic Republic's return to investment grade and the utilization of the Recovery and Resilience Fund resources, while highlighting the need for continued reforms.

"The Greek economy returned to normal but it also needs to catch up with Europe, in terms of GDP per capita. This, however, is subject to a further in-depth reform in order to attract more investments, reduce production and distribution cost and increase productivity," said the Chairman of the Board of Directors of Alpha Bank, who also highlighted the need to maintain fiscal discipline. *"We have to avoid, by any means, the return to the fiscal deficits of the past. The surplus status of Greece must be preserved and we should abide by the principle that the surplus is not a means to increase the expenses but to reduce the high public debt,"* he said.

Mr. Rapanos also argued that *"the business culture in Greece needs to be improved to a great extent and profit demonization needs to be eliminated, so that long-term investors aiming at the award of dividends deriving from the strong growth come to Greece."* Regarding the banking sector, he stressed that *"Greek banks have solidified their position in the last years by significantly improving their financial volumes, amid unstable global geopolitical and economic conditions,"* and concluded: *"The enhanced liquidity has enabled the Greek banks to enhance their loan portfolio through a prudent risk management, thus supporting the growth of the Greek economy."*