



Press Release

Vassilios Psaltis: *“Ready to finance the energy transition – A clear strategic plan is needed”*

- *“With our team of energy sector specialists, our significant exposure to major international and domestic players and our participation in innovative financing projects abroad, we are preparing to finance new energy technologies in Greece too,” stressed the CEO of Alpha Bank Group at the Hellenic Capital Market Commission’s conference on climate and the economy*
- *The Bank is expected to allocate Euro 850 million in loans for Renewable Energy Sources in 2024 and a total of Euro 4.4 billion for “green loans” in the three-year period 2024-2026*

The need for strategic planning for the “green” transition, at both national and European level, in order to establish clear rules, a stable investment environment and a support framework that will make modern investments viable for investors as well as for the banks, **was stressed by the CEO of Alpha Bank Group, Vassilios Psaltis**, who spoke yesterday at the conference “Climate in the Center of Economy”, organized by the Hellenic Capital Market Commission.

At the same time, he highlighted **Alpha Bank’s specialization in the financing of the energy industry**, as well as **the increased significance that the Bank attaches to supporting sustainability**, having revised upwards its overall targets for green loans in the period 2024-2026, from Euro 3 billion to Euro 4.4 billion.

During the discussion with the CEO of HELLENIQ ENERGY, Andreas Shiamishis, on the financing environment in the energy sector, Mr. Psaltis noted that **“the absence of a specific strategic direction at national and European level increases uncertainty, making it difficult for investors and, of course, for those involved in the maturation and financing circuit of such technologies, to make informed choices. If we add to this the fact that we are witnessing a number of successive and combined geopolitical uncertainties unfold, then we have the definition of uncertainty!”**

Answering a question by the discussion’s moderator, journalist Nikos Filippidis, Messrs. Psaltis and Shiamishis agreed on the need for clear terms regarding the framework for the development and introduction of new technologies in the energy sector. The CEO of Alpha Bank Group remarked that **the increased volatility in the energy market drives investors to raise their requirements concerning returns**. On the other hand, **the high demand for “green” transition projects compresses the return of the investments made**. *“These two conditions increase investment and financial risk. What is needed, therefore, is visibility... for the rules of the game to become more clearly defined,”* he said and clarified that, in any case, we should be looking ahead, as *“the ‘green’ transition will have very positive impacts on the economy, in terms of energy security as well as in terms of the competitiveness of the Greek industry.”*

Discussing the role of the banks in financing the transition from fossil fuels to cleaner forms of energy, the CEO of Alpha Bank Group observed that **the existing framework pushes the energy industry to proceed with decarbonization investments, while at the same time it also directs the financial system to finance these investments**. *“This has helped banks increase their readiness for such types of financing, by enriching credit criteria, adapting their corporate governance and encouraging the allocation of funds in this direction,”* he said and estimated that the Greek banks, **“after the adventure of the past decade, are now confident in their financing choices, so that projects of national significance can proceed without delay.”**



Mr. Psaltis also noted that despite the fact that the country's major business Groups are extremely well-positioned, in terms of their expertise as well as in terms of their balance sheets, in order to successfully balance the risk of investing in new technologies, a crucial factor is the State's choice to contribute to the transition. ***"In every new technology, the first stage of development, especially in terms of investments in infrastructure, requires national and European support, until these investments become competitive and follow the rules of the free market. And I am not only referring to price or demand protection, but also to capex subsidies and operating aid, as was done in the past for photovoltaics and recently for storage units."***

Alpha Bank sets at Euro 4.4 billion its targeted green loan disbursements for the period 2024-2026

Financing sustainability is a key pillar of Alpha Bank's strategy, as Mr. Psaltis pointed out. ***"We started with the goal of directing Euro 3 billion to the financing of the energy transition in the period 2024-2026, of which Euro 1 billion to RES. During 2023, we disbursed Euro 850 million in green loans, of which Euro 432 million in RES, exceeding our initial expectations for the year. This year, we are targeting new disbursements of about Euro 850 million for RES, while we revised upwards our overall targets for green loans over the next three years, to Euro 4.4 billion,"*** he said.

The CEO of Alpha Bank Group stressed that ***"the Bank focuses on all aspects of the energy transition, namely RES (solar and offshore parks, wind farms), storage and of course the upgrading of networks, which is a prerequisite for the normalization of the energy market."*** At the same time, it also finances **transitional investments**, such as gas-driven **CCGT** power plants that facilitate the industry until other, newer technologies reach a more mature stage.

The Bank's strengths and specialization in supporting the energy sector

Alpha Bank monitors developments closely, both in the field of investments and in terms of technological developments in the energy sector, for which it is preparing by following a **strategy consisting of three action lines**, as explained by Mr. Psaltis:

1. **Specialization, as Alpha Bank is the first –and only– Greek bank to adopt a Wholesale Banking business structure by sectors.** ***"In the energy sector, we have in place a team of executives who are not only experienced in all financial tools, but also knowledgeable about the technological changes in the sector,"*** he noted.
2. **Significant exposure to international investors and to all major Greek business groups** active in the sector.
3. **Participation in innovative financing arrangements for new technologies in the EU and the United Kingdom, with the primary objective of gaining experience**, in order to be ready to finance such technologies in Greece, by leveraging, among other things, the **strategic advantage for Alpha Bank** of its cooperation with the **UniCredit** Group.