



ALPHA BANK

Carve out of the NPEs management activity to Cepal Hellas [01.12.2020]

Alpha Bank S.A., in the context of the implementation of its Strategic Plan, announces today the completion of the carve out process of the Bank's NPE management activity to Cepal Hellas S.M.S.A. ("Cepal"), its 100% subsidiary company providing management services for loan and credit receivables.

Cepal, highly specialized in the relevant sector, as the first servicer licensed by the Bank of Greece according to Law 4354, undertakes, as of December 1, 2020, the management and servicing of the Bank's non-performing exposures (NPEs), including any future NPEs. By way of reminder, Project Galaxy includes the Euro 10.8 billion NPEs securitization and the sale of up to 100% of the shares of Cepal, which the Bank is currently negotiating with the preferred bidder, targeting the signing of the final agreement by year-end.

The completion of Project Galaxy will fully rationalize the Bank's balance sheet, since it is expected that the NPLs in Greece will be reduced by 62% to Euro 4.5 billion, within the anticipated capital impact.

At the same time, Cepal will become the leading NPE Management Company in the Greek Market, in terms of the size of its portfolio and growth prospects. Following Project Galaxy completion, the total exposures under management of Cepal will amount to approximately Euro 30 billion, placing Cepal as one of the leading servicers in the European Market.

The highly experienced professionals from the NPL - Retail and Wholesale Banking Divisions of Alpha Bank and its Regional Centers across Greece will further strengthen the human resources of Cepal, thus contributing to the fulfillment of the company's growth potential, while ensuring seamless service to the Bank's Customers. The management team of the new, stronger Cepal consists of Senior Alpha Bank Executives; in particular, as already announced on June 30, 2020, Mr. Artemis Theodoridis as Executive Chairman, Mr. Theodoros Athanassopoulos as CEO and Mr. Evangelos Kavvalos as Deputy CEO, joined by Mr. Periklis Kitrilakis who is also currently Deputy CEO in the Company.

The CEO of Alpha Bank, Mr. Vassilios Psaltis made the following statement:

"The carve out of the Bank's NPE Management Unit onto CEPAL is yet another decisive step towards the implementation of the Strategic Plan that we announced last year, in order to radically rationalize our balance sheet. The forthcoming completion of Project Galaxy provides a strong competitive advantage to Alpha Bank allowing us to dedicate all our resources in fully supporting our Customers and focus our efforts in contributing to the Greek Economy's return to a growth path.

At the same time, Cepal emerges as a leading player in the Greek Market, guaranteeing high level of service and long-term employment prospects. I want to sincerely thank all our colleagues for their professionalism and ongoing commitment and contribution in the success of our Strategic Plan.

The contribution of Artemis, Theodoros and Vangelis has been crucial for the successful implementation of this complex process, involving the Bank's NPE Management Unit carve out onto Cepal and the consolidation of the activities between the two organizations. I am confident that, by utilizing the capabilities of the Company's entire Personnel, they will secure the new Company's growth and profitable course. Alpha Bank will remain a close partner of Cepal in its new era. Together, we will achieve our common goals."