



ALPHA BANK

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Chairman of the Board of Directors

SPEECH AT THE ORDINARY GENERAL MEETING OF THE
SHAREHOLDERS OF ALPHA BANK

July 31, 2020

Dear Shareholders,

Ladies and Gentlemen,

2020 began with relatively optimistic prospects for the Greek economy. Performance in 2019, in conjunction with the measures announced by the Government, had created an investment-friendly environment. In 2019, the economy maintained the positive growth rate seen in 2018, although the uncertainty regarding international trade had a negative impact on industrial activity and investments. Indeed, last year, the global economy experienced a decelerated rate of GDP growth due to reduced industrial production and the significant deceleration of trade and investments. Furthermore, 2019 also saw a significant rise in uncertainty in relation to international trade as a result of increased tension between the US and China.

The enhancement of investors' trust in the prospects for the Greek economy was reflected in the unwinding of state bond yields, which continued in the first two months of 2020. However, as of March, Greece, along with the entire global community, is experiencing an unprecedented health and financial crisis as a result of the COVID-19 pandemic. This crisis brought about a complete disturbance in the developmental course of the economy.

Following the exponential spread of COVID-19 cases in many European countries in the second fortnight of March, the Greek Government quickly and timely adopted strict measures to limit the spread of the virus in the country. This policy prevented a severe health crisis in our nation. At the same time, in order to address the adverse impact on the real economy, the Greek Government - like other governments in the European Union - the European Commission and the European Central Bank enacted significant monetary and fiscal policy measures. Following the example of the public health policy, which aimed to flatten the epidemic curve, the financial policy aims to mitigate the adverse consequences of the measures on the Greek Economy due to the lock-down of retail businesses and transport restrictions.

Dear Shareholders,

Ladies and Gentlemen,

As a result of the COVID-19 pandemic, the Greek Economy is expected to return to recession after three consecutive years of recovery. It is unknown when this disturbance will be over. In Greece, fiscal measures supporting business liquidity and employee

income and protecting jobs are expected to limit the negative economic impact in the third quarter and enhance the recovery of domestic economic activity in the fourth quarter of this year, as well as in 2021.

In practice, economic policy in our country is faced with a crucial dilemma. On one hand, it is called to reduce the adverse impact of the pandemic on businesses and households and, on the other, it has to ensure fiscal discipline and sustainability for its public debt, which are key requirements for the economy's return to growth in 2021. This is why fiscal interventions must be specific and temporary in order to address the adverse impact on the real economy, whilst preventing the accumulation of permanent primary deficits which will undermine the reliability of the economy in international investor circles.

The state's effectiveness in the timely implementation of restrictive measures not only prevented a severe health crisis in Greece, but also allowed our country to show greater economic resilience as in the first quarter of 2020 GDP dropped by only 0.9%, versus a 3.2% drop in the Eurozone. This development may be attributed to three factors. First, the state's strong performance in flattening the epidemic curve; second, the rapid digitalization of the economy in the private sector as well as in the public administration, finally, the state's decisiveness and fast response in providing financial support to employees and businesses.

Dear Shareholders,

Ladies and Gentlemen,

Following Greece's successful policy for controlling the spread of the virus and in the hope of preventing a new wave of the pandemic, the crucial issue is how our economy will achieve sustainable growth.

The experience gained in the previous crisis, as well as international experience, teach us that to allow our economy to achieve sustainable growth the management of demand is not enough; supply must be also enhanced by supporting the economy's productive capacity. The measures taken by the Government to date, equating to 13% of the country's GDP, are a powerful counterweight, supporting available income and household purchasing power. Indeed, in view of the anticipated significant inflow of funds from the European Union in the coming years, a question emerges as to how our country will be able to productively use this key opportunity. The management of these funds must

overcome the problems relating to absorption in order to significantly enhance investments and implement a reformation plan.

The Committee, under the guidance of professor Christophoros Pissarides, has provided the directions that will help our economy change its growth model. The critical question is whether the state mechanism and the private sector will be able to implement them. Past experience in Greece and abroad has shown that sustainable growth is not only a matter of resources and good planning, but also a matter of institutions and mechanisms to effectively manage the human and material resources available. The long list of necessary reforms, as described by the Pissarides Committee, includes a number of reforms already considered in the past.

This is why I will only refer to four major areas to underline some aspects that are usually neglected by politicians and analysts alike.

First of all, the coronavirus crisis clearly highlighted the weaknesses and strengths of our National Health System. Although the pandemic was effectively addressed, everyone acknowledged that there were shortages in materials and in staff. Almost the entire political system of the country agrees that the NHS must be strengthened. In this consenting climate, we also need to examine how our hospitals are managed and what happens with their financial administration. Our country's hospitals are huge economic operators but we have never seen them publish any balance sheets, being audited, or being financially accountable in general. Let us not forget that, within our legal framework, even the smallest private SA and LTD is required to publish its financials and be subject to audits. Should this not also be the case with Public bodies? In recent years, a key concern for European Authorities and international bodies is corporate governance. The broad consensus that the public sector of our country must be modernized makes it imperative to adopt modern governance rules for hospitals and other State bodies in our country.

Another matter I would like to refer to is that of taxation, which is a key point both for reasons of social justice and for attracting investment. Admittedly, all governments, since the regime change in the 1970s, announced that they would implement tax reforms, but what they meant in practice were simple changes to tax rates. The greatest and most significant breakthrough of recent years is the creation of the Independent Public Revenue Authority. Since the early years of its operation it has borne encouraging results. Our tax system however, remains extremely complex and changes almost every year. Based on the indexes published by research institutions, our tax system is not only burdensome for businesses and labor, but also one of the most intricate systems internationally -hence one of the least competitive in the world. The need to improve the stability and simplicity

of our tax system is an issue on which almost all political parties agree. Why don't we do this?

Third, achieving sustainable growth in the long term is impossible without a well-trained workforce. Nonetheless, the critical issue of human capital is directly linked to our education system. The connection of Higher Education with the needs of production, the effective implementation of assessments and the system's overall modernization will set solid foundations for a course of sustainable growth, boosting our country's productive capacity. Our overall experience during the pandemic underlined the need to upgrade the educational system, providing the option of distance learning across all levels and enriching the skills of staff. Moreover, we need to keep in mind that the educational system and primary education in particular, is a key pillar for shaping characters and responsible democratic citizens.

Finally, the role of Greek banks is vital for the recovery of economic activity through their support of Greek businesses and households. All banks have taken measures to help alleviate the impact of the pandemic crisis. The bank system is the source of all investment opportunities. Although it was not the cause of Greece's economic crisis in the past decade, it suffered its adverse impact like no other sector. It is currently undertaking a great effort to free itself from the burden of Non-Performing Loans, while it has also started to finance investing activities again in all economic sectors. Banks are therefore supporting the economy, but within a framework of regulations set out by the European banking authorities and the rules of rational management. The development of a credit policy that is both dynamic and reasonable can also help the Greek state, not only in the optimal use of said resources but also in enhancing the low absorption rates of EU funds.

Dear Shareholders,

Ladies and Gentlemen,

2019 was a significant period for our Bank. As of the start of the year, our new CEO Mr. Vasilios Psaltis assumed his duties. The initiatives he enacted breathed new life into the Bank; he also made important moves and changes that launched a new course for the Bank. I will mention just a few developments regarding the Balance Sheet. In 2019, Profit after Tax stood at Euro 97 million vs Euro 53 million in 2018. This was achieved in a difficult environment featuring low interest rates and limited credit expansion. It is however, noteworthy that Alpha Bank maintained a strong capital base, with a Common Equity Tier 1 Ratio (CET1) and Capital Adequacy Ratio (CAD) of 17.9% at the end of

December 2019. Tangible Book Value stood at Euro 7.9 billion at the end of December 2019, the highest among Greek banks. Tangible Book Value per Share stood at Euro 5.1. Once again, I will briefly refer to the plan initiated by the Bank's Management to reduce Non-Performing Loans and Exposures. Note that in February 2020, Alpha Bank successfully placed a Euro 500 million Tier 2 bond at a yield of 4.25%, thus contributing to the optimization of the Bank's capital structure and the diversification of capital sources. The bond placement further strengthens the Capital Adequacy Ratio by 104 bps, at 19%.

In terms of cleaning-up its portfolio, Alpha Bank reduced Non-Performing Exposures both in 2019 and in 2020. This is, nonetheless, an ongoing effort. A key role in this effort will be held by the securitization of Non-Performing Exposures, which is included in Project Galaxy, a top priority of the Bank's three-year Strategic Plan. In this way, decisive steps are being taken towards the planned procedures for Project Galaxy, aimed at cleaning-up the balance sheet and at the Bank's return to high profitability. These initiatives, which are unanimously supported by the Board of Directors, will be analyzed by the CEO later on.

Specifically as regards the Board of Directors, in the 18 meetings that took place in 2019, it methodically and systematically reviewed all significant matters and encouraged the new CEO to make changes and rearrangements that will support the Bank's competitive position. Furthermore, in the framework of supervision by the European Central Bank (ECB) Single Supervisory Mechanism, the Board of Directors made a number of changes that improve the operation of the Board of Directors and the Bank in general. First, the positions of Deputy Managing Directors were eliminated and all executive duties were awarded to the CEO, who assigned them to the General Managers. Second, upon proposal by the CEO, the Executive Committee was reconstituted and a new regulation for its operation was approved. Third, following the resignation of the Board members Messrs D. Mantzounis and G. Aronis, two new members were selected, Mr D. Tsitsiragkos and Ms E. Hardwick. With its new composition, the Board of Directors consists of thirteen (13) members, of which seven (7) are independent non-executive, three (3) non-executive and three (3) executive members. This also meets the latest requirements for corporate governance, which recommend that the majority of Board members should be independent non-executive members. Finally, the Board of Directors approved assessments for General Managers and the CEO, already completed for 2019, as well as the sheet with the key performance indicators, based on which they will be assessed for 2020. Finally, I would like to refer to the departure of two Board members. In December 2019, Board Member and former Managing Director Mr. Demetrios Mantzounis submitted his resignation. In late January 2020, former Deputy Managing Director Mr. George Aronis also submitted his resignation, having served as senior executive for many years. On behalf of the Board of Directors, I would like to thank them both for their great

contribution to the Bank's success and wish them health and all the best in this new period of their lives.

Dear Shareholders,

Ladies and Gentlemen,

As I said earlier, our country and the Bank welcomed 2020 with significant optimism. Unfortunately, the coronavirus pandemic dealt a heavy blow to the plans of states and businesses alike. The greatest challenge in the first half of this year was, on one hand, to address the health crisis and, on the other, to help businesses survive the dramatic drop in economic activity. In the coronavirus crisis, Alpha Bank confirmed that foresight and flexibility are structural components of its organization. Immediately after the first lockdown measures were taken by the State, the Bank implemented its plan for safe and productive remote working, covering all specialities that do not require physical presence. At the same time, it accelerated its digital transformation, covering many of our Customers' everyday needs.

In this unprecedented health and financial crisis, banks are required to play a key role, by effectively distributing funds from state support programs, and by granting loans to the real economy in order to allow the Greek Economy to limit the negative consequences of the deep recession brought about by the coronavirus. Alpha Bank is leading the way in supporting entrepreneurship, both by direct investment financing and by actively participating in the utilization of funds provided by the State for the support of business in the pandemic. Since the onset of the crisis, Alpha Bank undertook initiatives and measures to support its Retail and Business Customers and will continue to support them as we move towards the restoration of normality.

Dear Shareholders,

Ladies and Gentlemen,

It is true that we live in a period of great uncertainty. The risks related to the pandemic, the geopolitical uncertainty in our area and the economic recession create conditions that require continuous readjustments and ongoing alertness. Despite these uncertainties, I consider it my duty to assure you that the efforts directed towards reform and the

cleaning-up of the loan portfolio will continue with the relevant adjustments so that our Bank may again play its leading role in the post-coronavirus era and reward you for your trust through these difficult years.

Finally, I would like to specifically refer to Alpha Bank's Personnel and the great eagerness, enthusiasm, devotion and diligence they have shown, especially during the pandemic. It has been said many times that crises also create opportunities. I am optimistic that our Bank will effectively address the difficulties caused by the coronavirus pandemic and that it will creatively utilize the opportunities created to play, once again, a leading role in the new era.