



Press Release

Athens, July 31, 2020

Ordinary General Meeting of Shareholders of Alpha Bank

Highlights from the Speeches
of the Chairman of Alpha Bank's Board of Directors, Vasileios T. Rapanos
and Alpha Bank's CEO, Vassilios E. Psaltis.

Vasileios T. Rapanos: "Alpha Bank is leading the way in supporting entrepreneurship"

Greek economy's resilience to the crisis

The fiscal measures implemented to support businesses and employees are likely to limit the negative economic impact of the expected recession and will enhance the recovery of domestic economic activity starting from the fourth quarter of 2020, estimated the Chairman of Alpha Bank's Board of Directors, Vasileios T. Rapanos, at his speech during today's Ordinary General Meeting of Shareholders.

Mr. Rapanos pointed out that Greece showed particular economic resilience, despite the unprecedented health crisis, with its GDP dropping by only 0.9%, versus a 3.2% drop in the Eurozone. This success, he said, was due to *"the state's strong performance in flattening the epidemic curve, the rapid digitalization of the economy in the private sector and public administration, as well as the state's decisiveness and fast response in providing financial support to employees and businesses"*.

Strong institutions and brave reforms needed for sustainable economic growth

In order for the Greek economy to achieve sustainable growth, the Chairman of the Board of Alpha Bank said that *"the management of demand is not enough; supply must be also enhanced by supporting the economy's productive capacity"*. In view of the anticipated significant flow of funds from the EU in the coming years, our country will have to use productively this key opportunity, he said. *"The management of these funds must overcome the problems relating to absorption, in order to significantly enhance investments and implement a reformation plan"*.

Nonetheless, as Mr. Rapanos pointed out, *"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"*. Hence, Mr. Rapanos stressed the need to further reinforce the national health system, with the adoption of modern governance rules in hospitals and other state bodies, to simplify the tax system so as to make it more competitive and attractive to investors as well as modernize the education system and connect it with the needs of production.



Vital role of banks for the recovery of Greek economy

Talking about the financial sector, he said that *“the role of Greek banks is vital for the recovery of economic activity”* and he described the bank system as *“the source of all investment opportunities”*. He added that *“the development of a dynamic and reasonable credit policy can help in the optimal use of European resources and also enhance their low absorption rates [...] 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 limit the negative consequences of the recession brought about by the new crisis in Greek economy”*.

2019, a significant year for Alpha Bank

Describing 2019 as *“a significant period for our Bank”*, the Chairman of the Board stressed that, in terms of Alpha Bank’s course, *“the initiatives the CEO Vassilios Psaltis enacted from the start of the year have breathed new life and the changes he made have launched a new course for the Bank”*.

He talked, among other things, about the Bank’s progress in cleaning up its portfolio, with the reduction of Non-Performing Loans and Exposures and he stressed that Project Galaxy, which is under way and a top priority in the Bank’s three-year Strategic Plan, will have a key role in this effort. Meanwhile, he expressed his satisfaction with the fact that *“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”*.

Regarding the Board of Directors, he said that *“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”*.

Finally, Mr. Rapanos warmly thanked the Group’s Personnel *“for the great eagerness, enthusiasm, devotion and diligence they have shown, especially during the pandemic”* and he assured Shareholders that despite the “great uncertainty” that defines the period we live in, *“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”*.

Vassilios E. Psaltis: “We dare to rejuvenate our Bank”

Alpha Bank strongly committed to the national effort to restart the economy

The Group’s CEO Vassilios E. Psaltis highlighted Alpha Bank’s strong commitment to the national effort to restart the economy, during his speech at the Ordinary General Meeting of Shareholders. He further assured Shareholders about the Management’s decisiveness concerning the rapid implementation of the Bank’s Transformation Plan, despite the unprecedented challenges caused by the health and economic crisis.

“With the confidence of a large institution”, Alpha Bank ensured that it remained operational from the outset of the pandemic crisis and continued to support its Customers and the Greek Economy, maintaining safe conditions for its Customers and Employees, said Mr. Psaltis. He added:

“Meanwhile, we are actively supporting the Greek Economy, considering the return to normal economic activity as a national priority. So far this year we have granted approximately Euro 3 billion of loans. We are proactively supporting our Business Customers to help them access funding programs sponsored by the Greek Government, the Greek Development Bank and the European Union. In fact, in the Entrepreneurship Fund II program, Alpha Bank managed to secure among Greek banks the largest volume of liquidity for its businesses Customers. Finally, we proceeded with a series of loan moratoria to support our Customers, amounting in the first half of 2020 to Euro 4.8 billion”.

No change in the implementation of Alpha Bank’s Strategic Plan

Mr. Psaltis described 2019 as “a year that saw a redefinition of our strategic direction”, during which, “as a new Management Team, we worked closely with our Board of Directors and our Employees to design and start implementing our vision for Alpha Bank’s future”.

Alpha Bank’s CEO confirmed the four key points of the Strategic Plan 2020-2022:

Firstly, the significant reduction of Non-Performing Exposures, utilizing the Bank’s high capital adequacy, as well as the restart of the NPE securitization Project Galaxy, amounting to Euro 10.6 billion, one of the largest NPE securitizations in the European market which has already attracted keen interest from important foreign investors. “We are currently holding advanced discussions with preferred bidders and hope to shortly receive binding offers to proceed towards the completion of this large transaction within the current year. This will allow us to achieve a front-loaded improvement in our asset quality ratios and take yet another significant step towards our set profitability targets”, said Mr. Psaltis.

He also reminded that, to this direction, last month the Bank closed the sale of Neptune, a portfolio of Non-Performing Loans to Greek small and medium-sized enterprises, amounting to Euro 1.1 billion, “introducing a new architecture into this type of transactions”.

Secondly, the commitment to the needs of the Bank’s Customers and to supporting investments in Greece. “While we are fully committed to the national effort to limit the consequences of the pandemic, at the same time we must also keep our eyes on the Future. At Alpha Bank, we consider it our mission to support healthy entrepreneurship and to prioritize the provision of high-quality banking services”.

Thirdly, the systematic implementation of the Bank’s transformation plan, focusing on the 20 major actions that have already been planned and which will come into effect under the supervision of a specialized Transformation Office, while the digital agenda remains among the top priorities, with a number of interventions to improve the overall Customer experience.

Fourthly, the ever-improving level of Corporate Governance. “The increased number of Independent Non-Executive Members in the Board of Directors, the reshuffling of responsibilities and areas of activity among the members of the Management Team, in accordance with the guidelines of the Regulatory Authorities, as well as the adjustment to the new Corporate Governance Code of the articles of association and the internal policies, promote transparency, accountability and efficiency”, stressed Mr. Psaltis. He added that “creating a framework for talent management and an Employee rewards system, through a structured target-setting and a performance assessment process”, also falls under this category.



Strong financial performance and major achievements for Alpha Bank in 2019

“The ability that we have to support the real economy at this stage stems from our strong financial performance and our achievements in the previous year”, said Alpha Bank’s CEO and added that in 2019 the Bank’s strong capital base was further strengthened, the reduction of Non-Performing Exposures continued, liquidity improved, while the upward trend of profitability continued as well and the containment of costs was consistently a priority.

“In 2019, Alpha Bank remained committed to its redesigned customer-centered growth model, with a strong focus on supporting sustainable growth, innovation and entrepreneurship, and continued to extend credit to the sectors of the economy where loan demand is strong”, said Mr. Psaltis. He added that, as a result, in 2019 new loan disbursements in Greece reached Euro 3.5 billion compared to Euro 3 billion in 2018 and were mainly allocated to the sectors of transportation, manufacturing, trade and tourism. He further estimated that in 2020 new loan disbursements in Greece will amount to more than Euro 5 billion.

The new role of banks and the need for a virtuous circle of investment

“The banking system is required to play a key role in increasing the absorption rate compared to the past by assuming project co-financing and strengthening a new ecosystem that should mobilize funds for investments”, said Mr. Psaltis, stressing that banks *“will be involved not only as a mechanism for the optimal distribution of society’s resources, but also in assisting and advising in the management and absorption of available European funds. Over the next decade, Euro 70 billion will be allocated to Greece, as Euro 32 billion were added to the funds of National Strategic Reference Framework and Common Agricultural Policy, following the recent agreement between European leaders for the new EU Recovery Plan”.*

The CEO said that *“these resources must be used for a new growth model to achieve a complete restart of the economy, putting emphasis on the focus areas of the European Union, namely green economy, smart economy and fair and sustainable growth”.*

“Everyone’s focus should be on delivering a “virtuous circle” of investment in new technologies, new jobs and transfer of know-how to the country. At Alpha Bank we aspire to act as a pole for repatriating Greeks working abroad – and, indeed, we have already managed to attract quite a few”.

Daring and bold course for Alpha Bank’s rejuvenation

The crisis *“was revealing for the evolutionary dynamics and the ability to change that Alpha Bank has in its DNA”,* said Mr. Psaltis, as *“the Bank’s Board of Directors, the Management Team and our Personnel, we all worked hard with dedication, professionalism and a high sense of duty but also with flexibility and ground-breaking ideas, to serve our Customers and support the Economy”.* Standing on this legacy, Alpha Bank is now preparing to embark on an even bolder course, said Mr. Psaltis, ending his speech. *“As we had promised, our Bank’s Transformation Plan is now being implemented at a rapid pace. We dare to rejuvenate our Bank by modernizing not only processes within the Group but also our very perception of our role in the countries in which we operate. We evolve and build on the values that have established our strong presence over the decades to shape a new Bank that, together with our Customers, will have a leading role in the effort to create a better and more sustainable future of opportunity for everyone”.*

The complete speeches are available [at Alpha Bank’s website](#).