



Press Release

Vassilios Psaltis: “Greece’s economic prosperity is linked to the growth of tourism”

- Alpha Bank is the leader in the financing of tourism, with a portfolio totaling Euro 2.5 billion and over Euro 800 million of disbursements in 2022
- The tourism sector has high growth margins
- Alpha Bank’s strategic partnership with UniCredit is crucial for the extroversion of the banking system

Speaking at the conference “Greece Talks: The role of Tourism in the Future of Greece”, the CEO of Alpha Bank Group, Vassilios Psaltis, sent the message that **“it is imperative to adopt a new sustainable tourism model that respects the natural environment, the social and cultural authenticity of local communities, centered on the provision of high-quality services.”** Mr. Psaltis stressed that Alpha Bank has emerged as the leader in financing both tourism businesses, with its total portfolio standing at Euro 2.5 billion and disbursements exceeding Euro 800 million in 2022, as well as infrastructure projects that offer multiple benefits to local communities.

Our goal is to upgrade the tourism product

Recognizing the prospects opening up for the tourism industry and their multiplier benefits for the Greek economy, Alpha Bank has placed the financing of tourism businesses at the top of its priorities, focusing on upgrading the tourism product, by supporting high added value investments, said Mr. Psaltis. In this context, **86% of the Bank’s financings to hotels concern 4 and 5-star units. At the same time, leveraging its extroversion,** Alpha Bank served as a channel that successfully attracted a total of Euro 1.1 billion of investments from foreign institutional investors such as AGC, Goldman Sachs Asset Management, Blackstone, GIC, Hines, and HIG. Moreover, the Bank plays a key role in the **implementation of infrastructure projects**, with Mr. Psaltis reminding his audience that Alpha Bank was Fraport’s principal lender for infrastructure modernization and development projects carried out at 14 regional airports. He stressed that the Bank addresses companies of all sizes, **“providing to both small and large companies valuable advisory services through the ecosystem of partners it has created.”**

The ESG criteria are an important requirement for financing

A key pillar of the Bank’s strategy in the selection of the investment plans it will finance, in addition to the financial viability of the business plan itself, is **the integration of the ESG criteria met by the business**, the CEO of Alpha Bank Group pointed out. To this direction, the Bank extends its screening of businesses to issues related, among others, to the **optimal use of environmental resources and the quality of working conditions in each business.** **“The availability of suitable accommodation for the staff of a hotel unit can have a positive effect on its evaluation by the Bank,”** he said.

Mr. Psaltis also stressed that the Bank, which already implements policies for capturing environmental and social risk, places particular emphasis on the former, given that –as the successive natural disasters of the last few years have shown– **investments supporting the adaptation to climate change become a necessity.** However, he added that **“as there is always a part of the budget that is not covered by the businesses themselves or by the State aid, we have**



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consistently met this need, supporting our Customers and the local communities, as we recently did in Rhodes, where we actively contributed to the restoration of infrastructure and businesses."

Tourism proved its mettle, becoming the lifeboat of the economy during the economic crisis

Mr. Psaltis mentioned the crucial importance of tourism for the Greek economy, noting that ***"in the last 15 years, total direct travel receipts reached Euro 200 billion, with each Euro 1 of tourist income increasing GDP by Euro 2.65"*** while, he added, the sector contributes significantly **also to employment**. Mr. Psaltis highlighted the resilience shown by tourism during the many years of economic crisis, saying that the sector ***"proved its mettle, becoming the lifeboat of the economy."***

The continuing growth of tourism, which has established for itself a strong brand name with positive prospects, **should not lull us into complacency**, stressed Mr. Psaltis, because, as he said, ***"there is room for the sector's further growth which should be exploited, through the temporal and spatial expansion of tourist activity and the increase of the average expenditure and stay per visitor."*** **Particularly supportive in this direction are the recovery of the investment grade**, which attracted investments from abroad and, secondly, the funds of the Recovery and Resilience Facility (RRF), with the **investment plans currently in the Bank's platform totaling nearly Euro 1 billion**," he added.

Yet apart from the significant prospects looking forward, **the Greek tourism industry has to also address a number of external and internal challenges**, stressed Mr. Psaltis. In terms of **external risks**, the war in the Middle East and the low growth that the European economy is facing could act as deterrents to the sector's further growth. Of particular significance **are the challenges on the domestic front**, with the Group's CEO focusing **on the labor shortage that the sector faces, the delays in the issuance of building permits for new units and the need for changing the business model**. Adopting a new business model, stressed Mr. Psaltis, requires the **acceleration of the digital and green transition and the adaptation of businesses to the effects of climate change and overtourism**, as well as to the changes in preferences mandated by the population ageing.

Alpha Bank's strategic partnership with UniCredit enhances the extroversion of the Greek banking system

The strategic partnership of Alpha Bank with UniCredit was of crucial importance, said Mr. Psaltis, drawing particular attention to **three points**: ***"The first one is to borrow expertise and offer new products to our Customers. The second one is to give our Customers access to the 13 markets UniCredit is active in. And the third one concerns extroversion."*** Regarding extroversion in particular, the Group's CEO stressed that this **plays a key role for the Bank and the banking system in general**, as ***"after 15 years during which the Greek banking system was 'inward-looking', it is now 'outward-looking' and is in fact looking to evolve in terms of business growth, helping its Customers to also conduct their business more swiftly abroad."***