



Alpha Bank Strategy Update 2020 – 2022

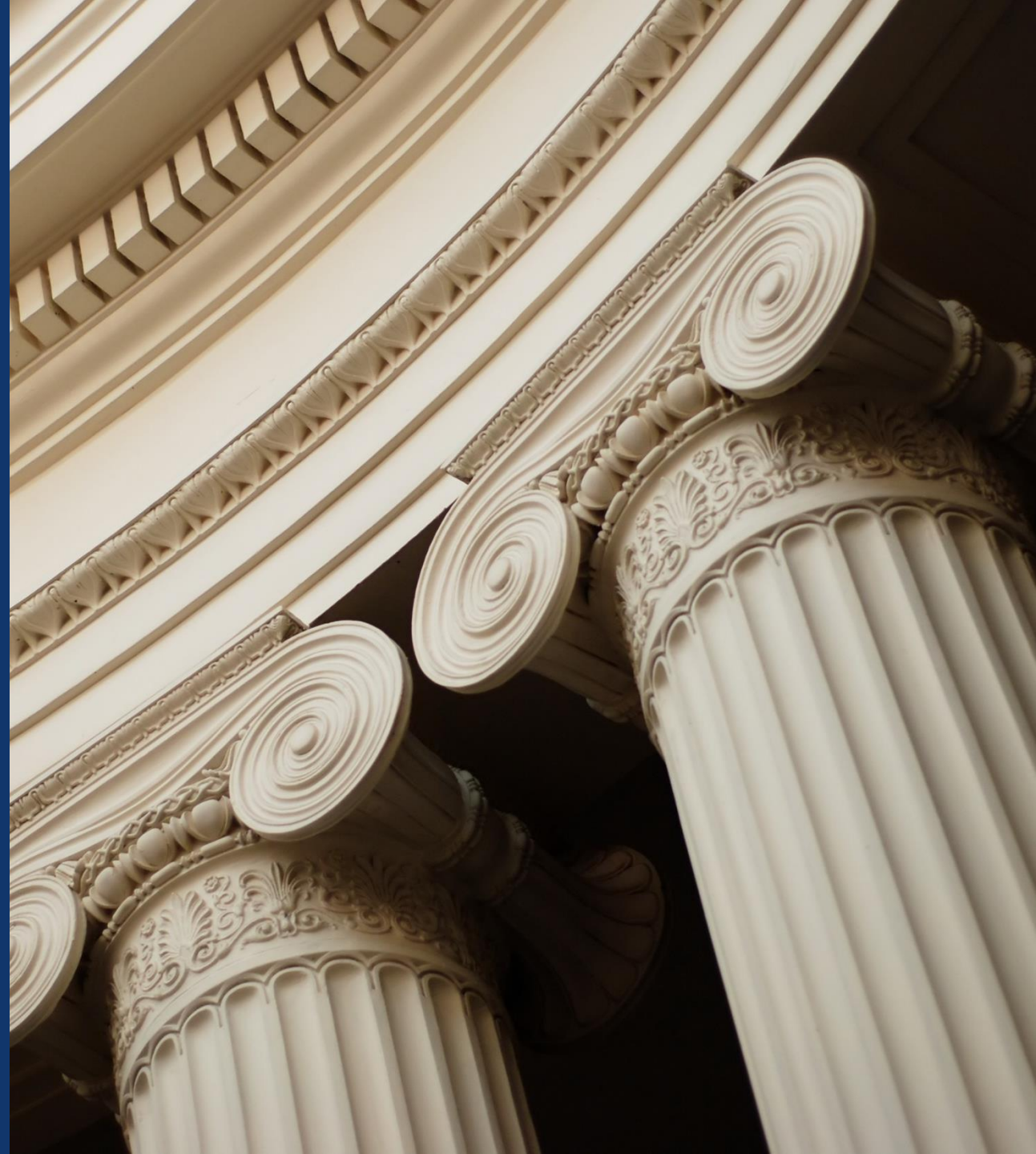
Investor presentation

November 2019



Our vision for the future

Vassilios E. Psaltis, CEO



The Greek economy has entered a sustainable growth trajectory

	From	To
Real GDP restored to stable and positive growth rate Real GDP average annual growth, %	0.7% 2015-2018	~2.0% 2020-2022
Declining unemployment Unemployment rate, %	25% 2015	14.5% 2022
Disposable income on the rise Disposable income, average annual growth %	0.4% 2015-2018	2.5-3.0% 2020-2022
Real estate market restarting House Price Index, average annual growth %	-1.7% 2015-2018	3.5-4.0% 2020-2022

New policy mix and reforms aim to push for faster economic growth

Key areas of reform

Already completed

22% average reduction in the real estate tax (ENFIA)

Corporate income tax rate from **28%** to **24%**

Dividend tax rate reduced by half to **5%**

Elimination of **capital controls**

A new growth (investment incentives) **law**

To be completed soon

40% discount on building upgrades

Asset Protection Scheme for NPLs (Hercules)

Flagship **investments** and **privatizations**

3-year **VAT suspension** on new building permits

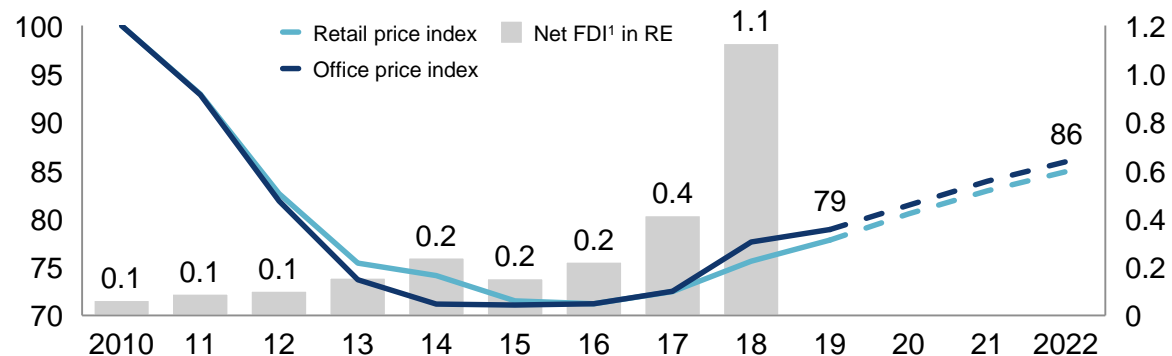
Market momentum

Commercial Real Estate prices

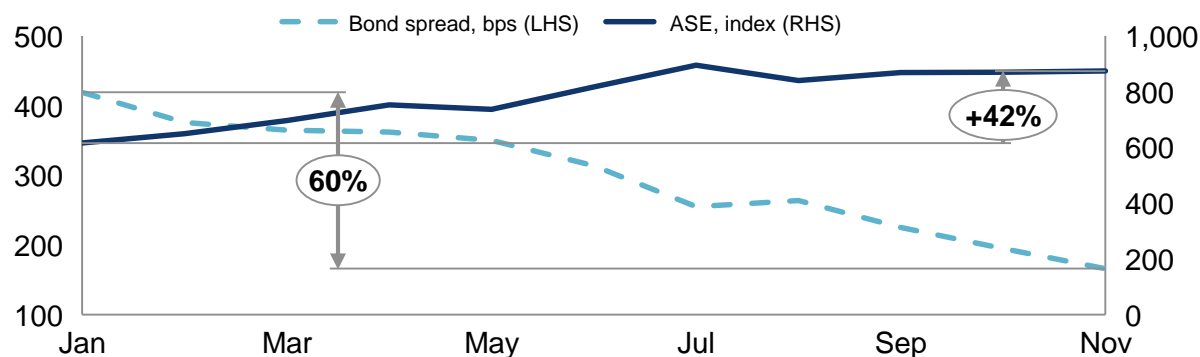
Index 2010 = 100

Net FDI¹ in Real Estate

EUR bn



Greek 10year bond spread and ASE index



¹ Foreign Direct Investments

At the same time, we are operating in a challenging market context



Negative interest rate environment over the medium term



Pressure on spreads, especially for large corporates that can access capital markets directly



Rising expectations for better customer experience that is seamless across all channels



Commoditization of banking services, with digital attackers competing for part of the profit pools of banks



Increased regulatory and compliance pressure

Alpha Bank will build upon a set of strong assets to return to sustainable profitability



¹ Based on CET1 2019 Q2 disclosed figures

² Based on customer survey among Alpha Bank customers, March 2019. "Reliability" ranks as the top attribute that customers relate to the Alpha Bank brand

³ EUR 3.5bn of successfully executed NPE portfolio transactions to date

Our vision for Alpha Bank for 2022



Customers

Be the preferred Bank in Greece for our target segments, offering best-in-class customer experience



Shareholders

Achieve market-leading efficiency and profitability, through a combination of targeted growth and cost efficiency



Employees

Strengthen our organizational effectiveness by developing a strong meritocratic culture and appropriate governance structures

Where we want to be in 2022

		From Q3 2019	To 2022
Decisive de-risking of the balance sheet and CoR de-escalation	NPE ratio ¹	44%	<10%
	Cost of Risk ²	~200bps	<70bps
Continuously improving efficiency	Cost/ Income	55%	<48%
	Cost/ Assets	~170bps	<145bps
Creating shareholder value and meeting regulatory expectations	Return on Equity ^{2,3}	<1%	~9%
	CAD	18%	~17%

¹ Bank perimeter in Greece; basis for ratio includes senior notes

² 9M 2019 annualized

³ Equity calculated on 15% CET1 ratio

We have identified tangible value creation levers, which we will use to deliver value to our shareholders

1

Project Galaxy



~Up to **EUR 12bn** NPE securitization, ~**EUR 7bn** servicing outsourcing, and NPE platform **carve-out** to independent entity



Group CoR from **200bps¹** in **9M 2019** down to **<70bps** by **2022**



NPE ratio² from ~**44%** in **Q3 2019** to **<10%** by **2022**

- Transaction to take place in **1H 2020**
- Detailed action plan in place
- Experienced team, with proven track record, leading the project

RoE impact



5.0 – 5.5%

2

Operating model



~**EUR 120mn** (>10%) reduction in total Group cost from 2019E to 2022 through branch network and central function optimization, NPE cost reduction and G&A discipline



~**18%** targeted reduction in branch footprint

- Successfully completed 2019 VSS providing a **significant head start** in reducing expenses



~1.5%

3

Customer-centric growth



Increase **penetration** from **1.3** to ~**2.5** products per customer



Increase **NPS³** by **15-20p.p.**



EUR 14bn of new disbursements



Net F&C income increase of ~EUR 110mn in Group, focusing on investments and bancassurance

- **Recovering market**
- Strong momentum from 2019
- Specific opportunities identified through detailed customer segmentation



2.0 – 2.5%

4

Organizational effectiveness



Strengthened corporate governance and focus on performance culture

~9%
2022 ROE

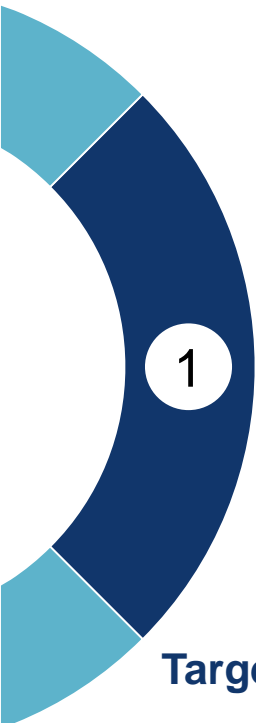
¹ Annualized

² Bank operations in Greece; basis for ratio includes senior notes

³ Net Promoter Score

We will decisively reduce NPEs through a large scale transaction within a comfortable capital envelope

Project Galaxy



i

Front-loaded, substantial NPE reduction through a large securitization transaction

- Securitization of up to **EUR 12 bn** Retail and Wholesale NPEs using the **Hercules Asset Protection Scheme (HAPS)**
- Immediate de-risking of the balance sheet and **strong positive effect on Cost of Risk** post de-consolidation
- Transaction execution well within a **controlled capital envelope**
- Execution **within the first half of 2020**

ii

Carve-out of NPE platform and outsourcing of servicing to independent entity in order to support Galaxy and business model efficiency

- **Cepal Hellas** as carve-out vehicle ²
- **Appropriate execution capacity and expertise** deployed on the NPE book resolution
- **Management team** with proven track record
- Compliance with **SRT³ requirements**
- Enhanced flexibility in **NPE cost management**, due to the outsourced servicing of the NPE platform

iii

Hive-down of core banking assets and liabilities to a new Banking entity

- Creation of Holdco and **spin off** of banking business into a new entity in line with market precedents



Targets

	NPL ¹ ratio	NPE ¹ ratio	CAD ratio	CoR
Post transaction	~10%	~20%	~16%	<100bps Pro forma for Galaxy
2022	<5%	<10%	~17%	<70bps

¹ Bank perimeter in Greece; basis for ratio includes senior notes

² Cepal Hellas to become 100% owned by Alpha Bank control prior to the sale to a 3rd party investor

³ Significant Risk Transfer

Our operating model will be transformed to radically improve productivity and efficiency

Operating model

a NPE management

- NPE operations carved-out
- Achieve cost reduction in line with NPE deleveraging

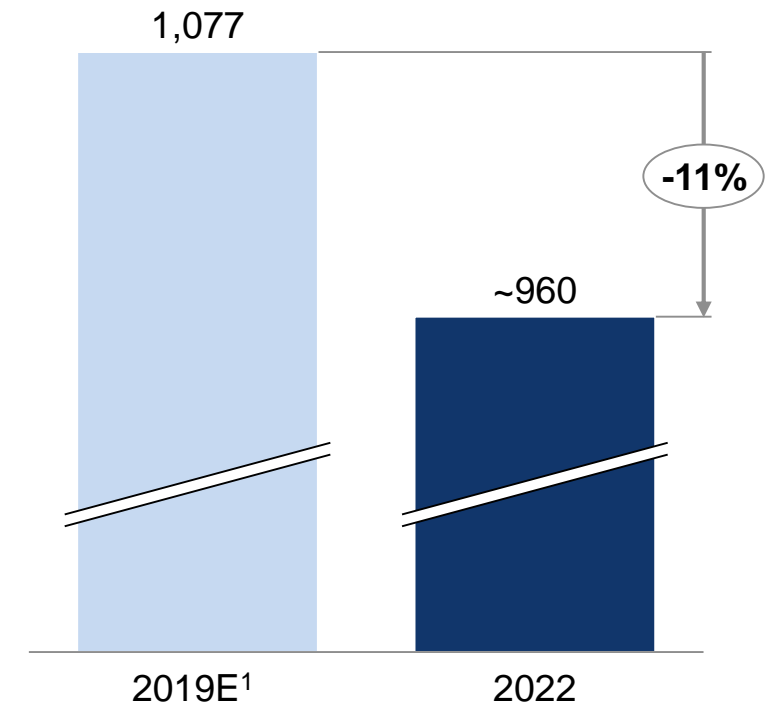
b Operating model efficiency

- New cost governance framework
- Zero-based end-to-end process re-engineering/ Automation
- Internal demand management
- Outsourcing
- Further reduction of our property and facility management expenses
- Reduction of outsourcing costs

c Branch network

- Complete the successful transaction migration program
- Shift simple sales and servicing activities to alternative channels
- Remove administrative tasks from branches
- Further rationalize footprint

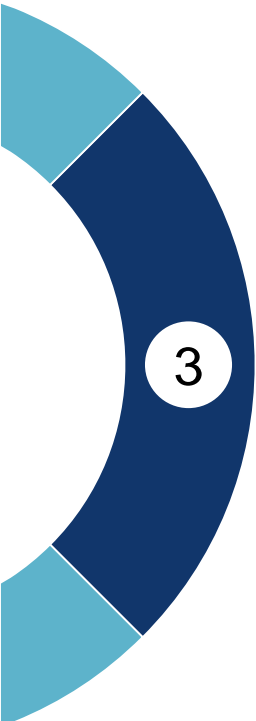
Recurring Group Opex EUR mn



¹ Annualized 9M 2019 Group OpEx

We will put our customers at the center of what we do

Customer-centric growth



What our customers need...

- a** Fast and reliable service
- b** Seamless omnichannel experience with digital product and service offering
- c** Proactive, customized value proposition to individual needs
- d** Deep expertise and high-quality relationship management for complex needs

... what we will do to cover their needs

Make **customer satisfaction** a strategic priority

Redesign our back-office operations to increase efficiency and reduce **response times**

Digitally transform key **customer journeys**

Remove non-value-added activities, increasing **client-facing time**

Instill cross-functional, agile collaboration models to enable **fast delivery** and quick response to client needs

Key targets



Highest NPS¹ among Greek banks



Reduce onboarding time by **~85%**



Significantly reduce time-to-yes and time-to-money through STP² and machine-assisted digital underwriting



Migrate majority of products and servicing to **digital channels**

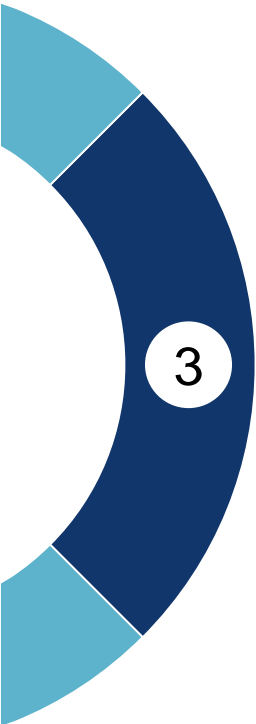
¹ Net Promoter Score

² Straight Through Processing

Business Banking: A revamped product and service offering through an efficient service model and rigorous capital profitability management

Greek Operations

Customer-centric growth

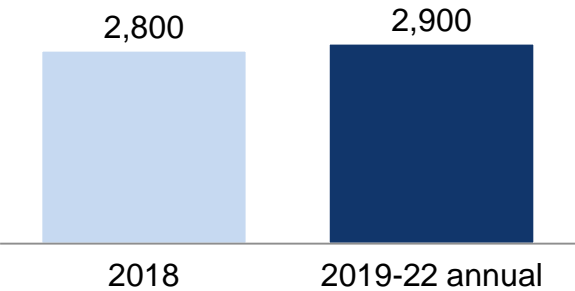


Key areas of focus for businesses

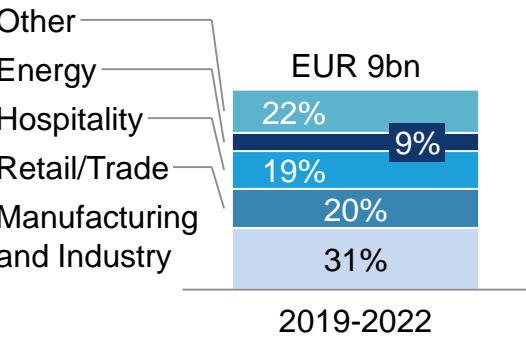
- a** Provide an enhanced **digital offering**:
- Enhance **digital product** portfolio (e.g., transaction banking)
 - Reinforce **web banking platform**
 - Digitize/ automate **credit process**
- b** Streamline our **service model**, simplifying our frontline and back-office processes, improving customer experience and increasing client-facing RM¹ time
- c** Deliver rigorous management of **portfolio profitability**:
- Increase **share of wallet** in underpenetrated high-potential corporate groups in line with Risk Appetite
 - Increase **synergies** with Investment Banking and Capital Markets for high-value customers
 - Manage **fee leakage**

Key figures

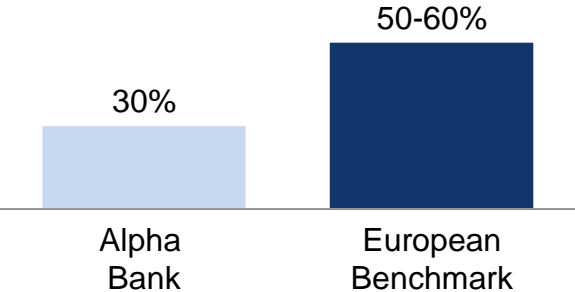
Gross new disbursements
EUR mn



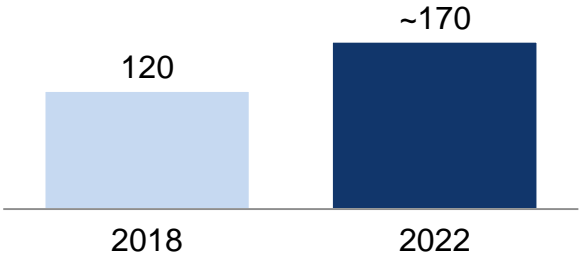
Corporate, SME and Structured Finance disbursements
% of disbursements by sector



RM time spent in client-related activities



Fee and commission revenue
EUR mn

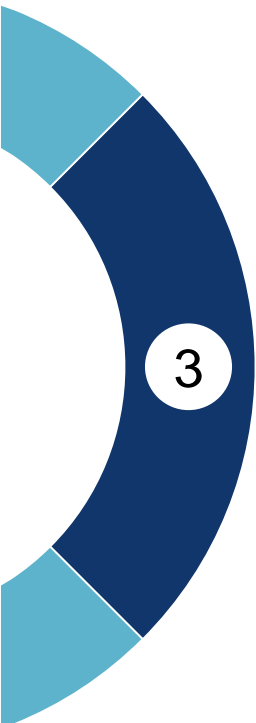


¹ Relationship Manager

Individuals Banking: a cost efficient, digitally-enabled value proposition; focus on high potential under-penetrated segments

Greek Operations

Customer-
centric growth



Key areas of focus for individuals

Serve all customers through a low-cost, **digital** (mobile)-first, **lean core offering**, which caters to the needs of most customers and delivers scalability:

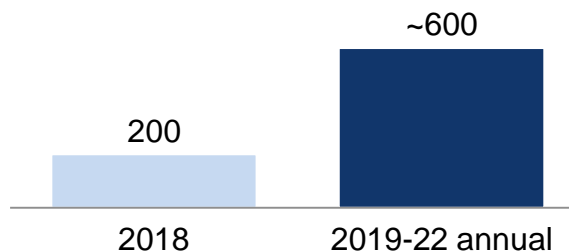
- a** ▪ Launch **digital** sales **customer journeys** for mortgages, consumer loans, and credit cards
- Digitize/ automate **credit process**

Focus on high-value customers (Private, Affluent, and credit-worthy/ high-value Mass) combining our strong brand with **tailored value propositions** added on top of the lean core offering:

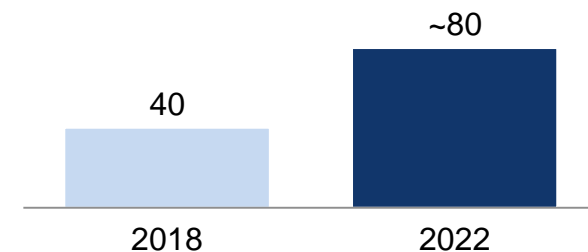
- b** ▪ Use **Advanced Analytics** through a Center of Excellence to identify underpenetrated credit-worthy customer segments
- **Revise retail product offering** based on customer needs

Key figures

Gross new disbursements
EUR mn

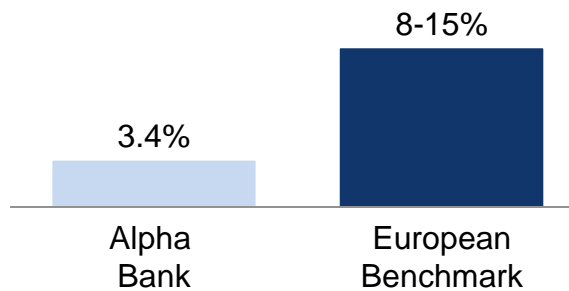


Bancassurance & asset management
revenue, EUR mn

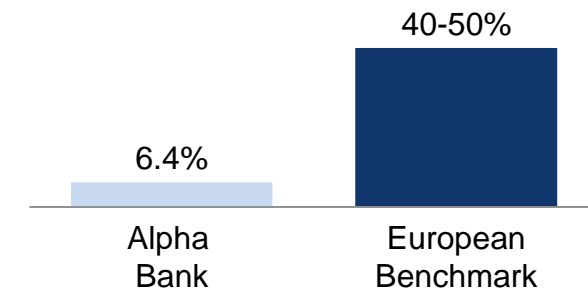


Opportunity to increase product penetration

Penetration of mortgages in mass
customers



Investments/ AuM for Affluent



International presence to benefit from disciplined capital allocation across jurisdictions, with Romania the key contributor of growth

Targets for 2022

9%

Overall target RoE for international subsidiaries



Romania

Advance to Tier 1 bank status¹

- Take advantage of high growth environment driven by convergence to EU levels of financial intermediation
- Increase retail client base by enhancing our product and service offering and digital transformation
- Increase SME revenue through a new sales approach and fee income focus
- Strengthen Wholesale topline through an enhanced product and service offering
- Leverage strong capital position to explore consolidation options

>10%

~19%

Albania

- Retain a self-funded and profitable position
- Focus on maximizing value contribution to the Group and review strategic direction
- Spur growth in both Wholesale and Retail segments

~8%

~17%

Cyprus

- Restart the good bank through new loan production and enhance profitability through operational efficiency
- Leverage strategic partnerships to clean NPE book
- Focus on maximizing deployed capital productivity

~10%

~19%

Luxembourg & UK

- Support the wealth management business of the group
- Optimize operating model

~9%

~18%

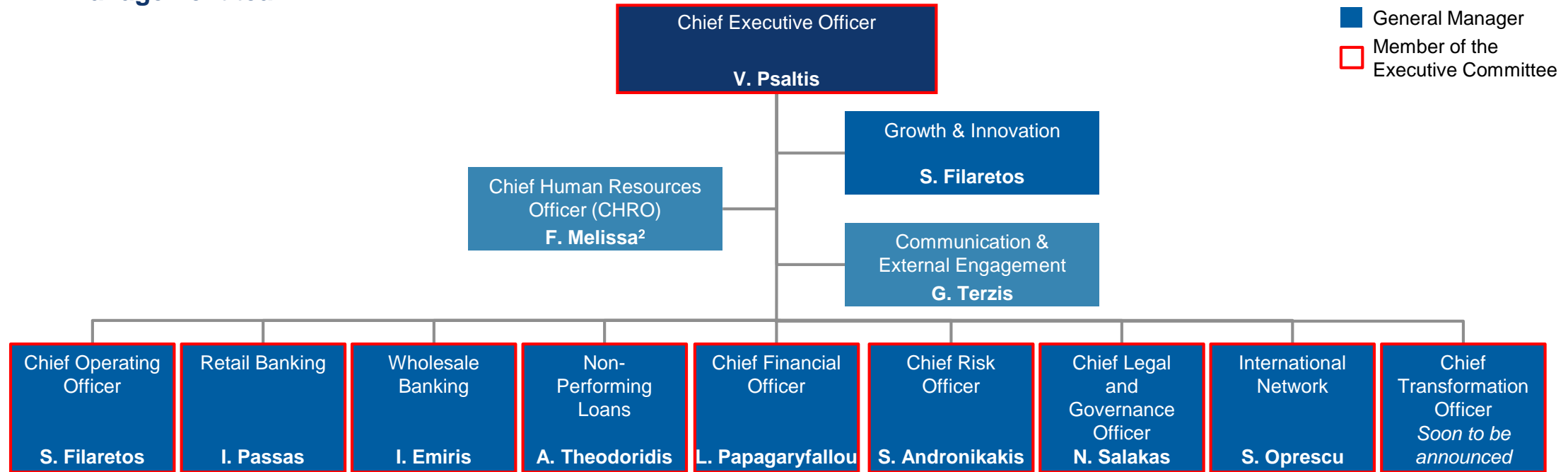
Target RoE
Target CAD

¹ Tier 1 banks in Romania defined as top 7 banks with >5% assets market share

We have appointed a new management team and strengthened our corporate governance

Organizational effectiveness

Management team¹



New management team

a

- New CEO
- New members in the top management team with proven experience
- New organizational structure in line with our new strategy

Governance

b

- Clear delegation of authority from the BoD to the CEO and from the CEO to the management team
- Redefined structure and role of governance committees to enable faster decision-making

¹ The following divisions, also reporting to the CEO, not depicted: CEO office, Internal Audit, Economic Research

² F. Melissa will assume her role in early 2020. Until then P. Konidari will continue serving the Bank as Executive General Manager of Human Resources. Thereafter, she will be appointed Senior Advisor to the CEO

We have implemented changes that will empower our people and promote a performance-based culture

Organizational
effectiveness



a Strengthened performance management



New performance scorecards for management team, connected to a variable remuneration scheme

Clear accountability and ownership of targets, continuous monitoring, and consequence management

Financial performance measurement in a Value-Based-Management basis

b Enhanced employee value proposition



Special focus on attracting and managing talent (~150 new hires per year)

Revamped value proposition around compensation, benefits, career opportunities and work environment

New ways of working that promote empowerment, bottom-up innovation, transparency, and trust

Structured communication plan that relays our mission and values to our employees

We are setting up a dedicated Transformation Office to deliver our Strategy Plan

Transformation Office

A **Chief Transformation Officer** (CTO), member of the Executive Committee will soon be appointed to oversee the delivery of the transformation program.

A **Transformation Office of 10-15** senior dedicated members with technical expertise will support the CTO.

Key pillars of the transformation program

a

Detailed transformation plan

~30 workstreams with detailed initiatives, targets and milestones, led by the respective business owners

b

Performance governance

- Dedicated performance monitoring infrastructure
- Weekly meetings at top-management level

c

Change management plan

- Compelling change story shared based on a multi-channel communication plan
- Leadership development program for top management
- Targeted initiatives aiming at cultural shifts and new way of working
- Reinforcement of a performance culture, promoting meritocracy and accountability, linking performance to incentives

Strategy Update: Financial performance

Lazaros A. Papagaryfallou, CFO

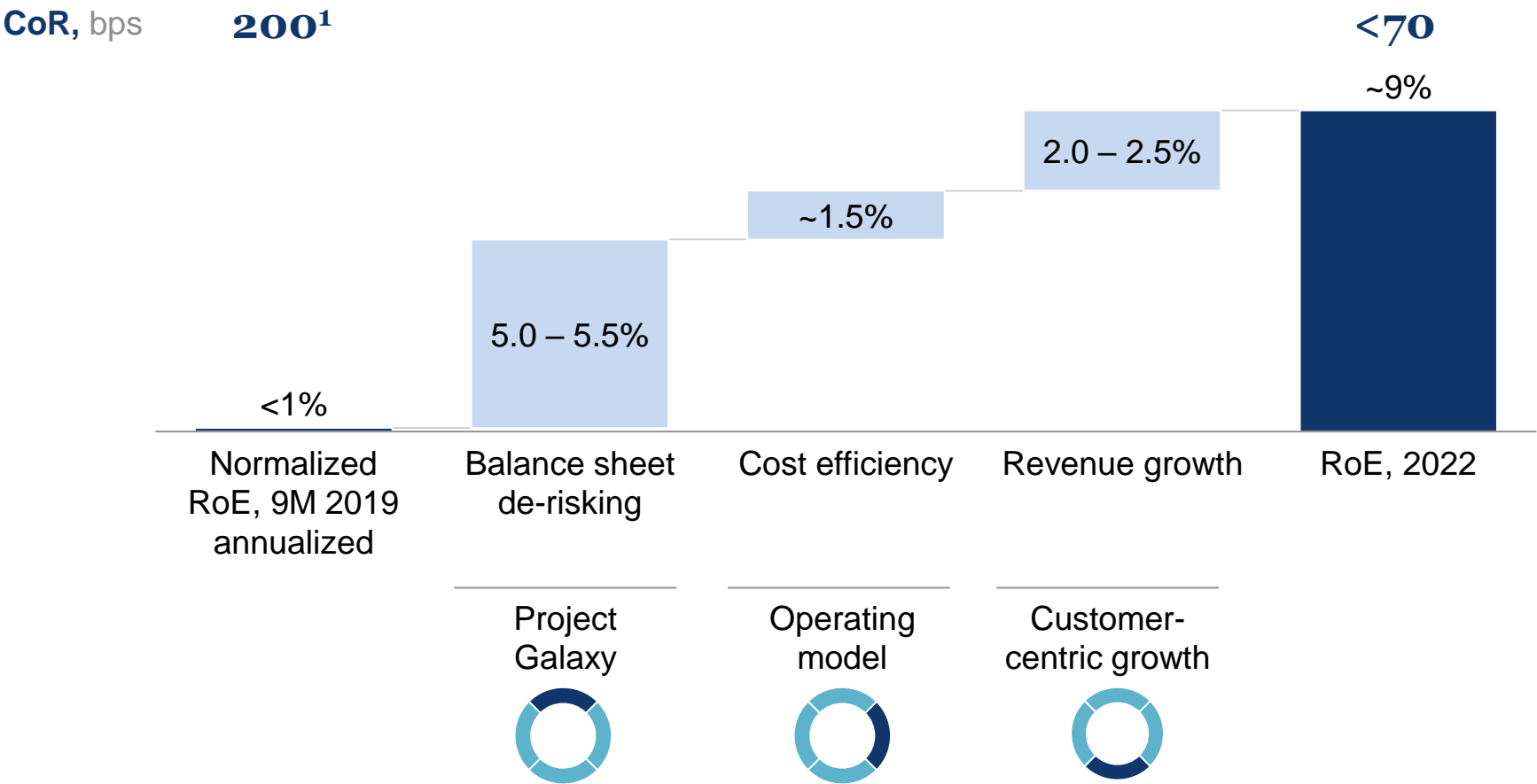


The three pillars of performance re-rating

Key components of the strategy

- **Up-front de-risking** of our **balance sheet**, the principle factor affecting our profitability in the last few years, and potential future driver of profitability and/or capital pressure
- Increased **focus on** the residual “**core**” **NPE** portfolio through a strategic outsourcing servicing SLA
- Optimization of our **cost base**
- Increase in **new** business **volumes and asset management/ bancassurance** income by focusing on key segments

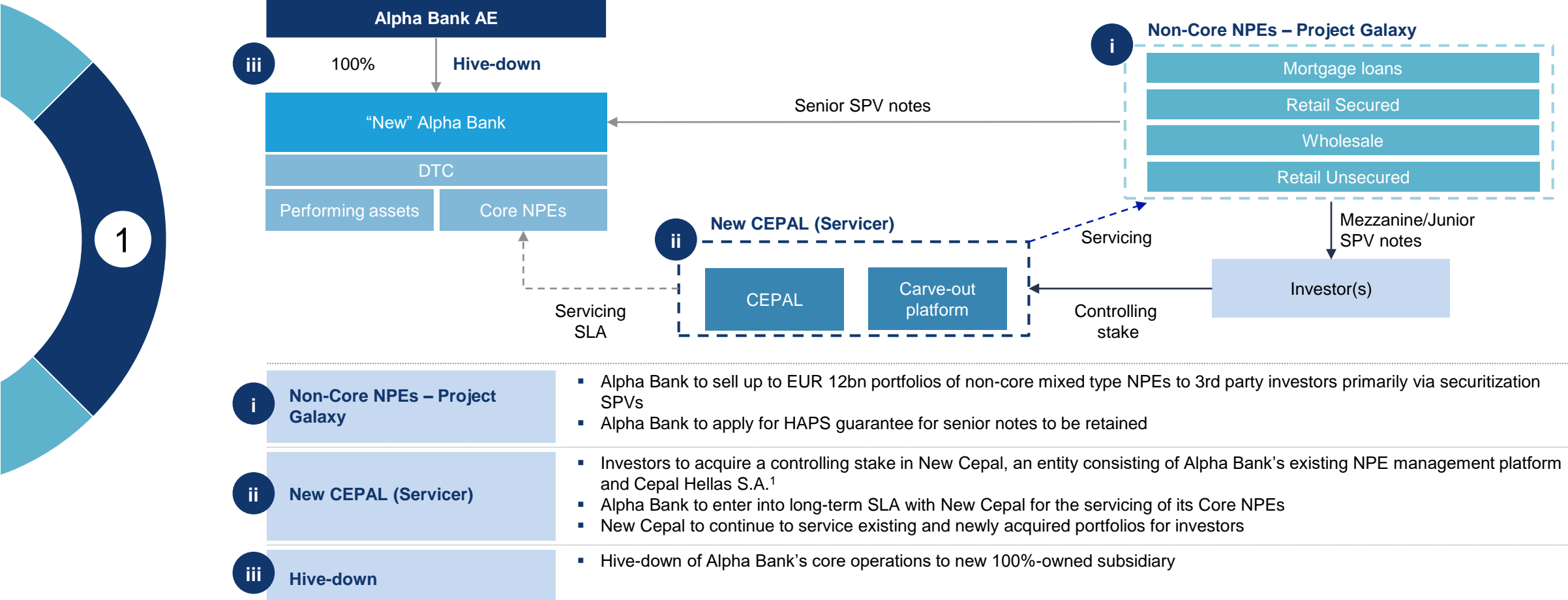
Key areas of improvement



¹ 9M 2019; annualized

Overview of our NPE acceleration plan (project Galaxy)

Project Galaxy

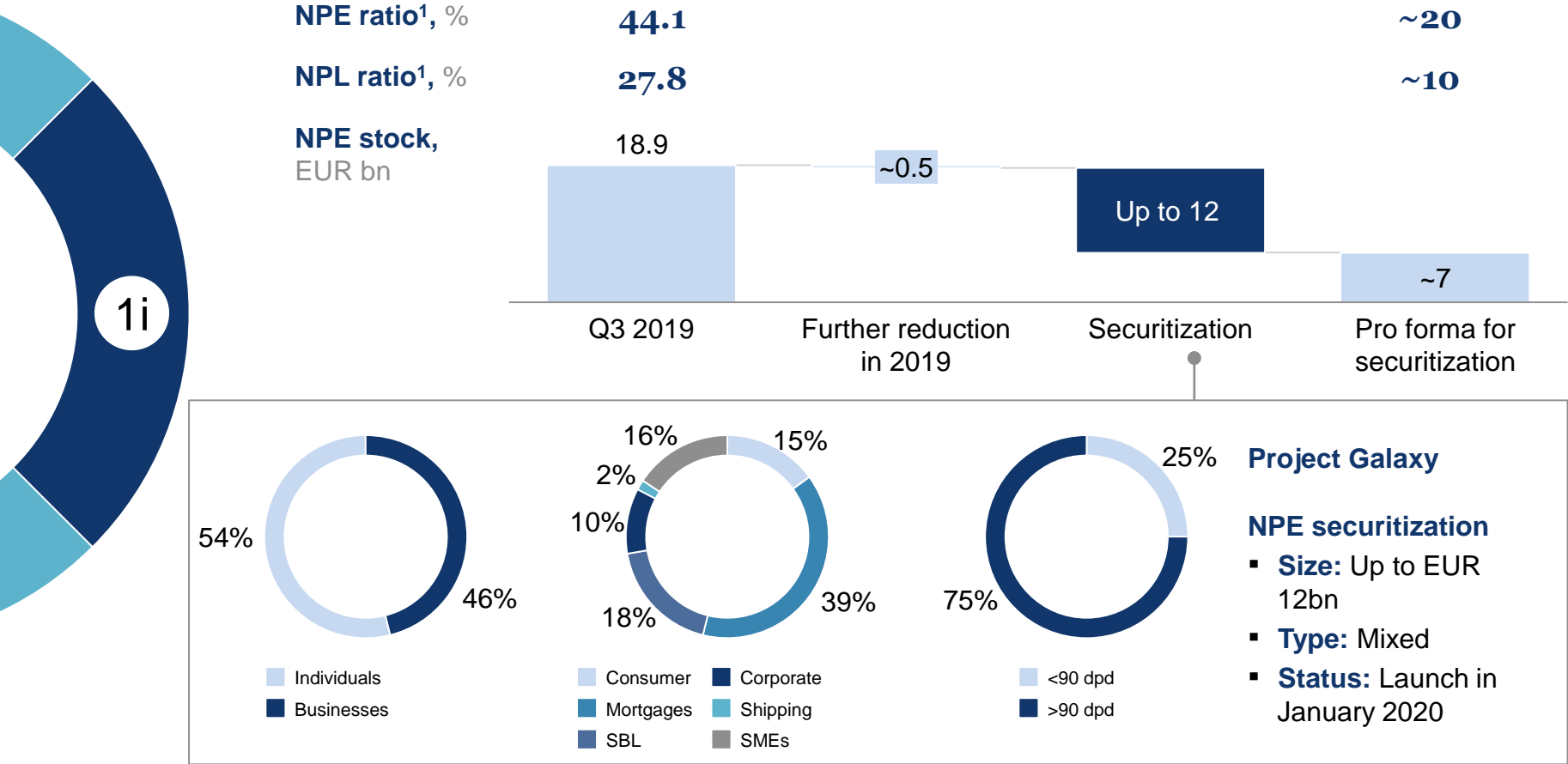


¹ Cepal Hellas to become 100% owned by Alpha Bank control prior to the sale to a 3rd party investor

Decisive action on Non-Core NPEs to reach SSM targets well ahead of plan

Bank perimeter in Greece

Project Galaxy



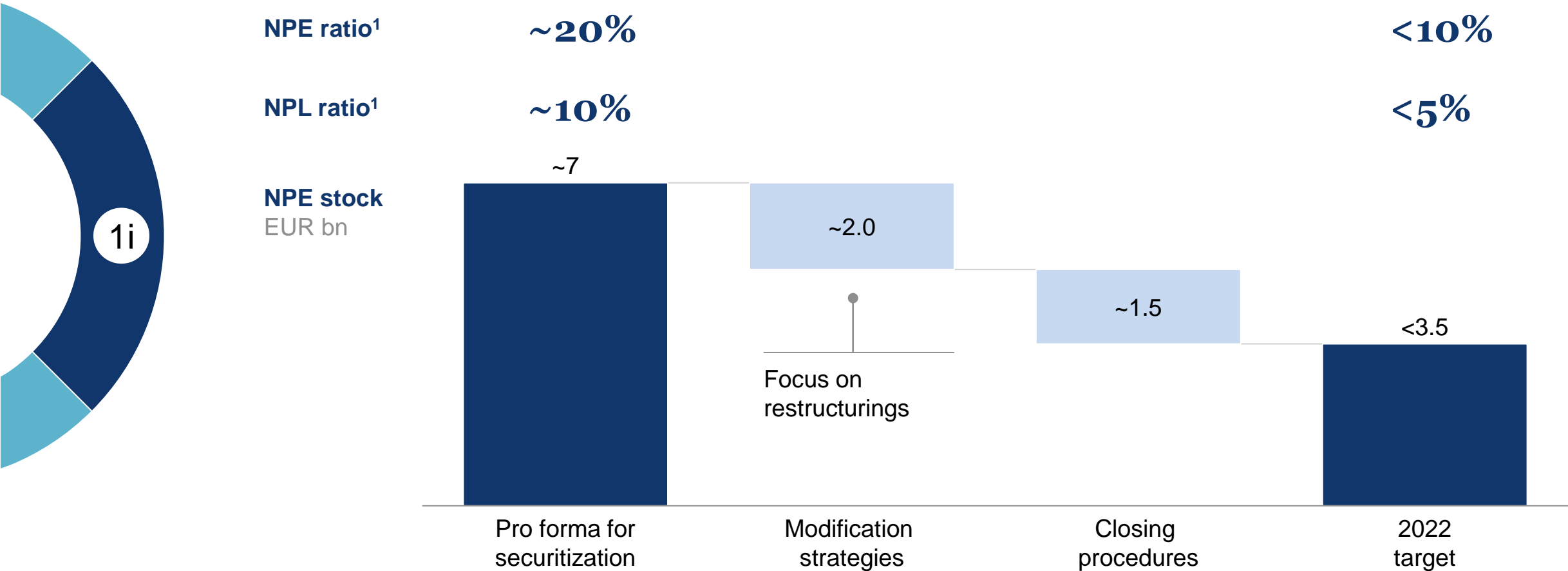
Alpha Bank intends to apply to the recently approved Hercules Asset Protection Scheme (HAPS) for up to EUR 3.7bn of guarantees on senior notes

¹ Basis for ratio includes senior notes

Transaction opens clear path towards an NPE ratio <10% by 2022 with lower cost of risk over the period

Bank perimeter in Greece

Project
Galaxy

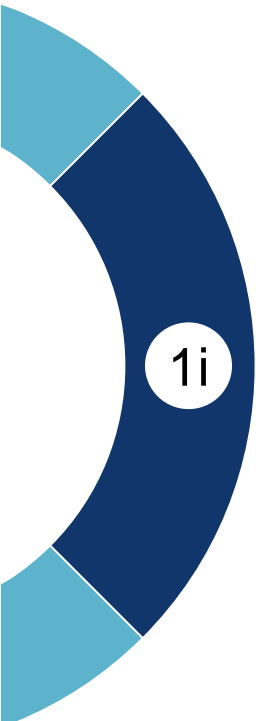


¹ Basis for ratio includes senior notes

Improved quality of retained NPE portfolio will be a key component of the value creation strategy

Bank perimeter in Greece

Project Galaxy Transformation plan materially addressing high risk areas...



Evolution of total portfolio,
% pro forma change for transaction, based on
H1 2019

Exposures >90 days due ↓ -73%

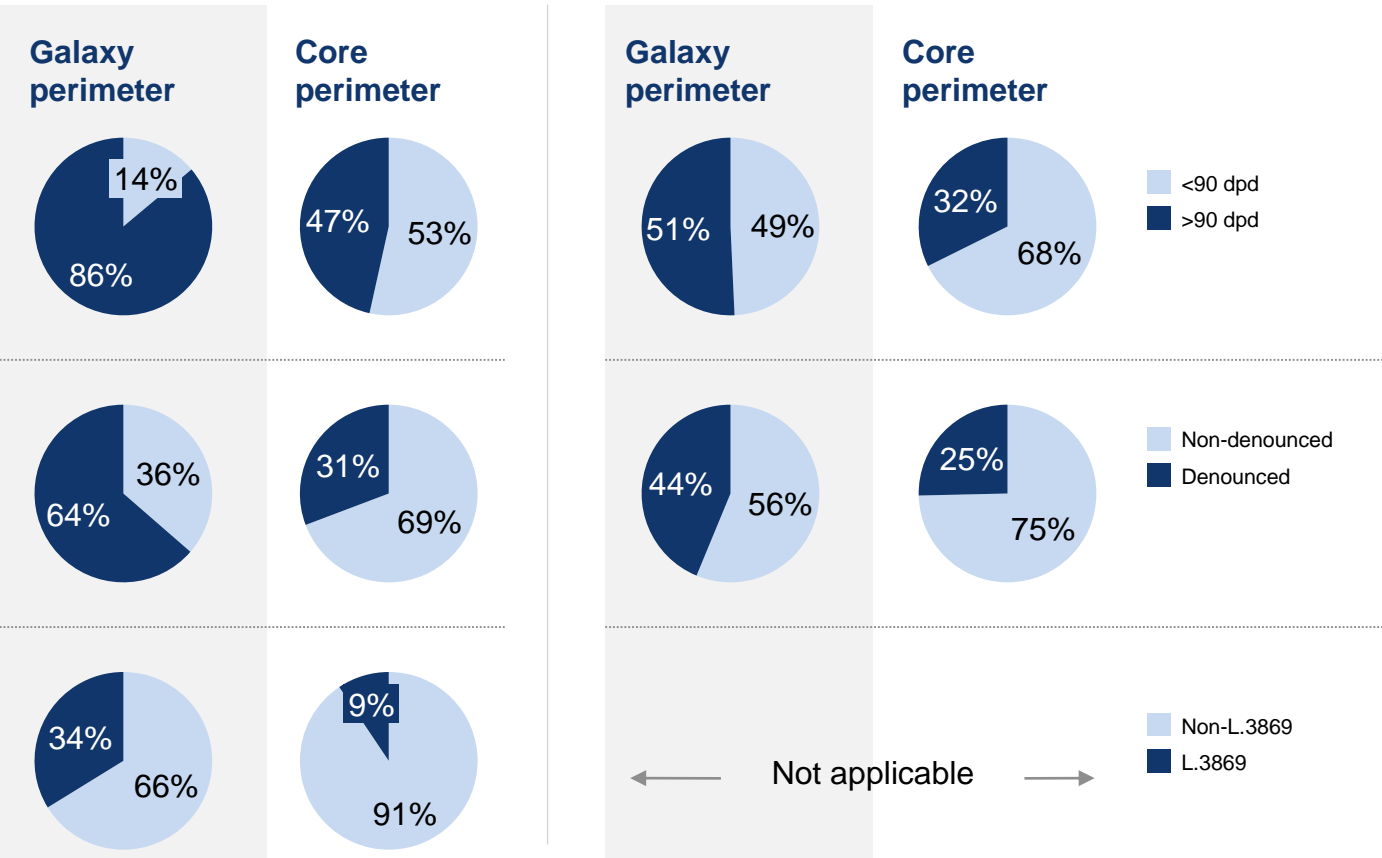
Denounced exposures ↓ -75%

Retail exposures under L.3869 ↓ -84%

...resulting in a significantly better portfolio quality

Retail NPEs

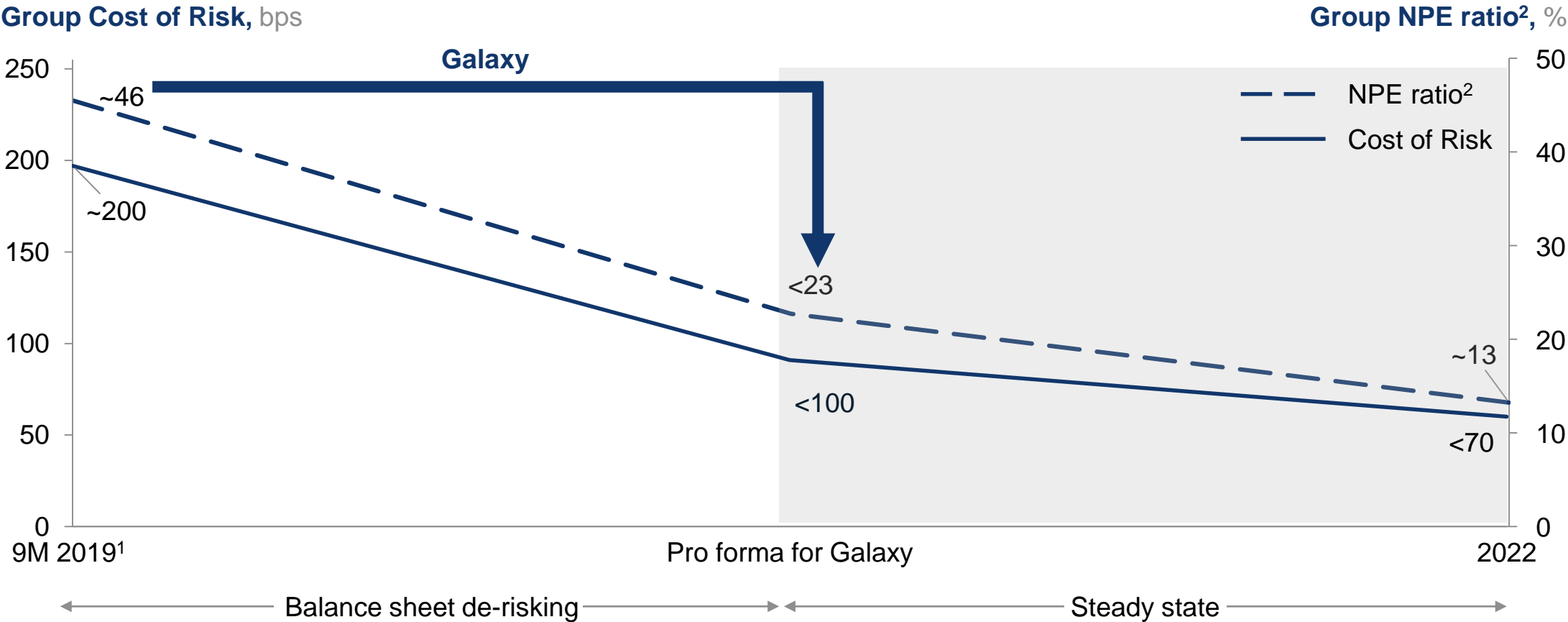
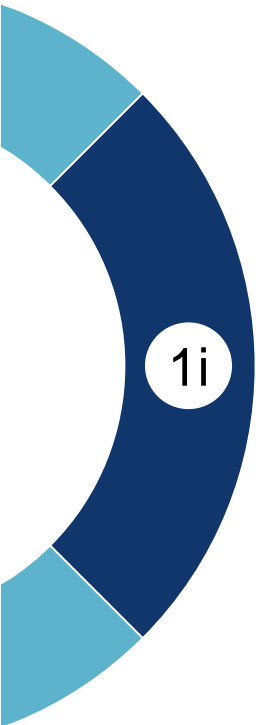
Wholesale NPEs



Cost of Risk is expected to be significantly reduced post transaction

Project
Galaxy

Main driver of Cost of Risk is the management of troubled assets, we therefore expect Cost of Risk normalization in line with NPE ratio reduction



1 Annualized Cost of Risk
2 Basis for calculation includes senior notes

Creating a market-leading servicer by combining the capabilities of Alpha Bank's and CEPAL's servicing platforms

Project Galaxy



CEPAL

First licensed servicer by the Bank of Greece (2016)

Scaled multi-customer platform with >10 NPL portfolio migrations from 3 systemic Banks

Extensive local experience in servicing both Secured (55%) and Unsecured (45%) NPL portfolios

Diversified client base and **fully customized solutions** per portfolio, oriented around recovery maximization

Advanced IT infrastructure including featuring an internally developed data warehouse with detailed reporting & decision making tools



Alpha Bank

Established platform with wide resource base covering all asset classes

Specialized capacity for Retail and Wholesale banking portfolio, tailored around performance strategies

Nationwide footprint through NPL Hubs, branches and a wide network of external vendors

Robust data analytics framework and portfolio segmentation tools, allowing a fully customer-centric approach

Fully autonomous platform including operational support functions (credit operations, legal support etc.)

Servicing Platform

A Leading servicer in the market with:

- **End-to-end servicing capability**, meeting HAPS requirements
- **Top caliber management team** with significant experience in NPE management
- **Unique proposition in Greece** and proven track record in joint servicing of Banking and investor owned NPL portfolios
- **Scalable capacity** to manage additional business

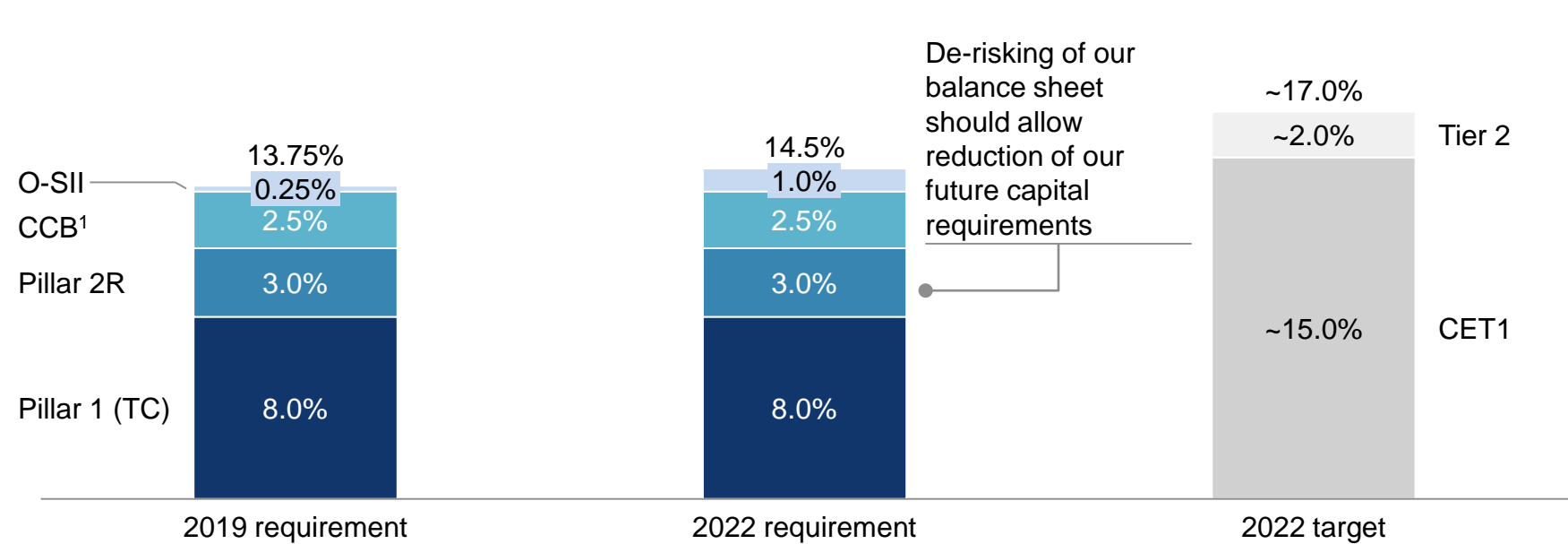
A well diversified portfolio of up to **EUR 27bn** and a clear set of objectives

Portfolio	AuM	Mandate
Galaxy	c.12bn	Deliver securitization business plan
3rd party	c.8bn	Deliver investor value and develop business
Core	c.7bn	Achieve SSM targets with focus on re-performance
REO	c.0.5bn	Monetize RE assets through holistic asset management

Maintaining strong capital ratios and ample buffers above requirements remains core to our strategy

Phase-in of capital requirements vs. capital targets

Capital as % of RWAs



Key capital management targets

~15%

CET1 ratio

~17%

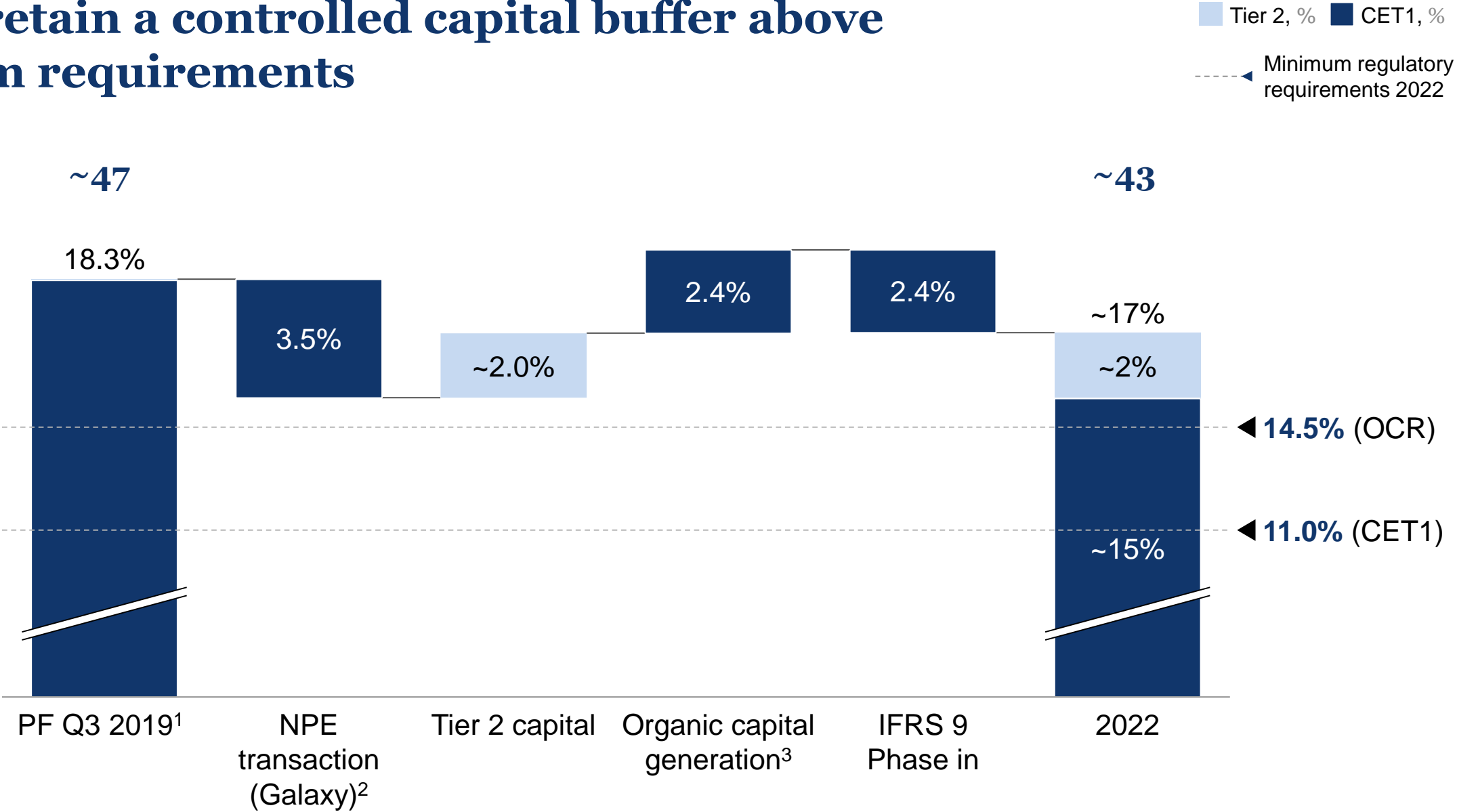
CAD target

- We plan to maintain our CET1 ratio above regulatory minimum levels throughout the period
- As part of our focus on capital structure optimization, we will consider filling our Tier 2 bucket of 2% over time, subject to market conditions
- Alpha Bank is subject to an Other Systemically Important Institution (O-SII) buffer of 1%, phasing-in by 0.25% each year from 1 January 2019 to 1.0% on 1 January 2022

¹ Capital Conservation Buffer

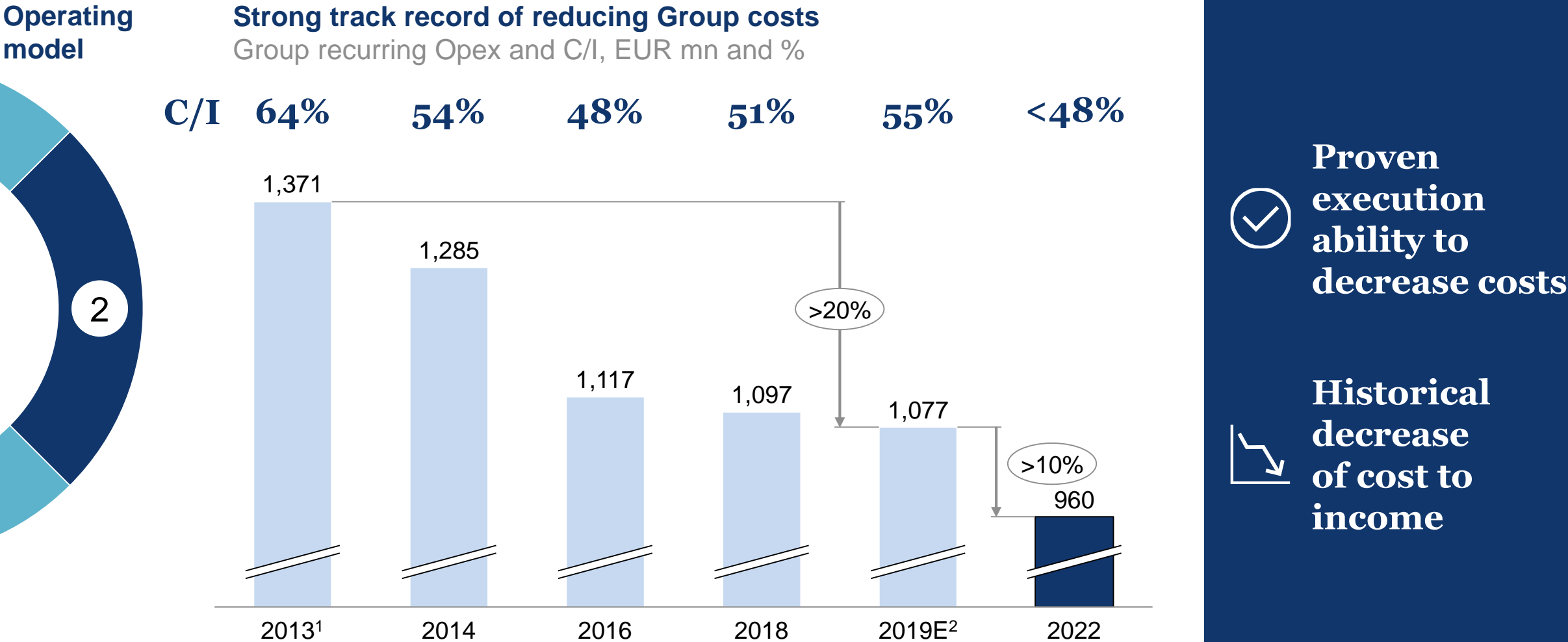
We will retain a controlled capital buffer above minimum requirements

RWAs
EUR bn



1 Pro-forma for deconsolidation of Neptune
2 Includes loss from sale of mezzanine and junior notes, gain from sale of servicing platform, RWA relief
3 Including dividend payments (~10% payout ratio) from 2021 onwards, subject to SSM approval

Aiming at bringing Group Opex down building on proven executional ability

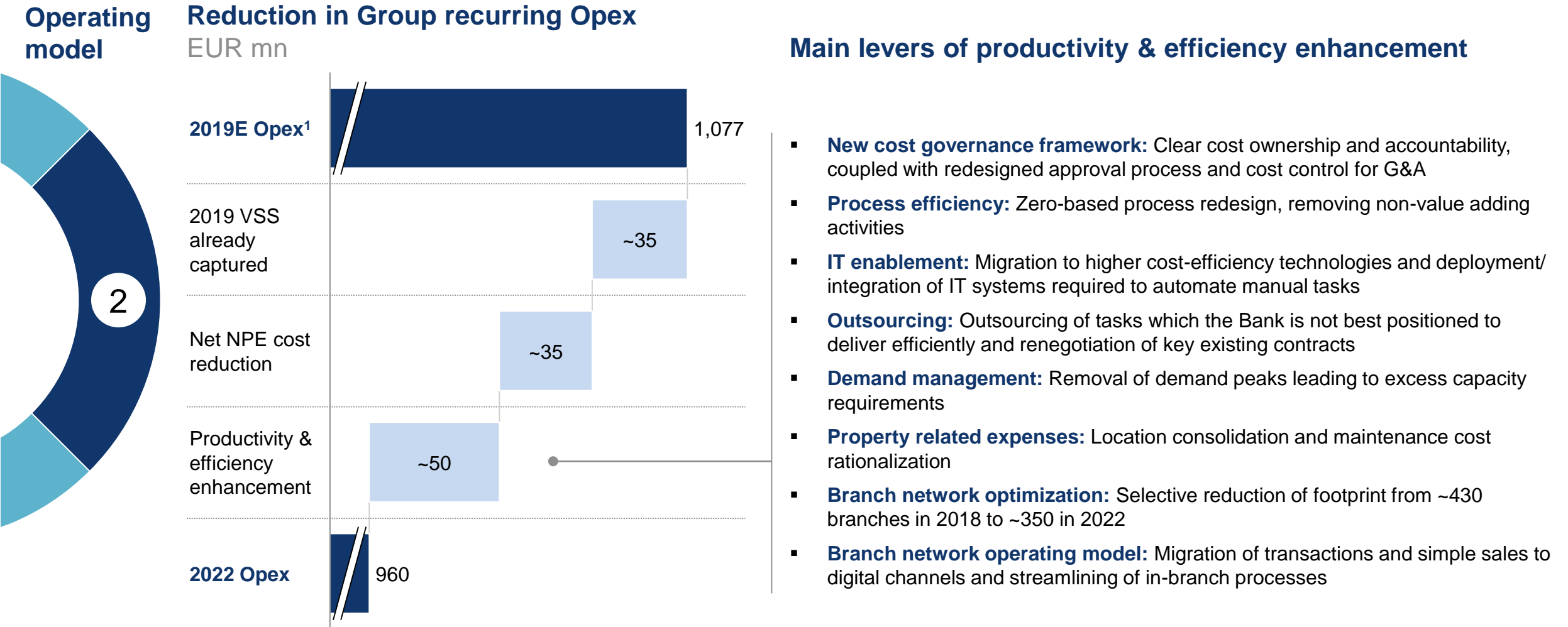


✓ Proven execution ability to decrease costs

↘ Historical decrease of cost to income

1 2012 and earlier not comparable due to Emporiki acquisition
2 Annualized 9M 2019 Group OpEx

Group Opex reduction to ~EUR 960mn will be attained through a combination of NPE savings and key efficiency levers

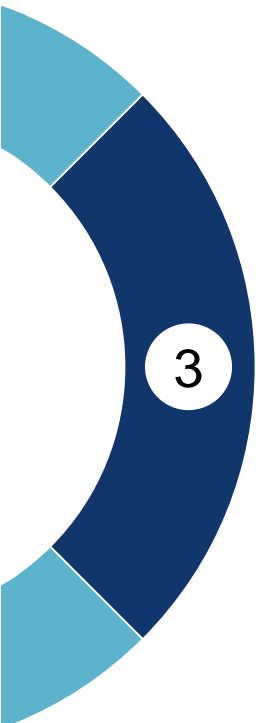


¹ Annualized 9M 2019 Group OpEx

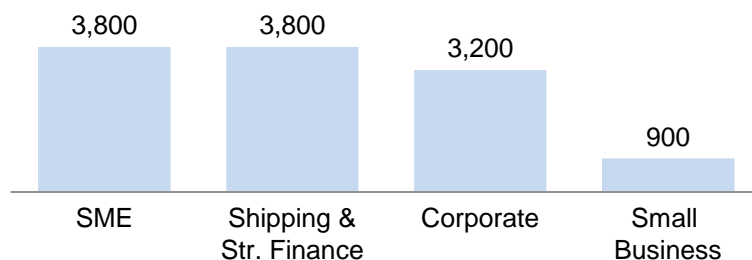
Businesses: key metrics and levers

Greek Operations, EUR mn

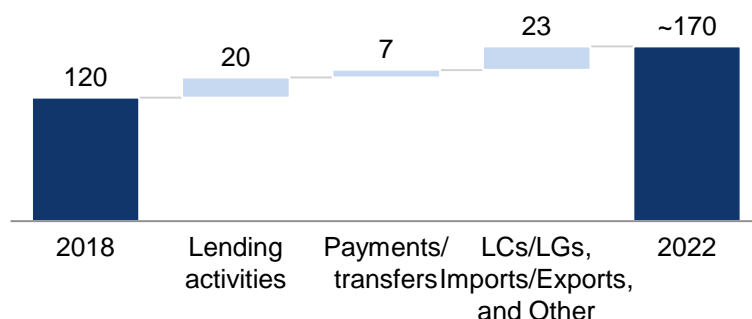
Customer-centric growth



Gross disbursements 2019-22



Fee and commission revenue



Expected spread evolution, Δ of spread¹ vs Q3 2019



SME and Corporate:

- Focus credit growth on sectors driving economic growth (60-70% of new disbursements in energy, hospitality and industry/ manufacturing)
- Increasing RM-time spent in client-related activities from 30% to 60% (European benchmark) through digitized processes

Shipping and Structured Finance:

- 20+ years of market-leading expertise
- Increased activity in newbuilding expected to drive shipping credit growth
- Strong pipeline of large scale projects in energy, infrastructure, and real estate sectors

Small Business: Grow our market share by:

- Leveraging our premium service model of Gold SB RMs
- Targeting specific under-penetrated portfolio subsegments
- Decreasing time-to-money and improve end-to-end customer experience through a new, digitally-enabled credit process

F&C from lending activities: Grow in line with loan volumes and reinforce pricing discipline to manage fee leakage

Payments/ transfers: Upgrade our transaction banking product offering in payments and digital platforms

Other F&C: Enhance cross-selling of other trade finance products (LG/LC, Import/Exports and other)

Price pressure:

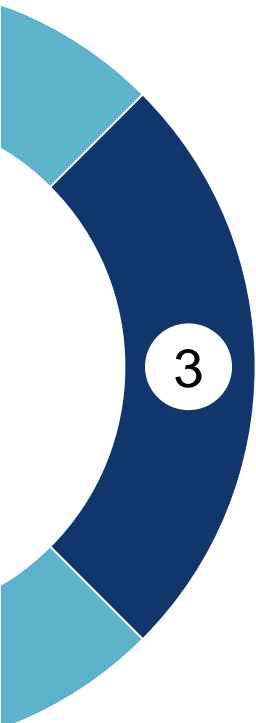
Positive effects of volumes will be coupled with expected pressure on margins, mainly driven by the Corporate and large SME portfolio

¹ Spread versus Euribor

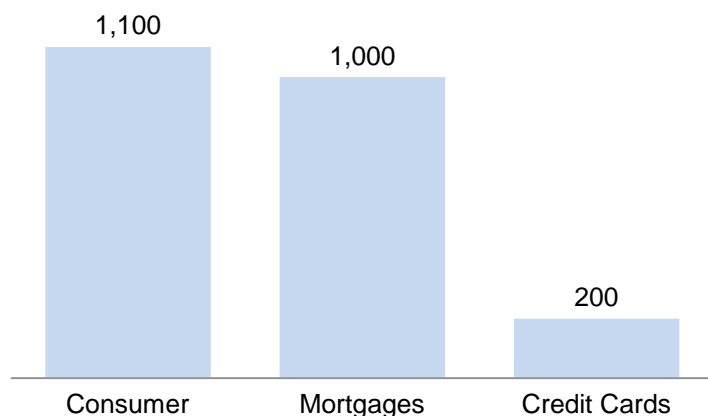
Individuals: key metrics and levers

Greek Operations, EUR mn

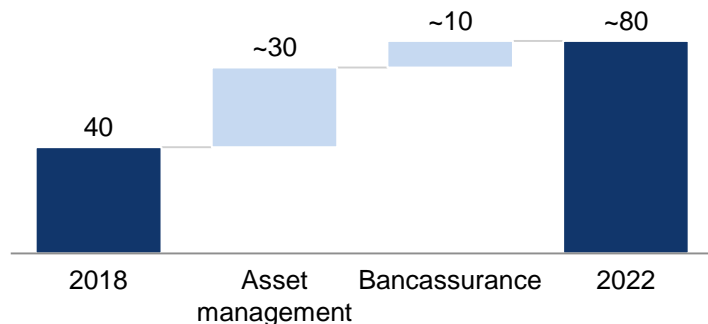
Customer-centric growth



Gross disbursements 2019-22



Bancassurance & asset management revenue



Consumer lending: Increase our market share in new originations:

- Underpenetrated customer base (~8% vs. European benchmarks of 9-14%)
- Development of fully digital products enabled by digital credit engine
- Expansion to new market segments (e.g., used cars)

Mortgage lending: Maintain our market share and capturing the market growth:

- Underpenetrated customer base (~3.5% vs. European benchmarks of 4.5-7%)
- New streamlined, digitally-enabled credit process
- Increased REO financing, at the back of growing economy and growing foreign investments in Real Estate
- Greek home-owners increasing their investments in real estate, driven by the rising RE price index

Credit cards: Maintain our market leadership:

- Market-leading loyalty program (bonus)
- Capitalizing on our superior product offering

Asset management product revenue

- Increase penetration of investments over AuM (currently at 7%) to converge to European benchmarks
- Capitalize on increased customer appetite for shift of assets to investment products amid a negative interest rate environment
- Build on our award-winning Private and Affluent banking to capture the expected AuM inflow in the banking system

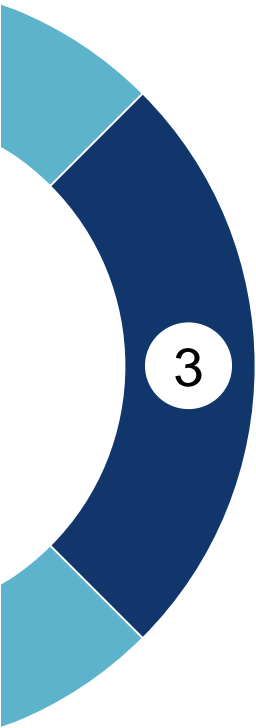
Bancassurance

- Maintain bancassurance fee income growth momentum (+17% for 2017-18), by further increasing penetration across our customer base
- Further enrich our product suite

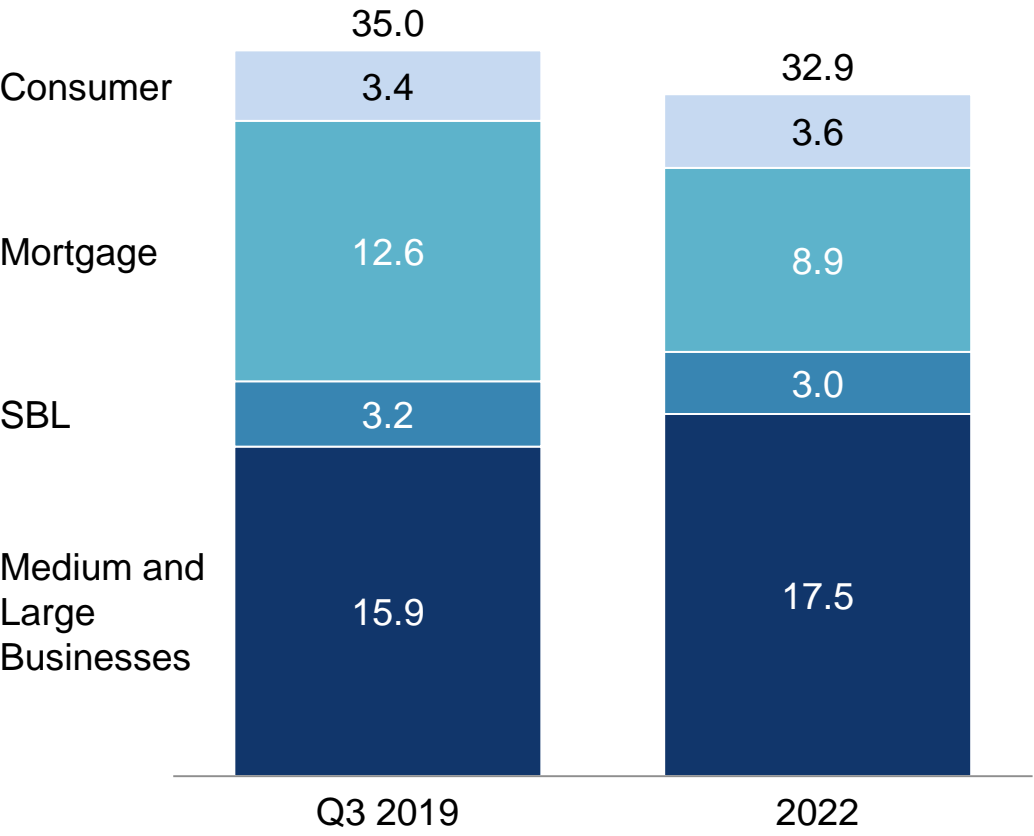
Net Loan evolution and lending spreads per segment

Bank perimeter in Greece

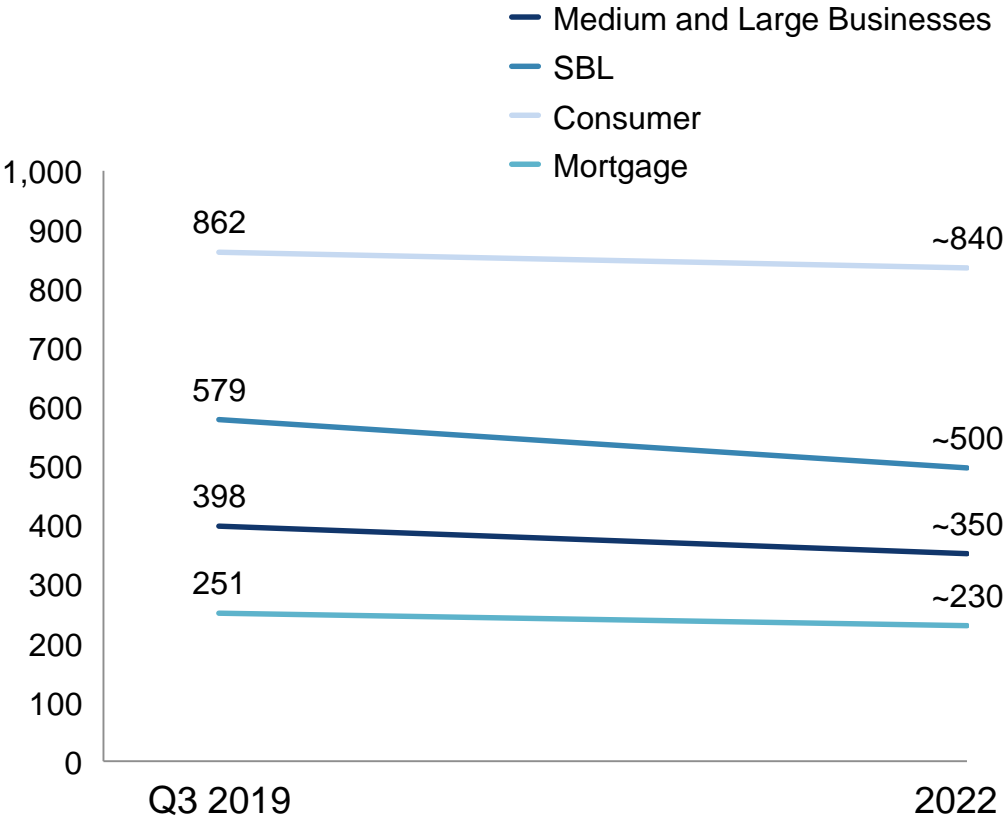
Customer-centric growth



Net Loan evolution, EUR mn



Lending spreads evolution, bps



Capital reallocation to the healthy part of the book

Customer-centric growth



Performing exposures & securities

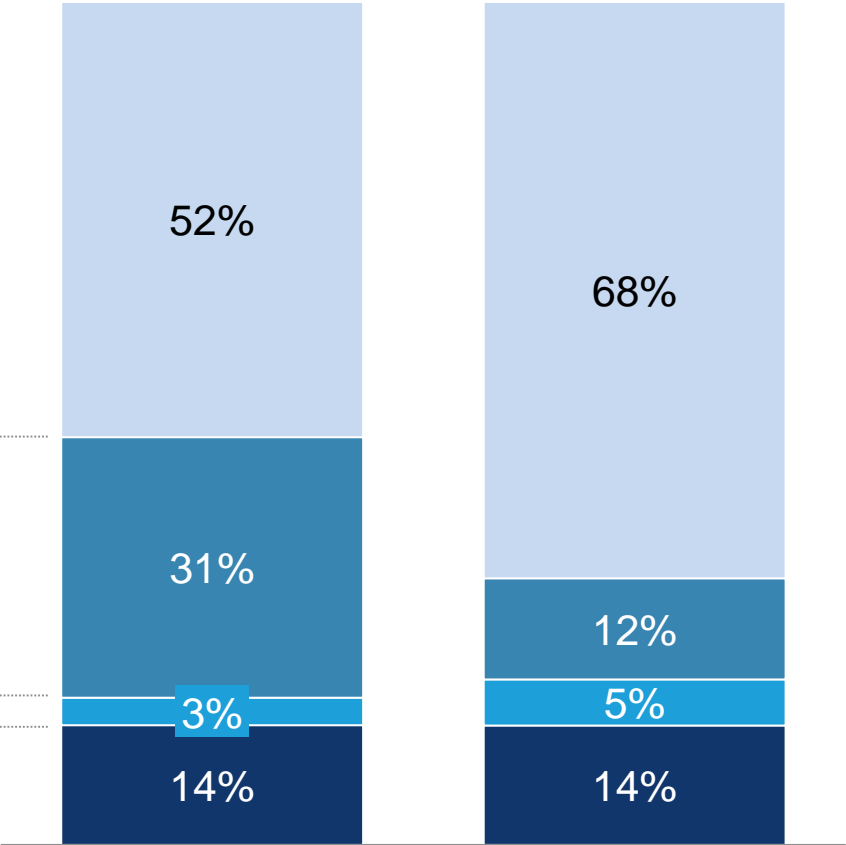
NPEs

Tangible assets

DTA & Other

From
Q3 2019

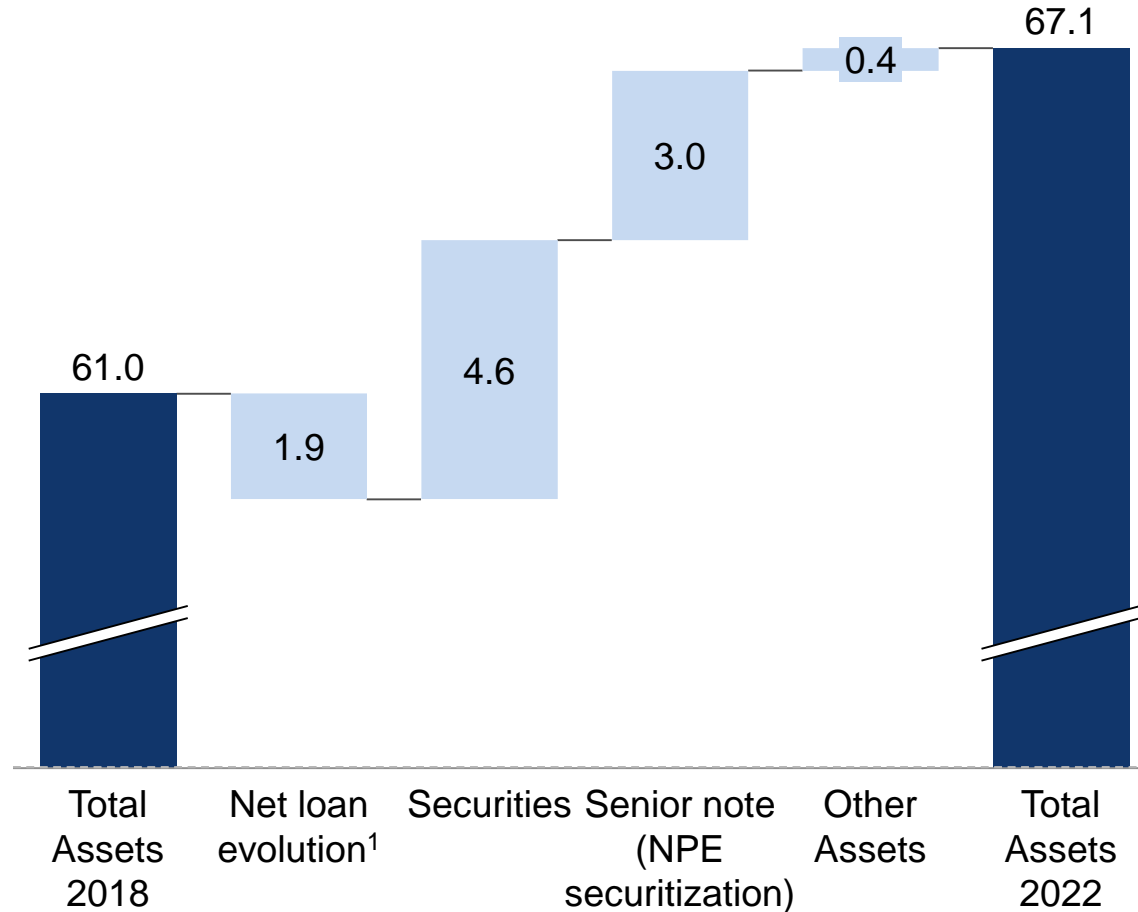
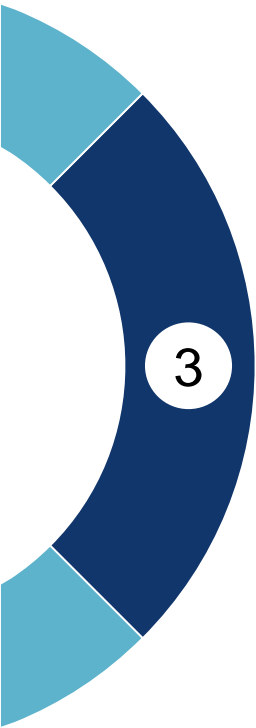
To
2022



Despite NPE deleveraging, assets will grow by ~10% through new lending and investments in securities

EUR bn

Customer-centric growth



Net Loans

- Reduction in Net Loans due to Project Galaxy and additional core NPE workout
- Targeted growth in performing volumes, driven mainly by business lending

Securities

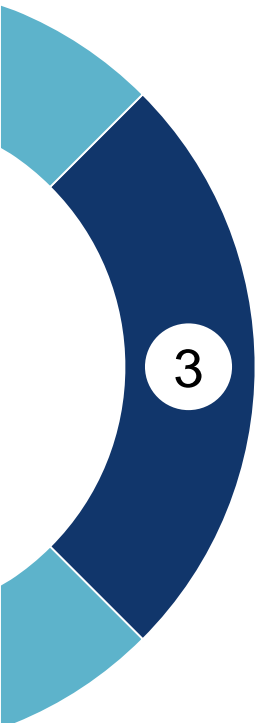
- Re-leveraging of investment securities to comply with LCR requirements and to support income generation
- Galaxy-retained senior note to gradually amortize over the period

¹ Includes loan deleveraging as part of Galaxy project and core NPE management

We target to further increase our deposit base by ~EUR 5bn, in line with expected market growth

Greek operations

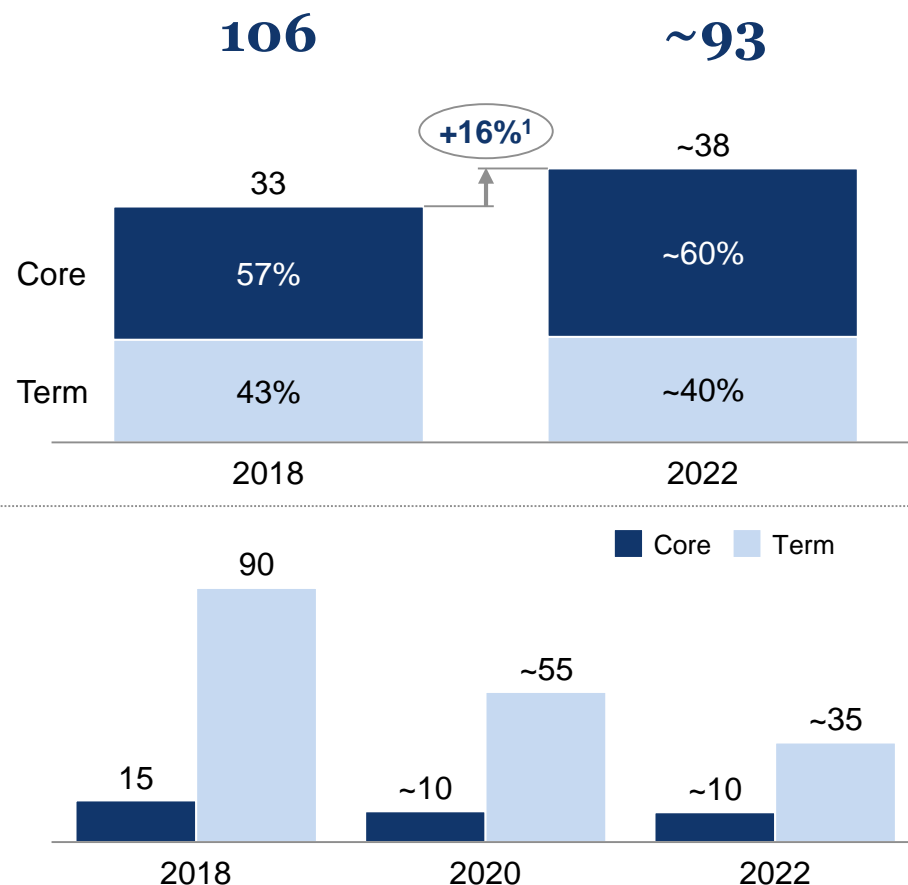
Customer-centric growth



LDR², %

Deposit volumes
EUR bn

Deposit interest rates
bps



Key remarks

- System deposits are increasing due to the restoration of customers' confidence in the banking system, the abolishment of capital controls, and favorable macroeconomic conditions
- Alpha Bank has outperformed the market in deposit growth over the last year, attracting higher volumes of non-state deposits than its competitors
- Last year's increase was driven by Affluent/ Private and Corporate customers, segments in which we have historically been market leaders, and which had disproportionately withdrawn deposits during the crisis
- Going forward, we expect to continue gaining our fair share in deposit attraction
- A large part of the deposit rate decrease expected in 2020 has already been implemented, while deposit volumes increased

¹ 20% increase excluding state deposits

² Basis for ratio includes senior notes

Committed to our Digital Transformation program, which is already delivering results

Customer-centric growth

Program highlights

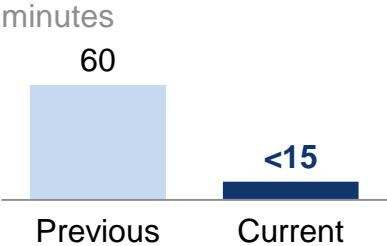
a 3-year plan aiming at transforming the top 15 customer journeys and deploying key technology enablers

b Dedicated Digital Factory with cross-functional Agile teams fully operational

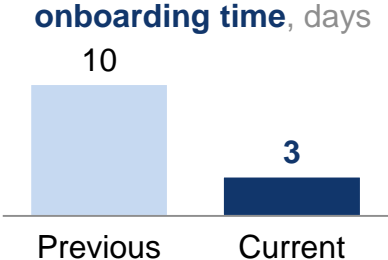
c Large scale technology/infrastructure enhancements already implemented

Transformed customer journeys

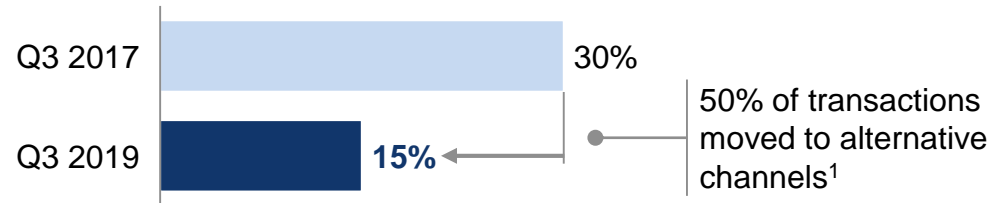
Retail onboarding time



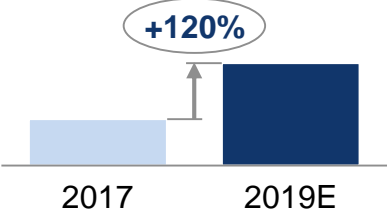
Business legalization/ onboarding time, days



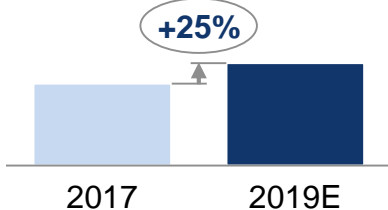
Transaction migration, % of monetary transactions at branch tellers



Mobile active users



Web-banking active users



Where we want to be in 2022

>90%
of transactions in alternative channels

80%
of products available also online

¹ Refers to migration of cash transactions, transfers, payments and other monetary transactions from branch tellers to web/mobile banking, Automatic Payment Systems and phone banking

Closing remarks

Vassilios E. Psaltis, CEO

Our vision for 2022



Be the **preferred Bank in Greece** for our target segments, offering best-in-class customer experience



Achieve **market-leading efficiency and profitability**, through a combination of targeted growth and cost efficiency



Strengthen our **organizational effectiveness** by developing a strong meritocratic culture and appropriate governance structures

Q&A