



**ALPHA
SERVICES AND HOLDINGS**

Speech at the General Meeting of Shareholders

(27 July 2023)

Vassilios E. Psaltis

Alpha Bank Group CEO

Dear Shareholders,

This is the fifth time that I am addressing the Annual General Meeting of Alpha Bank from the position of CEO of our Bank and I must tell you that I do so with great confidence and optimism for the future, but also with pride for our achievements so far.

Brief account

In recent years we have managed to implement an extremely challenging plan, under the heavy legacy of ten years of financial crisis. We have succeeded in turning the page so that Alpha Bank may once again fulfill its fundamental role: to support Greek businesses, to take the lead in the recovery and transformation of the Greek Economy and to create value for its Shareholders.

We have reached this goal with the hard work of all of the Bank's people, under adverse conditions, in an extremely uncertain environment of unprecedented challenges: the pandemic and the global economic recession that ensued, the first war of the 21st century in Europe, geopolitical tensions, soaring energy costs, inflation and the new economic slowdown that followed.

Let us see very briefly what we have achieved so far:

- We have reduced the Non-Performing Exposures (NPEs) by almost Euro 23 billion and have achieved our goal of a single digit NPEs ratio already since the second quarter of 2022, six months sooner than planned.
- We have reorganized and relaunched our business model by means of a Share Capital Increase completed in 2021, which was made possible thanks to the trust and support of our Shareholders. It was the first real growth-oriented capital increase of any Greek bank in recent years and it was used to finance our expansion, not to cover losses. Taking advantage of our high expertise in Wholesale Banking, we achieved the highest credit expansion in the Greek banking system in 2022.
- We have proceeded with strategic business development partnerships, such as the cooperation with Nexi in the payments sector and with Generali in the bancassurance sector, and with the largest real estate transaction in Greece.
- With regard to Retail Banking, we have adopted a leaner and digitally-oriented operating model. We optimized our Network and strengthened our alternative channels, by injecting Euro 80 million per year on average in IT and digital technology. Finally, our transformation strategy was not limited to our structures and processes but extended to our philosophy and corporate culture. Building on our history and competitive edge, we are creating a new Bank that is going to be more efficient, standing on the side of citizens and entrepreneurs, a true driver of progress and sustainable development for the economy and society as a whole.

As a result of these changes, over the past four years:

- We have laid the foundations for strong profitability, achieving a return on regulatory capital employed of over 15% with regard to our Greek operations.
- At the end of 2022, our market share in Large and Medium-sized Enterprises lending was approximately 26% while our market share in Assets that Customers have placed in Mutual Funds stood at 30%.
- We continued our efforts and made the Retail Banking Network even more efficient, which resulted in making it the most productive network in Greece, while maintaining our market share in key sectors and products, expanding our digital skills.
- Lastly, on the international stage, we moved up a gear in Romania achieving strong growth, in line with or even exceeding the prevailing market trends.

Our DNA

Dear Shareholders,

Being the oldest private bank in Greece and having as its main mission to create value for its Shareholders, the Bank constantly operates with a business mindset and has set its eyes on the future.

The pursuit of progress both for the Bank and for our Customers is reflected in the long-term partnerships we have built with the business world and our private Customers.

We are a leader in business credit, maintaining a leading position in the financing of outward-looking sectors, such as Tourism and Shipping. We maintain a strong footprint in Retail Banking, serving more than 3.5 million Customers in the country.

We value the strong bonds we have built with our Customers! The average length of our banking relationship with them exceeds 20 years, while at least a third of the dynamic private and small business segments in our country choose Alpha Bank as their primary bank.

Therefore, we may claim, that we are the most trusted Bank in Greece.

Based on this foundation but also on a plan, on strategic thinking and on consistency and with even greater determination, we are now moving into a new era of growth and high value creation rates for our Shareholders.

Strategy and the future

A few weeks ago, we presented our new Strategic Plan for the period up to 2025. Our Plan is based on six main axes that redefine our Group's strategy in the market. Specifically, the following are planned:

- Strengthening digital services and focusing on high-value Retail operations;
- Reforming the service model in order to further enhance our operations in Wealth Management;
- Capitalizing on our leading position in Wholesale Banking, with the aim of supporting the growth prospects of entrepreneurship and strengthening the profitability of our Group;
- Improving the profitability performance of the Group's international operations;
- Fully adopting and utilizing the Environmental, Social and Governance (ESG) criteria as a catalyst for value creation; and
- Maintaining the resilience of our balance sheet.

The latter is achieved by identifying the impact of adverse macroeconomic scenarios, under which the Bank proves its resilience. This is particularly important in this period since we are in an international upward phase of interest rates and there are still significant risks of volatility in international markets as well as of a potential decline in both credit demand and real estate prices.

In June we announced our new Strategic Plan, which was very warmly received by the international investment community. Having spoken to a large number of investors in more than 50 meetings held in the meantime around the world, I can assure you that the interest they expressed was clear. In this context and given the Government's commitment to the disinvestment of the Hellenic Financial Stability Fund from the Greek banks, we are very well-positioned to accelerate this process for Alpha Bank, which will be well embraced by the market.

Economic targets

Our new strategy for each business segment ensures the clear and realistic goals presented:

- In the first half of 2023, we have already completed significant actions towards the implementation of our Plan, through the enhancement of liquidity and capital adequacy ratios. We chose the best of times and proceeded with issuances of Additional Tier 1 (AT 1) Bond Loans as well as of senior preferred bond loans, while recently we have proceeded with a synthetic securitization of performing assets. With these actions we have ensured that we will exceed our capital adequacy targets already in the

second quarter of 2023, having generated total **regulatory capital of approximately Euro 1 billion** in only six months!

- In parallel, the Voluntary Separation Scheme launched at the beginning of the year led to cost reduction and helped us prepare the redefinition of the Retail Operating Model.

Dear Shareholders, the year 2022 ended with the Return on Tangible Equity (RoTE) standing at 7.6%. In March, on the occasion of the announcement of the Results, the profitability target was set at 9%, which was revised upward to 10% when we announced our new Strategic Plan in early June. **Today, I am pleased to announce that the progress we have made together with the favorable macroeconomic environment allow us to further revise our target and we now expect that our profitability will reach approximately 11%, already from this year.**

Creating value for Shareholders

Dear Shareholders,

The Greek Economy, just like Alpha Bank, showed resilience during the successive crises.

The Chair highlighted earlier the new stable macroeconomic environment that emerges from reaching the investment grade and the deepening of political stability. Both the banks and the economy have returned to an environment of normality and stable growth.

I would like to dwell, at this point, on a phrase associated with development: the creation of value for Society and our Shareholders, by relaunching our dividend policy.

In the previous years, our actions with regard to this field were also based on a Plan. As we were achieving normality by returning to core banking operations and creating value, we would make sure to return a dividend to our Stakeholders: our Customers and our Staff. We upgraded the quality of our services and customer experience and, at the same time, we set a career framework that supports the expectations of our Employees and allows us to attract new talent.

At this final stage of our Strategic Plan for Growth and Normality, the commitment to creating value for our Shareholders is a core element!

We have already expressed our ambition to resume dividend payments, starting from the 2023 profits, an ambition which has already been reflected in our results by the **forecast for a dividend payment standing at 30 basis points or approximately 20% on the profits**, pending the relevant discussions with the regulatory authorities.

Until 2025, we expect an average annual increase in profits, which is to exceed 20% in comparison with the corresponding levels of 2022, leading our profitability above 12% and generating total net profits approaching Euro 2 billion within the three-year period of our Plan. Taking into account the combination with the absorption of the Deferred Tax Assets (DTAs), we are expecting an increase of our regulatory capital by Euro 2.3 billion. A part of this capital, i.e. an amount of approximately Euro 900 million, will be used to finance our organic growth during this period. The bulk of this amount, however, i.e. around Euro 1.4 billion, **will help us exceed significantly** the minimum capital limits considered necessary by the Management for the Bank's operation.

Thus, I should note, that based on our Plan, **we have every intention, in consultation with the Regulators, of further increasing the capital that will be returned to our Shareholders, in recognition of those who trusted our effort and Purpose.**

Besides, today we also ask your approval with regard to **a Share Buyback Program**, which in two years and subject to the approval of the regulatory authorities could reach 1.5% of our share capital and the price per share could even stand **at Euro 3**.

Purpose

Dear Shareholders,

All that I have described is not piecemeal pursuits or occasional achievements. It serves a philosophy and a purpose.

As Alpha Bank, we must stand by our Customers, recognize and trust their abilities and goals and support them to fulfill their plans through new opportunities and partnerships.

This goal is today reflected in Alpha Bank's new Purpose, which we define as follows: **"We support Progress both in life and entrepreneurship for a better Tomorrow."**

All our priorities now stem from this Purpose.

Designing experiences – and not just banking products – for our Customers is now based on a deeper understanding of their real needs and expectations. We stand by the side of Greek entrepreneurs and individuals, by providing financial products and specialized advice, to help them take advantage of the opportunities that arise or manage any difficulties. We want our Customers to grow with us in economies and societies characterized by sustainable and inclusive progress.

ESG

On the subject of sustainability, the banking system must play an important role in our country's transition to a sustainable economy, by providing the necessary financing for critical investments which are going to shield Greek businesses against the risks of climate change, to improve their competitiveness and to help them accelerate the green transition.

In this context, we have laid the foundations for the full integration of sustainability into the Bank's operating model, its strategy, culture and daily operations. In 2022, the Bank implemented the Climate and ESG Risk Management Framework and launched the Sustainable Financing Framework. With our new Strategic Plan for 2023-2025 we aim to allocate Euro 3 billion to sustainable financing, of which Euro 1 billion to investment in Renewable Energy Sources (RES). We are the first Greek Bank to participate in the Net Zero Banking Alliance initiative of the United Nations while, supported by our in-house ESG Academy, we train our Staff to provide expertise and advisory support to our Customers.

We ensure strong and transparent Corporate Governance, by safeguarding the independence of our Board of Directors. I would like to take this opportunity to thank warmly the Members of the Board of Directors for their tireless efforts and the strong support they provide to our Management Team.

We also want to be at the forefront of supporting diversity and inclusion and are committed to maintaining our industry-leading 40% female representation in the Management and on the Board of Directors.

CSR

Our Corporate Responsibility Programs, with a long history of social contribution, are currently aligned with the Society's current needs and expectations. Our strategic goals are equal access for all to critical sectors, such as Health and Education, Culture and the Arts, the enhancement of citizens' skills in the new trends for the economy and sustainability as well as the protection of the Environment.

As concerns the Environment, we develop a range of preventive actions, but we are also present when needed to deal with emergencies. Some days ago, a delegation of our Management Team traveled to Rhodes, currently suffering from the consequences of a fire, in order to assist in the immediate relief of the victims and, mainly, in order to plan, together with our Customers, the local government and civil society solutions for the restoration of property and the regeneration of the natural environment.

Our flagship program, "Together, for better Health" had a multiplier effect by generating in the last year alone a more than 10-fold Social Return on Investment, as for every Euro 1 invested in the Program, the value returned to society amounted to Euro 10.65. The Program is currently being strengthened – a few days ago, at a meeting with local government representatives, we announced its expansion to the administrative region of Eastern Macedonia and Thrace.

Lastly, in the field of culture, I could not help but mention the exhibition organized for the 50th anniversary of Alpha Bank Numismatic Collection “THE OTHER SIDE OF THE COIN”, which is hosted at the Museum of the Basil & Elise Goulandris Foundation and will soon travel to Romania as well.

Our role as a social and economic partner also means that we must take advantage of all our resources and technological infrastructure in order to contribute to the financial prosperity of the society through, among others, the direct access to special funding programs of the State. Our Bank plays a main role in the new Co-financed State Housing Program “My Home” supporting young people aged 25 to 39 to purchase their own home as well as in financial aid programs through several forms of passes (Freedom/Tourism/Fuel/Market pass) introduced by the Government in the last years. Alpha Bank issued more than 1.2 million cards in the context of the abovementioned programs, proving this way its capacity to take immediate action and capitalize on its digital infrastructure achieving by far the largest market share versus the other banks.

Human resources

Dear Shareholders,

The success of the Bank’s Transformation Program that will lead us back to profitability would not have been possible without the decisive contribution of all Alpha Bank’s people.

Our Human Resources (HR) strategy is based on three pillars:

1. Empowering our business transformation by enhancing skills and creating new roles, attracting and developing talent and strengthening a culture of high performance.
2. Enhancing skills and allowing continuous development, by investing in constant learning, creating flexible career paths and succession plans.
3. Finally – and most importantly – building a strong Employee Value Proposition (EVP).

We aspire to remain an employer of choice and we will achieve this based on Alpha Bank’s timeless values and on our enriched culture, further focusing on elements such as flexibility, diversity and inclusion.

In addition, we create the most modern banking space in Greece, a point of reference and meeting for the people of the economy, entrepreneurship and culture in the heart of Athens!

Dear Shareholders,

In 1981, Yannis Costopoulos laid the foundations for the construction of the emblematic complex on Stadiou Street, which became Alpha Bank’s headquarters. Four decades later, we honor the vision of Yannis Costopoulos, who wished that our Main Building is, in his own words, “state of the art”. The Alpha Bank complex is overhauled to become – in 1.5 years – the most modern workplace of the banking industry in Greece, but also a new important landmark in order for the Athens

historical center to become a place of economic and commercial activity as well as of high-quality residences.

Closing remarks

Dear Shareholders,

Our successes in recent years and the positive economic climate in our country should not lead us to complacency. We are likely to continue to experience a sequence of crises and upheavals, with geopolitical tensions and recessionary disruptions.

We must proceed with caution, a clear plan and preparedness for corrective actions and adjustments.

Despite the volatile global environment, I am confident that we are entering an era of sustained and sustainable growth for our Group.

We are determined to honor our history as the only company listed on the Athens Stock Exchange distributing dividends to its Shareholders continuously for almost 60 years, from the end of World War II and up to the onset of the financial crisis. Building on the Bank's legacy and competitive edge, but also on the dynamism of the economies of the countries where we are present, we are confident that our new Strategic Plan will allow us to reward your trust.

Our Management Team has proven its ability to deliver on every commitment we have made, even in times of unprecedented challenges. We move forward with greater determination. Through strategic thinking, teamwork and consistency, we are shaping the new Alpha Bank that will be proud of its rich history and the critical role it plays in fostering economic growth and social progress.