



ALPHA BANK

# Press Release

## ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF ALPHA BANK OF JUNE 26, 2015

At the Ordinary General Meeting of the Shareholders of Alpha Bank, which took place on Friday, June 26, 2015, spoke the Chairman of the Board of Directors Mr. Vasileios T. Rapanos and the Managing Director - CEO Mr. Demetrios P. Mantzounis.

**The Chairman of the Board of Directors Mr. Vasileios T. Rapanos**, opening his speech, said that the year 2014 was the fifth year of fiscal adjustment for the Greek Economy, after the outbreak of the fiscal crisis in 2009. During this period, he noted, Greece lost slightly more than 25% of its Gross Domestic Product. The country's efforts to reduce the large fiscal imbalances resulted in a gradual reduction of the high primary deficit, standing at 10.2% in 2009 and turning into surpluses, albeit low ones, in the primary budget in 2013 and 2014. The extent of the necessary fiscal adjustment, which the country achieved, demonstrates not only the effort put into the task but also the magnitude of the sacrifices made by the Greek society.

Last year, Mr. Rapanos added, the Greek economy recovered and registered a positive real rate of economic activity growth. The more favourable external environment, in combination with the abating intensity of the fiscal adjustment effort and the visible benefits from the improved competitiveness of the Greek Economy were the key drivers of the said recovery. However, as Mr. Rapanos stressed, the financing difficulties, the unstable tax system and the weaknesses in the public administration continue to represent major hindrances to the undertaking of investment initiatives. Yet without new investments the country will never be able to deal with the big problem of high and long-term unemployment and especially youth unemployment. Further structural reforms are therefore needed to stimulate investments and improve the business environment.

The Chairman of the Board underlined that lifting the climate of uncertainty and insecurity is a necessary precondition if the recovery momentum gained last year is not to be lost. The agreement with Greece's partners, combined with the favourable international economic juncture, will ensure a positive, even if less than anticipated, growth rate for 2015 and, at the same time, will give the new Government the opportunity to implement, within a reasonable period of time, its own priorities. Securing the smooth financing of the Greek Economy, he added, will be the cornerstone of the national effort.

Mr. Rapanos also mentioned that the launch of the quantitative easing programme by the European Central Bank enhances the prospects of acceleration in economic activity in Europe and represents a big opportunity for the Eurozone's economy, as it significantly improves financing conditions. Greece must not waste any more valuable time and must actively participate in the emerging new framework where monetary policy is conducted.

Such a development requires the establishment of a new economic and reform policy programme, in the context of a new agreement with Greece's partners. The improved financing conditions in tandem with the elimination of the climate of economic uncertainty will invigorate consumption, strengthen private investments and create the conditions for a sustainable recovery of the economic activity.



Only in this way, he underlined, will new jobs be created and unemployment be dealt with effectively. The drastic reduction of unemployment, especially youth unemployment, must become a key priority of our national policy. This is not just a moral issue. From an economic standpoint as well, the reduction of unemployment leads to a significant expansion of the country's production potential.

Further, the Chairman of the Board noted that restoring the country's credibility and addressing the macroeconomic imbalances through the implementation of the necessary reforms, will lead to improved operating conditions in the banking system and the renewal of its prospects for growth.

Referring to Alpha Bank, he said that the Bank, with a robust capital structure, is fully equipped to return to a course of growth and profitability. It will continue its efforts in this direction with confidence in its strengths and faith in its prospects. The judicious strategy implemented by the Management in all the previous years as well as the Personnel's skills and dedication enabled the Bank to play a key part in the country's economic life.

The Bank's goal, the Chairman of the Board stressed, is to emerge stronger from the crisis and to support its Customers, as it has always done in the course of its long history. Addressing the Shareholders, he said that once the conditions in the economic activity return to normality and the country is back on growth path, Alpha Bank's profitability will recover and will justify the trust they have shown all these years.

The Bank's successful presence in the past year, as well as during all of its long history is the result of hard and systematic work, harmonious cooperation and proper organisation. The excellent Personnel, the long-standing relationships of trust with the Customers and the prudent risk management policy that Alpha Bank traditionally follows, will continue to form the basis for the Bank's way forward, as Mr. Rapanos stated, concluding his speech.

Then, the **Managing Director - CEO Mr. Demetrios P. Mantzounis** took the floor and stated that in 2014, for the first time since the beginning of the economic recession, Greece returned to a positive economic growth rate. The driving forces of the recovery were the increase in exports of goods and services, on the back of a record year in tourism, and the rebound of private consumption. Moreover, an upturn of the total fixed capital formation took place, despite the political instability that prevailed from the second half of the year onwards. The only exception and impediment to the restart of the Greek Economy was the continuing downward trend of residential investment, mainly as a result of the high tax burden on real estate property.

During the first months of 2015, however, it became evident that the achieved recovery was discontinued. The halting effect of the prolonged uncertainty on economic activity, especially on business investment, is now visible. Despite the favourable international economic environment which is characterised by the relatively weak Euro and the low oil prices, the economic growth rate cannot accelerate.

The Managing Director - CEO pointed out that over the past few years, the banking system has changed significantly. It consists of four systemic banks, which, after the completion of their recapitalisation in the first half of 2014 and the implementation of restructuring plans, are well placed to face future challenges.

The soundness of the banking system was confirmed by the very positive results of the stress tests for Greek banks, in the context of the EU-wide Comprehensive Assessment conducted by the European Central Bank in collaboration with the European Banking Authority. The adequately capitalised banking system is set to accelerate the workout of the large stock of non-performing loans which were caused by the economic crisis, and to facilitate the re-leveraging of the Greek Economy. To achieve the aforementioned objectives though, the banking system should operate under a stable environment, which would help to maintain the national savings within the country and restore the positive business sentiment.



Referring to Alpha Bank, he stressed that during the last year, the Bank confirmed its business potential, its prudent policy consistently applied throughout its long-lasting course, as well as its ability to adapt to changes. Alpha Bank managed to increase its share capital by Euro 1.2 billion and was the first among the four systemic Greek Banks to proceed with the redemption of the Hellenic Republic's preference shares. In addition, the Bank managed to enhance the main operating income by reducing the cost of funding and rationalising further operating expenses, as a result of the successful implementation of its business plan.

The Managing Director – CEO reminded also that in 2014, the Bank successfully completed the Comprehensive Assessment conducted by the European Central Bank under the assumption of both the Static and the Dynamic Balance Sheet. Alpha Bank was the only Greek systemic bank not to register any capital shortfall under both the baseline and the adverse scenario, while recording substantial capital surplus. The outcome of the Comprehensive Assessment positions Alpha Bank among the top tier of the largest listed European banks, in terms of capital adequacy. He also said that after the completion of the operational merger with Emporiki Bank, Alpha Bank proceeded with the strategic acquisition of Citibank's Greek Retail Banking operations, including Diners Club cards, which was completed in September 2014. Furthermore, the Bank launched a partnership with China UnionPay (CUP), the leading card issuer in the world. These deals, he underlined, provided an added impetus to the Bank's market share in Greece, particularly as regards the affluent segment banking and the card acquiring business.

Referring to the Corporate Social Responsibility of Alpha Bank, Mr. Mantzounis said that the Bank offered financial assistance to Foundations, Societies and Organisations that support those in need. With consistency and efficient planning, it allocates part of its budget to social contribution purposes, continuing in parallel to invest in education, culture, healthcare and the environment.

The Managing Director – CEO stressed that in 2015, the Bank is moving along the same lines with regard to business operations, intensifying its efforts towards the preservation of capital by further improving operating performance and managing actively its asset quality. He added that the removal of the uncertainty, prevailing in the market, is extremely significant for the Greek Economy and the banking system, and depends, to a large extent, on the successful finalisation of the negotiations between Greece and its European partners. Following the resolution of outstanding issues, Greece will be better positioned to benefit from its recovery potential, he said, while stressing that the Bank, being fully aware of the circumstances, assists the efforts for the revival of the Greek Economy.

Under the current adverse economic environment, supporting the Customers, safeguarding the interests of the Shareholders and restoring the private character of the Bank, constitute duties of the utmost importance, Mr. Mantzounis stated, concluding his speech. He thanked Alpha Bank Employees, who are once again, as he said, at the forefront of these efforts, for their dedication and hard work.

Athens, June 26, 2015