

**Approval of strategic plan**

Announcement dated 21st December 2022 is attached.

Attachment:

1. **Approval of strategic plan**

**Non Regulated**

Publication Date: 21/12/2022

21 December 2022

## ANNOUNCEMENT

### **Subject: Approval of strategic plan**

Hellenic Bank Public Company Ltd (the “Bank”) announces the approval of its strategic plan (the “Plan”) by the Board of Directors.

The main strategic pillars of the Plan are: (a) Growth, (b) Asset Quality, (c) Cost Rationalisation, and (d) Capital and Funding Optimisation.

The Plan addresses the Bank’s structural challenges for driving the Bank forward as a leading player in the local market. The Plan, enabled by an increased focus on digitalisation, includes initiatives to:

- *Increase customer engagement* to reinforce trust and grow the business
- *Focus on Environment, Social and Governance (ESG)*, including Green financing
- *Streamline operations* to ensure optimal resource utilisation
- *Build a sustainable bank* through Non-Performing Exposures (“NPEs”) deleveraging and cost optimisation
- *Unlock human potential* through enhancing employee culture

Following the Plan’s approval, the Bank will seek to achieve the following targets for the medium term:

	<b>9M22</b>	<b>Previous Medium-Term Targets</b>	<b>Revised Medium-Term Targets</b>
<i>NPE ratio</i> <sup>1</sup>	3,8% <sup>2</sup>	c. 3,0%	c. 3,0%
<i>Cost of risk</i>	0 bps	c. 50 bps	c. 50 bps
<i>CET 1 ratio</i>	19,1%	>14,0%	>14,0%
<i>New lending</i>	€812 mn	>€1,0 bn per annum	>€1,2 bn per annum
<i>Cost to income ratio</i> <sup>3</sup>	66%	<60%	<50%
<i>ROTE</i>	9,3%	c. 7,0%	>10,0%

Further to previous statements regarding the positive impact on its financial performance from the rising interest rates, the Bank notes that the evolving interest rate environment will continue to support its performance in the coming years. As per

<sup>1</sup> Excluding NPEs under the Asset Protection Scheme (APS).

<sup>2</sup> Excluding NPEs under the APS and pro forma for the Starlight Project.

<sup>3</sup> Adjusted for the Deposit Guarantee Scheme contribution, Special Levy and Restructuring Cost.

its Plan, the Bank expects its profit before tax for FY23 to be higher than €200 mn, mainly driven by the expected changes in interest rates and the improved cost structure following the successful Voluntary Early Exit Scheme completed in November 2022.

Taking into account the Bank's expected financial performance as per its Plan and post the completion of the Starlight Project, expected in early 2023, the Bank will engage with its regulators for commencing dividend payments from 2023 onwards, subject to relevant regulatory approvals.

Commenting on the approval of the Plan, Mr Oliver Gatzke, Chief Executive Officer of Hellenic Bank Public Company Ltd, stated: "The revised medium-term targets indicate that our transformation journey is on track. We are addressing the Bank's structural challenges and unlocking the potential within the organisation, towards creating a bank for the future that generates value for all stakeholders."

For further information, please contact Investor Relations at [ir@hellenicbank.com](mailto:ir@hellenicbank.com).

## **HELLENIC BANK PUBLIC COMPANY LIMITED**