



(UNIFIED) REPORT

(According to the Provisions of Article 9 para. 1 of law 3016/2002 and of para. 4.1.4.1.2 of the Regulation of the Athens Exchange

*jointly
with the provisions of article 13 para. 10 of codified law 2190/1920,
where applicable, as follows)*

Of the Board of Directors of “ALPHA BANK A.E.” (the “Bank”)

*To the Extraordinary General Meeting of its Shareholders,
including any iteration, postponement or adjournment of such Meeting,*

*on the 2nd Item of the Agenda of the Extraordinary General Meeting,
dated November 14, 2015, entitled:*

Item 2: *Capital raising by the Bank, pursuant to law 3864/2010 (as in force), as a result of its share capital increase, by:*

- (I) Payment in cash (including the equivalent to cash capitalisation of money claims), along with the abolition of the pre-emption rights for the Shareholders of the Bank, by the issuance of new, common, nominal, paperless shares, with voting rights. Provision of authorisation to the Board of Directors of the Bank for the allotment of the entirety of the unsubscribed (thereunder) new shares;*
- (II) Mandatory conversion of capital instruments and/or other obligations, pursuant to the terms and distinctions of article 6a para. 1 et seqq. of law 3864/2010 (as in force), along with the abolition (where necessary) of the pre-emption rights. Issuance and distribution to the holders of the capital instruments and other obligations (to be converted) of new, common, nominal, paperless shares, with voting rights;*
- (III) Contribution in kind by the Hellenic Financial Stability Fund of financial instruments owned by the same, without pre-emption rights for the Shareholders of the Bank. Issuance by the Bank and distribution to the Fund of new, common, nominal, paperless shares, with voting rights, issued by the Bank.*

Provision of authorisation to the Board of Directors of the Bank, to specify the terms, in all parts, of the share capital increase and regulate the issues relevant to the increase. Amendment of article 5 of the Articles of Incorporation, as it will have been formed following Item 2.

*In relation to the Share Capital Increase of the Bank,
with Abolition (where necessary) of Pre-emption Rights.
Issuance and distribution of new, common, nominal,
paperless shares, with voting rights*

Dear Shareholders,

The Board of Directors of the Bank, in relation to the Extraordinary General Meeting of the shareholders dated November 14, 2015 (and any repeated, adjourned or following a suspension Meeting thereof):

(I) Reminds that the preservation of high capital adequacy ratios was and (continues to) be a main business purpose of the Bank, which is currently called, on the basis of the Recapitalisation Framework (as defined below), to proceed with the strengthening of its capital, to cover its capital needs, of a total amount of Euro 2,743 million, following a diagnostic exercise (hereinafter the “Comprehensive Assessment”) and on the basis of a respective estimation by the European Central Bank (the “ECB”).

(II) In turn:

(A) Proposes that, after the completion of the process under Item 1, the Bank raises capital of a total amount of Euro 2,743 million, in the context of and pursuant to law 3864/2010 (including the implementing legislation thereof), as in force (jointly, the “Recapitalisation Framework”), under the following provisions, as a result of its share capital increase (the “Total Increase”), including the respective above par amount), under the following parts, in strict and absolute sequence, up to the subscription of the Total Increase, namely:

With the reservation of para. (IV)(vi)(bb),

First,

(i) By payment in cash and/or the (equivalent) capitalisation of money claims,

and, in case of an inability of or non-existence of subscription (in total or in part) of the Total Increase thereunder, as for the remaining (not subscribed) amount thereof, as follows:

Second,

(ii) By a mandatory conversion of the capital instruments and/or liabilities defined in article 6a para. 1, 3 and 4 of law 3864/2010, under the terms, in accordance with the conditions and pursuant to the distinctions, of such article,

and, in case of an inability of or non-existence of subscription (in total or in part) of the Total Increase thereunder, as for the remaining (not subscribed) amount thereof, as follows:

Third,

(iii) By a contribution in kind by the Hellenic Financial Stability Fund (the “HFSF”), under the terms, in accordance with the conditions and pursuant to the distinctions, of article 7 para. 1, 2 and 3 of law 3864/2010,

and, in case of an inability of or non-existence of subscription (in total or in part) of the Total Increase thereunder, the last indent of para. (IV)(vi)(aa) or (as the case may be) of para. (IV)(vi)(bb) will apply,

by the issuance and distribution (in all respects) of new, common, nominal, paperless shares, with voting rights, in favour of the subscribers, for the respective amount,

at a number equal to the result of the division with numerator the capital raised from the Total Increase and denominator (/) the offer price of the New Shares (as defined below).

It is noted that, in order to determine whether it is required (or not) to apply the sequence of the share capital increase classes under (i) to (iii) above, the benefit of the Bank resulting from the reduction of liabilities to third parties will be calculated, which reduction will, (inter alia) be determined under the corporate acts of Items 2 and 3 and which (benefit) will be determined, finalised and its amount will be set by virtue of a resolution of the Board of Directors of the Bank. The existence (or not) of any remaining capital requirements will also be determined and confirmed by virtue of the same resolution in order to apply the last indent of para. (IV)(vi)(aa) or (as the case may be) of par. (IV)(vi)(bb).

In particular, the new, common, nominal, paperless shares, with voting rights, issued by the Bank, which will be issued (jointly the “New Shares”), will have:

(x) A nominal value of Euro 0.30, i.e. equal to the nominal value of the common, paperless shares, with voting rights, issued by the Bank (as their nominal value will have been formed after the completion and competent approval of the process under Item 1), and

(xi) An offer price equal to the one that will be determined pursuant to article 7 para. 5 (α) or (β), as the case may be, of law 3864/2010, which may not be lower than the amount of Euro 0.30 per each New Share.

(B) Thus, after the completion of the process under Item 2 and the approval of the (following) amendment of the Articles of Association by the competent authorities, the amount of the share capital of the Bank is proposed to be amended as follows, namely:

Article 5.1 of the Articles of Association is amended and restated as follows,

“ARTICLE 5 – Share Capital

5.1 The share capital of the Bank is currently equal to the total amount of Euro _____, divided into _____ common, nominal, paperless shares, with voting rights, each of nominal value of Euro _____”,

and

a new indent (II) is inserted into article 5.2 (n) of the Articles of Association (as this has been formed under Item 1), with the outstanding indent being renumbered into (I), which (new indent), after the approval by the competent authorities, will be as follows:

“(II) Following part (I) of subpara.(n), a share capital increase of a total amount of Euro _____ has taken place, which is analysed as follows: (i) of an amount of Euro _____ by payment in cash and the (equivalent) capitalisation of money claims (or, more particularly, of an amount of Euro _____ in cash and of an amount of Euro _____ by the (equivalent) capitalisation of money claims), (ii) of a total amount equal to Euro _____ by the mandatory conversion, in accordance with article 6a para. 1, 3 and 4 of law 3864/2010, of the capital instruments and/or liabilities that are described under Item 2 of the resolution of the Extraordinary General Meeting dated November 14, 2015, the text of which is incorporated herein by reference, and (iii) by a contribution in kind by the Hellenic Financial Stability Fund of debt instruments owned by it and issued by the European Stability Mechanism, evaluated at a value equal to Euro _____,

by the issuance and distribution of new, common, nominal, paperless shares, with voting rights, of a nominal value and at an offer price of each equal to Euro 0.30 and Euro ____, respectively, with the difference between the issue price and the offer price of the new (common and preferred) shares, of a total amount of Euro ____, being credited to the special “above par” account,

as all numbers shall be completed by the Board of Directors, under the authorisation of the General Meeting, from and by the finalisation thereof by the completion of the Increase process.

(III) In particular, it is proposed that the capital raising (by the Total Increase) takes place, in accordance with the Recapitalisation Framework, in strict and absolute sequence, as follows, subject to para. (IV)(vi)(bb):

(A)

First,

(1) For a total amount of Euro 2,743 million, up to the full subscription of the Total Increase, by payment in cash and/or its equivalent capitalisation of money claims, under the specific ratio between the two numbers, which shall be determined by way of a resolution of the Board of Directors, without the provision of pre-emption rights in favour of the shareholders of the Bank (as a result of abolition by the General Meeting) (the “Increase in Cash”), including the respective difference above par,

against the issuance and distribution (to the subscribers of the Increase in Cash) of New Shares, of a number equal to the result of division with numerator the capital raised under the Increase in Cash and denominator (/) the offer price of the New Shares issued thereunder. In particular, the money claims that will be capitalised under this part constitute money claims of the holders of bond loans against the Bank for the repayment of the amounts under the said loans,

and, in case of an inability of or non-existence of subscription (in total or in part) of the Total Increase thereunder, as for the remaining (not subscribed) amount thereof, as follows:

Second,

(2) By a mandatory conversion, in accordance with law 3864/2010, up to the full subscription of the Total Increase, of the capital instruments and/or liabilities defined in article 6a para. 1, 3 and 4 of law 3864/2010, under the sequence, kind, percentage and participation amount, in accordance with the terms, subject to the conditions and pursuant to the distinctions, of such article, with the abolition (where required) of the pre-emption rights (the “Increase by Conversion”, including the respective difference above par),

against the issuance and distribution (to the subscribers of the Increase by Conversion) of New Shares, of a number equal to the result of a division with numerator the capital raised under the Increase by Conversion and denominator (/) the offer price of the New Shares issued thereunder,

and, in case of an inability of or non-existence of subscription (in total or in part) of the Total Increase thereunder, as for the remaining (not subscribed) amount thereof, as follows:

Third,

(3) For an amount up to the percentage of the remaining capital needs of the Bank after the completion or (as the case may be) after the inability to complete the corporate acts under Items 2 and 3, as the said percentage is defined in the Cabinet Act (the “Cabinet Act”) of art. 7 para. 2, second indent of law 3864/2010 (the “Increase by Contribution in Kind”), including the respective difference above par), by a contribution in kind by the HSFS of financial instruments (in the sense of article 2 para. 13 indent b’ of law 3606/2007 by reference by the article 5 indent a’ of such law), owned by it and issued by the European Stability Mechanism (the “ESM”), at an evaluated value of the same amount (in accordance with article 7 para. 3 of law 3864/2010), without pre-emption rights in favour of the shareholders of the Bank (pursuant to article 13 para. 7 first and second indent of codified law 2190/1920, by reference by article 5 para. 4 first indent of the Articles of Association of the Bank),

against the issuance and distribution (to the HSFS as subscriber of the Increase by Contribution in Kind) of New Shares, of a number equal to the result of a division with numerator the capital raised under the Increase by Contribution in Kind and denominator (/) the offer price of the New Shares issued thereunder,

and, in case of inability of or non-existence of subscription (in total or in part) of the Total Increase thereunder, as for the remaining (not subscribed) amount thereof, the last indent of para. (IV)(vi)(aa) will apply,

by application, as regards the remaining matters, of article 181 of the Civil Code, on the (process of) the Total Increase, as well as on each part/class and subdivision thereof,

(B) By way of a private placement (unless otherwise required) of the New Shares by the Board of Directors of the Bank, acting (and) under the authorisation of the present General Meeting, to

(x) The remaining (except for the HFSF and the holders of mandatorily converted capital instruments and/or liabilities) investors, consisting of special investors and/or other persons at the absolute discretion and choice of the Board of Directors (for a number of New Shares corresponding to the Increase in Cash subscribed by them)

(xi) The holders of mandatorily converted capital instruments and/or liabilities, in accordance with para. (III)(A)(2) (for a number of New Shares corresponding to the Increase by Conversion subscribed by them) and

(xii) The HFSF (for a number of New Shares corresponding to the Increase by Contribution in Kind subscribed by it)

on the understanding that:

(IV)

(i) The Increase is subject to the approval (inter alia) of the competent regulatory authority.

(ii) The New Shares, issued in all parts of the Total Increase, shall be common, nominal, paperless shares, with voting rights, which will be requested to be admitted to trading in the Main Market of the Athens Exchange, with nominal value of Euro 0.30 each.

(iii) The offer price of the New Shares, issued in all parts of the Total Increase, shall be equal to the price that will be determined in accordance with the article 7 para. 5 indent (α), or, as the case may be, indent (β), of law 3864/2010, which shall not be lower than Euro 0.30 per each New Share.

(iv) *The Total Increase, in all of its parts (namely, in Cash, by Conversion, by Contribution in Kind), shall not in total exceed the amount of Euro 2,743 million.*

(v) *Any unsubscribed balance under any part of the Increase in Cash will be subscribed by the exceeding demand of the other part thereof (compared to the demand defined for such other part by virtue of the resolution of para. (III)(A)(1)); in case of inability or non-existence of such demand, para. (III)(A)(2) and para. (III)(A)(3) will apply, subject to para. (IV)(vi)(bb).*

(vi) *In case the Total Increase is not subscribed (pursuant to the above) in full by the Increase in Cash, then:*

(aa) *If the subscription of the Increase in Cash is equal to or exceeds the amount that the ECB identified as capital needs of the Bank under the baseline scenario in the context of the Comprehensive Assessment (the “Minimum Amount”), but this is lower than the Total Increase (by any amount), then the Increase in Cash will be enforceable and the unsubscribed New Shares thereunder shall be subscribed in full by the Increase by Conversion; in case of inability or non-existence of subscription (in total or in part) of the Total Increase thereunder, the unsubscribed New Shares thereunder shall be subscribed in full by the Increase by Contribution in Kind; in case of inability or non-existence of subscription (in total or in part) of the Total Increase thereunder, the latter will be enforceable as regards the amount that has been subscribed (article 13a para. 1 of codified law 2190/1920) and the Board of Directors will accordingly adjust the respective parts of article 5 of the Articles of Incorporation. The remaining (unsubscribed) balance of the capital needs of the Bank (including the calculation of the benefit under para. (II)(A)) will be subscribed by way of issuance by the Board of Directors and distribution to the HFSF of a contingent convertible bond loan (under Item 4).*

(bb) *If, on the contrary, the subscription of the Increase in Cash, along with the Increase by Conversion, is lower (regardless of the amounts) than the Minimum Amount, then the Increase in Cash shall entirely, without any further step, cease generating legal consequences and any statements to subscribe the Increase in Cash shall be deemed as they have never been submitted and any relevant paid amounts shall be given back by the Bank to their holders interest free. The unsubscribed New Shares thereunder will be subscribed in turn, up to their full subscription, in strict sequence, by the Increase by Conversion and, in case of inability or non-existence of subscription (in total or in part) of the Total Increase thereunder, the unsubscribed New Shares thereunder shall be subscribed in full by the Increase by Contribution in Kind; in case of inability or non-existence of subscription (in total or in part) of the Total Increase thereunder, the latter will be enforceable as regards the amount that has been subscribed (article 13a para. 1 of codified law 2190/1920) and the Board of Directors will accordingly adjust the respective parts of article 5 of the Articles of Incorporation. The remaining (unsubscribed) balance of the capital needs of the Bank (including the calculation of the benefit under para. (II)(A)) will be subscribed by an application by analogy of the last indent of para. (II)(vi)(aa), i.e. by way of issuance by the Board of Directors and distribution to the HFSF of a contingent convertible bond loan (under Item 4).*

(vii) *The Total Increase, calculated along with the principal amount of the convertible bond loan (to be issued under Items 3 and 4), shall not in total exceed the capital needs of the Bank, namely of an amount of Euro 2,743 million, on the understanding that: in case of (x) a subscription in full of the Total Increase by way of the Increase in Cash, both convertible bond loans (under Items 3 and 4) shall not be issued, whereas in case (xi) of subscription of the Minimum Amount (by way of the Increase in Cash) but not of the Total Increase, the convertible bond loan (under Item 3) shall be issued, by application, as regards any remaining issues, of para. IV (vi)(aa) of the present Item.*

(V) *With regard to the New Shares to be issued,*

(i) *The total amount of any difference between the nominal value and the offer price of the New Shares will be credited to the “Above Par” account,*

(ii) *The New Shares will grant a right to receive dividend on any distributed profit for the financial year 2015 and onwards, subject to the application of the law (including the Recapitalisation Framework).*

(VI) *The net amount of the Increase (i.e. less the issuance expenses) will be applied for the purpose of further enhancing the capital adequacy ratios of the Bank,*

on the understanding that the amounts to be raised shall be disposed pursuant to the timetable of the (draft) prospectus and subject to the obvious commitment of the Bank that it will, timely and duly, inform the Management of the Athens Exchange and the Hellenic Capital Markets Commission, pursuant to the applicable legislation.

(VII) *Subject to the right of the Board of Directors under article 11 para. 4 of codified law 2190/1920 (on the ability of extension of the relevant deadline) and that the restrictions under the Recapitalisation Framework are not breached, a deadline for payment of the Total Increase’s amount (along with the above par difference) up to four (4) months is provided, unless said payment is completed earlier than the four (4) months deadline.*

(VIII) *Any reference to the law, regulatory provisions, organised markets decisions, including any relevant, similar or equivalent provision, shall be deemed, without anything further (unless stated otherwise), as a reference to their form and content from time to time on the date of the occurrence of the action or legal act to which they refer hereunder.*

Results of Use of the Capital raised under the last Share Capital Increase

The most recent share capital increase of the Bank took place by virtue of the resolution of the General Meeting of the Bank dated 28 March 2014, of an amount of Euro 1,200 million, subscribed in cash, by the issuance and distribution of 1,846,153,846 new, common, nominal, paperless shares, with voting rights, with nominal value and offer price of each share equal to Euro 0.30 and 0.65, respectively, with the purpose of capital enhancing of the Bank with high quality capital and the redemption of the preferred shares of the Hellenic Republic of an amount of Euro 940 million.

The net amount of the capital raised, equal to Euro 1,147.6 million, has enhanced the regulatory capital of the Bank, on a stand alone and consolidated basis.

Purpose of Disposal of the Capital to be Raised

Any capital raised, under the present resolution of the General Meeting, will be disposed (in accordance with law 3864/2010) to recover the capital base of the Bank, as a result of the identification by the ECB of the (said) capital needs.

Capital Raising Timetable

The capital raising, as above, is estimated to have been completed within the current year.

Rationale of the Abolition of the Pre-emption Rights

The abolition of the pre-emption rights of the shareholders of the Bank is proposed, to the extent required, as regards parts of the Total Increase under para. III.(A)(1) and III.(A)(2),

since it constitutes, taking into account the recent macroeconomic developments, a reasonable and necessary measure to enable the continuation of operation of the Bank.

More specifically, on 14 August 2015, the Eurogroup announced that the Greek Government, following long negotiations, achieved an in principle agreement with the European Institutions and the European Stability mechanism (the “ESM”) on a new Programme of Financial Support of an amount of c. Euro 86 billion, to be provided by the ESM. The new Programme of Financial Support includes an amount of up to Euro 25 billion. For the recapitalisation of the Greek banking system, the disposal of which was subjected, among others, to the completion of the Comprehensive Assessment by the European Central Bank (the “ECB”) with the support of the Single Supervisory Mechanism (the “SSM”) of the assets of the Greek systemic banks, including the Bank. The Comprehensive Assessment, which was conducted from the start of August 2015 has already been completed and its results have been published by the ECB on October 31, 2015.

Alpha Bank had a significant performance on the Comprehensive Assessment, since the capital needs of the group of the Bank were equal to an amount of Euro 263 million under the baseline scenario, being the lowest of the sector, whereas under the adverse scenario the capital needs were equal to an amount of Euro 2,743 million (the “Capital Needs”).

Nevertheless, ESM, by virtue of its letter to the Bank dated October 30, 2015, notified that the latter should satisfy its Capital Needs until December 11, 2015, whereas any inability of the Bank to successfully complete the said satisfaction would constitute a serious breach of the applicable regulatory principles.

Further, the Bank is obliged, pursuant also to the provisions of law 3864/2010, as in force, to aim at the participation of private investors to satisfy its Capital Needs and at the same time procure so that the application of the provisions of para. 1, 3 and 4 of article 6a of law 3864/2010 on the mandatory conversion of the outstanding capital instruments and/or liabilities is made possible, if required, which conversion is subjected to the abolition of the pre-emption rights of the shareholders of the Bank.

The amount of the Capital Needs, taking into account the conditions prevailing in the Greek and the global capital markets, as well as the simultaneous attempt of all Greek systemic banks to raise amounts from private investors to satisfy their capital needs arising from the Comprehensive Assessment, makes the satisfaction of the entirety of the Capital Needs by private investors within the deadline defined above a quite demanding target. Therefore, the proposed abolition of the pre-emption rights primarily aims at the completion of the forthcoming share capital increase with the largest speed and flexibility, with the purpose to serve the corporate interest.

Accordingly, as per article 7 para. 5 of law 3864/2010 on the Hellenic Financial Stability Fund, as most recently amended by virtue of the provisions of article 1 of law 4340/2015, it is expressly determined that the provision by the HFSF of capital aid to the requesting credit institutions is subjected to the determination of the offer price of the shares issued thereby via a book building process, which is in line with the international best practices, a process though that is not compatible with the retention and exercise of pre-emption rights.

Thus, by the proposed scheme of the share capital increase, the required, under the current circumstances, speed and prompt reaction for the satisfaction of the Capital Needs, within the period set by the ESM, is achieved, and the commitment of the HFSF, as last resort, for the satisfaction of Capital Needs that may not be covered by private investors, is ensured.

In view of the above, the proposed abolition of the pre-emption rights constitutes a necessary, reasonable and proportionate measure in order to ensure the observance of the regulatory principles and, in turn, the continuation of operation of the Bank without obstacles.

As for the remaining issues, the remaining provisions of par. 4.1.4.1.2 of the Athens Exchange Regulation are not applicable, since the share capital increase of the present Item is conducted without pre-emption rights, due to, on the one hand, their abolition by virtue of the relevant proposal of the Board of Directors and, respectively, of the resolution of the present Extraordinary General Meeting (as regards the part Increase in Cash), and on the other hand, pursuant to articles 6α para. 1, 3 and 4 of law 3864/2012 or (as the case may be) 13 para. 7 of codified law 2190/1920 (as regards the part Increase by Conversion), and, finally, article 13 para. 7 of codified law 2190/1920 (as regards the part Increase by Contribution in Kind)".

Athens, 3 November 2015

*In the name and on behalf of
Alpha Bank A.E.*

The Board of Directors".