ALPHA BANK

Press Release

Nine-month 2013 Results After Tax at Euro -102 million[1]

Results' Highlights

- Improving operational performance driven by higher Core Revenues and reduced Operating Expenses.
- NPL's at 32.9%; formation stabilising at lower levels vs. last year.
- Strong capital position with a Core Tier I ratio at 13.5%.
- Liquidity position improved driven by deleveraging and stability in deposits. Loan to Deposit Ratio in Greece at 119%, improving from 167% in June 2012.

Improving Balance Sheet Fundamentals

- **Core Tier I capital ratio at 13.5% and Total Capital Adequacy at 13.9%. Leverage ratio at c.9.1%[2], according to Basel III, three times the expected required minimum threshold.**
- **ELA funding reduced to Euro 3.5 billion. Eurosystem reliance at Euro 17.5 billion at the end of September. Eurosystem funding to Total Assets at 20.8%[3].**
- **Deposits stable quarter-on-quarter at Euro 42 billion. Private sector deposits performance in Greece in line with the market. Loan to deposit ratio in Greece down to 119%.**
- **NPLs at 32.9%, impacted by stabilising formation and deleveraging.**
- **Accumulated on-balance sheet provisions at Euro 10.7 billion yielding 52% cash coverage or 17% of gross loans.**

Operating performance positively impacted by lower cost of funding

- **Higher core revenues[4] at Euro 549.4 million in Q3 2013 vs. Euro 526.5 million in Q2 2013 (+4.4%). Pre-provision income (adjusted for trading income and integration costs) up by 10% quarter-on-quarter to Euro 223.6 million.**
- **Net Interest Income at Euro 440.6 million in Q3 2013, up by 6.7% quarter-on-quarter, on lower cost of time deposits and wholesale funding. Net Interest Margin up by 10bps to 2.4% in Q3 2013.**
- **Operating Expenses, adjusted for integration costs, at Euro 325.8 million in Q3 2013 effectively flat quarter-on-quarter in line with our annual cost reduction target.**
- **Loan loss provisions at Euro 490 million, cost of risk at 308bps.**
- **Profit/(Loss) Before Tax of Euro -272.1 million for Q3 2013 and Euro -724.7[1] million for 9M 2013.**

[1] Net Profit attributable to Shareholders amounts to Euro 2,471.5 million as a result of the first time consolidation impact of Emporiki Bank of Euro 2.6 billion.
[2] The leverage ratio is defined as Tier I capital divided by the sum of total assets and off-balance sheet items.
[3] Excluding EFSF bonds.
[4] Defined as total income excluding income from financial operations.

Alpha Bank's Chairman, Mr. Yannis S. Costopoulos stated:
"Following a prolonged period of elevated corporate activity and having consolidated our footprint in Greece we shift our focus to the implementation of our turnaround strategy. As economic recovery becomes visible and demand for credit gradually builds up, we continue to support actively our Customers in their efforts directed towards recovery and growth."

Alpha Bank's CEO, Mr. Demetrios P. Mantzounis stated:
"Our third quarter results reaffirm the improving trend in our operating performance. Our focus remains on reducing our funding cost, increasing the efficiency of our franchise, and meeting all relevant milestones in the integration of Emporiki Bank. On asset quality, we continued to build on our resources in the NPL management area, with a scope to facilitate borrowers who are experiencing difficulties, ultimately enhancing our restructurings and workout success ratio."

KEY FINANCIAL DATA

(in Euro million)	Nine months ending			Quarter ending		
	30.9.2013	30.9.2012	(%)	30.9.2013	30.6.2013	
Net Interest Income	1,169.9	1,102.30	6.1%	440.6	412.8	
Net fee & commission income	263.6	197.4	33.6	95.3	92.4	
Income from fin. operations	254.9	(289.1)	…	5.2	57.8	
Other income	44.9	38.1	17.7%	13.4	21.3	
Operating Income	1,733.3	1,048.7	65.3%	554.6	584.2	
Core Revenues[1]	**1,478.4**	**1,337.80**	**10.5%**	**549.4**	**526.5**	
Staff Costs	(516.3)	(369.1)	39.9%	(173.3)	(181.7)	
General Expenses	(382.5)	(331.0)	15.6%	(129.7)	(125.4)	
Depreciation & Amortisation expenses	(68.1)	(65.9)	3.4%	(22.9)	(16.2)	
Operating Expenses Before Integration Costs	**(967.0)**	**(766.0)**	**26.2%**	**(325.8)**	**(323.4)**	
Integration costs	**(17.1)**	**…**	**…**	**(10.7)**	**(5.6)**	
Operating Expenses	(984.0)	(766.0)	28.5%	(336.7)	(329.0)	
Pre-Provision Income[2]	**511.5**	**571.8**	**-10.6%**	**223.6**	**203.1**	
Impairment Losses	1,474.10	1,169.10	26.1%	(490.0)	(479.1)	
Profit Before Tax	**(724.7)**	**(886.4)**	**-18.2%**	**(272.1)**	**(223.9)**	
Income Tax	622.7	175.2	…	43.4	106.6	
Profit After Tax	**(102.0)**	**(711.2)**	**…**	**(228.7)**	**(117.3)**	
	30.9.2013	30.6.2013	31.3.2013	31.12.2012	30.9.2012	(%) y-o-y
Total Assets	73,384	74,229	71,863	58,253	57,032	28.6%
Loans (net)	52,596	53,531	54,776	40,579	41,518	26.7%
Securities	10,022	9,889	5,756	7,573	6,968	43.8%
Deposits	42,021	42,036	42,055	28,464	26,289	59.8%
Shareholders' Equity	7,799	7,935	3,486	588	698	…
	30.9.2013	30.9.2012		30.9.2013	30.6.2013	
Net Interest Margin	2.1%	2.6%		2.4%	2.3%	
Cost to Income Ratio (excl. trading & integration costs)	65.4%	57.3%		59.3%	61.4%	
Core Tier I Ratio	13.5%	9.0%[3]		13.5%	13.8%	
L/D ratio	125%	158%		125%	127%	

[1] Defined as total income excluding income from financial operations.
[2] Adjusted for trading income and integration costs.
[3] According to the European Banking Authority definition and pro-forma for the Euro 2.9 bn total advance from the HFSF.

ALPHA BANK

Key Developments and Performance Overview

Twin surpluses backstop Greek economic recovery and prospects

Greece edges closer to recovery amidst signs of improving fundamentals, with well-entrenched fiscal consolidation and competitiveness-strengthening supply-side reforms supporting business sentiment and investment prospects. Targeted cuts in government spending and an improving tax collection mechanism led to a better-than-expected General Government primary budget surplus of 0.4% of GDP in 2013 and 1.6% of GDP in 2014. At the same time, in the current account of the balance of payments, inclusive of capital transfers, the summer record tourism activity and the continuing strong export performance generated a surplus of Euro 3.8 billion in the nine months to September 2013, compared with a little more than Euro 1 billion deficit last year, even before counting the Euro 1.5 billion in ECB profits transferred to the Greek Government from the Securities Markets Programme of buying GGBs. This points to an overall surplus position in the current account of 1% of GDP in 2013 and a further improvement in 2014 as the economy recovers. The 2014 recovery of more than 1% GDP growth is expected to be supported by continuing strong net exports, a modest recovery in non-residential investment and a substantial slowdown in the decline of private consumption, as job losses seem to have come to an end and wage cuts will moderate substantially while weakening prices support real incomes.

Capital base resilient with Core Tier I Capital Ratio above 13%

At the end of September 2013, Alpha Bank's **Core Tier I** amounted to Euro 7.2 billion or 13.5%, placing it among the best capitalised banks in Greece and providing a strong position to support our balance sheet going forward. Total Capital Adequacy ratio stood at 13.9%.The leverage ratio of c.9.1%, according to CRD-IV directive (Basel III), is 3 times the expected required minimum threshold of 3%.

With regards to the Blackrock diagnostic exercise, all three phases of the study (i.e. the Trouble Asset Review, the Asset Quality Review and the Credit Loss Projection, as well as the review of the foreign loan book) were completed in November 2013, while the release of the findings will be part of the final report to be delivered by Bank of Greece.

Additionally, with regards to Cyprus, at the end of October, Alpha Bank Cyprus Ltd. completed a capital increase of Euro 129 million with the issuance of common shares and convertible notes, which were acquired entirely by Alpha Bank. As a result, Alpha Bank Cyprus Ltd complies fully with the capital requirements set by the Central Bank of Cyprus, based on the adverse scenario of the diagnostic assessment carried out by PIMCO. The Core Tier I ratio stood at 17% as of the end of September 2013.

Operating performance positively impacted by lower wholesale funding and time deposit costs

Net interest income for the nine-month period stood at Euro 1,169.9 million up by 6.1% year-on-year predominantly as a result of the inclusion of Emporiki Bank. In Q3 2013, the net interest income stood at Euro 440.6 million up by 6.7% quarter-on-quarter, benefiting mostly from the consistent reduction in new Greek time deposits and lower wholesale funding costs. Rates for new time deposits in Greece currently stand at 2.9%, reduced significantly from the 4.6% and 4.5% levels that Emporiki Bank and Alpha Bank were paying respectively for new time deposits at the beginning of 2013. In addition, lower dependence on Eurosystem funding, and ELA in particular, as well as the decrease of the ECB main refinancing rate by 25bps in May have also contributed positively to our net interest income.

Net fee and commission income for the nine-month period stood at Euro 263.6 million, up by 33.6% year-on-year following the acquisition of Emporiki Bank and as transaction related fees have picked up slightly. It is worth noting that our fees picked up by 3.2% in the last quarter, mainly due to the lift of the presubscription fee of 1% on EFSF bonds after the completion of our recapitalisation and the introduction of a new fee structure in July following the legal merger with Emporiki Bank. **Income from financial operations** amounted to Euro 254.9 million, mainly impacted by the gain of Euro 120 million from the initial recognition of the convertible bond issued to Crédit Agricole as well as the benefit from the buyback of subordinated notes, which were recorded in Q1 and Q2. **Other income** stood at Euro 44.9 million.

Operating expenses amounted to Euro 967.1 million for the nine months, down by 9.6% on a comparable basis[1] against 9M 2012 for the pro-forma combined cost base of Alpha Bank and Emporiki Bank, excluding nonrecurring items and integration costs. This suggests a higher annual cost reduction than our previous guidance of 5%. **Personnel costs** amounted to Euro 516.3 million, down by 7.3% year-on-year[1]. This significant improvement is mainly attributed to the new two-year collective agreement, which became effective on July 1, 2013, and the accelerated natural attrition in Greece. In addition, Group headcount has been reduced by 5.2% or 941 FTEs for the combined entity (o/w 356 FTEs relate to the disposal of our Ukrainian subsidiary). In addition, the total number of Branches has been reduced by 7.7% or 95 Branches (o/w 23 relate to Ukraine). **General expenses** reached Euro 383 million, down by 10.3% y-o-y[1]. The early benefits of the integration with Emporiki Bank have played a significant role in the streamlining of general expenses. **Integration costs** for the period reached Euro 27.6 million of which Euro 17.1 million have been expensed and the rest were capitalised.

Lower reliance on Eurosystem funds as a result of the gradual decrease in our commercial gap

In Q3 2013, we continued decreasing our usage of Central Banks funding, supported by a decrease in loan balances. As of end September 2013, Central Banks funding amounted to Euro 17.5 billion, accounting for 24% of total assets or 20.8%, if we exclude the EFSF notes. Our ELA borrowings were reduced by Euro 0.5 billion quarter-on-quarter and by Euro 20.2 billion since the end of December 2012 to Euro 3.5 billion in September 30, 2013.

Gross Loans of the Group amounted to Euro 63.3 billion at the end of September 2013. Loans in Greece stood at Euro 52.8 billion down by Euro 0.6 billion in Q3 2013, while SEE loans amounted to Euro 10 billion. It should be noted that earlier this month Alpha Bank signed a new Euro 100 million agreement with the EIB for the financing of Small and Medium-sized Enterprises in addition to last December's Euro 140 million agreement. This tranche was active in the fields of industry, tourism and services.

The Group's total deposit base amounted to Euro 42 billion at the end of September 2013. Deposits in Greece remained stable at Euro 36.4 billion with private sector outflows of Euro 0.5 billion in Q3 2013, in line with the market, as both households and corporates have experienced increased outflows for tax payments in the second half of the year.

Deposits in SEE reached Euro 5.1 billion, effectively flat quarter-on-quarter, following outflows of Euro 0.1 billion in Cyprus, which were counterbalanced by inflows in other SEE countries.

[1] Accounting for a full Q1 2013 contribution from Emporiki Bank. However, its first time consolidation was effected in 1.2.2013.

The Loan to Deposit Ratio has improved for a fifth consecutive quarter and it stood at 119% in 9M 2013, vs. 167% in 6M 2012 as a result of the Emporiki Bank acquisition and the on-going loan deleveraging.

NPL formation continued to decelerate in Greece as economic recovery prospects strengthen; Strong coverage maintained

In Q3 2013, our **NPL ratio** stood at 32.9% compared to 31.8% in the previous quarter. Net NPL flows stood at Euro 546 million in Q3 2013 underpinning the decelerating pattern observed in the last few quarters. In Greece, NPLs reached 34.5% at the end of September 2013 up by 113bps quarter-on-quarter vs. 155bps in the previous quarter, while in SEE our NPLs stood at 22.9% showing a declining formation of 90bps in Q3. From a segmental perspective, business NPLs for the Group increased to 32.4%, while mortgage NPLs increased to 31.4% and consumer credit NPLs stood at 39.7% respectively.

Accumulated balance sheet provisions for the Group totalled Euro 10.7 billion at the end of Q3 2013, which translated to a resilient 52% cash coverage ratio. Provisions for the Group were strengthened by adding another Euro 490 million in Q3 2013. The ratio of loan loss reserves over loans stood at 17%, at the end of September 2013.

Emporiki Bank integration progress update

The integration and restructuring programme is advancing according to plan.
From an operational standpoint, the Branch optimisation initiative is running at full pace with 68 Branches having been merged and another 52 mergers scheduled to be completed by February 2014. Systems integration is on track while the completion of the full loans system integration is scheduled for the end of February 2014.
Synergies realisation momentum is being maintained with Euro 47 million expected to be captured by the end of 2103.

Operations in SEE

In SEE, our operating income for the nine months stood at Euro 309.7 million down 7.1% year-on-year, affected adversely by lower net interest income as a result of higher cost of deposits (mainly in the first half of the year) as well as deleveraging.

In **Cyprus**, loans amounted to Euro 5.1 billion, up by 12.1% year-on-year due to the inclusion of the Emporiki Bank – Cyprus Ltd portfolio, while deposits stood at Euro 2.3 billion, down by 12.6% affected by the stressed operating conditions and the strained liquidity environment.

In the rest of the region our balances were driven by our strategy to reduce the commercial funding gap. In **Romania**, loans decreased to Euro 3 billion (-4.9% year-on-year), while deposits increased to Euro 1.4 billion (+22.8% year-on-year). In **Bulgaria**, loans decreased to Euro 657 million (-18.2% year-on-year), while deposit balances increased to Euro 381 million (+18.3% year-on-year). In **Serbia**, loan balances decreased to Euro 736 million (-9.0% year-on-year) while deposits increased to Euro 545 million (+5.4% year-on-year). In **Albania**, loans amounted to Euro 366 million (down 3.0% year-on-year) and deposits to Euro 474 million (up 5.3% year-on-year), while in **F.Y.R.O.M.**, loans stood at Euro 69 million (down 2.8% year-on-year) and deposits increased to Euro 80 million (up 13.0% year-on-year).

Finally, in September 2013, the sale of our subsidiary JSC Astra Bank Ukraine to Delta Bank Group (Ukraine) was completed for a consideration of Euro 82 million and is capital neutral for Alpha Bank.

Athens, November 28, 2013

The Bank

The Alpha Bank Group is one of the leading Groups of the financial sector in Greece, with a strong presence in the Greek and international banking market. The Group offers a wide range of high-quality financial products and services, including retail banking, SMEs and corporate banking, asset management and private banking, the distribution of insurance products, investment banking, brokerage and real estate management. The Parent Company and main Bank of the Group is Alpha Bank, which was founded in 1879 by J. F. Costopoulos. Alpha Bank, the Bank that inspires confidence and constitutes a consistent point of reference in the Greek banking system, is one of the largest banks of the private sector, with a wide Network of over 1,100 service points in Greece and one of the highest capital adequacy ratios in Europe.

Significant recent milestones in the long and successful course of the Group are:

- The acquisition of the entire share capital of Emporiki Bank on 1.2.2013
- Euro 4,571 million successful recapitalisation of the Bank, on 31.5.2013, with private-sector participation at Euro 550 million, which resulted in the preservation of Alpha Bank's private character. Euro 4,021 million was covered by the Hellenic Financial Stability Fund in common shares with restricted voting rights. Private shareholders were granted free warrants for every new share the acquired the exercise of which will enable them to buy back the HFSF-held shares until December 2017.
- The completion of the legal merger by absorption of Emporiki Bank on 28.6.2013 and the creation of the integrated Alpha Bank.

ENQUIRIES

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