



(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.”

To the Extraordinary (General and Special) Meeting of its Shareholders, including any repeat, postponement or adjournment of such Meeting,

On the 1st Item of the Agenda of the Extraordinary General Meeting, dated 28 March 2014, as follows:

Raising of capital by the Bank, by the increase of its share capital, through payment in cash. Cancellation of the pre-emption rights of the existing (common and preferred) shares. Issuance and distribution by the Bank of new common, nominal, paperless shares with voting rights. Amendment of article 5 of the Articles of Incorporation. Provision to the Board of Directors of the Bank of the power to specify the terms of the share capital increase (including the power to determine the offer price of the new shares to be issued) and to provide for similar issues related to the capital increase.

In relation to the Total Increase (as defined below), with Cancellation of the Corresponding Pre-emption Rights of the Existing Shareholders of Common Shares with Voting Rights and Preferred Shares without Voting Rights (article 13 para. 10 of codified law 2190/1920)

Issuance and Distribution of New Common, Nominal, Paperless Shares with Voting Rights

The current economic environment presents important challenges as well as opportunities for Greece and for the businesses operating in the country. The recent recapitalisation of the domestic banking system facilitated a very significant inflow of private capital which, depending on the circumstances, may be increased by way of the exercise of warrants. In parallel, the international institutional environment is continuously adjusting to the new circumstances, creating constantly changing demands to the supervised banks, which are competing with each other, on a European level, to gain customers, creditors and investors.

Within the above dynamic context, the Bank has moved (and continues to move) prudently and on a firm strategy, serving the interests of the organisation, its shareholders and its investors, as well as of the institutional entities that have supported the business initiatives of the Bank. In this context, the Bank sees currently the opportunity to extend the private character of its shareholding basis and to enhance its capital adequacy ratios at the same time, so as to further strengthen its balance sheet.

More particularly, without prejudice to para. I(d) hereof, it is expected that the proposed raising of capital:

- (a) will create the appropriate conditions for the satisfaction of the terms of law 3723/2008 regarding the redemption of the preferred shares issued by the Bank and owned by the Greek State (article 1 of law 3723/2008);
- (b) will improve the quality of the regulatory capital of the Bank and will accelerate its adjustment to the new supervisory framework of Basel III;
- (c) will lead to the qualitative expansion of the shareholding basis of the Bank, with a side benefit to the trading of the share, its participation in international indexes, its appeal to new investors and the overall enhancement of its revenues; and
- (d) will facilitate the smooth implementation of the business plan of the Bank, via the (further) strengthening of its liquidity ratios.

The Board of Directors of the Bank, following the above:

- I. Proposes that the Bank raises capital amounting in total to up to Euro 1.2 billion, as follows, by virtue of an increase of its common share capital without pre-emption rights (henceforth the “*Total Increase*”, including the amount corresponding to contributions above par value), through payment in cash, with the issuance and distribution of new common, nominal, paperless shares with full voting rights (henceforth the “*New Shares*”), by a number equal to the sum resulting from the total capital raised under the present resolution divided by the offer price of such shares,
 - (i) Of nominal value equal to Euro 0.30, and
 - (ii) Of an offer price equal to that which the Board of Directors of the Bank, acting by virtue of the authorisation of the General Meeting, will determine within a period of one (1) year, and
 - (iii) Without issuing fractions of shares, unless it is required for purposes of rounding up the amounts.

Thus, it is proposed that the relevant article (on the share capital of the Bank) of the Articles of Incorporation be modified as follows, i.e.:

by amending article 5 para. 1 of the Articles of Incorporation (as follows),

“ARTICLE 5 – Share Capital

5.1 *The share capital of the Bank amounts, today, to the total amount of Euro, divided into shares, of which are common, nominal, voting, paperless shares, of a nominal value of Euro 0.30 each, and 200,000,000 are preferred, nominal, without voting rights, material and redeemable shares, issued in accordance with law 3723/2008, of a nominal value of Euro 4.70 each.*

and

by adding, to article 5 para. 2 of the Articles of Incorporation, a new subparagraph (I), the wording of which is as follows:

“(I) By the share capital increase, by virtue of the Extraordinary General Meeting dated March 28, 2014, amounting to a total of Euro ____, through payment in cash, with a simultaneous cancellation of the pre-emption rights of the common, voting, paperless shares and of the preferred material shares without voting rights, issued by the Bank, by way of the issuance and offer by the latter of ____ common nominal paperless shares, with full voting rights, of a nominal value of Euro 0.30 and an offer price equal to Euro ____, each, whereby the difference between issue price and offer price, amounting to a total of Euro ____, is credited in the special account by “the issuance of shares above par value”,

as all number values will be determined by the Board of Directors, by virtue of the authorisation of the Extraordinary General Meeting, after they have been finalised.

In particular, the raising of capital by the Bank (via the Total Increase) is proposed to take place as follows:

I(a)

- 1) By total, pursuant to article 13 para. 10 section (a) of codified law 2190/1920, cancellation of the total (without discrimination) pre-emption rights of the common shares with voting rights (including the ones issued by the Bank in favour of the HFSF pursuant to law 3864/2010) and of the preferred shares without voting rights, issued by the Bank, in accordance with the Report of the Board of Directors under submission pursuant to article 13 para. 10 section (b) of codified law 2190/1920.
- 2) Through the offer by the Board of Directors of the Bank (acting pursuant to article 13 para. 8 section (f) of codified law 2190/1920, and by virtue of the authorisation of the General Meeting), at its discretion, of the New Shares corresponding to the cancelled pre-emption rights, as follows:

(A) By a Public Offering

For a number of New Shares of a total offer price equal to up to Euro 1.2 billion (the exact number of which will be determined by the Board of Directors pursuant to the authorisation of the General Meeting), through payment in cash (henceforth the “*Increase by Public Offering*”, including the amount corresponding to contributions above par value), to the investing community (the “*Private Investors*”), in Greece and/or elsewhere at the discretion of the Board of Directors pursuant to the authorisation of the General Meeting, excluding the Special Investors, in the sense under I)(a)(2)(B), below, without prejudice to article 6 of the Decision No. 2/460/10.01.2008 of the Hellenic Capital Markets Commission,

along with the (non-transferable and non-disposable) right of the Private Investors for the expression of (non-binding for the Bank) interest for pre-subscription,

taking into consideration that: (x) the object of pre-subscription by each pre-subscriber shall be an amount (and respectively a number of New Shares) up

to any unsubscribed amount of the Total Increase, if any, after the unsuccessful full or partial completion of the Increase by Private Placement, and (xi) if the number of the unsubscribed New Shares is not adequate for the full satisfaction of the demand of the pre-subscribers, the latter shall be satisfied pro rata, based on the number of unsubscribed New Shares for which they have pre-subscribed, and until full satisfaction of their demand, unless the Board of Directors decides otherwise pursuant to the authorisation of the General Meeting.

(B) By a Private Placement (article 3 para. 2 section (a) of law 3401/2005)

For a number of New Shares of a total offer price equal to up to Euro 1.2 billion (the exact number of which will be determined by the Board of Directors pursuant to the authorisation of the General Meeting), through payment in cash (henceforth the "*Increase by Private Placement*", including the amount corresponding to contributions above par value), to Special Investors in the sense of article 2 para. 1 section (f) of law 3401/2005 (the "*Special Investors*"), in foreign countries and/or in Greece, at the discretion of the Board of Directors pursuant to the authorisation of the General Meeting, of the absolute choice of the Bank in agreement with the underwriters of the Total Increase,

along with the (non-transferable and non-disposable) right of the Special Investors for the expression of (non-binding for the Bank) interest for pre-subscription,

taking into consideration that: (x) the object of pre-subscription by each pre-subscriber shall be an amount (and respectively a number of New Shares) up to any unsubscribed amount of the Total Increase, if any, after the unsuccessful full or partial completion of the Increase by Public Offering, and (xi) if the number of the unsubscribed New Shares is not adequate for the full satisfaction of the demand of the pre-subscribers, the latter shall be satisfied pro rata, based on the number of unsubscribed New Shares for which they have pre-subscribed, and until full satisfaction of their demand, unless the Board of Directors decides otherwise,

under the understanding that:

I(b)

- 1) The Total Increase is subject to, among others, approval by the Greek State as the preferred shareholder,
- 2) The Total Increase with regard to both parts (namely, by Public Offering and by Private Placement, including the corresponding pre-subscriptions) may not collectively exceed the amount of Euro 1.2 billion.
- 3) The new shares issued in both parts of the Total Increase shall all be common, nominal, with full voting rights, paperless shares, of a nominal value of Euro 0.30 each.
- 4) The acceptance (by the Bank) of the subscriptions by Private Investors as well as the offer to them of New Shares is subject to the discretion of the Board of Directors.

- 5) The pre-subscription rights under each part of the Total Increase will be exercised on the unsubscribed part of the relevant part, if any (after the completion of the pertinent subscriptions), and, in case of exceeding such unsubscribed part due to increased demand by the pre-subscribers, they will extend, without further requirement, to the unsubscribed part of the other part, if any (after the completion of the pertinent subscriptions/pre-subscriptions), up to the amount of the Total Increase,

in the manner in which the numerical allocation (between the two parts) of the amounts to be covered by the Total Increase will be determined (in accordance with the above) by the Board of Directors. As regards all other matters, paras. I(a)(2)(A)(xi) and I(a)(2)(B)(xi) of the present item apply.

- 6) Any unsubscribed balance (after the unsuccessful full or partial completion of the Increase, by Public Offering and by Private Placement, including pre-subscriptions) resulting from the Total Increase, may be disposed at the discretion of the Board of Directors to shareholders of the Bank and/or other persons (called, in general, "third parties"), by a special resolution of the Board of Directors according to articles 5.4. of the Articles of Incorporation and, by its reference to, article 13 para. 8 section (f) of codified law 2190/1920, as well as by authorisation of the General Meeting.
- 7) In case the Total Increase is not fully and completely subscribed, after the completion of the corporate acts and procedures described in para. I(a) and I(b) hereof, article 13a para. 1 of codified law 2190/1920 is applicable.
- 8) The offer price of the New Shares, in both parts of the Total Increase, will be numerically the same, identical and equal, and will be determined/announced, together with the number of the New Shares, by the Board of Directors of the Bank, along with assessment of the current financial conditions, within one (1) year, by virtue of the power granted to the Board of Directors by the General Meeting.

I(c) With regard to the New Shares to be issued,

- (i) The total amount of the difference between the nominal value and the offer price of the New Shares will be credited to the account "Difference from the Issue of Shares Above Par",
- (ii) The offer price of the New Shares may exceed their stock price, but may never be below its nominal value, and
- (iii) The New Shares will grant right to receive dividend on any distributed profit for the financial year 2013 and onwards, without prejudice to the application of article 1 of law 3723/2008.

I(d) The exclusive disposal of the net amount of the Total Increase (i.e., after deduction of the issue expenses) for the purpose of further strengthening the capital adequacy ratios of the Bank and, thus, of creating the appropriate conditions (under law 3723/2008) for the satisfaction of the terms of the provision of approvals for redeeming the preferred shares issued by the Bank and owned by the Greek State,

taking into consideration that amounts raised in this way will be disposed pursuant to the timeline of the (draft) prospectus and under the obvious

commitment of the Bank that it will, timely and duly, inform the Management of the Athens Exchange and the Hellenic Capital Market Commission, pursuant to the applicable legislation.

- I(e) The determination of an exclusive period that will be set and duly announced to the investing community by the Board of Directors, pursuant to the authorisation of the Extraordinary General Meeting, as deadline for the subscriptions to the Increase by Public Offering and by Private Placement,

taking into consideration that:

- (i) The deadline for subscriptions to the Increase by Public Offering and by Private Placement will also be the deadline for any exercise of (corresponding) pre-subscription rights, respectively; the offer price of the New Shares will (also) be the price of subscription/pre-subscription to the Increase by Public Offering and by Private Placement,
 - (ii) The commencement and expiration of the aforementioned deadlines will be decided and notified by the Board of Directors, and
 - (iii) The subscriptions/pre-subscriptions to the Increase by Public Offering and by Private Placement will be performed simultaneously and in parallel, against simultaneous (pre)payment and/or blocking of equal amounts, pursuant to procedures which the Board of Directors will set out and which (as regards the Increase by Public Offering) it will describe in the prospectus to be published, otherwise subscriptions/pre-subscriptions which are not timely and duly exercised will be extinguished.
- I(f) Without prejudice to the right of the Board of Directors under article 11 para. 4 of codified law 2190/1920 (on the extension of the relevant deadline), a deadline for payment of the Total Increase's amount (along with the above par difference) up to four (4) months is provided, commencing from the determination of the offer price of the New Shares by the Board of Directors, unless said payment is completed earlier.
- I(g) The sole shareholder of the Bank, as defined in article 4.1.4.1.2(1)(e) of the Athens Exchange Regulation, who also participates in the Bank's management, is the HFSF, which holds a percentage of 81.71% of the common, and 63.50% of the total share capital of the Bank. As a result of the cancellation of the pre-emption rights corresponding (inter alia) to the HFSF on the Total Increase, the respective provision is not applicable (no statement by such shareholder is necessary with regard to their intention to participate in the Total Increase).

Account for Use of Funds from the Past Share Capital Increase

The most recent share capital increase of the Bank was performed on the basis of the resolution of the (2nd Iterative) Extraordinary General Meeting of the Bank dated April 16, 2013, for an amount of Euro 4.571 billion, paid up partly in cash and partly in securities, as detailed in the minutes of the above Meeting.

Purpose of Use of the Funds to be Raised

The exclusive disposal of the net amount of the Increase (i.e., after deduction of the issue expenses) for the purpose of further strengthening the capital

adequacy ratios of the Bank and, thus, of creating the appropriate conditions for the satisfaction of the terms (under law 3723/2008) of the provision of approvals for redeeming the preferred shares issued by the Bank and owned by the Greek State.

Justification of Cancellation of the Pre-Emption Rights on the Increase

The need for fast, flexible and safe access to the international capital markets shows that the proposed cancellation of pre-emption rights is a necessary and proportional measure so as to, on the one hand, broaden and, on the other, diversify the basis of raising liquidity and regulatory capital.

By way of the proposed scheme of the share capital increase, the -required under the current circumstances- fast and prompt reaction to the changing circumstances is achieved, since the timeframe of implementation of the Total Increase is expected to be materially shorter than under the other alternatives of raising capital. The opportunity to benefit from the current circumstances so as to raise additional private capital is particularly highlighted, since it is expected that, within the current year, substantial competition will occur for seeking new investors on a European level.

In parallel, the amount of the share capital increase for which the pre-emption rights are cancelled is equal to a percentage acceptable by international standards. At the same time, the investing community is (also) provided with the ability to subscribe to the part of the Increase by Public Offering, as well as pre-subscribe to the unsubscribed part of the Total Increase, under the terms set out herein.