



Press Release

Euro 1.2 billion underwritten capital increase with cancellation of pre-emption rights Enhanced capital base and free float support Alpha Bank's leading position

The Board of Directors of Alpha Bank has called an Extraordinary General Meeting ("EGM"), on March 28, 2014 to consider an up to Euro 1.2 billion capital increase ("Capital Increase") in cash with the cancellation of pre-emption rights to facilitate an equity offering. The Board of Directors will seek authorisation at the EGM to determine the timing and the terms of the transaction. The proceeds from the capital increase are expected to be used to strengthen the Bank's capital base with high-quality common equity capital and allow for the redemption of the Hellenic Republic's preference shares of Euro 940 million. The transaction is envisaged to be executed via a non-preemptive equity offering to international investors and a public offering in Greece. Alpha Bank will consider favourably any participation of existing Shareholders and Warrant Holders in the equity offering process.

Citigroup Global Markets Ltd and J.P. Morgan Securities plc acting as Joint Global Coordinators and Joint Bookrunners have committed to underwriting the capital increase, subject to customary conditions. The Hellenic Financial Stability Fund, owner of 81.7% of Alpha Bank's capital, has expressed its full support of the Bank's effort to attract private capital and further strengthen its balance sheet.

Update on Performance Assessment by the Central Bank

- The second diagnostic exercise commissioned by the Bank of Greece and supported by BlackRock Solutions and Rothschild indicated marginal capital needs for Alpha Bank resulting from very conservative prudential filters. Alpha Bank was found to have the lowest capital need among systemic Greek banks at Euro 262 million under the binding scenario taking into account BlackRock's credit loss projections and other assumptions made by the Bank of Greece.
- The estimated capital need implied a circa 130% coverage of BlackRock's lifetime losses, well ahead of the respective coverage for peers.



Rationale for Capital Increase

The contemplated transaction is intended to:

- Facilitate the full repayment of Euro 940 million Hellenic Republic preference shares subject to regulatory approvals and their replacement with high-quality capital, allowing increased flexibility in Alpha Bank's dividend policy going forward.
- Accommodate fully the results of the Bank of Greece's latest diagnostic exercise.
- Bring Alpha Bank's Basel III fully loaded CT1 ratio to 12.1% (following the repayment of the preference shares), based on latest reported data of 30 September 2013.
- Facilitate Alpha Bank's access to funding markets with an enhanced credit profile.

Ownership Structure

- Alpha Bank's free float is expected to increase substantially following the transaction, improving the trading liquidity of its stock and index weightings.
- Alpha Bank's increased free float and well in-the-money warrants will facilitate the transition of ownership to the private sector and the expedient recovery of HFSF's investment in Alpha Bank.

Key Terms and Indicative Timetable

- The intended capital increase of up to Euro 1.2 billion is expected to take place through a book building to international investors and a public offering in Greece. An Extraordinary General Meeting has been called for March 28, 2014 to consider the offering with cancellation of pre-emption rights and authorise the Board of Directors to approve the offer price and complete the transaction. The Hellenic Financial Stability Fund has approved the intended capital increase plan through its Representative on the Board of Directors of Alpha Bank and has indicated that it is expected to vote accordingly in the Extraordinary General Meeting.
- The proposed structure is expected to allow for the completion of the transaction on an expedient basis and is also intended to provide the opportunity to attract new high quality investors seeking exposure to the Greek economic recovery as well as existing private Shareholders and Warrant Holders.

Athens, March 7, 2014



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