ALPHA BANK

# Press Release

**Full Year 2012 Results**

**Net income of Euro -747.1 million[1] following impairments of Euro 1.7 billion**

**Completion of Emporiki acquisition leading to a pro-forma Tangible Equity of Euro 2.1 billion[2]**

**Pro-forma for full recapitalisation, our Core Tier I stands at Euro 7.9 billion**

## Balance Sheet and Capital ratios strengthened following management initiatives

- **Core Tier I capital ratio at 12.8%[3] and Total Capital Adequacy at 13.7%, pro-forma for the disbursement by the Hellenic Financial Stability Fund (HFSF) of the full recapitalisation amount defined by the Bank of Greece of Euro 4.6 billion and the Euro 150 million convertible bond issued by Alpha Bank and subscribed by Crédit Agricole. Taking into account the acquisition of Emporiki Bank, Core Tier I capital ratio increased to 13.7%[3].**
- **Pro-forma for the Emporiki acquisition, Tangible Common Equity exceeds Euro 2 billion as at the end of December 2012; Alpha Bank remains the only systemic Greek Bank with positive Tangible Equity.**
- **Deposits at Euro 28.5 billion as of December 2012, following inflows of Euro 2.2 billion in the fourth quarter and additional inflows of Euro 1.2 billion in the first two months of 2013. Pro-forma for Emporiki[4], deposits stand at Euro 41.3 billion.**
- **Central Banks funding down by Euro 1.7 billion in Q4 and a further Euro 4.5 billion by end of February 2013 to Euro 19.2 billion. Untapped liquidity of Central Banks funding at Euro 7.7 billion, further enhanced to Euro 12.7 billion following the addition of Emporiki's collateral pool.**
- **NPLs at 22.8%, backed by Euro 4.6 billion of on-balance sheet provisions, yielding 45% cash coverage or 123% inclusive of collaterals.**

## Operating performance has been adversely affected by the external operating environment

- **Net Interest Income declined by 21.7% year-on-year to Euro 1,397.3 million, affected by the higher cost of Central Banks funding as well as by the higher cost of deposits.**
- **Net Interest Margin was down commensurately by 40bps year-on-year to 2.4%.**
- **Trading losses of Euro 232.3 million mainly related to the shift of accounting policy to active market for the new Greek Government Bonds.**
- **Core revenues[5] down by 19.6% year-on-year; pre-provision income (excluding trading and extraordinary expenses[6]) at Euro 681.4 million affected mainly by lower net interest income.**
- **Cost down 3.9% year-on-year to Euro 1,053.6 million (excluding extraordinary costs) and 12.3% since 2009.**
- **Loan loss provisions at Euro 1,668.9 million, up by 47.6% year-on-year, implying a cost of risk of 352 bps.**

---

[1] Adjusted for the trading loss of Euro 288.3 million from the recognition of the new Greek Government Bonds at their market value at the transaction date and extraordinary costs of Euro 125.1 million.

[2] Following the recapitalisation of Euro 4.6 billion, the tangible equity will increase to Euro 6.7 billion.

[3] Based on the European Banking Authority (EBA) relevant definition.

[4] Based on 31.1.2013 data for Emporiki Bank.

[5] Core revenues are defined as Net Interest Income plus Fees.

[6] Extraordinary costs for 2012 amounted to Euro 125.1 million which include the provision for the Employees' statutory indemnity (Law 2112/1920) of Euro 46.2 million, impairment of goodwill of Alpha Bank Serbia of Euro 40.5 million and impairments of value of real estate available for sale of Euro 10 million.

- **Net losses at Euro 1,086.3 million, including extraordinary costs and the pre-tax trading loss from the recognition of the new Greek Government Bonds at current prices at the transaction date.**

**"Amidst another challenging year, Alpha Bank has played a leading role in a rapidly consolidating industry with the acquisition of Emporiki Bank. With encouraging signs of improving fundamentals, returning confidence and the recapitalisation of the banking sector under way, Alpha Bank is committed to becoming the driving force in the recovery of the economy. In this turning point for the Greek banking system and the country, we continue to serve our Customers and deliver for our Shareholders based on the same principles that have distinguished the Bank throughout its long history."**

**Yannis S. Costopoulos, Chairman**

**"Following the crucial disbursement of the official assistance in December, we expect the economic recovery process to gain momentum. In this context, Alpha Bank is focusing on its forthcoming capital increase. We are confident in the success of this endeavor, assisted by the positive impact of the acquisition of the fully re-capitalised Emporiki Bank. Looking ahead to 2013, we expect normalisation of our funding costs, delivery of further operating efficiencies and a lower cost of credit to have a positive impact on the Bank's profitability. With tangible shareholders' equity in excess of Euro 2 billion, ahead of any recapitalisation, Alpha Bank will comfortably meet the private sector test and thus retain firmly its private sector character."**

**Demetrios P. Mantzounis, Managing Director - CEO**

## KEY DEVELOPMENTS

### Recovery prospects strengthened as Greece reaps the benefits of adjustment, with growing confidence enhancing liquidity and facilitating privatisation

With economic sentiment improving and the bank recapitalisation process on track, the observance of the official assistance disbursement milestones remains pivotal for maintaining the adjustment momentum and providing critical validation for the entrenchment of confidence on the recovery prospects of the economy. Fiscal consolidation continues unabated towards a primary surplus expected by mid-year, despite a temporary revenue shortfall attributed to lengthening the tax payment period. Structural reform measures translate into enhanced competitiveness, with a current account surplus a realistic outcome within the year. The imminent conclusion of the natural gas and gaming company privatisations are expected to boost confidence and investment further. Finally, recovery prospects have been rising as bank deposit reflows put downward pressure on interest rates, and the cost of tapping interbank market liquidity through collateral is reduced toward the ECB rate. As a result, liquidity constraints for the economy seem to be easing, with net bank financing of corporates turning positive for the first time following a prolonged period of loan disbursements lagging behind repayments. However, the recent upheaval in Cyprus, where uninsured deposits of banks under resolution were bailed-in, may increase market uncertainty but should also make depositors more conscious in selecting the banking relationships.

### Completion of Emporiki acquisition; integration schedule on track

On February 1, 2013 Alpha Bank completed the acquisition of Emporiki Bank S.A. from Crédit Agricole S.A., thus creating a leading private bank in Greece and the only systemic bank with a pro-forma positive tangible equity amounting to Euro 2.1 billion as of December 31, 2012. With the acquisition of Emporiki, Alpha Bank has strengthened its capital base, placing it in a leading position ahead of the forthcoming recapitalisation of the Greek banks.

The integration process is on track and we expect the legal merger of the two entities to be completed in the second quarter of 2013. Following the assumption of full operational control, Alpha Bank has initiated the integration process focusing on Branch network realignment, procurement optimisation and consolidation of Central functions. The above, combined with the targeted funding synergies from reduced deposit cost is expected to deliver fully phased annual synergies of Euro 265 million per annum.

**Core Tier I at 13.7% pro-forma for the full recapitalisation needs defined by the Bank of Greece and the Emporiki acquisition**[1]

In March 2012, Alpha Bank participated in the attempt to ensure the long-term sustainability of Greek Government debt through the Greek Bond exchange programme (PSI+). With the completion of the PSI+ and its final accounting impact, the Bank of Greece (BoG) assessed Greek banks' capital needs, commensurate with PSI losses and taking into account the results of the BlackRock diagnostic exercise. In particular, Alpha Bank's total recapitalisation needs were determined at Euro 4.6 billion, of which Euro 2.9 billion has already been disbursed by the HFSF as bridge capital in view of its participation in the capital raising across the sector. Taking into account the remaining recapitalisation needs of Euro 1.6 billion as well as the Euro 150 million convertible bond issued by Alpha Bank and subscribed by Crédit Agricole, our pro-forma Core Tier I stands at 12.8%. Furthermore, pro-forma for the positive capital impact of the Emporiki acquisition, our Core Tier I rises to 13.7% while our Total Capital Adequacy Ratio stands at 14.4%.

**Central Banks financing reduction as deposit balances begin to resume**

Throughout 2012, we continued deleveraging our loan book, which along with the PSI+ impact, allowed our portfolio to decrease by Euro 4.6 billion or 9.3% year-on-year to Euro 45.1 billion at the end of December 2012.

Our deposit base stood at Euro 28.5 billion at the end of December 2012, down Euro 948 million or 3.2% year-on-year. This was mainly due to the prolonged economic recession and the resumption of the political uncertainty due to the inconclusive results of the May 6, 2012, elections. We should highlight, however, that since the outcome of June 17, 2012 elections, which resulted in an improvement in confidence, we experienced a gradual return of deposits, with balances in Greece up by Euro 700 million in Q3 and a further Euro 2 billion in Q4. This trend continued unabated in 2013, with balances up by Euro 1.2 billion until the end of February to Euro 29.7 billion. It should also be noted that since the trough in June 2012, the reversal of our deposits in Greece reached 18% which compares with a 7% system-wide increase. In addition, we managed to narrow our funding gap in SEE by increasing our deposits by Euro 265 million and decreasing our loans by Euro 227 million.

Following the gradual reversal of the previous negative trend in deposits, we decreased our usage of Central Banks funding by Euro 1.7 billion in Q4 and a further Euro 4.5 billion by the end of February 2013, to Euro 19.2 billion. Our untapped liquidity of Central Banks funding at the end of February 2013 stood at Euro 7.7 billion or Euro 12.7 billion following the addition of Emporiki's to Alpha Bank's collateral pool. Taking into account debt maturities of just Euro 0.4 billion, the strong combined collateral pool and the balanced net loans to deposit position of Emporiki Bank, which currently stands at 114%, the Group's adequate liquidity position is assured for the foreseeable future.[2]

**Operating performance negatively affected by the adverse operating environment and valuation adjustments**

In 2012, our operating performance was affected by losses in the trading line of Euro 232.3 million from valuations adjustments of new GGBs and the effects of Agricultural Bank of Greece resolution counterbalanced by gains from Greek Government Bonds buy-back and the Liability Management Exercise. Our pre-provision income, excluding the trading result and extraordinary costs, stood at Euro 681.4 million, down by 34.8% year-on-year, negatively influenced by the protracted slowdown of economic activity in Greece and higher funding costs. Taking into account the trading loss, our pre-provision income stands at Euro 449.1 million, or 62.2% lower on a year-on-year basis.

[1] Taking also into account the Euro 150 million convertible bond issued by Alpha Bank and subscribed by Crédit Agricole.

[2] Following the transfer of a shipping loan portfolio of USD 1.4 billion to Crédit Agricole, there is no residual funding from Crédit Agricole to Emporiki Bank.

**Ongoing provisions build-up against slightly declining NPL formation**
In Q4 2012, new formation of NPLs amounted to Euro 787.1 million vs. a formation of Euro 1,076.4 million in the previous quarter. This improvement comes mainly from Greece where NPLs rose by 230 bps vs. 310 bps in Q3, reaching 23.8% at the end of December 2012. In SEE our NPLs stood at 19.4%, which corresponds to a quarterly formation of 70bps vs. 130bps in the previous quarter. In Cyprus, loans in arrears stood at 23.6%, adding another 140bps q-o-q. It is worth highlighting that in the Balkans our loan book is showing strong resilience, recording a stable NPL ratio at 15.7%. From a segmental perspective, business loans in arrears for the Group increased to 24.8% vs. 22.7% at the end of Q3 2012, while mortgage NPLs increased to 19.2% vs. 18.8% and consumer loans stood at 22.7% vs. 17.9% respectively.

In response to the deterioration in asset quality, we continued strengthening our reserves by adding another Euro 498.4 million of impairments in the fourth quarter. As a result, our accumulated balance sheet provisions totalled Euro 4.6 billion at the end of 2012, which translated to a 45% cash coverage ratio (123% when collaterals are included). The ratio of loan loss reserves over loans increased to 10.2% compared to 5.8%[1] at the end of 2011.

On a pro-forma basis, including Emporiki, the NPL ratio for the Group stands at 28.6%. Taking into account our accumulated provisions of Euro 9.6 billion, the pro-forma cash coverage for the Group rises to 52%.

## SUMMARY PROFIT AND LOSS

| (in Euro million) | FY 2012 | FY 2011 | % change |
|---|---|---|---|
| **Operating Income** | **1,502.7** | **2,283.8** | **(34.2%)** |
| of which: | | | |
| Greece | 1,020.1 | 1,784.4 | (41.7%) |
| Southeastern Europe | 462.6 | 503.7 | (8.2%) |
| **Operating Expenses**[2] | **1,053.6** | **1,096.3** | **(3.9%)** |
| of which: | | | |
| Greece | 747.4 | 781.1 | (4.3%) |
| Southeastern Europe | 296.6 | 307.0 | (3.4%) |
| **Impairment Losses** | **1,668.9** | **1,130.3** | **47.6%** |
| of which: | | | |
| Greece | 1,354.6 | 876.2 | 54.6% |
| Southeastern Europe | 313.9 | 254.1 | 23.5% |
| **Profit / (Loss) before Tax** | **(1,219.8)** | **57.2** | **…** |
| **Net Profit/ (Loss) excluding trading losses from new GGBs and PSI impairment**[3] | **(747.1)** | **21.4** | **…** |
| **Impairment losses on GGBs** | **…** | **(3,831.4)** | **…** |
| **Net Profit/ (Loss) attributable to Shareholders** | **(1,086.3)** | **(3,810.2)** | **…** |

[1] Adjusted for the PSI+ impact for the loans guaranteed by the Hellenic Republic.
[2] Excluding extraordinary costs of Euro 125.1 million.
[3] Adjusted for the pre-tax trading loss of Euro 288.3 million from the recognition of the new Greek Government Bonds at their market value at the transaction date.

## BALANCE AND OFF-BALANCE SHEET HIGHLIGHTS

| (in Euro million) | Pro forma with Emporiki 31.01.2013 | 31.12.2012 | 31.12.2011 | % change |
|---|---|---|---|---|
| **Assets** | **76,518** | **58,357** | **59,148** | **(1.3%)** |
| **Equity** | **3,423** | **613** | **1,417** | **(56.7%)** |
| **Loans (gross)** | **65,085** | **45,102** | **49,747** | **(9.3%)** |
| of which: | | | | |
| Greece | 55,599 | 34,810 | 38,756 | (10.2%) |
| Southeastern Europe | 10,486 | 9,681 | 10,149 | (4.6%) |
| **Customer Assets** | **44,310** | **30,874** | **31,664** | **(2.5%)** |
| **Deposits** | **41,348** | **28,451** | **29,399** | **(3.2%)** |
| of which: | | | | |
| Greece | 35,710 | 22,480 | 23,680 | (5.1%) |
| Southeastern Europe | 5,638 | 5,421 | 5,309 | 2.1% |

Enquiries


**Alpha Bank**
Vassilios Psaltis
General Manager & CFO
Tel. +30 210 326 4009

Michael Massourakis
Senior Manager
Economic Research Division
Tel. +30 210 326 2828

Dimitrios Kostopoulos
Manager
Investor Relations Division
Tel. +30 210 326 4195

*www.alpha.gr*

**Finsbury Group**
Edward Simpkins / Matthew Newton
Tel. +44 207 251 3801


Athens, March 27, 2013

## FY 2012 PERFORMANCE OVERVIEW

Net income[1] was Euro -747.1 million, as the Greek economy remained mired in a deep recession with real GDP contracting for a fifth consecutive year, down by 22% since 2008, when the peak in domestic output was recorded. Net income attributable to Shareholders, after taking into account the pre-tax trading loss of Euro 288.3 million from the recognition of the new Greek Government Bonds at their market value at the transaction date, amounted to losses of Euro 1,086.3 million. **Net interest income** stood at Euro 1,397.3 million, 21.7% lower y-o-y, mostly attributable to the higher funding costs as during most of the second half of the year Greek banks were practically excluded from the ECB funding mechanism. In addition, the negative trend in NII was accentuated by the decrease of the spread in deposits due to the deceleration of Euribor (by 79bps from the beginning of 2012). **Net fee and commission income** stood at Euro 272.8 million, a decrease of 7.3%, due to the significant contraction in demand for banking services and products. **Income from financial operations** amounted to Euro -232.3 million, negatively impacted by the initial recognition of the new Greek Government Bonds at a lower market value at the transaction date and the effects of Agricultural Bank of Greece resolution counterbalanced by gains from Greek Government Bonds buy-back.and the Liability Management Exercise. **Other income** stood at Euro 64.9 million, up 2.1% y-o-y.

**Operating costs** were down by 3.9%[2] to Euro 1,053.6 million due to the continued implementation of our cost reduction programme. Despite this, **cost-to-income ratio** was up at 60.7%[3] due to weaker operating income. Staff costs decreased by 6.6% to Euro 500.6 million, mainly as a result of accelerated attrition in Greece and the new two-year collective agreement that came in force in early May. General expenses were down by 1.9% to Euro 458.7 million, as continuous procurement optimisation initiatives yielded strong results. In Greece, operating costs decreased by 4.3% to Euro 747.4 million, while in SEE our cost base declined by 3.4% to Euro 296.6 million.

**Customer assets** reached Euro 30.9 billion and **total deposits** stood at Euro 28.5 billion. In **Greece**, deposits amounted to Euro 22.5 billion, down 5.1% on a yearly basis, as customers diversified part of their cash holdings away from Greece as a response to the mounting political uncertainty, due to the double round of general elections earlier in the year, and also as they adapted their cash management to the liquidity strained environment. However, at the end of December 2012, deposits in Greece were up by Euro 2.7 billion since the end of June 2012, as fears of a Greek Euro exit receded and confidence gradually returned to the system. We should highlight that the gradual return of deposits following the improvement in confidence continued unabated with balances in Greece up by Euro 1.2 billion in the first two months of 2013. In **SEE**, deposits stood at Euro 5.4 billion, up by Euro 112 million or 2.1% y-o-y, as the restitution of the political stability in Greece in combination with our deposit gathering efforts enabled the stabilisation of our deposit base, particularly in Q4. Finally, **Private Banking** balances stood at Euro 1.7 billion, down 11.9% y-o-y and **mutual fund** balances increased to Euro 0.9 billion (+9.7%).

**Loans and advances to customers** (gross) decreased by 9.3%, reaching Euro 45.1 billion compared to Euro 49.7 billion at the end of 2011. This development was driven primarily by a 10.2% volume decrease in Greece, where balances were affected by the PSI+ impact on State Guaranteed loans, as well as the deleveraging of our loan book by a further 4.6% of our SEE portfolio. In Q4 2012, the trend in deleveraging continued, with our loan balances decreasing by a further Euro 409 million.

**Impairment losses** on loans amounted to Euro 1,668.9 million (up 47.6% y-o-y), bringing the **cost of credit** to 352 bps. Our NPL ratio increased by 190 bps in Q4 2012, reaching 22.8% at the end of 2012. NPLs reached 23.8% in Greece (+230bps) and 19.4% in SEE (+70bps). **Allowances for impairments** stood at Euro 4.6 billion, representing 10.2% of loans compared to 5.8% at the end of 2011. This translates to a **coverage ratio** of 45% of NPLs, or 123% inclusive of collaterals.

[1] Adjusted for the pre-tax trading loss of Euro 288.3 million from the recognition of the new Greek Government Bonds at their market value at the transaction date and extraordinary costs of Euro 125.1 million.
2 Excluding extraordinary costs of Euro 125.1 million, which include the provision for the Employees' statutory indemnity (Law 2112/1920) of Euro 46.2 million, impairment of goodwill of Alpha Bank Serbia of Euro 40.5 million and impairments of value of real estate available for sale of Euro 10 million.
[3] Adjusted for the trading losses and for the one-off expenses.

## BUSINESS UNIT ANALYSIS

### CONSUMER AND SMALL BUSINESS BANKING

| **Retail Banking** (in Euro million) | **FY 2012** | **FY 2011** | **% change** |
|---|---|---|---|
| **Total Income** | 946.8 | 1,006.4 | (5.9%) |
| **Total Expenses** | 524.1 | 544.1 | (3.7%) |
| **Impairment Losses** | 773.1 | 466.3 | 65.8% |
| **Profit Before Tax** | (350.5) | (4.1) | … |
| **Return on Regulatory Capital** | (33.2%) | (0.4%) | … |
| **Risk Weighted Assets** | 13,185 | 14,147 | (6.8%) |
| **Cost / Income Ratio** | 55.4% | 54.1% | … |
| **Customer Financing (end-period)** | 19,659 | 20,307 | (3.2%) |

In 2012, we experienced losses of Euro 350.5 million, compared to losses of Euro 4.1 million last year, due to higher impairments, which reached Euro 773.1 million vs. Euro 466.3 million last year. **Mortgage credit** reached Euro 10.9 billion (down 2.1%), **consumer loan** balances totalled Euro 3.3 billion (up 1.1%) and **credit card** advances declined by 3.3% to Euro 1.3 billion. Moreover, **small business loans** (extended to companies with credit limits up to Euro 1 million) decreased by 8.9% to Euro 4.2 billion, while loans to **very small businesses** (defined as those with credit limits up to Euro 150,000) decreased by 13.9% and amounted to Euro 1.7 billion.

### MEDIUM AND LARGE CORPORATES

| **Medium and Large Corporates** (in Euro million) | **FY 2012** | **FY 2011** | **% change** |
|---|---|---|---|
| **Total Income** | 631.4 | 566.1 | 11.5% |
| **Total Expenses** | 129.2 | 130.8 | (1.2%) |
| **Impairment Losses** | 581.5 | 410.0 | 41.9% |
| **Profit Before Tax** | (79.3) | 25.4 | … |
| **Return on Regulatory Capital** | (6.1%) | 1.8% | … |
| **Risk Weighted Assets** | 16,304 | 17,553 | (7.1%) |
| **Cost / Income Ratio** | 20.5% | 23.1% | … |
| **Customer Financing (end-period)** | 15,151 | 18,449 | (17.9%) |

In 2012, we experienced losses of Euro 79.3 million, compared to profit of Euro 25.4 million last year. Our continuous progress in re-pricing our loans, has allowed our pre-provision income to increase by 15.4%. Medium and large corporate loan balances were down by 17.9% y-o-y, affected by the impairment of loans guaranteed by the Hellenic Republic, which were eligible in PSI+ and were exchanged in Q2 2012.

### OPERATIONS IN SOUTHEASTERN EUROPE

| **Operations in Southeastern Europe** (in Euro million) | **FY 2012** | **FY 2011** | **% change** |
|---|---|---|---|
| **Total Income** | 462.6 | 503.7 | (8.2%) |
| **Total Expenses** | 296.6 | 307.0 | (3.4%) |
| **Impairment Losses** | 314.2 | 254.1 | 23.7% |
| **Profit Before Tax** | (148.3) | (57.4) | … |
| **Return on Regulatory Capital** | (22.5%) | (7.6%) | … |
| **Risk Weighted Assets** | 8,245 | 9,460 | (12.8%) |
| **Cost / Income Ratio** | 64.1% | 61.0% | … |
| **Customer Financing (end-period)** | 9,681 | 10,149 | (4.6%) |
| **Customer Deposits (end-period)** | 5,421 | 5,309 | 2.1% |

In SEE, our operating income was affected adversely by lower net interest income (down 7.7%), as a result of deleveraging, and lower fees (down 21.0%), in line with the slow-down in new loan disbursements. However, this trend was counterbalanced by our cost containment efforts as our operating expenses in SEE decreased by 3.4%.

Our funding gap in SEE has decreased by Euro 0.6 billion y-o-y as a result of the increase in our deposits as well as our continuous deleveraging efforts. In **Cyprus**, loans amounted to Euro 4.6 billion while deposits stood at Euro 2.7 billion. In **Romania**, loans decreased by 7.9% to Euro 3.0 billion, while deposits increased by 7.0% to Euro 1.2 billion. In **Bulgaria**, loans amounted to Euro 742 million, while deposit balances stood at Euro 341 million. In **Serbia**, loans were down to Euro 780 million and deposit balances increased to Euro 585 million (up 2.3%). In **Albania**, loans amounted to Euro 375 million (down 5.2%) and deposits to Euro 468 million (up 5.4%), while in **F.Y.R.O.M.**, both loans and deposits stood at Euro 69 million. Finally, in **Ukraine**, loans stood at Euro 113 million and deposits at Euro 58 million.

## ASSET MANAGEMENT

| **Asset Management** (in Euro million) | **FY 2012** | **FY 2011** | **% change** |
|---|---|---|---|
| **Total Income** | 37.9 | 47.5 | (20.2%) |
| **Total Expenses** | 27.2 | 30.6 | (11.0%) |
| **Profit Before Tax** | 10.7 | 16.9 | (36.7%) |
| **Return on Regulatory Capital** | 16.0% | 24.4% | … |
| **Risk Weighted Assets** | 836 | 867 | (3.6%) |
| **Cost / Income Ratio** | 71.8% | 64.4% | … |
| **Customer Funds (end-period)** | 2,587 | 2,741 | (5.6%) |

Profit before tax amounted to Euro 10.7 million (down 36.7%). Funds under management decreased to Euro 2.6 billion (down 5.6%) on the back of a prolonged negative investor sentiment. In Private Banking, our balances stood at Euro 1.7 billion (down 11.9%).

## INVESTMENT BANKING AND TREASURY

| **Investment Banking and Treasury** (in Euro million) | **FY 2012** | **FY 2011** | **% change** |
|---|---|---|---|
| **Total Income** | (246.3) | 129.9 | (289.6%) |
| **Total Expenses** | 20.8 | 26.9 | (22.8%) |
| **Profit Before Tax** | (267.1) | 103.0 | (359.3%) |
| **Return on Regulatory Capital** | (77.4%) | 25.7% | |
| **Risk Weighted Assets** | 4,311 | 5,004 | (13.9%) |
| **Cost / Income Ratio** | … | 20.7% | … |

In 2012, we experienced losses of Euro 267.1 million. Our performance was negatively affected mainly by the higher wholesale funding costs and the recognition of the new Greek Government Bonds at a lower market value at the transaction date.

| ASSETS - LIABILITIES AND OFF BALANCE SHEET ITEMS | Dec 2012 | Sep 2012 | Jun 2012 | Mar 2012 | Dec 2011 | % Dec 2012 / Dec 2011 |
|---|---|---|---|---|---|---|
| **Assets** | **58,357** | **57,138** | **56,998** | **57,319** | **59,148** | ***(1.3%)*** |
| **Loans (net)** | **40,495** | **41,433** | **42,778** | **43,606** | **44,876** | ***(9.8%)*** |
| **Securities** | **7,594** | **6,980** | **5,593** | **5,702** | **5,840** | ***30.0%*** |
| **Deposits** | **28,451** | **26,276** | **25,600** | **27,852** | **29,399** | ***(3.2%)*** |
| **Private Banking** | **1,719** | **1,747** | **1,952** | **1,907** | **1,950** | ***(11.9%)*** |
| **Mutual Funds** | **868** | **769** | **708** | **780** | **791** | ***9.7%*** |
| **Senior Debt** | **608** | **682** | **1,066** | **851** | **1,726** | ***(64.7%)*** |
| **Subordinated Debt** | **170** | **171** | **174** | **453** | **463** | ***(63.2%)*** |
| **Hybrid Capital** | **148** | **154** | **154** | **536** | **537** | ***(72.5%)*** |
| **Shareholders Equity** | **613** | **726** | **853** | **999** | **1,417** | ***(56.7%)*** |

**INCOME STATEMENT**

| in Euro million | FY 2012 | FY 2011 | % change | Q4 2012 | Q3 2012 | Q2 2012 | Q1 2012 |
|---|---|---|---|---|---|---|---|
| **Operating Income** | **1,502.7** | **2,283.8** | ***(34.2%)*** | **433.1** | **407.4** | **453.8** | **208.3** |
| Net Interest Income | 1,397.3 | 1,783.7 | *(21.7%)* | 284.5 | 333.7 | 364.7 | 414.5 |
| Net fee and commission income | 272.8 | 294.2 | *(7.3%)* | 74.6 | 64.8 | 68.8 | 64.5 |
| Income from financial operations | (232.3) | 142.3 | *(263.3%)* | 56.5 | (12.7) | 6.0 | (282.2) |
| Other income | 64.9 | 63.6 | *2.1%* | 17.6 | 21.6 | 14.3 | 11.5 |
| **Operating Expenses** | **(1,178.7)** | **(1,096.3)** | ***7.5%*** | **(392.9)** | **(259.2)** | **(261.7)** | **(264.8)** |
| Staff costs | (546.8) | (535.8) | *2.0%* | (167.0) | (121.0) | (127.8) | (130.9) |
| General expenses | (534.1) | (467.4) | *14.2%* | (197.1) | (114.9) | (111.0) | (111.0) |
| Depreciation and amortization expenses | (97.9) | (93.0) | *5.2%* | (28.8) | (23.3) | (22.9) | (22.9) |
| **Impairment losses on credit risk** | **(1,668.9)** | **(1,130.3)** | ***47.6%*** | **(498.4)** | **(450.0)** | **(399.7)** | **(320.7)** |
| **Profit/ (Loss) before tax** | **(1,344.9)** | **57.2** | ***…*** | **(458.2)** | **(301.8)** | **(207.6)** | **(377.2)** |
| Income Tax | 259.0 | (35.8) | … | 84.0 | 52.5 | 59.4 | 63.0 |
| **Profit/ (Loss) after tax excluding impairment on PSI eligible portfolio** | **(1,085.9)** | **21.4** | ***…*** | **(374.2)** | **(249.3)** | **(148.2)** | **(314.2)** |
| **Impairment losses on PSI eligible portfolio** | **0.0** | **(3,831.4)** | ***(100.0%)*** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Profit/ (Loss) After Tax** | **(1,085.9)** | **(3,809.9)** | ***(71.5%)*** | **(374.2)** | **(249.3)** | **(148.2)** | **(314.2)** |
| **Profit/ (Loss) attributable to shareholders** | **(1,086.3)** | **(3,810.2)** | ***(71.5%)*** | **(374.5)** | **(249.3)** | **(148.2)** | **(314.2)** |

**RATIOS**

| | FY 2012 | FY 2011 | Q4 2012 | Q3 2012 | Q2 2012 | Q1 2012 |
|---|---|---|---|---|---|---|
| **Net Interest Income / Average Assets - MARGIN** | **2.4%** | **2.8%** | **2.0%** | **2.3%** | **2.6%** | **2.8%** |
| **Cost to Income Ratio** **(excl. trading and extraordinary costs)** | **60.7%** | **51.2%** | **71.1%** | **61.7%** | **58.4%** | **54.0%** |
| **Capital Adequacy Ratio (Total)**[1] | **9.5%** | **9.7%** | **9.5%** | **9.9%** | **10.3%** | **9.1%** |
| **Core Tier I Ratio** [1,2] | **8.5%** | **7.2%** | **8.5%** | **9.0%** | **9.4%** | **6.7%** |

[1] *Pro-forma for €2.9bn total advance from the HFSF*
[2] *According to the European Banking Authority definition*

**BUSINESS VOLUMES**

| in Euro million | Dec 2012 | Sep 2012 | Jun 2012 | Mar 2012 | Dec 2011 | % Dec 2012 / Dec 2011 |
|---|---|---|---|---|---|---|
| **Customer Financing** | **45,102** | **45,512** | **46,358** | **48,868** | **49,747** | ***(9.3%)*** |
| *of which:* | | | | | | |
| ***Greece*** | **34,810** | **34,970** | **35,705** | **38,134** | **38,756** | ***(10.2%)*** |
| Mortgages | 10,878 | 10,925 | 10,969 | 11,032 | 11,106 | *(2.1%)* |
| Consumer Loans | 3,285 | 3,256 | 3,254 | 3,246 | 3,248 | *1.1%* |
| Credit Cards | 1,281 | 1,277 | 1,269 | 1,286 | 1,324 | *(3.3%)* |
| Small Business Loans | 4,215 | 4,233 | 4,438 | 4,529 | 4,629 | *(8.9%)* |
| *of which:< €150,000 in limits* | *1,695* | *1,778* | *1,805* | *1,899* | *1,970* | *(13.9%)* |
| Medium and Large Business Loans | 15,151 | 15,279 | 15,773 | 18,042 | 18,449 | *(17.9%)* |
| ***Southeastern Europe*** | **9,681** | **9,908** | **10,012** | **10,097** | **10,149** | ***(4.6%)*** |
| Mortgages | 3,501 | 3,484 | 3,481 | 3,488 | 3,481 | *0.6%* |
| Consumer Credit | 781 | 802 | 812 | 844 | 881 | *(11.4%)* |
| Business Loans | 5,399 | 5,622 | 5,720 | 5,765 | 5,787 | *(6.7%)* |
| | | | | | | |
| **Customer Assets** | **30,874** | **28,606** | **27,999** | **30,060** | **31,664** | ***(2.5%)*** |
| *of which:* | | | | | | |
| **Deposits** | **28,451** | **26,276** | **25,600** | **27,852** | **29,399** | ***(3.2%)*** |
| **Greece** | **22,480** | **20,529** | **19,828** | **22,087** | **23,680** | ***(5.1%)*** |
| Sight & Savings | 8,617 | 8,409 | 8,494 | 9,033 | 10,046 | *(14.2%)* |
| Time deposits & Alpha Bank Bonds | 13,863 | 12,120 | 11,335 | 13,054 | 13,634 | *1.7%* |
| **Southeastern Europe** | **5,421** | **5,156** | **5,147** | **5,312** | **5,309** | ***2.1%*** |
| Mutual Funds | 868 | 769 | 708 | 780 | 791 | *9.7%* |
| Portfolio Management | 1,798 | 1,812 | 2,011 | 1,970 | 2,039 | *(11.8%)* |
| *of which: Private Banking* | *1,719* | *1,747* | *1,952* | *1,907* | *1,950* | *(11.9%)* |