ALPHA BANK

BUSINESS REVIEW 2013

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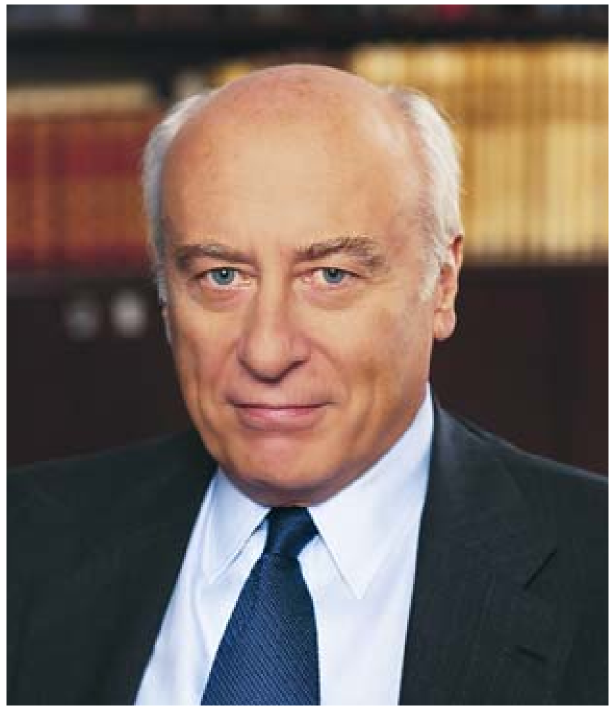


This year's Business Review is illustrated with advertising material - that will constitute the theme of the Historical Archives forthcoming exhibition - drawing on the period starting when Yannis Costopoulos assumed the duties of Managing Director and reaching to the present day, on which he is pronounced Honorary Chairman.

This period spans forty two years on the course of which the Bank grew to an impressive extent, developed into a Group providing financial services and acquired an international profile, thanks to the vision and the ideas of its Management.

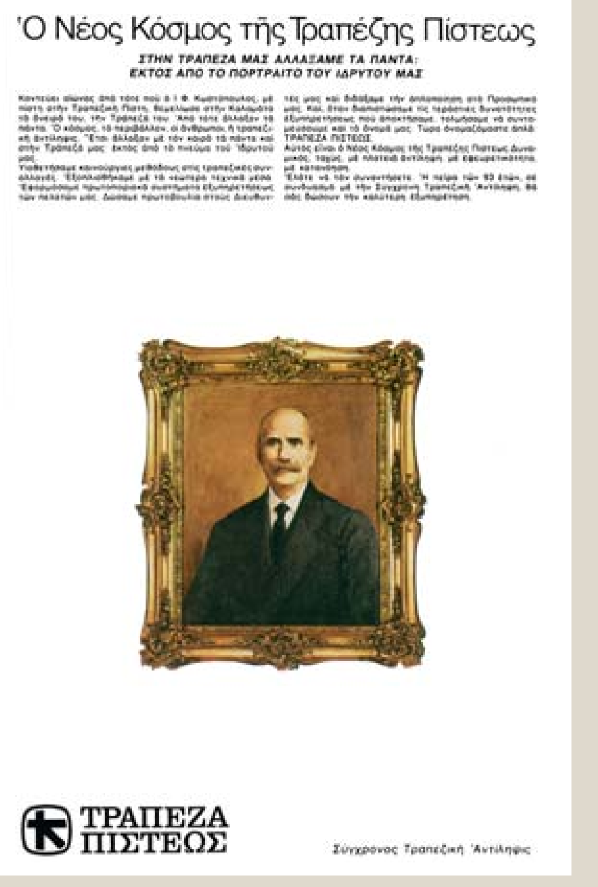
Countless daily banking habits were introduced by the Bank which, during that period, adopted: its new name, Credit Bank; its logo, that derives from the reverse type of the first coins in Greece, minted on the island of Aegina in the 6th century BC; as well as the friendly and modern customer service reflected by the use of the word "Mazi" ("Together", in Greek).

This Review presents a selection of established innovations, e.g. ATMs, cashcards and the launch of a prime rate with a margin, as well as some which were either not embraced by our Customers, e.g. Drive-in banking, or became outdated due to technological and transactional advancement, e.g. night depository vaults. All of them bear the seal of the constant pursuit of quality by Yannis Costopoulos who, in the mid-1990s, added the word "Alpha" to the international corporate name of the Bank as well as the national colours to its logo, in order to enhance its Greek identity.

The beginning of the 21st century is marked by two major events: the acquisition of the Ionian Bank in 2000 and that of Emporiki Bank in 2013, which have contributed greatly to the rationalisation of the Greek banking system and the creation of a Greek bank of significant size within the United Europe.

ΤΡΑΠΕΖΑ ΠΙΣΤΕΩΣ

CREDIT BANK



1972. Yannis S. Costopoulos assumes the duties of Managing Director. The Bank is renamed Credit Bank from Commercial Credit Bank. A new corporate logo is introduced which derives from the reverse type of the silver stater of Aegina (480-456 BC), the city-state which was the first to mint coins in Greece.

Brief History

The history of Alpha Bank begins in 1879, when John F.Costopoulos founded a commercial firm in Kalamata, which quickly undertook banking activities, especially in the foreign exchange market. In 1918, the banking arm of the J.F.Costopoulos firm was renamed "Bank of Kalamata". In 1924, the Bank was renamed "Banque de Crédit Commercial Hellénique" and its registered seat was moved to Athens. In 1947, it became the "Commercial Credit Bank"; in 1972, it acquired the name "Credit Bank" and finally, in March 1994, it was renamed "Alpha Credit Bank". "Alpha Credit Bank" grew greatly as, in addition to offering banking services and products, it developed into an integrated Group offering financial services.

In 1999, "Alpha Credit Bank" bought a 51% stake in the Ionian Bank and, in 2000, the merger of the Ionian Bank through absorption by "Alpha Credit Bank" was approved. The new enlarged Bank that emerged operates with the distinctive title "Alpha Bank".

The transfer of the entire Emporiki Bank share capital from Crédit Agricole S.A. to Alpha Bank was completed on 1 February 2013. On that date, the Bank acquired control of Emporiki Bank of Greece S.A. and in June 2013 the legal merger by absorption of the latter by the former was completed. Emporiki Bank was founded in 1886 and was a historical bank, which played a key role in the economic development of Greece during the 20th century. At the end of 2012, it maintained a Network of 323 Branches and had 4,230 Employees. The acquisition of Emporiki Bank by Alpha Bank creates a strong banking Group which undertakes a leading role in the restructuring of the Greek banking sector.

The Alpha Bank Group offers a wide range of high-quality financial products and services including retail banking, SMEs and corporate banking, asset management and private banking, insurance products, investment banking, brokerage and real estate management. In addition to Greece, the Group conducts business in Albania, Bulgaria, Cyprus, F.Y.R.O.M., Romania and Serbia while it also has a presence in London.

Alpha Bank is based in Athens, at 40, Stadiou Street, and is entered on the Société Anonymes Register with No 6066/06/B/86/05 and on the General Electronic Commercial Registry with No 223701000.

Key Indicators

Group Data		Alpha Bank		Emporiki Bank
(in Euro million)	Change %	2013	2012	2012
BALANCE SHEET				
Total Assets	26.5%	73,697	58,253	19,517
Loans and Advances to Customers (gross)	29.8%	58,634	45,185	19,853
Allowance for Impairment Losses	51.0%	-6,956	-4,606	-5,019
Due to Customers	49.3%	42,485	28,464	12,676
Total Equity	1,018.7%	8,368	748	1,728
PROFIT AND LOSS ACCOUNT				
Recurring Income (1)	22.5%	2,103	1,717	465
Recurring Expenses (2)	30.2%	-1,337	-1,027	-454
Recurring Profits before Taxes and Impairment Losses	**11.0%**	**766**	**690**	**11**
Non-recurring Income minus Non-recurring Expenses		152	-368	-261
Impairment Losses and Provisions to cover Credit Risk	15.4%	-1,923	-1,667	-1,130
Negative Goodwill from the Acquisition of Emporiki Bank		3,283		
Profit/Loss after Income Tax	**-370.1%**	**2,922**	**-1,082**	**-1,513**
INDICES				
Net Interest Margin		2.5%	2.4%	1.7%
Recurring Expenses/Recurring Income		63.6%	59.8%	97.6%
Total Capital Adequacy Ratio		16.4%	9.5%	17.6%
TIER I Capital Adequacy Ratio		16.1%	8.9%	13.5%
CREDIT RATINGS				
Moody's		Caa1	Caa2	
Standard & Poor's		CCC	CCC	
Fitch Ratings		B-	CCC	
OTHER INFORMATION				
Branches		1,085	913	323
Number of Employees		16,934	13,650	4,230

(1) Excluding gains less losses on financial transactions in 2012 and 2013. Additionally, the ratio earnings/losses from associate companies and joint ventures is not included.

(2) In 2013 expenses incurred by the acquisition of Emporiki Bank Group amounting to Euro 27.4 million and other non-recurring expenses amounting to Euro 61.7 million are not included. In 2012, non-recurring expenses of Euro 125.1 million of Alpha Bank and Euro 126 million of Emporiki Bank are excluded.

Note: Certain figures of the comparative period have been restated due to the retrospective application of new accounting policies, as they have been mentioned in Note 49 of the Financial Statements of the Group as of 31.12.2013.

1976. The slogan *MAZI* (TOGETHER) becomes part of the life of the Bank, its Customers and millions of Greeks and gains popularity. Warm, friendly and humane, the new slogan with which the Bank invites the public to share their problems in order to find solutions that suit their everyday needs, encapsulates the business attitude of the Bank and reveals the human dimension of the modern banking concept. The slogan *MAZI* continues to be relevant in the Bank's relationship with its Customers until the present day.

Letter from the Chairman

Today's General Meeting is of particular importance to the modern history of Alpha Bank as, for the first time in 30 years, the Meeting is not chaired by Mr. Yannis Costopoulos. The man who created Alpha Bank as we know it today, and whose initiatives and innovations ushered in a new era in the Greek banking system, has decided to withdraw from the Management of the Bank - though not from the action. He will remain by our side in the capacity of Honorary Chairman, in order to assist us with his invaluable experience, his ideas and, above all, his moral values and personal example. The invitation to succeed Mr. Yannis Costopoulos as Chairman of the Board of Directors is both an exceptional honour and a great responsibility for me. I accepted this invitation, as I know that I will have his assistance as well as the support of the excellent management team that Mr. Costopoulos has put together.

Dear Shareholders,

The year 2013 was a critical one in the recent economic history of Greece. After a difficult period of fiscal adjustment and prolonged recession, the country has managed to tackle the macroeconomic imbalances of the economy efficiently and to achieve a surplus both in the General Government primary balance and in the current account balance. Additionally, the foundations for economic recovery were laid, with the banking system bolstered and robust in terms of capital adequacy.

These achievements are combined with the significant decline in recession from 7% in 2012 to 3.9% in 2013, which represents a tangible improvement over the adjustment programme forecast. According to all indicators and estimates of international organisations, 2014 will be the first year in which economic activity in Greece will post a positive growth rate, albeit a low one. More importantly, this recovery is expected to take place on the back of the slowdown in the decline of private consumption, the positive contribution of foreign demand and the increase in fixed investment, with the latter expected to be boosted by the faster and more efficient absorption of the Community funds available, the acceleration of the privatisation programme and the establishment of confidence in the Greek Economy. This climate has been depicted gradually in the relevant indicators and is reflected in the substantial drop in the spread between Greek and German sovereign bonds. In addition, the reforms in the labour market and in the markets for goods and services as well as the liberalisation of closed professions, led to a spectacular improvement in the ranking of Greece on the "ease of doing business" indicators. Indeed, the competitiveness of the Greek Economy, as measured by unit labour costs, has been markedly improving in the last five years, offsetting the losses sustained in the decade from 2000 to 2009 completely.

In the medium-term, the greatest challenge facing our country is its successful transition to a new, sustainable growth model that will rely on investments and on the production of globally tradable goods and services. This transition, however, should be accompanied by initiatives to combat unemployment, especially youth unemployment, which in the last years has taken on unprecedented dimensions. Sustainable recovery, however, and reduction in unemployment cannot be achieved without concluding with the structural reforms and the transformation of the country's productive fabric. The institutional changes in the labour market and in the markets for goods and services in general have already led to improvements in competitiveness, which, coupled with the anticipated growth in investments, are expected to drive a gradual decline in unemployment. At the same time, the improvement in the global economic activity can support effectively Greece's export orientation.

The next years will be crucial for the future of the country. The Greek Economy has begun to regain its credibility in the international markets and this must be strengthened further, by ensuring that the economic policy remains focused on stability and on the continuation of the reforms, especially in the Public

Administration. For Greece, the major challenge is to gradually build a state that not only will expend less, but will also be more citizen- and business-friendly. In this regard, the efforts to rationalise and modernise the Public Administration, to create a stable, simpler and transparent taxation system and to upgrade the education and healthcare services as well as the services provided by the State in general, must be continued. This requires planning and systematic work, while its success will depend on the cooperation and alertness of all stakeholders and on their commitment to fully implement reforms, so as to build on the achievements of the previous years for which so much was sacrificed and to ensure that past mistakes are not repeated.

As it has been shown, the Greek debt crisis which broke out in early 2010 was the combined result not only of the collapse of the international financial markets and the ensuing global recession but also of the particularly high public debt that Greece had accumulated in the course of the previous decades.

This crisis had significant negative impacts on the Greek banking system. The necessary fiscal adjustment, implemented by cutting down on expenditure and increasing tax revenues, led to a deep recession. This brought a substantial increase in the non-performing loans ratio and, consequently, in loan loss provisions, both in corporate lending and in the mortgage and consumer loan portfolios. In these conditions, the Greek banks managed to successfully support borrowers who had difficulty meeting their contractual obligations, by offering credit facilities and loan restructuring programmes for loans in arrears.

The restructuring of the Greek public debt resulted in heavy losses of capital for the banks and for their Shareholders, necessitating the recapitalisation of the banking system in 2013, a process that was successfully continued in 2014.

In parallel with the recapitalisation of the large banks, the banking sector was restructured without affecting the financial stability and the security of deposits. The Greek banking system is now more resilient to the negative effects of external factors and in a position to take full advantage of the economies of scale that were created by joining forces to establish stronger banking institutions.

The share capital increases of the large banks, which have made them particularly robust at European level in terms of capital adequacy, in combination with the successful return of the Hellenic Republic to the international markets in April 2014, are leading to more favourable conditions for the return of deposits to the Greek banking system and the latter's access to the international money markets. Thus, the ability to finance the Greek Economy with better terms is gradually restored.

In the new environment that is being created, Alpha Bank emerges as one of the key pillars of the financial system, capable in playing an important role in Greece's economic growth. With its successful Share Capital Increase in March 2014, the Bank not only met the capital needs determined by the Bank of Greece, but was also the first bank to repay the Hellenic Republic's preference shares. On behalf of our Employees and Executives and on my own behalf, I wish to extend my gratitude to our Shareholders for the trust they have shown once again in the Bank.

In 2013, the legal merger through absorption of Emporiki Bank by Alpha Bank was completed and was followed by the operational integration of the two Banks' individual systems in the first quarter of 2014. The new strong Bank, drawing on its reputation in the market, will play a significant role in the provision of a broad range of high-quality financial products and services. The shared business approach of the two historic Greek Banks has helped ensure the smooth integration of the Employees of the former Emporiki Bank. At the same time, the operational efficiency of the new Bank was further expanded and enhanced through the Restructuring Plan launched last year.

Today, the Greek banking sector has been radically changed and Alpha Bank is leading developments into this new era. The successful completion of the Share Capital Increase has given the Bank new momentum since the participation of the private sector was increased. Fully aware of the new conditions and circumstances, the Bank will assist the efforts for recovery and restructuring of the Greek Economy. Our successful course will rely, as always, on the honesty and mutual trust between the Bank and its Customers, depositors and borrowers alike, on the support of our Shareholders and the safeguarding of their interests, as well as on the diligence of our Personnel, whom I would like to thank for their dedication and drive.

Finally, please allow me to turn once again to our Chairman, Mr. Costopoulos, and to thank him for everything that he has contributed during all these years to Alpha Bank, to the banking system and to the Greek Economy and - above all - for everything that he has taught us with his moral values and personal example. I wish him good health and strength and I invite him to stay by our side, to help us and inspire us.

Athens, 27 June 2014

Vasileios T. Rapanos

1979. The Credit Bank celebrates the 100th anniversary of its establishment with numerous promotional actions and a series of memorabilia "1879-1979: ONE HUNDRED YEARS TOGETHER". The advertisement of the Bank reads: *"The Credit Bank reflects the modern banking concept and conducts business with you based on the responsibility and the credibility of a century. TOGETHER for another one hundred years"*.

Letter from the Managing Director - CEO

The year 2013 was a turning point in the course of the Greek Economy and the banking sector in particular. The lower than expected recession, primarily due to the particularly good performance of exports and especially that of tourism, as well as to the slower than forecast decline in private consumption, combined with the improved economic confidence indicators are expected to result in positive growth rates in 2014. The achievement of primary surplus in 2013, as a result of the successful implementation of the economic adjustment programme, bolstered the confidence of the international markets in the prospects of the Greek Economy. This, in turn, led to a narrowing of the spread between the Greek and German sovereign bonds, an improvement in the domestic stock market indices and an increase in private capital inflows. Thus, in April 2014, four years after the recourse to the support mechanism, the Hellenic Republic returned to the international markets.

The Greek banks were recapitalised and the sector underwent an extensive domestic consolidation process. As a result, fewer and more robust banks are in operation today and the benefits from the exploitation of synergies are already visible.

The Bank's capital gap requirements stemming from the combination of PSI related losses on Greek Government Bond holdings and forward credit loss projections as assessed by BlackRock Solutions amounted to Euro 4,571 million. They were met by a share capital increase during the year, in which the private sector participated by more than 10% with Euro 550 million. Thus, the Bank was able to preserve its private-sector status in corporate governance affairs. The remaining amount of the Bank's total capital requirements was subscribed to by the Hellenic Financial Stability Fund. In the second half of 2013, the Bank of Greece carried out a second diagnostic exercise to establish credit loss projections, taking into account the estimations of a new relevant study by BlackRock Solutions. The results of this second diagnostic exercise, which were announced in March 2014, showed Alpha Bank to have the lowest capital needs of the four large Greek banks, at Euro 262 million. It should be stressed here that this performance was achieved despite the conservative assumptions applied by the Bank of Greece in connection with the credit loss projections estimated by BlackRock Solutions. In particular, the Bank's estimated capital needs correspond to a coverage ratio of 130% against projected losses during the entire lifetime of the portfolio, a percentage significantly higher compared to the other banks which participated in the diagnostic assessment.

Taking into account these results, but in order also to redeem the Hellenic Republic's preference shares amounting to Euro 940 million, Alpha Bank proceeded with a Share Capital Increase of Euro 1.2 billion. This was successfully completed in March 2014 and further strengthened its capital base. The increased participation of private investors in the Bank's shareholder structure, in combination with the redemption of the Hellenic Republic's preference shares, attest to the success of the Bank's strategy to gradually reduce its reliance on state aid, as the country emerges from the crisis.

The trust that private Shareholders have always showed in the Bank was confirmed once again during the previous year's challenging and critical economic juncture. Following the two capital raising events, the Bank's Basel III Common Equity Tier 1 ratio reached 15.6% in March 2014. This more than covers the minimum level required by the Regulatory Authorities and provides a significant cushion against the challenges of the asset quality review and Europe-wide stress tests by the European Central Bank (ECB).

Despite the climate of uncertainty that prevailed after the Cypriot crisis broke out, Alpha Bank succeeded in increasing its deposit balances by 3% in 2013, improving its market share by one percentage point and further decreasing the loan to deposits ratio in Greece to 117%, from 139% in 2012. At the end of 2013, Alpha Bank's total deposit base amounted to Euro 42.5 billion. In particular, deposits in Greece were Euro 36.8 billion, with private sector inflows of Euro 1.9 billion year-on-year, versus an increase of Euro 1.8 billion for the banking sector as a whole.

It should be noted that, in early December 2013, Alpha Bank announced the undertaking of the deposits of three Cooperative Banks (Western Macedonia, Dodecanese and Evia), amounting to Euro 400 million in total.

These developments in deposits, combined with the reduction of loan balances to Euro 62.8 billion at the end of 2013 due to focused deleveraging, led to a further reduction in the level of the Bank's reliance on Eurosystem and Central Bank funding. At the end of December 2013, such funding amounted to Euro 17.2 billion, of which Euro 3.5 billion drawn from the Emergency Liquidity Assistance facility of the Bank of Greece. The trend for gradual disengagement from Central Bank funding continued during the first quarter of 2014, on the back of the share capital increase and further decline in loan balances. Thus, at the end of March 2014, the Bank's funding had dropped to Euro 15.7 billion or 18% of Total Assets, excluding the Bonds of the European Financial Stability Facility. At the same time, the Bank's use of the Emergency Liquidity Assistance facility of the Bank of Greece dropped further to Euro 900 million in March 2014 and was reduced to zero two months later.

The Bank's initiatives to improve the management of non-performing loans are already bearing fruit, as evidenced by the marginal decline in the NPL ratio in the fourth quarter of 2013, for the first time ever since the economic downturn in Greece. Thus, at the year-end, the NPL ratio stood at 32.7% at Group level, with non-performing loans in Greece and in Southeastern Europe standing at 34.3% and 24.8% of the respective loan portfolios. The Balance Sheet has been bolstered by increased loan impairment provisions, which in 2013 amounted to Euro 11.1 billion, representing 18% of the loan portfolio, and resulting in an NPL coverage ratio of 54%. The increased efforts to manage credit risk and non-performing loans, combined with the improving economic climate, are expected to further decrease non-performing loans, a development which allows us to anticipate a reduction in loan loss provisions in the course of 2014.

As a result of the implementation of the Business Plan to restore the Bank's operational profitability, its financial performance continued to improve during 2013, driven by the reduced cost of funding and the realisation of cost synergies. In particular, net interest income in 2013 stood at Euro 1,658 million, up by 19.8% due primarily to the reduction in the costs of the new term deposits in Greece, the acquisition of Emporiki Bank, and the lowering by the European Central Bank of its refinancing rate in November 2013. In addition, net fee and commission income in 2013 rose to Euro 370.3 million, up by 36.3% year-on-year.

The efforts to cut costs were intensified further in 2013. More specifically, operating expenses amounted to Euro 1,336.8 million, down by 6.6% on a comparable basis, i.e. excluding extraordinary expenditure and integration costs. The Bank has targeted a 20% reduction of the operating expenses for the new integrated entity. One third of this target has already been achieved in 2013, as a result of the synergies from the merger with Emporiki Bank and of other cost rationalisation initiatives. Personnel expenses amounted to Euro 690.5 million, down by 7.2% year-on-year, mainly due to the new two-year Collective Labour Agreement, which entered into effect on 1.7.2013, and to the accelerated natural attrition in Greece. More specifically, Personnel was reduced by 5.2%, i.e. by 946 Employees in total, for the new integrated entity.

The acquisition of Emporiki Bank from Crédit Agricole strengthened significantly the Bank's capital structure and market shares. This acquisition and the need to adapt to the changing financial environment were the key factors necessitating the adoption of a Restructuring Plan for the Bank. This Plan seeks to optimise the allocation of capital and efficiency of business operations, and realise revenue and cost synergies. During 2013, 82 Branches were closed down, with another 24 following in the first two months of 2014. Significant cost synergies were realised by renegotiating the contracts for more than 100 Branches under rental, as well as addressing several other expense categories. Finally, the relocation of Central Units released 14,000 sq.m. of office space, contributing to the full exploitation of Bank-owned buildings. The challenging project of integrating the two Banks' central IT systems was completed in 2014, leading to considerable efficiency gains, as well as a uniform and qualitatively improved customer functionality and experience.

With the exception of Cyprus, for most countries in Southeastern Europe, 2013 was a year of recovery which also signalled the overcoming of the difficulties caused by the Eurozone debt crisis, particularly in Greece. Alpha Bank, which is active in this region through a Network of 429 Branches, continued with the restructuring of its business loans portfolio, with a view to further strengthen its quality. Total loans in Southeastern Europe amounted to Euro 9.9 billion and total deposits to Euro 5.1 billion. In line with its strategic plan to reorganise its international presence, in July 2013, the Bank signed an agreement for the sale of the entire share capital of the Group Company JSC Astra Bank in Ukraine. In Cyprus, results were adversely affected by the financial crisis and the turbulence in the country's financial sector. As a result, in October 2013 the Bank proceeded with an increase of the share capital of Alpha Bank Cyprus Ltd, fully meeting the capital requirements determined by the Central Bank of Cyprus.

Through its Corporate Social Responsibility programme, Alpha Bank has planned and undertakes initiatives that are fully aligned with European and international standards, seeking to balance profitability and sustainability. In 2013, Alpha Bank allocated a part of its budget for financial assistance to Foundations, Societies and Organisations that support those in need, and continued to invest in education, culture, healthcare and the environment.

As far as Volunteerism is concerned, the Bank has a successful and long standing involvement both in Greece and abroad, as volunteering is a key element of its corporate identity. The "Alpha Bank Group Volunteer Day" is organised every May in all the countries where the Group is present, attracting more than 1,500 volunteers. Moreover, various activities are carried out in Greece, involving social contribution work (collection of food supplies, clothing, and school supplies) or environmental activities (tree-plantings, cleaning of forest paths and beaches, aesthetic improvement of public forecourts, "Olive Picking" event).

With regard to the Bank's social contribution, in September 2013, three parallel events of outstanding importance were organised in Athens, Thessaloniki and Patra, in association with the voluntary Organisation "The Smile of the Child", in support of the children sheltered in the Organisation's 13 homes operating across Greece. Thanks to the large participation of Bank Volunteers, a total of 470 cartons with school and food supplies were collected. At the same time, the Bank continued its "Χέρι Βοηθείας"- Helping Hand food donation programme, designed to support vulnerable social groups (the destitute, the elderly, large families) as well as Greek businesses from which the food supplies are purchased.

Alpha Bank seeks to promote Greek culture, participates actively in cultural life and has been demonstrating for many years now its keen interest in Arts and Culture. In this context, the Bank has developed and implemented a new programme titled "The defacements that hurt", prompted by the condition of statues in downtown Athens which have suffered from extensive damage and acts of vandalism, especially during the last five years. During 2013 two sets of statues were restored, located in Syntagma Square and in the precincts of the National Historical Museum.

In addition, Alpha Bank organised numerous cultural events, among which were the following:

The exhibition "Coins in the Ancient Greek World" was organised by the Bank's Numismatic Collection Section and presented at the Exhibition Area of the Banknote Museum of the Ionian Bank in Corfu from 6.7.2012 to 31.5.2014. The educational exhibitions "Printmaking and its Techniques" and "Learning about Coins", were hosted at the Alpha Bank Cultural Centre in Nafplio, followed by the exhibition "MYTH: Ancient and Contemporary Greek Art from the Alpha Bank Collections", in the same area.

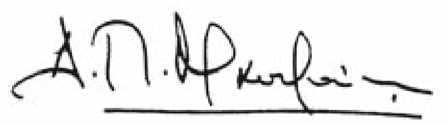
The exhibition "Alpha Bank/History II: Commercial Credit Bank, 1947-1972" was organised by the Historical Archives of the Bank and presented at the Alpha Bank Main Building Exhibition Area. This exhibition was followed by the exhibition "Wall Calendars 1925-1992", organised jointly by the Bank's Art Collection and Library Sections, and will be hosted in the same area until September 2014. The "Wall Calendars" exhibition comprises illustrated calendars issued by the Banks which today comprise Alpha Bank - namely Credit Bank, Emporiki Bank of Greece and Ionian and Popular Bank of Greece. Finally, in 2013 the Bank's Historical Archives Section published the volume "Greeks in Romania in the Nineteenth Century".

It is also worth noting that Alpha Bank is sponsoring the exhibition "Yannis Tsarouchis: Illustrating an autobiography. First Part (1910-1940)", presented in the Benaki Museum until July 2014.

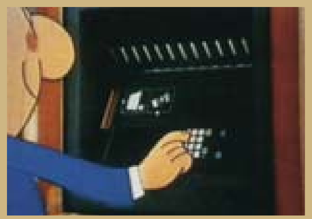
As the Greek Economy enters a period of gradual recovery, the Bank, drawing on its robust capital structure, its leading role in the market and its expanded network, is well placed to continue supporting its Customers and increasing Shareholder value. Having successfully concluded with its Share Capital Increase, Alpha Bank remains the Bank of reference in the Greek banking system and actively supports the recovery of the Greek Economy.

I would like to extend my gratitude to our Shareholders and Customers for their unwavering confidence and for their support in our efforts to meet the challenges of the current economic conditions. I would also like to thank all our Personnel in Greece and abroad for their dedication to the achievement of our goals.

Athens, 27 June 2014



Demetrios P. Mantzounis



1981-1983. The electronic age has arrived. The first ATMs start operating in six spots in Athens, Thessaloniki and Larissa and the first automated transactions banking card is a fact. The Cashcard causes amazement and puzzlement. Having a personal identification number and withdrawing money in 58 seconds, day and night, on Saturdays, Sundays and holidays was already science...reality.

Share

Alpha Bank has been listed on the Athens Exchange since 1925 and is consistently classed as one of the largest listed companies in terms of market capitalisation. On 31.12.2013, the capitalisation of the Bank stood at Euro 6.892 million and represented 5% and 24.8% of the capitalisation of the companies in the General and Banking Indexes of the Athens Exchange, respectively, while the participation of its share in the FTSE/Athex Large Cap was 5.3%. In addition to the Greek stock exchange, the share is also listed on the London Stock Exchange in the form of Global Depository Receipts (GDRs) while it is traded over-the-counter on the New York exchange in the form of American Depository Receipts (ADRs). The share is also included in international indexes such as the MSCI Emerging Markets Index (as of 26.11.2013), the FTSE All-World Index (as of 10.4.2014) and the FTSE Med 100 Index.

On 31.12.2013, the Bank's share capital stood at Euro 4,216,871,803.60 divided into 10,922,906,012 ordinary voting shares at a nominal value of Euro 0.30 per share and 200,000,000 non-voting preference shares issued to the Hellenic Republic at a nominal value of Euro 4.70 per share. Following the Share Capital Increase with cancellation of pre-emption rights, which the Bank carried out in March 2014, the total number of the Bank's ordinary registered shares increased to 12,769,059,858. Out of these, 4,294,971,798 ordinary shares of the Bank are traded on the Athens Exchange, while the Hellenic Financial Stability Fund holds the remaining 8,474,088.060 ordinary, registered, voting, dematerialised shares or 66.4% of the total number of ordinary shares issued by the Bank. On 17.4.2014, Alpha Bank was the first among the four large banks to proceed with the redemption of the preference shares owned by the Hellenic Republic and issued by the Bank, which represented a total value of Euro 940 million. After the redemption of the preference shares, the Bank's share capital currently stands at Euro 3,830,717,957.40.

The shares in circulation on 31.12.2013 were held by approximately 133,000 Private and Institutional Investors. Specifically, as of 31.12.2013, Private Investors held 18.3% of stocks and, excluding the stake held by the Hellenic Financial Stability Fund, the Bank's shareholder base was composed of Institutional Investors (57%), Private Individuals (38%) and the Costopoulos Family (5%). It should also be noted that the inclusion of the share in the MSCI Emerging Markets Index and the FTSE All-World Index resulted in the expansion of the Bank's investor base, as a significant number of foreign firms investing in emerging markets initiated the coverage of the share.

The share's trading volumes for 2013 amounted on average to 11,820,863 shares per session, with an average daily value of transactions of Euro 5,928,313. Correspondingly, for the warrants issued by the Hellenic Financial Stability Fund at the Bank's Share Capital Increase and allocated free of charge to participating Shareholders, the average daily trading volume stood at 4,685,217 warrants, with an average daily value of transactions of Euro 4,576,547 in 2013. It should be noted that the warrants commenced trading on the Athens Exchange on 11.6.2013.

Successful Completion of the Bank's Capital Strengthening Plan

In the period that followed the Greek sovereign debt crisis, the country's banking system suffered heavy losses both due to the Greek banks' participation in the bond exchange programme between the private sector and the Hellenic Republic (Private Sector Involvement - PSI) and the increased volume of non-performing loans as a result of the recession. To compensate for the losses caused by these developments, the Second Economic Adjustment Programme for Greece provided for Euro 50 billion to be allocated for the capital strengthening of the country's systemic banks, with a view to securing the stability of the financial system.

The Bank of Greece determined the capital needs of Greek banks after taking into consideration the estimates of the diagnostic assessment carried out by BlackRock Solutions, as well as the losses incurred by their participation in the PSI. For Alpha Bank, the capital needs were determined at Euro 4,571 million, substantially less compared to the amounts required by the other major banks.

In April 2013, the Bank decided to proceed with its Capital Strengthening Plan through a Share Capital Increase by Euro 4,571 million. More specifically, according to the Capital Strengthening Plan, the Share Capital Increase relied on the participation of both the private sector and the Hellenic Financial Stability Fund (HFSF).

In particular, the participation of the private sector stood at Euro 550 million, including Euro 92.9 million offered to selected Greek and institutional investors through a private placement. It should be noted that the take-up of the Rights Issue by investors exercising their pre-emption and over-subscription rights exceeded 165%.

The remaining amount of Euro 4,021 million was covered by the Hellenic Financial Stability Fund by contribution in kind of notes issued by the European Financial Stability Facility. In addition, private sector investors received one warrant issued by the Hellenic Financial Stability Fund for every new common registered share of the Bank. Warrants are traded in the Athens Exchange and incorporate the right to purchase at least 7.4 new HFSF-owned shares of the Bank on a biannual basis for the next four and a half years, at the subscription offer price plus an annual margin.

In this context, Alpha Bank was the first Greek bank to secure the required private sector participation (by raising more than 10% of its overall recapitalisation) and managed to remain a point of reference in the Greek banking system. Thus, at the end of June 2013, the Core Tier I Capital ratio stood at 13.9% placing Alpha Bank among the Greek banks with a strong capital structure, able to shield its Balance Sheet and to successfully tackle a potential deterioration in the quality of its loan portfolio. Following the completion of the recapitalisation procedure, the Hellenic Financial Stability Fund and the Bank signed a Relationship Framework Agreement, which governs the relations between them as well as issues related to corporate governance and to the compilation of the Bank's Restructuring Plan.

In 2013, the Bank of Greece carried out a new stress test, based on data as of 30.6.2013, in order to redefine the capital needs of banks. The Bank of Greece announced the capital needs for every bank examined, calculated in accordance with the baseline scenario of the new diagnostic study carried out by BlackRock Solutions and estimated at an aggregate total of Euro 6.4 billion. For Alpha Bank, the total capital needs were determined at Euro 262 million, substantially less compared to the needs of the other major banks.

Following the above developments, on 7.3.2014 the Bank's Board of Directors resolved to call an Extraordinary General Meeting of the Shareholders of Alpha Bank to be held on 28.3.2014, in order to deliberate on a Share Capital Increase of an amount up to Euro 1.2 billion through payment in cash and the cancellation of the pre-emption rights of the existing (common and preference) shares. The new Share Capital Increase aimed:

- To establish the appropriate conditions for the full repayment of the preference shares issued by the Bank and owned by the Hellenic Republic;
- To meet the marginal capital needs that resulted from the diagnostic assessment mandated by the Bank of Greece;
- To improve the quality of the Bank's regulatory capital and accelerate its adjustment to the new Basel III regulatory framework;
- To facilitate the Bank's access to the international capital markets given its enhanced credit profile.

The completion of the Share Capital Increase resulted in an increased free float of the shares issued by the Bank and bolstered the share's trading volumes and its weighting in international stock indices. After the Share Capital Increase of March 2014, the participation of the Hellenic Financial Stability Fund in the Bank's share capital dropped to 69.9% (from 81.71% before the Share Capital Increase), while the total share of Private Sector Investors and Qualified Investors participation increased to 20.75% (from 7.35% before the Share Capital Increase). In June 2014, following the settlement of the warrant exercise orders, the percentage of common shares held by the Hellenic Financial Stability Fund fell further to 66.4%.

As a result of the Bank's successful capital strengthening and after the redemption of the total number of preference shares owned by the Hellenic Republic amounting to Euro 940 million, the Group's Capital Adequacy ratio as at 31.12.2013 was adjusted to 16.9% from 16.4% and its Core Tier I ratio to 16.6% from 16.1%. Finally, Common Equity Tier I ratio stands at 16.6%.

Acquisition of Emporiki Bank, Restructuring Plan and Realisation of Synergies

The year 2013 was one more year of developments for both the entire Greek banking sector and Alpha Bank in particular, since major events affected the Group's strategic planning for the years ahead. For Alpha Bank, such major events include, besides the recapitalisation, the acquisition of the former Emporiki Bank (February 2013) and the completion of the procedure of the merger by the latter's absorption (June 2013), the sale of the entire share capital of the Group Company JSC Astra Bank in Ukraine (September 2013), and the undertaking of the deposits of the Cooperative Banks of Western Macedonia, Dodecanese and Evia.

With the acquisition of the former Emporiki Bank, the Group made a decisive contribution to the restructuring of the Greek banking system and secured significant benefits. Emporiki Bank was one of Greece's historical credit institutions that offered a broad range of banking products to retail customers, small and medium-sized enterprises and large corporations. In 2000, Emporiki Bank entered into a strategic partnership with the French bank Crédit Agricole which initially acquired 6.7% of the former's share capital. Crédit Agricole's participation was gradually increased and in 2011 it gained full control of Emporiki Bank. In 2012, Alpha Bank entered into an agreement with Crédit Agricole to acquire Emporiki Bank and on 1.2.2013 the entire share capital of Emporiki Bank was transferred to Alpha Bank.

Following the conclusion of the Share Purchase Agreement, Crédit Agricole completed the capital strengthening of Emporiki Bank with Euro 2.9 billion in total and subscribed to a convertible bond of Euro 150 million issued by Alpha Bank and redeemable in shares.

The benefits from this acquisition include the creation of one of Greece's largest financial groups, the strengthening of the Bank's capital base due to the recapitalisation of Emporiki Bank by Crédit Agricole before the completion of the transaction and the acquisition of a loan portfolio with a high level of provisions against non-performing loans.

With regard to human resources management, the data of the former Emporiki Bank were migrated to the Personnel Management Information System of Alpha Bank. Furthermore, the integration of the Personnel of the former Emporiki Bank and the organisational and operational unification of procedures were also completed through Branch mergers.

The acquisition of Emporiki Bank creates significant synergies in terms of operating costs, financing costs and revenues, whose benefits are expected to appear over a period of three years from the completion of the transaction. The Bank aims to reduce operating expenses at Group level by 20% between 2012 (including the corresponding figures for the former Emporiki Bank) and 2016 (approximately Euro 320 million). The achievement of this target requires the implementation of initiatives to rationalise costs and the realisation of significant cost synergies from the acquisition of Emporiki Bank, via Key Strategic Initiatives (KSIs) such as the upgrade of IT systems, the optimisation of the Branch Network, the centralised procurement management and the re-adjustment of the operation model of Business Units. In particular, the Restructuring Plan is structured around the following three key action lines:

- optimisation of the efficiency and effectiveness of business operations,
- achievement of revenue synergies and improvement of profit margins, and
- optimal utilisation of resources and minimisation of costs.

The KSIs under the first action line span the areas of "Retail Distribution Strategy", "Centralisation of Retail Banking Back-Office Services" and "Centralisation of Wholesale Banking Middle-Office Services".

The "Retail Distribution Strategy" KSI is expected to facilitate the modernisation of the Retail Banking Business Unit operational standards by introducing a new segmentation of Customers, to establish competitive products and services for each customer group and to redefine the sales and networks strategy. At the same time, in the context of this particular KSI, there is an ongoing project for the rationalisation of the Branch Network, which was accelerated following the completion of the legal merger with the former Emporiki Bank, as 82 Branches were merged during 2013. All Branches of the Bank are now using the same IT systems to support the provision of the entire range of its products and services.

With the centralised management of Retail Banking Back-Office Services and the Wholesale Banking Middle-Office Services, the Bank achieves the unification of operations and procedures, which aims to provide services to customers more effectively and directly and to strengthen Branch-Customer relations while ensuring the optimal use of the Bank's internal resources.

To achieve the objectives of the second action line, which concerns revenue synergies and the improvement of profit margins, the following two KSIs have been launched:

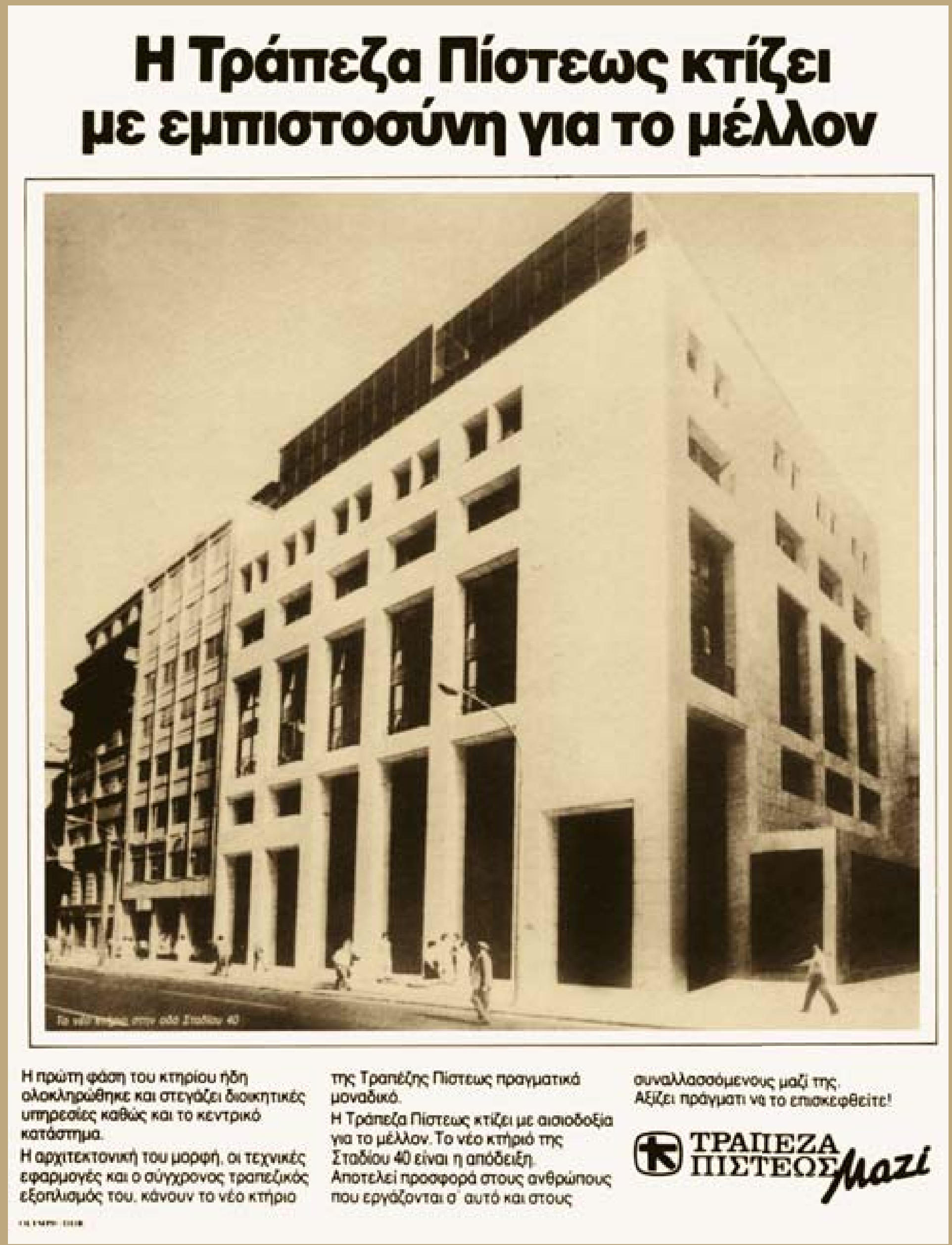
The first KSI concerns the increase of the profitability of deposits through actions aiming to limit the cost of deposits by rationalising the Bank's pricing policy. In addition, these actions seek to attract deposits by renewing the product portfolio and developing new innovative products, as well as to further improve customer service.

The second KSI concerns the management of retail banking non-performing loans, with the aim to develop a comprehensive non-performing loans management business model that will reduce bad debts and the corresponding provisions of the loan portfolio.

The third action line of the Restructuring Plan focuses on the full utilisation of resources and on cost minimisation, and includes the following key projects:

- The integration of IT Systems;
- The rationalisation of the use of the Bank's real estate property by the Head Office Units and the full utilisation of Bank-owned buildings;
- The minimisation of General and Administrative expenses by redefining several categories of expenses.

One third of the total targeted cost reduction (Euro 97 million) was achieved in 2013, driven by synergies (Euro 54 million) and other cost rationalisation initiatives (Euro 43 million). As a result of all activities to rationalise costs and implement synergies, Personnel at Group level was reduced by 946 people, i.e. on 31.12.2013 there were 16,934 Employees in total (Bank: 10,452, Group Companies in Greece: 688, International Network: 5,794) against 17,880 on 31.12.2012 (including the former Emporiki Bank).



1986. In November, the first phase of the construction of the new Main Building at 40, Stadiou Street, is completed. The technical characteristics of this building make it a significant achievement of contemporary technology. The new Building inaugurates the new era in banking customer service, at the location which housed the Banking Department of the "J.F. Costopoulos" Commercial Firm in 1922. In 1990, the second phase of the construction is concluded, leading to the creation of the most state-of-the-art banking building in the country.

1. The Greek and the International Economy in 2013 and the Outlook for 2014

The Greek Economy

During 2013 the Greek Economy entered its fourth year of adjustment following the country's recourse to the Standby Arrangement. The cost of adjustment was too high in terms of production, employment and disposable income, as within a short period of time General Government deficits and structural malfunctions, accumulated over several decades, had to be dealt with. The strict implementation of the adjustment programme led to a primary surplus in the General Government budget and to a large surplus in the current account balance in 2013, in parallel with the remarkable improvement of the country's international competitiveness through a range of important reforms carried out in all sectors of the economy.

The improvement of the macroeconomic conditions and the implementation of structural and institutional reforms contributed to the gradual recovery and increase of the confidence of investors and markets in the positive prospects of the Greek Economy, as evidenced by the following developments which took place from June 2012 until April 2014.

- The rapid decline of the spread between the Greek and the German ten-year bond to pre-2010 levels, standing at 469 basis points in April 2014.
- The country's successful return to the international markets, after years of exclusion.
- The ground covered by the fiscal adjustment programme, which exceeded its fiscal target, posting a remarkable primary surplus for 2013. In addition, the management of public finances shows signs of significant improvement in the first four months of 2014.
- The gradual improvement of the economic sentiment indicator, which in May 2014 reached its highest level in the last five years.
- The Greek banks rapidly decreased their dependence on the Eurosystem.

Meanwhile, 2013 saw an increase in payroll employment. The decline in Gross Domestic Product (GDP) was limited to 3.9% in 2013 (against official forecasts for a decrease by 4.2%), following a cumulative decrease by 23.5% since 2008. The decline of last year's GDP is estimated to result from the significant decline in private consumption (2013: -6.0%, 2012: -9.3%), the fall in fixed investment (2013: -12.8%, 2012: -19.2%) and the further drop in housing investment (2013: -37.8% 2012: -32.9%). In contrast, net exports made a positive contribution to GDP growth, due to the continued decrease in the imports of goods and services (2013: -5.3%, 2012: -13.8%) and the rise in exports (2013: 1.8%, 2012: -1.7%).

Given the above, 2014 is expected to be the first year of GDP recovery. During the first quarter of the year, the recession continued to follow a declining trend. More specifically, according to estimates of the Hellenic Statistical Authority (EL. STAT.), the rate of GDP decline stood at 0.9% on an annual basis. The key recovery drivers are expected to be the following:

(a) The significant slowdown of the decline in private consumption, given that the decline in real disposable income is expected to be checked and that consumer sentiment has already improved substantially.

(b) The increase in fixed investment, as a result of the faster absorption of resources from the European Union's Structural Funds and the European Investment Bank, to be used for financing investments in infrastructure (with the construction of major highways having already been resumed) and investments by small and medium-sized enterprises. Investment growth is expected to be further boosted by the speading up of the privatisation programme and the gradual launch of business investments in the construction sector (excluding housing), as indicated by the improving investment demand indices. Finally, housing investment is expected to stabilise.

(c) The continuation of the positive contribution of net exports to GDP growth, driven by the further slight decline in imports and the further increase in the exports of goods and services in 2014, a year in which a further boom in foreign tourism is expected. In general, under the country's new growth model the contribution of investment and exports to GDP is strengthened.

The slowdown in the GDP decline and the remarkable growth of - primarily foreign - tourism in 2013 essentially improved the trends in the domestic labour market already since the second half of last year. More specifically, according to the Ministry of Labour, Social Security and Welfare "Ergani" labour market information system, the net increase of payroll employment in the private sector amounted to 133,500 in 2013, against a decline by 72,000 in 2012 and 125,900 in 2011. These positive developments helped slow down the rising trend in unemployment across the economy as a whole. According to the Labour Force Survey of the Hellenic Statistical Authority, the unemployment rate in 2013 was contained at 27.3% of the labour force, up from 24.3% in 2012. The economic recovery will have a positive impact on employment and, as a result, the average annual level of unemployment is expected to decline to 26.8% in 2014, with a further decline expected in 2015.

With regard to fiscal adjustment, the progress achieved in the last four years is impressive. The General Government deficit was reduced from 15.7% of GDP in 2009 to 3.2% in 2013. A primary surplus was also posted in the General Government budget for the first time since 2002, which stood at 0.8% of GDP in 2013 (against zero deficit forecasted by the international creditors until July 2013). The great progress made in the fiscal adjustment front ensures the continuation of the financial support from the Standby Arrangement. However, in order to consolidate confidence, the negotiations with the international creditors regarding the provision of further debt relief, in accordance with the Eurogroup decision of 27.11.2012, must be completed successfully. Fiscal adjustment efforts are expected to continue successfully during 2014, further bolstering the confidence in the prospects of the Greek Economy and leading to the gradual reduction of the public debt to GDP ratio. Moreover, the recovery of the economy will in turn contribute to the achievement of even higher surpluses.

Already in the first four months of 2014, the State Budget posted a primary surplus of Euro 1.05 billion against a surplus target of Euro 0.74 billion. At the same time, Ordinary Budget Net Revenue amounted to Euro 13.84 billion against Euro 14.0 billion in the first four months of 2013, while Primary Expenditure declined to Euro 13.2 billion against Euro 14.65 billion. As regards the Public Investment Budget, expenditure increased significantly to Euro 1.40 billion, mainly due to the infrastructure projects, while revenues amounted to Euro 2.29 billion.

The current account balance (including capital transfers) in 2013 posted a surplus of 1.33% of GDP for the first time, against a deficit of 2.4% in 2012. This is attributed to the significant recovery of receipts from tourist services, the increase in revenues from exports and the decrease in imports. At the same time, the value of exports in 2013 rose to Euro 22.5 billion, compared to Euro 11.1 billion in 2003. Furthermore, according to the final data of the Bank of Greece, tourist arrivals exceeded all expectations, with 20.1 foreign visitors arriving in the country in 2013, compared to 16.9 million in 2012, 16.4 million in 2011 and 15.0 million in 2010.

The changes in the external balance tend to subvert the model which had prevailed for many years, during which the increase in domestic demand was the key driver of GDP growth. The increase in the exports of goods and services as a percentage of GDP could lead to a new growth model which will not be based exclusively on domestic demand. The extent of the adjustment is reflected by the improvement of the international competitiveness of the Greek Economy measured by the labour cost. It is indicative that although during the ten-year period from 2000 to 2009, 19.3% of the country's competitiveness against its major trading partners was lost, in the period between the fourth quarter of 2009 and the same quarter of 2013 this loss was fully recovered and in 2014 the Greek Economy has even improved on its competitiveness, which has increased by five (5) basis points compared to 2000. This improved competitiveness, as measured by the relative cost of production, was based on the reduction of wages and benefits across the economy as a whole, on bolstering labour productivity in 2012, as well as in 2013, and on the structural reforms.

Significant progress has also been made with regard to structural changes. Greece responded in the best possible way to the OECD recommendations. It also improved its ranking in the World Bank's "Doing Business" Index, climbing to the 72nd place from the 78th in 2012, as a result of the simplification of the procedure regarding the establishment of new businesses and the elimination of the minimum required capital. It is worth noting that, as far as starting a new business is concerned, Greece has improved its position in the world ranking, climbing to the 36th place in 2013, up by 110 places from the 146th in 2012. Concerning the degree of facilitation of international trade, Greece was ranked 52nd from 62nd in 2012, as a result of introducing the possibility for electronic submission of customs documents and the implementation of 25 measures that simplified export procedures. Additionally, according to the data of Transparency International, Greece climbed up by 14 places in the world ranking.

Concerning the public sector, the efforts to rationalise it remained intense. The number of civil servants in the wider public sector was drastically reduced, public organisations and public companies have been closed down or merged, the tax administration and the tax collection mechanism were improved and social security deficiencies were dealt with. Moreover, the privatisation process was accelerated, focusing on the capacity of each specific transaction to create new jobs and thus contribute to the change of the production model of the economy. Major agreements were concluded during 2013, the most significant of which were those concerning the sale of Astir Palace Resort in Vouliagmeni, the privatisation of the Organization of Football Prognostics S.A. (OPAP), of the Hellenic Gas Transmission System Operator S.A. (DESFA), etc. The expansion of the privatisation programme, expected to bring up to Euro 1.5 billion of proceeds in 2014, will boost the investment climate and attract foreign investment. A key development was also the selection of the Trans Adriatic Pipeline (TAP) for the transportation of natural gas from the Caspian region to the European markets. The project of the construction of the pipeline, which will cross Northern Greece, is expected to attract investments and expertise from abroad, while it will facilitate the reduction of energy costs which primarily burden the domestic industry.

As regards investments in infrastructure, it is noteworthy that the utilisation of the resources available under the National Strategic Reference Framework (NSRF) picked up considerably during 2013, with the absorption rate of EU funds at the end of 2013 standing at 74% of the total funding for the 2007-2013 period, compared to 48.6% in 2012 and 34.5% in 2011. The new NSRF (2014-2020) is expected to be frontloaded and directed primarily to sectors with a high penetration in international markets and added value for the Greek Economy. The target for 2020 is for the new NSRF to have created 640,000 new jobs and to help achieve Euro 112 billion of inward investment with Euro 50 billion of added value per annum by 2020. Since late November 2013, construction works in the four major motorways have been resumed and are expected to contribute significantly to GDP growth and to create approximately 20,000 new jobs. It is worth mentioning that Local Government Authorities have already started implementing small-scale public projects (231 such projects are currently in progress) related to maintenance and reconstruction activities. On the back of these positive developments, investments in infrastructure grew by 3.2% in 2013, after declining by 7.9% in 2012. Finally, the tender procedure for the privatisation of the former Ellinikon International Airport has been completed. The total investment is expected to exceed Euro 5 billion and to create a significant number of new jobs.

The recapitalisation and restructuring of the banking system has led to the creation of four large banking groups which have secured capital adequacy and provide credibility which is necessary for the return of deposits and for restoring positive credit expansion. Credit to domestic private sector was again reduced in December 2013 by 3.9% year-on-year, given the very high ratios of non-performing loans to total loans. However, it is expected that the banks' ability to attract deposits will be fully restored, which in turn will strengthen the ability to smoothly finance economic activity.

The International Economy

According to the International Monetary Fund (April 2014), the world Gross Domestic Product (GDP) growth slowed down further in 2013 to 3.0% from 3.2% in 2012. The decline in the world GDP growth rate is attributed to the weakening of domestic demand in most of the economies. After May 2013, the growth slowdown has negatively affected the developing economies as well. In this context, the growth in the world trade volume of goods and services remained low at 3.0% in 2013 compared to 2.8% in 2012, due mainly to the anaemic global demand but also to the difficulties that companies in advanced economies have faced in financing their export activities. In the advanced economies as a whole, GDP growth slowed to 1.3% in 2013 from 1.4% in 2012, as the sustained satisfactory growth rate of private consumption counterbalanced the decline in public consumption and the containment of the growth in fixed investment to a great extent. The implementation of fiscal adjustment programmes was tighter in Europe but less so in the U.S.A., while in Japan economic policy was largely expansionary. The inevitable deleveraging of financial institutions and the decrease of the private sector's over-borrowing dampened recovery in 2013, but also helped to gradually restore confidence (especially in Europe) and eventually to improve expectations for sustainable growth in the medium term.

The slowdown in the advanced economies as a whole encompasses extremely diverse developments in the individual countries. In the U.S.A., GDP growth increased by 1.9% in 2013 from 2.8% in 2012, driven by its policy to reduce budget deficits coupled with the continuation of a highly expansionary monetary policy that ameliorated expectations in the stock markets. Japan's GDP increased by 1.5% in 2013, from 1.4% in 2012, due to the implementation of a highly expansionary fiscal and monetary policy. In the United Kingdom, the GDP recovered faster than expected to 1.8% in 2013, from 0.3% in 2012, with the unemployment rate on a steep decline.

In the Eurozone, GDP declined further by 0.4% in 2013, against a decline by 0.7% in 2012. What is important, however, is that the countries that implement fiscal adjustment programmes are stabilising their economies. Nevertheless, the credit crunch and the high unemployment rates in several member states, as a result of their efforts to reduce financial and macroeconomic imbalances, continue to have a dampening effect on the recovery of the European economy in the short term. Eight Eurozone countries faced recession in 2013, compared to ten in the previous year. Central European countries either retained very low growth rates (Germany, France, Austria) or kept being in recession (Netherlands, Finland). Of the countries that faced severe macroeconomic imbalances during the crisis, Italy, Spain, Greece and Portugal remained in recession - albeit a less extensive one - in 2013.

Inflation in the advanced economies declined further in 2013 (to 1.4% from 2.0% in 2012) as a result of (a) the large output gap which has grown since last year, (b) the slowdown in the increase of unit labour costs and (c) the slight decline in 2013 of the international prices of crude oil and other commodities. In 2014, inflation in the advanced economies is projected to increase to 1.5% from 1.4% in 2013. Inflationary pressures remain low, allowing them to continue of the highly expansionary monetary policy so as to facilitate the advanced economies' recovery from deep recession.

The unemployment rate continued to decline for the third consecutive year in 2013 in the U.S.A. (down to 7.4%) as well as in Japan (down to 4.0%). In the Eurozone, by contrast, where recession occurred and unemployment is the number one problem in several of the economies, the unemployment rate increased further to 12.0% in 2013, from 7.5% in 2007. The unemployment rate in the Eurozone is forecasted to stabilise in 2014 at 11.8% before starting to decline from 2015 onwards, while in the U.S.A. a further decline is expected (at 6.4%).

In emerging and developing economies, GDP growth slowed down further to 4.7% in 2013 from 5.0% in 2012, mainly due to the stabilisation or decline of the international commodity prices of their main exports, the even more restrictive monetary policy and the lower credit growth compared with the past. The apparent stabilisation of GDP growth in some emerging economies at rates which, although higher than those of advanced economies, are nevertheless lower than in the past, as well as the anticipated change in the monetary policy and the rising long-term interest rates in the U.S.A., have caused since mid-2013 significant capital outflows and a decline of the exchange rates in many emerging economies.

Fiscal policy in the advanced economies remains strongly restrictive. Structural deficits have been reduced in order to eliminate the risks posed by the extremely high and rising public debt in many of these countries. The primary budget deficit in the Eurozone stood at 0.1% of GDP in 2013, down from 0.6%

in 2012, with a surplus of 0.4% forecasted for 2014. The total General Government deficit (including interest payments) is estimated to have declined to 3.0% of GDP in 2013, down from 3.7% in 2012, with a further decline to 2.5% forecasted for 2014. The gross public debt increased by almost three percentage points to 95.0% of GDP in 2013 and is projected to increase further to 96.0% of GDP, before declining from 2015 onwards.

In the U.S.A., the General Government deficit was drastically reduced to 6.2% of GDP in 2013, from 9.2% in 2012, while fiscal consolidation is expected to continue for the fifth consecutive year in 2014. In Japan, the decision to get on with fiscal expansion kept the already high structural deficit constant, while the General Government deficit is estimated at 9.0% of GDP in 2013 from 8.7% in 2012.

In advanced economies, monetary policy continues to be extremely relaxed, in order to support the efforts for recovery from the deep recession, while it acquires a restrictive direction in several emerging economies, in order to address problems of "overheating" or capital outflows. In the Eurozone, where inflation is below the medium-term objective, the European Central Bank (ECB) went on with its long-term financing programme, while it further reduced twice, on 8.5.2013 and 13.11.2013, its main refinancing rate at 0.25%. In the U.S.A., the stronger than expected recovery and the continued downward trend of the unemployment rate has led the Federal Reserve Bank to announce that it will reduce by USD 10 billion to USD 75 billion the maximum amount bought monthly in the bond market under the third programme of quantitative easing (QE3) since the beginning of 2014 and, furthermore, that it will maintain the targeted base rate for federal funds between 0% and 0.25%, i.e. at the levels set since the end of 2008. In Japan, the new target of the Central Bank to achieve an inflation rate of 2% by doubling the monetary base, while remaining vigilant against the potential creation of excessive appreciations in asset markets, has already contributed to the improvement of the economic climate and trade balance via a significant weakening of the Yen from August 2012 onwards.

In 2014, global GDP growth is forecasted to accelerate to 3.6% from 3.0% in 2013, in all economic areas, while the improvement in the economic activity indicators has been already visible from the second half of 2013 onwards. In 2014, the GDP growth rate is projected to increase to 2.2% (from 1.3% in 2013) in the advanced economies and to 4.9% (from 4.7% in 2013) in the developing and emerging economies. Despite the strengthening of economic activity in recent months, particularly in developed economies, recovery remains fragile and uncertainty is very much present, as reflected by the volatility in the markets of developing economies. In addition, geopolitical developments in the Ukraine are a source of uncertainty and concern for global economic growth. Although not expected to be homogeneously distributed across member states, the Eurozone's forecasted recovery by 1.2% will be the driving force for the recovery of global trade and international demand. Undoubtedly, both Portugal's and Ireland's exit from the adjustment programmes as well as Greece exceeding its fiscal objectives, in the last two months of 2013, have helped reduce uncertainty and improve the economic climate and expectations in the Eurozone for 2014.

In the U.S.A., despite the anticipated further fiscal adjustment and the less expansionary monetary policy, GDP is expected to accelerate to 2.8% in 2014 and the unemployment rate to decline further, mainly due to the recovery of the domestic demand in an environment of low inflation. In Japan, a stable growth rate of 1.4% is forecasted for 2014, as the positive effects of the expansionary fiscal and monetary policy decided in December 2012 are steadily diminishing and the impact of the increase in the consumption tax from 5% to 8% in the second quarter of 2014 will offset the benefits from the implementation of the new package of fiscal measures intended to stimulate demand. In China, the signs of a slight slowdown in economic growth, as a result of structural reforms, are not expected to have a significant impact on global trade, international commodity prices and shipping. In particular, the growth of China's GDP is estimated to decline to 7.5% in 2014 from 7.7% in 2013, while, on the other hand, in India GDP growth is expected to accelerate to 5.4% in 2014, up from 4.4% in 2013.

1988-1992. The Credit Bank, gazing optimistically at its European future, takes the great leap forward and with the slogan "Together for '92" initiates the effort to meet successfully the great challenge of the United Europe. At the same time, a dynamic period begins. Successive share capital increases, investments in state-of-the-art technology, investment in human resources, systematic expansion of the Branch Network, pioneering banking products and new holding companies spanning the entire financial sector increase the size of the Bank and improve its performance at an international level.

2. Business Units

The Alpha Bank Group is active in various business sectors both in Greece and abroad and offers a number of financial services to individuals and businesses. More specifically, the retail banking business unit pertains to all individuals-Customers of the Group (retail banking Customers), Self-Employed Persons and small and very small enterprises. The medium-sized enterprises and large corporations business unit pertains to the cooperating medium-sized enterprises and large corporations, enterprises with multinational activities and shipping companies. The asset management and insurance business unit pertains to a number of asset management products as well as revenues received from the sale of a wide range of insurance products to individuals and enterprises. The investment banking and treasury business unit pertains to brokerage services, capital market advisory and mediation services as well as to investment banking services. The Alpha Bank Group is present in Southeastern Europe via the Bank's Branch Network and the Group Companies that operate in Albania, Bulgaria, Cyprus, F.Y.R.O.M., Romania and Serbia. The Group is also present in the United Kingdom, through the Bank's London Branch and the Group Company Alpha Bank London Ltd. The other business units pertain to the Group Companies in real estate management and hotels etc.

With a 20.6% market share in deposits as of 31.12.2013 and an extensive loan portfolio that covers all key activity sectors of the Greek Economy, the Alpha Bank Group is one of the largest domestic banking groups. In 2013, the Group had a market share in domestic business loans standing at 21.3%, and thus is one of the market leaders in terms of Greek enterprises' financing.

Retail Banking and Small Enterprises

The decline rate of private sector lending for the entire market slowed down to 3.9% in 2013, versus 4.0% in 2012 as a result of the prolonged recession. In particular, credit expansion to households declined by 3.5% in 2013, after a more pronounced decline by 3.8% in 2012. This development reflects the slowdown in the negative trend mostly in consumer loans (2013: -3.9%, 2012: -5.1%) but also in housing loans (2013: -3.3%, 2012: -3.4%).

In December 2013, private sector deposits stood at Euro 163.1 billion with an annual growth rate of 1.3% versus a drop by 7.3% and 17.0% in December 2012 and December 2011 respectively.

Housing Loans

During 2013, the mortgage market in Greece continued to shrink, as demand remained low due to the uncertainty surrounding the prices of residential properties and incomes, combined with the high taxation on property and the adverse conditions in the economy.

These developments were reflected in the decrease in the number of applications for housing loans and, consequently, in the low volume of new loan disbursements. Following the merger with Emporiki Bank, the housing loan balances of Alpha Bank were strengthened, and in March 2014 its housing loan market share stood at 23.5%.

During 2013, particular attention was paid to developing and supporting housing loan restructuring and settlement products in order to further accommodate the Customers. Procedures and systems were also adjusted in order to respond promptly to the relevant requests.

Moreover, the Bank offered its Customers the State debt relief facility for individuals who promptly service their housing loans, in accordance with Law 4161/2013, which, in view of the prevailing conditions in the economy, provides for the inclusion of natural persons in a restructuring programme with favourable terms for debts related to mortgage loans. The programme aims to provide relief to specific social groups which have sustained substantial reductions in their income.

The Bank also continued to offer its "**Payment Adjustment Plan**", which enables borrowers to continue servicing their loans by adjusting the monthly instalment amount according to their current financial situation.

The Bank's primary objective for 2014 is to grant more new housing loans and to increase disbursements, especially considering the indications of a potential macroeconomic stabilisation. At the same time, Alpha Bank continues to support its Customers who experience difficulties, by offering them comprehensive solutions and facilities that best suit their needs.

Consumer Loans

Despite the adverse economic environment, the Bank's activities in the consumer credit market during the last year proved to be successful. At the end of 2013, Alpha Bank's consumer loan portfolio stood at approximately Euro 4.9 billion. Although 2013 saw a marked drop in the demand for new loans, consumer loan disbursements stood at Euro 70 million. The disbursement of car loans remained unchanged since there was no increase in car sales in 2013.

The Bank placed particular emphasis on managing debts in arrears through debt repayment programmes that seek to support its Customers and the results it achieved were positive. In particular, the "**Alpha Facilitation**" programme was continued during 2013. By significantly reducing monthly instalments and by restructuring them on the basis of the Customers' financial capabilities, the programme helps them better plan and control their consumer loan debt repayments.

During 2013, the Bank continued to offer, in cooperation with the Ministry of Environment, Energy and Climate Change, the "**Energy Efficiency at Household Buildings**" programme which is subsidised by the Hellenic Fund for Entrepreneurship and Development (ETEAN), formerly the Credit Guarantee Fund for Small and Very Small Enterprises (TEMPME). The programme offers exceptionally low-cost loans with flexible repayment terms for the upgrade of home energy performance.

Cards

In 2013 the Bank maintained its leading position in the credit card market. Alpha Bank is the only issuer and acquirer of cards from all three major international payment schemes (American Express, Visa and MasterCard) in Greece and offers a comprehensive range of products (debit cards, charge cards, credit cards, corporate cards, co-branded cards etc.).

A major success for the Bank in 2013 was the renewal of its exclusive cooperation agreement with American Express for issuing and acquiring American Express cards in the Greek market for the next seven years. The agreement sealed the confidence of American Express in its exclusive partnership with Alpha Bank and will contribute to the further development of its portfolio in Greece.

Upon the integration of the cards issued by the former Emporiki Bank in the Alpha Bank systems and products, the total number of credit and debit cards rose to approximately three million, which represents one of the largest card portfolios in the market, with Euro 2 billion in turnover.

The Bank maintained and strengthened its leading position in the market for acquiring and clearing card transactions, as its market share exceeded 40% following the integration of the former Emporiki Bank.

Although the economic crisis drove a large number of businesses to close down, in 2013 the Bank boasted a network of 100,000 participating businesses with over 135,000 sales points authorised to accept all major international cards (Visa, MasterCard, American Express and Diners). Turnover for 2013 stood at Euro 3 billion, up by 25% compared to 2012, with the average commissions remaining at the previous year's levels. Turnover from partnerships with electronic commerce (e-commerce) businesses grew by 70%, reaching nearly Euro 200 million. Finally, 2013 saw the completion of the project involving the replacement/upgrade of all POS terminals with Cardlink terminals.

During 2013, particular attention was paid to further developing and improving the reward programmes, which are considered to be the best in the Greek market. The **Bonus Reward Programme** continued to be exceptionally well-received, with the ratio of points redeemed to points issued remaining extremely high (100%) and demonstrated the Customers' confidence in it. Despite the continuing decline in consumer spending and in the use of credit cards (-12% according to data released by Visa Hellas), the total use of Bonus cards in participating businesses increased by 4% compared to 2012, a development that reflects the quality of the Bonus cards portfolio.

Many new and important partners joined the programme in 2013, including IKEA, Intersport, The Body Shop, Haralas Shoes, Max stores, LETO Maternity Hospital, the Lambrakis Press Group (DOL), Mediterraneo Hospital, GM Hellas/OPEL, Atlantic Union insurance company etc. Under the Bank's partnership with Visa Europe, efforts focused on including in the Bonus programme categories of businesses where transactions are conducted primarily in cash with a view to increasing payments by card, such as the pharmacies belonging to the Pan-Hellenic Network of Pharmacies ADVANCE Pharmacies, the Kiosky's chain of kiosks and several taxis.

In cooperation with Vodafone, a Main Bonus Partner, two new credit cards were created, "**Vodafone Bonus Visa**" and "**Vodafone Bonus American Express**", mainly intended for Vodafone Customers. These new credit cards combine all the benefits of the Bonus Programme and Vodafone services and offer significant privileges to their holders.

In addition, the Bank developed and released the "**Bonus App**", a Bonus Programme application for smartphones that allows users to locate Bonus businesses in their area and receive updates on redemption offers and other Bonus Programme news. The Bonus Application won the Silver award in the category

"Innovative e-Business Applications", in the established annual awards event "e-volutions awards 2014".

The "**Membership Rewards**" and "**Alpha Bank Visa Gold**" reward programmes kept steadily their successful course and offered high-value products and services to the holders who participate in them.

The Dynamic card "**Cash Back Programme**" remained one of the most successful cash back programmes available. The redemption rates remained extremely high (98%), confirming customer loyalty and satisfaction by the Programme.

With a view to further improving its Reward Programmes, while also revamping the services offered to Customers and reducing operating costs, the Bank took advantage of the highly successful software of the Bonus Programme (Welcome Real-time) in order to migrate all separate programmes into it. The above mentioned task was successfully implemented and migration of the American Express "Membership Rewards" Programme and the "Alpha Bank Visa Gold" Reward Programme took place in late 2013 while the migration of the Dynamic card "Cash Back Programme" is expected soon. Use of the Bank's debit cards in purchases grew substantially in 2013, up by 20% compared to 2012. A significant contribution to this increase came from the highly successful "**Enter Bonus American Express**" card, whose turnover in 2013 stood at Euro 75 million, versus Euro 30 million in 2012. These positive results prove the Bank's strategic choice to focus on debit cards to be right, as they gain a significant market share as a payment means.

The very first mobile payments application in Greece, the "**Tap 'n Pay**" application, recently launched in cooperation with Vodafone, was also developed and presented in 2013. The application will initially operate as a pilot and is expected to become available to Customers in the second half of 2014.

In addition, the Bank also introduced the new "**Alpha Bank Enter Visa contactless**" card which supports contactless transactions, with more than 30,000 such cards currently in use. During 2014, the Bank will also introduce the "**Alpha Bank Enter MasterCard contactless**" and "**Enter Bonus American Express contactless**" cards. The issue of these new cards will be accompanied by an increase in the number of contactless card acceptance terminals whose number currently amounts to 5,000.

The **Alpha alerts** service was also made available to Customers, creating an additional source of income for the Bank. By using this modern service, Customers are notified in real time by SMS and/or e-mail of any purchases made with his/her card. Additionally, the number of subscribers to **Alpha e-statements** service (the electronic statements application) increased and the related operating cost was substantially reduced.

Small Business Loans

Alpha Bank is active in the sector of loans to Small Businesses and Self-Employed Persons, offering a wide range of products and services tailored to meet their particular requirements. At the end of 2013, the balance of loans disbursed by the Bank to Small Businesses and Self-Employed Persons (with credit limits up to Euro 1 million) stood at Euro 5.3 billion.

As far as loans to Small Businesses and Self-Employed Persons are concerned, the Bank focused, during 2013, on the following:

- Supporting borrowers more effectively and carrying out targeted actions at each customer segment in order to optimise the management of the arrears portfolio.
- Promoting business loans to meet short-term financial requirements of businesses and to support new investments.
- Supporting entrepreneurship through the systematic promotion of the programmes of the Hellenic Fund for Entrepreneurship and Development (ETEAN) and the European Investment Fund (EIF), together with programmes managed by third parties.
- Strengthening the business extroversion of export companies, by financing them, in collaboration with the Export Credit Insurance Organization (ECIO).

In particular, Small Businesses and Self-Employed Persons were supported through the "**Alpha Support**" and "**Alpha Business Restructuring**" products. For Small Businesses, the facilities available include flexible repayment arrangements, repayment by means of a balloon payment, extension of the loan repayment period, payment of reduced loan instalments etc. For Sole Proprietors and Self-Employed Persons, further improvements were made to the features of the Bank's standard products "Extension of loan term", "Interest-only payments", "Balloon Payment", "Flexible Repayment Plan" and "Granting of grace period".

In 2013 Alpha Bank promoted the "**Alpha in Business**" line of flexible loans in response to new applications for financing short-term requirements of working capital and/or investments in business premises and equipment. The Bank also continued its activities to manage its portfolio of loans to Small Businesses and Self-Employed Persons, through targeted assignments to the Branch Network in order to provide borrowers with flexible solutions to meet their needs in the light of the new conditions in the market.

Finally, promotion of the "**Alpha Green Solutions - Eco Business**" and "**Alpha Eco Business**" products for the financing of investments on electricity production from Renewable Energy Sources, was continued during 2013. These products provide financial support for the upgrade of business premises and the installation of photovoltaic power systems with maximum capacity of 10kw and for investments in photovoltaic plants with maximum capacity of 500kw respectively.

Regarding the Bank's activities to strengthen entrepreneurship, the Bank, in collaboration with the Hellenic Fund for Entrepreneurship and Development (ETEAN), proceeded with the Action "**Entrepreneurship Fund - Business Restarting**", and secured access to interest-free loans subsidised at 50% in order to promptly promote co-funded loans to Small and Medium-Sized Enterprises (SMEs) for financing their investment and business development needs. In total, 306 such loan applications representing a budget of Euro 51.9 million were approved during 2013, with total disbursements standing at Euro 25.36 million on 31.12.2013. Other programmes in the same line included the Action "**Entrepreneurship Fund - Guarantee Fund**", which offers to SMEs loans guaranteed up to 80% by ETEAN for financing investment plans and working capital for business development activities, against assignment of the corresponding subsidy amount as security; and the "**Letters of Guarantee Issuance Programme**", which strengthens the liquidity of Medium-sized, Small and Very Small Enterprises by granting a 50% guarantee by ETEAN for a portfolio of letters of guarantee up to a total value of Euro 150,000 per enterprise.

In parallel, loan restructuring actions approved under previous Programmes of the Credit Guarantee Fund for Small and Very Small Enterprises (TEMPME), currently ETEAN was continued, by extending the repayment period for the working capital loans already approved. Alpha Bank restructured 685 such loans totalling Euro 11.08 million, whose balance on 31.12.2013 stood at Euro 4.95 million (including the relevant figures for the former Emporiki Bank).

Finally, 2013 also marked the successful conclusion of the Bank's collaboration with the European Investment Fund (EIF) for the promotion of the JEREMIE (Joint European Resources for Micro to Medium Enterprises) Programmes, which offered to SMEs and Self-Employed Persons access to interest-free co-funded loans subsidised at 50% for financing their investment and business development plans. In total, 760 loans with a value of Euro 52.72 million were approved under the JEREMIE Programmes since their initiation. The balances of these loans on 31.12.2013 stood at Euro 24.88 million.

Furthermore, with regard to promoting private investments in Greece, Alpha Bank remained actively involved, during 2013, in funding arrangements for investment plans approved under various programmes managed by third parties (e.g. the Intermediate Body of the Operational Programme "Competitiveness & Entrepreneurship" [EFEPAE], Ministries and Regional Administrations) and offered competitive financing terms while playing a key part in ensuring proper monitoring of the respective projects' implementation.

Finally, as regards the provision of support to export firms, Alpha Bank in collaboration with the Export Credit Insurance Organization (ECIO) offered the "Extroversion" insurance programme. The exporter, after having insured under the ECIO up to 80% against non-payment risk by the foreign import firms, addresses the Bank to get access to financing of up to Euro 500,000 available through the "**Alpha Exports Development**" product, in the form of a loan with very favourable repayment terms and without the requirement for tangible collateral.

Deposit Products

During 2013, Alpha Bank increased significantly its total deposit market share year-on-year to 20.6%. The progressive inflows of deposits in the banking system, the Cypriot crisis in March 2013 together with the continuing recession of the Greek Economy and the increased obligations for paying direct taxes shaped the market conditions and led to a rather limited increase in the deposits of the market as a whole, by Euro 1.8 billion. The total deposits kept with Alpha Bank in Greece posted an increase of Euro 1.9 billion, which was solely the result of the household deposits.

In 2013, in the context of the merger with Emporiki Bank, the deposit products were adjusted. In addition, significant cost reductions were achieved across all deposit categories. In particular, the interest rates offered on term deposits declined rapidly and a substantial part of the portfolio was re-priced, driving the weighted average cost of the deposit portfolio down by 142 basis points. It should be noted that throughout 2013, the average interest rate of the new term deposits with a term up to twelve months held by households with the Bank was consistently lower than the corresponding market average.

In December 2013, Alpha Bank assumed all deposits of the Cooperative Banks of Western Macedonia, Dodecanese and Evia, pursuant to the relevant decision issued by the Bank of Greece further to the completion of the bidding process. The undertaking refers exclusively to the deposits (which were fully guaranteed) and not to any other assets and/or liabilities of the three Cooperative Banks. Alpha Bank will make every effort to ensure the uninterrupted provision of banking services to the Customers of the above Cooperative Banks.

During 2013 the Bank launched the new pioneering deposit products "**Alpha New Era**" and "**Alpha Term Deposit with a Bonus**".

The term deposit "Alpha New Era" was launched in February 2013 and was the very first product offered jointly with the former Emporiki Bank, signalling the forthcoming legal merger of the two Banks and the downward shift in interest rates, for the first time in the market. In its current version, the product secures attractive returns fixed on a quarterly basis, quarterly payments of interest and the option to withdraw the total amount of the capital every quarter, on the anniversary of the product, at no cost.

The "Alpha Term Deposit with a Bonus" was first launched in December 2013, introducing to the market the pioneering concept of twin benefits from term deposits, by drawing on the Bank's highly successful "Bonus Reward Programme". This new product combines attractive interest rates with thousands of Bonus points which Customers can redeem using their Bonus cards. The Bonus points collected through the "Alpha Term Deposit with a Bonus" can be redeemed in purchases made at the Bonus Programme Partners, including air tickets, electronic devices, VAT-free fuel, everyday products and a host of other products and services.

In 2013 the product mix available to Customers was enriched by "**New Alpha Plus!**" and "**Alpha Monthly Progress Plus**".

The "New Alpha Plus!" was launched in June 2013 with new combinations of Term Deposits and Mutual Funds that offer high returns, thanks to the competitive interest rates of the Bank's term deposits and the excellent performance of its mutual funds.

The "Alpha Monthly Progress Plus" was re-launched in November 2013, with a view to attracting and retaining funds. This product provides Customers with monthly payment of interest, the option to withdraw the total amount of the capital every month at no cost, and the option to increase the initial capital through additional deposits in order to benefit from higher returns.

Finally, June 2013 saw the complete repositioning of the **Alpha Prime Personal Banking** Service in the market, aiming at providing a comprehensive customer service in line with the Bank's specifications, quality standards and customer-centred approach. The Service was enhanced both by a Customer Relationship Management (CRM) application and by products. It also expanded to 86 Branches of the former Emporiki Bank, increasing its team of Advisors to 230 in total, with plans for further gradual expansion. The Service was also promoted by means of a full-scale advertising campaign in the Press and on television.

The Bank's objectives for 2014 are to further strengthen its deposit base, to develop new pioneering deposit and investment products that address specific customer groups, to further expand the Alpha Bank Prime Personal Banking Service, to optimise the management of the deposit portfolio cost and to increase revenues from the promotion of products with higher profit margins and from adjusting its pricing policy.

Medium-sized Enterprises and Large Corporations

The year 2013 was yet another challenging one for the Greek Economy, as the prolonged recession affected adversely the activities of the financial sector. Competition among banks focused on attracting new deposit funds as well as on financing enterprises with a sound capital structure and positive prospects. The rate of increase for non-performing loans seems to gradually slow down as prospects for recovery improve, while thanks to their large provisions for loan impairments the banks seem able to maintain strong coverage ratios.

The Bank continued its dynamic involvement in Medium-sized Enterprises and Large Corporations financing throughout 2013, offering high-quality products and services and seeking to provide its Customers with the best possible service and to meet their needs. In particular, the Bank provides its corporate Customers with a wide range of products and services, including deposit accounts, short-, medium- and long-term loans in Euro and in other currencies, foreign exchange trading, trading in the bonds and derivatives markets and in the interbank market, letters of guarantee, factoring and leasing. Other services offered include risk management and treasury services, as well as additional banking services such as arrangement of and participation in syndicated loans to large corporations and participation in bilateral financial restructuring transactions, in response to the financing and capital requirements of Customers.

As far as medium-sized enterprises financing is concerned, in 2013 the Bank's activities were carried out through its nine Business Centres, which cover the entire country and provide services to approximately 6,400 Customers with total loan balances of Euro 6,733 million (including those of the former Emporiki Bank). In 2013 the Bank's customer base was expanded with the addition of 183 new medium-sized enterprises, whose total credit limits reached Euro 92 million. The Bank placed particular emphasis on selectively increasing lending to enterprises and sectors with a favourable outlook, and on ensuring the efficient management of loans in arrears through debt settlement and restructuring arrangements with a view to supporting Customers who were considered viable.

Furthermore, under the financing programme funded by the European Investment Bank (EIB), budgeted at Euro 140 million and guaranteed by the Hellenic Republic, a total of Euro 116.5 million were disbursed in loans to medium-sized enterprises. Additionally, in mid-November 2013 the Bank signed with the EIB a new agreement for financing Small and Medium-sized Enterprises (SMEs) with Euro 100 million. The customer base to participate in this programme has already been identified and the relevant approval is expected soon.

The Bank also promoted the Programmes of the Hellenic Fund for Entrepreneurship and Development (ETEAN) "Entrepreneurship Fund - Business Restarting" and "Entrepreneurship Fund - Guarantee Fund", under which loans totalling Euro 100 million have been approved (until 16.5.2014) and Euro 36 million have been disbursed.

Finally, following the merger with the former Emporiki Bank and as part of the operational reengineering of the integrated Bank, the 10 Business Centres of the former Emporiki Bank were absorbed by Alpha Bank in September 2013, in a move expected to allow the achievement of significant economies of scale in the future.

In the sector of large corporations financing, the Bank holds a significant market share, with the balance of loans to these Customers standing at Euro 7.5 billion at the end of 2013. The Bank's credit portfolio consists primarily of loans to industrial and commercial enterprises and, to a lesser extent, to enterprises active in construction and real estate management, transport, tourism and the public sector.

The Bank remained active as arranger for the majority of the syndicated loans in the market and provided, with the help of the other participating banks, primarily Greek, the necessary liquidity to enterprises by restructuring their loans and extending the repayment period of their debts in order to support their viability in the adverse economic conditions of the country.

Particular attention was paid during 2013 to ensuring efficient risk management and to maintaining the good quality of the lending portfolio. As a result, a high percentage of loans are granted to acceptable-, medium- or low-risk borrowers.

The Bank also succeeded in achieving the balanced growth of the income from fees and the net interest income on the loans granted, which for 2013 totalled Euro 400 million. This allowed the Bank to meet the cost of money, to offset the increase in the provisions for bad debts and, ultimately, to maintain the satisfactory profitability and quality of its lending portfolio.

Shipping Finance

The Bank has been successfully involved in shipping finance since 1997, providing specialised products and services (remittances, foreign exchange transactions, hedging solutions etc.) to the Greek-owned ocean-going (companies that mainly control ocean-going tankers and dry bulk carriers) and coastal shipping.

With a shipping loan portfolio standing at around Euro 1.8 billion on 31.12.2013 and following the acquisition of Emporiki Bank and the addition of its shipping portfolio amounting at approximately Euro 570 million, the Bank remains one of the main lenders of Greek shipping. Loans to ocean-going shipping accounted for 89% of the Bank's shipping portfolio (42% dry bulk carriers, 42% tankers, 5% container carriers), while loans to coastal shipping accounted for 11%. Furthermore, 34% of shipping loans were participations in syndicated loans and 66% were bilateral loans.

Despite the slowdown of the world economy, Greek ship-owners continue to demonstrate their commitment and strong position in the shipping industry by constantly renewing their fleet. Bank lending, although currently limited, remains the main means of raising funds. Therefore, the Bank's aim will remain to respond to the maximum extent possible to its Customers' needs.

Leasing

Despite the extremely adverse economic conditions which prevailed throughout 2013, the Group Company Alpha Leasing improved significantly its performance in terms of new leasing business acquisition and ranks third in the leasing sector, compared to fifth last year.

Total income in 2013 stood at Euro 21.5 million, down by 22.1% compared to the previous year mainly due to reduced economic activity in the leasing sector. The portfolio of accounts receivable from leasing agreements prior to impairment stood at Euro 884 million in 2013, down by 7.8% from Euro 959 million in 2012. The Group Company Alpha Leasing ranks fourth in the leasing sector, according to the residual capital of leasing contracts.

Maintaining a strong coverage ratio resulted in an increase of provisions for impairment of bad debts by Euro 21.5 million. This further strengthened total provisions, which at the end of 2013 stood at Euro 74.1 million and accounted for 8% of the portfolio, compared to 5% in 2012. Maintaining adequate provisions for credit risk and ensuring a solid capital adequacy continue to constitute the Company's primary goals in order to cope efficiently with the crisis. Alpha Leasing's strong capital base ranks it first in the leasing sector.

In this environment, throughout 2013 as well, the Company continued to actively manage the leasing contracts portfolio and paid particular attention to finding solutions to address the problems which Customers face in servicing their loans, through restructurings and settlements, while obtaining additional collateral in order to protect the Shareholders' interests and the viability of its Customers' businesses.

Alpha Leasing supports Customers by providing credit facilities to sectors of the economy with significant growth prospects in the coming years and by providing solutions in the event that Customers experience difficulties in servicing their debts, by drawing on the experience amassed over the previous years, while applying a prudent pricing policy.

Factoring

The Bank is active in the factoring services via the Group Company ABC Factors, which has been a member of the Factors Chain International (F.C.I.) since 1995 and of the International Forfaiting Association (I.F.A.) since 2006 regarding forfaiting services, while in 2009 it was one of the founding members of the Hellenic Factors Association. As of mid-2013, ABC Factors undertook the portfolio of the Factoring Division of the former Emporiki Bank.

In 2013 the Company was ranked first in the Greek factoring market, with a market share of 31.5% (based on turnover) versus 22.5% in 2012. The Company posted a 33.1% increase of turnover versus 2012, in contrast to the total turnover of the domestic market for factoring services, which declined by 5.2% as a result of the continued recession in the Greek Economy. The Company's turnover from export factoring services in 2013 grew by 30.2% compared to 2012, driven by the extroversion and interest of businesses to address markets with growth potential, seeking to obtain liquidity and to secure their sales. At the same time, the Company remained profitable during 2013, although earnings before tax were down by 23.7% compared to 2012, as a result of the increased cost of lending.

Throughout 2013, the Company continued the successful restructuring of its portfolio and managed to increase the average balance of discounts by 22.9% compared to 2012, while it maintained the percentage of impairment at 0.4% of total discounts, by placing emphasis on rational credit risk management and on the implementation of best practices. Accounts receivable from Customers in 2013 came from enterprises active in industry (71.2%), wholesale and retail trade (16.6%), services (6.0%), transport (0.6%), hotels and tourism (0.4%) and other sectors (5.2%).

For 2014, the Company seeks to further develop its international factoring activities, by entering foreign markets, either on its own or in association with members of the Factors Chain International, and to promote the forfaiting and reverse factoring derivative products through the network of the International Forfaiting Association as well as through the Business Centres and the Corporate Banking Division customer portfolio.

Asset Management and Insurance

Mutual Funds

Expectations for the Greek Economy's recovery led to a significant increase in the prices of domestic stocks and bonds in 2013, with equity markets in developed countries posting their best annual returns since the 2007-2009 crisis. This positive trend in the stock markets was also reflected in the mutual funds market, where the downward trend that prevailed during the last years was reversed. Thus, total assets under management stood at Euro 6.25 billion compared to Euro 5.95 billion on 31.12.2012, with positive returns across all individual mutual fund categories.

On 31.12.2013, assets under management with Alpha Mutual Funds stood at Euro 1,082 million, up by 21% versus Euro 894 million on 31.12.2012, driven by the rise in the prices of securities in Greece and abroad and by the balance of participations and redemptions, which posted a positive result of Euro 11 million. Substantial fund inflows were directed to the "**Alpha Money Market Fund**" and the Alpha Mutual Funds that invest in the domestic market ("**Alpha Aggressive Strategy Domestic Equities Fund**", "**Alpha Domestic Balanced Fund**", "**Alpha Domestic Bonds Fund**"). In addition, the "**Alpha Global Allocation Balanced Fund**" and the "**Alpha Shipping Foreign Equities Fund**" attracted the preference of investors.

Alpha Asset Management A.E.D.A.K. improved its position in the sector and is now ranked second in terms of market share, with 17.3%, while, historically, the Company ranks first in terms of funds under management in domestic equity funds, which currently stand at Euro 313 million.

Alpha Asset Management A.E.D.A.K. offers 23 mutual funds covering a wide range of investment options in terms of basic investment categories (equities, bonds, money market), geographical and sector diversification and alternative investments such as commodities. It also offers specially-designed mutual funds which incorporate Bancassurance schemes, in cooperation with the competent Division of the Bank.

During 2013, the Alpha Mutual Funds performed notably well and achieved top rankings in their respective categories. In particular, the "**Alpha Domestic Balanced Fund**" reported returns of 47.7% and was ranked first out of all mutual funds managed by Greek Mutual Fund Management Companies (A.E.D.A.K.). In addition, the "**Alpha Aggressive Strategy Domestic Equities Fund**" and the "**Alpha Blue Chips Domestic Equities Fund**", with reported returns of 45% and 41.7%, respectively, were ranked second and third in their corresponding categories, significantly outperforming the Athens Exchange General Index (28.1%).

Among Fixed Income Mutual Funds, the "**Alpha Domestic Bonds Fund**" performed exceptionally well, reporting returns of 42.7% and posting an 88.4% growth over the last two years. High returns were also achieved by the Alpha Mutual Funds that invest in foreign markets. In the category of Equity Funds of Funds, the "**Alpha Cosmos Stars USA Equity Fund of Funds**" reported returns of 23.8% and was the category's top performer and "**Alpha Cosmos Stars Europe Equity Fund of Funds**" ranked third with reported returns of 20.0%.

The "**Alpha Shipping Foreign Equities Fund**" was ranked second among all Foreign Equity Funds, with returns of 26.8%.

Finally, it should also be noted that for the last three years the "Alpha Mutual Funds" have been assessed by the international rating house Morningstar and have consistently received excellent ratings for their risk/return ratios. The relevant information is available on the Alpha Asset Management A.E.D.A.K. website (www.alphamutual.gr).

For 2014, positive prospects for increased assets and higher turnover for the Alpha Mutual Funds are created, as, early this year, the Company assumed the management of the three Mutual Funds managed by Amundi Hellas A.E.D.A.K, with total assets of about Euro 100 million. At the same time, increased fund inflows are also expected from the Bank's Branch Network, the Alpha Prime Personal Banking Service and the Alpha Private Bank Centres. The Company also seeks to further develop its institutional funds management business and to expand the currently offered product mix.

Private Banking

Since 1993, Alpha Bank has been providing comprehensive portfolio management and banking services to high net-worth Customers. These services are provided through Alpha Private Bank Centres in Athens, Thessaloniki, Patra, Volos, Iraklion, Rhodos and London, which are staffed by certified and specialised investment advisors. Private Banking Customers have at their disposal a flexible framework of services offered under the trade name "Alpha Private Bank". More specifically, they can select from three types of portfolio management service, which can also be combined to ensure the best possible coverage of their needs:

- Discretionary Portfolio Management, where the Bank assumes unrestricted management of the Customer's funds.
- Advisory Investment Management, where the Bank provides active management advice to Customers who make the final investment decisions themselves.
- Execution Only, where the Bank executes the orders of Customers who wish to monitor and manage their portfolios themselves.

In full compliance with MiFID, the services are offered after having considered the amount to be invested (minimum portfolio size of Euro 300,000) and the Customer's investment goals (capital protection, maximisation of capital gain), time frame, investment experience and known or estimated cash flows, together with the applicable tax framework at the Customer's country of residence.

In 2013, the Private Banking Division, given the prevailing conditions in the economy, focused its efforts on the following five key priorities:

(a) Strengthening its customer base.

(b) Absorbing a part of the Personal Banking activities of the former Emporiki Bank.

(c) Increasing customer portfolio returns.

(d) Arranging the restructuring of private-sector bond issues, and

(e) Rationalising customer loan portfolios.

Despite the difficulty in attracting new funds, the Bank managed to gain Customers both from the competition as well as through the merger with the former Emporiki Bank. As a result, the funds under management rose to Euro 3.46 billion, up by 20% compared to the figure reported on 31.12.2012. This increase is due both to new fund inflows (60%) and to improved valuation results (40%).

In 2013, Discretionary Portfolios (conservative, ballanced, dynamic) achieved high returns, well above the Benchmark Portfolios. In particular, the returns of the conservative profile stood at 8.6% (Benchmark: 3.1%), with those of the balanced profile standing at 13.6% (Benchmark: 6.2%) and those of the dynamic profile at 15.5% (Benchmark: 9.4%). The positive trend in equity markets (MSCI World Euro Index: 18.24%) and, to a lesser extent, in bond markets (iBoxx Euro Index Worldwide: 2.15%), combined with the right decisions and moves of the Investment Committee contributed to these returns.

With regard to the restructuring of private-sector bond issues, in 2013, the Private Banking Division took all necessary steps to ensure that its Customers had at their disposal all the required information and the available options in order to take their final decisions. Furthermore, the Division completed with notable success the second programme for the purchase of hybrid capital and subordinated debt securities issued by the Alpha Bank Group and achieved high acceptance rates.

Seeking to provide its Customers with high value-added services and innovative products, Private Banking is constantly increasing its support of investment products, in collaboration with Alpha Asset Management A.E.D.A.K. In addition, during 2013, the services provided were expanded to include the **Alpha Gold Programme**, comprising the American Express Gold and Alpha Bank Visa Gold cards. As part of the continuous efforts to further develop the Private Banking services, the www.alphaprivate.gr website was revamped and the **Alpha Private Web** service was upgraded, in order to offer Customers diversified information on the performance of their investment portfolios, together with access to special reports on the money and capital markets and on the investment products available, all within a fully secure and flexible environment.

In 2014, Private Banking as focus on further increasing its customer base and on leveraging its cooperation with the Branch Network, the Business Centres and the Corporate Banking Division in order to win new funds from the competition and take advantage of the opportunities created by the restructuring of the Greek banking sector.

Bancassurance

In order to meet the increasing needs of its Customers, the Bank offers a comprehensive range of insurance products, either linked to banking services or offered as standalone insurance products. These include pension-investment insurance plans, which have been offered already since 2010 by the Group Company **AlphaLife Insurance Company S.A.**, as well as property, life and health insurance plans offered in collaboration with **AXA Insurance**, a global leader in the insurance sector.

During 2013, the Greek insurance market suffered a further decline by 9% in insurance premiums production, as a result of the continued recession and the overall drop in insurance premiums. This negative trend was more pronounced in the life insurance market, which declined by 14%.

However, AlphaLife Insurance Company S.A. maintained its activity with particular success, since it saw a substantial increase by 54% of its total insurance premiums in pension-investment plans. The Company continued to significantly increase its contract portfolio, funds under management and profitability, while at the same time it exceeded the requirements in solvency margins and the Capital Adequacy Ratio. It should be noted that redemptions and terminations of AlphaLife Insurance S.A. policies remained very low, with the total amount paid out in redeemed policies standing at Euro 1.4 million, a mere 1.6% of total reserves. This percentage is considered exceptionally low even during times of economic growth and is proof of the high quality of the Company's portfolio.

The general insurance market posted a decline by around 5.5%. Nevertheless, Alpha Bank, through AXA Insurance, held its own position despite its lending being sluggish and the drop in insurance premiums. In addition, through the collaboration with AXA Insurance, the promotion of the car insurance plan ("**Alpha Safe Auto**"), as well as the "**Alpha Health Care for All**" insurance plan - which is now also offered as a family/child health plan - were stepped up.

Finally, the integration of the bancassurance operations following the merger with the former Emporiki Bank was completed.

Investment Banking and Treasury

Investment Banking and Brokerage Services

In 2013 the Bank continued to work as a Financial Advisor to the Greek State on several major projects such as the privatisation of the Public Gas Corporation (DEPA), the Public Power Corporation (DEI), the Athens Water Supply and Sewerage Company (EYDAP) and the Hellenic Horse Racing Organisation (ODIE), the project on the development of State-owned real estate properties etc. The year 2013 also saw the successful completion of the open public tender procedure for the privatisation of the Hellenic Gas Transmission System Operator (DESFA), in which Alpha Bank, jointly with other banks, acts as Financial Advisor and has the role of coordinator. The successful bidder was the State Oil Company of Azerbaijan Republic (SOCAR), which offered Euro 400 million for the acquisition of a 66% stake in DESFA. The share sale agreement has already been signed and the procedures for obtaining the regulatory and other approvals required in order for the transaction to be completed are currently in progress. In addition, the Bank was assigned, jointly with other banks, the duties of Financial Advisor on the sale and leaseback of 28 buildings owned by the Greek State. The successful bidders, with a total price offer of Euro 261 million, were Eurobank Properties REIC and NBG Pangaea REIC. The Bank has an additional involvement in the privatisations programme, which is in progress, as an advisor to private-sector investors and has already taken up the provision of support to investors interested in the privatisation of 14 regional airports in the country, a project expected to carry on during 2014.

The Bank kept being actively involved in capital markets projects and other mergers and acquisitions. Attica Bank's share capital increase of approximately Euro 400 million, through issuance of new shares and bonds convertible to shares (contingent convertible bond loan) was successfully completed. The Bank also carried out the share capital increase of "Forthnet S.A.", the optional public offering made by Mr. S. Psycharis to the shareholders of "Lambrakis Press S.A." and the valuation of "Eurodrip S.A." in the context of the public offering made by "P&P Water Holdings (Greece)". Moreover, 2013 saw the completion of the project for the granting of a twelve-year exclusive licence for the operation and management of the Greek State Lotteries to the Greek Organization of Football Prognostics (OPAP S.A.), to whom Alpha Bank provided consultancy services within the context of a competitive tender procedure conducted by the Hellenic Republic Asset Development Fund (TAIPED).

In 2013, the Greek stock exchange index was higher than most of the basic trading indices: Greece (General Index) 27.2% compared with Germany (DAX) 24.2%, United Kingdom (FTSE100) 14.4%, France (CAC) 16.0%, U.S.A. (S&P 500) 29.6% and Japan (Nikkei) 53.6%.

The Athens Exchange General Index recorded a year high on 3.12.2013 (1,232.43 basis points) and a year low on 15.7.2013 (788.81 basis points). Overall market capitalisation stood at Euro 68.8 billion on 31.12.2013, up by 100% from Euro 34.4 billion on 31.12.2012, also due to the banks' large share capital increases. Twelve companies had a market capitalisation in excess of Euro 1 billion, compared to only seven on 31.12.2012.

At the end of December 2013, foreign institutional investors held 14.7% of the total market capitalisation (versus 30.1% in December 2012), Greek institutional investors held 5.6% (6.9% in December 2012) and private investors held 12.5% (21.2% in December 2012), with the Hellenic Republic and the Hellenic Financial Stability Fund holding together 45.7% (versus 8.1% in December 2012).

Although the total volume of transactions of the stock market of the Athens Exchange stood at Euro 42.6 billion, up by 65% compared to 2012, trading has plummeted by around 80% from its 2007 record high. From the main investor categories, foreign institutional investors represented 50.3% of the total volume of transactions (2012: 33%), with private investors representing 30.1% (2012: 42%) and domestic institutional and other non-private investors representing 19.6% (2012: 25%).

In the brokerage sector, the Bank is active via the Group Company Alpha Finance, which in 2013 ranked fifth in the market with a share of 5.96% and a turnover of Euro 19.5 million.

The Company provides retail and institutional investors with a comprehensive range of investment services, which include:

- Equities, Exchange Traded Funds (ETFs) in the Athens Exchange and the Cyprus Stock Exchange and Derivatives in the Athens Exchange: Access to the joint Athens and Cyprus Stock Exchange equities trading platform and access to the Athens Exchange Derivatives Market.
- International Markets: Access to equity and derivative markets abroad through a representative as well as via the **Alpha Global Trading** web-based service.
- Market Making: Alpha Finance acts as a Market Maker in the stock and derivatives market of the Athens Exchange.
- ALPHATRADE: Provision of a complete range of online services accessible via the Customer Service, via mobile applications for iPhone, iPad, iPod and for Android-based devices, via an automated Interactive Voice Response system, as well as via the Company's website at www.alphafinance.gr.
- Financial Analyses: Timely provision of accurate information in the form of well-documented corporate, sector-specific and macroeconomic analyses.
- Transaction Clearance and Custody Services: Integrated transaction clearance and custody services for all domestic and international markets.

In 2013, 80,000 brokerage Customers of Emporiki Bank were transferred to Alpha Finance, in the context of the relevant merger.

For 2014, the organic and profitable growth of its business is a key strategic priority for Alpha Finance. The Company also focuses on maintaining its standing and the recognition it enjoys in the market, and on keeping up the curtailment of operating costs, which have been systematically declining during the last five years.

Treasury

The Bank's successful recapitalisation in 2013 was followed by steps to further strengthen its Capital Adequacy Ratio by using alternative means of raising capital, such as the repurchase of hybrid securities and subordinated bonds issued by the Group. After its success in 2012, the Bank repeated in 2013 the public offer for the repurchase of these assets and achieved the highest participation rates from investors as it offered high repurchase prices and satisfactory value recovery levels. It should be noted as well that all the Bank's bond issues consistently achieve the best prices in the market, confirming its robustness and establishing the trust it inspires to investors.

Regarding the management of its bond portfolio and its participation in the Electronic Secondary Securities Market (HDAT), the Bank was ranked at the top of the list of the market's primary dealers for 2013. This distinction was the result of the Bank's active involvement, actual support and significant contribution to the promotion of transactions on Greek Government securities both in the domestic and in international markets. The Bank also played a key part in supporting the primary market for Greek Government securities with its continued participation in Treasury Bill auctions, and also extended valuable help to the Public Debt Management Agency (ODDHX) by providing competitive pricing arrangements on transactions related to the management of the tranches under the country's loan programme.

Despite the exceptionally challenging conditions on the markets and the high risk premia demanded by international credit institutions for trading with Greek banks, Alpha Bank achieved significant profits from its trading activities in the foreign exchange, money and bond markets. The highly successful choices made in managing open positions and in effectively hedging the market and credit risk against the debt crisis resulted in an exceptional performance that bolstered the Bank's profitability in a time of high volatility and uncertainty. It is worth noting that in most cases international banks chose Alpha Bank as their preferred trading partner in Greece and indeed applied more favourable terms in their transactions with it compared to the competition, as a reward for the prudent and stable financial attitude demonstrated by the Bank.

In what concerns liquidity, the Bank's exemplary management continued during 2013. Although Alpha Bank raised the lowest amount of capital from the Hellenic Financial Stability Fund, thus receiving the least indirect support from State sources, it managed to sustain high liquidity reserves to protect depositors, smoothly continue transaction activity and address contingencies. The Bank continued to exhibit a limited exposure to State guarantees and succeeded in gradually reducing its reliance on the mechanisms providing liquidity to the Greek banking system and at the same time focused on lowering its funding costs. All the above were made possible by the judicious management of the Bank's funding resources, continuous and intense negotiations with foreign counterparties and the targeted containment of assets at Group level.

With regard to financial product sales, the constant efforts to adapt to the Customers' needs and the dedication to providing high-quality services were greatly strengthened by the completion of the legal merger with Emporiki Bank, as this helped expand the customer base and enhance the quality of business operations, while it improved the prospects for further profitability. This strong momentum is expected to be a major factor that will contribute to the Bank's differentiation from the competition in the coming years.

Additionally, the active management of deposit balances and of the associated costs remained at the core of the Bank's business activity in a period of volatile macroeconomic conditions during which substantially expanding the business relations with Customers is a key success factor.

The positive investment climate encouraged the placement of corporate bonds issued by domestic enterprises with foreign investors, who increasingly respond to new primary issuances. The Bank acted as a catalyst for this success and broadened its Customers' access to the new Greek bond markets, owing to its expertise in the capital markets and to its strong foothold in an extensive network of domestic and international investors.

The International Markets Analysis was again ranked, for the seventh time in the last eight years, among the 15 leading credit institutions worldwide in terms of predicting the main foreign exchange rates, according to the annual survey conducted by the Thomson Reuters news agency. These repeated distinctions serve as the best possible confirmation of the International Markets Analysis's dedication to providing its Customers with high-value services regarding developments in the international money and capital markets. Particular emphasis is placed on tailoring to the needs of Customers and promptly providing all relevant information by means of immediate updates and periodical publications.

Prospects for all financial activity sectors in the years to follow appear positive, since the Bank has been fully recapitalised and Greek banks are once again welcome in the international markets, while the investment climate and disposition towards transactions and risk assumption keep improving.

Project Finance

The year 2013 saw the continuation of the dynamic course of the Bank's activities in the Project Finance sector, where it holds one of the leading positions in the Greek market. The Bank offers structured finance on a bilateral and syndicated basis for large non-recourse projects in Greece and abroad, in the infrastructure sector (roads, airports, ports etc.) and the electric power generation sector (thermal power plants, cogeneration plants and renewable energy sources plants such as wind farms and photovoltaic parks). It was also active, with great success, in the provision of advisory services for structuring and organising the financing of public and private investment projects, privatisations and Public-Private Partnerships (PPPs).

In parallel with Project Finance, the Bank is also present in the real estate market in Greece and Southeastern Europe and has provided structured finance for projects involving the development of commercial properties, office premises, sports venues, warehouses and hotels and leisure facilities.

From its establishment in 2004 to this day, the Project Finance Unit has successfully concluded loan agreements totalling Euro 1.2 billion (including loan agreements of the former Emporiki Bank for which the Unit assumed responsibility).

In 2013, along with the continuation of selective deleveraging, which began in 2011 and is reflected in the rate of change of the investment projects portfolio, the Unit was also an active participant in the restructuring of the funding for the country's roads, which was concluded in late 2013, and in the competent Steering Committee. Additionally, the provision of consulting to joint ventures in connection with their participation in tender procedures for PPP projects resulted in the award of the relevant contracts, demonstrating the high quality and efficiency of the services provided.

The improvement of the economic climate in Greece in 2013 and the prospects for the economy's further recovery opened up opportunities for contracts regarding new projects in the energy and infrastructure sectors.

For 2014, the volume and performance of the Project Finance and Real Estate loan portfolio is expected to increase, with business development focusing primarily on projects in the infrastructure (transport) and renewable energy sources sectors as well as in PPPs.

Venture Capital, Equity Financing

In 2013, despite the adverse economic conditions, both Alpha Ventures and Alpha Ventures Capital Management realised profits deriving from the liquidation of past investments and from the management of the Alpha TANEO Fund (ATF).

Alpha Ventures, the very first venture capital company to be established in Greece, puts particular emphasis on innovative, extrovert companies with competent management, growth prospects and distinct competitive advantages. Investments are made for a period of three to six years and are liquidated through internal cash flows, sale to a strategic partner or listing on a developed capital market.

Alpha Ventures investments are realised either by direct investment of equity capital or through the Alpha TANEO Fund. The latter is an investment fund established by the Bank in cooperation with the New Economy Development Fund (TANEO) and managed by a Special Purpose Vehicle (SPV), Alpha Ventures Capital Management, a wholly-owned subsidiary of Alpha Ventures.

Future prospects for Alpha Ventures appear positive, as the prolonged recession and the general shortage of liquidity made companies realise the urgent need to redefine their strategy and to seek partnerships in order to exploit the opportunities present in Greece and abroad. In parallel, the important role of Venture Capital/Private Equity investment companies may play in economic growth is becoming more and more understood since, in addition to capital, they also contribute expertise in a variety of areas and, given their institutional role, guarantee the necessary level of trust between the participants involved.

In 2013, Alpha Ventures, after having successfully adjusted to the new conditions, stepped up its investment activities compared to the previous year. Thus, a total of 52 investment proposals were considered. Of these, two were approved for investment, 43 were rejected and seven are still under consideration, with three of them likely to lead to investments by the third quarter of 2014.

Drawing on its twenty-year experience and on the reputation built up by the Alpha Bank Group, Alpha Ventures aims to exploit the opportunities created by the ever-changing business environment, based on the following priorities:

- Continuing to invest Alpha TANEO Fund's available capital in new and innovative companies which are active in rapidly growing sectors, at the edge of technological development and export-oriented.
- Attracting third-party investment funds to be placed under management. The medium/long-term aim is to manage investment capital primarily coming from third parties and secondarily from Alpha Ventures.

Southeastern Europe

The Alpha Bank Group operates in six countries of Southeastern Europe through Group Companies in Albania, Cyprus, F.Y.R.O.M., Romania, Serbia and through a Branch Network in Bulgaria. On 31.12.2013 the Group's presence in Southeastern Europe was supported by a Network of 429 Branches and Personnel amounting to 5,731 Employees.

The year 2013 was marked by economic recovery for all Southeastern Europe countries (with the exception of Cyprus), which - despite their different economic structures - addressed successfully the economic hardships caused by the debt crisis in the Eurozone. In particular, exports have been the main driver for stimulating economic activity, as domestic consumption was not strong enough to boost economic growth. In most of these countries, an expansionary monetary policy was followed and their key interest rates were lowered in order to boost economic activity. The indications so far suggest that economic recovery in the region will continue during 2014 at a faster pace. A key factor will be the normalisation of the economic situation in the Eurozone, the region's major trade partner. The higher rates of economic expansion are expected to further improve Alpha Bank's financial operations in Southeastern Europe with the exception of Cyprus, as the island's economy will remain for the third consecutive year in a recession.

In 2013, the Group's operations in Southeastern Europe posted Euro 9,857 million of loan balances, up by 1.8% from 2012. Group deposits in the region stood at Euro 5,134 million on 31.12.2013. Total deposits in Southeastern Europe account for 12.1% of total Group deposits, whereas total loans account for 15.8% of total Group loans.

The Bank's strategy in Southeastern Europe aims to adjust its procedures in a way that will enable Alpha Bank to fully benefit from growth prospects in the region. The main priority is to maintain its capital base by monitoring asset quality and strengthening pre-provision profits.

In 2013 the Bank entered into an agreement with Delta Bank Group (Ukraine) for the sale of the entire share capital of the Group Company JSC Astra Bank. The sale was completed in September 2013 and was capital neutral for Alpha Bank.

Albania

Alpha Bank's first Branch in Albania started operations in Tirana in January 1998 and as of 2012 the Bank's Branches operate as a Group Company registered under the corporate name Alpha Bank Albania SHA.

During 2013 the Bank focused its efforts on preserving its sound capital position and on expanding its liquidity base, achieving a capital adequacy ratio of 18.6% and a liquidity ratio of 42.2%, both of which are significantly higher than the minimum ratios required by the national regulatory authorities. It also gave priority to increasing its deposit base, reducing costs, collecting non-performing loans and adopting a prudent credit expansion approach.

Operating in an environment of economic and political uncertainty, Alpha Bank Albania managed to keep its market shares in loans and deposits at 8.9% and 6.9%, respectively. In 2013, the Bank's total loan portfolio stood at Euro 370 million and deposits at Euro 483 million (up by 3% versus 2012), driving the loan-to-deposit ratio down to 77% from 80% in 2012. Alpha Bank Albania ranks fifth in retail lending and sixth in deposits, out of a total of 16 commercial banks.

At the end of December 2013, the Bank's customer base exceeded 235,000 Customers provided with banking services through 42 Branches and 58 ATMs. In addition, Alpha Bank Albania has issued approximately 5,600 credit cards and 46,000 debit cards and offers a wide range of products and services to its Customers.

Bulgaria

Alpha Bank has been active in Bulgaria via a Branch Network as of 1995. With total assets of Euro 1.9 billion, the Bank ranks among the top ten banks in Bulgaria, with a Network of 86 Branches and Personnel amounting to 791 Employees.

During 2013, Alpha Bank made substantial efforts in Bulgaria to further reduce costs and optimise its operations. In parallel, there was a growth in new Customers stemming from attracting payroll and savings accounts and from new lending due to increased cross-sales penetration.

Deposits increased (especially in the business sector), tangibly outpacing the market growth rate, while maintaining reasonable pricing. In 2013, total deposits stood at Euro 430 million, posting a 26.0% year-on-year increase. Total loans stood at Euro 634 million, down by 14.5% from the previous year. The combination of improved loan portfolio structure and attracted deposits resulted in an improved loan-to-deposit ratio standing at 147% in 2013, down from 217% in 2012.

In 2013, Alpha Bank conducted marketing campaigns in Bulgaria to promote the "**Dynamic Visa Debit**" **-** the first debit card that pays a percentage back to cardholders for every purchase made not only within the partners' network but in all merchant locations in Bulgaria, abroad and over the Internet. Other integrated marketing campaigns conducted included campaigns to promote the "**Alpha Housing Loan Perfecto**", "**Dynamic Visa**", "**Dynamic Visa Debit**" and "**Alpha All in 1**" loan products and the "**Alpha Ultima**" and "**Alpha 4-Month Deposit**" deposit products.

Cyprus

Alpha Bank's operations in Cyprus started in October 1998 with the acquisition of 75% of the share capital of Lombard Natwest Bank Ltd., a subsidiary of the NatWest Group in Cyprus. After successive share purchases, Alpha Bank increased its participation to 100%. Subsequently, the acquired Bank was renamed Alpha Bank Limited and then Alpha Bank Cyprus Ltd.

The year 2013 was marked by the Eurogroup decisions of 25.3.2013 pursuant to which restrictive measures were implemented on banking transactions and capital transfers, resulting in the deterioration of the domestic financial environment. Under the implementation of the Memorandum of Understanding adopted with the creditors and spanning the period 2013-2016, a demanding programme of economic and structural changes was agreed for the Cypriot economy and the financial sector. The Bank's financial results are affected by the ongoing economic crisis, the rising unemployment and the lack of liquidity in the domestic market.

In order to strengthen the capital base of Alpha Bank Cyprus Ltd, the Group decided, in October 2013, to proceed with a Euro 129 million share capital increase by issuing common shares and convertible bonds entirely acquired by Alpha Bank. As a result of the above issues, Alpha Bank Cyprus Ltd fully met the capital requirements determined by the Central Bank of Cyprus under the adverse scenario of PIMCO's (Pacific Investment Management Company LLC) diagnostic test.

In 2013 the Group's total loan balances in Cyprus stood at Euro 5.1 billion, with deposit balances standing at Euro 2.2 billion (including Emporiki Bank Cyprus Ltd). Despite the unfavourable financial conditions and the significant outflow of deposits from the banking system, the Group has increased its market share in deposits to 4.7% (end of December 2013).

The deteriorating economic environment dictated the increase of provisions to cover rising credit risk. Therefore, the Bank increased its provisions for bad loans by 21.9% and the ratio of provisions to total loans stood at 4.1%. Finally, in terms of overall financial results, the Bank posted loss before tax of Euro 99 million in 2013.

In the course of the year, emphasis was placed on enhancing the corporate profile of the Bank and on promoting deposit products and cards to existing Customers. Thus, promotional actions were conducted for the "**Alpha Premier**" and "**Alpha Newlyweds**" deposit products, the "**Aegean Visa**" credit card and the "**Alpha Bank Enter Youth Visa**" debit card.

The Bank also paid particular attention to introducing loan restructuring products and programmes, in order to reduce and prevent payment defaults. Major such products were "**Alpha Facilitation**" and "**Alpha Arrangement**" for consumer loans and the "**Payment Adjustment Plan**" for housing loans. Moreover, in 2013, the design of "**Alpha Support**" and "**Alpha Arrangement**" for Small Businesses and Self-Employed Persons was completed.

Given the significant changes in the banking sector in Cyprus, Alpha Bank Cyprus continued during 2013 the restructuring of its Branch Network, further reducing the total number of Branches to 29 (from 31 in 2012) by absorbing the operations of two Branches. In parallel, the Bank offers services in the framework of Alternative Networks such as Internet Banking, Mobile Banking and ATMs. In this field, the "**Alpha Express Banking**" service was upgraded with the introduction of several innovative functions. In December 2013, the Alpha Bank Cyprus Employees were 732, versus 756 in December 2012.

Following the acquisition of Emporiki Bank, immediate priority was given to the operational integration of Emporiki Bank - Cyprus Ltd into the Alpha Bank Group. To this end, the policies and the core banking operations of Emporiki Bank - Cyprus Ltd were harmonised with those of the Group. In addition, the corporate governance framework, the credit approval procedures, the methodology for calculating capital adequacy and the operational risk events management procedures were also adjusted to those adopted by the Group.

The Alpha Bank Group is also active in the Cypriot insurance market via Alpha Insurance Ltd. which, despite the adverse economic environment in the country, reported earnings before tax up by nearly 10%. The Company's profitability is considered highly satisfactory, considering that the insurance market in Cyprus shrank by 6.0%.

F.Y.R.O.M.

The presence of Alpha Bank in F.Y.R.O.M. dates back to 2000, when it acquired Kreditna Banka A.D. Skopje, which was later renamed Alpha Bank A.D. Skopje. In 2013, the Bank's Network comprised 18 Branches and Personnel amounted to 243 Employees.

The Bank's primary objective for 2013 was to strengthen relations with Customers by offering a wide range of competitive products and services. At the same time, the Bank paid particular attention to other key areas, such as increasing its deposit base, maintaining a healthy credit portfolio by stepping up its efforts to collect and restructure non-performing loans and further curtailing cost.

In 2013, the total loans of Alpha Bank A.D. Skopje stood at Euro 69 million and deposits at Euro 84 million, up by 0.5% and 19.9% from 2012, respectively. Regarding the business sector in particular, the Bank's deposit base increased by 44% and its loan portfolio by 14%.

The year 2013 was marked by the highly successful launch of the "**American Express Gold**" credit card, which was accompanied by significant benefits for its holders associated with discount offers.

Alpha Bank A.D. Skopje managed to remain profitable in 2013, while achieving a capital adequacy ratio of 18.5%.

Romania

Alpha Bank has been active in Romania since 1994 and was the first foreign bank in the country. In 2013, in the context of the Group's restructuring, the Branch Network of Alpha Bank Romania decreased to 149 Branches and Personnel to 1,997 Employees in total. In terms of total assets for 2013, the Bank ranks eighth out of 40 credit institutions operating in Romania.

One of the Bank's targets in 2013 was to preserve its healthy capital position and to contain non-performing loans. As a result, its capital adequacy ratio stood at around 16.2% and the non-performing loans ratio at 13.7%, significantly below the market average of the country's banking system (21.87%).

Deleveraging, mostly via the reduction of housing loans in foreign currency, drove total loans to Euro 2.9 billion and total deposits to Euro 1.4 billion (up by 15% from 2012), with the corresponding market shares for the Bank standing at 5.8% and 2.8%, respectively. In 2013 the Bank maintained its share of the credit and debit card markets and issued 48,500 new cards, bringing the total number of active cards to 215,000. Despite a 2% decline in the credit card market, the cards portfolio of Alpha Bank Romania posted a marginal increase. The debit cards portfolio grew by 5% compared to an unchanged total market volume.

For Alpha Bank Romania, 2013 marked its return to profitability, with net profit of Euro 7.9 million versus loss of Euro 1.1 million in 2012.

In the leasing sector, the Alpha Bank Group has been active since 1998 through Alpha Leasing Romania IFN S.A., which provides its Customers with credit facilities and continuously adapts its products to meet market needs.

In the brokerage sector, the Alpha Bank Group has been active since 1994 through SSIF Alpha Finance Romania S.A., which provides Customers with stock trading services in the Bucharest Stock Exchange and foreign markets, financial advisor services, services of participation in Initial Public Offerings (IPOs), etc. In 2013, as a result of positive developments in the domestic and international markets, the value of transactions conducted by Alpha Finance Romania increased by 11%, thus allowing the Company to return to profitability.

Serbia

Alpha Bank has been present in Serbia since 2002. However, the milestone year was 2005, when it acquired Jubanka, Serbia's seventh largest bank, which was later renamed Alpha Bank Beograd and then Alpha Bank Srbija A.D.

In 2013, Alpha Bank Srbija A.D. proceeded with actions to restructure its loan portfolio and improve loan and deposit margins. Net interest income and net fee and commission income increased by 29% and 8%, respectively, while non-operating expenses were reduced by 6.3%.

Total deposits stood at Euro 469 million, with the Bank focusing mostly on attracting new Customers with payroll accounts and on reducing the average interest rate cost, primarily in term deposits, in line with market trends. Deleveraging led to a marginal decline of the Bank's loan market share to 4.4%, with total loans standing at Euro 734 million. The Bank cooperated with some of the largest enterprises, whilst personal and consumer lending remained the key profit drivers for retail banking.

In 2013, the Bank also continued its efforts to restructure its Branch Network with the aim of increasing its effectiveness and profitability. On 31.12.2013, the Branch Network numbered 101 Branches and total Personnel amounted to 1,300 Employees.

In the credit cards market, the dynamic promotion of the MasterCard Hvala credit card to the market continued, further enhanced with the addition of a life insurance plan, thus offering yet another benefit to cardholders. The Hvala CSR Programme continued to be implemented in cooperation with the Ministry of Health of Serbia. Finally, the first debit card was launched in the market in cooperation with MasterCard, rewarding cardholders with free shopping opportunities for the biggest domestic retail chain.

Other Activities

Real Estate Management

The main activities of the Group Company Alpha Astika Akinita S.A. are to manage and develop real estate assets owned by itself or by third parties, to provide advice on related matters, to exercise real estate operations, to carry out valuations of real estate assets on behalf of third parties and to participate in enterprises with the same or similar purposes.

In this context, Alpha Astika Akinita S.A. wholly owned, in 2013 as well, the companies Alpha Real Estate D.O.O. Beograd, Alpha Astika Akinita D.O.O.E.L. Skopje, Alpha Real Estate Bulgaria E.O.O.D., Chardash Trading E.O.O.D. and Alpha Astika Akinita Romania S.R.L.

Moreover, the number of real estate assets under the Company's management increased significantly following the merger with the former Emporiki Bank.

In 2013, total assets stood at Euro 131 million, up by 4% from Euro 126 million in 2012. Operating income for 2013 totalled Euro 11.6 million compared to Euro 9.1 million for the previous year (up by 26%), mainly due to the increase in the income from services provided. Operating expenses for 2013 stood at Euro 6.8 million, down from Euro 7 million for the previous year, as a result of constant efforts to curtail operating costs.

After a period of intensive and successful growth, Alpha Astika Akinita S.A. today boasts a high-quality portfolio of real estate assets, substantial available funds, nil borrowing and a team of real estate specialists. All of these constitute key parameters in order to successfully manage and develop real estate assets given the particularly difficult circumstances the real estate sector is currently facing.

Hotels

The reversal of the negative climate, the gradual improvement of the global image of Greek tourism and the absence of negative news reports, combined with the favourable geopolitical developments in the wider area, contributed to the increase of tourist arrivals.

After four years of continued decline and negative publicity, 2013 saw for the first time an increase of arrivals, overnight stays and occupancy rates in the Athens hotel market. According to data released by the Athens-Attica & Argosaronic Hotel Association, the average occupancy rate in hotels of all categories stood at 59.8%, up from 53.8% in 2012, with the average room price posting a marginal decline of 2%, primarily due to the strong competition in price offers for the main hotel categories. The year 2013 was also a positive one for luxury hotels, for which the average annual occupancy rate was 56.1% versus 50.6% in 2012, with the average room price increasing slightly by 2.2%. It should be noted that, of all hotel categories, luxury hotels witnessed the highest percentage increase of their RevPAR (Revenue Per Available Room) ratio, while also managing to improve marginally their market share compared to that of their four-star competitors.

The Alpha Bank Group is active in the hotel sector through the Company Ionian Hotel Enterprises S.A., which was established in 1957 with the aim of constructing, running and developing high-end hotels and currently owns the Hilton Athens Hotel. In 2013, the Company extended its contract with the Hilton Worldwide until 31.12.2016, in application of the terms of the existing agreement.

Operating in an environment of stiff competition, the Hilton Athens Hotel succeeded for yet another year in achieving the top occupancy rate, which stood at 60.9%, compared to 55.1% for 2012 and to an average 56.1% for all luxury hotels. The Hilton Athens Hotel also saw its RevPAR ratio increase significantly to Euro 81.33, compared to Euro 72.84 for 2012 and to an average Euro 76.34 for all luxury hotels. In 2013, the Hilton Athens Hotel also won a significant international distinction, as it was recognised as the fourth best business hotel in Europe, a fact that confirmed the high level of the services provided.

The Company's turnover stood at Euro 26.1 million compared to Euro 23.3 million in 2012 and posted an increase in its two main sources of income, namely room bookings and restaurants and bars, despite the continued recession in the domestic market. The increase in demand, especially for conference and group tourism, is expected to continue and thus lead to increased room sales, which in turn will result in increased turnover and gross operating results and in reduced losses.

Significant efforts were also made to curb all types of operating expenses, despite the tangible increase in energy costs and taxes. In addition, in a clear confirmation of the environmental awareness of the Company and of Hilton Worldwide, 2013 saw the completion of an investment plan to reduce energy consumption and operating costs.

1994-1995. The Bank is renamed Alpha Credit Bank from Credit Bank and its corporate identity is redesigned. The name, the colours and the appearance of the new corporate identity symbolise the Bank's Greek identity and portray the dynamism, the size and the wide range of the services provided by Alpha Credit Bank and the Group Companies.

3. Operational Systems and Distribution Channels

Operational Systems and IT Projects

Alpha Bank attaches great importance to the consistent upgrading of the quality of services, the increase of productivity and the minimisation of operational risk. To this end, as soon as the acquisition agreement with regard to the sale of the former Emporiki Bank was signed, the Bank's Units supporting IT systems and applications proceeded to plan, organise, coordinate and implement the consolidation of the two Banks' information systems.

Some of the major projects carried out in 2013, within the merger framework and under these particularly complex and challenging conditions, included:

- Purging, enriching and integrating the former Emporiki Bank customer databases and migrating the associated digitised documents to the respective Customer Electronic File (e-File) application of Alpha Bank.
- Migrating data and interconnecting systems used by Central Units and Branches, in order to ensure integrated customer service. The installation of infrastructures and applications required for the operation of merged Branches and the relocation of Division Officers were also completed.
- Upgrading infrastructure (IT and electromechanical) and transferring equipment to the new Data Centre, according to the strategic plan in order to cover the Group's short- and long-term needs and consolidating the telecommunications networks of the two Banks.
- Migrating customer data and systematic operations of the former Emporiki Bank to the risk management system of Alpha Bank.
- Finalising the procedures for calculating the capital requirements of the Group and the Bank (Basel II). The project involved migration of the former Emporiki Bank to the Standardised Comprehensive Method and modifications to the Alpha Bank system to integrate the former Emporiki Bank's data so that automated calculation of the Group's risk-weighted assets is allowed.
- Proceeding with the operational integration of the Dealing Room and Back Offices of Alpha Bank with the corresponding services of the former Emporiki Bank.
- Transferring all non-performing loans of large corporations and medium-sized enterprises and retail Customers of the former Emporiki Bank to the collections management system of Alpha Bank, and developing interfaces with the source

systems in order to ensure its daily update.

- Consolidating the two Banks' fund transfer systems for handling interbank fund transfer orders (SWIFT and DIAS).
- Consolidating the two Banks' international trade operations under the Bank Trade platform and discontinuing all other existing parallel applications.
- Proceeding with the operational integration of electronic banking systems (Web Banking, Phone Banking, Mobile Banking) and with the migration of all subscribers of the former Emporiki Bank to the respective Alpha Bank's systems.
- Connecting the Automated Teller Machine (ATM) and Automated Cash Transaction Centres (ACTC) networks of the former Emporiki Bank so as to provide the same transactions as those of Alpha Bank (including off-site ATMs) and migrating both credit and debit cards issued by the former to the First Data Hellas systems and to existing Alpha Bank products.
- Proceeding with operational improvements to the Bank's housing loans system and with the migration of the housing loan accounts and consumer loans portfolio of the former Emporiki Bank.
- Migrating the electronic mail system of the former Emporiki Bank and changing the SMTP addresses of all Personnel.

December 2013 marked the conclusion of all required modifications to the Bank's IT systems in view of undertaking the deposits of the Cooperative Banks of Dodecanese, Evia and Western Macedonia. This project included the mapping of the three Cooperative Banks' Branches with those of Alpha Bank as regards the migration of accounts, the creation of customer records and the migration of customer data and bank cheques.

In addition to the above, numerous IT projects and system improvements/upgrades were completed, including the generation of files to meet Basel III requirements, the analysis of the deposit/investment profile of the Bank's Customers, the development of e-Banking Windows 8 and Windows Phone applications as well as the implementation of secure network connections for Web Banking subscribers and security updates of Alpha Web Banking.

The Bank's IT Units offered vital assistance in collecting and reporting data and in providing operational and technical support to the competent Units, in the framework of major audit projects performed during 2013, such as those carried out by BlackRock Solutions, the Monitoring Trustee and the Bank of Greece, as well as in the framework of the Bank's annual audit by the Certified Auditors.

The key objectives of the IT Units for 2014 are to ensure the management and completion of the remaining projects in the context of the merger with the former Emporiki Bank and to meet the requirements arising from the planning of Key Strategic Initiatives in order to optimise efficiency and reduce operating costs. At the same time, the IT Units continue to respond to other Unit and third-party requests deriving from the Bank's business operation and strategic planning.

Certification of Critical Business Sectors

In 2013, the certification body TÜV Austria Hellas controlled and certified the following business sectors, according to the International Standard ISO 22301 (Business Continuity Management System):

- Information Technology;
- Back Office operations;
- Financial Markets.

Additionally, it controlled and certified Alpha Supporting Services, the Group Company which provides IT services and systems to the Group Companies abroad.

The above mentioned actions are part of the renewal and extension of the existing certification (since 2012) of the Bank, according to the internationally recognised British Standard BS 25999: Business Continuity Management System, which applies to Information Technology.

It is noted that the Business Continuity Management Framework, which was drafted in 2008 for the Bank and the Group Companies in Greece and in 2009 for the Group Companies abroad, covers all operations of the above mentioned entities, by applying an integrated methodology and procedures to the Bank and the Group Companies.

Branches, Alternative Networks and Electronic Services

Branch Network

Alpha Bank's presence in Greece and abroad is supported by a strong network of 1,085 Branches and Customer Service Units. Because of the international financial crisis, in 2009 it was decided to suspend the expansion plan of the Bank's Network in Greece and abroad and since then, a rationalisation plan is being implemented in order to improve efficiency and cut costs. However, the merger with the former Emporiki Bank strengthened Alpha Bank's domestic Network substantially.

At the end of 2013 and after 82 Branches were merged, the Alpha Bank Branch Network in Greece numbered 655 Branches and Customer Service Units (including 9 Business Centres and 9 Private Banking Customer service points). On the same date, the Bank's International Network numbered 430 Branches (429 in Southeastern Europe and one in London), 58 fewer compared to 31.12.2012, mainly due to the rationalisation of the Branch Network (38 Branches merged and one ceased operations) and to the transfer of 23 JSC Astra Bank Branches to the Delta Bank Group (Ukraine), while four new Branches were added as a result of the merger with the former Emporiki Bank.

With a strong presence in both urban areas and the wider region, the Group's extensive Network allows the Bank to adapt to the ever-changing conditions in the market and to improve its customer reach.

Particular emphasis is put on optimising the Branch Network utilisation and efficiency.

Alternative Networks and Electronic Banking Services

Alpha Bank, being at the forefront in leveraging the opportunities offered by new technologies, constantly expands and improves its alternative networks for the provision of products and services in order to cover the Customers' needs, through electronic banking services. October 2013 marked the conclusion of the largest part of Alpha Bank's operational merger with the former Emporiki Bank, bringing all electronic banking services previously offered by the two Banks under the umbrella of the Alpha Bank Electronic Banking Services.

The Customers' confidence in the services available via the Bank's alternative networks is evidenced by the continuous increase in their usage. During 2013, the transactions carried out through the electronic banking services of Alpha Bank and the former Emporiki Bank rose by 10.4% in relation to 2012 and currently account for 52.1% of the Bank's total transactions.

The electronic banking services (Alpha e-services) offered by the Bank are the following:

- **Automated Banking Devices**

These comprise Automated Teller Machines (ATMs) and Automated Cash Transaction Centres (ACTCs) for transactions carried out via cash deposits.

With the first ATMs being installed in 1981, Alpha Bank paved the way for modern banking technology in Greece. Today, after the merger with the former Emporiki Bank, both the Branch Network and the ATM (on-site and off-site) and ACTC networks are being rationalised. At the end of 2013, the Bank had 1,239 ATMs (768 on-site and 471 off-site), accounting for 69.2 million transactions conducted in the networks of both Banks, up by 3.5% in relation to 2012, with a total value standing at Euro 10.7 billion, down by 3.7% versus 2012.

At the end of 2013, the network of Automated Cash Transaction Centres comprised 284 units. ACTCs can be used for cash transactions, including payments on cards and loans, deposits to Alpha Bank accounts and payments to third parties, e.g. telephony and internet providers, public utilities, insurance companies etc.

During 2013, a total of 4.6 million transactions were carried out via Alpha Bank and the former Emporiki Bank ACTCs (up by 22.4% versus 2012), representing a total value of Euro 1.2 billion (up by 13.7% versus 2012).

- **Alpha Web Banking**

In 1996, Alpha Bank was the first to introduce online banking services in both personal and business banking. More than 217,000 subscribers use these services (up by 9.5% compared to the previous year), carrying out approximately 99 million transactions, increased by 14.1% in relation to 2012. Despite the continuing economic crisis, in 2013 the total number of money transactions increased by 13.7% compared to 2012, with the value of transactions increasing by 7.9% compared to the previous year.

In 2013, 45 new companies and organisations joined the bill payment service and three new ones the donations service. Thus, Alpha Web Banking subscribers are now able to make payments to more than 250 companies/organisations.

Additionally, in the context of the operational merger of Alpha Bank's electronic services with those of the former Emporiki Bank, Alpha Web Banking was enriched with standing orders for the payment of bills and alerts (Alpha alerts) to notify Customers of transactions made using their accounts and cards.

- **Alpha Mobile Banking**

Alpha Mobile Banking involves the provision of banking services via a mobile phone. Using this service, Customers can monitor the balances of their accounts and credit cards, transfer funds to third parties, make payments on credit cards and pay debts to natural persons, companies and organisations.

The development of technology to connect mobile devices to the Internet and the increased use of smartphones have made these services more user-friendly, which, in turn, is generating more customer interest in them. The Bank has already offered applications (smartapps) developed especially for mobile devices running the iOS, Android and Windows Phone operating systems.

2013 outperformed 2012 on all fronts recording an increase in subscriptions by 48.9%, in money transactions by 100.3% and in the value of transactions by 73.8%.

Additionally, in 2013 the Bank developed the Alpha Safe Access service. This new service enables smartphone owners to use their phones - instead of the special-purpose devices (tokens) -to obtain an additional password (one time password), required to secure critical transactions carried out through the Alpha Web or Alpha Mobile Banking services.

The Alpha Safe Access service is already available for nearly all smartphones or other mobile devices running the iOS, Android and Windows Phone operating systems. More than 10% of the total number of subscribers using Additional Password services have already chosen Alpha Safe Access over the conventional token.

- **Alpha Phone Banking**

Alpha Phone Banking provides banking services over the telephone, through either the automated Interactive Voice Response (IVR) system which is available 24 hours a day or the call centre. The transactions provided through the Alpha Web Banking service are also directly available via the Alpha Phone Banking service.

- **Alpha e-statements**

The Alpha e-statements service enables Customers to receive electronic statements (e-statements) for their accounts and cards instead of printed ones. Thus, the Customer's prompt update and a reduction of operating costs are achieved at the same time.

By the end of 2013, a total of 95,568 deposit and loan accounts and 70,264 cards had been registered with the service, increased by 13.0% and 47.4%, versus 2012, respectively.

- **Alpha Line**

Alpha Line provides banking services to businesses by means of an application which is installed on the Customers' computers. The number of active subscribers to this service currently stands at approximately 430 businesses. In order to rationalise the portfolio of electronic banking services and reduce operating costs, the service is in the process of being discontinued and efforts are being made to transfer its subscribers to the Alpha Web Banking service for businesses.

- **Alpha Global Cash Management**

Alpha Global Cash Management service was launched in 2011 in order to meet the needs for electronic cash flow management of large corporations operating in Greece and/or abroad. The service also offers special operability for transaction settlement to brokerage firms operating in the Athens and Cyprus Stock Exchanges.

- **Alpha Web International Trade**

Alpha Web International Trade, launched in 2007, allows Customers working with the Bank in the import/export sector to monitor the progress of the respective settlement files, to send requests for settlements and Import Letters of Credit as well as the necessary supporting documents electronically. By the end of 2013, subscriptions to the service numbered 777 companies in total, up by 14.9% versus 2012 and the number of import transactions processed stood at 7,388, posting a decline of 20% year-on-year as a result of the recession which is still afflicting international trade.

- **Alpha e-commerce**

Alpha e-commerce provides companies which are active in online sales with the opportunity to carry out securely transactions via the Internet using a credit card.

During 2013, a new support system was developed for this service, drawing on the latest technological developments in order to fully meet the needs of subscribers-merchants. Migration of the subscribers of the former Emporiki Bank to the new system has already been completed and the gradual migration of all Alpha Bank Customers is scheduled for 2014.

In 2013, the total turnover of e-commerce services for both Banks rose to Euro 217.6 million, up by 56.6% compared to Euro 138.9 million in 2012.

- **Mass payment/collection services based on electronic file transfers**

Mass collection/payment services refer to the collection of debts via standing orders and/or through alternative networks and to payments to third parties (payroll, supplier payments etc.).

During 2013, these services were enhanced with the new "Alpha Mass Payments" service, which was based on the corresponding service provided by the former Emporiki Bank now offered to all Customers. The service is accessible through the Internet, boasts a particularly user-friendly interface and offers functionalities for creating, placing and monitoring the progress of mass payment orders (e.g. payroll or supplier payments).

The number of transactions (intra- and inter- bank) made using the mass payments/collections services in 2013 stood at Euro 14.9 million, posting an increase by 9% compared to 2012.

- Call Centre

In order to carry out banking transactions over the telephone, provide information regarding the Bank's products and services and support cardholders and subscribers to the Bank's electronic services, the Bank's call centre offers its services on a daily basis with expanded and continuous working hours and processes more than 178,000 calls per month.

1994. "Banca Bucuresti" is established as a result of the collaboration among Greek entrepreneurs, Alpha Finance, the European Bank for Reconstruction and Development and the Bank. Alpha Credit Bank was the first foreign bank to enter the banking market of Romania.

4. Risk Management

The Alpha Bank Group has established a comprehensive and strict risk management framework, in full compliance with the current supervisory rules placing special emphasis on its continuous improvement and updating. In 2013, the Group continued to undertake all the necessary measures in order to be shielded against all types of financial risks.

The Board of Directors of the Bank supervises the overall operations of the Risk Management Business Unit. The Risk Management Committee, which reports to the Board of Directors, convenes on a monthly basis and/or ad hoc, submits recommendations regarding the risk undertaking and capital management strategy so that it corresponds to the business goals of the Bank and the Group and monitors, assesses and oversees the adequacy and effectiveness of the policy applied and of the risk management procedures.

The risk management framework and its effectiveness are re-examined on a regular basis in order to comply with international best practices. The Assets-Liabilities Management Committee, the Credit Risk Committee and the Operational Risk Committee have been established for a more comprehensive and effective identification and handling of all risk types.

The General Manager and Chief Risk Officer supervises the Group's Risk Management Business Unit and reports on a regular basis and ad hoc to the above mentioned Committees, the Risk Management Committee and to the Board of Directors of the Bank.

Credit Risk

Credit risk arises from a borrower's or counterparty's inability to fulfill his/her obligations against the Group. The timely and effective handling of credit risk is crucial for the Alpha Bank Group as it contributes to the minimisation of potential loss.

The main objectives with regard to the credit risk management of the Bank are the complete and timely support of Business Units during the decision-making process, the continuous and systematic monitoring of the loan portfolio, in accordance with the Group policies and procedures and the harmonisation with the regulatory framework and international best practices. These objectives materialise through a continuously evolving framework of methodologies and systems for measuring and monitoring credit risk, customised to the challenges of the prevailing economic circumstances as well as to the nature and scope of the business activities of the Group.

Specifically, the reinforcement and improvement of the aforementioned framework include the following:

- Continuous updating of Credit Policy Manuals and Credit Rating Models for Wholesale Banking and Retail Banking in Greece and abroad, adapted to the given macroeconomic conditions and the Group's risk appetite, so as to ensure their proper and effective operation.
- Updating the Impairment Policies for Wholesale and Retail Credit.
- Centralised and automated application approval process and collection mechanisms for Retail Banking in Greece and abroad.
- Systematic and periodic qualitative control of Wholesale and Retail Credit and systematic measurement and assessment of concentration risk per counterparty and per sector of economic activity.
- Periodic stress tests as an assessment tool of the impact of several economic scenarios on the capital requirements. The stress tests are performed according to the requirements of the regulatory framework and constitute a fundamental parameter of the Group's credit risk management strategy.

In the Retail Banking Business Unit, the Group has developed a framework to facilitate clients' debt repayment both in Greece and in the countries of Southeastern Europe where it conducts business. Additionally, it applies a methodology for calculating individuals' cost of living in case of claims for restructuring loans. The aim is to provide restructuring solutions for delinquent balances based on the borrowers' recent economic profile. At the same time, in the context of the merger of Emporiki Bank, the Credit Policy of the two Banks and their credit approval processes were consolidated.

Concerning the Wholesale Banking Business Unit, and following the integration of Emporiki Bank into the Group in February 2013, considerable changes took place in the credit approval policies and procedures. In particular, Credit Committees and Arrears Committees were established for both the common and non-common clients, analytical guidelines regarding the management of requests by common and non-common clients were issued by all the Business Units and the credit risk rating grades were mapped in the rating systems of the two Banks.

Additionally, the Regulatory Credit Framework was enhanced with the inclusion of the role of the Monitoring Trustee in the credit policy as well as of all the commitments that the Bank has undertaken regarding credit risk management. The main duty of the Monitoring Trustee is to ensure the implementation of Corporate Governance principles and the adoption of purely commercial criteria in the process of making significant decisions, as these are determined within the framework of the commitments that the Greek Government has undertaken against the European Commission regarding Greek banks under restructuring. The notion of "connected borrowers" is included as well and comprises borrowers with a special relation with the Bank, the State as well as specific borrower categories.

Additionally, in order to upgrade and develop the internal system of credit risk management the following actions are in progress:

- Preparation of the transition of the Bank and the Group Companies in Greece, including the portfolios of the former Emporiki Bank, to the Advanced Calculation Method for Capital Adequacy against credit risk. The Advanced Internal Ratings-Based Approach will be used to this effect for the Wholesale, Retail, Leasing and Factoring portfolios.
- Improvement of the current systems in order to adopt the new guidelines of the European Banking Authority (EBA) on non-performing and restructured loans (Forborne Exposure).
- Creation of databases in order to perform statistical tests in the Group's credit risk rating models. Upgrade and automatisation of the abovementioned process in relation to non-performing loans of Wholesale and Retail Credit by using specialised statistical software. Gradual implementation of an automatic interface of credit risk rating systems with the core banking systems for all Group Companies abroad.
- Adoption of a mechanism to control the completeness and quality of the Wholesale and Retail Credit crucial areas, in the framework of monitoring and measuring credit risk.

Reference should be made to the establishment of a specialised Team of Officers by the Bank for the development and validation of statistical models, which are used in the approval process as well as in the calculation of capital requirements (Basel II), in accordance with the trend followed by financial institutions on an international level.

At the end of 2013, the non-performing loans of the Group reached Euro 20.5 billion and the Non-Performing Loans Ratio stood at 32.7% compared to 22.8% at the end of 2012. The Group Total Provisions Stock reached Euro 11.1 billion at the end of December 2013, reinforcing the Non-Performing Loans Coverage Ratio from 45% in 2012 to 54%. Correspondingly, the Ratio of Provisions Stock to Total Loans reached 18% at the end of 2013.

The increase in credit risk provisions reflects the continuous policy of the Bank for provision adequacy in order to anticipate the prospect of further deterioration of credit conditions in Greece and Southeastern Europe.

Table 1
Loans and Advances to Customers by Asset Quality (impaired or not impaired - impairment allowance - value of collateral)

(in Euro thousand) — 31.12.2013

	Not Impaired Loans and Advances		Impaired Loans and Advances		Total Gross Amount	Accumulated Impairment Allowance		Total Net Amount	Value of Collateral
	Neither Past Due Nor Impaired	Past Due but Not Impaired	Individually Assessed	Collectively Assessed		Individually Assessed	Collectively Assessed		
Retail Lending	**13,030,162**	**1,968,548**	**39,072**	**18,368,854**	**33,406,636**	**23,810**	**6,114,791**	**27,268,035**	**22,491,698**
Mortgage	9,757,811	1,307,201	22,888	9,832,545	20,920,445	16,395	1,838,121	19,065,929	18,108,162
Consumer	1,766,200	363,528	14,901	3,673,972	5,818,601	6,531	1,784,094	4,027,976	1,293,454
Credit cards	611,701	109,934	9	427,323	1,148,967	9	317,673	831,285	21,554
Small Businesses	894,450	187,885	1,274	4,435,014	5,518,623	875	2,174,903	3,342,845	3,068,528
Corporate Lending	**16,991,351**	**1,011,235**	**9,271,787**	**451,888**	**27,726,261**	**4,774,702**	**161,027**	**22,790,532**	**19,354,643**
Large Enterprises	11,699,521	583,153	3,832,827	223,358	16,338,859	1,902,621	63,953	14,372,285	11,024,228
Medium-sized Enterprises	5,291,830	428,082	5,438,960	228,530	11,387,402	2,872,081	97,074	8,418,247	8,330,415
Public Sector	**1,615,484**		**34,384**	**676**	**1,650,544**	**26,074**	**4,724**	**1,619,746**	**431,452**
Greece	1,448,737		34,384	676	1,483,797	26,074	4,718	1,453,005	403,410
Other Countries	166,747				166,747		6	166,741	28,042
Total	**31,636,997**	**2,979,783**	**9,345,243**	**18,821,418**	**62,783,441**	**4,824,586**	**6,280,542**	**51,678,313**	**42,277,793**

The accumulated impairment allowance for "collectively assessed" loans and advances includes an amount of Euro 252.6 million concerning Incurred But Not Reported (IBNR) provisions.

The impaired loans and advances also include performing restructured loans that are collectively assessed and amount to Euro 5.5 billion.

Table 2
Ageing Analysis of Past Due but not Impaired Loans and Advances to Customers by Product Line

(in Euro thousand)	31.12.2013						
	Retail Lending				Corporate Lending		Total Past Due But Not Impaired
	Mortgage	Consumer	Credit Cards	Small Businesses	Large Enterprises	Medium-sized Enterprises	
1 - 29 Days	725,721	224,094	80,275	101,138	212,294	168,969	1,512,491
30 - 59 Days	266,893	91,809	20,754	48,815	11,428	59,098	498,797
60 - 89 Days	287,140	43,881	8,905	37,505	111,562	39,816	528,809
90 - 179 Days	4,348	304			16,119	31,894	52,665
180 - 360 Days	5,341	489			77,009	32,882	115,721
> 360 Days	17,758	2,951		427	154,741	95,423	271,300
Total	**1,307,201**	**363,528**	**109,934**	**187,885**	**583,153**	**428,082**	**2,979,783**
Value of Collateral	1,168,189	97,014	840	118,676	505,574	394,838	2,285,131

In acknowledgement of the need to compile a debt repayment facilitation framework - for borrowers who are experiencing financial difficulties preventing them from fulfilling their contractual obligations or who may experience such difficulties in the future - the Group has developed a loan settlement policy. On 31.12.2013, the Group's settled outstanding loans stood at Euro 6.7 billion and the collaterals value totalled Euro 4.9 billion.

Tables 1 and 2 present, on a consolidated basis, the Bank's loans and advances to Customers by asset quality (Table 1) and the ageing analysis of past due but not impaired loans and advances to Customers (by product line) (Table 2).

Market Risk

Market risk is the risk of loss arising from unfavourable changes in the value or volatility on interest rates, foreign exchange rates, equities and commodities markets. Loss may arise from either the trading book or the structure of the banking book.

In 2013, the Treasury and Balance Sheet Management Committee was established aiming at the achievement of the Bank's and the Group's business objectives. To that effect, the Committee may submit relevant recommendations to the Assets-Liabilities Management Committee (ALCo) of the Group, or exceptionally, in case an approval shall be granted before the date of the ALCo meeting, to the Executive Committee. At the same time, the Charter of the Assets-Liabilities Management Committee, which is responsible for approving the guidelines, strategy and organisational structure regarding market risk management, has been updated.

1. Trading Portfolio

Market risk for the trading book is measured on the basis of the Value at Risk (VaR) using a specialised application. The methodology applied to calculate VaR is the one of historical simulation. The Bank uses a one and a ten-day holding period, depending on the time required to liquidate the portfolio. Back-testing is applied in order to validate the VaR model.

In order to calculate the one-day VaR for the Bank's trading book, a two-year volatility period and 99% confidence level were used. Table 3 shows the VaR calculated for the Bank's trading book in 2013. Group Companies have very low exposure and limits for the trading book and consequently risk exposure is immaterial.

For the measurement of the trading book's market risk, in addition to the VaR methodology, the book's behaviour is also tested against hypothetical changes in market parameters (scenarios) and extreme changes in those parameters noted in the past (stress-testing).

In 2008, the Bank of Greece validated the internal model used for the measurement of the market risk and approved its application for the calculation of the trading book capital requirements. Since 31.12.2011, stressed VaR is calculated along with VaR, in order to estimate capital requirements for general market risk.

In the context of the internal model supervision, the production of an extensive monthly report began in 2012, analysing the Bank's trading book positions, the VaR and stress-testing, according to instructions of the Bank of Greece.

Table 3
Trading Portfolio

(in Euro thousand)	2013					2012
	Currency Risk	Interest Rate Risk	Price Risk	Cross-Correlation Impact	Total	Total
December 31	832.2	289.9	42.3	-270.0	894.3	1,030.5
Average Daily Value (annual basis)	542.5	732.5	112.7	-398.8	988.9	685.2
Maximum Daily Value (annual basis)	1,178.7	863.8	62.8	-517.2	1,588.0	1,609.6
Minimum Daily Value (annual basis)	249.0	620.3	40.0	-292.4	617.0	264.7

Table 4
Foreign Exchange Position (Group)

(in Euro million)	31.12.2013								
	USD	GBP	CHF	JPY	RON	RSD	Other FX	Euro	Total
Total Assets	1,067.3	510.0	2,482.9	83.9	794.3	274.5	596.3	67,888.1	73,697.3
Total Liabilities	2,590.0	250.7	180.6	32.4	822.7	128.3	742.5	60,582.4	65,329.5
Foreign Exchange Position for Balance Sheet Items	-1,522.7	259.3	2,302.4	51.5	-28.4	146.2	-146.2	7,305.7	8,367.7
Foreign Exchange Position Held on Derivatives	1,481.6	-233.9	-2,338.8	-50.3	72.9	44.9	223.1	709.0	-91.4
Total Foreign Exchange Position	-41.1	25.4	-36.4	1.1	44.5	191.1	76.9	8,014.7	8,276.3

In 2013, and following the integration of Emporiki Bank's positions in the Bank's portfolios, the latter's internal model was subjected to a new validation process by the Regulatory Authority. The Bank of Greece re-evaluated the qualitative and quantitative criteria of the model and validated once again its application by the Bank in order to measure the market risk capital requirements.

As part of the financial risk management policy, exposure stop-loss and VaR limits have been set by the Assets-Liabilities Management Committee for products comprising trading and financial management positions, taking into account the current Group needs and the market conditions.

Since 2012, the Bank has already procured and installed a specialised application for the monitoring and examination of the coverage ratio and for the continuous and real-time identification of any exposure and stop-loss limits excesses in the trading and financial management positions of the Greek portfolio.

Furthermore, the local Risk Management Units monitor the financial management limits set for the corresponding Units abroad on a daily and intra-day basis. The relevant results are consolidated on a daily basis in order to control the coverage ratio and any excesses of the Group financial management limits.

It should be noted that the corresponding VaR limits are monitored and controlled on a daily basis as well.

2. Banking Book Financial Risks

The banking book financial risks arise from the structure of the Assets and Liabilities and mainly of loan and deposit portfolios of the Group. The banking book financial risks are the exchange rate risk, the interest rate risk and the liquidity risk.

a. Exchange rate risk

The General Management sets limits on the open foreign exchange position for the total position as well as for each currency. The total position is calculated by cumulating the current position for the balance sheet items and the forward position held on derivatives (Table 4).

The exchange rate risk undertaken by the Group derives mainly from holdings and its offsetting is pursued, provided that the corresponding instruments in the said currencies are available.

Table 5
Interest Rate Gap Analysis

(in Euro million)	31.12.2013							
	< 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	1 to 5 Years	> 5 Years	Non-Interest Bearing	Total
Assets	29,979.6	14,576.1	9,689.5	2,215.7	6,882.8	3,128.5	7,225.0	73,697.2
Liabilities	31,231.1	7,829.1	5,791.3	6,188.0	11,139.6	1,394.7	1,755.7	65,329.5
Equity	0.0	0.0	0.0	0.0	0.0	0.0	8,367.7	8,367.7
Total Liabilities and Equity	31,231.1	7,829.1	5,791.3	6,188.0	11,139.6	1,394.7	10,123.4	73,697.2
Gap	-1,251.5	6,747.0	3,898.2	-3,972.3	-4,256.8	1,733.8	-2,898.4	0.0
Cumulative Gap	-1,251.5	5,495.5	9,393.7	5,421.4	1,164.6	2,898.4	0.0	0.0

b. Interest rate risk

As far as the banking book is concerned, the analysis is conducted according to the Interest Rate Gap Analysis. More specifically, Assets and Liabilities are classified by time periods (Gaps) according to the repricing date for the floating rate accounts or at maturity for the fixed rate accounts. Table 5 presents the Interest Rate Gap Analysis for the Group's Assets-Liabilities as of 31.12.2013.

Stress tests on the interest rate risk are conducted on a monthly basis in order to calculate the change both in the net interest income and in the net position of the available for sale portfolio (Table 6).

The results of the analyses are presented to the Risk Management Committee and the Assets-Liabilities Management Committee (ALCo).

Liquidity Risk

The liquidity risk concerns the Group's ability to maintain adequate liquidity to fulfil its transactional obligations, either regular or extraordinary. The most significant part of the Group's Assets is financed through customer deposits and bonds issued by the Group.

Table 6
Net Interest Income Sensitivity

(in Euro million)

Interest Rate Changes Scenarios (yield curve parallel shift)	Net Interest Income Sensitivity (for a period of one year)	Equity Sensitivity
-100	32.0	99.6
+100	132.0	-99.6

Table 7
Liquidity Gap Analysis

(in Euro million)	31.12.2013					
	< 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	> 1 Year	Total
Assets	9,019.6	2,086.1	3,538.2	3,802.1	55,251.3	73,697.3
Liabilities	28,156.5	6,449.8	5,241.0	5,743.4	19,738.9	65,329.6
Equity	0.0	0.0	0.0	0.0	8,367.7	8,367.7
Total Liabilities and Equity	28,156.5	6,449.8	5,241.0	5,743.4	28,106.6	73,697.3
Gap	-19,136.9	-4,363.7	-1,702.8	-1,941.3	27,144.7	0.0
Cumulative Gap	-19,136.9	-23,500.6	-25,203.4	-27,144.7	0.0	0.0

Over recent years, due to the fact that Customers withdrew their deposits to a large extent, the Bank made additional use of the financing mechanisms provided by the European System of Central Banks (ESCB). Borrowing from the European System of Central Banks has proved to be an extra source of financing totalling Euro 17.2 billion on 31.12.2013. This amount is significantly lower compared with 2012 (Euro 23.7 billion). The Bank and the Group's liquidity risk is controlled regularly by calculating the Liquidity Ratios, in line with the Bank of Greece requirements (Bank of Greece Governor's Act 2614/7.4.2009). It should be mentioned that the reduction of the borrowing from the ESCB continues in 2014, as there is an inflow of deposits into the Bank and, therefore, its liquidity is improving.

The Bank, in the context of the Contingency Funding Plan, monitors and utilises Early Warning Indicators in order to identify liquidity problems and potential increases in liquidity risk or financing requirements. Moreover, a Liquidity Gap Analysis is performed on a monthly basis.

Table 7 shows the Group's Liquidity Gap Analysis as at 31.12.2013.

Counterparty Credit Institution and Country Risk

Counterparty risk is the risk of a counterparty's default before the final settlement of the existing transactions' cash-flows against the Group. An economic loss will occur if the portfolio of transactions with the counterparty has a positive economic value to the Group at the time of the counterparty's default.

Counterparty credit institution risk refers to the risk of losses in the event that counterparty credit institutions fail to fulfill their contractual obligations related to debt securities, shares, interbank transactions (including derivatives), loans and International Trade transactions.

Country risk is the collection of risks associated with investing in a country.

Risk per country may be either direct (including exposure to the Central Government, public utility companies, local authorities and the Central Bank), indirect (referring to funding Group Units operations in the country) or related to the banking and private sector of the country.

In August 2013, two formerly separate Rules and Regulations (on counterparty credit institutions and countries) merged into one, which now refers to risk undertaking by the Bank and the Group Companies per country and per Credit Institution, by the Group, the Bank, the Group Units abroad and the Group Companies, as well as to the establishment of corresponding limits.

Monitoring and control of the limit utilisation ratio and potential limit excesses regarding counterparty credit institutions are carried out continuously using a specialised application for the Bank, Alpha Bank London and Alpha Bank Romania. As far as the other Group Companies are concerned, it is carried out on a daily basis. In 2013, country limits for the Bank were developed and parameterised in the same application and they are currently monitored on an ongoing basis. Furthermore, according to the Rules and Regulations, certain interbank counterparty and country parameters, i.e. credit rating, bond credit spread, etc., are monitored on a regular basis, since their change may trigger the review of the corresponding limits.

Derivative transactions with Customers are taken into account when considering the total exposure to them and the establishment of credit limits per Customer. The corresponding limits for derivative transactions are monitored and controlled regarding the limit utilisation ratio and potential limit excesses on a regular basis.

In 2013, the Bank procured a specialised application in order to monitor and quantify the credit valuation adjustment for the derivatives portfolio, so as to reflect the counterparty risk of both parties if they fail to fulfill their contractual obligations before the final settlement of the transactions cashflows (Bilateral Credit Valuation Adjustment - BCVA). The adjustments in question were included in the 2013 financial statements, affecting the fair value of the transactions. The same application is used to calculate the potential future exposure for derivative transactions carried out by Customers.

Operational Risk

Operational risk is the risk deriving from the impact of inadequate or failed internal processes, IT systems, people (intentionally or unintentionally) and external events. Operational risk includes legal risk as well.

In 2013, the implementation of the operational risk management framework constantly improved allowing the Bank to enrich the process of collecting and analysing operational risk events as well as to expand the preventive methods of risk identification and assessment. In particular, the Risk Control Self-Assessment (RCSA) methodology was applied, during the year, to selected Divisions of the Bank as well as to specific Group Companies, in accordance with the overall planning. It should be mentioned that the RCSA is based on the identification and assessment of potential operational risk exposures taking into account the controls (residual risks). Afterwards, the competent Units proceed with actions in order to mitigate any potential negative effects. Furthermore, the process of analysing scenarios of potential low frequency but high severity operational risks has been concluded. This methodology was applied at Bank level in cooperation with the competent Divisions. Scenario analysis of this kind will be gradually implemented at Group level, in order to ensure readiness against stressful conditions.

Additionally, the Group Acts and Circulars on Operational Risk Management were updated and a study on the migration to more Advanced Measurement Approaches (AMA) for Operational Risk has been initiated.

The operational risk events, the Risk Control Self-Assessment results as well as other operational risk-related issues are monitored consistently at Group Companies level by delegated Operational Risk Committees with increased responsibilities both for revising relevant information and taking measures in order to mitigate Operational Risk.

Additionally, a specific Working Group has been established at Bank level under the coordination of the Market and Operational Risk Division and with the participation of the Audit, Compliance and Project Management Divisions. The Working Group has been created in order to expedite the assessment, prioritisation but also the monitoring of action plans and other corrective actions either defined through the RCSA or through Audit reports or linked with highly significant operational risk losses and events.

1995. In March, Alpha Credit Bank is the first to significantly decrease lending rates, setting a prime rate and a maximum margin of 3.5 basis points. The robust capital structure and the technological lead of Alpha Credit Bank allow for such initiatives!

5. Capital Adequacy

Capital Adequacy Ratios

Alpha Bank's policy is to maintain a robust capital base to safeguard the Group's development and retain the trust of depositors, shareholders, markets and business partners.

The capital adequacy is supervised by the Bank of Greece, to which reports are submitted on a quarterly basis. The minimum requirements regarding the Tier I ratio and the capital adequacy ratio of the Group are stipulated by a Bank of Greece Governor's Act.

The capital adequacy ratio compares the Group's regulatory capital with the risks assumed by the Group (risk-weighted assets). Regulatory capital includes Tier I capital (share capital, reserves and minority interests), additional Tier I capital (hybrid securities) and Tier II capital (subordinated debt, real estate properties revaluation reserves). Risk-weighted assets include the credit risk of the banking book, the market risk of the trading book and the operational risk.

The credit risk-weighted assets, at Bank and Group level, is calculated in accordance with the current regulatory framework (Basel II) using the specialised BancWare Capital Manager system provided by SunGard. The management of the equity of all the Group Companies is centralised and their capital adequacy is strengthened, when necessary, using the procedural framework adopted by the Bank, in accordance with the requirements of the local regulatory authorities.

The actions that contributed to the strengthening of the capital adequacy of the Group during 2013 are:

- The transfer of the entire share capital of Emporiki Bank S.A. to Alpha Bank A.E. by Crédit Agricole S.A. was completed on 1.2.2013, pursuant to the relevant agreement signed on 16.10.2012 and after having received all the required regulatory approvals. As of this date, the Bank acquired Emporiki Bank S.A. On 21.3.2013, Alpha Bank and Emporiki Bank signed a Draft Merger Agreement by absorption of the latter by the former. The merger was completed on 28.6.2013, resulting in the transfer of the Net Assets of the absorbed to Alpha Bank.
- In 2013, the Bank proceeded with a share capital increase by an amount of Euro 4,571 million, thus covering the Group's capital needs as determined by the Bank of Greece. The rights issue of Euro 457.1 million was fully subscribed and a private placement for an additional Euro 92.9 million was covered by institutional and other private sector investors. According to the Capital Strengthening Plan, the remaining amount of Euro 4,021 million was covered by direct subscription of the HFSF

(''Offer to the HFSF'') through contribution of bonds issued by the European Financial Stability Facility, as mentioned in the Section titled "Successful Completion of the Bank's Strengthening Plan".

- The Group keeps improving its capital adequacy ratios through deleveraging its balance sheet, which led to a decrease of the risk-weighted assets.
- Finally, the approval of the tender offer on 19.4.2013 for the buy-back programme of securities that constitute part of the regulatory capital, improved Core Tier I Capital by Euro 103 million before tax.

The capital adequacy ratios of the Group are formed as follows:

	31.12.2013	31.12.2012*
Core Tier I[1]	16.1%	8.5%
Tier I	16.1%	8.9%
Capital Adequacy Ratio (Tier I + Tier II)	**16.4%**	**9.5%**

* Including the Euro 2.9 billion capital support by the HFSF.

Moreover, Common Equity Tier I at a Group level stood at 14.6% on 31.12.2013 while, if adjusted for the Share Capital Increase of Euro 1.2 billion and the full repayment of the Hellenic Republic preference shares of Euro 940 million, it stands at 16.6%.

Since 31.3.2013, besides the 8% minimum Capital Adequacy Ratio limit foreseen by Basel II, new additional limits of 9% for Core Tier I and 6% for Common Equity were set with the Bank of Greece Executive Committee's Act No 13/28.3.2013. The above mentioned limits should be on a standalone and on a consolidated basis. The same Act entered into force abrogating as deductible item the amount of the deferred tax exceeding the limit of 20% of the Core Tier I Capital that was abolished with the Bank of Greece Executive Committee's Act No 36/23.12.2013.

Implementation of Basel III Framework (CRR and CRD IV)

The collapse of Lehman Brothers Holdings Inc in 2008 and the consequent financial crisis revealed certain limitations of the regulatory framework and reinforced the need to develop a more rigorous definition of equity capital and short-term and long-term liquidity requirements, while it dictated the deleverage of credit institutions. To this direction, on 16.12.2010, the Basel Committee published its final recommendations as well as the timetable for the implementation of the new capital adequacy framework (Basel III). The recommendations of the Committee were incorporated into the European legislation by means of a Regulation and a Directive comprising what is referred to as "the CRD IV package".

The CRD IV package has been in force since 1.1.2014. Despite the gradual implementation of CRD IV foreseen, Alpha Bank is already well-positioned to follow the new standards. The potential estimated impact on its Core Tier I ratio is small and arises from:

- Minimum amounts of minority interests
- Limited amount of goodwill and intangible assets and
- No substantial insurance risk.

[1] For 31.12.2012, ratios have been calculated in accordance with the European Banking Authority methodology (EBA Methodological Note 8.12.2011) while from 31.12.2013 onwards, the calculation is conducted in accordance with the Bank of Greece Executive Committee's Act No 13/28.3.2013, as in force.

Single Supervisory Mechanism (SSM)

The establishment of a Single Supervisory Mechanism (SSM) is the first step for the creation of a European banking union that will be based on a single rulebook concerning the financial services and new frameworks for deposit insurance and restructuring of the banking system. In order to create a single supervisory mechanism, Regulation No 1024/2013 of the European Union Council assigns to the European Central Bank (ECB) special duties related to the precautionary supervision of credit institutions in member states whose currency is the Euro and allows other member states to establish close cooperation with the ECB.

As it was announced in October 2013, the ECB and the national competent authorities will perform a comprehensive assessment of the banking system in line with the provisions of the Regulation on the SSM. The ECB will have completed the assessment by October 2014, prior to assuming its new supervisory tasks in November 2014.

The assessment comprises the following stages:

1. A supervisory risk assessment.
   - Regulatory assessments of key risk factors such as liquidity, leverage and funding.
   - Quantitative and qualitative analysis.
2. An asset quality review.
   - Valuations of assets.
   - Classification of non-performing loans.
   - Collateral valuation and provisions.
   - Covering credit and market exposures following a risk-based, targeted approach.
3. A stress test in cooperation with the European Banking Authority.
   - Forward-looking view of banks' shock-absorbing capacity under stress with capital benchmark set at 8% Core Tier I under the baseline scenario and 5.5% under the adverse one.

The Bank, based on available data, the internal stress tests results and the internal capital adequacy assessment process, estimates that it has sufficient capital reserves to satisfy the ratios required by the ECB assessment and the stress test both under the baseline and the adverse scenario for Core Tier I, set at 8% and 5.5% respectively.

1999-2000. Alpha Credit Bank and the Ionian Bank join forces to create Alpha Bank. The Bank of a new era.

6. Corporate Governance

Alpha Bank considers proper and responsible implementation of corporate governance principles as a key prerequisite for generating value for its Shareholders and society. The Bank adopted and implemented the principles of corporate governance as early as 1994, long before they became obligatory under laws and regulations issued by regulatory authorities, aiming at transparency in communication with its Shareholders, at keeping investors promptly and continuously informed and at maintaining the proper governance of the Bank.

The corporate governance practices applied by the Bank comply with the provisions of the relevant laws and with the practices implemented throughout the European Union and have now been recorded in a single Corporate Governance Code. The Corporate Governance Code of Alpha Bank defines the duties and allocates the responsibilities among the Board of Directors, its Committees, the Executive Committee and other Committees of the Bank. In addition, it sets out the framework and guidelines for the governance of the Bank.

In 2013 the Corporate Governance Code was updated along with the Charters of the Board of Directors' Committees: Audit Committee, Risk Management Committee and Remuneration Committee. A separate section on corporate governance was created at the Bank's website and all the relevant information was posted there along with the Corporate Governance Code and the Charters of the Board of Directors' Committees.

The Bank implements a comprehensive system of internal audit for the Group in accordance with international standards and the current regulatory framework. In addition, it has adopted a Code of Ethics on the performance of duties with the purpose of promoting the standards required by modern corporate governance and of enhancing the efficiency of internal audit rules.

On 1.2.2013 the Bank, in application of the agreement of 16.10.2012 with Crédit Agricole S.A. and after receiving all the necessary regulatory approvals, acquired Emporiki Bank of Greece S.A. following the completion of the transfer by Crédit Agricole S.A. of the entire share capital held by the latter and issued by Emporiki Bank of Greece S.A. On 28.6.2013 the process of the merger of the Bank with, and by absorption of, Emporiki Bank of Greece S.A. was completed in law, in accordance with the stipulations of the Draft Merger Agreement of 21.3.2013.

The Second Iterative Extraordinary General Meeting held on 31.1.2013 approved but never implemented the issuance by the Bank and private placement with the Hellenic Financial Stability

Fund, in application (inter alia) of Law 3864/2010 and Cabinet Act 38/2012 of unsecured, perpetual and subordinated bonds contingently convertible into common shares of the Bank with voting rights, and redeemable by the Bank of a total principal amount up to Euro 2,000 million, payable by the Fund by contribution in kind of financial instruments held by the Fund.

The Second Iterative Extraordinary General Meeting of Shareholders of Alpha Bank, held on 16.4.2013, approved, inter alia, a Capital Strengthening Plan of Euro 4,571 million, via a Share Capital Increase.

The Board of Directors:

- During its meeting held on 30.1.2014, elected, in accordance with Law 3864/2010, upon instruction of the Hellenic Financial Stability Fund, Ms Panagiota S. Iplixian as a Non-Executive Member of the Board of Directors. Ms P. Iplixian was also appointed as a Member of the Audit, Risk Management and Remuneration Committees of the Board of Directors for the remainder of its tenure. The appointment of Ms P. Iplixian as a Member of the Audit Committee of the Board of Directors was ratified by the Extraordinary General Meeting of Shareholders on 28.3.2014.
- During its meeting held on 29.5.2014, elected, as Members of the Board of Directors of the Bank, for the remainder of its tenure, Messrs.: Vasileios T. Rapanos in replacement of Mr. Yannis S. Costopoulos; Shahzad A. Shahbaz in replacement of Mr. Athanassios M. Veremis; Efthimios O. Vidalis in replacement of Mr. Paul G. Karakostas; and Ibrahim S. Dabdoub in replacement of Mr. George E. Agouridis. The forthcoming General Meeting of the Shareholders of the Bank will be informed on the election of the new Members of the Board of Directors.

Board of Directors

The Board of Directors convened twenty seven times in 2013 and comprises the following Members:

CHAIRMAN (Executive Member)

Yannis S. Costopoulos, until 29.5.2014
He was born in Athens in 1938. He holds a BSc in Naval Architecture from King's College, University of Durham, England. He joined the Commercial Credit Bank (as Alpha Bank was then called) in 1963. He served as Managing Director and General Manager of the Bank from 1973 and was Chairman of the Board of Directors and General Manager from 1984 to 1996. From 1996 to 2005 he served as Chairman of the Board of Directors and Managing Director of Alpha Bank. On 23.2.2005 he was appointed Executive Chairman.

CHAIRMAN (Non-Executive Member)

Vasileios T. Rapanos, as of 29.5.2014
He was born in Kos in 1947. He is Professor of Public Finance at the Department of Economics of the Faculty of Law, Economics and Political Sciences of the University of Athens. He studied Business Administration at the Athens School of Economics and Business (1975) and holds a Master's in Economics from Lakehead University, Canada (1977) and a PhD from Queen's University, Canada. He was Deputy Governor and Governor of the Mortgage Bank (1995-1998), Chairman of the Board of Directors of the Hellenic Telecommunications Organization (1998-2000), Chairman of the Council of Economic Advisors at the Ministry of Economy and Finance (2000-2004), and Chairman of the Board of Directors of the National Bank of Greece and the Hellenic Bank Association (2009-2012). He has been the Chairman of the Board of Directors of the Bank since May 2014.

VICE CHAIRMAN (Non-Executive Independent Member)

Minas G. Tanes
He was born in 1940 and is the Chairman of FOOD PLUS S.A. He was at the helm of Athenian Brewery S.A. from 1976 to 2008 and has been a Member of the Board of Directors of the Bank since 2003.

EXECUTIVE MEMBERS

MANAGING DIRECTOR - CEO

Demetrios P. Mantzounis
He was born in Athens in 1947. He studied Political Sciences at the University of Aix-Marseille. He joined the Bank in 1973 and he has been a Member of the Board of Directors of the Bank since 1995. In 2002 he was appointed General Manager and he has been the Managing Director since 2005.

EXECUTIVE DIRECTORS AND GENERAL MANAGERS

Spyros N. Filaretos
He was born in Athens in 1958. He studied Economics at the University of Manchester and at the University of Sussex. He joined the Bank in 1985. He was appointed Executive General Manager in 1997. He has been a Member of the Board of Directors of the Bank and a General Manager since 2005. In October 2009 he was appointed Chief Operating Officer (COO).

Artemis Ch. Theodoridis
He was born in Athens in 1959. He studied Economics and holds an MBA from the University of Chicago. He joined the Bank as Executive General Manager in 2002. He has been a Member of the Board of Directors of the Bank and a General Manager since 2005.

George C. Aronis
He was born in Athens in 1957. He studied Economics and holds an MBA, major in Finance, from the Athens Laboratory of Business Administration (ALBA). He has worked for multinational banks for 15 years, mostly at ABN AMRO BANK in Greece and abroad. He joined Alpha Bank in 2004 as Retail Banking Manager. In 2006 he was appointed Executive General Manager and in 2008 General Manager. He joined the Board of Directors of the Bank in 2011.

NON-EXECUTIVE MEMBERS

Paul G. Karakostas, until 29.5.2014
He was born in 1945 and is the Chairman and Managing Director of GENKA COMMERCIAL S.A. He joined the Board of Directors of the Bank in 2000. He was Chairman of the British Hellenic Chamber of Commerce and of the Greek Wine Federation.

Efthimios O. Vidalis, as of 29.5.2014
He was born in 1954. He holds a BA in Government from Harvard University and an MBA from the Harvard Graduate School of Business Administration. He worked at Owens Corning (1981-1998), where he served as President of the Global Composites and Insulation Business Units. Furthermore, he was Chief Operating Officer (1998-2001) and Chief Executive Officer (2001-2011) of the S&B Industrial Minerals Group. He is Secretary General of the Hellenic Federation of Enterprises (SEV) and Chairman of the SEV Business Council for Sustainable Development. He is executive member of the Board of Directors of the TITAN Group and member of the Board of Directors of RAYCAP. He has been a member of the Board of Directors of the Bank since May 2014.

Ioanna E. Papadopoulou
She was born in 1952 and is the President and Managing Director of the E.J. PAPADOPOULOS S.A. BISCUIT AND FOODWARE INDUSTRY. She has been a Member of the Board of Directors of the Bank since 2008.

NON-EXECUTIVE INDEPENDENT MEMBERS

George E. Agouridis, until 29.5.2014

He was born in 1952 and is a Lawyer, Chairman of the Board of Directors of the "Stavros Niarchos Foundation Cultural Center S.A." and a member of the Board of Directors of the "Stavros Niarchos" Foundation. He has been a Member of the Board of Directors of the Bank since 2000.

Ibrahim S. Dabdoub, as of 29.5.2014

He studied at the Collège des Frères in Bethlehem, at the Middle East Technical University in Ankara, Turkey and at Stanford University, California, U.S.A. He was the Group Chief Executive Officer of the National Bank of Kuwait from 1983 until March 2014. He is Vice Chairman of the International Bank of Qatar (IBQ), Doha and a member of the Board of Directors of the International Institute of Finance (IIF) as well as Co-Chair of the Emerging Markets Advisory Council (EMAC), Washington D.C. He is also a member of the Bretton Woods Committee, Washington D.C. and of the International Monetary Conference (IMC). Furthermore, he is a member of the Board of Directors of the Central Bank of Jordan, Amman, of the Board of Directors of the Consolidated Contractors Company, Athens, and of the Board of Advisors of Perella Weinberg, New York. In 1995, he was awarded the title of "Banker of the Year" by the Arab Bankers Association of North America (ABANA) and in 1997 the Union of Arab Banks named him "Arab Banker of the Year". In 2008 and 2010 he was given a "Lifetime Achievement Award" by "The Banker" and "MEED" respectively. He has been a member of the Board of Directors of the Bank since May 2014.

Pavlos A. Apostolides

He was born in 1942 and graduated from the Law School of Athens. He has been a Member of the Bank's Board of Directors since 2004. He joined the Diplomatic Service in 1965 and has been, among others, Ambassador of Greece to Cyprus and Permanent Representative of Greece to the European Union in Brussels. In 1998 he became General Secretary of the Ministry of Foreign Affairs and in 1999 he was appointed Director of the National Intelligence Agency. He retired in November 2004.

Thanos M. Veremis, until 29.5.2014

He was born in 1943 and is a Professor Emeritus of Political Sciences at the University of Athens. He has been a Member of the Board of Directors of the Bank since 2000. He is Vice President of the Board of Directors of the HELLENIC FOUNDATION FOR EUROPEAN & FOREIGN POLICY (ELIAMEP), having served as its President from 1995 to 2000.

Shahzad A. Shahbaz, as of 29.5.2014

He was born in 1960. He holds a BA in Economics from Oberlin College, Ohio, U.S.A. He has worked at various banks and investments firms, since 1981, including the Bank of America (1981-2006), from which he left as Regional Head (Corporate and Investment Banking, Continental Europe, Emerging Europe, Middle East and Africa). He served as Chief Executive Officer (CEO) of NDB Investment Bank/Emirates NBD Investment Bank (2006-2008) and of QInvest (2008-2012). He is currently the Investment Advisor at Al Mirqab Holding Co. He has been a member of the Board of Directors of the Bank since May 2014.

Evangelos J. Kaloussis

He was born in 1943 and is the Chairman of NESTLE HELLAS S.A. He is also Chairman of the Federation of Hellenic Food Industries (SEVT) as of 2006, whereas he has been a member of the Federation's Board of Directors since 2002. He has been a Member of the Board of Directors of the Bank since 2007.

Ioannis K. Lyras

He was born in 1951 and is the President of PARALOS MARITIME CORPORATION S.A. He has been a Member of the Board of Directors of the Bank since 2005. He was Chairman of the Union of Greek Shipowners from 1997 to 2003. He represents the Union of Greek Shipowners to the Board of Directors of the European Community Shipowners' Associations.

NON-EXECUTIVE MEMBER

(pursuant to the provisions of Law 3723/2008)

THE GREEK STATE, via its appointed representative:

Sarantis-Evangelos G. Lolos

He was born in Athens in 1951. He is Professor of Economics in the Department of Economic and Regional Development at Panteion University of Social and Political Sciences. He studied at Warwick University in the U.K. and received a BSc degree in Engineering and a BA degree in Economics. In 1981 he obtained a PhD in Economics from the Council for National Academic Awards (CNAA) in collaboration with Imperial College, London. He was an Executive of the Economic Research Department of the Bank of Greece (1985-1997), while he collaborated as an expert and researcher with an advisory role in economic Ministries. His research and published work focuses mainly on issues of economic growth, macroeconomic and structural policies and financial economics. Following a decision by the Minister of Finance, he was appointed as a Member of the Board of Directors of the Bank representing the Greek State since 2010.

NON-EXECUTIVE MEMBER

(pursuant to the provisions of Law 3864/2010)

Nikolaos G. Koutsos, until 30.1.2014

He was born in Athens in 1944. He studied Business Administration at the Graduate School of Industrial Studies and holds a Masters degree from the Athens University of Economics and Business. From 1962 until 2011 he worked at the National Bank of Greece. He was a Member of the Board of Directors of the Bank, representing the Hellenic Financial Stability Fund, from June 2012 to January 2014.

Panagiota S. Iplixian, as of 30.1.2014

She was born in 1949. She holds a BA in Business Administration and a Postgraduate Diploma in Management Studies from the University of Northumbria, Newcastle upon Tyne, England, and specialised in "Organisation and Methods" at the British Institute of Administrative Management. From 1972 to 1987, she worked for consulting firms. From 1987 until 2000 she worked for commercial banks in the United States and from 2000 until 2009 for EFG Eurobank Ergasias. From 2010 until 2012 she was a Non-Executive Independent Member of the Board of Directors of the Hellenic Financial Stability Fund. From October 2011 until December 2013 she was Non-Executive Vice President of the Board of Directors of New Proton Bank, representing the Hellenic Financial Stability Fund. She has been a Member of the Board of Directors of the Bank, representing the Hellenic Financial Stability Fund, since January 2014.

SECRETARY

Hector P. Verykios, until 2.1.2014

George P. Triantafyllides, as of 2.1.2014

Audit Committee

The Audit Committee comprises the following Non-Executive Members of the Board of Directors:

- Paul G. Karakostas, Chairman (until 29.5.2014)
- Evangelos J. Kaloussis, Chairman (Member until 29.5.2014 and Chairman as of 29.5.2014)
- George E. Agouridis (until 29.5.2014)
- Nikolaos G. Koutsos (until 30.1.2014)
- Minas G. Tanes (as of 29.5.2014)
- Ioannis K. Lyras (as of 29.5.2014)
- Panagiota S. Iplixian (as of 30.1.2014).

The Internal Auditor and the Group Compliance Officer report to the Audit Committee.

The Committee convened eleven times in 2013.

In the context of the ongoing updating of the Members of the Board of Directors, an informative seminar was conducted, in cooperation with an audit company, for the Members of the Board of Directors and the Audit Committee in particular, in order for them to be briefed about the current trends in auditing and in examining issues according to the International Financial Reporting Standards (IFRS).

The Committee, as part of its responsibilities, followed and supervised the work of the Audit and Compliance Divisions.

It was briefed about the extent of audits carried out by those Divisions and their results, and in particular their findings related to the adequacy and effectiveness of the Internal Control System in accordance with the Bank of Greece Governor's Act No 2577/2006. It was also informed of and monitored the ongoing modernisation of the tools and procedures pertaining to the Internal Control System to meet the Bank and the Group's increased demands.

The Committee held a series of meetings with the Bank and the Group's Certified Auditors concerning the annual and bi-annual financial statements and received clarifications in response to questions put forth by Members of the Committee. The Committee also held meetings with the Chief Financial Officer about these issues to confirm the adequacy and effectiveness of procedures for preparing the accounting statements and the Bank's financial reports. The Certified Auditors and the Manager of the Audit Division assured the Audit Committee that, from the audits carried out, they did not identify any significant issue which would have a substantial impact on the financial statements and the smooth operation of the Bank.

The Committee submitted a proposal to the Board of Directors of the Bank for assigning the project of evaluating the adequacy of the Internal Control System (ICS) of the Group to an external auditor.

To ensure the Committee's independence, its meetings were held without Members of the Management being present, when that was considered necessary. There were no disagreements on material issues.

The Audit Committee regularly briefed the Board of Directors on the issues it monitored, discussed and decided upon.

The Committee's collaboration with the Bank's Executives and the Certified Auditors was fully satisfactory and no problems were caused to its operation.

Risk Management Committee

The Risk Management Committee comprises the following Members of the Board of Directors:

- Minas G. Tanes, Chairman
- Evangelos J. Kaloussis
- Spyros N. Filaretos (until 29.5.2014)
- Nikolaos G. Koutsos (until 30.1.2014)
- Shahzad A. Shahbaz (as of 29.5.2014)
- Panagiota S. Iplixian (as of 30.1.2014)

The Committee convened thirteen times in 2013.

The Committee recommended to the Board of Directors the risk undertaking and capital management strategy, corresponding to the business objectives of the Bank and the Group and monitored and checked its implementation.

The Committee held a series of meetings with the Bank and the Group's Certified Auditors concerning the annual and bi-annual financial statements and received clarifications in response to questions put forth by Members of the Committee. The Committee also held meetings with the Chief Financial Officer about these issues to confirm the adequacy and effectiveness of procedures for preparing the accounting statements and the Bank's financial reports. The Certified Auditors assured the Risk Management Committee that, from the audits carried out, they did not identify any significant issue which would have a material impact on the financial statements and the smooth operation of the Bank.

The Committee evaluated the adequacy and effectiveness of the risk management policy and procedures of the Bank and the Group in terms of the undertaking, monitoring and management of risks, of the determination of the applicable maximum risk appetite on an aggregate basis for each type of risk and further allocation of each of these limits per country, sector, currency, Business Unit etc. and of the establishment of stop-loss limits or of other corrective actions. It was also briefed on the various corrective measures taken to contain the Bank's exposure to risks.

It ensured communication among the Internal Auditor, the External Auditors, the Chief Risk Officer, the Regulatory Authorities and the Board of Directors on risk management issues.

During the year, the Committee was informed of the international economic environment. It responded to the emerging conditions and made proposals on the measures needed to address the adverse economic situation.

The Risk Management Committee briefed regularly and in writing the Board of Directors on issues it monitors, discusses and decides upon.

The Committee's collaboration with the Bank's Executives was fully satisfactory and no problems were caused to its operation.

Remuneration Committee

The Remuneration Committee comprises the following Non-Executive Members of the Board of Directors:

- George E. Agouridis, Chairman (until 29.5.2014)
- Pavlos A. Apostolides, Chairman (as of 29.5.2014)
- Ioannis K. Lyras
- Nikolaos G. Koutsos (until 30.1.2014)
- Ioanna E. Papadopoulou (until 29.5.2014)
- Ibrahim S. Dabdoub (as of 29.5.2014)
- Panagiota S. Iplixian (as of 30.1.2014)

The Committee convened four times in 2013. The Committee's decision of 22.12.2009 set the level of remuneration for the Executive Members of the Board of Directors and Members of the Executive Committee, adjusting them to the level of remuneration for the Governor of the Bank of Greece for the period that the Bank is subject to the provisions of Articles 1 and 2 of Law 3723/2008. The Committee issued an opinion on the level of compensation for the Members of the Board of Directors and its Committees. It monitored and reviewed the implementation of the Remuneration Policy. It submitted a proposal to the Board of Directors regarding the Benefits Policy of the Bank and of the Group Companies in Greece and the Remuneration Policy for the Group Companies abroad.

The Remuneration Committee informed in writing the Board of Directors on the issues it monitors, discusses and decides upon.

The Committee's collaboration with all the Bank's Executives was fully satisfactory and did not cause any problems to its operation.

BOARD OF DIRECTORS	Audit Committee	Risk Management Committee	Remuneration Committee
Chairman (Executive Member) Yannis S. Costopoulos (until 29.5.2014)			
Chairman (Non-Executive Member) Vasileios T. Rapanos (as of 29.5.2014) Professor, University of Athens			
Vice Chairman (Non-Executive Independent Member) Minas G. Tanes Chairman, FOOD PLUS S.A.	○ (as of 29.5.2014)	●	
EXECUTIVE MEMBERS			
Managing Director - CEO Demetrios P. Mantzounis			
Executive Directors and General Managers Spyros N. Filaretos		○ (until 29.5.2014)	
Artemis Ch. Theodoridis			
George C. Aronis			
NON-EXECUTIVE MEMBERS			
Paul G. Karakostas (until 29.5.2014) Chairman and Managing Director, GENKA COMMERCIAL S.A.	●		
Efthimios O. Vidalis (as of 29.5.2014) Executive Member of the Board of Directors, TITAN S.A.			
Ioanna E. Papadopoulou President and Managing Director, E.J. PAPADOPOULOS S.A. BISCUIT AND FOODWARE INDUSTRY			○ (until 29.5.2014)
NON-EXECUTIVE INDEPENDENT MEMBERS			
George E. Agouridis (until 29.5.2014) Lawyer	○		●
Ibrahim S. Dabdoub (as of 29.5.2014) Vice Chairman, INTERNATIONAL BANK OF QATAR			○
Pavlos A. Apostolides Honorary Ambassador			● (as of 29.5.2014)
Thanos M. Veremis (until 29.5.2014) Professor Emeritus, University of Athens			
Shahzad A. Shahbaz (as of 29.5.2014) Investment Advisor		○	
Evangelos J. Kaloussis Chairman, NESTLE HELLAS S.A.	○ (until 29.5.2014) ● (as of 29.5.2014)	○	
Ioannis K. Lyras President, PARALOS MARITIME CORPORATION S.A.	○ (as of 29.5.2014)		○
NON-EXECUTIVE MEMBER in accordance with Law 3723/2008			
THE GREEK STATE, via its appointed representative, Mr. Sarantis-Evangelos G. Lolos, Professor of Economics, Panteion University			
NON-EXECUTIVE MEMBER in accordance with Law 3864/2010			
Nikolaos G. Koutsos, until 30.1.2014 Panagiota S. Iplixian, as of 30.1.2014 As representative, and upon instruction of the Hellenic Financial Stability Fund.	○ ○	○ ○	○ ○

● Committee Chairman ○ Committee Member

Executive Committee

The Executive Committee is the senior executive body of Alpha Bank. Its Members are:

- Yannis S. Costopoulos, Chairman of the Executive Committee until 29.5.2014
- Demetrios P. Mantzounis, Managing Director - CEO, Chairman of the Executive Committee as of 29.5.2014
- Spyros N. Filaretos, General Manager - COO
- Artemis Ch. Theodoridis, General Manager - Wholesale Banking and International Network
- George C. Aronis, General Manager - Retail Banking
- Alexios A. Pilavios, General Manager - Wealth Management
- Spiros A. Andronikakis, General Manager - CRO
- Vassilios E. Psaltis, General Manager - CFO

It convenes at least once a week under the chairmanship of the Chairman of the Board of Directors or the Managing Director and with the participation of the General Managers and the Secretary of the Committee. Depending on the subjects under discussion, other Executives or Members of the Management of Group Companies participate in the meeting. The Executive Committee carries out a review of the domestic and international economy and market developments, and examines issues of business planning and policy. Furthermore, the Committee deliberates on issues related to the development of the Group and submits recommendations on the Rules and Regulations of the Bank along with the Budget and Balance Sheet of each Business Unit. Finally, it submits recommendations on the Human Resources policy and the participation of the Bank or Group Companies in other companies.

Certified Auditors

The Auditors of the bi-annual and annual 2013 financial statements are the following:

Regular: Marios T. Kyriacou
Harry G. Sirounis
Alternate: Michael A. Kokkinos
Ioannis A. Achilas
of KPMG Certified Auditors S.A.

Internal Audit

In order to protect the Bank's assets and safeguard its Shareholders and Customers' interests, an Internal Control System has been put in place that includes all auditing mechanisms and procedures covering all of its activities on a continuous basis and contributing to the effective and secure operation of the Bank.

The audit methods that are based on risk assessment and a specialised internal audit project management software, form an integrated approach adopted in terms of the organisation, execution, evaluation of the audit procedure and creation of MIS reports at Group Level.

In every country abroad where the Group conducts business, there is an Internal Audit Unit in operation, applying the same audit methodology as the one utilised in Greece.

In 2013, the competent Internal Audit Units carried out audits at the Branches as well as at the Central Units of the Bank and the Group Companies.

The Management and the Audit Committee of the Bank's Board of Directors were briefed about the results of the audits and the achievement of the Internal Control System's objectives.

Furthermore, in 2013, the integration of the Audit Division of the former Emporiki Bank into the Internal Audit Unit was completed, the specialised computer software of project management was upgraded, the process for monitoring audit recommendations was improved and a new, more comprehensive framework was implemented ensuring the quality of internal audit projects.

Regulatory Compliance

The Bank identifies, evaluates and manages risks that it may be exposed to due to failure to comply with the applicable regulatory framework (compliance risk). In this context, it continuously collects, records, processes and interprets data on the regulatory framework, monitors forthcoming changes and records deviations from the requirements and obligations for the Bank and the Group Companies so as to evaluate promptly their repercussions, implement suitable measures and safeguard both the Bank's interests and reputation.

In 2013, the most important actions in this area were the following:

- Supervising and effectively coordinating Compliance Officers in the Group Companies and the Bank's Branches abroad so as to ensure that their activities are always in line with the applicable local and Greek regulatory framework.
- Concluding with the implementation of a software system in order to check the Bank's customer base in compliance with the Bank of Greece Governor's Act 2652/2012 and to create a list of customers with high risk profiles in terms of tax evasion for 2011 and processing this project for 2012.
- Issuing a new policy on anti-money laundering and terrorism financing at Group level. This policy incorporated the Bank of Greece Governor's Act 2652/2012.
- Effectively integrating the operations of the Compliance Division of the former Emporiki Bank.
- Issuing guidelines on the management of Branch Network requests related to the lifting of banking secrecy and managing a large number of cases concerning information provision. More specifically, the Compliance Division received and investigated the requests in question and informed the Branches of actions for the protection of the State's interests.
- Safeguarding the Bank's consumer protection policy and procedures such as pre-contractual information and acceptance of the Bank's terms of business in the consumer credit sector as well as alignment of the Bank's products, services and terms and conditions with the applicable regulatory framework.
- Monitoring and coordinating measures to deal with fraud by putting in place procedures to prevent, identify and reduce the risks arising from events of internal or external fraud, as well as to effectively manage the events detected. Guidelines were provided to the Bank's Branch Network for the said matter.

Particular emphasis was placed on the educational programme of the Bank. Through lectures-presentations, efforts are made to consolidate and ensure implementation of the regulatory compliance principles and to increase the Employee awareness on the relevant issues.

The main objectives for 2014 are the implementation of uniform regulatory compliance policy and procedures in the entire Group, so as to achieve complete and ongoing compliance in an ever-changing regulatory environment, and the replacement of Alpha Bank's AML IT system for continuous monitoring and detecting of unusual or suspicious transactions.

Group Information Security

Since May 2005, the Bank has established the independent position of the Group Information Security Officer, for the purpose of managing the risk arising from the increasing dependency of the Group's business operations on information (verbal, printed and electronic) and IT systems.

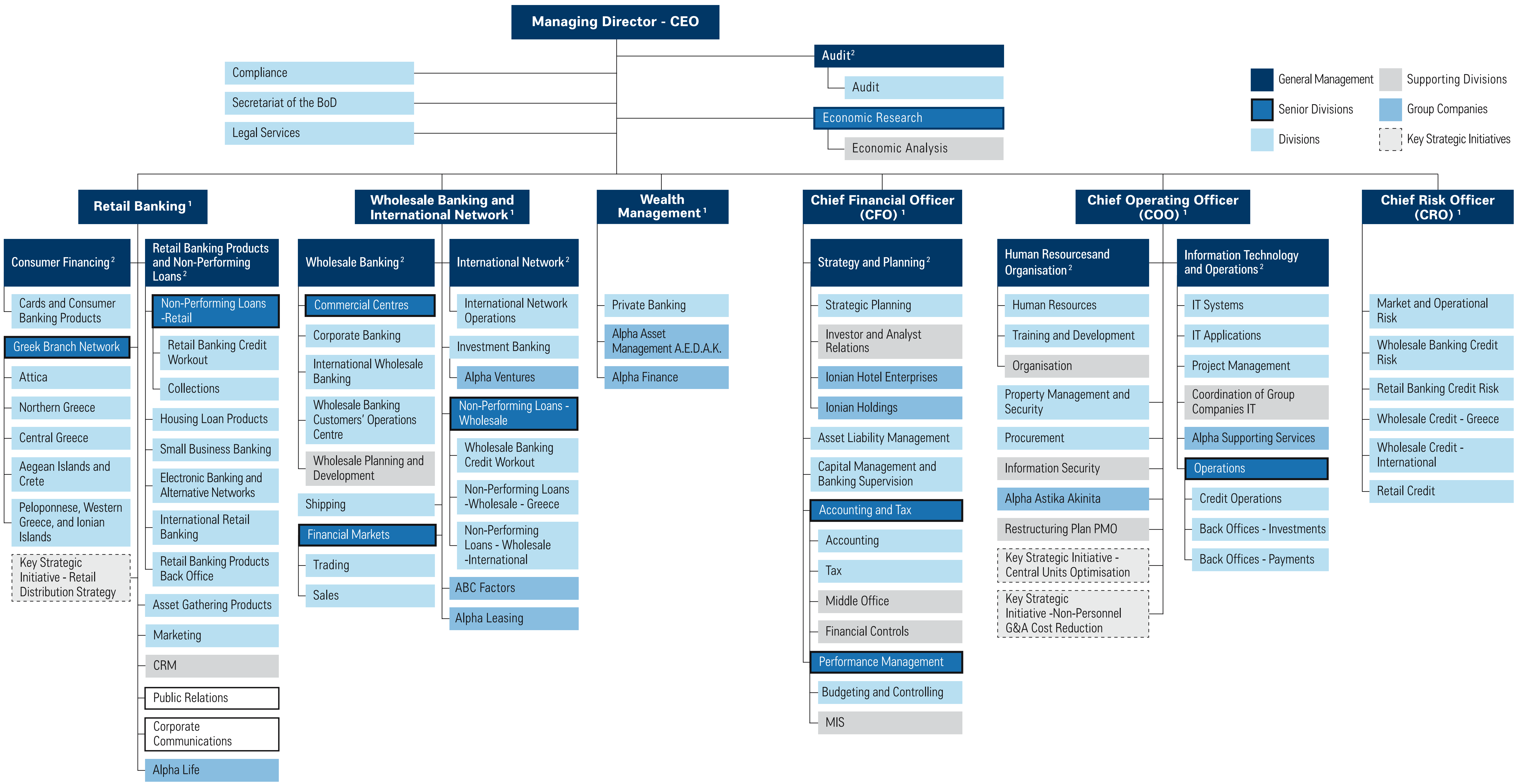
The Information Security Division sees to the development, implementation, maintenance and monitoring of the information security policy, principles, procedures and mechanisms and the management of related issues, in accordance with the Group's business objectives and the Regulatory Framework. It also prepares the Group Information Security Framework and submits it for approval to the Operational Risk Committee.

In line with the above, the most important activities during 2013 included the following:

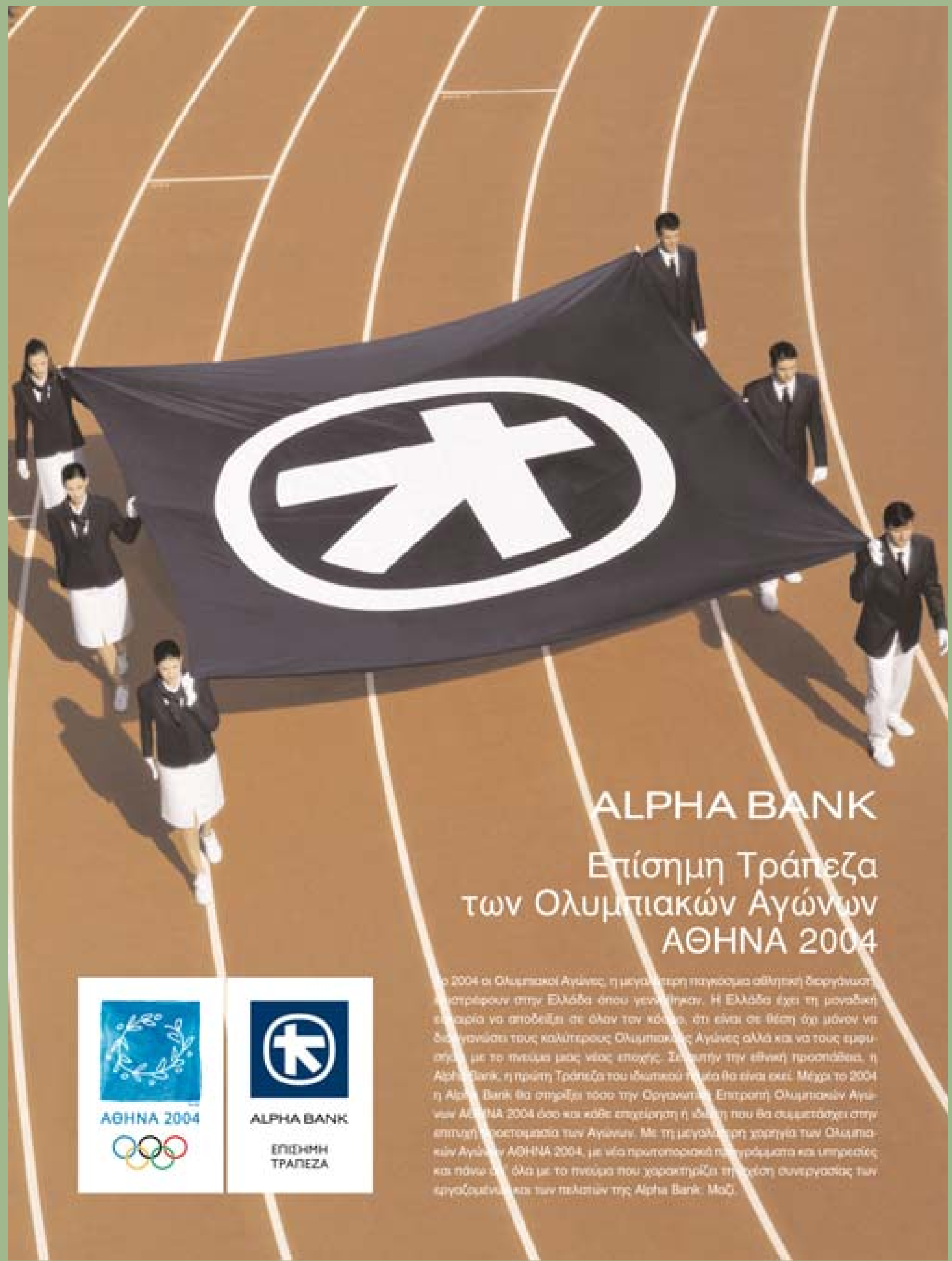
- Checking security levels in systems and infrastructures and making improvements, where required, to enhance the security of the Bank and of the Group Companies. Designing and specifying security requirements in new systems.
- Regularly updating the Personnel about the measures taken, the security principles and any new threats and launching a programme to raise the Personnel's awareness of the relevant issues.
- Developing and implementing an Information Security Risk Assessment methodology.
- Establishing a new working environment and enhancing the Identity Management System (IDM).
- Replacing the anti-virus protection system at Group level.
- Protecting Virtual Infrastructures using a dedicated software.
- Upgrading and centrally managing the "EndPoint Security" technology (encryption, device control) for portable personal computers and storage media used in Group Companies. Actions are completed at Bank level and are in progress in Group subsidiaries.
- Installing a system to protect mobile devices (Mobile Data Management).
- Strengthening the security of the Alpha Web Banking service by sending alerts concerning Customer transactions and by installing a security alert system on the Customer's terminal in order to inform him/her about the possibility of infection by malicious software.
- Upgrading security infrastructures and assessing new technologies.
- Integrating the security infrastructures of Alpha Bank with those of the former Emporiki Bank and implementing the information security principles of the former in the latter's environment.
- Replacement of digital certificates in the e-banking system of Alpha Bank Romania S.A. with "VIP Tokens".
- Applying the security infrastructure to the Disaster Site of Alpha Bank Srbija A.D.
- Complying with the security requirements set to Alpha Bank A.D. Skopje by the central bank of F.Y.R.O.M.

The priorities of the Information Security Division for 2014 are to complete the projects currently in progress and to upgrade and strengthen the security infrastructures, in order to provide the maximum level of security for the Group's Customers and systems.

Organisational Chart



[1] General Manager
[2] Executive General Manager



2001-2004. Alpha Bank is the Official Bank of the ATHENS 2004 Olympic Games.

7. Auditors' Report and Financial Statements

Independent Auditors' Report
(Translated from the original in Greek)

To the Shareholders of
ALPHA BANK A.E.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ALPHA BANK A.E. (the "Bank") which comprise the consolidated balance sheet as of 31 December 2013 and the consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of ALPHA BANK A.E. as of 31 December 2013 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

(a) The Board of Directors' Report includes a corporate governance statement, which provides the information set by paragraphs 3d of article 43a and 3e of article 107 of C.L. 2190/1920.

(b) We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying consolidated financial statements within the scope set by articles 37, 43a and 108 of C.L. 2190/1920.

Athens, 19 March 2014

KPMG Certified Auditors A.E.

AM SOEL 114

Marios T. Kyriacou
Certified Auditor Accountant
AM SOEL 11121

Harry Sirounis
Certified Auditor Accountant
AM SOEL 19071

Balance Sheet

(in Euro thousand)	Consolidated		Alpha Bank	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
ASSETS				
Cash and balances with Central Banks	1,688,182	1,437,248	1,006,294	770,193
Due from banks	2,566,230	3,382,690	5,036,860	6,623,503
Securities held for trading	8,836	20,132	7,001	14,119
Derivative financial assets	797,393	736,693	807,911	740,614
Loans and advances to customers	51,678,313	40,578,845	44,236,465	32,796,574
Investment securities				
- Available for sale	4,966,934	6,037,298	4,449,576	6,171,283
- Held to maturity	1,369,786	1,535,572	1,017,694	1,082,215
- Loans and receivables	4,308,556		4,308,556	
Investments in Subsidiaries, associates and joint ventures			2,070,735	2,150,455
Investments in associates and joint ventures	50,044	74,610		
Investment property	560,453	493,498	28,205	31,683
Property, plant and equipment	1,122,470	987,385	754,299	596,994
Goodwill and other intangible assets	242,914	141,757	196,067	93,429
Deferred tax assets	2,788,688	1,806,151	2,740,649	1,786,612
Other assets	1,542,830	1,014,735	1,442,735	915,685
	73,691,629	58,246,614	68,103,047	53,773,359
Non-current assets held for sale	5,638	6,804		
Total Assets	**73,697,267**	**58,253,418**	**68,103,047**	**53,773,359**
LIABILITIES				
Due to banks	19,082,724	25,215,163	19,355,329	25,825,551
Derivative financial liabilities	1,373,500	1,518,881	1,374,261	1,529,730
Due to customers			37,504,689	23,191,009
(including debt securities in issue)	42,484,860	28,464,349		
Debt securities in issue held by institutional investors				
and other borrowed funds	782,936	732,259	1,295,445	2,317,252
Liabilities for current income tax and other taxes	56,768	42,529	32,781	22,774
Deferred tax liabilities	35,160	412,020		372,468
Employee defined benefit obligations	78,700	52,182	74,574	48,719
Other liabilities	1,156,000	929,748	1,059,717	866,049
Provisions	278,884	138,787	258,945	30,173
Total Liabilities (a)	**65,329,532**	**57,505,918**	**60,955,741**	**54,203,725**
EQUITY				
Share Capital	4,216,872	1,100,281	4,216,872	1,100,281
Share premium	4,212,062	2,757,653	4,212,062	2,757,653
Reserves	631,033	268,315	517,559	213,097
Retained earnings	(747,572)	(3,538,207)	(1,799,187)	(4,501,397)
Equity attributable to Equity owners of the Bank	8,312,395	588,042	7,147,306	(430,366)
Non-controlling interests	23,640	11,904		
Hybrid securities	31,700	147,554		
Total Equity (b)	**8,367,735**	**747,500**	**7,147,306**	**(430,366)**
Total Liabilities and Equity (a)+(b)	**73,697,267**	**58,253,418**	**68,103,047**	**53,773,359**

Statement of Total Comprehensive Income

(in Euro thousand)

	Consolidated From 1 January to		Alpha Bank From 1 January to	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Interest and similar income	3,512,375	3,303,458	2,676,549	2,806,242
Interest expense and similar charges	(1,854,554)	(1,920,176)	(1,516,787)	(1,780,274)
Net interest income	1,657,821	1,383,282	1,159,762	1,025,968
Fee and commission income	429,378	322,949	321,848	253,843
Commission expense	(59,071)	(51,262)	(47,656)	(41,633)
Net fee and commission income	370,307	271,687	274,192	212,210
Dividend income	1,048	998	664	494
Gains less losses on financial transactions	256,551	(232,856)	(18,704)	(444,990)
Other income	74,626	61,337	23,433	12,372
	332,225	(170,521)	5,393	(432,124)
Total income	**2,360,353**	**1,484,448**	**1,439,347**	**806,054**
Staff costs	(661,569)	(532,699)	(417,991)	(402,886)
General administrative expenses	(584,554)	(454,990)	(436,484)	(352,522)
Depreciation and amortization expenses	(92,161)	(93,634)	(48,357)	(60,270)
Other expenses	(87,568)	(70,769)	(46,941)	(26,680)
Total expenses	**(1,425,852)**	**(1,152,092)**	**(949,773)**	**(842,358)**
Impairment losses and provisions to cover credit risk	(1,923,213)	(1,666,543)	(1,609,775)	(1,374,711)
Negative goodwill from the acquisition of Emporiki Bank A.E.	3,283,052		3,295,718	
Share of profit/(loss) of associates and joint ventures	(16,194)	(10,393)		
	1,343,645	(1,676,936)	1,685,943	(1,374,711)
Profit/(Loss) before income tax	**2,278,146**	**(1,344,580)**	**2,175,517**	**(1,411,015)**
Income tax	701,195	256,973	681,504	278,081
Profit/(Loss) after income tax from continuing operations	**2,979,341**	**(1,087,607)**	**2,857,021**	**(1,132,934)**
Profit/(Loss) after income tax from discontinued operations	(57,117)	5,920		
Profit/(Loss) after income tax (a)	**2,922,224**	**(1,081,687)**	**2,857,021**	**(1,132,934)**
Profit/(Loss) attributable to:				
Equity owners of the Bank				
- from continuing operations	2,979,286	(1,088,021)	2,857,021	(1,132,934)
- from discontinued operations	(57,117)	5,920		
	2,922,169	**(1,082,101)**	**2,857,021**	**(1,132,934)**
Non-controlling interests				
- from continuing operations	55	414		
Other comprehensive income recognized directly in Equity:				
Items that may be reclassified to the Income Statement				
Change in available for sale securities' reserve	226,865	239,353	246,689	314,249
Change in cash flow hedge reserve	153,151	(152,674)	145,078	(140,082)
Exchange differences on translation and hedging of net investments in foreign operations	(2,449)	(21,003)		3

Statement of Total Comprehensive Income (continued)

(in Euro thousand)

	Consolidated From 1 January to		Alpha Bank From 1 January to	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Change in share of other comprehensive income from associates and joint ventures	1,131	500		
Income tax	(94,196)	(12,363)	(87,305)	(34,843)
Items that may be reclassified to the Income Statement from continuing operations, after income tax	**284,502**	**53,813**	**304,462**	**139,327**
Items that may be reclassified subsequently to profit or loss from discontinued operations	47,037	(5,064)		
	331,539	**48,749**	**304,462**	**139,327**
Items not reclassified to the Income Statement from continuing operations				
Change in actuarial gains/(losses) of defined benefit obligations	(5,074)	2,584	(10,089)	3,114
Income tax	3,510	(517)	4,524	(623)
	(1,564)	**2,067**	**(5,565)**	**2,491**
Total of other comprehensive income recognized directly in Equity, after income tax (b)	**329,975**	**50,816**	**298,897**	**141,818**
Total comprehensive income for the year, after income tax (a)+(b)	**3,252,199**	**(1,030,871)**	**3,155,918**	**(991,116)**
Total comprehensive income for the year attributable to:				
Equity owners of the Bank				
- from continuing operations	3,262,233	(1,032,651)	3,155,918	(991,116)
- from discontinued operations	(10,080)	856		
	3,252,153	**(1,031,795)**	**3,155,918**	**(991,116)**
Non-controlling interests				
- from continuing operations	46	924		
Earnings/(Losses) per share:				
Basic and diluted (Euro per share)	0.4401	(1.1206)	0.4303	(1.1732)
Basic and diluted from continuing operations (Euro per share)	0.4487	(1.1267)		
Basic and diluted from discontinued operations (Euro per share)	(0.0086)	0.0061		

Statement of Cash Flows

(in Euro thousand)

	Consolidated From 1 January to		Alpha Bank From 1 January to	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Net cash flows from continuing operating activities	(4,429,886)	2,624,671	(4,096,915)	3,484,572
Net cash flows from discontinued operating activities	(2,479)	(18,697)		
Net cash flows from operating activities (a)	**(4,432,365)**	**2,605,974**	**(4,096,915)**	**3,484,572**
Net cash flows from continuing investing activities	2,852,821	(1,217,333)	2,561,165	(1,494,616)
Net cash flows from discontinued investing activities	(415)	(5,247)		
Net cash flows from investing activities (b)	**2,852,406**	**(1,222,580)**	**2,561,165**	**(1,494,616)**
Net cash flows from continuing financing activities	446,300	(478,434)	270,386	(1,750,422)
Net cash flows from financing activities (c)	**446,300**	**(478,434)**	**270,386**	**(1,750,422)**
Net increase/(decrease) in cash and cash equivalents of the year (a) + (b) + (c)	**(1,133,659)**	**904,960**	**(1,265,364)**	**239,534**
Effect of exchange rate fluctuations on cash and cash equivalents	(3,267)	(939)	1,215	1,457
Total cash flows for the year	**(1,136,926)**	**904,021**	**(1,264,149)**	**240,991**
Cash and cash equivalents at the beginning of the year	**2,110,093**	**1,206,072**	**2,013,148**	**1,772,157**
Cash and cash equivalents at the end of the year	**973,167**	**2,110,093**	**748,999**	**2,013,148**

Statement of Changes in Equity

(in Euro thousand)

	Consolidated From 1 January to		Alpha Bank From 1 January to	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Equity at the beginning of the year (1.1.2013 and 1.1.2012 respectively)	**747,500**	**1,966,248**	**(430,366)**	**592,944**
Effect of the retrospective application of amendments in accounting standards, after income tax		(31,363)		(32,044)
Restated Balance 1.1.2012	**747,500**	**1,934,885**	**(430,366)**	**560,900**
Total comprehensive income for the year, after income tax	3,252,199	(1,030,871)	3,155,918	(991,116)
Share capital increase through issuance of common shares to the HFSF	4,021,000		4,021,000	
Share capital increase through cash	550,000		550,000	
Share capital increase related expenses, after income tax	(163,828)		(163,828)	
Change of ownership interests in Subsidiaries	11,298	(705)		
(Purchases), (Redemptions)/Sales of hybrid securities	(64,928)	(155,350)		
Other	14,494	(459)	14,582	(150)
Equity at the end of the year (31.12.2013 and 31.12.2012 respectively)	**8,367,735**	**747,500**	**7,147,306**	**(430,366)**

Additional Data and Information

1. Companies included in the Consolidated Financial Statements, the Group's participation in them as at 31.12.2013, as well as the applied consolidation method, are presented in note 39 of the Consolidated Financial Statements as at 31.12.2013. Companies, not included in the Consolidated Financial Statements, are also listed in this note.

2. During the period from 1.1.2013 until 31.12.2013 the following changes took place in the Companies which are fully consolidated and are included in the Consolidated Financial Statements:

- New Companies: On 21.1.2013, the Bank's Subsidiary Alpha Group Investments Ltd acquired the total number of shares of the companies Samorelia Ltd, Anfhisia Ltd, Marantelo Ltd, which are registered in Cyprus and which were subsequently renamed to AGI-RRE Venus Ltd, AGI-RRE Artemis Ltd and AGI-BRE Participations 5 Ltd respectively. On 1.2.2013, the acquisition of the total number of shares of Emporiki Bank A.E. was completed. On 8.10.2013, the Bank's Subsidiary Alpha Group Investments Ltd acquired the total number of shares of the companies Comuba Ltd, Pakatra Ltd, Lafagior Ltd which are registered in Cyprus and which were subsequently renamed to AGI - Cypre Arsinoe Ltd, AGI - RRE Cleopatra Ltd και AGI - RRE Hermes Ltd respectively. On 6.12.2013, the Group's Subsidiary AGI-RRE ARES Ltd acquired the total number of shares of the company SC Cordia Residence Srl, which is registered in Romania. On 18.12.2013, the Group's Subsidiary AGI-BRE Participations 3 Ltd acquired the total number of shares of the company HT - 1 EOOD, which is registered in Bulgaria.
- Liquidations/Sales: On 1.7.2013 the Bank's Subsidiary ABL Holdings Jersey Ltd proceeded with the sale of all its shares of Alpha Asset Finance C.I. Ltd. On 29.7.2013 the liquidation of the Group's Subsidiary ABL Holding Jersey Ltd was completed. On 19.9.2013 the sale of the total number of shares of the Bank's Subsidiary JSC Astra Bank was completed.

3. The unaudited tax years of the Bank and the Group Companies are listed in notes 38b and 36b of the Financial Statements as at 31.12.2013 of the Group and the Bank respectively.

4. There are neither pending legal cases or issues in progress, nor decisions of legal or arbitrary authorities, which may have a material impact on the financial position or operation of the Group and the Bank. The Group and the Bank have raised a provision for them which amounts to Euro 32.1 million and Euro 29.7 million respectively, as well as other provisions amounting to Euro 246.8 million and Euro 229.2 million respectively.

5. The Bank and the Group Companies did not hold any treasury shares as at 31.12.2013.

6. The total number of Employees of the Group as at 31.12.2013 was 16,934 (31.12.2012: 13,650) and of the Bank was 11,268 (31.12.2012: 7,553).

7. The results arising from the related party transactions during the period 1.1.2013 until 31.12.2013 are as follows:

- With Members of the Board of Directors and other key management Personnel: a) of the Group: income Euro 1,580 thousand, expenses Euro 6,224 thousand b) of the Bank: income Euro 1,485 thousand, expenses Euro 6,196 thousand.
- With other related parties: a) of the Group: income Euro

16,565 thousand, expenses Euro 19,788 thousand b) of the Bank: income Euro 82,501 thousand, expenses Euro 140,392 thousand c) Other comprehensive income (expenses) recognised directly in Equity Euro 153 million.

- The balances as at 31.12.2013 of the receivables and liabilities arising from the above transactions are as follows:

  - With Members of the Board of Directors and other key management Personnel: a) of the Group: receivables Euro 77,827 thousand, liabilities Euro 82,889 thousand, letters of guarantee Euro 12,054 thousand b) of the Bank: receivables Euro 77,644 thousand, liabilities Euro 75,446 thousand, letters of guarantee Euro 12,054 thousand.

  - With other related parties: a) of the Group: receivables Euro 331,200 thousand, liabilities Euro 78,895 thousand b) of the Bank: receivables Euro 5,627,508 thousand, liabilities Euro 2,275,643 thousand, letters of guarantee and other guarantees Euro 524,101 thousand.

8. The income and expense items recognised directly in Equity are analysed in the "Statement of total comprehensive income", as presented above.

9. Due to the fact that no distributable profits exist for the Bank as at 31.12.2013 and, therefore the article 44a of Codified Law 2190/1920 applies, the Bank's Board of Directors will not propose to the Ordinary General Meeting of Shareholders

   - the payment to the Greek State of the respective return for the year 2013 on its preference shares under article 1 paragraph 3 of Law 3723/2008 and

   - the distribution of dividends to the common Shareholders of the Bank for the year 2013.

10. On 1.2.2013, pursuant to the acquisition agreement with Crédit Agricole S.A. on the sale of Emporiki Bank from Crédit Agricole S.A. to Alpha Bank A.E., and after the approvals of the Greek and Cypriot Central Banks and anti-trust authorities, the transfer of the entire share capital of Emporiki Bank to Alpha Bank by Crédit Agricole was completed. Additionally, on the same day Crédit Agricole was subscribed for Euro 150 million of convertible bonds redeemable in Alpha Bank shares.

11. On 28.6.2013 the legal part of the acquisition, through absorption, of Emporiki Bank by Alpha Bank A.E. was finalised.

12. On 6.6.2013 the share capital increase of Alpha Bank was realised, in accordance with the decisions of the Second Extraordinary General Meeting of Shareholders on 16.4.2013 and the Law 3864/2010. A total amount of Euro 4.571 billion was raised, which resulted to a final share capital increase of Euro 3.117 billion. Euro 375 million were paid in cash and the remaining part Euro 2.742 billion was covered by the Hellenic Financial Stability Fund (HFSF) through remittance of European Financial Stability Fund securities owned by HFSF. Details are included in notes 33 and 32 of the Financial Statements as at 31.12.2013 of both the Group and the Bank.

13. On 8.12.2013, the Bank was announced to undertake the deposits of Cooperative Banks of Evia, Dodecanese and Macedonia after the completion of the bidding process of article 63D of Law 3601/2007. Detailed information is provided in note 48 and 44 of the Financial Statements of Group and Bank respectively.

14. On 7.3.2014 the Bank announced an invitation for an Extraordinary General Meeting which will be held on 28.3.2014 and the agenda includes, among others, the raising of funds by share capital increase through cash payment, cancellation of the preemption rights of existing (ordinary and preferred) Shareholders, issuance and distribution from the Bank of ordinary, registered, non-paper shares with voting rights.

15. Certain figures of the comparative periods of the Financial Statements of the Bank and the Group were restated due to the retrospective application of amendments in accounting standards and due to the completion of the fair value measurement of Emporiki Bank Group assets and liabilities, whereas for the Group this was also due to the characterisation of JSC Astra Bank's results as discontinued. These restatements had an impact on profit/(loss) after income tax and non-controlling interests, on total comprehensive income after income tax, as well as on equity attributable to Equity owners of the Bank. Details are included in notes 47 and 49 of the Financial Statements as at 31.12.2013 of the Group and in note 45 of the Bank respectively.

16. Profits and losses from discontinued operations of the Group are stated in detail in note 47 of the Financial Statements of the Group as at 31.12.2013.

17. The accounting policies applied by the Group and the Bank for the preparation of the Financial Statements, as at 31.12.2013, are in accordance with the requirements of International Financial Reporting Standards (I.F.R.S.) and are presented in note 1 of the Financial Statements of the Group and the Bank.

Athens, March 19, 2014

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER	THE GENERAL MANAGER AND CHIEF FINANCIAL OFFICER	THE ACCOUNTING AND TAX MANAGER
YANNIS S. COSTOPOULOS I.D. No. X 661480	DEMETRIOS P. MANTZOUNIS I.D. No. I 166670	VASSILIOS E. PSALTIS I.D. No. AI 666591	MARIANNA D. ANTONIOU I.D. No. X 694507

2013. Alpha Bank and Emporiki Bank together. Two Banks, with more than 100 years of history each, with common origins and values. Together, they take an important step in the restructuring of the Greek banking system. Together, they are steadily moving towards the creation of a Bank which will play a leading role in Greece and the wider region.

8. Operating Segment and Geographical Sector Analysis

Analysis by Operating Segment

(in Euro million) 1.1 - 31.12.2013

	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other	Group
Net interest income	746.3	685.9	10.5	(153.7)	347.1	21.7	1,657.8
Net fee and commission income	151.8	141.0	27.8	5.9	43.7	0.1	370.3
Other income	5.3	15.1	3.7	143.2	38.4	110.3	316.0
Total income	**903.4**	**842.0**	**42.0**	**(4.6)**	**429.2**	**132.1**	**2,344.1**
Total expenses	**(763.7)**	**(164.6)**	**(26.3)**	**(29.1)**	**(284.6)**	**(157.5)**	**(1,425.8)**
Impairment losses	(649.1)	(839.0)			(435.1)		(1,923.2)
Negative goodwill from the acquisition of Emporiki Bank						3,283.0	3,283.0
Profit/(Losses) before income tax	**(509.4)**	**(161.6)**	**15.7**	**(33.7)**	**(290.5)**	**3,257.6**	**2,278.1**
Income tax							701.2
Profit/(Losses) after income tax from continuing operations	**(509.4)**	**(161.6)**	**15.7**	**(33.7)**	**(290.5)**	**3,257.6**	**2,979.3**
Profit/(Losses) from discontinued operations					(57,1)		(57.1)
Profit/(Losses) after income tax	**(509.4)**	**(161.6)**	**15.7**	**(33.7)**	**(347,6)**	**3,257.6**	**2,922.2**
Assets	29,428.5	16,285.4	624.0	11,337.5	12,317.0	3,704.9	73,697.3
Liabilities	30,358.3	6,431.3	2,027.1	15,398.7	10,817.0	297.1	65,329.5
Capital expenditure	44	45	1	1	15	13	119
Depreciation and Amortisation	(38)	(18)	(1)	(1)	(22)	(12)	(92)

The increase in assets and liabilities of 31.12.2013 compared to the respective period of 31.12.2012 is due to the integration of Emporiki Bank S.A.

It is noted that total expenses include expenses amounting to Euro 27.4 million that arose from the merger with Emporiki Bank. Moreover, in the context of the operational merger, the Bank proceeded with a capital expenditure amounting to Euro 16.2 million.

Analysis by Operating Segment (continued)

(in Euro million) 1.1 - 31.12.2012

	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other	Group
Net interest income	829.2	525.5	11.7	(343.4)	359.0	1.3	1,383.3
Net fee and commission income	106.3	97.0	22.1	(1.3)	47.5	0.1	271.7
Other income	11.3	13.4	4.1	94.8	35.7	(340.2)	(180.9)
Total income	**946.8**	**635.9**	**37.9**	**(249.9)**	**442.2**	**(338.8)**	**1,474.1**
Total expenses	**(524.7)**	**(129.4)**	**(27.3)**	**(20.8)**	**(280.9)**	**(169.0)**	**(1,152.1)**
Impairment losses	(773.1)	(581.0)	–	–	(312.5)	–	(1,666.6)
Profit/(Losses) before income tax	**(351.0)**	**(74.5)**	**10.6**	**(270.7)**	**(151.2)**	**(507.8)**	**(1,344.6)**
Income tax							257.0
Profit/(Losses) after income tax from continuing operations	**(351.0)**	**(74.5)**	**10.6**	**(270.7)**	**(151.2)**	**(507.8)**	**(1,087.6)**
Profit/(Losses) from discontinued operations					5.9		5.9
Profit/(Losses) after income tax	**(351.0)**	**(74.5)**	**10.6**	**(270.7)**	**(145.3)**	**(507.8)**	**(1,081.7)**
Assets	18,564.5	13,217.7	676.9	12,987.7	10,351.5	2,455.1	58,253.4
Liabilities	20,615.6	1,858.2	1,681.2	26,622.9	5,706.0	1,022.0	57,505.9
Capital expenditure	33.4	11.2	1.0	1.1	14.7	7.0	68.4
Depreciation and Amortization	(38.1)	(15.5)	(1.9)	(1.3)	(22.9)	(13.9)	(93.6)

Certain figures of the analysis by operating segment for the year 2012 have been restated due to the retrospective application of new accounting policies.

Analysis by Geographical Sector

(in Euro million) 1.1 - 31.12.2013

	Greece	Other Countries	Group
Net interest income	1,293.7	364.1	1,657.8
Net fee and commission income	323.3	47.0	370.3
Other income	276.0	40.0	316.0
Total income	**1,893.0**	**451.1**	**2,344.1**
Total expenses	**(1,130.9)**	**(294.9)**	**(1,425,8)**
Impairment losses	(1,488.1)	(435.1)	(1,923.2)
Negative goodwill from the acquisition of Emporiki Bank	3,283.0		3,283.0
Profit/(Losses) before income tax	**2,557.0**	**(278.9)**	**2,278.1**
Income tax			701.2
Profit/(Losses) after income tax from continuing operations	**2,557.0**	**(278.9)**	**2,979.3**
Profit/(Losses) from discontinued operations		(57.1)	(57.1)
Profit/(Losses) after income tax	**2,557.0**	**(336.0)**	**2,922.2**
Assets	60,825.3	12,872.0	73,697.3

(in Euro million) 1.1 - 31.12.2012

	Greece	Other Countries	Group
Net interest income	1,004.6	378.7	1,383.3
Net fee and commission income	220.2	51.5	271.7
Other income	(215.2)	34.3	(180.9)
Total income	**1,009.6**	**464.5**	**1,474.1**
Total expenses	**(861.6)**	**(290.5)**	**(1,152.1)**
Impairment losses	(1,354.1)	(312.5)	(1,666.6)
Profit/(Losses) before income tax	**(1,206.1)**	**(138.5)**	**(1,344.6)**
Income tax			257.0
Profit/(Losses) after income tax from continuing operations	**(1,206.1)**	**(138.5)**	**(1,087.6)**
Profit/(Losses) from discontinued operations		5.9	5.9
Profit/(Losses) after income tax	**(1,206.1)**	**(132.6)**	**(1,081.7)**
Assets	47,362.0	10,891.4	58,253.4

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