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Press Release

ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF ALPHA BANK OF JUNE 29, 2012

At the Ordinary General Meeting of the Shareholders of Alpha Bank, which took place on Friday, June 29, 2012, spoke the Chairman of the Board of Directors Yannis S. Costopoulos and the General Manager – COO Spyros N. Filaretos due to the absence of the Managing Director - CEO Demetrios P. Mantzounis.

The Chairman of the Board of Directors Yannis S. Costopoulos stated the following: "Greece is currently experiencing extremely adverse economic conditions. The recession has entered its fifth year, which has resulted in the reduction of national income cumulatively by c. 18%. This development has led to a significant deterioration of the country's economic conditions. Due to the public debt crisis, and as markets remain inaccessible, the Greek economy is financed today by its European partners and the International Monetary Fund. In response to the financial aid, the country is implementing a programme of fiscal adjustment and structural reform, which is expected to lead to the recovery of competitiveness and financial stability.

In the last two years, significant steps were taken towards the implementation of the financial programme. However delays were noted, with significant economic and social costs. Additionally, the restructuring of the public debt, which was achieved at a high cost for the banking system, creates more favorable conditions for fiscal adjustment. Nevertheless, the Greek economy cannot recover, without the continuation of the fiscal adjustment and structural reform programme.

It is however clear that growth initiatives need to be implemented, so as to improve the business environment and restore consumer confidence, as soon as possible. In this framework, so as to revive the economy, the privatisation scheme, which will bring foreign investments to Greece, needs to be accelerated, and major infrastructure works, using EU restructuring funds, need to be re-launched, and overdue debts, owed to businesses by the Greek State, need to be paid. This is the only path to restore confidence, which is a prerequisite for the return of deposits and the revival of the Greek economy. The banking system, thereby, under conditions of greater political stability and positive expectations, can provide the economy with liquidity.

The funding ability of Greek banks was significantly restricted following their exclusion from international markets and deposit outflows. Deposit outflows from the banking system began from the end of 2009, due to political instability and the economic uncertainty, caused by the fiscal crisis. Currently, the deposit outflow has reached Euro 80 billion. However, in the past few days, deposit inflows have been recorded, as part of the political uncertainty has eclipsed after the general elections. During this time period, loan balances remained at relatively high levels, ensuring the maintenance of economic activity for many corporations. It is noted that during this unprecedented economic situation, the banks stood by their clientele, via payment adjustment plans and loan restructuring.

Maintaining loan balances, despite deposit outflows, was possible due to the liquidity provided by the European Central Bank and the Bank of Greece, based on the banks' collateralised assets. In this process, the government measures for liquidity enhancement of the Greek economy played a significant role. These measures mostly referred to government guarantees for liquidity funding from the Euro system and were not in cash form, thereby burdening the country's budget. However, the Euro system cannot constitute a permanent source of funding for the banks or substitute deposits and market operations.

The imminent bank recapitalisation will ensure the banking system's solvency. However, it will not create liquidity, without deposit recovery to the banking system. The Greek banks recapitalisation, with funds of the European Financial Stability Fund, will restore capital adequacy ratios of the Greek banking system. Following the restructuring of the Greek Government debt, these ratios declined significantly due to the impairment of Greek Government bonds and loans guaranteed by the Greek state, which the banks held in their portfolio. From the involvement of the private sector in the Greek government bond exchange programme, the four largest Greek banks recorded losses of c. Euro 25 billion.

However, the recapitalisation must be executed in such a way so as to ensure the stability and the integrity of the financial sector. The highest possible participation of private capital in the recapitalisation process is a necessary element so as to restore the private character of the banks' shareholder structure going forward. A viable and proactive banking sector, with the versatility and dynamism that only private-sector initiative can offer, is critical for the recovery of the Greek economy and for the attraction of foreign investments. Recovery is not possible, if banks' managements are not highly regarded, by markets and society, and moreover, the Greek economy will enter a new period of lack of credibility, with adverse prospects for the country.

The imminent bank share capital increases will be supported by private capital only if private shareholders foresee the recovery of values in the midterm, via the recovery of the Greek economy and the state's solvency. Investors have in the past substantially contributed to the country's development, by investing their savings in the Stock Exchange and, more specifically, in shares of Greek banks. They are currently invited to invest once more in share capital increases, despite the fact that they have lost their savings. They will proceed, only if they have a chance to recover part of their losses. Without their responsibility, they lost their investment on account of government policies, such as zero dividend distribution and the state's inability to repay its loans. Although the banks' recapitalisation will be completed in one form or another, it is however important that the private investor remains involved, as the opposite would have dramatic consequences on the economy and the prosperity of the country.

Alpha Bank continues its efforts to return to its growth course, by trusting in its abilities and staying true to its vision. The most important challenges currently faced by the Bank in terms of its continued smooth business activity is to ensure it has the liquidity needed to finance its activities and maintain its regulatory capital. Furthermore, our policy priorities will continue to focus on prudent management of credit risk and further reducing operating expenses.

Alpha Bank will continue to support its Customers responsibly and protect Shareholders' interests, thereby reinforcing confidence as it has done since the day it was founded. Our competitive advantage in achieving these goals is our Personnel to whom I would, once again, like to extend my warmest thanks".

Then, the General Manager – COO Spyros N. Filaretos took the floor and stated the following: "2011 proved another challenging year for Greece, during which banks faced exceptionally adverse working conditions.

Despite measures taken towards fiscal adjustment and structural reform, the Greek economy remains in recession for a fifth continuous year. The issues arisen, to date, by the fiscal adjustment programme, the drop in incomes and the rise in unemployment, are the result of poor political decisions, delays and reluctance to implement the necessary changes. Furthermore, the deterioration of Greece's economy and constant threats of bankruptcy and exclusion from the Eurozone, which created uncertainty and insecurity, have led to major deposit outflows from the Greek banking system, failure to collect taxes and one-off levies, and delays on the part of businesses and households in making decisions regarding investments and purchases.

Following approval of the second financial support programme for Greece and the successful restructuring of public debt, Greece has been given the opportunity to implement a programme of fiscal adjustment and structural reform, by taking further measures to develop the economy,

ALPHA BANK

which is the country's only way out of the recession. Such growth initiatives, which must be implemented as soon as possible, are the re-launching of major infrastructure works, the utilisation of funds from European structural programmes, the payment of overdue debts, owed to businesses by the Greek State, the acceleration of the privatisation programme and the development of the State's real estate assets.

Successful completion of the bank recapitalisation programme by using private-sector capital will enable viable Greek banks to restore their capital adequacy ratios, following the losses they suffered due to the impairment of the value of Greek Government bonds. This will restore depositors' confidence in the Greek banking system and will encourage deposit recovery, which, will facilitate lending and benefit the economy as a whole. Part of the capital used for bank recapitalisation (Euro 18 billion) was recently distributed to the four largest banks against future share capital increases. Alpha Bank received only 10.5% of this amount (Euro 1.9 billion), as its capital adequacy requirement are lower than those of its peers.

Alpha Bank took part in the bond exchange programme (PSI+) for its eligible portfolio of bonds and loans issued or guaranteed by the Greek Government totalling Euro 6 billion, of which Euro 3.8 billion in bonds and Euro 2.1 billion in State-guaranteed loans, which were included in the PSI at the last minute. This participation led to Euro 3.8 billion being recorded in losses for the 2011 financial year, after allowing for deferred tax. Despite the significant losses, Alpha Bank was the only one of the four largest Greek banks that managed to retain its positive Shareholder equity (Euro 1.4 billion).

The Core Tier I Capital ratio, taking into account the Euro 1.9 billion granted to the Bank in the form of bonds by the Hellenic Financial Stability Fund, stands at 7.3% and the Capital Adequacy ratio at 9.8%. Both these ratios were among the highest in the sector.

Alpha Bank has submitted a business plan to the supervisory authorities, which includes means to increase Tier I capital to 9% of risk-weighted assets by the end of September 2012, in order to cover the requirements of the European Banking Authority (EBA). The capital support plan includes a series of organisational restructuring measures, such as deleveraging assets which do not come within the main scope of the Bank's activities and efficient liability management, in addition to the new private-sector investment capital and capital from the Hellenic Financial Stability Fund. One of the actions involves the buyback of hybrid and subordinated debt instruments, which was completed successfully in May 2012 and produced a further Euro 333 million which was added to the Core Tier I Capital, boosting the corresponding ratio to 7.9%.

Despite the exceptionally adverse business conditions, which continued throughout 2011, the Bank improved its profit margin. Pre-provisioning income was up by 7.8% on an annual basis, which equals to Euro 1,187 million. This performance was the result of increasing the net interest rate margin by 10 basis points compared with 2010, increasing profits from financial transactions and cost-cutting initiatives, which are successfully continuing.

Total operating income increased by 1.5% to Euro 2,283 million. The net interest income reached Euro 1,784 million, down by 1.9%, due to the Bank's higher cost of funding and decline in loan balances. This outcome was partially counterbalanced by continuous restructuring of the loan portfolio. Commission income decreased by 11.5% on an annual basis, due to low transaction volumes and drop in new loan disbursements.

Implementation of the rationalisation and cost-cutting programme resulted in operating expenses being cut by 4.5% on a Group level and by 6.4% in Greece, surpassing the 3% target. The cost efficiency ratio thereby fell below the 50% level, as it was recorded at 48%. General and administrative expenses were cut by 5.5% on an annual basis and Personnel expenses were cut by 2.4%, including departure of retired Staff in Greece. In the second year of the three-year cost-cutting programme, 80% of the overall target has already been achieved. Equally impressive results are anticipated over the next few years in this sector following further actions. The new two year collective agreement with the trade union signed in May 2012, coupled with a reduced number of Staff following anticipated departures due to retirement equals, approximately, to a 10% reduction in Staff costs in Greece on an annual basis.

ALPHA BANK

During 2011, we actively managed our balance sheet in order to contain the impact caused by the outflow of deposits. So as to improve liquidity and strengthen our capital adequacy, we have proceeded with a selective reduction of Group loans and assets by 3.4% and 11.5% respectively compared with 2010. Our deposit base suffered due to economic uncertainty, reductions in incomes and inflated taxes and one-off levies. At the end of 2011, deposits totalled Euro 29.4 billion, down by 23.2% on an annual basis. In order to face the decline in deposits, we increased borrowing from the Eurosystem by Euro 7.7 billion to Euro 21.9 billion, whereas untapped liquidity from Central banks exceeded Euro 6 billion at the end of December 2011. It should be noted that of all the major Greek banks, Alpha Bank has made least use of the financial mechanisms provided by the European Central Bank and Bank of Greece.

The ongoing recession of the Greek economy has also affected the quality of the loan portfolio. The non-performing loan ratio stood at 12.9% in 2011. This ratio becomes 13.5% if impairments from state guaranteed loans are included. In order to counterbalance this deterioration in the loan portfolio, we increased provisions for impairments by 28% to Euro 1,130 million. Thus, the allowance for impairment losses was strengthened to a total of Euro 2.9 billion at the end of December 2011 corresponding to a 45% coverage ratio, which including collateral reaches an adequate 124% ratio.

Bank's priority is to efficiently manage non-performing loans, promptly diagnose Customers difficulties and use of all available means (restructuring, arrangements, new collateral etc.) in order to protect the Bank's interests in the best possible way on the one hand and protect the viability of businesses on the other. The Bank continues to support its Customers by providing credit facilities throughout this challenging time. We have therefore developed new programmes such as “Alpha Facilitation” and the mortgage programme “Payment Adjustment Plan”.

In particular, Alpha Bank actively supported the National Fund for Entrepreneurship and Development (former TEMPME) programme and the JEREMIE programmes which are co-financed by the European Investment Fund during 2011 in order to support small enterprises. 567 loan applications have already been approved via the JEREMIE programme worth Euro 34 million.

Moreover, the Bank continues to introduce new innovative technologies, services and products.

In Card Payments, Alpha Bank in cooperation with Visa Europe realised the first contactless transaction in Greece with Alpha Bank Enter Visa payWave. The Bonus Reward Programme was recently proclaimed in London, as one of the most successful loyalty programmes in Europe and the Middle East, while the new debit card Enter Bonus American Express was rewarded among 150 candidates.

In Deposit Products, the term deposits Alpha Monthly Progress series was enriched with new products. The combination of high returns and freedom in capital withdrawal was well received by our Clients. In the Bancassurance products sector, Alpha Bank introduced the “Alpha Health Care for All”, a comprehensive health care programme at a competitive price.

In 2011, the Bank demonstrated its commitment to the public by donating part of its profits to foundations, associations and organisations, which support persons experiencing financial difficulties or difficulties integrating into society. Furthermore, thanks to its volunteering Staff, it continued to invest in education, culture, health and the environment.

Alpha Bank paid particular attention to supporting education and scientific research by organising a number of educational programmes in the form of exhibitions and continued to support universities and educational institutions by sponsoring conferences, open days, and scientific research scholarships.

The Bank also supported art and culture by organising a number of exhibitions and cultural events, the most important of which were: the “Myth and Coinage” anthology exhibition at the National Archaeological Museum in collaboration with the Alpha Bank Numismatic Collection, the “Greek Posters” exhibition in the Alpha Bank Cultural Centre in Nafplion and the “Alpha Bank / History I: Banque de Crédit Commercial Hellénique 1924 - 1947” exhibition by the Bank’s Historical Archives in the exhibition area in the Main Building, which was followed by an exhibition on architect Kostas Manouilidis organised by the Bank’s Art Collection Department.

Alpha Bank acknowledges how important maintaining the ecosystem is to the country’s development and, in 2011, continued its efforts to save energy and contain carbon dioxide emissions, by encouraging proper use of lights, heating and cooling facilities in its buildings.

In the volunteering sector, it continued its successful “Alpha Bank Group Volunteer Day”. This year, 953 volunteers (Personnel and their families) took part in community or environmental actions. Moreover, Alpha Bank encouraged its Personnel to take part in voluntary work throughout 2011, such as planting trees, clearing forest roads, landscaping outdoor spaces, offering goods etc.

By making the most of our abilities, we decisively continue efforts to strengthen our balance sheet and manage credit risk as the ongoing recession exerts an adverse effect on the quality of our portfolio. Furthermore, our policy focuses on maintaining sufficient liquidity and capital adequacy in order to protect the Bank so that it can rise to these exceptionally challenging conditions and come back stronger on a path of growth as the Greek economy begins to recover.

True to its principle of responsibility, which has distinguished it throughout its history, Alpha Bank aims to be at the forefront of efforts made to support the Greek economy in order to help Greece pull through the recession and recover as part of Europe. It is essential, in national best interest, to join all resources and we are certain by doing so to succeed. We owe it to our Customers, our Shareholders and our Personnel”.

Athens, June 29, 2012